

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 11, 2022

Microvast Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38826
(Commission File Number)

83-2530757
(IRS. Employer
Identification No.)

12603 Southwest Freeway, Suite 210
Stafford, Texas 77477
(Address of principal executive offices, including zip code)

281-491-9505
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	MVST	The NASDAQ Stock Market LLC
Redeemable warrants, exercisable for shares of common stock at an exercise price of \$11.50 per share	MVSTW	The NASDAQ Stock Market LLC

Item 2.02 Results of Operations and Financial Condition.

On August 11, 2022, Microvast Holdings, Inc. (the “Company”) issued a press release announcing its unaudited condensed consolidated financial results for the period ended June 30, 2022. In addition, the Company posted an accompanying slideshow presentation to its website summarizing its results for the same period. The full text of the press release is furnished as Exhibit 99.1 and the slideshow presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K. Exhibits 99.1 and 99.2 are hereby incorporated into this Item 2.02 by reference.

The information furnished in this Current Report on Form 8-K and Exhibits 99.1 and 99.2 attached hereto shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 11, 2022

MICROVAST HOLDINGS, INC.

By: /s/ Craig Webster
Name: Craig Webster
Title: Chief Financial Officer

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release (Q2 2022) dated August 11, 2022
99.2	Presentation (Q2 2022) dated August 11, 2022

Microvast Reports Second Quarter 2022 Financial Results

STAFFORD, TX, August 11, 2022 – Microvast Holdings, Inc. (NASDAQ:MVST) (“Microvast” or the “Company”), a technology innovator that designs, develops and manufactures lithium-ion battery solutions, today announced unaudited condensed consolidated financial results for the second quarter ended June 30, 2022 (“Q2 2022”).

“Second quarter revenue performance of \$64.4 million is a solid achievement, especially considering our main export hub in Shanghai was locked down during the first half of Q2 2022,” said Craig Webster, Microvast’s Chief Financial Officer. “We are beginning to see leverage from higher volumes of sales, which contributed to gross margin improvement during Q2 2022 despite higher raw material prices compared to the prior year period. Gross margins will remain a focus as we prepare for significantly higher customer deliveries in 2023 from our new production line in Huzhou.”

“I am proud of the achievements of our global team in Q2 2022,” said Sascha Kelterborn, Microvast’s President and Chief Revenue Officer. “Our team pulled together and again delivered an impressive revenue performance. Q2 2022 marks the sixth quarter in a row that we have delivered substantial revenue growth compared to the same quarter in the prior year period, despite ongoing macroeconomic and geopolitical headwinds over the same time period. We are excited to finally bring our additional production capacity online in 2023, which we expect to further accelerate our growth.”

Results for Q2 2022 and the Six Months Ended June 30, 2022 (“YTD 2022”)

Microvast generated revenue of \$64.4 million in Q2 2022, compared to \$33.4 million for the second quarter ended June 30, 2021 (“Q2 2021”), an increase of 93.0%. Microvast generated revenue of \$101.1 million for YTD 2022, compared to \$48.3 million for the six months ended June 30, 2021 (“YTD 2021”), an increase of 109.2%.

Gross profit was \$4.8 million in Q2 2022, compared to a gross loss of \$6.8 million in Q2 2021, resulting in a 27.8 percentage point improvement in gross margin from (20.3)% in Q2 2021 to 7.5% in Q2 2022. Non-GAAP adjusted gross profit was \$6.7 million in Q2 2022, compared to non-GAAP adjusted gross loss of \$6.8 million in Q2 2021, resulting in a 30.7 percentage point improvement in non-GAAP adjusted gross margin from (20.3)% in Q2 2021 to 10.4% in Q2 2022.

Gross profit was \$4.9 million for YTD 2022, compared to a gross loss of \$8.0 million for YTD 2021, resulting in a 21.4 percentage point improvement in gross margin to 4.8% for YTD 2022 from (16.6)% for YTD 2021. Non-GAAP adjusted gross profit was \$8.6 million for YTD 2022, compared to non-GAAP adjusted gross loss of \$8.0 million for YTD 2021, resulting in a 25.1 percentage point improvement in non-GAAP adjusted gross margin to 8.5% for YTD 2022 from (16.6)% for YTD 2021.

Operating expenses were \$50.4 million in Q2 2022 compared to \$15.8 million in Q2 2021. The change in operating expenses was largely due to share-based compensation expense of \$28.5 million in Q2 2022 as well as increased headcount and other expenditures to support the Company’s growth initiatives and other expenses related to operating as a public company.

Operating expenses were \$93.8 million for YTD 2022 compared to \$27.3 million for YTD 2021. The increase in operating expenses was largely due to share-based compensation expense of \$54.7 million for YTD 2022 as well as increased headcount and other expenditures to support the Company’s growth initiatives and other expenses related to operating as a public company.

Net loss was \$44.2 million in Q2 2022 compared to net loss of \$27.1 million in Q2 2021. Non-GAAP adjusted net loss was \$14.9 million in Q2 2022 compared to non-GAAP adjusted net loss of \$23.8 million in Q2 2021. Non-GAAP adjusted EBITDA was \$(9.2) million in Q2 2022 compared to non-GAAP adjusted EBITDA of \$(17.3) million in Q2 2021.

Net loss was \$88.0 million for YTD 2022 compared to net loss of \$43.4 million for YTD 2021. Non-GAAP adjusted net loss was \$44.0 million for YTD 2022 compared to non-GAAP adjusted net loss of \$36.5 million for YTD 2021. Non-GAAP adjusted EBITDA was \$(32.4) million for YTD 2022 compared to non-GAAP adjusted EBITDA of \$(23.3) million for YTD 2021.

Please refer to the tables at the end of this press release for reconciliations of gross profit to non-GAAP adjusted gross profit and net loss to non-GAAP adjusted EBITDA and non-GAAP adjusted net loss.

2022 Outlook

Microvast reaffirms revenue guidance for the year ending December 31, 2022 (“FY 2022”) of 35% to 45% growth compared to the year ended December 31, 2021 (“FY 2021”).

The Company’s backlog at the end of Q2 2022 was \$105.3 million, an increase of 51.9% compared to \$69.3 million at the end of Q2 2021.

Capital expenditures for YTD 2022 were \$67.9 million compared to \$29.9 million for YTD 2021. The Company expects capital expenditures for the remainder of FY 2022 to be in the range of \$180.0 million to \$220.0 million, which will be primarily used in connection with the Company’s ongoing manufacturing capacity expansions in Huzhou, China and Clarksville, Tennessee.

Webcast Information

Company management will host a conference call and webcast to discuss the Company’s financial results on August 11, 2022, at 5:00 p.m. Central Time. The live webcast and accompanying slideshow presentation will be accessible from the Events & Presentations tab of Microvast’s investor relations website (<https://ir.microvast.com/events-presentations/events>). A replay will be available following the conclusion of the event. Investment community professionals interested in participating in the Q&A session may join the call by dialing +1 (201) 493-6784.

About Microvast

Microvast is a technology innovator that designs, develops and manufactures lithium-ion battery solutions. Microvast is renowned for its cutting-edge cell technology and its vertical integration capabilities which extend from core battery chemistry (cathode, anode, electrolyte, and separator) to modules and packs. By integrating the process from raw material to system assembly, Microvast has developed a family of products covering a breadth of market applications, including electric vehicles, energy storage and battery components. Microvast was founded in 2006 and is headquartered near Houston, Texas. For more information, please visit www.microvast.com or follow us on LinkedIn or Twitter (@microvast).

Contact:

Sarah Alexander
ir@microvast.com
+1 (346) 309-2562

Cautionary Statement Regarding Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimated,” “believe,” “intend,” “plan,” “projection,” “guidance,” “outlook” or words of similar meaning. These forward-looking statements include, but are not limited to, statements regarding Microvast’s industry and market sizes, future opportunities for Microvast and Microvast’s estimated future results. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. Actual results and the timing of events may differ materially from the results anticipated in these forward-looking statements.

Many factors could cause actual results and the timing of events to differ materially from anticipated results or other expectations expressed in the forward-looking statements, including, among others: (1) risks of operations in the People’s Republic of China; (2) the impact of the ongoing COVID-19 pandemic; (3) the conflict between Russia and Ukraine and any restrictive actions that have been or may be taken by the United States and/or other countries in response thereto, such as sanctions or export controls; (4) risks related to cybersecurity and data privacy; (5) the impact of inflation and rising interest rates; (6) changes in the availability and price of raw materials; (7) the highly competitive market in which Microvast competes, including with respect to its hiring abilities, our competitive landscape, technology evolution or regulatory changes; (8) changes in the markets that Microvast targets; (9) heightened awareness of environmental issues and concern about global warming and climate change; (10) the risk that Microvast may not be able to execute its growth

strategies or achieve profitability; (11) the risk that Microvast is unable to secure or protect its intellectual property; (12) the risk that Microvast may experience effects from global supply chain challenges, including delays in delivering its products to its customers; (13) the risk that Microvast's customers or third-party suppliers are unable to meet their obligations fully or in a timely manner; (14) the risk that Microvast's customers will adjust, cancel or suspend their orders for Microvast's products; (15) the risk that Microvast will need to raise additional capital to execute its business plan, which may not be available on acceptable terms or at all; (16) the risk of product liability or regulatory lawsuits or proceedings relating to Microvast's products or services; (17) the risk that Microvast may not be able to develop and maintain effective internal controls; and (18) the outcome of any legal proceedings that may be instituted against Microvast or any of its directors or officers. Microvast's annual, quarterly and other filings with the U.S. Securities and Exchange Commission (the "SEC") identify, address and discuss these and other factors in the sections entitled "Risk Factors."

Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those forward-looking statements are based. There can be no assurance that the data contained herein is reflective of future performance to any degree. Readers are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance as projected financial information and other information are based on estimates and assumptions that are inherently subject to various significant risks, uncertainties and other factors, many of which are beyond our control. All information set forth herein speaks only as of the date hereof in the case of information about Microvast or the date of such information in the case of information from persons other than Microvast, and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication. Forecasts and estimates regarding Microvast's industry and end markets are based on sources we believe to be reliable, however there can be no assurance these forecasts and estimates will prove accurate in whole or in part.

Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, Microvast has disclosed in this earnings release non-GAAP financial measures, including non-GAAP adjusted gross profit (loss), non-GAAP adjusted EBITDA and non-GAAP adjusted net loss, which are non-GAAP financial measures as defined under the rules of the SEC. These are intended as supplemental measures of our financial performance that are not required by, or presented in accordance with U.S. generally accepted accounting principles ("GAAP").

Reconciliations to the most comparable GAAP measures, gross profit (loss) and net income (loss), are contained in tabular form in the unaudited financial statements below. Non-GAAP adjusted gross profit (loss) is defined as gross profit (loss) excluding non-cash settled share-based compensation expense. Non-GAAP adjusted net loss is defined as net loss excluding changes in fair value of our warrant liability and convertible notes and non-cash settled share-based compensation expense. Non-GAAP adjusted EBITDA is defined as net loss excluding depreciation and amortization, non-cash settled share-based compensation expense, interest expense, interest income, changes in fair value of our warrant liability and convertible notes and income tax expense or benefit.

We use non-GAAP adjusted gross profit (loss), non-GAAP adjusted EBITDA and non-GAAP adjusted net loss for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We consider them to be important measures because they help illustrate underlying trends in our business and our historical operating performance on a more consistent basis. We believe that these non-GAAP financial measures, when taken together with their most directly comparable GAAP measures, gross profit (loss) and net income (loss), provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our recurring core business operating results.

We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business. Accordingly, we believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors.

Non-GAAP financial measures have limitations as an analytical tool, and you should not consider them in isolation, or as a substitute for, financial information prepared in accordance with GAAP. For example, our calculation of non-GAAP

adjusted EBITDA may differ from similarly titled non-GAAP measures, if any, reported by our peer companies, or our peer companies may use other measures to calculate their financial performance, and therefore our use of non-GAAP adjusted EBITDA may not be directly comparable to similarly titled measures of other companies. The principal limitation of non-GAAP adjusted EBITDA is that it excludes significant expenses and income that are required by GAAP to be recorded in our financial statements. In addition, it is subject to inherent limitations as it reflects the exercise of judgments by management about which expense and income are excluded or included in determining this non-GAAP financial measure. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results. In addition, such financial information is unaudited and does not conform to SEC Regulation S-X and, as a result, such information may be presented differently in our future filings with the SEC. For example, due to warrant liability resulting from the merger, we now exclude changes in fair value from net loss in our non-GAAP adjusted EBITDA and non-GAAP adjusted net loss calculation, which had not been done in prior periods.

MICROVAST HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data, or as otherwise noted)

	December 31, 2021	June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 480,931	\$ 333,867
Restricted cash	55,178	63,065
Accounts receivable (net of allowance for credit losses of \$5,005 and \$5,828 as of December 31, 2021 and June 30, 2022, respectively)	88,717	104,992
Notes receivable	11,144	30,448
Inventories	53,424	64,460
Prepaid expenses and other current assets	17,127	14,531
Amount due from related parties	85	—
Total Current Assets	706,606	611,363
Property, plant and equipment, net	253,057	278,443
Land use rights, net	14,008	13,171
Acquired intangible assets, net	1,882	1,758
Operating lease right-of-use assets	—	17,123
Other non-current assets	19,738	49,786
Total Assets	\$ 995,291	\$ 971,644
Liabilities		
Current liabilities:		
Accounts payable	\$ 40,408	\$ 39,578
Advance from customers	1,526	4,558
Accrued expenses and other current liabilities	58,740	66,793
Income tax payables	666	661
Short-term bank borrowings	13,301	8,807
Notes payable	60,953	76,605
Bonds payable-current	—	29,259
Total Current Liabilities	175,594	226,261
Long-term bonds payable	73,147	43,888
Warrant liability	1,105	285
Share-based compensation liability	18,925	99
Operating lease liabilities	—	14,936
Other non-current liabilities	39,822	32,171
Total Liabilities	\$ 308,593	\$ 317,640
Shareholders' Equity		
Common Stock (par value of US\$0.0001 per share, 750,000,000 and 750,000,000 shares authorized as of December 31, 2021 and June 30, 2022; 300,530,516 and 302,546,766 shares issued, and 298,843,016 and 300,859,266 shares outstanding as of December 31, 2021 and June 30, 2022)	\$ 30	\$ 30
Additional paid-in capital	1,306,034	1,378,774
Statutory reserves	6,032	6,032
Accumulated deficit	(632,099)	(720,923)
Accumulated other comprehensive income/(loss)	6,701	(9,909)
Total Shareholders' Equity	686,698	654,004
Total Liabilities and Shareholders' Equity	\$ 995,291	\$ 971,644

MICROVAST HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share data, or as otherwise noted)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2022	2021	2022
Revenues	\$ 33,372	\$ 64,414	\$ 48,310	\$ 101,082
Cost of revenues	(40,146)	(59,573)	(56,321)	(96,228)
Gross (loss)/profit	(6,774)	4,841	(8,011)	4,854
Operating expenses:				
General and administrative expenses	(6,178)	(34,335)	(10,752)	(60,436)
Research and development expenses	(5,895)	(10,244)	(9,681)	(21,553)
Selling and marketing expenses	(3,706)	(5,810)	(6,862)	(11,808)
Total operating expenses	(15,779)	(50,389)	(27,295)	(93,797)
Subsidy income	213	576	2,131	713
Loss from operations	(22,340)	(44,972)	(33,175)	(88,230)
Other income and expenses:				
Interest income	111	420	207	734
Interest expense	(1,537)	(895)	(3,383)	(1,691)
Loss on changes in fair value of convertible notes	(3,243)	—	(6,843)	—
Gain on changes in fair value of warrant liability	—	1,255	—	820
Other income, net	49	10	44	409
Loss before provision for income taxes	(26,960)	(44,182)	(43,150)	(87,958)
Income tax expense	(109)	—	(218)	—
Net loss	\$ (27,069)	\$ (44,182)	\$ (43,368)	\$ (87,958)
Less: Accretion of Series C1 Preferred	1,003	—	2,006	—
Less: Accretion of Series C2 Preferred	2,281	—	4,562	—
Less: Accretion of Series D1 Preferred	4,759	—	9,518	—
Less: Accretion for noncontrolling interests	4,036	—	8,007	—
Net loss attributable to Common Stock shareholders of Microvast Holdings, Inc.	\$ (39,148)	\$ (44,182)	\$ (67,461)	\$ (87,958)
Net loss per share attributable to Common Stock shareholders of Microvast Holdings, Inc.				
Basic and diluted	\$ (0.40)	\$ (0.15)	\$ (0.68)	\$ (0.29)
Weighted average shares used in calculating net loss per share of common stock				
Basic and diluted	99,028,297	300,565,515	99,028,297	299,709,069

MICROVAST HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars, except share and per share data, or as otherwise noted)

	Six Months Ended June 30,	
	2021	2022
Cash flows from operating activities		
Net loss	\$ (43,368)	\$ (87,958)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on disposal of property, plant and equipment	6	13
Depreciation of property, plant and equipment	9,475	10,377
Amortization of land use right and intangible assets	376	283
Noncash lease expenses	—	1,112
Share-based compensation	—	53,650
Changes in fair value of warrant liability	—	(820)
Changes in fair value of convertible notes	6,843	—
(Reversal) allowance of credit losses	(196)	380
Provision for obsolete inventories	6,098	1,919
Impairment loss from property, plant and equipment	258	493
Product warranty	9,057	6,235
Changes in operating assets and liabilities:		
Notes receivable	3,352	(20,647)
Accounts receivable	11,813	(21,856)
Inventories	(16,134)	(15,906)
Prepaid expenses and other current assets	175	1,689
Amount due from/to related parties	—	85
Operating lease right-of-use assets	—	(19,260)
Other non-current assets	33	111
Notes payable	(3,989)	19,237
Accounts payable	1,390	808
Advance from customers	167	3,230
Accrued expenses and other liabilities	(381)	(13,704)
Operating lease liabilities	—	15,838
Other non-current liabilities	—	1,156
Net cash used in operating activities	(15,025)	(63,535)
Cash flows from investing activities		
Purchases of property, plant and equipment	(29,858)	(67,915)
Proceeds on disposal of property, plant and equipment	—	2
Net cash used in investing activities	(29,858)	(67,913)
Cash flows from financing activities		
Proceeds from borrowings	26,603	13,466
Repayment of bank borrowings	(12,265)	(17,332)
Loans borrowing from related parties	8,426	—
Repayment of related party loans	(8,426)	—
Payment for transaction fee in connection with the merger	(2,327)	—
Payment to exited noncontrolling interests	(33,047)	—
Issuance of convertible notes	57,500	—
Net cash generated from (used in) financing activities	36,464	(3,866)
Effect of exchange rate changes	1,050	(3,863)
Decrease in cash, cash equivalents and restricted cash	(7,369)	(139,177)
Cash, cash equivalents and restricted cash at beginning of the period	41,196	536,109
Cash, cash equivalents and restricted cash at end of the period	\$ 33,827	\$ 396,932

	Six Months Ended June 30,	
	2021	2022
Reconciliation to amounts on consolidated balance sheets		
Cash and cash equivalents	\$ 13,367	\$ 333,867
Restricted cash	20,460	63,065
Total cash, cash equivalents and restricted cash	\$ 33,827	\$ 396,932

MICROVAST HOLDINGS, INC.
RECONCILIATION OF GROSS PROFIT (LOSS) TO ADJUSTED GROSS PROFIT (LOSS)
(Unaudited, in thousands of U.S. dollars)

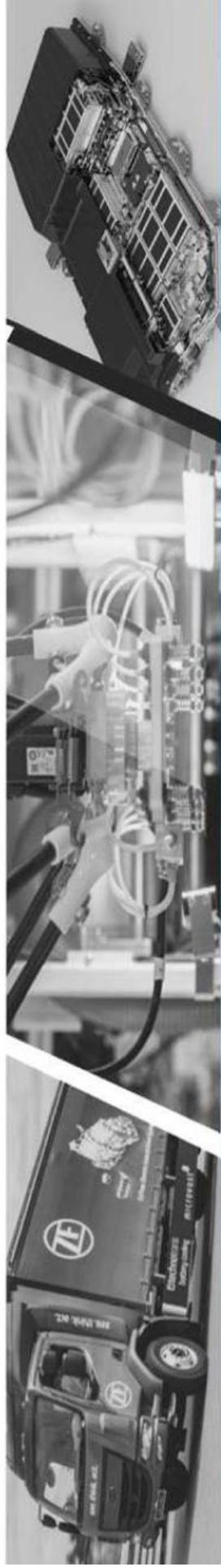
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2022	2021	2022
Revenues	\$ 33,372	\$ 64,414	\$ 48,310	\$ 101,082
Cost of revenues	(40,146)	(59,573)	(56,321)	(96,228)
Gross (loss)/profit (GAAP)	\$ (6,774)	\$ 4,841	\$ (8,011)	\$ 4,854
Gross margin	(20.3)%	7.5 %	(16.6)%	4.8 %
Non-cash settled share-based compensation (included in cost of revenues)	—	1,882	—	\$ 3,781
Adjusted gross (loss)/profit (non-GAAP)	\$ (6,774)	\$ 6,723	\$ (8,011)	\$ 8,635
Adjusted gross margin (non-GAAP)	(20.3)%	10.4 %	(16.6)%	8.5 %

MICROVAST HOLDINGS, INC.
RECONCILIATION OF NET LOSS TO ADJUSTED NET LOSS
(Unaudited, in thousands of U.S. dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2022	2021	2022
Net loss (GAAP)	\$ (27,069)	\$ (44,182)	\$ (43,368)	\$ (87,958)
Loss on changes in fair value of convertible notes	3,243	—	6,843	—
Gain on changes in fair value of warrant liability	—	(1,255)	—	(820)
Non-cash settled share-based compensation	—	30,523	—	44,780
Adjusted Net Loss (non-GAAP)	\$ (23,826)	\$ (14,914)	\$ (36,525)	\$ (43,998)

MICROVAST HOLDINGS, INC.
RECONCILIATION OF NET LOSS TO EBITDA AND ADJUSTED EBITDA
(Unaudited, in thousands of U.S. dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2022	2021	2022
Net loss (GAAP)	\$ (27,069)	\$ (44,182)	\$ (43,368)	\$ (87,958)
Interest expense, net	1,426	475	3,176	957
Income tax expense	109	—	218	—
Depreciation and amortization	4,975	5,207	9,851	10,660
EBITDA (non-GAAP)	\$ (20,559)	\$ (38,500)	\$ (30,123)	\$ (76,341)
Loss on changes in fair value of convertible notes	3,243	—	6,843	—
Gain on changes in fair value of warrant liability	—	(1,255)	—	(820)
Non-cash settled share-based compensation	—	30,523	—	44,780
Adjusted EBITDA (non-GAAP)	\$ (17,316)	\$ (9,232)	\$ (23,280)	\$ (32,381)



MICROVAST HOLDINGS, INC.

Q2 2022

August 11, 2022

Microvast

DISCLAIMER

Forward-Looking Statements

- This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as “will likely result,” “are expected to,” “will continue,” “is anticipated,” “intend,” “project,” “guidance,” “outlook” or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control.
- Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those forward-looking statements are based. All information set forth herein speaks only as of the date hereof and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication. Forecasts and estimates regarding Microvast’s industry and end markets are based on sources we believe to be reliable, however there can be no assurance these forecasts and estimates will prove accurate in whole or in part.
- Microvast’s annual, quarterly and other filings with the U.S. Securities and Exchange Commission identify, address and discuss these and other factors in the sections entitled “Risk Factors.”

Non-GAAP Financial Measures

- This presentation contains a presentation of adjusted gross profit and adjusted net loss, which are non-GAAP financial measures. Adjusted gross profit is GAAP gross profit as adjusted for non-cash stock-based compensation expense included in cost of revenues. Adjusted net loss is GAAP net loss as adjusted for non-cash stock-based compensation expense and change in on valuation of warrant liabilities and convertible notes. In addition to Microvast’s results determined in accordance with GAAP, Microvast’s management uses these non-GAAP financial metrics to evaluate the company’s ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial information, when taken collectively, may be helpful to investors in assessing Microvast’s operating performance. We believe that the use of these non-GAAP metrics provides an additional tool for investors to use in evaluating ongoing operating results and trends because it eliminates the effect of financing, non-recurring items, capital expenditures, and non-cash expenses.
- In addition, our presentation of adjusted gross profit and adjusted net loss should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of non-GAAP financial metrics may not be comparable to other similarly titled measures computed by other companies because not all companies calculate these measures in the same fashion. Because of these limitations, these non-GAAP financial metrics should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP financial metrics on a supplemental basis. Investors should review the reconciliations in this presentation and not rely on any single financial measure to evaluate our business.



Q2 HIGHLIGHTS

Solid Q2 Performance...raw material prices remain challenging

Q2 CHALLENGES

- Raw material prices
- Global inflation
- Shanghai Lockdown
- Supply chain challenges ongoing



Q2 KEY STATS

\$64.4M

Revenue

\$105.3M

Sales Backlog

93.0%

YoY Revenue
Growth

\$47.8M

Order Intake

Q2 HIGHLIGHTS

- Maintained robust business growth during a quarter with many macro challenges.
- New nominations from OEMs and increasing volumes under existing contracts.
- Manufacturing capacity expansion projects in Huzhou, China and Clarksville, Tennessee continue to progress.
- Next generation battery solutions well received by existing and potential OEM customers.

Robust Business Growth Through New Partnerships & Major Development Projects for our Commercial Vehicle Solutions

OEM				
Vehicle	Hydrogen Bus HYCITY and Businova; Retrofit Bus	Hydrogen Trucks and Buses	49T heavy truck tractor	49T hydrogen HD Truck
Battery Size	71.5 – 392 kWh	93 – 128 kWh	62 kWh	100.7 kWh
Highlights	Extending current 3 year contract to 10 years > \$ 150M 	Sample order received 2024 > 1,300 vehicles (165MWh) 	Key supplier to Weichai hybrid and hydrogen fuel vehicle 	Key supplier to China top construction machinery OEM 

Q2 Orders

Q2 Order Intake

<div style="background-color: #0070c0; color: white; padding: 5px; text-align: center; font-weight: bold;">Major Order</div> <div style="text-align: center; padding: 10px;">  <p>Our missions are boundless</p> </div> <div style="text-align: center; padding: 10px;">  </div> <div style="text-align: center; padding: 10px;"> <p>> \$11M, E-Bus</p> </div>	<div style="text-align: center; padding: 10px;">  </div> <div style="text-align: center; padding: 10px;">  </div> <div style="text-align: center; padding: 10px;"> <p>> \$8M, E-Bus</p> </div>	
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Ongoing

<div style="text-align: center; padding: 5px;">  <p>OSHKOSH</p> </div> <div style="text-align: center; padding: 5px;">  <p>CARGOTEC</p> </div> <div style="text-align: center; padding: 5px;">  <p>LGMG</p> </div>	<div style="text-align: center; padding: 5px;"> <p>I V E C O • G R O U P</p> </div> <div style="text-align: center; padding: 5px;">  <p>WRIGHT</p> </div> <div style="text-align: center; padding: 5px;">  <p>CNHTC</p> </div>	<div style="text-align: center; padding: 5px;">  <p>ASHOK LEYLAND</p> </div> <div style="text-align: center; padding: 5px;">  <p>XCMG</p> </div>
<div style="text-align: center; padding: 5px;">  <p>clean logistics</p> </div>	<div style="text-align: center; padding: 5px;">  <p>SAFRA <small>Accélérateur de mobilité décarbonée</small></p> </div>	<div style="text-align: center; padding: 5px;">  <p>KING LONG</p> </div>
<div style="text-align: center; padding: 5px;">  <p>eversum</p> </div>	<div style="text-align: center; padding: 5px;">  <p>WEICHAI</p> </div>	

- Stable business growth with existing customers and new projects with \$47.8M Q2 order value.

FINANCIALS



Condensed Consolidated Statement of Operations (USD'000)

	Three-Month Ended June 30			Six-Month Ended June 30		
	2021	2022	YoY (%)	2021	2022	YoY (%)
Revenues	33,372	64,414	93%	48,310	101,082	109%
Cost of revenues	(40,146)	(59,573)	48%	(56,321)	(96,228)	71%
Gross profit	(6,774)	4,841	171%	(8,011)	4,854	161%
Gross Margin	-20.3%	7.5%		-16.6%	4.8%	
Selling and marketing expenses	(3,706)	(5,810)	57%	(6,862)	(11,808)	72%
General and administrative	(6,178)	(34,335)	456%	(10,752)	(60,436)	462%
Research and development expenses	(5,895)	(10,244)	74%	(9,681)	(21,553)	123%
Operating expense	(15,779)	(50,389)	219%	(27,295)	(93,797)	244%
Subsidy Income	213	576	170%	2,131	713	-67%
Operating loss	(22,340)	(44,972)	101%	(33,175)	(88,230)	166%
Loss on changes in fair value of convertible notes	(3,243)	-	-100%	(6,843)	-	-100%
Change in fair value of warrant liability	-	1,255	100%	-	820	100%
Others	(1,377)	(465)	-66%	(3,132)	(548)	-83%
Loss before income tax	(26,960)	(44,182)	64%	(43,150)	(87,958)	104%
Income tax	(109)	-	-100%	(218)	-	-100%
Net loss	(27,069)	(44,182)	63%	(43,368)	(87,958)	103%

2022 Q2 Adjusted Financials (USD'000) Non-GAAP

	Three-Month Ended June 30		Six-Month Ended June 30	
	2021	2022	2021	2022
Revenues	33,372	64,414	48,310	101,082
Adjusted Cost of sales (non-GAAP)	(40,146)	(57,691)	(56,321)	(92,447)
Adjusted gross (loss) / profit (non-GAAP)	(6,774)	6,723	(8,011)	8,635
Adjusted gross margin (non-GAAP)	-20.3%	10.4%	-16.6%	8.5%
Adjusted Operating Expense	(15,779)	(21,748)	(27,295)	(52,798)
Adjusted Operating Loss (non-GAAP)	(22,340)	(14,449)	(33,175)	(43,450)
Adjusted Net Loss (non-GAAP)	(23,826)	(14,914)	(36,525)	(43,998)

	Cost of Sales Adjustments		
	Three-Month Ended June 30	Six-Month Ended June 30	2022
non-Cash Settled SBC	-	1,882	3,781

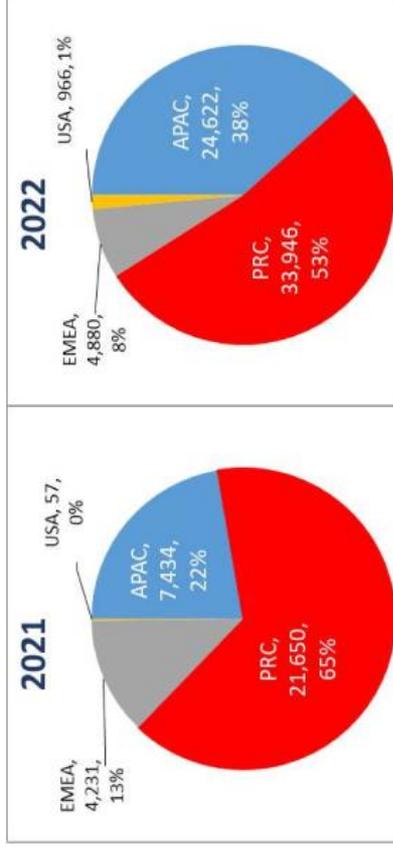
	Operating Expense Adjustments		
	Three-Month Ended June 30	Six-Month Ended June 30	2022
non-Cash Settled SBC	-	28,641	40,999

	Net Loss Adjustments		
	Three-Month Ended June 30	Six-Month Ended June 30	2022
Fair Value Changes	3,243	(1,255)	(820)

Note: Complete reconciliations of these non-GAAP metrics to the most comparable GAAP metrics are included in the tables at the end of our earnings press release.

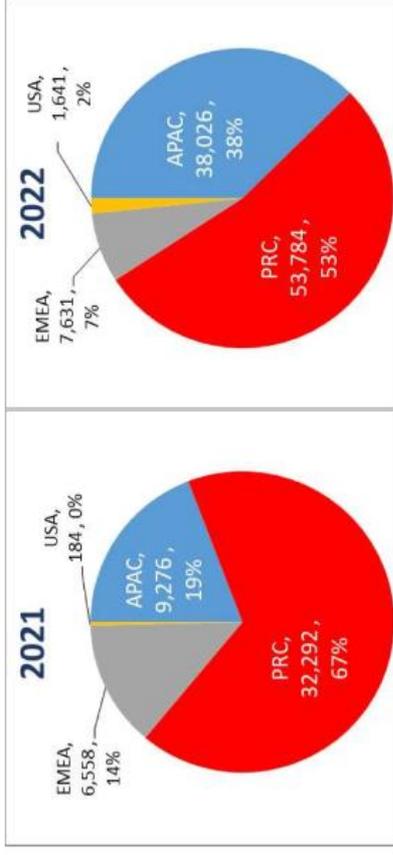
2022 Q2 Revenues by Region - (USD'000)

Q2



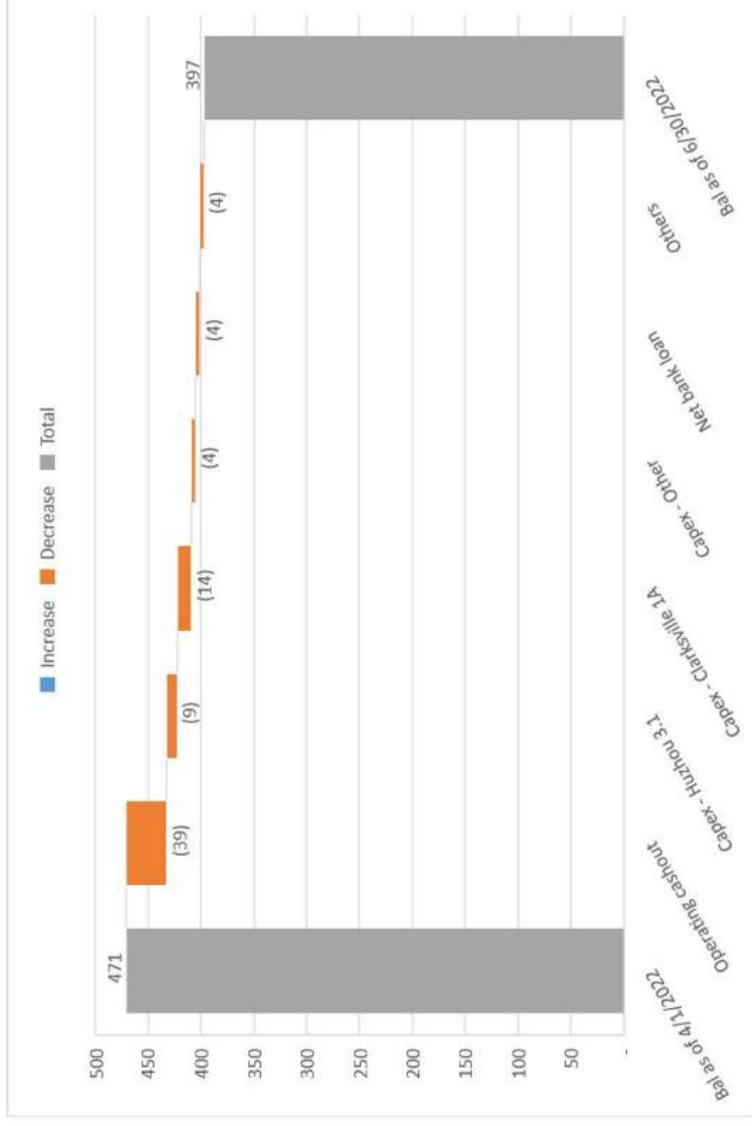
Revenue by region	Three-Month Ended June 30		YoY %
	2021	2022	
APAC (Excluding China)	7,434	24,622	231%
PRC	21,650	33,946	57%
EMEA	4,231	4,880	15%
USA	57	966	1595%
Total	33,372	64,414	93%

1H



Revenue by region	Six-Month Ended June 30		YoY %
	2021	2022	
APAC (Excluding China)	9,276	38,026	310%
PRC	32,292	53,784	67%
EMEA	6,558	7,631	16%
USA	184	1,641	792%
Total	48,310	101,082	109%

2022 Q2 Cash Bridge (US\$m)



Huzhou has a massive footprint



CAPACITY EXPANSION

Production Plant Phase III Huzhou China

- Project progressing to plan - spend to date in line with budget and supports new bank loans
- Building exterior is 99% complete. Battery cell manufacturing equipment is expected to begin arriving in August.
- The equipment will produce new 53.5Ah cell (high energy) and 48Ah cell (high power) battery products.
- Ramp-up remains on track



INVESTMENT IMPACTS

- Additional 2GWh capacity – cell, module and pack.
- Building structure can support 12GWh – to bring on line additional capacity all we need to do is add more utilities and new production lines. No more construction capex!
- Capturing over 50% of the global CV footprint – This facility covers our customers in China, all of Asia Pacific and Europe

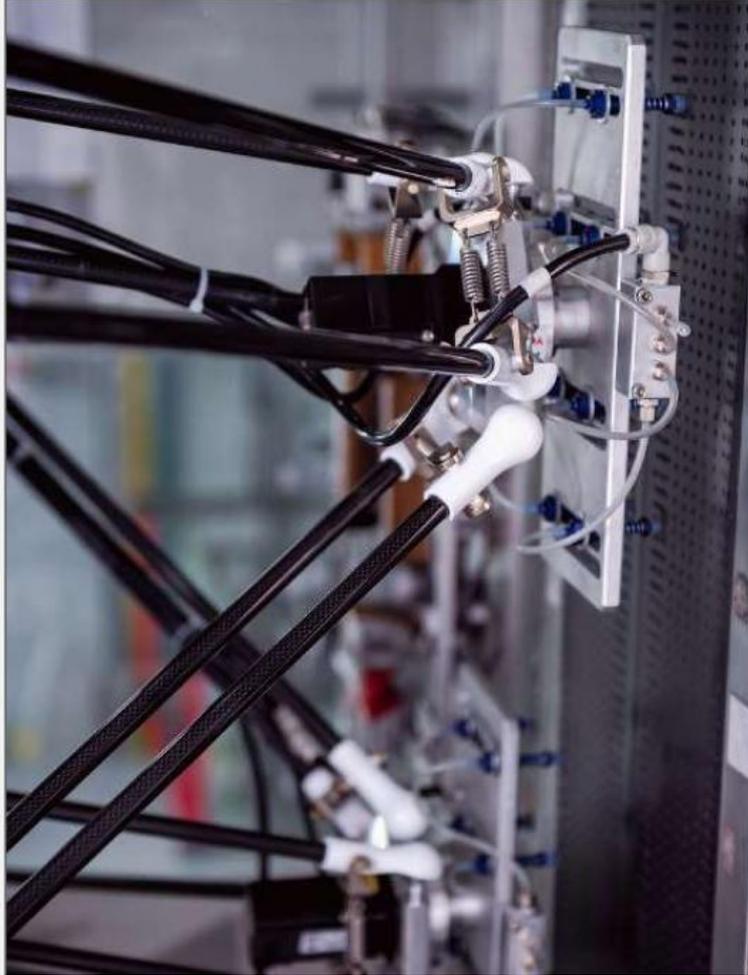


WE'RE IN THE REVENUE PHASE

- New Capacity will support 2023 revenue growth targets
- Revenue forecasts backed by multi year framework contracts we have signed with Global OEMs
- Over half the capacity has been allocated



OUTLOOK



Microvast expects to continue the robust business growth in Q3

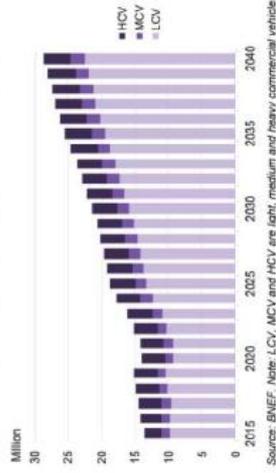
Q3 Outlook

- **Reaffirming annual revenue guidance** of 35%–45% compared to 2021
- **Ongoing capacity expansion in China is entering the final phases**
- **Excellent customer adoption** of our newly released products will fill over half of Huzhou's new production capacity
- **Ramping up module production capacity in Europe** with increasing customer demand
- **Construction** continues to progress in **Clarksville, Tennessee**
- Incorporated **Microvast Energy, Inc.**, a new subsidiary, in Denver, Colorado and building a team to focus efforts on capitalizing on the rapidly growing energy storage market opportunities
- Exploring **commercialization and capacity expansion** opportunities for our innovative polyaramid separator technology
- **Finalize strategic cooperation agreement** with a Nasdaq listed innovative e-mobility commercial vehicle platform provider

Microvast Technology is powering all CV

We are powering all the CV segments

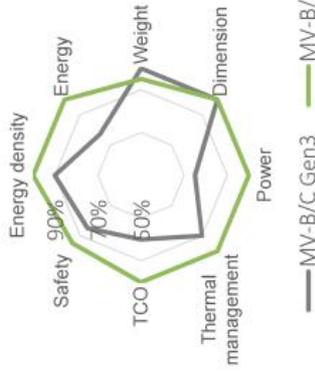
Global commercial vehicle sales outlook by class



Global CV Market

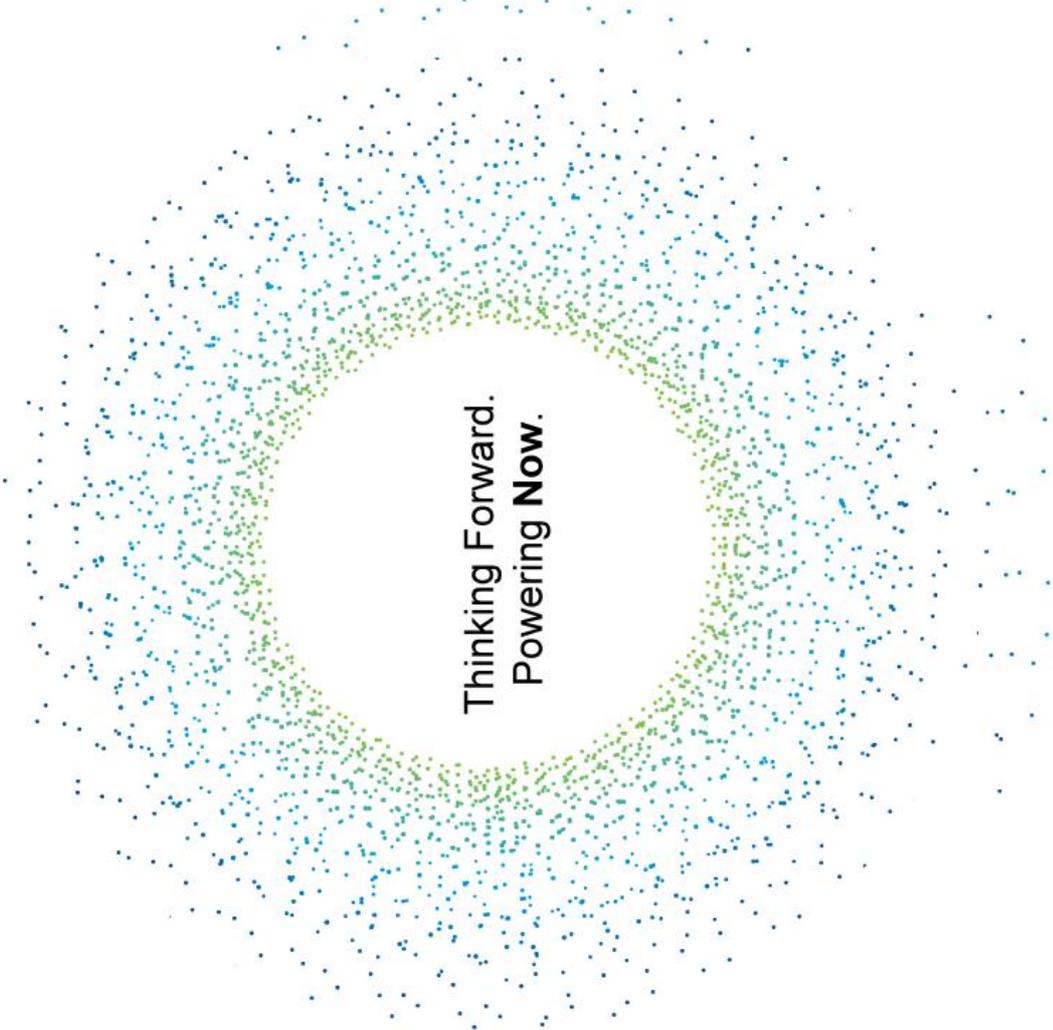
- By 2030, close to a third of all new sales are electric, rising to 60% by 2040
- Light-duty vans and trucks lead growth, as their market expands almost 2.5 times to 22.5 million units and sales remain strong in almost all countries. The market for such vehicles in India, China and the Rest of World grows 2-3 times as fast as that in the US or Europe.
- By 2040, US, China, Europe and India would be the leading freight market in on-road goods transport.
- The global market for medium- and heavy-duty trucks expands by over 25%, but sales patterns differ between segments and countries. In the US, Europe and other wealthy countries, logistics efficiencies result in a relatively stable market for heavier trucks, but stronger than that for medium-duty ones.

MV Solutions for CV Market



- **Higher power**
- **Excellent thermal management**
- **Higher energy & energy density over our previous generation**
- **Integrated cooling plate**
- **Thermal runaway safe pack design**
- **New manufacturing technologies**
- **Lower Total Cost of Ownership (TCO)**

The next-generation battery solutions will become pivotal revenue drivers, differentiated by best-in-class technical performance and lower total cost of ownership.



Thinking Forward.
Powering **Now**.

WEBCAST INFORMATION

- Microvast’s management will host a live webcast to review this presentation, including an overview of its Q2 2022 financial results, at 5:00 p.m. Central Time on August 11, 2022.
- The event can be accessed at the “Events and Presentations” section of our investor relations website, along with a copy of this presentation, at <https://ir.microvast.com/events-presentations/events>.
- A replay of the webcast will be available following the conclusion of the event for approximately one year.

