



REFINITIV STREETEVENTS  
**EDITED TRANSCRIPT**  
Q2 2024 GOGORO INC EARNINGS CALL

EVENT DATE/TIME: August 15, 2024 / 12:00PM UTC



## CORPORATE PARTICIPANTS

- **Anny Liao** *Gogoro Inc - Investor Relations*
- **Horace Luke** *Gogoro Inc - Chairman of the Board, Chief Executive Officer, Founder*
- **Bruce Aitken** *Gogoro Inc - Chief Financial Officer*

## CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Long Lin** *The Benchmark Company - Analyst*

## PRESENTATION

### Operator

Welcome to the Gogoro Inc. 2024 Q2 earnings call. This conference call is now being recorded and broadcasted live over the Internet. Webcast replay will be available within an hour after the conference is finished. I'll now like to turn the call over to Gogoro team.

---

### Anny Liao *Gogoro Inc - Investor Relations*

Welcome to Gogoro's 2024 Q2 earnings conference call, hosted by our CEO, Horace Luke; and CFO, Bruce Aitken. Hopefully, by now you've seen our earnings release. If you haven't, it is available on the Investor Relations tab of our website, [investor.gogoro.com](http://investor.gogoro.com).

We are hosting our earnings conference call via live webcast through Gogoro's website, where you can also download all the earnings release materials. We will also be displaying the materials on the webcast screen as we go. (Operator Instructions) After Horace provide some of the business highlights from Q2, Bruce will go deeper into the Q2 financial results, and then we will open the line for Q&A and answer as many questions as time allows.

As usual, we would like to remind everyone that today's discussions may contain forward-looking statements that are subject to risks and uncertainties which could cause actual results to differ materially from those contained in the forward-looking statements. Please refer to the forward-looking statements that appear in our press release and investor presentation provided today.

And now I would like to turn the call over to Horace.

---

### Horace Luke *Gogoro Inc - Chairman of the Board, Chief Executive Officer, Founder*

Thanks for joining our call today. We're pleased to have this opportunity to meet with you and provide a summary of our second quarter 2024 results. I'm pleased to share with you that we announced two substantial investments in the second quarter, which totaled \$100 million with \$75 million cash received. We further entered into an MOU with Sumitomo Corp. and Sumitomo Mitsui Finance and Leasing Company SMFL, to facilitate a more asset-light international expansion.

Gold Sino Assets Limited made a \$50 million equity investment in Gogoro. Our partnership with Dr. Yin of Gold Sino and Ruentex Group dates back to Gogoro's founding. This investment reinforces our strategic direction, and we are committed to building on the

success of our revolutionary battery swapping ecosystem.

We continue to lead the transformation of two-wheel urban transportation shaping cities of the future to be smart, sustainable, and accessible. We are delivering on our vision as we continue to expand our leadership in Taiwan and other markets.

It is crucial to maintain the resources and flexibility needed to operate efficiently, ensuring the delivery of cutting-edge innovation, unparalleled customer experiences, and exceptional value to our customers. Additionally, we announced a \$50 million investment commitment from Castrol, a global leader in lubricants and part of the BP Group. The initial investment of \$25 million in Gogoro will be followed by a second \$25 million investment in the form of a convertible note, contingent on further collaborative business transactions.

In the press release announcing the investment, Michelle Jou, CEO of Castrol stressed the importance of two-wheelers to Castrol and the desire for Castrol to play a large part in a consumer's transition from traditional ICE vehicles to electric vehicles. I can't think of a partner that has broader and deeper customer reach in the two-wheel industry than Castrol. And the teams have worked tirelessly to make this investment and partnership possible.

We are now actively developing a variety of joint strategic initiatives and are progressing at pace to really substantiate this agreement and investment. I'm gratified that Castrol is excited about Gogoro's technology and vision for urban mobility. Gogoro's partnership with Sumitomo and SMFL, a global leader in financing and leasing would establish a new asset class using Gogoro Smart Batteries to create new business opportunities for Sumitomo and SMFL to utilize Gogoro's batteries for expanding their mobility business as well as generating second-life battery revenue.

Amongst the many new business opportunities, this partnership would enable a new asset-light expansion model for Gogoro that doesn't require large upfront capital investment in batteries, while increasing the financial efficiency of our new markets. We have been working with Sumitomo and SMFL towards this announcement in business direction for some time, and I look forward to the opportunity to provide further updates as we formalize a variety of business opportunities.

Both Bruce and I will go into more details on our market and financial performance during the course of the call, but I do want to set some high-level context. When Gogoro set out to electrify two wheelers, we didn't know what the future held. We had to develop our own compelling vehicle solutions, our own battery packs, and our own battery swapping platform and ecosystem. We still manufacture battery packs and most of our vehicles in-house and own all of the IP associated with our platforms and battery swapping ecosystem.

These inventions have paved the way for the battery swapping industry today. There have been bumps and learnings along the way, and we have and will continue to face challenges. Our focus is on the long term, and we see so much potential for the ongoing electrification of two-wheelers and the adoption of battery swapping.

Governments, partners customers, both B2B and B2C, and fellow travelers on the electrification and battery swapping journey, all see benefits in converting from traditional ICE two-wheelers to electric battery swapping vehicles. Conversion will happen at various points in time and with varying speeds of adoption. But it will happen.

Our objective is to stay true to our core beliefs and keep innovating our product and service offerings and business models to meet market demands. We're not satisfied with the pace of change and adoption in any market. These realities mean that our financial results are not as strong as desired.

However, we continue to have the best vertically integrated product stack, the world's largest deployed battery swapping infrastructure, the support of more than 10 OEMs who are making vehicles, which are powered by Gogoro's battery ecosystem, and a software and operating platform that allows additional value added services to create new revenue streams.

Innovating and investing for growth requires capital. Hence, the recent raise. Operating our network in Taiwan and developing an international footprint also requires substantial amounts of capital and operational spending. We are still operating at a loss and still investing for growth because we believe the markets that we are targeting India, Southeast Asia, and other markets are ripe for electric vehicle disruption.

While the Taiwan two-wheeler market had a 11.2% decrease year on year in Q1, the registered units in Q2 were approximately 190,000, demonstrating slight growth of 2% versus Q2 last year. Year to date from January to June, the Taiwan market is down 4.4% from the same period in 2023.

We previously indicated a range of projected market sales from 750,000 to 850,000 against the 2023 market of 870,000 units. We expect this year will continue to be softer compared to last year. And Taiwan's two-wheel scooter market will end the year between

810,000 to 840,000 units, a drop of 3.5% to 7% versus, 2023.

We anticipate slight growth in overall market share versus 2023 for Gogoro vehicles. However, against our previous expectation, the drop in overall market volume has a knock-on impact on our sales volumes and revenue in the first half and will impact second-half revenue as well. The total number of registered electric scooters in Q2 in Taiwan was 23,660 units, up 17.6% from 20,118 units in Q2 2023.

Gogoro branded vehicles. Registration figures were 15,646 units, up 10.8% from Q2 2023, while powered by the Gogoro Network PBGN, vehicles registration figures were 16,685 units, up 1.7% over the same period, representing 70.5% of total electric vehicle sales in Q2. Vehicle registration figures would have been markedly higher, had we delivered all back orders, JEGO and Pulse vehicles.

If all of the approximately 5,600 JEGO and 9,000 Pulse backlog orders we had taken by the end of June had been delivered in Q2, the electric power two-wheeler market would have been up 50% from Q2 2023. These backlog units represent approximately \$12 million in orders, which can be recognized when vehicles are delivered, which we expect to happen in the third quarter. The JEGO Smartscooter has been a standout success, capturing significant market attention and driving sales volumes above our expectations.

The high sales volume of JEGO, while a positive indicator of consumer interest has resulted in a lower average selling price and consequently, lower overall revenue compared to our historic performance. The market's enthusiastic response to JEGO suggest that its features and price points are appealing to a new class of Gogoro customers.

Balancing sales across a broader range of our product portfolio is a goal for the second half of the year. Our new flagship, the Pulse Smartscooter continues to receive positive coverage for its outstanding, industry leading performance. Our retail footprint is sizable and sufficient to allow for future growth of vehicle volume without equivalent growth in fixed costs.

As of the end of Q2, we now have 103 retail stores in Taiwan, 242 global quick service stores, and 421 authorized repair shops. The performance of the Gogoro Network is in line with our expectations, and our network operations continue to show healthy revenue growth. With just over 608,000 accumulated subscribers, up from 552,205 subscribers at the end of Q2 2023 and with \$34.7 million in battery swapping service revenue, we continue to operate the Gogoro Network efficiently.

We now have over 2,570 GoStation locations, over 1.4 million battery packs in circulation, with more than 400,000 daily battery swaps, and over 10.6 billion total kilometers written on our network. We are upgrading some of our battery packs in order to ensure we maximize both first and second life opportunities.

We fundamentally believe that both the government of Taiwan and consumers see the value of electrification and continue to believe that this transition while taking a bit longer than anticipated is well underway. Our market share remains strong. Our technology continues to be seen as best in class, as evidenced by the external award and ongoing strategic investments from existing shareholders as well as Castrol. And we remain confident of long term success in Taiwan and in other markets.

International markets and expansion continue to be important in our long term strategy, we use our Taiwan experience to accelerate our international expansion. While it is exciting that we expand into new markets, each market is unique. It takes time to develop these markets, including local consumer demands, local partnerships, and local regulations.

India is perhaps our most important international market and enthusiasm for our solutions is high. With an overall market of approximately 20 million units per year and with government support for the ramp of electric vehicles, we are well positioned to benefit from this large market but are still learning the complexities of the Indian market.

Our investments in India in the first half of the year demonstrate our commitment to this important market. While we had forecasted revenue from India for 2024, but due to the delay in implementation in subsidies to include battery swapping vehicles, most of it is now projected for 2025. In the meantime, we continue to progress with our battery factory build-out, GoStation deployments and building out our India team and capabilities.

India's government continues to strongly support the transition to electric mobility. When the faster adoption and manufacturing of electric vehicles, otherwise known as FAME scheme, was put in place in India in 2015, battery swapping didn't exist. And as a result, battery swapping vehicles were not covered under FAME II or the extension of that policy, which was put into place in April to effectively extend the benefits of FAME II.

We are working with the Ministry of Heavy Industries as a founding member of the Indian battery swapping association to ensure that in the upcoming FAME III publication, battery swapping vehicles and infrastructure are afforded the same benefits as charging

electric vehicles.

MHI is tasked with the overall EV roadmap for India, and we are optimistic that our continued collaboration and advocacy will lead to the inclusion of battery swap vehicles in upcoming incentive programs, thereby supporting the growth and adoption of sustainable mobility solutions across the country.

Until battery swapping vehicles are eligible for subsidies under FAME or other government programs, we cannot offset the impact of these subsidies via price discounts. We continue to be optimistic about what Indian market can bring but are forced to wait for the finalization of incentive schemes before ramping our vehicle sales or our battery pack production in India.

The registration and license application for our India battery pack factory are currently underway. We anticipate that this process will be completed in time for commercial production to commence in the second half of 2024. Similarly to vehicle subsidies, clarity of subsidies for battery packs as well as equivalent treatment under subsidy schemes is critical to a successful launch for not only Gogoro, but all battery swapping players in India.

In Q2, we announced the deployment of the first 20 GoStations in New Delhi and Mumbai through our partnership with HPCL, India's second largest gas retailer. Given HPCL's large retail footprint of 21,000 touch points, there is room for growth in this partnership as we ramp vehicle sales in both cities. We recently launched a pilot program with Rapido, one of India's leading ride-hailing services specializing in bike taxis.

The feedback from the pilot has been overwhelmingly positive with riders experiencing a remarkable 50% increase in wages, nearly double what is typically earned through a standard fleet operator model. The riders have expressed great satisfaction with both our vehicles and the seamless battery swap experience, highlighting the ease and efficiency of our system.

Many riders are covering impressive distances riding up to 200 kilometers per day due to the reliability and ease of use of our battery swapping technology. We are also actively collaborating with five Indian local electric two-wheeler OEMs and have commenced vehicle testing for the deployment of these powered by Gogoro Network solutions in the Indian market.

These collaborations bring to market a variety of products at lower price points and the initiation of testing these solutions marks an exciting step forward in expanding our presence and providing a wider range of vehicle options to B2B customers in India. The building blocks for growth in India are in place.

I'll now ask Bruce to now give you an update regarding other international markets as well as an overview of our Q2 financial results.

---

## **Bruce Aitken Gogoro Inc - Chief Financial Officer**

Thanks to Horace. We continue to make steady progress in South Korea with our partner Bikebank. There are now more than 200 active GoStations in 15 cities in South Korea, which is an example of our PBGN alliance strategy at work. Aeon Motor, Gogoro and South Korea's Bikebank brand Dotstation have teamed up to develop the EV-C1 electric scooter, which is already on sale in South Korea. Designed by Dotstation to align with South Korean rider preferences manufactured by Aeon Motor in Taiwan and powered by Gogoro's Battery Swapping technology, this scooter is now entering the South Korean market with Dotstation managing the local sales channels.

This collaboration combines Aeon Motor manufacturing expertise with Gogoro's network Battery Swapping ecosystem and Dotstation's local market knowledge to make a successful entry into the market. We're pleased to see our PBGM partners, new vehicle meeting local market demands making this a win-win-win situation for all three parties.

In May, we launched Gogoro Battery Swapping services in Bogota, Colombia with Terpel, a subsidiary of Copec and a leader in the Colombian fuel and lubrication product market. This is the official launch of our partnership with Copec, which was announced in January. We also introduced the Gogoro 2 Plus and Gogoro VIVA MIX Smartscooters in Colombia.

Initially for Battery Swapping stations are located at Terpel service stations in Bogota, with plans to expand to 14 by the end of 2024 and to the city of Medellin. Our Gogoro Smartscooters will be marketed by Motored, a top two wheel distributor in Colombia.

Following our launch in Colombia in the second quarter, we are excited about our upcoming commercial launches in Chile and Singapore in the latter half of 2024. These markets represent significant opportunities for growth and expansion as we bring our advanced Battery Swapping technology and cutting edge electric scooters to new regions.

After more than a year of sandbox testing with the Land Transport Authority in Singapore, Gogoro is now approved for commercial operational launch. LTA is the Singapore government body that spearheads land transport development in Singapore. It plans,

designs, builds, and maintains Singapore's land transport infrastructure and systems with a focus on green solutions. This certification by LTA is a testament to the safety and quality of our battery swapping system, and we value the cooperation and support of the Singapore government in validating our technology.

Now that we are certified to operate, we will deepen our partnership with Cycle & Carriage and their customers, including foodpanda, whose riders were active in the sandbox pilot. The pilot received overwhelming positive feedback from foodpanda delivery riders for our Smartscooter's speed, silent ride, and quick battery swaps. Our pilot riders have averaged more than 2,200 kilometers per month with up to two battery swaps per day.

We're planning for the commercial launch of battery swapping and Gogoro Smartscooters in Q4 2024 with Cycle & Carriage as our exclusive distribution partner. C&C is also collaborating with Shell Recharge to set up GoStations at Shell service stations in Singapore and C&C will be offering three Gogoro Smartscooter models by Q4 2024.

Our joint venture in the Philippines is making progress with 11 GoStations now operational in Manila. We're optimistic about receiving zero import tariff approval soon, which will allow us to offer more competitive pricing and expand access to sustainable transportation. This approval will be a key milestone supporting both our business and the country's green mobility goals. While we await the final decision, we remain focused on strengthening partnerships, enhancing infrastructure, and preparing for swift rollout once approval is granted.

Before I review our financial results in detail, I'd like to provide just a little bit of context. Due to challenges in the Taiwan market and the slower than expected pace of international sales, our revenue for Q2 and our expectations for the year are lower than previously forecasted. In Taiwan, the overall tool market is down 4.4% in the first half.

Additionally, as a result of the higher than expected mix of the JEGO model, our ASP has dropped, which will impact second-half revenue. Our Gogoro Network is performing approximately two expectations. If we adjust our first half revenue for the backlog, orders of JEGO and Pulse and for foreign currency fluctuations, it's actually slightly higher than our 2023 first half revenue.

In India, government policy regarding incentives for Battery Swapping vehicles are not yet finalized. There were a variety of delays to the policy finalization, including central government elections and the appointment of new senior leaders to important government agencies. We are working closely with the Ministry of Heavy Industries, the Indian Battery Swap Association, and other OEMs to effect a new FAME III policy in the coming months.

Until there is full clarity of our ability to access government subsidy programs, we will intentionally slow any ramp in vehicle sales as at the moment, any sales are effectively subsidized by Gogoro. This delay in sales will also impact revenue for the second half of 2024.

Now to the details. For the second quarter, the total revenue was \$80.9 million down [7.2%] year over year and down 2.4% year over year on a constant currency basis. Had the foreign exchange rates remained constant with the average rate of the same quarter last year, revenue would have been up by an additional \$4.2 million. We had more than 6,500 backlog orders for Pulse and JEGO in the second quarter with a total value of approximately \$12.3 million although customers do have the right to cancel such orders prior to delivery.

The large quantity of backorders is primarily the result of robust demand for these new models, coupled with our need to balance manufacturing capacity across multiple vehicles and the need to balance related supply chains accordingly. Battery swapping service revenue for the second quarter was \$34.7 million, up 4% year over year and up 9.5% year over year on a constant currency basis.

Total subscribers at the end of the second quarter exceeded 608,000, up 10.1% from 552,000 subscribers at the end of the same quarter last year. The year-over-year increase in battery swapping service revenue was primarily due to our larger subscriber base compared to the same quarter last year and the high retention rate of our subscribers.

Sales of hardware and other revenues for the second quarter were \$46.3 million, down 14.1% year over year and down 9.8% year over year on a constant currency basis. The year over year decrease in sales of hardware and other revenues was driven by a combination of factors. First, a decrease of ASP due to a higher proportion of lower-priced vehicles sold.

Second, the significant increase in the level of undelivered backlog orders compared to the same quarter last year. Third, a decrease in sales revenues associated with selling merchandise and maintenance parts from original OEM manufacturers. And four, an unfavorable exchange rate when translating 95% of our sales which are denominated in NT dollars into US dollars.

The backlog orders for Pulse and JEGO we received in the second quarter are not reflected in the vehicle registration data published by the Taiwan government for the second quarter. Nor did Gogoro recognize any revenue for these vehicles despite receiving full payment from customers or approved financing from third party financing companies. Gogoro will account for the vehicle revenue upon deliveries to customers.

The government reported registration volume of power two-wheelers in the Taiwan market in the second quarter was up 2% year over year. While registrations of total electric power two wheelers were reported to be up by 17.6% compared to the same quarter last year; those of Gogoro sales grew by 10.8%. Had we delivered the outstanding orders of Pulse and JEGO vehicles, the growth of the electric PTW registrations contributed by the sales of Gogoro vehicles would have been estimated to be 57.2%.

Taiwan's largest two power two-wheeler manufacturers are publicly estimating that the total market for Taiwan will shrink by 14% from last year's 870,000 units to around 750,000 units in 2024. We updated our market outlook to regress toward the market consensus as we have seen a temporary slowdown in consumer transition from traditional internal combustion engine vehicles to electric power two-wheeler vehicle in the first half of 2024.

For the second quarter, gross margin was 5.2%, down from 15.2% in the same quarter last year while non-IFRS gross margin was 13.0%, down from 16.0% in the same quarter last year. The decline in gross margin was primarily driven by a combination of factors: first, a \$6 million derecognition expenses on components removed from the battery pack and costs associated with our battery upgrade initiatives.

Second, a \$1.7 million increase in depreciation and other costs associated with our new overseas production facilities. Third, a decrease in ASP associated with an increase in sales of lower-priced models. Fourth, a decrease in maintenance part sales through our own channel and a lower margin contribution from Gogoro OEM parts. And fifth, higher franchise commission from selling hardware through authorized channels. These impacts, when combined, approximately account for the 10% decline in gross margin.

We continued to carry out one-time, voluntary upgrades on certain battery packs which are expected to take several quarters to complete, continuing into 2025. These upgrades provide multiple benefits: reduction of capital expenditures on replacing battery packs, increasing lifetime capacity of each battery pack, including extending its first mobility use-case useful life, and solidifying the extra lifetime capacity of each battery pack to validate our second-life thesis.

These upgrades are expected to create economic benefits in the long run but do come at a short-term reduction in our gross margin as we carry out the upgrades. We expect our IFRS gross margin will continue to be impacted during our upgrades planned in 2024 and 2025. The upgrades will impact both our cash position and profit. But we will only upgrade battery packs in instances where the value created over time exceeds the cost of the upgrade.

For the second quarter, net loss was \$20.1 million, representing an increase of \$14.5 million from a net loss of \$5.6 million in the same quarter last year. The increase in net loss was due to a \$9.3 million decrease of the favorable change in the fair value of financial liabilities associated with outstanding earn-out shares, earn-in shares, and warrants compared to the same quarter last year and the decrease of \$9.1 million in gross profit mainly attributable to the ongoing upgrades to our battery packs. The increase in net loss was partially offset by the decrease of \$4.8 million in operating expenses as a result of our cost management efforts.

For the second quarter, adjusted EBITDA was \$11.6 million, representing a decrease of \$1.3 million from \$12.9 million in the same quarter last year. The decrease was primarily due to a \$3.4 million decrease in non-IFRS gross profit compared to the same quarter last year, which was partially offset by a \$1.7 million decrease in expenses associated with risk management programs and new product development costs.

We continued to generate operating cash inflow in the second quarter through tightening our business operations and reducing working capital. In June 2024, we raised \$50 million and \$25 million through issuing ordinary shares to Gold Sino Assets Limited and Castrol Holdings International Limited, respectively, to fund our operations. We are continuously committed to investing in growth of our Battery Swapping infrastructure.

With a \$196.9 million cash balance at the end of the second quarter of 2024 and the additional credit facilities that are available to us, we believe we have sufficient sources of funding to meet our near-term business growth objectives.

We are adjusting our revenue expectations for the year to a level lower than previously expected. The overall performance of the two-wheeler market in Taiwan is softer than anticipated and the strong sales of JEGO have resulted in ASP pressure. Our sales in India are also negatively impacted due to delays in clarity on government incentives as we are awaiting the full publication of battery swapping subsidy details under India's Fame III policy, and are unwilling to self-subsidize in the meantime.

As a result of these factors, we adjusted our guidance for full year revenue and are expecting to generate between \$320 million to \$345 million in 2024. In addition, we expect more than 95% of such revenue will be Taiwan-based.

---

### **Anny Liao Gogoro Inc - Investor Relations**

Thank you, Horace and Bruce for the detailed update. As attendees are formulating your question, I will ask two questions that we have collected from analysts.

Question number one, what is your plan to capture additional market share and volume in second half of 2024 in Taiwan? What about international markets?

---

### **Horace Luke Gogoro Inc - Chairman of the Board, Chief Executive Officer, Founder**

The overall Taiwan market was down 4.4% in the first half of the year from 2023, impacting our sales figures. Our JEGO and Pulse vehicles are being positively received in the marketplace and we have 6,500 backlog orders of the vehicles at the end of Q2. We're planning to deliver all the backlog of vehicles by the end of the year and do expect to Pulse and JEGO momentum to continue. We have launched a marketing campaign for JEGO recently and are actively engaging into traditional summer and back-to-school promotions to sustained excitement around these new vehicles.

We do have some plans for Q2 and Q4 that I can't speak in detail at this point, but we do plan to keep the momentum high.. As mentioned during the call in India much of our progress is dependent on finalization of the India's FAME III subsidy plan and the inclusion of Battery Swapping in that plan. The delay on this initiative has delayed our India plans. So we expect most of the forecast revenue for 2024 to push out into 2025. This is one of the biggest contributors to our updated guidance.

Other international markets are performing approximately as forecasted, and we expect some additional momentum in the second half of the year as we launch services in additional countries. We don't expect an immediate large volume sales in these market as it takes time for electric vehicle adoption. We expect approximately it's still 95% of our revenue of the year. We generate in Taiwan.

---

### **Anny Liao Gogoro Inc - Investor Relations**

Thank you, Horace. Question number two: from the recent capital raise from Gold Sino and Castrol, could you recap your capital structure and your attention on use of the proceeds?

---

### **Bruce Aitken Gogoro Inc - Chief Financial Officer**

Thanks, Anny. In Q2, we received as mentioned, \$50 million cash injection from Gold Sino and the initial \$25 million of what could become a \$50 million investment from Castrol Holdings through the issuance of ordinary shares to these two investors. These funds are instrumental in fueling our ongoing commitment to our expanded Battery Swapping infrastructure and is supporting our growth initiatives, both in Taiwan as well as internationally.

The addition of these funds mean that we have a strong balance of \$196 million at the end of Q2. And we also have access to additional credit facilities should we choose to exercise them. We're comfortable with our current cash position and our current debt position, and we're confident we have the financial wherewithal to meet our near term business growth objectives. Perhaps more than just the cash, just the cash injection, we appreciate the strategic intent behind these two investments.

The existing shareholders and new strategic shareholders are committing funds toward our growth, and we're grateful for the trust from both parties, and we look forward to putting the invested money to good work, expanding our Taiwan presence and accessing potentially large new markets elsewhere as well.

---

### **Anny Liao Gogoro Inc - Investor Relations**

Thanks, Bruce. Operator, please open the line for Q&A session.

---



## QUESTIONS AND ANSWERS

### **Operator**

(Operator Instructions)

Long Lin, The Benchmark Company.

---

### **Long Lin The Benchmark Company - Analyst**

Good morning. Thank you for taking my question. This is Long on behalf of Fawne Jiang. So first of all, I have some housekeeping items to ask. Probably I didn't catch during the call. Just want to ask about some of the outlooking data, like what's the Taiwan market unit sales in the second quarter 2024?

---

### **Bruce Aitken Gogoro Inc - Chief Financial Officer**

So just to make sure I'm clear, Long, you're asking about the vehicle volume, is that right?

---

### **Long Lin The Benchmark Company - Analyst**

Yeah.

---

### **Bruce Aitken Gogoro Inc - Chief Financial Officer**

Got it. So in Q2, in Taiwan, the total registered electric scooters was 23,660 units. The Gogoro branded vehicle registration was 15,646 units. The Gogoro Network volumes was [16,685 units]. In addition to that, bear in mind that we have an additional 6,500 backlog orders of the JEGO and Pulse units, which would have taken the sales up considerably.

However, I do want to remind that customers do have the option to cancel those orders. We don't typically see cancellations but customers do have the option to cancel those orders. And so that's against a backdrop of a 4.4% reduction in total sales from January to June in the Taiwan market. And the Q2 registration number in the overall Taiwan market of about 190,000 units.

---

### **Long Lin The Benchmark Company - Analyst**

Okay. Thank you very much. I'm sorry, I think your voice got cut off for the Network units. What's the number for the --?

---

### **Bruce Aitken Gogoro Inc - Chief Financial Officer**

The powered by the Gogoro Network is 16,685.

---

### **Long Lin The Benchmark Company - Analyst**

Okay, thank you.

---

### **Bruce Aitken Gogoro Inc - Chief Financial Officer**

This is all by the way in the -- it's on the press release that's already posted as well.

---

## Long Lin *The Benchmark Company* - Analyst

Thanks. Okay. So my second question is about your guidance. So you have lowered your 2024 revenue guidance. You said it's mainly about the slowdown in the Taiwan market and also the impact from the India market due to the delay of the policy. So can you give an update -- a more detailed update on Taiwan market outlook in second half and the progress and expectation of Indian market given the delays in subsidy policy. Like, basically, when do you think this policy will be finalized? And when do you think you can actually start to ramp up your units yourself?

---

## Bruce Aitken *Gogoro Inc* - Chief Financial Officer

Sure. I can try to take the first part and then Horace may have a couple of comments to add. It's always difficult to anticipate exactly when Indian government will act. However, the signs coming from India publicly as well as directly from government agencies is that the expectation is that within the next weeks, or worst-case scenario within the next couple of months, we expect the finalization of the FAME III subsidy policy, and we do expect battery swapping vehicles to be included in that policy as well as GST benefits, which are a little too detailed maybe to go into now.

But we do expect the policy to be finalized and then we do expect the policy to be made (technical difficulty) possibility for the kind of beginning of sales of vehicles in the latter part of the year. However, to be conservative, we are anticipating that virtually all -- potentially even all of the revenue that we had previously anticipated to happen in 2024, will now push out until 2025. So that's the India piece of the story.

In Taiwan, if you look at seasonality, typically, the second half of the year is larger than the first half of the year with the downward trend of almost 5% in the first half of the year, we're taking a conservative stance there as well. And again, that's what is one of the main drivers of the reduction in our revenue forecast.

As we have slightly fewer vehicle sales than likewise our Gogoro Network revenue in Taiwan and for, in the case of India, our Gogoro Network revenue in India is impacted. So it's the combination of a number of those different factors that leads to a big chunk of the guide down.

The second biggest part is really the sale of lower ASP product in Taiwan. Our JEGO vehicle has been super successful. It's a good thing from a volume standpoint, it's not necessarily from a mix standpoint. So we want to make sure that we continue to focus on the high end of the ASP range, but the JEGO vehicle has been so successful that it has brought our ASP down a little bit in the second quarter.

And we do anticipate ongoing ASP pressure in the second half. Again, that's a positive -- it's a good problem to have. It's not great that our ASP drops but we're happy to continue to move the exciting new JEGO vehicle. So it's the combination of all those factors to the guide down.

---

## Long Lin *The Benchmark Company* - Analyst

Understand. Okay. Thank you. The next question is like, we noticed that you have been certified in Singapore and works with an exclusive partner there. How should we think about the commercial opportunity in Singapore in the next few years?

---

## Horace Luke *Gogoro Inc* - Chairman of the Board, Chief Executive Officer, Founder

I'll take that. I think it's our job to really take the opportunity and make a first footstep forward into large markets such as Southeast Asia. Of course, with the Philippines, we have already established a great relationship with Globe Telecom, the largest B2C telecom business in the Philippines, along with Ayala group.

We seek to work with local giants that have great influences. And same for Singapore with both Jardine Cycle & Carriage as well as Shell and deploying at their gas station.

But more importantly, with Singapore is that Singapore is being viewed as the leadership country in that region with many people traveling in and out with headquarter of businesses in Singapore. It's a great way for us to demonstrate what is possible in a city as tough as is in Singapore, it is to us a great opportunity to showcase what we can do there.

I don't think it is fair to say that Singapore is going to be a gigantic market. And as you know, there are not too many two wheelers in Singapore. So we're really focused on B2B with a little bit of B2C, but heavily on the B2B business with partners like foodpanda.

But more importantly for us in Singapore is to [really demonstrate a smart system in the group or the cities for] great countries around that region. And with Singapore having the reputation of being the leadership country in that region, we're excited to work with leadership companies like Jardine Cycle & Carriage as well as Shell in Singapore.

---

### **Long Lin The Benchmark Company - Analyst**

I see. So given that -- just wanted to ask in this sense, like how should we think about your revenue mix from overseas in 2025 and the coming years?

---

### **Bruce Aitken Gogoro Inc - Chief Financial Officer**

Hard to judge for 2025. We're in process of making up all of the forecasts for all of the different countries. As Horace mentioned, sales existing in Philippines, sales existing in Singapore, sales picking up in India, and then hoping to add other countries as well. For this year, we anticipate Taiwan sales to represent 95% of revenue this year, so going into next year, we would like that number to drop a little bit, but I think we'll give more specific and direct guidance on that in the Q4 earnings process as we look out Q3 as we look out into 2025.

---

### **Long Lin The Benchmark Company - Analyst**

Okay, sure. So my final question is on your margin side. Can you talk about the margin trend in the second half? Do you see a like further deterioration of the gross margin in the second half of 2024?

---

### **Bruce Aitken Gogoro Inc - Chief Financial Officer**

And actually, the gross margin figure that we're really looking at is the adjusted gross margin figure. As we mentioned, there's a number of contributing factors. And so last year, on the full year, our gross margin was kind of mid-double digits, this year then we'd like it to be at 13%. In the second half we expect to work hard to pull that number up a little bit.

Typically, in the second half, we do have higher revenue associated with just seasonal uptick in sales of vehicles in Taiwan. Should that happen, then we should be able to hold the margin flat, maybe even sneak it up just a little bit. So I don't expect much margin -- further erosion in the second half of the year.

---

### **Long Lin The Benchmark Company - Analyst**

Great. Understood. Thank you very much. That's all my question for now. I'll get back to the queue.

---

### **Anny Liao Gogoro Inc - Investor Relations**

Thank you, Long. And since we don't have any questions in the queue, I will take an online question at this time.

The question is, if Indian Government doesn't subsidize Battery Swapping this year, would Gogoro change of business strategy and allow customers to own and charge their batteries instead?

---

### **Horace Luke Gogoro Inc - Chairman of the Board, Chief Executive Officer, Founder**

I'll take that, Anny. I think it is important that we believe in the ease of use and also as the game changer in the Battery Swapping system that we have developed. In Taiwan, before we actually launched our Gogoro battery swapping system, the electric adoption was very, very small. In India, I think that the penetration, although with big players like Ola and others deploying vehicles with

charging system, the opportunity for Battery Swapping to make a difference in that country is great.

It is important also to realize the market and that we don't believe there's a one-size-fit-all in that market. As we develop our strategy with MHI, the Ministry of Heavy Industry as well with our partners like Rapido and others, we will, therefore, look at what opportunity there is to adjust our design or our usability accordingly as the market adjusts.

Our vehicle today can also do Battery Swapping, it can also do charge-at-home. It's not a technical question, it's really a business model question. As Gogoro, we do believe that battery and portability of that battery as well as the swapping of that battery as a very important part of how we're going to add our uniqueness to that market.

So the long answer is we'll look at it and definitely adjust. But the short answer is I think we have to really believe in [what we have to offer in the market] and we continue to believe battery swapping is the game changer that made us who we are today and will make us very successful in the place like India.

---

### **Anny Liao Gogoro Inc - Investor Relations**

Thanks, Horace. I have another question from online. Can you comment on the status of the battery pack factory and vehicle manufacturing capabilities in India?

---

### **Horace Luke Gogoro Inc - Chairman of the Board, Chief Executive Officer, Founder**

Sure. I think it's our job, even though without the policy being ready as we speak, but it is our job to make sure we get ready for this gigantic market ahead of us. We are 100% -- we do have 100% belief in what the Indian market can bring to Gogoro as well as what Gogoro brings to the market. Our job is to get ready for that big market.

That includes getting suppliers ready, that includes getting our battery pack factory ready. But most of all, I think it's really about (technical difficulty). A great example of that is the pilot that we have started with Rapido. And Rapido is the largest bike taxi company in India with tens and -- hundreds of thousands of riders across pan India. And our recent pilot with Rapido had demonstrated great feedback from the riders, especially around wages increase, where they're able to make 200% of what they were making formally by riding a Gogoro with battery swapping, proving that there is no downtime when it comes to battery swapping.

That, along with major cities in India turning to only allowing electric vehicle to be in the logistics service business, we think that's a great formula for Gogoro in the near future. So the battery factory, I mean we're literally waiting for the last one little details to be done.

The vehicle, as you saw, has been on the road certified and actually running. We've been running vehicles with our customers on the pilot side. But before we scale up in a gigantic way, we really want to make sure that the subsidy program is there in place to make sure that we stay competitive -- equally competitive, I should say, when compared to other vehicle makers offering charge-at-home solutions.

---

### **Anny Liao Gogoro Inc - Investor Relations**

Thank you, Horace. I have another question coming from online. Gogoro Batteries have proven it can power devices beyond mobility like smart parking meters, back power for traffic lights. Are there any plans to sell these batteries and connectors so that new devices could be developed and could be powered by Gogoro batteries?

---

### **Horace Luke Gogoro Inc - Chairman of the Board, Chief Executive Officer, Founder**

Absolutely. We have had a lot of inquiries; some are great ideas. Some are a little bit far-fetched. But in general, just think of us as portable batteries. However, we are very, very focused at the moment on transportation. We believe we can make the biggest impacts with transportation, both financially as a business and also environmentally as we lead the way in electrification.

So absolutely, we are working on some other ideas, additional ideas, nothing to share in great details yet, but we do get increase all the time, and we have a battery connection kit, battery security kit as well and safety and interface kit [will allow for us to] actually

monitor our battery for all sorts of different type of devices. So I welcome ideas and please do send us away if anybody has any inquiries.

---

### **Anny Liao Gogoro Inc - Investor Relations**

Thank you, Horace. There seems to be no further questions in the queue or online. At this time, I'll hand the conference back to Horace for a few closing remarks.

---

### **Horace Luke Gogoro Inc - Chairman of the Board, Chief Executive Officer, Founder**

Great. Thanks, Anny. The second quarter was a mix of positives and some areas for improvement. The investments from Castrol and Gold Sino put us in a good position to grow, and we continue to work with good partners like SMFL, Sumitomo, HPCL, and others scale around the regions.

Our new vehicle continues to sell well. We continue to grow our network with both in terms of accumulating subscribers as well as revenue contribution. In Taiwan, the total market has slightly underperformed our expectation and the outsized success of JEGO has slightly lowered our ASP forecast, both of which impacted our Q2 financial results. Additionally, the Taiwan dollar weakening against the US dollar is a sizable foreign exchange translation loss, given that most of our revenue is booked in Taiwan dollars.

I'm never satisfied with our progress but fully committed to our vision and always proud of the effort put in by the Gogoro team to help electrify mobility via our unique Battery Swapping technology and platform. Thank you, everyone, for your support of Gogoro, and thanks for calling in today's call.

---

### **Operator**

Ladies and gentlemen, that concludes today's conference call. Thank you for your participation. You may now disconnect your line.

---

## DISCLAIMER

The London Stock Exchange Group and its affiliates (collectively, "LSEG") reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes. No content may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of LSEG. The content shall not be used for any unlawful or unauthorized purposes. LSEG does not guarantee the accuracy, completeness, timeliness or availability of the content. LSEG is not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the content. In no event shall LSEG be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the content even if advised of the possibility of such damages.

In the conference calls upon which Summaries are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

LSEG assumes no obligation to update the content following publication in any form or format. The content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. LSEG does not act as a fiduciary or an investment advisor except where registered as such.

THE INFORMATION CONTAINED IN TRANSCRIPT SUMMARIES REFLECTS LSEG'S SUBJECTIVE CONDENSED PARAPHRASE OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES LSEG OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY SUMMARY. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

Copyright ©2024 LSEG. All Rights Reserved.