



康迪 KANDI

# INVESTOR PRESENTATION

Nov 2022

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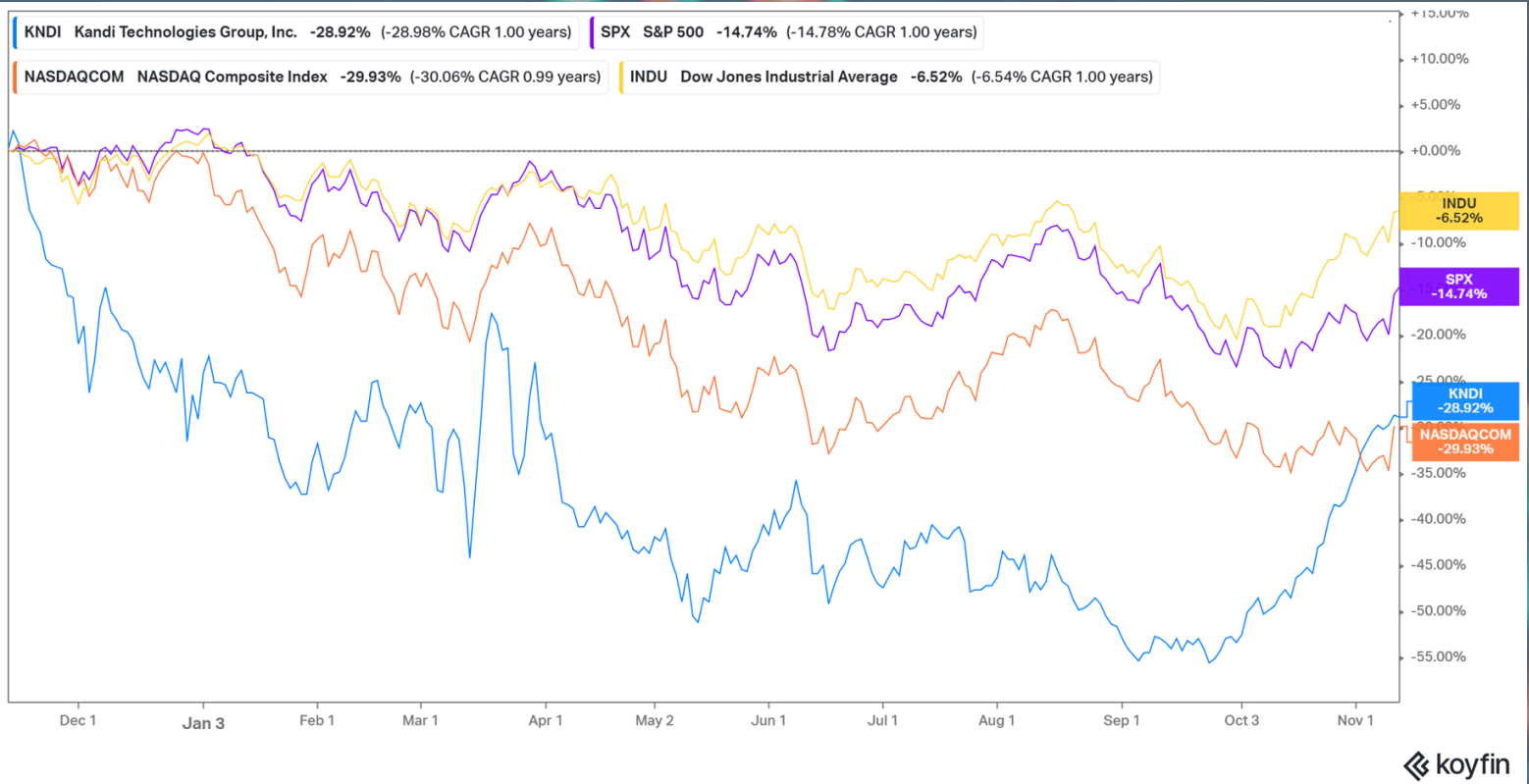


# Kandi Technologies Group

- Products span the value chain of EV parts, vehicles and services
- Based in Jinhua, Zhejiang Province in China



# Nasdaq-listed Since 2007



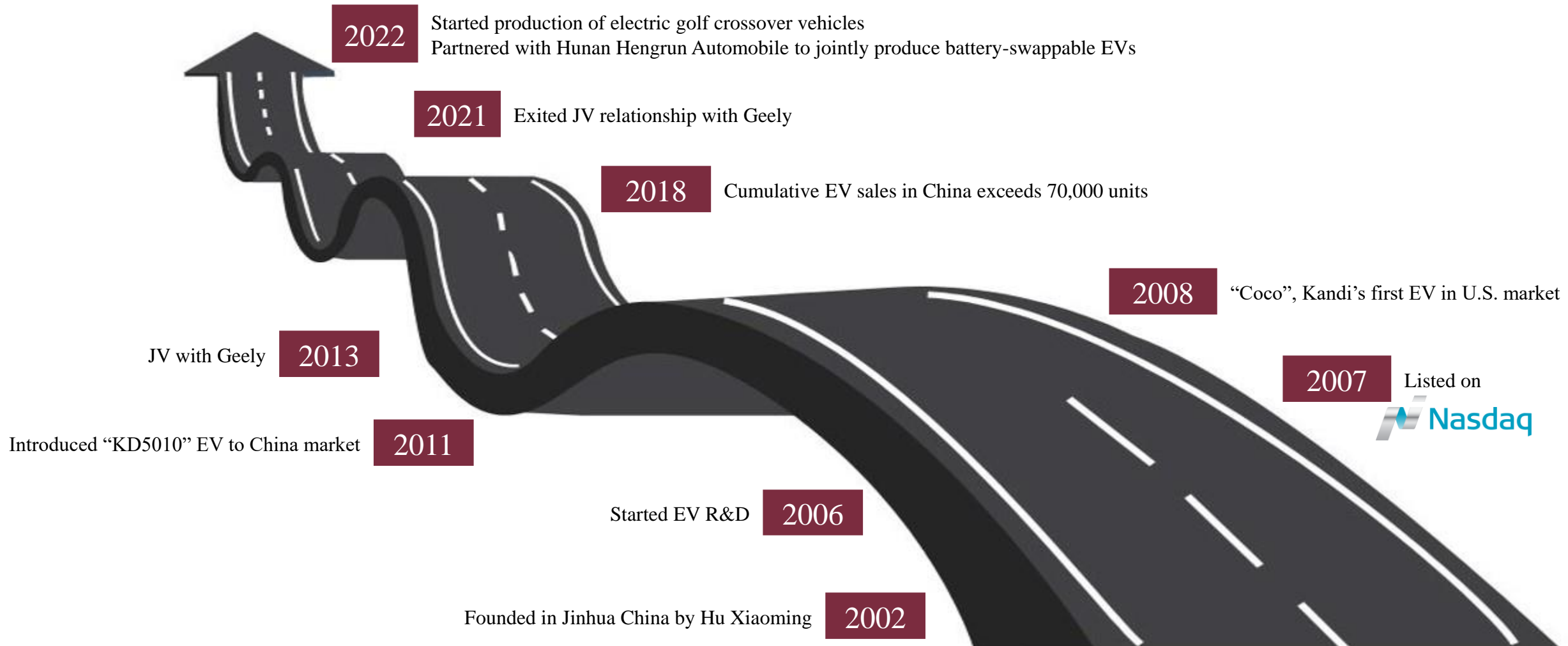
Open	3.24
Close	3.22
Prev. Close	3.23
Day High	3.29
Day Low	3.21
52 Week High	4.70
52 Week High Date	11/15/2021
52 Week Low	2.00
52 Week Low Date	09/26/2022
Market Cap	243.982M
Average 10D Volume	0.36M
Shares Outstanding	75.77M

Sources: Koyfin, CNBC.

As of 4pm EST, November 11, 2022.



# HISTORY OF INNOVATION







Mr. Hu Xiaoming was appointed as our Chief Executive Officer, President and Chairman of the Board in June 2007. Prior to joining the Company, from October 2003 to April 2005, Mr. Hu served as Project Manager (Chief Scientist) in the WX Pure Electric Vehicle Development Important Project of Electro-vehicle in the State 863 Plan. From October 1984 to March 2003, Mr. Hu served as: (i) Factory Director of the Yongkang Instrument Factory, (ii) Factory Director of the Yongkang Mini Car Factory, (iii) Chairman and General Manager of the Yongkang Vehicle Company, (iv) General Manager of the Wan Xiang Electric Vehicle Developing Center and (v) General Manager of the Wan Xiang Battery Company. Mr. Hu personally owned 4 invention patents and 7 utility model patents, which he transferred to the Company in fiscal year 2012.

**Hu Xiaoming**  
Chief Executive Officer



Mr. Lim brings over 15 years of financial management and advisory services in both public and private companies. Prior to joining Kandi, he served as CFO of Takung Art Co., Ltd. (NYSE American: TKAT) from February 2019 to May 2020. Before that, he spent six years as Managing Director at Albeck Financial Services, a financial consulting firm, where he was responsible for overseeing SEC reporting, GAAP technical consultation, financial statement audit preparation, due diligence, and internal controls compliance services. He started his career in the U.S. as an auditor at Ernst & Young, after graduating with High Honors from the University of California, Santa Barbara, with a Bachelor of Arts degree in Business Economics.

**Alan Lim**  
Chief Financial Officer



Mr. Tai joined Kandi America's SC Autosports in mid-2018 to accelerate Kandi's plan to sell EVs in the U.S. Before Kandi, Mr. Tai spent nearly a decade as CEO of Bennche, a leading manufacturer of ATVs and UTVs, with a market focus on Texas. Mr. Tai has an MBA from the University of Dallas and Bachelors Degree in International Business from Fu Jen Catholic University in Taipei.

**Johnny Tai**  
CEO of Kandi America

# INVESTMENT HIGHLIGHTS



Diverse Lines of Business



Large Market Potential



Pioneer in Battery Swap Technology



Leader in Off-road Electric Vehicle Market



Promoter of Rideshare in Battery Swapping Mode



Ability to Adapt to Rapid Changes in Market



Strong Balance Sheet

# DIVERSE BUSINESS

- Active across multiple parts of EV value chain
- New business unit: off-road EV
- Less dependence on/risk from any single segment of value chain
- Multiple opportunities to monetize technology innovations



EVs

Focus on entry-level mass-market vehicles

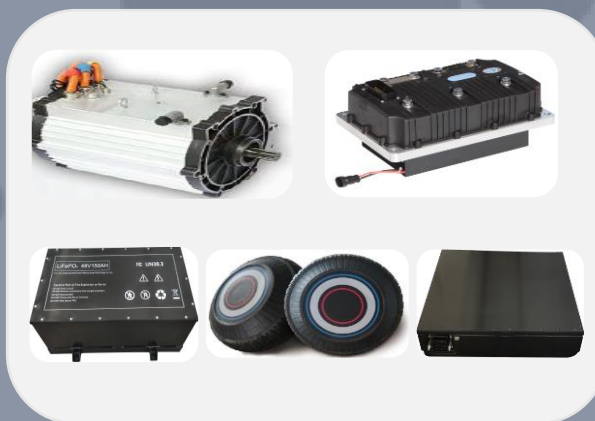


Battery Swap System

KANDI IP

100% Automated

Highly efficient: one-click battery swap in 90 seconds



EV Parts

Sell a variety of parts to multiple OEMs



Off-road EVs

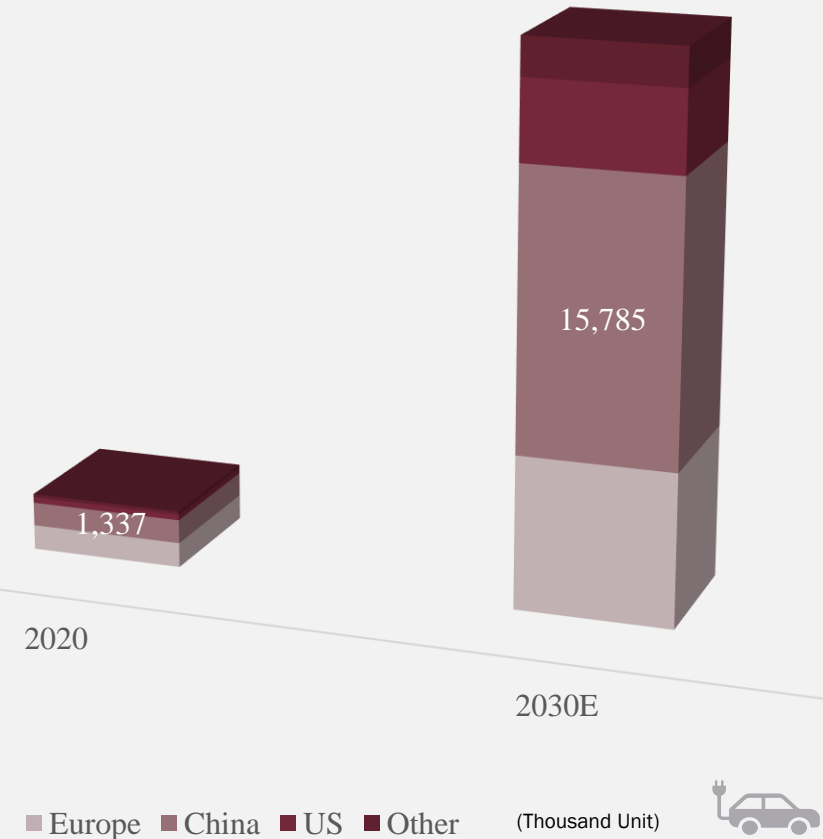
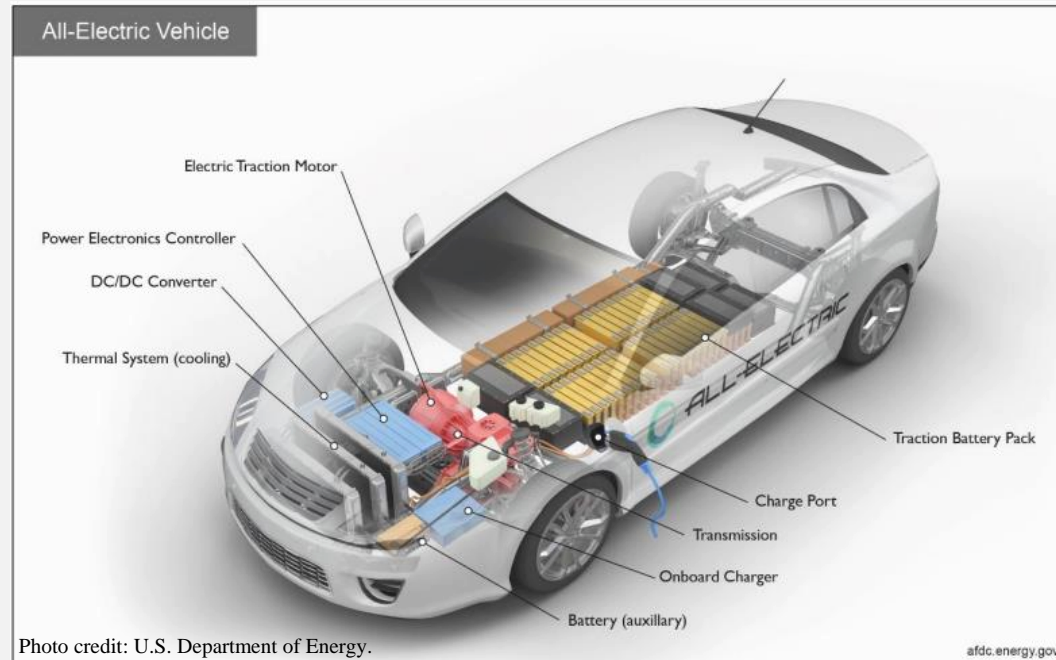
Develop and build off-road EVs:  
ATV, UTV, GO-Karts, Crossover  
Electric Golf Carts





# EV MARKET OPPORTUNITY

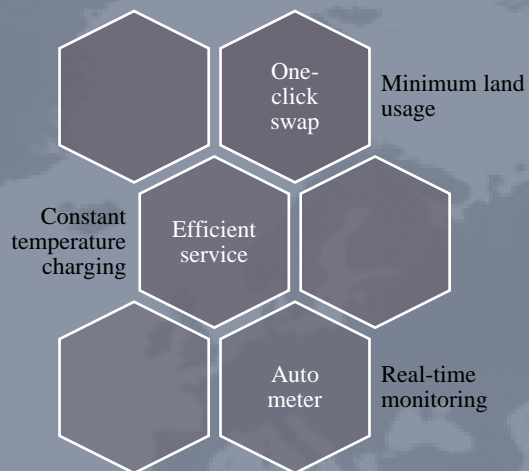
- China is the largest EV market in the world (over 50% global market share)<sup>1</sup>
- Projected 15.8 million units of EV sales in China by 2030<sup>2</sup>
- Approx. 28% annual growth projected in China 2020-2030<sup>3</sup>



Source:  
1. EV-Volumes.com  
2. 3. Deloitte, HIS Markit, EV-Volumes.com

# BATTERY SWAP

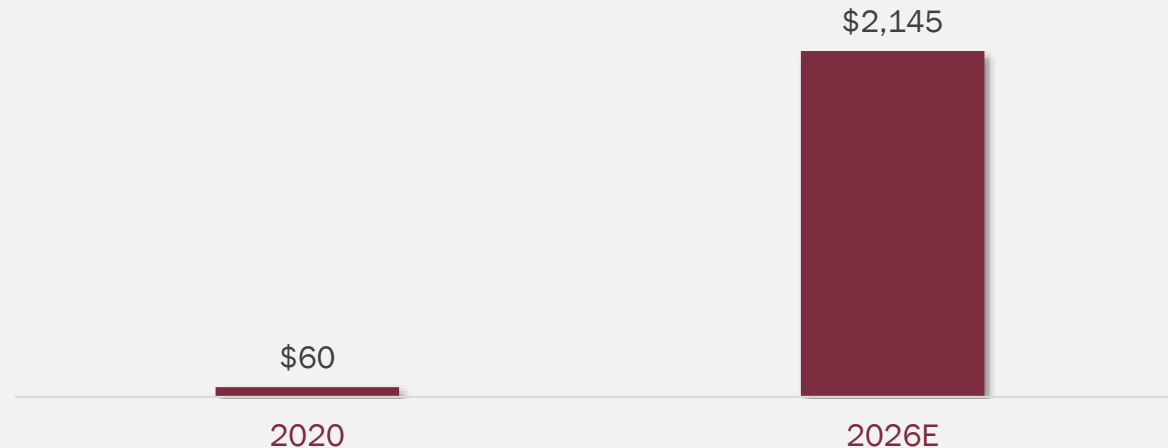
- Invented by KANDI in 2009
- Fully automated one-click battery swap in 90 seconds
- KANDI boasts over 10 patents in battery swap and a well-established smart battery swap system
- Swap station compatible with various vehicle models



# GROWING BATTERY SWAPPING MARKET

- Kandi focused on building a ride hailing fleet composed of battery-swapping EVs
- Global EV battery swapping market is rapidly growing, especially in China<sup>1</sup>
- Favorable regulations around battery swapping technology and infrastructure construction<sup>1</sup>
- Chinese government created first safety standards in 2020<sup>2</sup>
- China battery swap market projected to grow 82% annually from 2020 to 2026<sup>1</sup>

China Electric Vehicle Battery-Swapping Market Size  
(\$millions)



Source:

1. Qianzhan Industry Institute (前瞻产业研究院)

2. State Administration for Market Regulation

3. Note: RMB equivalent, 1 CNY = 0.15 USD





# OFF-ROAD AND ATVs

- Award winning and fun!
- Sold in China and the U.S.



## The Best Off-Road Go-Karts (2020 Reviews)



**Kieran Cunningham**

Updated: June 9, 2020

Scooters & Bikes

Off-road go-karts come in a wide variety of shapes and sizes. They all, however, have one very important factor in common: the ability to provide an incredibly fun way to get around in the great outdoors, whether you're using your machine for recreation away from the beaten path, on a circuit, or just scooting around the farm or yard. Buyers in the market for an off-road go-kart could be forgiven for being slightly overwhelmed by the vast variety of options out there, but in this article we aim to facilitate the selection process by introducing you to our selection of the 25 best models of off-road go-kart currently on the market in 2019.

We reviewed dozens of go-karts to identify the best of the best. We examined a range of factors, including type, engine size, handling, intended use, cost, and average customer reviews.

### Top Pick



#### **Kandi 150cc 2-Seat Go-Kart**

Meet the Kandi 150cc 2-Seat Go-Kart, the best go-kart out there for all your off-road adventures.

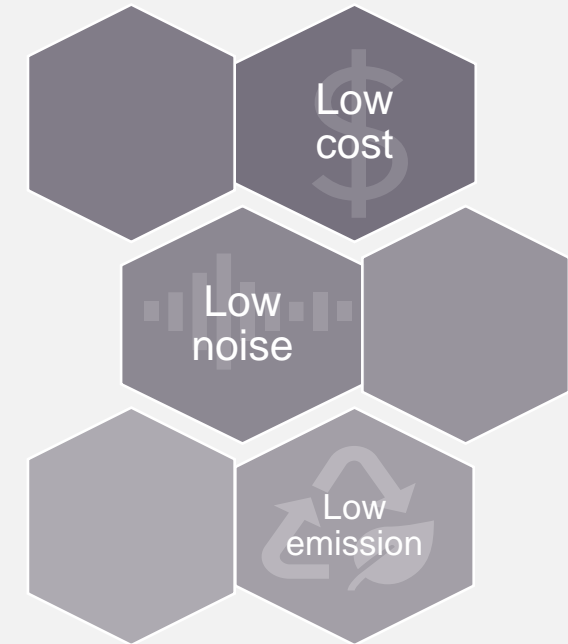
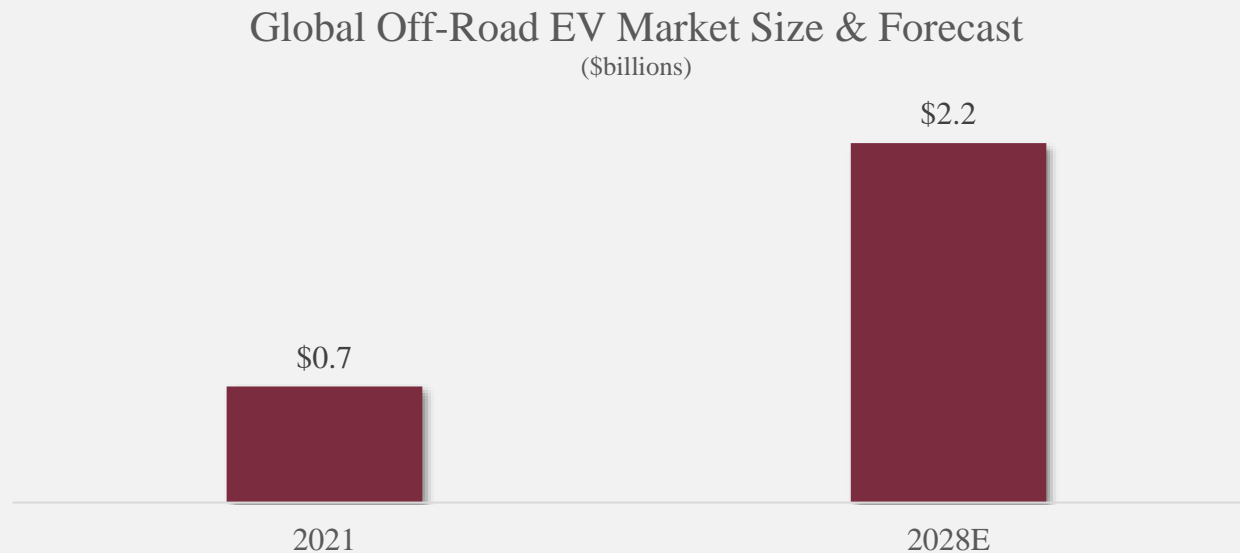
[Buy on Amazon](#)

Having considered a large number of off-road go-karts, we chose the **Kandi 150cc 2-Seat Go Kart** as our top pick. This very well-made go-kart packs plenty of power in a 150cc, air-cooled, single cylinder engine and can reach max speeds of 36 miles per hour. It also uses reassuringly robust roll bars, full suspension, and two seats equipped with dual four-point seat harnesses to maximize safety.



# OFF-ROAD VEHICLES MARKET OUTLOOK

- According to Insight Partners, the global off-road EV market is estimated to grow by nearly 19% annually from 2021 to 2028.
- North America is half of global market share in 2021.

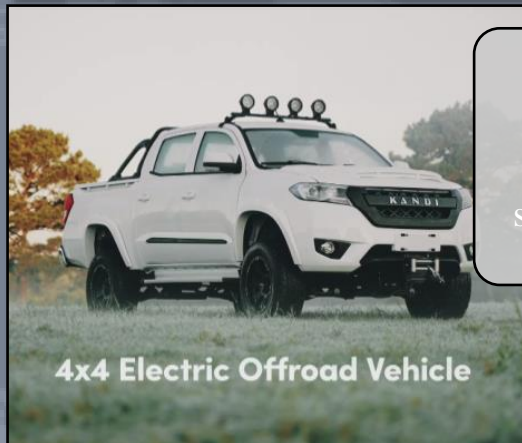


Source:

The Insight Partners, *Electric Off-Road Vehicle Market Forecast to 2028 - COVID-19 Impact and Global Analysis By Vehicle (All-Terrain Vehicle (ATV), Special Service Vehicle/Utility Terrain Vehicle (SSV/UTV), and Off-Road Motorcycles), Application (Utility, Sports, Recreation, and Military), and Geography*, July 13, 2022.

# WHAT'S NEW THIS YEAR

Pure EV K32



4x4 Electric Offroad Vehicle

Fully-enclosed electric 4WD utility terrain vehicle (UTV), soon available in the U.S.

Electric Go-Cart Lucky



Lucky, a premium electric go-cart will soon be available in the U.S.

“Crossover” Electric Golf Cart



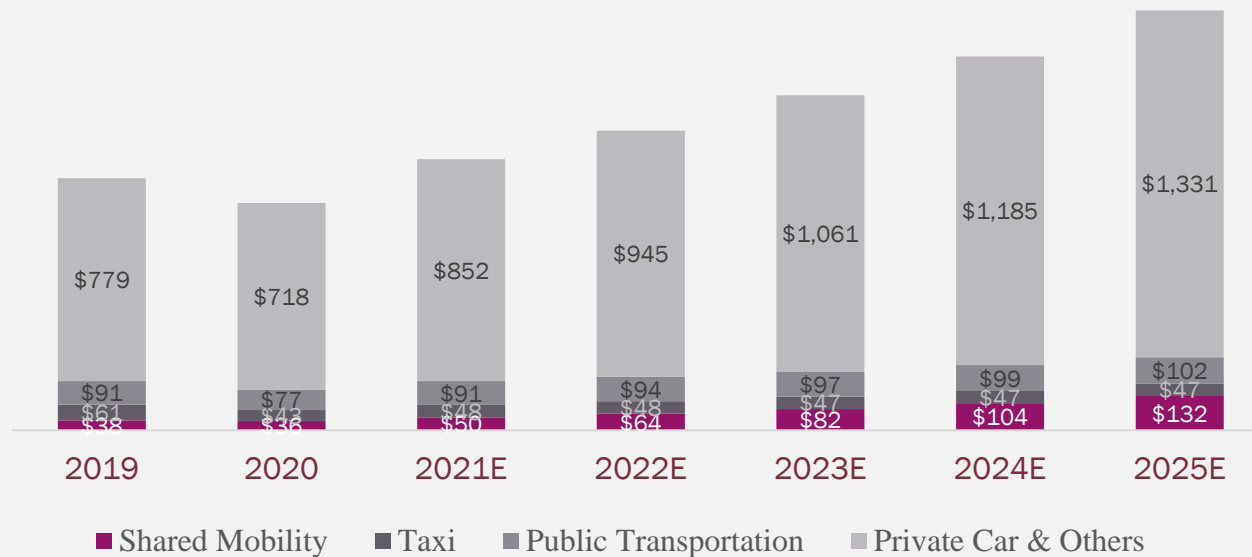
MOU for 10,000 units of the “Crossover” electric golf carts (worth of \$68 million). 4,000 units shipped to the U.S. as of June 2022.



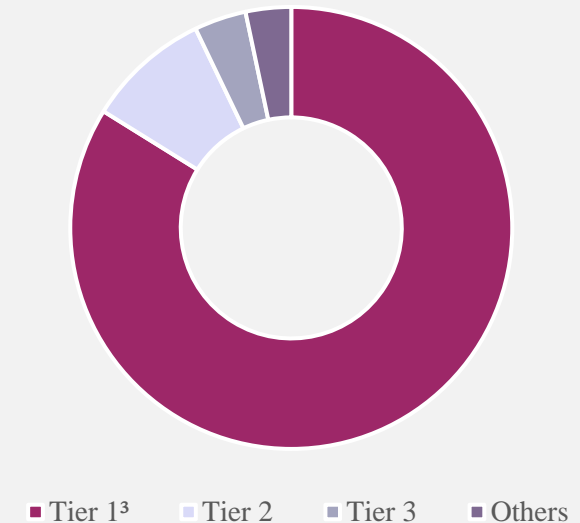
# RIDE-SHARING MARKET OUTLOOK

- China shared mobility market was ~\$36B<sup>1</sup> in 2020 and projected to grow steadily
- Significant to shared mobility, app-based ride sharing forecasted to grow at a CAGR of 32% to reach \$107 B in 2025<sup>1</sup>.
- Less than 6% penetration<sup>2</sup> in tier 3 or lower cities = significant market potential for KANDI

2019-2025E Mobility Market Size in China<sup>1</sup>



Penetration Rate of Ride-sharing Market in China by City Tier (as of Q1 2019)<sup>2</sup>



Source:

1. China Insights Consultancy (CIC), based on foreign exchange rate as of Dec 31, 2020, i.e. 1 USD = 6.5299 CNY

2. Frost & Sullivan

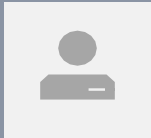
3. Includes new tier 1 cities, such as Tianjin and Chengdu, etc.



# RIDE-SHARING ALLIANCE

- Goal to build a county-level ride-hailing operation center by adopting an all-encompassing and compliant operating model with focus on Tier-3 and Tier-4 cities in China

Compliant Operator



Remain 100% compliant across China through company assets and self-run operation

Demand Oriented



Build an eco-system for commute based entirely on local needs by integrating compliant ride-hailing platforms, Kandi-employed drivers and battery-swapping mode. Contributes to the further standardization of ride-hailing industry in China

County Focused



Build the largest all-encompassing ride-hailing operation network in China by covering everything from R&D and manufacturing of EVs to energy management to the operation of a nationwide platform



# BATTERY INNOVATION

- Expanded battery business by acquiring Jiangxi Huiyi New Energy in 2021
  - In 2019, Huiyi was the first company in China to roll out IFR18650-2000mAh battery, which boasts a battery capacity 11% higher than the IFR18650-1800mAh battery in the industry at the time; granted two state patents as a result. The battery has won wide acclaim from market and clients since its debut.
  - In November 2021, Huiyi started mass production of IFR18650-2200mAh battery, which carries an energy density of 161.8Wh/kg, representing a 10% and 22% higher battery capacity than company's IFR18650-2000mAh battery and industry average, respectively

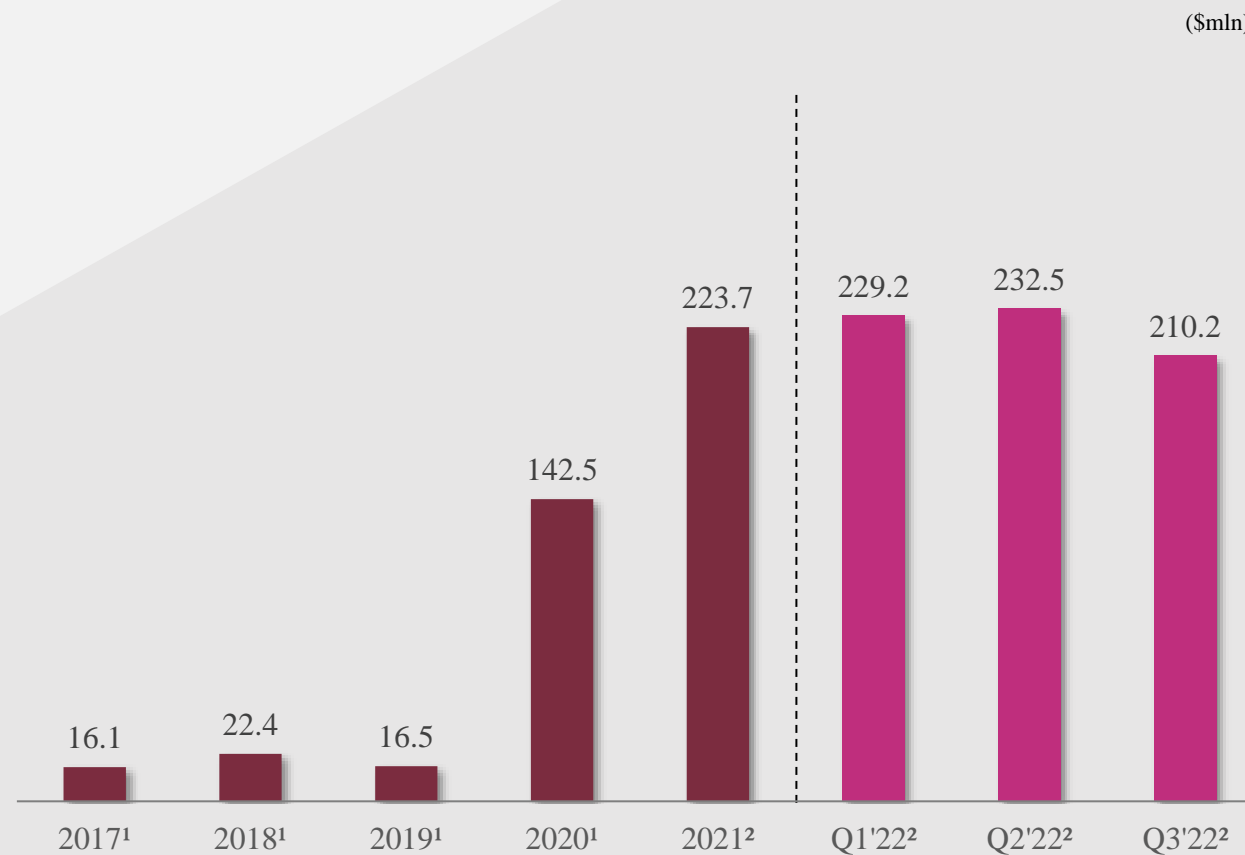




## CASH (YEAR-END OR QUARTER-END)



- As of September 30, 2022, the Company had \$210.2 million cash balance<sup>2</sup>.
- Balance sheet strength enables us to pursue high-demand niche markets such as off-road ATVs
- Patiently awaiting restoration of order in China EV market.



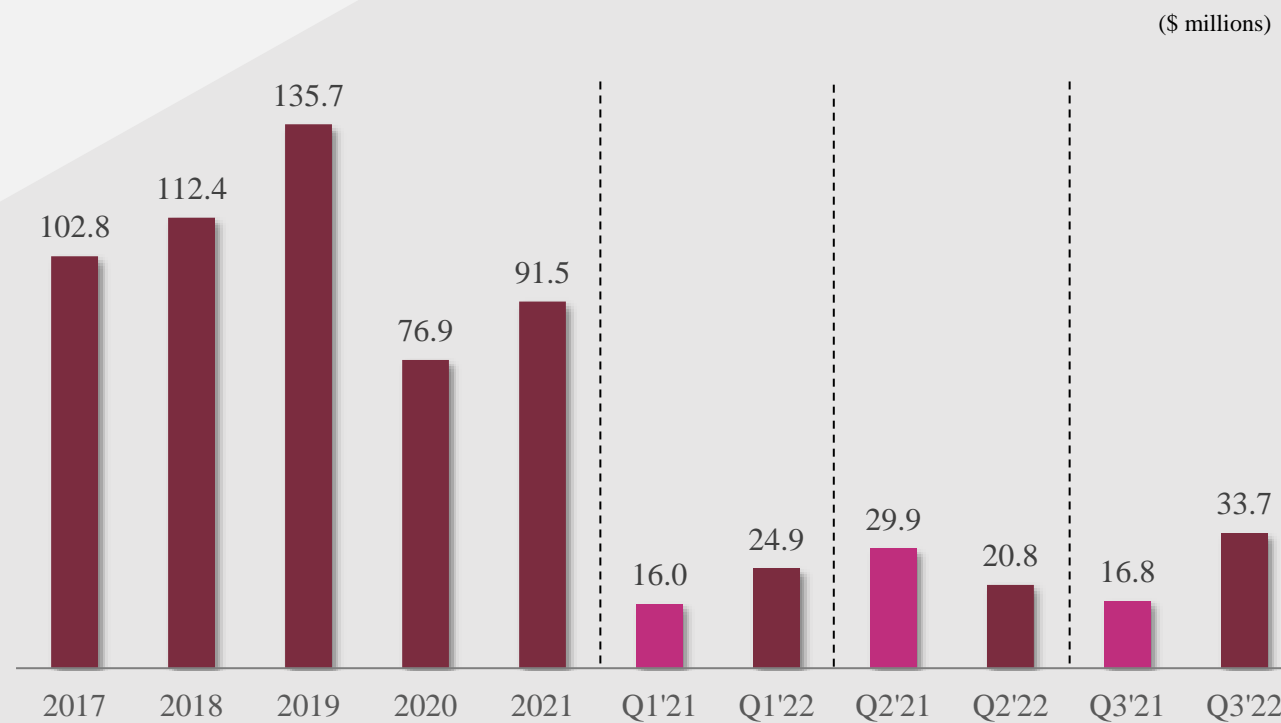
Note:

1. Cash includes cash and cash equivalents, and restricted cash at end of period.
2. Cash includes cash and cash equivalents, restricted cash, and Certificate of deposit at end of period.

# REVENUE



- Huge global demand for electrified off-road vehicles
- Kandi applying EV technology to off-road vehicle products
- Launching a variety of new models: electric utility terrain vehicles (UTVs), neighborhood EVs (NEV), golf carts and off-road crossover vehicles.
- Off-road grew in the first half of 2022

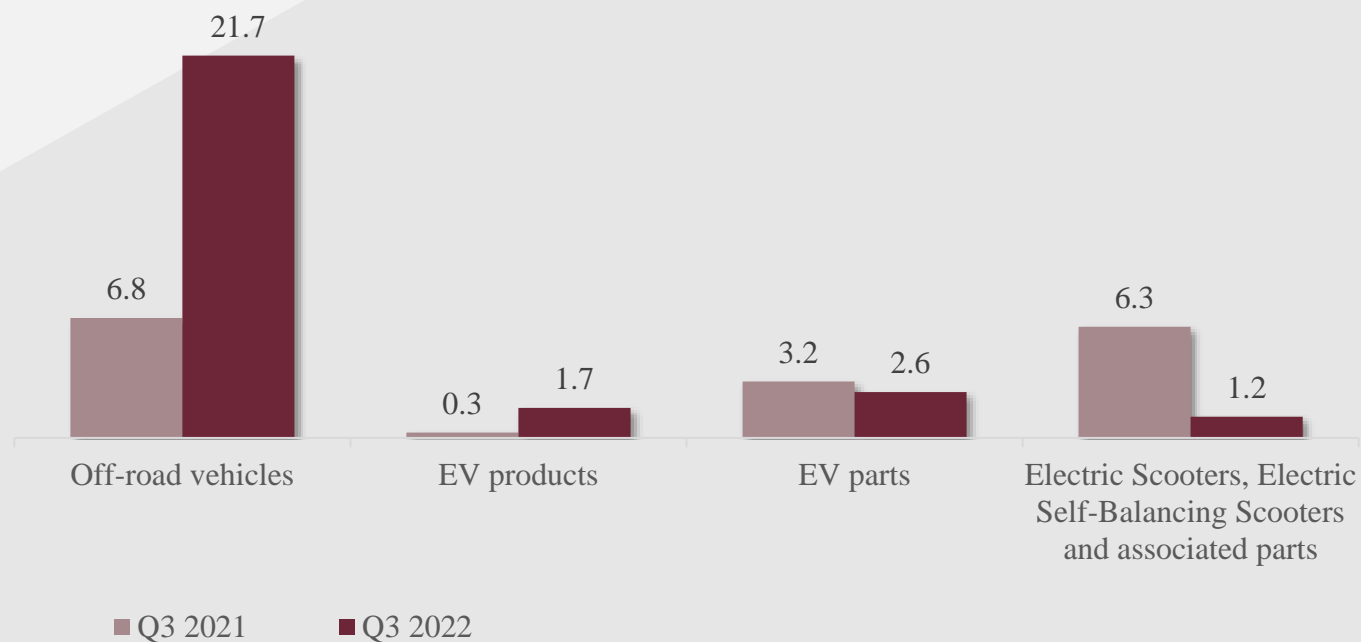


# REVENUE BREAKDOWN<sup>1</sup>



- 3Q22 Revenue performance:
  - Total revenue increased by 101% y/y, driven by strong growth of off-road vehicles sales.
  - Off-road vehicles sales increased by 217.6% y/y.
- Key factors:
  - Off-road vehicles continues to gain traction
  - More off-road products in the pipeline
- Traction in a variety of newly launched off-road vehicles:
  - UTVs
  - Crossover golf karts
  - Beach dune buggy crossovers

(\$mln)



Note:

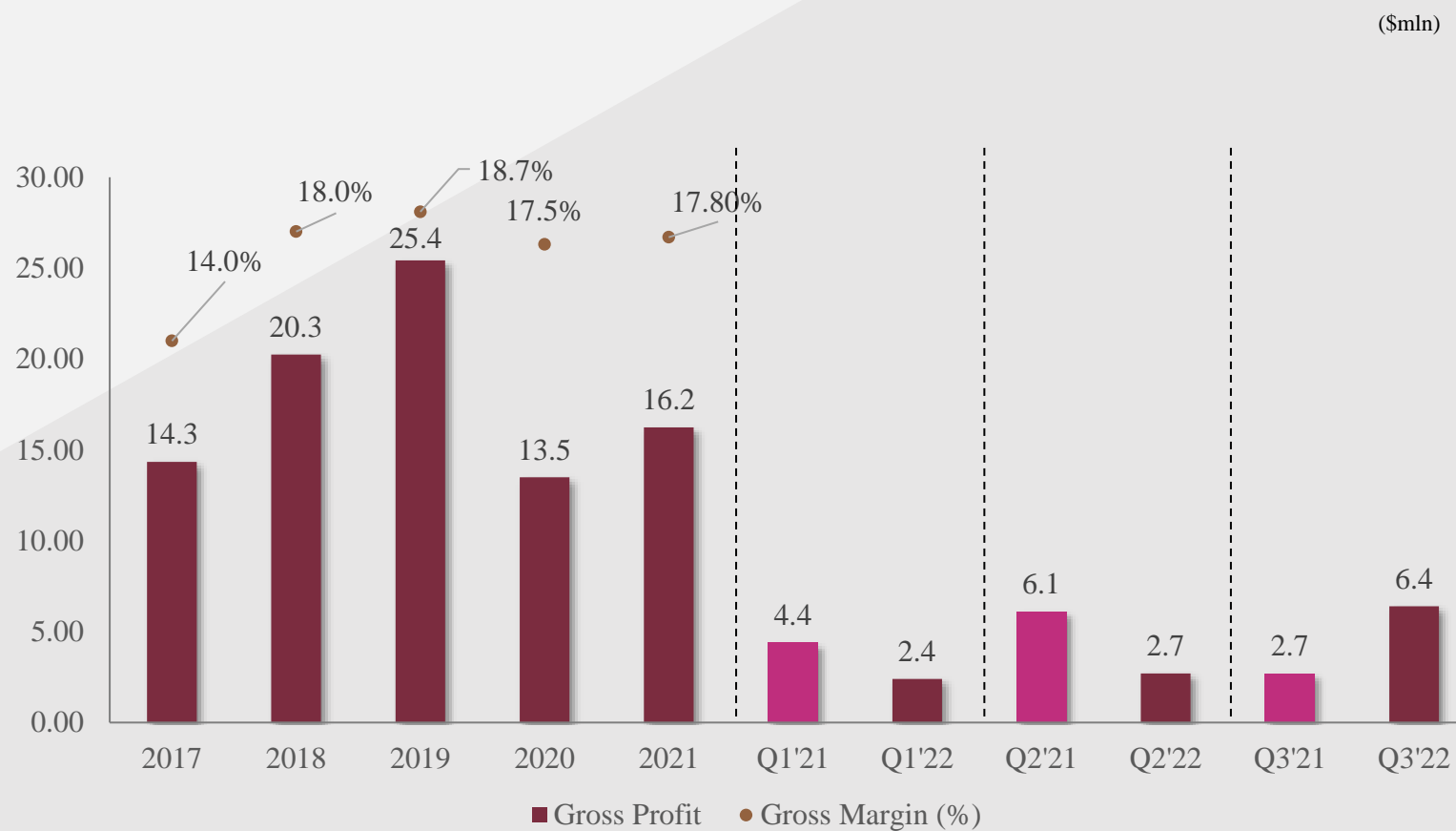
1. Battery-swapping and lithium-ion battery sales not included



# GROSS MARGIN



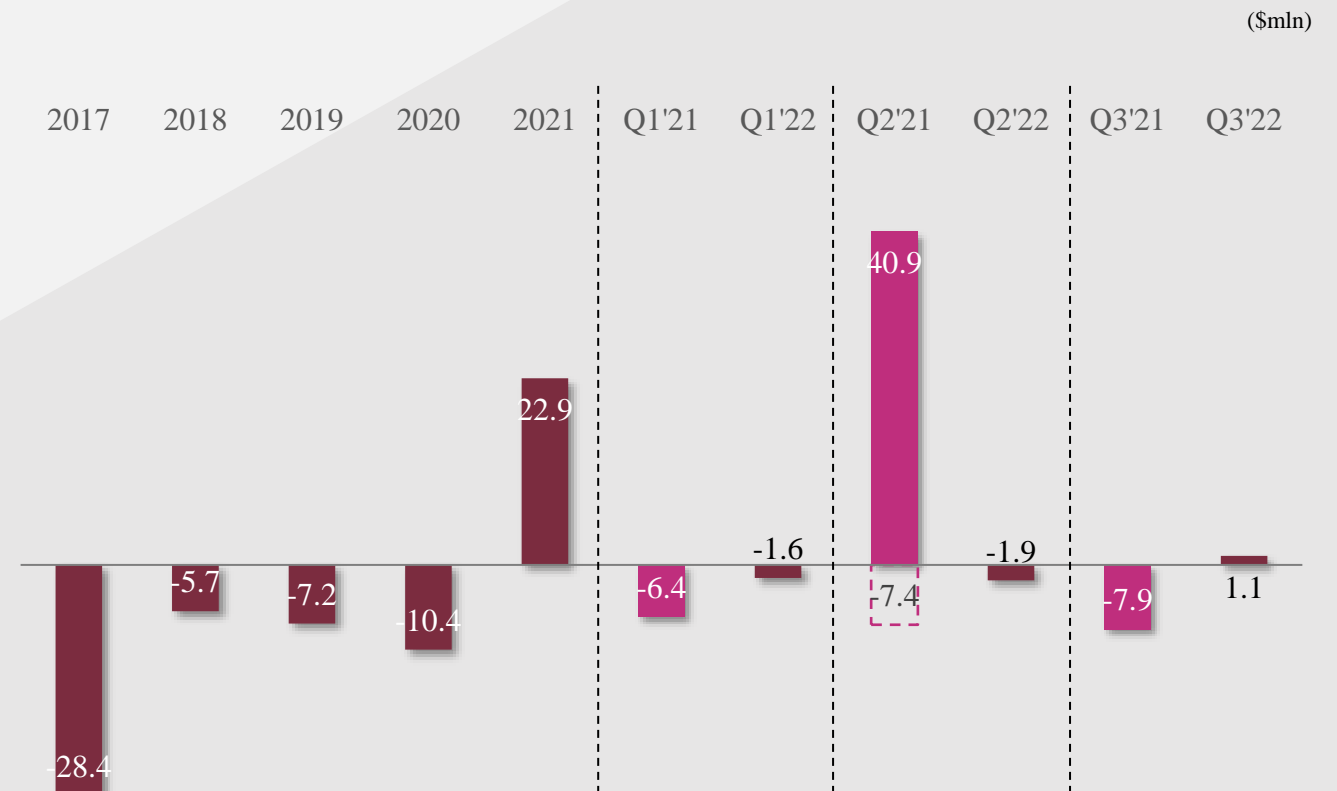
- Product mix shift to off-road vehicles, a segment with a higher gross margin that achieved significant growth in the past quarter



# NET PROFIT



- Q3 2022: net income of \$1.1 million
- Q3 2021: net loss of \$7.9 million



Note: GAAP net income of Q2 2021 was \$40.9 million, which included \$48.3 million gain from disposal of long-lived assets (relocation of Jinhua factory).



# APPENDIX

# ORGANIZATIONAL CHART



Source: 10-K annual report for year ending December 31, 2021.



# FINANCIAL HIGHLIGHTS



Fiscal Year Ending Dec 31					
\$ millions (excluding per share)	2017	2018	2019	2020	2021
Revenue	102.8	112.4	135.7	76.9	91.5
Gross Profit	14.3	20.3	25.4	13.5	16.2
Operating Income (Loss)	(26.1)	(1.6)	0.9	0.8	1.3
Net Income	(28.3)	(5.7)	(7.2)	(10.4)	22.9
Fully Diluted EPS	(0.59)	(0.11)	(0.14)	(0.19)	0.30
Select Balance Sheet Items					
Cash/cash Equivalent	4.9	15.7	5.5	142.1	129.2
Restricted Cash	11.2	6.7	11.0	0.4	39.5
Certificate of deposit	-	-	-	-	55.0
Current Assets	238.3	167.3	195.6	307.1	342.6
Current Liabilities	184.6	164.8	131.9	83.8	64.2
Total Assets	438.3	428.8	371.2	495.2	520.2

Source: 10-K filed with SEC.

# KANDI | K32

A new frontier awaits.



AN EV VANGUARD



For More Information

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