

EVgo Q2 2023 Earnings Call

August 2, 2023

Nasdaq: EVGO –
investors.evgo.com

EVgo[®]



Safe Harbor & Forward-Looking Statements

Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target,” “assume” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements are based on current expectations or beliefs of the management of EVgo Inc. (“EVgo” or the “Company”) and are subject to numerous assumptions, risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These forward-looking statements include, but are not limited to, express or implied statements regarding EVgo’s future financial and operating performance, revenues, capital expenditures, chargers in operation or under construction and network throughput; EVgo’s expectation of market position and acceleration in its business due to factors including increased EV adoption; EVgo’s collaboration with partners enabling effective deployment of chargers, including under its contract with Pilot Flying J and GM; and anticipated awards of funding in connection with the NEVI program and associated state programs. These statements are based on various assumptions, whether or not identified in this presentation, and on the current expectations of EVgo’s management and are not predictions of actual performance. There are a significant number of factors that could cause actual results to differ materially from the statements made in this presentation, including changes or developments in the broader general market; macro political, economic, and business conditions, including inflation and geopolitical conflicts that could impact EVgo’s supply chains; increased competition, including from new and existing entrants in the EV charging market; unfavorable conditions or further disruptions in the capital and credit markets and EVgo’s ability to obtain additional capital on commercially reasonable terms; EVgo’s limited operating history as a public company; EVgo’s dependence on widespread adoption of EVs and increased installation of charging stations; mechanisms surrounding energy and non-energy costs for EVgo’s charging stations; the impact of governmental support and mandates that could reduce, modify, or eliminate financial incentives, rebates, tax credits, and other support available to EVgo; supply chain disruptions; EVgo’s ability to expand into new service markets, grow its customer base, and manage its operations; EVgo’s ability to adapt its assets and infrastructure to changes in industry and regulatory standards for EV charging; impediments to EVgo’s expansion plans, including permitting delays; the need to attract additional fleet operators as customers; potential adverse effects on EVgo’s revenue and gross margins if customers increasingly claim clean energy credits and, as a result, they are no longer available to be claimed by EVgo; risks related to EVgo’s dependence on its intellectual property; and risks that EVgo’s technology could have undetected defects or errors. Additional risks and uncertainties that could affect the Company’s financial results are included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of EVgo” in EVgo’s most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the “SEC”), as well as its other SEC filings, copies of which are available on EVgo’s website at investors.evgo.com, and on the SEC’s website at www.sec.gov. All forward-looking statements in this presentation are based on information available to EVgo as of the date hereof, and EVgo does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made, except as required by applicable law.

Use of Non-GAAP Financial Measures

To supplement EVgo’s financial information, which is prepared and presented in accordance with generally accepted accounting principles in the United States of America (“GAAP”), EVgo uses certain non-GAAP financial measures. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. EVgo uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. EVgo believes that these non-GAAP financial measures provide meaningful supplemental information regarding the Company’s performance by excluding certain items that may not be indicative of EVgo’s recurring core business operating results. EVgo believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing EVgo’s performance. These non-GAAP financial measures also facilitate management’s internal comparisons to the Company’s historical performance. EVgo believes 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 EVgo’s institutional investors and the analyst community to help them analyze the health of EVgo’s business.

Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures can be found in the tables included at the end of this presentation.

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Strategic Overview

Cathy Zoi, CEO



Snapshot of EVgo's Market Position

Market leader in clean mobility electrification – 100% matched with renewable power



9 OEM partners

Engaged by multiple OEMs for partnerships ranging from charging credit and infrastructure buildout, to marketing and data integration



100%

Electricity that powers EVgo's network is matched with purchases of renewable energy certificates since 2019



~140 million

Americans within 10 miles of EVgo charger



900+ locations

A leader in public DC fast charging sites



688,000+

Customer accounts



~3,200 stalls

DC fast charging stalls in operation or under construction



30+ states

60+ major metropolitan areas



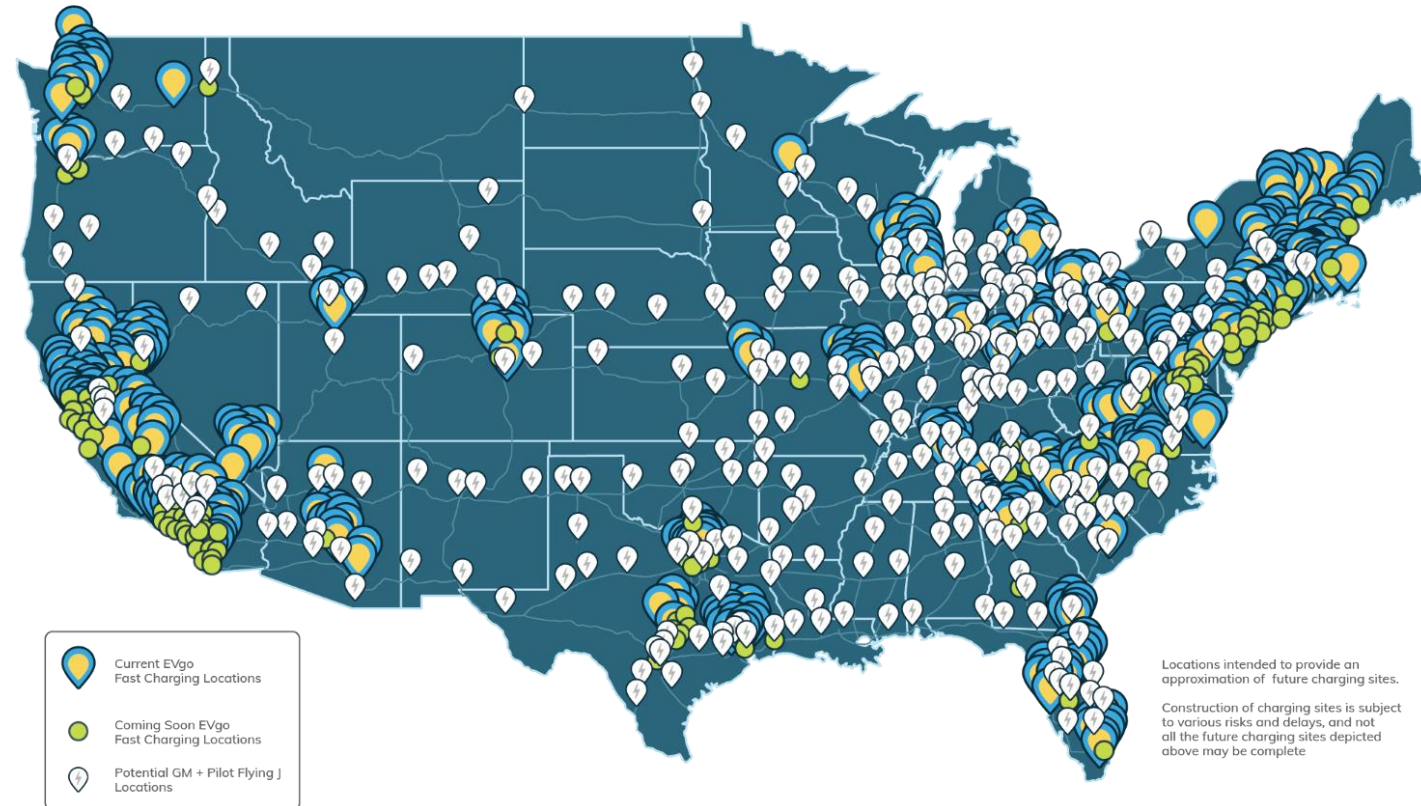
~3.7M users

Registered PlugShare® accounts



147%

Y-o-Y network throughput growth⁽¹⁾

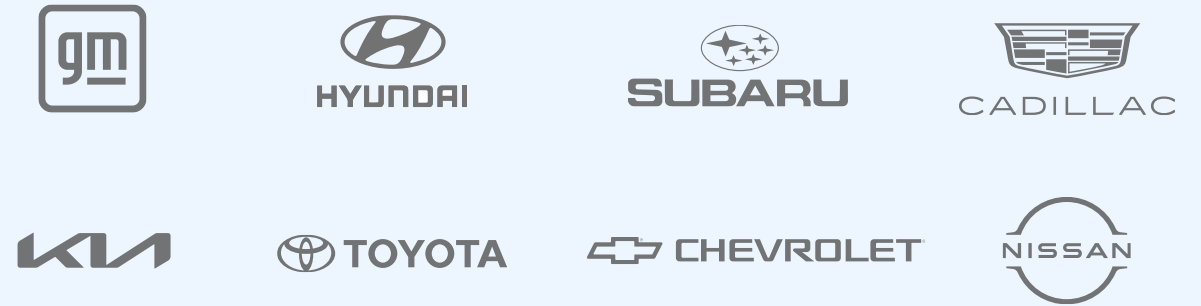


Providing Superior Fast Charging Across EV Landscape

Site Host + eXtend Partners



OEM Partners



Fleet + Technology Partners



EVgo Network Throughput Continues to Outpace EV VIO Growth

- **Achieved double-digit utilization in Q2 2023**

- Added 82,000 new EVgo customers in Q2 for 688,000 in total
- 4x increase in kWh dispensed in fleet segment as rideshare rebounds
- Utilization \geq 15% at 30% of DCFC in June 2023
- 27 markets at 10% or above utilization in June 2023

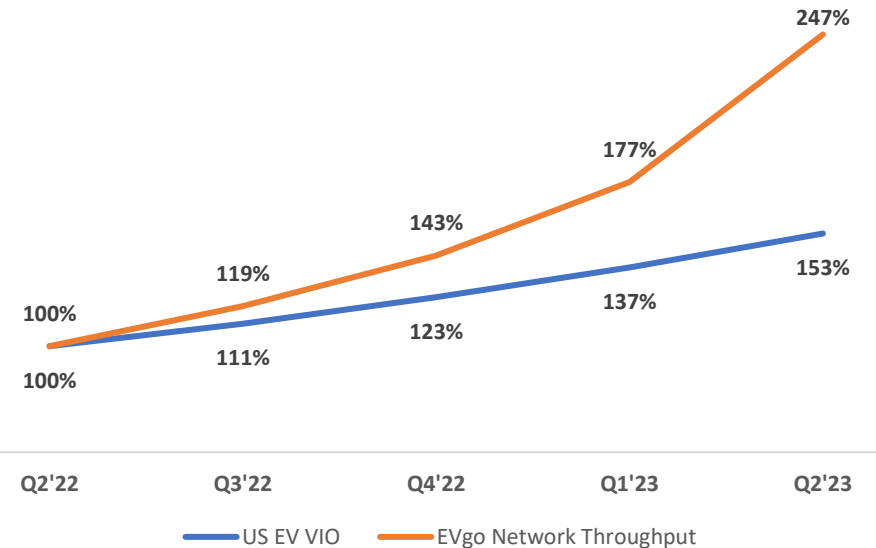
- **Throughput growth continues to exceed EV VIO growth**

- Q2 2023 throughput growth of 147% compared to VIO growth of 53% YoY
- Increased throughput demonstrates compounding effects of more EVs, more powerful EV batteries, and increased utilization at EVgo locations
- Consumption per passenger vehicle is increasing due to larger battery size and reliance on public DCFC charging

- **kWh dispensed increasing faster than stall growth**

- Throughput growth +147%
- Operational stall growth +30%
- Growth in kWh per stall creates meaningful operating leverage in EVgo model
- Higher power chargers and EVs capable of accepting more power

**EVgo Network Throughput and US EV VIO Growth
Rebased to 100% as of Q2 2022**



Delivering Value for EVgo Partners and EV Drivers

- Operationalized 1,000th GM/EVgo stall - GM remains key OEM partner aiding stall development
- Delivered charging equipment, constructed, and began commissioning first locations for Pilot Flying J and GM
- Announced plans to add NACS connectors to EVgo chargers
- Won \$13.8 million for 20 sites in Ohio NEVI funding for EVgo owned and EVgo eXtend™ sites, or 75% of awarded funding
- ReNew – replaced 10 stalls and removed 48 during Q2 2023
- “One & Done” charging up to 91% from 85% at the beginning of 2023
- Continually improving driver experience: Autocharge+ used to initiate 13% of charging sessions, expanding EVgo Advantage™, and rolling out reservations and time-of-use pricing to more stalls



EVgo and GM 1,000th stall



EVgo eXtend™ at Pilot Flying J



Key Business Highlights

Accelerating growth and investment in network

~3,200

Stalls in operation and construction increased 33% YoY

~210

New stalls added to our network during Q2 2023, increase of 24% YoY

24.9 GWh

Network Throughput (GWh)

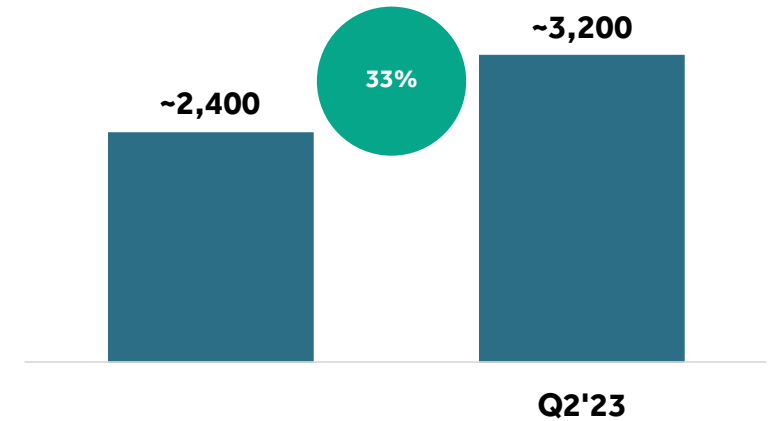
457%

Revenue increase versus Q2'22 QTD

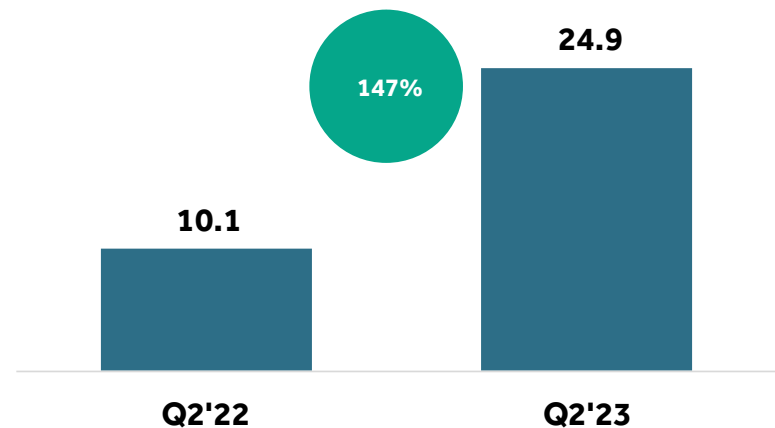
~3.7M

Number of PlugShare users

Stalls in Operation or Under Construction



Network Throughput (GWh)



2

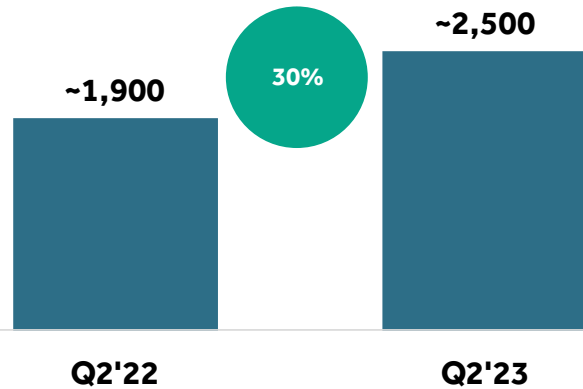
Financial and Operational Overview

Stephanie Lee, Interim CFO

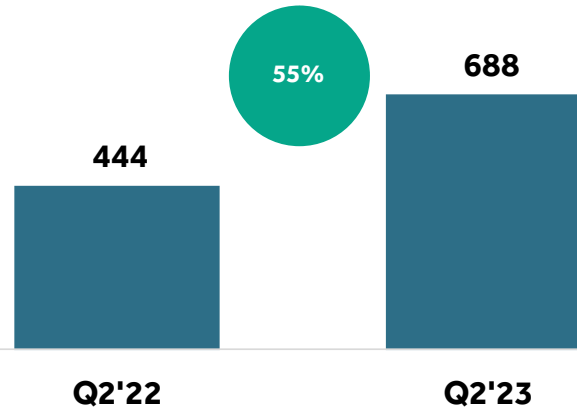


Key Operational Highlights

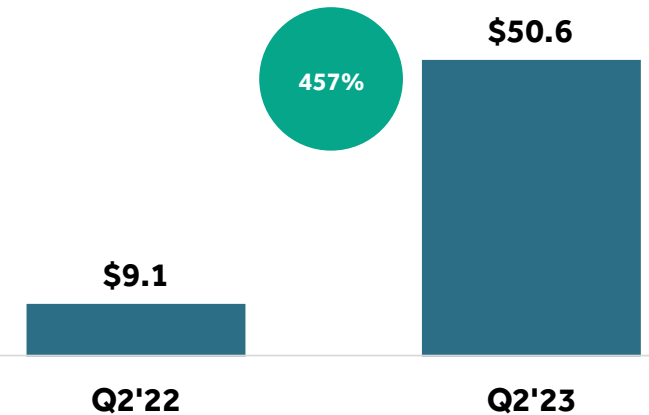
Operational Stalls



EVgo Customer Accounts (000s)



Revenue (\$M)



Continued focus on scaling execution in 2023

Customer account growth of 55% year-over-year

Year-over-year throughput exceeding operational stall growth:

Operational stalls of ~2,500: +30%

Network throughput of 24.9 GWh: +147%

Revenue of \$50.6 million: +457%

Key Financial Highlights Q2 2023

Quarterly Revenue, Margin and Cash Flow Update

<i>(unaudited, dollars in thousands)</i>	Q2'23	Q2'22	Better (Worse)
Network Throughput (GWh)	24.9	10.1	147 %
GAAP revenue	\$ 50,552	\$ 9,076	457 %
GAAP gross profit (loss)	\$ 5,529	\$ (744)	(843)%
GAAP gross margin	10.9%	(8.2)%	1,910 bps
GAAP net (loss) income	\$ (21,539)	\$ 16,997	(227)%
Adjusted Gross Profit ¹	\$ 12,853	\$ 3,383	280 %
Adjusted Gross Margin¹	25.4%	37.3%	(1,190) bps
Adjusted EBITDA ¹	\$ (10,553)	\$ (19,837)	(47)%

<i>(unaudited, dollars in thousands)</i>	Q2'23	Q2'22
Cash flows used in operating activities	\$ (3,182)	\$ (18,539)
Capital expenditures	\$ 34,811	\$ 44,017

¹ Adjusted Gross Profit, Adjusted Gross Margin, and Adjusted EBITDA are non-GAAP measures and have not been prepared in accordance with GAAP. For a definition of these non-GAAP measures and a reconciliation to the most directly comparable GAAP measure, please see "Definitions of Non-GAAP Financial Measures" and "Reconciliations of Non-GAAP Measures" included elsewhere in these materials.

- Revenues grew 457% year-over-year, driven by increases in eXtend and retail charging revenues
 - Retail charging revenue increased 107% on YoY basis
 - eXtend revenues were \$33.3 million as equipment delivery and construction work continued for certain Pilot Flying J sites
- Adjusted gross margin was 25.4% compared to 37.3% in Q2'22 QTD, due to a lower mix of high-margin regulatory credit revenue in Q2'23
- Ended Q2'23 QTD with \$257.4 million in cash, cash equivalents, and restricted cash
- Raised \$129.2 million of net proceeds from our primary equity offering and at-the-market offering of Class A shares

2023 Guidance

Updating 2023 financial and operational forecast figures:



Revenue

\$120M-\$150M



Adjusted EBITDA*

(\$78)M-(\$68)M



Total Stalls in Operation
or Under Construction as of YE 2023

3,400-4,000

*A reconciliation of projected Adjusted EBITDA (non-GAAP) to net income (loss), the most directly comparable GAAP measure, is not provided because certain measures, including share-based compensation expense, which is excluded from adjusted EBITDA, cannot be reasonably calculated or predicted at this time without unreasonable efforts. For a definition of Adjusted EBITDA and a reconciliation to the most directly comparable GAAP measure for historical periods presented in this release, please see "Definitions of Non-GAAP Financial Measures" and "Reconciliations of Non-GAAP Measures" included elsewhere in these materials.



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Appendix

Reconciliation of Non-GAAP
Measures to GAAP,
Summary Financials



Revenue Disaggregation

<i>(unaudited, dollars in thousands)</i>	Q2'23	Q2'22	Change	Q2'23 YTD	Q2'22 YTD	Change
Charging revenue, retail	\$ 9,085	\$ 4,389	107 %	\$ 15,700	\$ 7,891	99 %
Charging revenue, commercial	2,418	654	270 %	4,133	1,363	203 %
Charging revenue, OEM	986	189	422 %	1,538	340	352 %
Regulatory credit sales	1,613	2,128	(24)%	2,828	3,506	(19)%
Network revenue, OEM	742	887	(16)%	3,441	1,377	150 %
eXtend revenue	33,281	131	* %	43,573	211	* %
Ancillary revenue	2,427	698	248 %	4,639	2,088	122 %
Total revenue	<u>\$ 50,552</u>	<u>\$ 9,076</u>	457 %	<u>\$ 75,852</u>	<u>\$ 16,776</u>	352 %

* Percentage greater than 999%.

Financial Statements: Condensed Consolidated Balance Sheets

<i>(in thousands)</i>	June 30, 2023 <i>(unaudited)</i>	December 31, 2022
Assets		
Current assets		
Cash, cash equivalents and restricted cash	\$ 257,126	\$ 246,193
Accounts receivable, net of allowance of \$831 and \$687 as of June 30, 2023 and December 31, 2022, respectively	22,497	11,075
Accounts receivable, capital-build	11,203	8,011
Prepaid expenses	2,783	4,953
Other current assets	3,537	5,252
Total current assets	297,146	275,484
Property, equipment and software, net	383,822	308,112
Operating lease right-of-use assets	53,895	51,856
Restricted cash	300	300
Other assets	2,115	2,308
Intangible assets, net	54,805	60,612
Goodwill	31,052	31,052
Total assets	<u>\$ 823,135</u>	<u>\$ 729,724</u>
Liabilities, redeemable noncontrolling interest and stockholders' deficit		
Current liabilities		
Accounts payable	\$ 6,445	\$ 9,128
Accrued liabilities	40,831	39,233
Operating lease liabilities, current	5,575	4,958
Deferred revenue, current	16,701	16,023
Customer deposits	11,386	17,867
Other current liabilities	280	136
Total current liabilities	81,218	87,345
Operating lease liabilities, noncurrent	47,753	45,689
Earnout liability, at fair value	1,297	1,730
Asset retirement obligations	18,477	15,473
Capital-build liability	30,345	26,157
Deferred revenue, noncurrent	42,162	23,900
Warrant liabilities, at fair value	11,293	12,304
Total liabilities	232,545	212,598
Commitments and contingencies		
Redeemable noncontrolling interest	783,200	875,226
Stockholders' deficit	(192,610)	(358,100)
Total liabilities, redeemable noncontrolling interest and stockholders' deficit	<u>\$ 823,135</u>	<u>\$ 729,724</u>

Financial Statements:

Condensed Consolidated Statements of Operations

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2023	2022	Change %	2023	2022	Change %
<i>(unaudited, dollars in thousands, except per share data)</i>						
Revenue	\$ 50,552	\$ 9,076	457 %	\$ 75,852	\$ 16,776	352 %
Cost of revenue	37,740	5,719	560 %	56,657	10,565	436 %
Depreciation, net of capital-build amortization	7,283	4,101	78 %	13,625	7,555	80 %
Cost of sales	45,023	9,820	358 %	70,282	18,120	288 %
Gross profit (loss)	5,529	(744)	843 %	5,570	(1,344)	514 %
General and administrative expenses	34,333	32,178	7 %	72,222	57,606	25 %
Depreciation, amortization and accretion	4,783	4,132	16 %	9,567	8,019	19 %
Total operating expenses	39,116	36,310	8 %	81,789	65,625	25 %
Operating loss	(33,587)	(37,054)	9 %	(76,219)	(66,969)	(14)%
Interest expense	—	(13)	100 %	—	(13)	100 %
Interest income	2,199	636	246 %	4,197	691	507 %
Other expense, net	(1)	(158)	99 %	—	(422)	100 %
Change in fair value of earnout liability	2,496	4,891	(49)%	433	2,627	(84)%
Change in fair value of warrant liabilities	7,391	48,712	(85)%	1,011	25,839	(96)%
Total other income, net	12,085	54,068	(78)%	5,641	28,722	(80)%
(Loss) income before income tax expense	(21,502)	17,014	(226)%	(70,578)	(38,247)	(85)%
Income tax expense	(37)	(17)	(118)%	(42)	(22)	(91)%
Net (loss) income	(21,539)	16,997	(227)%	(70,620)	(38,269)	(85)%
Less: net (loss) income attributable to redeemable noncontrolling interest	(14,513)	12,518	(216)%	(50,518)	(28,349)	(78)%
Net (loss) income attributable to Class A common stockholders	\$ (7,026)	\$ 4,479	(257)%	\$ (20,102)	\$ (9,920)	(103)%
Net (loss) income per share to Class A common stockholders, basic	\$ (0.08)	\$ 0.06	(233)%	\$ (0.25)	\$ (0.14)	(79)%
Net (loss) income per share to Class A common stockholders, diluted	\$ (0.08)	\$ 0.06	(233)%	\$ (0.25)	\$ (0.14)	(79)%
Weighted average common stock outstanding, basic	85,320	68,545		78,196	68,449	
Weighted average common stock outstanding, diluted	85,320	69,322		78,196	68,449	

Financial Statements:

Condensed Consolidated Statements of Cash Flows

<i>(unaudited, in thousands)</i>	Six Months Ended	
	June 30,	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (70,620)	\$ (38,269)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation, amortization and accretion	23,192	15,574
Net loss on disposal of property and equipment and impairment expense	6,008	2,889
Share-based compensation	14,922	10,548
Change in fair value of earnout liability	(433)	(2,627)
Change in fair value of warrant liabilities	(1,011)	(25,839)
Other	(155)	474
Changes in operating assets and liabilities		
Accounts receivable, net	(11,422)	(2,302)
Receivables from related parties	—	1,499
Prepaid expenses and other current and noncurrent assets	3,779	3,735
Operating lease assets and liabilities, net	642	(808)
Accounts payable	(2,872)	(76)
Accrued liabilities	2,925	358
Deferred revenue	18,939	(572)
Customer deposits	(6,481)	(2,110)
Other current and noncurrent liabilities	62	(844)
Net cash used in operating activities	(22,525)	(38,370)
Cash flows from investing activities		
Purchases of property, equipment and software	(100,057)	(72,291)
Proceeds from insurance for property losses	159	202
Purchases of investments	—	(34,747)
Net cash used in investing activities	(99,898)	(106,836)
Cash flows from financing activities		
Proceeds from issuance of Class A common stock under the ATM	5,828	—
Proceeds from issuance of Class A common stock under the equity offering	128,023	—
Proceeds from capital-build funding	4,256	5,029
Proceeds from exercise of warrants	—	3
Payments of issuance costs	(4,751)	—
Net cash provided by financing activities	133,356	5,032
Net increase (decrease) in cash, cash equivalents and restricted cash	10,933	(140,174)
Cash, cash equivalents and restricted cash, beginning of period	246,493	485,181
Cash, cash equivalents and restricted cash, end of period	\$ 257,426	\$ 345,007

Definitions of Non-GAAP Financial Measures

This presentation includes the following non-GAAP financial measures, in each case as defined below: "Adjusted Cost of Sales," "Adjusted Cost of Sales as a Percentage of Revenue," "Adjusted Gross Profit (Loss)," "Adjusted Gross Margin," "Adjusted General and Administrative Expenses," "Adjusted General and Administrative Expenses as a Percentage of Revenue," "EBITDA," "EBITDA Margin," "Adjusted EBITDA" and "Adjusted EBITDA Margin." EVgo believes these measures are useful to investors in evaluating EVgo's performance. In addition, EVgo management uses these measures internally to establish forecasts, budgets, and operational goals to manage and monitor its business. EVgo believes that these measures help to depict a more meaningful representation of the performance of the underlying business, enabling EVgo to evaluate and plan more effectively for the future.

EVgo defines Adjusted Cost of Sales as cost of sales before (i) depreciation, net of capital-build amortization, and (ii) share-based compensation.

EVgo defines Adjusted Cost of Sales as a Percentage of Revenue as Adjusted Cost of Sales as a percentage of revenue.

EVgo defines Adjusted Gross Profit (Loss) as revenue less Adjusted Cost of Sales.

EVgo defines Adjusted Gross Margin as Adjusted Gross Profit (Loss) as a percentage of revenue.

EVgo defines Adjusted General and Administrative Expenses as general and administrative expenses before (i) share-based compensation, (ii) loss on disposal of property and equipment, net of recoveries, and impairment expense, (iii) bad debt expense, and (iv) certain other items that management believes are not indicative of EVgo's ongoing performance.

EVgo defines Adjusted General and Administrative Expenses as a Percentage of Revenue as Adjusted General and Administrative Expenses as a percentage of revenue.

EVgo defines EBITDA as net income (loss) before (i) depreciation, net of capital-build amortization, (ii) amortization, (iii) accretion, (iv) interest income, (v) interest expense, and (vi) income tax expense.

EVgo defines EBITDA Margin as EBITDA as a percentage of revenue.

EVgo defines Adjusted EBITDA as EBITDA plus (i) share-based compensation, (ii) loss on disposal of property and equipment, net of recoveries, and impairment expense, (iii) (gain) loss on investments, (iv) bad debt expense, (v) change in fair value of earnout liability, (vi) change in fair value of warrant liabilities, and (vii) certain other items that management believes are not indicative of EVgo's ongoing performance.

EVgo defines Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of revenue.

Adjusted Cost of Sales, Adjusted Cost of Sales as a Percentage of Revenue, Adjusted Gross Profit (Loss), Adjusted Gross Margin, Adjusted General and Administrative Expenses, Adjusted General and Administrative Expenses as a Percentage of Revenue, EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. These measures should not be considered as measures of financial performance under GAAP and the items excluded from or included in these metrics are significant components in understanding and assessing EVgo's financial performance. These metrics should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP.

Reconciliations of Non-GAAP Measures to GAAP

<i>(unaudited, dollars in thousands)</i>	Q2'23	Q2'22	Change	Q2'23 YTD	Q2'22 YTD	Change
GAAP revenue	\$ 50,552	\$ 9,076	457 %	\$ 75,852	\$ 16,776	352 %
GAAP net (loss) income	\$ (21,539)	\$ 16,997	(227)%	\$ (70,620)	\$ (38,269)	(85)%
GAAP net (loss) income margin	(42.6%)	187.3%	* bps	(93.1%)	(228.1%)	* bps
Adjustments:						
Depreciation, net of capital-build amortization	7,407	4,170	78 %	13,875	7,687	80 %
Amortization	4,117	3,564	16 %	8,236	6,929	19 %
Accretion	542	499	9 %	1,081	958	13 %
Interest income	(2,199)	(636)	(246)%	(4,197)	(691)	(507)%
Interest expense	—	13	(100)%	—	13	(100)%
Income tax expense	37	17	118 %	42	22	91 %
EBITDA	(11,635)	24,624	(147)%	(51,583)	(23,351)	(121)%
EBITDA Margin	(23.0%)	271.3%	* bps	(68.0%)	(139.2%)	7,119 bps
Adjustments:						
Share-based compensation	8,495	7,042	21 %	14,922	10,548	41 %
Loss on disposal of property and equipment, net of recoveries, and impairment expense ¹	2,389	1,879	27 %	5,849	2,647	121 %
Loss on investments	5	150	(97)%	4	405	(99)%
Bad debt expense	56	35	60 %	153	151	1 %
Change in fair value of earnout liability	(2,496)	(4,891)	49 %	(433)	(2,627)	84 %
Change in fair value of warrant liabilities	(7,391)	(48,712)	85 %	(1,011)	(25,839)	96 %
Other ^{1,2}	24	36	(33)%	1,479	53	* %
Adjusted EBITDA	\$ (10,553)	\$ (19,837)	47 %	\$ (30,620)	\$ (38,013)	19 %
Adjusted EBITDA Margin	(20.9%)	(218.6%)	* bps	(40.4%)	(226.6%)	* bps

* Percentage greater than 999% or bps greater than 9,999

¹ In the second quarter of 2023, the Company reclassified insurance proceeds from property losses from "other" to "loss on disposal of property and equipment, net of recoveries, and impairment expense." Previously reported amounts have been updated to conform to the current period presentation.

² For the six months ended June 30, 2023, comprised primarily of costs related to the reorganization of Company resources previously announced by the Company on February 23, 2023 and the petition filed by EVgo in the Delaware Court of Chancery in February 2023 seeking validation of EVgo's charter and share structure (the "205 Petition"), which are not expected to recur.

Reconciliations of Non-GAAP Measures to GAAP

<i>(unaudited, dollars in thousands)</i>	Q2'23	Q2'22	Change	Q2'23 YTD	Q2'22 YTD	Change
GAAP revenue	\$ 50,552	\$ 9,076	457 %	\$ 75,852	\$ 16,776	352 %
GAAP cost of sales	45,023	9,820	358 %	70,282	18,120	288 %
GAAP gross profit (loss)	<u>\$ 5,529</u>	<u>\$ (744)</u>	843 %	<u>\$ 5,570</u>	<u>\$ (1,344)</u>	514 %
<i>GAAP cost of sales as a percentage of revenue</i>	<i>89.1%</i>	<i>108.2%</i>	<i>(1,910) bps</i>	<i>92.7%</i>	<i>108.0%</i>	<i>(1,530) bps</i>
<i>GAAP gross margin</i>	<i>10.9%</i>	<i>(8.2%)</i>	<i>1,910 bps</i>	<i>7.3%</i>	<i>(8.0%)</i>	<i>1,530 bps</i>
Adjustments:						
Depreciation, net of capital-build amortization	\$ 7,283	\$ 4,101	78 %	\$ 13,625	\$ 7,555	80 %
Share-based compensation	41	26	58 %	63	37	70 %
Total adjustments	7,324	4,127	77 %	13,688	7,592	80 %
Adjusted Cost of Sales	<u>\$ 37,699</u>	<u>\$ 5,693</u>	562 %	<u>\$ 56,594</u>	<u>\$ 10,528</u>	438 %
<i>Adjusted Cost of Sales as a Percentage of Revenue</i>	<i>74.6%</i>	<i>62.7%</i>	<i>1,190 bps</i>	<i>74.6%</i>	<i>62.8%</i>	<i>1,180 bps</i>
Adjusted Gross Profit	\$ 12,853	\$ 3,383	280 %	\$ 19,258	\$ 6,248	208 %
<i>Adjusted Gross Margin</i>	<i>25.4%</i>	<i>37.3%</i>	<i>(1,190) bps</i>	<i>25.4%</i>	<i>37.2%</i>	<i>(1,180) bps</i>

Reconciliations of Non-GAAP Measures to GAAP

<i>(unaudited, dollars in thousands)</i>	Q2'23	Q2'22	Change	Q2'23 YTD	Q2'22 YTD	Change
GAAP revenue	\$ 50,552	\$ 9,076	457 %	\$ 75,852	\$ 16,776	352 %
GAAP general and administrative expenses	\$ 34,333	\$ 32,178	7 %	\$ 72,222	\$ 57,606	25 %
GAAP general and administrative expenses as a percentage of revenue	67.9%	354.5%	* bps	95.2%	343.4%	* bps
Adjustments:						
Share-based compensation	\$ 8,454	\$ 7,016	20 %	\$ 14,859	\$ 10,511	41 %
Loss on disposal of property and equipment, net of recoveries, and impairment expense ¹	2,389	1,879	27 %	5,849	2,647	121 %
Bad debt expense	56	35	60 %	153	151	1 %
Other ^{1,2}	24	36	(33)%	1,479	53	* %
Total adjustments	10,923	8,966	22 %	22,340	13,362	67 %
Adjusted General and Administrative Expenses	\$ 23,410	\$ 23,212	1 %	\$ 49,882	\$ 44,244	13 %
Adjusted General and Administrative Expenses as a Percentage of Revenue	46.3%	255.8%	* bps	65.8%	263.7%	* bps

* Percentage greater than 999% or bps greater than 9,999

¹ In the second quarter of 2023, the Company reclassified insurance proceeds from property losses from "other" to "loss on disposal of property and equipment, net of recoveries, and impairment expense." Previously reported amounts have been updated to conform to the current period presentation.

² For the six months ended June 30, 2023, comprised primarily of costs related to the reorganization of Company resources previously announced by the Company on February 23, 2023 and the petition filed by EVgo in the Delaware Court of Chancery in February 2023 seeking validation of EVgo's charter and share structure (the "205 Petition"), which are not expected to recur.