

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): May 16, 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 May 16, 2022, Microvast Holdings, Inc. (the "Company") issued a press release announcing its unaudited condensed consolidated financial results for the period ended March 31, 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: May 16, 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 (Q1 2022) dated May 16, 2022
99.2	Slide Deck Presentation (Q1 2022) dated May 16, 2022

Microvast Reports First Quarter 2022 Financial Results

STAFFORD, TX, May 16, 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 first quarter ended March 31, 2022 (“Q1 2022”).

“Our first quarter revenue performance exceeded our expectations and our order book looks very strong,” said Craig Webster, Microvast’s Chief Financial Officer. “Looking forward, we are focused on sales growth throughout the year, growing our multi-year order book and executing on our capacity expansion plans, which are well underway and fully funded from our cash on hand.”

“Overall, I’m pleased with the strong 145.5% revenue growth we posted in Q1 2022 and the progress we continue to make on the expansion of our international business. We had an excellent revenue quarter in the Asia Pacific region (excluding China), fueled by significant growth in India. In addition, orders from our multi-year European projects were strong across our new recently-announced battery solutions specifically designed for the commercial vehicle market,” said Sascha Kelterborn, Microvast’s President and Chief Revenue Officer.

Results for Q1 2022

Microvast generated revenue of \$36.7 million in Q1 2022, compared to \$14.9 million for the quarter ended March 31, 2021 (“Q1 2021”), an increase of 145.5%.

Gross profit was \$13.0 thousand in Q1 2022, compared to a gross loss of \$1.2 million in Q1 2021, resulting in a 8.3 percentage point improvement in gross margin from (8.3)% in Q1 2021 to 0.0% in Q1 2022. Adjusted gross profit was \$1.9 million in Q1 2022, compared to adjusted gross loss of \$1.2 million in Q1 2021, resulting in a 13.5 percentage point improvement in adjusted gross margin from (8.3)% in Q1 2021 to 5.2% in Q1 2022.

Operating expenses were \$43.4 million in Q1 2022 compared to \$11.5 million in Q1 2021. The change in operating expenses was largely due to share-based compensation expense of \$26.2 million in Q1 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 \$43.8 million in Q1 2022 compared to net loss of \$16.3 million in Q1 2021. Adjusted EBITDA was \$(23.1) million in Q1 2022 compared to adjusted EBITDA of \$(6.0) million in Q1 2021. Adjusted net loss was \$29.1 million in Q1 2022 compared to adjusted net loss of \$12.7 million in Q1 2021.

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

2022 Outlook

Microvast continues to expect revenue for the year ending December 31, 2022 (“FY 2022”) to grow 35% to 45% compared to the year ended December 31, 2021 (“FY 2021”); however, achievement of the Company’s revenue guidance could be impacted if the macro backdrop of increasing inflation, supply chain disruptions, conflict in Ukraine and COVID restrictions in China deteriorates further.

The Company’s backlog at the end of Q1 2022 was \$120.8 million, an increase of 85.6% compared to \$65.1 million at the end of Q1 2021. We are very optimistic about incoming orders during the remainder of 2022.

Capital expenditures during Q1 2022 were \$41.1 million compared to \$25.4 million in Q1 2021. The Company continues to expect total capital expenditures in FY 2022 to be in the range of \$300.0 to \$350.0 million, which will be primarily used in connection with the Company’s ongoing manufacturing capacity expansions in Huzhou, China and Clarksville, Tennessee, which are expected to begin ramping up in Q4 2022 and Q3 2023, respectively. Once completed, these expansions will add an additional 4 Gigawatt hours (“GWh”) of capacity per year in total and be primarily dedicated to our recently announced larger format battery cells.

Webcast Information

Company management will host a conference call and webcast to discuss the Company's financial results on May 16, 2022, at 5:00 p.m. Central Daylight 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 (631) 891-4304.

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).

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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) a delay or failure to realize the expected benefits from the business combination; (2) risks of operations in the People's Republic of China; (3) the impact of the ongoing COVID-19 pandemic; (4) 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; (5) risks related to cybersecurity and data privacy; (6) the impact of inflation; (7) changes in the availability and price of raw materials; (8) the highly competitive market in which Microvast competes, including with respect to its hiring abilities, our competitive landscape, technology evolution or regulatory changes; (9) changes in the markets that Microvast targets; (10) heightened awareness of environmental issues and concern about global warming and climate change; (11) the risk that Microvast may not be able to execute its growth strategies or achieve profitability; (12) the risk that Microvast is unable to secure or protect its intellectual property; (13) the risk that Microvast may experience effects from global supply chain challenges, including delays in delivering its products to its customers; (14) the risk that Microvast's customers or third-party suppliers are unable to meet their obligations fully or in a timely manner; (15) the risk that Microvast's customers will adjust, cancel or suspend their orders for Microvast's products; (16) 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; (17) the risk of product liability or regulatory lawsuits or proceedings relating to Microvast's products or services; (18) the risk that Microvast may not be able to develop and maintain effective internal controls; and (19) 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 Adjusted gross profit (loss), Adjusted EBITDA and 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. Adjusted gross profit (loss) is defined as gross profit (loss) excluding non-cash settled share-based compensation expense. 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. 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 Adjusted gross profit (loss), Adjusted EBITDA and 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 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 Adjusted EBITDA may not be directly comparable to similarly titled measures of other companies. The principal limitation of 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 Adjusted EBITDA and 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	March 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 480,931	\$ 416,165
Restricted cash	55,178	54,568
Accounts receivable (net of allowance for credit losses of \$5,005 and \$5,354 as of December 31, 2021 and March 31, 2022, respectively)	88,717	79,970
Notes receivable	11,144	24,688
Inventories, net	53,424	58,081
Prepaid expenses and other current assets	17,127	19,691
Amount due from related parties	85	—
Total Current Assets	706,606	653,163
Property, plant and equipment, net	253,057	271,248
Land use rights, net	14,008	13,999
Acquired intangible assets, net	1,882	1,821
Operating lease right-of-use assets	—	18,388
Other non-current assets	19,738	40,096
Total Assets	\$ 995,291	\$ 998,715
Liabilities		
Current liabilities:		
Accounts payable	\$ 40,408	\$ 32,007
Advance from customers	1,526	3,601
Accrued expenses and other current liabilities	58,740	61,103
Income tax payables	666	667
Short-term bank borrowings	13,301	13,335
Notes payable	60,953	70,677
Total Current Liabilities	175,594	181,390
Long-term bonds payable	73,147	73,147
Warrant liability	1,105	1,540
Share-based compensation liability	18,925	32,884
Operating lease liabilities	—	16,146
Other non-current liabilities	39,822	36,233
Total Liabilities	\$ 308,593	\$ 341,340
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 March 31, 2022; 300,530,516 and 300,538,640 shares issued, and 298,843,016 and 298,851,140 shares outstanding as of December 31, 2021 and March 31, 2022)	\$ 30	\$ 30
Additional paid-in capital	1,306,034	1,320,367
Statutory reserves	6,032	6,032
Accumulated deficit	(632,099)	(676,741)
Accumulated other comprehensive income	6,701	7,687
Total Shareholders' Equity	686,698	657,375
Total Liabilities and Shareholders' Equity	\$ 995,291	\$ 998,715

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 March 31,	
	2021	2022
Revenues	\$ 14,938	\$ 36,668
Cost of revenues	(16,175)	(36,655)
Gross (loss)/profit	(1,237)	13
Operating expenses:		
General and administrative expenses	(4,574)	(26,101)
Research and development expenses	(3,786)	(11,309)
Selling and marketing expenses	(3,156)	(5,998)
Total operating expenses	(11,516)	(43,408)
Subsidy income	1,918	137
Loss from operations	(10,835)	(43,258)
Other income and expenses:		
Interest income	96	314
Interest expense	(1,846)	(796)
Loss on changes in fair value of convertible notes	(3,600)	—
Loss on changes in fair value of warrant liability	—	(435)
Other (expense)/ income, net	(5)	399
Loss before provision for income taxes	(16,190)	(43,776)
Income tax expense	(109)	—
Net loss	\$ (16,299)	\$ (43,776)
Less: Accretion of Series C1 Preferred	1,003	—
Less: Accretion of Series C2 Preferred	2,281	—
Less: Accretion of Series D1 Preferred	4,759	—
Less: Accretion for noncontrolling interests	3,971	—
Net loss attributable to Common Stock shareholders of Microvast Holdings, Inc.	\$ (28,313)	\$ (43,776)
Net loss per share attributable to Common Stock shareholders of Microvast Holdings, Inc.		
Basic and diluted	\$ (0.29)	\$ (0.15)
Weighted average shares used in calculating net loss per share of common stock		
Basic and diluted	99,028,297	298,843,016

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)

	Three Months Ended March 31,	
	2021	2022
Cash flows from operating activities		
Net loss	\$ (16,299)	\$ (43,776)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on disposal of property, plant and equipment	—	12
Depreciation of property, plant and equipment	4,688	5,310
Amortization of land use right and intangible assets	188	143
Noncash lease expenses	—	557
Share-based compensation	—	28,130
Changes in fair value of warrant liability	—	435
Changes in fair value of convertible notes	3,600	—
Reversal of credit losses	(514)	(545)
Provision for obsolete inventories	218	471
Impairment loss from property, plant and equipment	258	6
Product warranty	909	2,685
Changes in operating assets and liabilities:		
Notes receivable	3,681	(13,468)
Accounts receivable	13,790	8,746
Inventories	(7,374)	(4,878)
Prepaid expenses and other current assets	(2,667)	(2,586)
Amount due from/to related parties	(175)	85
Operating lease right-of-use assets	—	(18,945)
Other non-current assets	19	(51)
Notes payable	542	9,391
Accounts payable	(3,419)	(8,605)
Advance from customers	203	2,063
Accrued expenses and other liabilities	178	(6,165)
Operating lease liabilities	—	16,146
Other non-current liabilities	—	(75)
Net cash used in operating activities	(2,174)	(24,914)
Cash flows from investing activities		
Purchases of property, plant and equipment	(25,429)	(41,061)
Proceeds on disposal of property, plant and equipment	—	1
Net cash used in investing activities	(25,429)	(41,060)
Cash flows from financing activities		
Proceeds from borrowings	13,445	—
Repayment of bank borrowings	(12,265)	—
Loans borrowing from related parties	4,242	—
Repayment of related party loans	(4,242)	—
Loans to related party	(1,874)	—
Payment to exited noncontrolling interests	(33,047)	—
Issuance of convertible notes	57,500	—
Net cash generated from financing activities	23,759	—
Effect of exchange rate changes	474	598
Decrease in cash, cash equivalents and restricted cash	(3,370)	(65,376)
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	\$ 37,826	\$ 470,733

	Three Months Ended March 31,	
	2021	2022
Reconciliation to amounts on consolidated balance sheets		
Cash and cash equivalents	\$ 9,633	\$ 416,165
Restricted cash	28,193	54,568
Total cash, cash equivalents and restricted cash	\$ 37,826	\$ 470,733

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

	Three Months Ended March 31,	
	2021	2022
Revenues	\$ 14,938	\$ 36,668
Cost of revenues	(16,175)	(36,655)
Gross (loss) profit (GAAP)	\$ (1,237)	\$ 13
Gross margin	(8.3)%	— %
Non-cash settled share-based compensation (included in cost of revenues)	—	1,899
Adjusted gross (loss) profit (non-GAAP)	\$ (1,237)	\$ 1,912
Adjusted gross margin (non-GAAP)	(8.3)%	5.2 %



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

	Three Months Ended	
	March 31,	
	2021	2022
Net loss (GAAP)	\$ (16,299)	\$ (43,776)
Loss on changes in fair value of convertible notes	3,600	—
Loss on changes in fair value of warrant liability	—	435
Non-cash settled share-based compensation	—	14,257
Adjusted Net Loss (non-GAAP)	\$ (12,699)	\$ (29,084)

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

	Three Months Ended March 31,	
	2021	2022
Net loss (GAAP)	\$ (16,299)	\$ (43,776)
Interest expense, net	1,750	482
Income tax expense	109	—
Depreciation and amortization	4,876	5,453
EBITDA (non-GAAP)	\$ (9,564)	\$ (37,841)
Loss on changes in fair value of convertible notes	3,600	—
Loss on changes in fair value of warrant liability	—	435
Non-cash settled share-based compensation	—	14,257
Adjusted EBITDA (non-GAAP)	\$ (5,964)	\$ (23,149)



MICROVAST HOLDINGS, INC.

Q1 2022

May 16, 2022



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,” “estimated,” “believe,” “intend,” “plan,” “projection,” “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 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.
- 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.



Q1 HIGHLIGHTS

Exceeded Q1 sales expectations while maintaining strong backlog

















Q1 HIGHLIGHTS

- Robust revenue growth despite macro headwinds
- Major nominations/orders acquired from leading commercial vehicle OEMs in APAC and EMEA.
- Manufacturing capacity expansion projects in Huzhou, China and Clarksville, Tennessee well underway
- First milestone achieved in battery sustainability assessment with TÜV SÜD, a leading certification authority
- Next generation battery solutions launched, which are expected to underpin future revenue growth

Robust Business Growth Through Partnerships & Major Project Developments in the Global Commercial Vehicle Market

OEM				
Vehicle	New Crossway Low Entry City & Intercity bus	eShuttle	12T Hybrid Truck	> 100T Mining Truck
Battery Size	400 – 466 kWh	84 kWh	19 kWh	108 kWh
Highlights	First delivery in mid-2023 	> \$100M over the next 6 years 	New partnership with a leading China CV OEM 	First prototypes in delivery for leading construction eqp OEM 

Q1 Sizable Order Intakes & Operational Update: order intake of \$62.0M

	Q1 Order Intake	OPERATION
Major Order	 <ul style="list-style-type: none"> \$10.1M Various e-buses 	 <p>28,000+ Battery Systems in Operation</p>
Other Orders	         <ul style="list-style-type: none"> Stable business growth with existing customers in serial projects and new development projects with \$51.9M order value. 	 <p>28 / 220+ Countries / Cities where Products Are in Operation</p>  <p>6.9 Bn+ Miles Operational Distance Covered</p>

Microvast Launches New Li-ion Battery Cells & Next-Gen Packs

MV new product portfolio enables our customers to easily optimize vehicle design in terms of energy density and cycle life, delivering improved overall performance and reducing total cost of ownership while preserving fast-charging capabilities.



Power Cell

Fast-charging & long cycle life



Pack

Delivering up to 20% more energy and power



Energy Cell

High energy density & fast-charging

Our next-generation battery solutions underpin our future revenue growth, possess top-of-the-class technical performance and support a lower Total Cost of Ownership

Microvast will continue its pursuit of being an industry leading sustainable battery solutions provider

Pilot project with TÜV Süd in establishing the industrial standard for a sustainable battery value chain



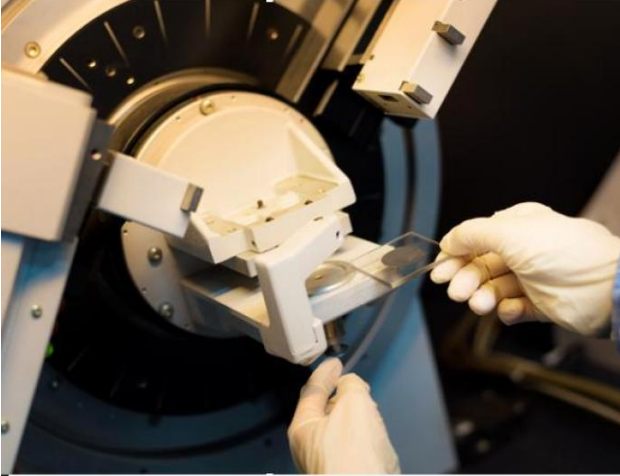
17 goals of the UN charter for sustainable future

- 1st Sustainability Assessment in the battery industry
- Regular tracking and monitoring of sustainability goals
- Covers the entire value chain - from mining, raw materials and battery production, to recycling and disposal.

Achievement & Milestone



- Successfully completed Phase I of TÜV Sustainability Assessment
- Both parties have committed to start Phase II to improve sustainability in our battery production processes and value chain



FINANCIALS

Unaudited Condensed Consolidated Statement of Operations (USD'000)

	Three-month Ended March 31		
	2022	2021	YoY(%)
Revenues	36,668	14,938	145%
Cost of sales	(36,655)	(16,175)	127%
Gross profit	13	(1,237)	101%
Gross Margin	-%	(8.3%)	
Selling and marketing expenses	(5,998)	(3,156)	90%
General and administrative expenses	(26,101)	(4,574)	471%
Research and development expenses	(11,309)	(3,786)	199%
Operating expenses	(43,408)	(11,516)	277%
Operating loss	(43,258)	(10,835)	299%
Other expense and interest expense	(83)	(1,755)	(95%)
Loss on changes in fair value of convertible notes	-	(3,600)	(100%)
Loss on changes in fair value of warrant liability	(435)	-	100%
Loss before income tax	(43,776)	(16,190)	170%
Net loss	(43,776)	(16,299)	169%

2022 Q1 Unaudited Adjusted Financials (USD'000)

Three-month Ended March 31		
	2022	2021
Revenues	36,668	14,938
Adjusted Cost of Sales	(34,756)	(16,175)
Adjusted Gross profit (loss)	1,912	(1,237)
Adjusted Gross Margin	5.2%	(8.3%)
Adjusted Operating Expenses	(31,050)	(11,516)
Adjusted Operating Loss	(29,001)	(10,835)
Adjusted Net Loss	(29,084)	(12,699)

Cost of Sales Adjustments		
	2022	2021
Non-cash settled SBC	1,899	-

Operating Expense Adjustment		
	2022	2021
Non-cash settled SBC	14,257	-

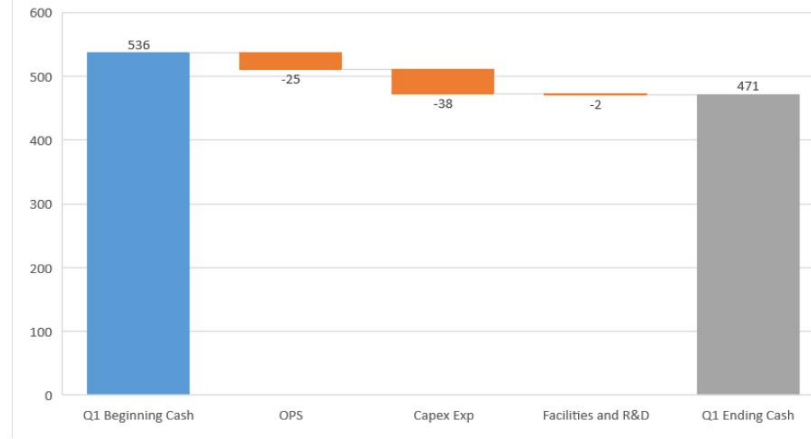
Net loss Adjustments		
	2022	2021
Fair value changes	435	3,600

2022 Q1 Revenue by Region - (USD'000)



Revenue by region	Three Months Ended March 31 (USD'000)				YoY change
	2022	%	2021	%	%
APAC (Excluding PRC)	13,404	37%	1,842	12%	628%
PRC	19,838	54%	10,642	71%	86%
EMEA	2,751	7%	2,327	16%	18%
USA	675	2%	127	1%	432%
Total	36,668	100%	14,938	100%	145%

2022 Q1 Cash Bridge (US\$m) - strong cash position, capacity expansions fully funded, low debt levels, and growing Fixed Asset base (that is unencumbered)





OUTLOOK

Our Capacity & Sustainability Plans

Capacity Expansion



Production Plant Phase 3.1 Huzhou, China

- Total Investment budget: \$180M
- Additional capacity 2 GWh per annum - Ramping-up in Q4/2022;
- New building supports up to 12 GWh per annum (additional utility infrastructure required)
- SOP in Q1 2023

Production Plant 1.1 Clarksville, Tennessee

- Total Investment budget: \$266M
- 2 GWh per annum (utility setup supports 4+ GWh per annum)
- SOP expected in late Q3 2023
- Expected to fulfill USMCA requirements

Sustainability



Preparations to deliver sustainable battery solutions

- Optimization of production processes
- Set up framework to trace our CO₂ footprint throughout the entire battery supply chain
- Cooperation with industry partners on battery recycling
- TUV project stage II - further improvements in our production and procurement processes with the goal to secure a leading position as a sustainable battery producer

Our execution plans

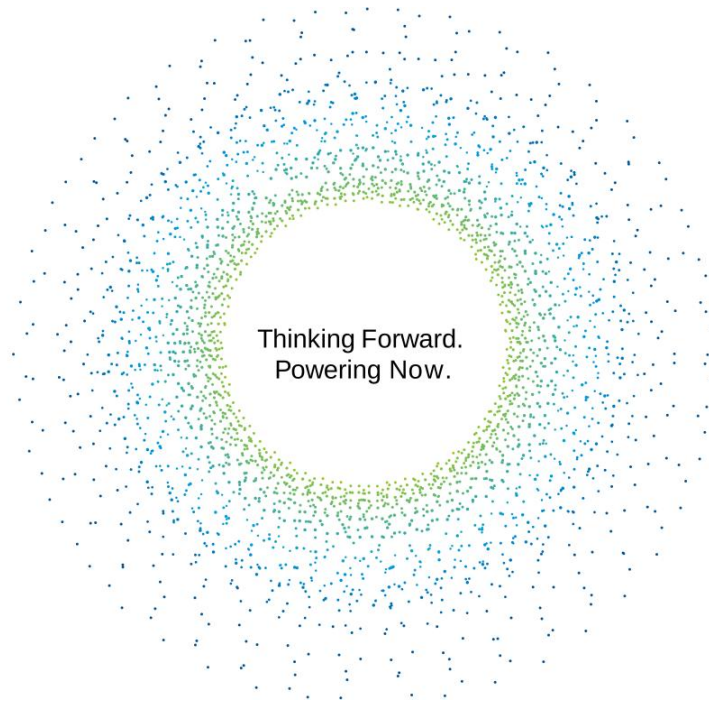
Revenue



- Positive business momentum projected for 2022. We expect to grow revenue in the range of 35 to 45% compared to 2021
- We expect to grow forecasted revenue with new multi-year supply contracts.
- Full launch of our next generation battery solutions to further drive global sales growth, with initial deliveries beginning in 2022
- Take advantage of opportunities for Fuel Cell battery solutions
- Exploring the market for Energy Storage Solutions.

WEBCAST INFORMATION

- Microvast's management will host a live webcast to review this presentation, including an overview of its Q1 2022 financial results, at 5:00 p.m. Central Time on May 16, 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 will be available following the conclusion of the event for approximately one year.



Thinking Forward.
Powering Now.
