WORKHOURSE™

Q2 2024 Earnings Call

August 20, 2024

Today's Presenters

Rick Dauch
CEO

- 28 years automotive industry experience
- 16 years serving in CEO roles
- Multiple public/private board memberships

Bob Ginnan
CFO

- 23+ years of senior finance and leadership experience
- Refined capital structures for firms in multiple industries
- Executed multiple accounting and information technology ("IT") system installations

Stan March
Vice President, Corporate Development

- 27 years executive experience across multiple industrial sectors
- Extensive M&A, public affairs, investor relations and corporate communications experience

Agenda

Introduction

Business Update

Q2 2024 Financials

Near-Term Priorities

Q&A

Disclaimer

Cautionary Note Regarding Forward-Looking Statements

The discussions in this presentation contain forward-looking statements reflecting our current expectations that involve risks and uncertainties. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. When used in this presentation, the words "anticipate," "expect," "plan," "believe," "seek," "estimate" and similar expressions are intended to identify forward-looking statements. These are statements that relate to future periods and include, but are not limited to, statements about the features, benefits and performance of our products, our ability to introduce new product offerings and increase revenue from existing products, expected expenses including those related to selling and marketing, product development and general and administrative, our beliefs regarding the health and growth of the market for our products, anticipated increase in our customer base, expansion of our products functionalities, expected revenue levels and sources of revenue, expected impact, if any, of legal proceedings, the adequacy of liquidity and capital resources, and expected growth in business. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from the forward-looking statements contained in this presentation. Factors that could cause actual results to differ materially include, but are not limited to: our ability to develop and manufacture our new product portfolio, including the W4 CC, W750, W56 and WNext platforms; our ability to attract and retain customers for our existing and new products; risks associated with obtaining orders and executing upon such orders; supply chain disruptions, including constraints on steel, semiconductors and other material inputs and resulting cost increases impacting our company, our customers, our suppliers or the industry; our ability to capitalize on opportunities to deliver products to meet customer requirements; our limited operations and need to expand and enhance elements of our production process to fulfill product orders; the ability to protect our intellectual property; market acceptance for our products; our ability to control our expenses; potential competition, including without limitation shifts in technology; volatility in and deterioration of national and international capital markets and economic conditions; global and local business conditions; acts of war (including without limitation the conflicts in Ukraine and Israel) and/or terrorism; the prices being charged by our competitors; our inability to retain key members of our management team; our inability to raise additional capital to fund our operations and business plan; our ability to maintain compliance with the list requirements of the Nasdaq Capital Market and otherwise maintain the listing of our securities thereon and the impact of steps we took to regain such compliance, such as the reverse split of our common stock; our inability to satisfy our customer warranty claims; the outcome of any regulatory or legal proceedings, including with Coulomb Solutions, Inc.; our ability to consummate and realize the benefits of a potential sale and leaseback transaction of our Union City facility; and our liquidity and other risks and uncertainties and other factors discussed from time to time in our filings with the Securities and Exchange Commission ("SEC"), including our annual report on Form 10-K filed with the SEC. Forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

Key Recent Accomplishments

Executing on Product Roadmap

- Received purchase order for 141 W4 CC cab chassis units from Kingsburg Truck Sales, shipped initial tranche of vehicles, HVIP voucher approval & audit process delaying end customer delivery
- Successful W56 demo and pending 15-unit initial order with national last-mile fleet
- Sold W4CC Box truck to McAbee Trucking, a USPS contractor
- On track to complete testing and start production of 208" W56 in Q4
- Expanded product offerings in partnership with Surefitters to create an upfitter ship-thru solution to commercial EV customers

Expanding Commercial Presence

- Secured Sourcewell contract; GSA application submitted
- Expanded dealer network to 17 locations across 10 states
- Flagship W56 step van added to the fleet of California-based last-mile delivery contractor, NorCal Transports Inc.
- 13 EV units operating on Stables by Workhorse routes in Lebanon, OH
- Additional product demos completed or underway at national last-mile fleets

Protecting our Financial Runway

- Proactive measures taken to conserve cash and reduce costs across the organization
- Significant reduction in workforce, deferred executive compensation, delayed cab chassis product program by 12-18 months and other cost saving measures
- Temporary furlough of Union City manufacturing facility staff; reinstating select employees as demand and production increases
- $112.7 million in financing facility remains available

Divested Aerospace Business

- Completed the previously disclosed divestiture of Aero business to an affiliate of ATW Partners
- Through earn-out provisions, Workhorse will receive a portion of Aero business proceeds on realized positive net cash flow
- Expected to provide monthly cost savings of $0.4 million
- Enhances focus on commercial EV truck business

Zero-Emission EV Drivers and Market Opportunity

- **Paris Greenhouse Gas Accord**
  - The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on December 12, 2015. It entered into force on November 4, 2016.
  - USA has been "in, out, and back in" across three Executive Administrations since 2015
    - “America’s Pledge” created in response to 2017 withdrawal, with signatories representing nearly 70% of the U.S. economy, pushing de-centralized action to meet Paris GHG accord goals at State, County, and City level as well as across private organizations.
    - 2024 Presidential Election creating a “wait and see” environment across the commercial truck industry
- **CARB Advanced Clean Fleet (ACF) Mandate for CL4-8 Trucks and Vans**
  - Adopted ACF April 2023, effective October 2023, requested EPA waiver November 2023, published enforcement notice December 2023:
    - Fleet owners complying with the “Model Year Schedule” can only add zero-emissions vehicles to their California fleet from this date
    - Feb. 1, 2024: First compliance report required from high-priority and federal fleets
    - Jan. 1, 2025: Fleet owners must start removing ICE vehicles from their fleets based on certain criteria (mileage thresholds, engine MY >18 years)
    - Jan. 1, 2035: All last-mile delivery and yard trucks must be zero-emissions by this date
  - Three legal challenges underway (Western States Trucking Assoc., State of Nebraska, Western States Petroleum Assoc.)
- **17 other States have announced the adoption of CARB mandates between 2024-2030**
  - >350,000 Class 4-6 trucks currently in service across these 18 states and needing to convert by 2035-2040
  - Potential demand of approx. 22,000 trucks per year

Corporate ESG Endorsements & Commitments

Public commitments to transition to zero emissions by largest last-mile fleets

USPS: “By 2030, the Postal Service seeks to reduce emissions from fuel and electricity by 40 percent”

UPS: “We’ve set a clear roadmap to reach carbon neutrality by 2050, and we’re well on the way thanks to our innovative investments into alternative fuels…”

DHL: “..we are striving to limit climate change with cleaner operations and are on a mission to achieve net-zero emissions by 2050.”

Amazon: “We want to reach net-zero carbon emissions by 2040, a decade ahead of the Paris Climate Agreement.”

Target: “…we commit to net-zero GHG emissions across our enterprise by 2040 to reduce climate impacts across our operations and supply chain.”

FedEx: “Converting our entire parcel pickup and delivery fleet to zero-emission electric vehicles”

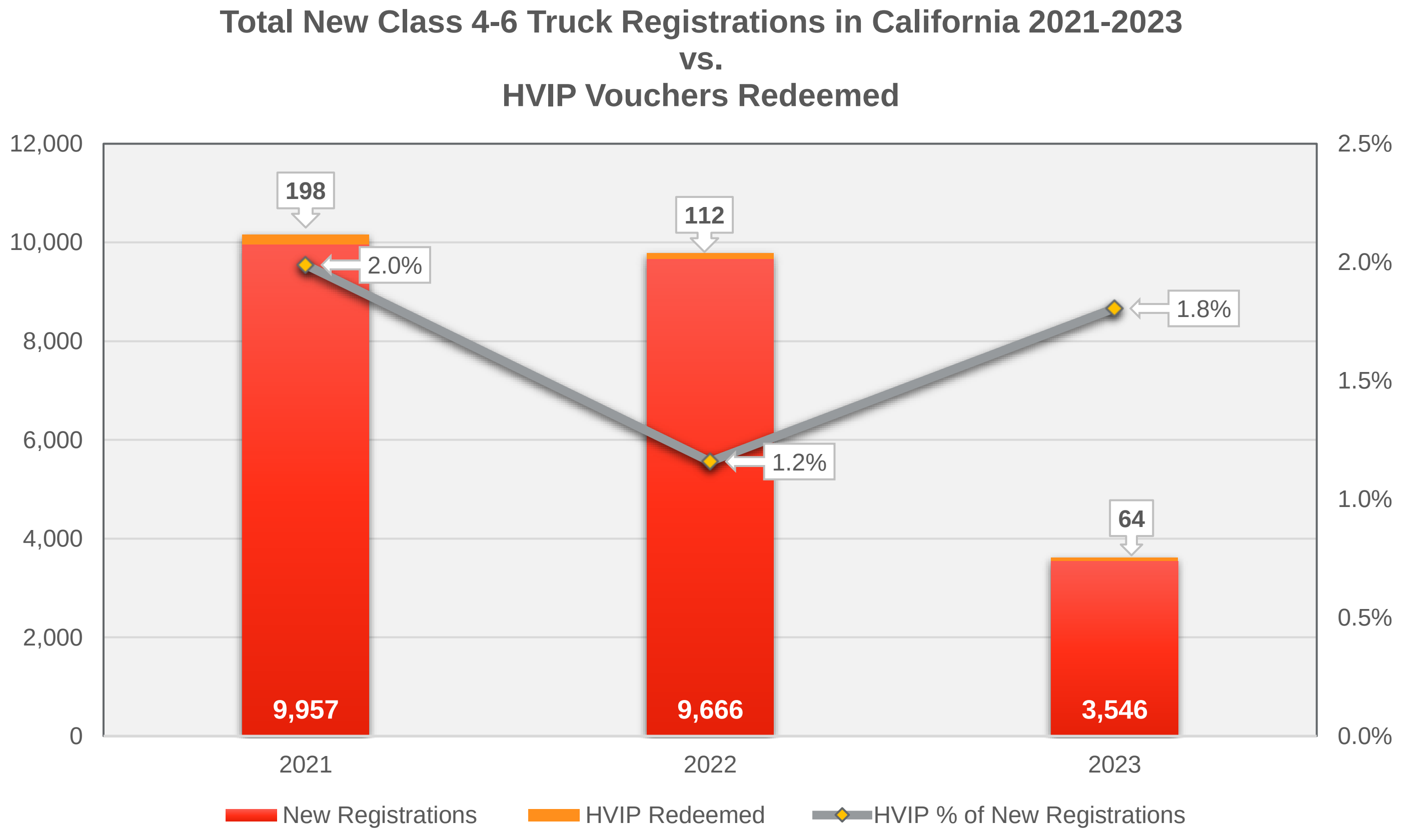
PepsiCo: “We aim to reduce absolute GHG emissions across our value chain by more than 40% by 2030 against a 2015 baseline, including a 75% reduction in emissions from our direct operations (Scope 1 and 2) and a 40% reduction in indirect emissions from our value chain (Scope 3). In addition, we’re working to achieve net-zero emissions by 2040, one decade earlier than called for in the Paris Agreement.”

Workhorse target market is CL4-6 trucks & step vans
Avg. range of 60-120 miles with 80-120 stops per day; payloads of 2,500-10,000 lbs.

California's 'Carrot' Needs a 'Stick'

Enforcement of the Advanced Clean Fleet regulations is critical to conversion to EV

- Private fleet operators continue to take a "wait and see" approach in CA
- <2% of new Class 4-6 truck registrations in CA redeemed an HVIP Voucher in 2021-2023
- CARB has not yet levied penalties on fleets for failing to meet ACF mandates
- Some national, regional, and government owned fleets are investing in infrastructure in order to meet the 2025 ACF '9%' threshold in 2025



Stables by Workhorse

Lessons Learned

Real World Results:

- 64% lower operating cost/year
- 47% lower cost/mile
- 5-7x increase in MPGe
- 93% Y/Y fuel savings
- 56% Y/Y maintenance and repair savings
- 50% Y/Y TCO in end-of-life fleet

Insights from Electrifying Stables by Workhorse FedEx Ground Fleet in '23-24

Takeaways:

WIN-WIN for all stakeholders – Corporate Sustainability and long-term financial advantages are not mutually exclusive – the right approach, plan, vehicles, and execution can deliver

Up-front investment translates into **immediate OpEx reductions**

47% lower cost-per-mile in real-world use at Workhorse Stables

Level 2 charging at 22kW is sufficient to meet the demands of an EV fleet with Workhorse Trucks

Benefits:

Significant reduction in fuel costs - up to a **93% Y/Y advantage**. This is **immediately** apparent to ISPs' bottom lines

Increased vehicle uptime and **reduced repair expenses** due to simpler EV drivetrains - up to **56% Y/Y maintenance savings**

Stables drivers prefer EV trucks due to: ease of operation, vibration-free rides, enhanced overall driving comfort, and environmental responsibility – **resulting in improved driver retention**

Challenges & Solutions:

EV purchasing can be supplemented by strategic planning and leveraging federal/state incentives. **A leasing or co-investment model** may improve both transition timing and partner/ISP buy-in

Balancing charge infrastructure with fleet ops demands will maximize uptime. Integrated charging would reduce ISPs' capital investment and shorten payback by **more than a year**

Team training is key to a smooth transition. Workhorse offers a **comprehensive training program** for maintenance technicians helps ensure EV trucks stay on the road.

Opportunities:

The most valuable transformations happen in the fleets with the **oldest** equipment, but even compared to new purchases, the return on investment is <5 years

With new operational cadence, new opportunities for further savings become visible. Continuously analyzing operational data to optimize route efficiency and fleet performance

Successful demonstration supports broader sustainability goals and shows innovative electrification strategies

Executing on Our Product Roadmap

W4 CC

**CL4, 7,000-lb. payload,
150-mile range**

- Received KTS purchase order for 141 W4 CC
- Dealer's orders include customers serving multiple segments in CA
- USPS contractor in Carolinas
- Several upfitter packages piloted and approved with customers

W750 Step Van

**CL4, 5000-lb. payload,
150-mile range**

- Continued advanced discussions with several last-mile delivery companies
- Executed successful product demonstrations
- New opportunities in Canada

W56 Stripped Chassis

**CL5-6, 13,500-lb. payload
at 23,000 lbs. GVW**

- Successful vehicle demos in process at multiple fleets
- Agreement with existing body builder for upfitting at fleet customer request

W56 Step Van

**CL5-6, 10,000-lb. payload,
150- to 170-mile range at GVW**

- Completed the first delivery of W56 step van as part of an ongoing collaboration with NorCal Transports Inc.
- Executed successful product demonstrations with 4-6 national fleets

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Expanding Our Product Offerings

W56 Extended Wheelbase SV

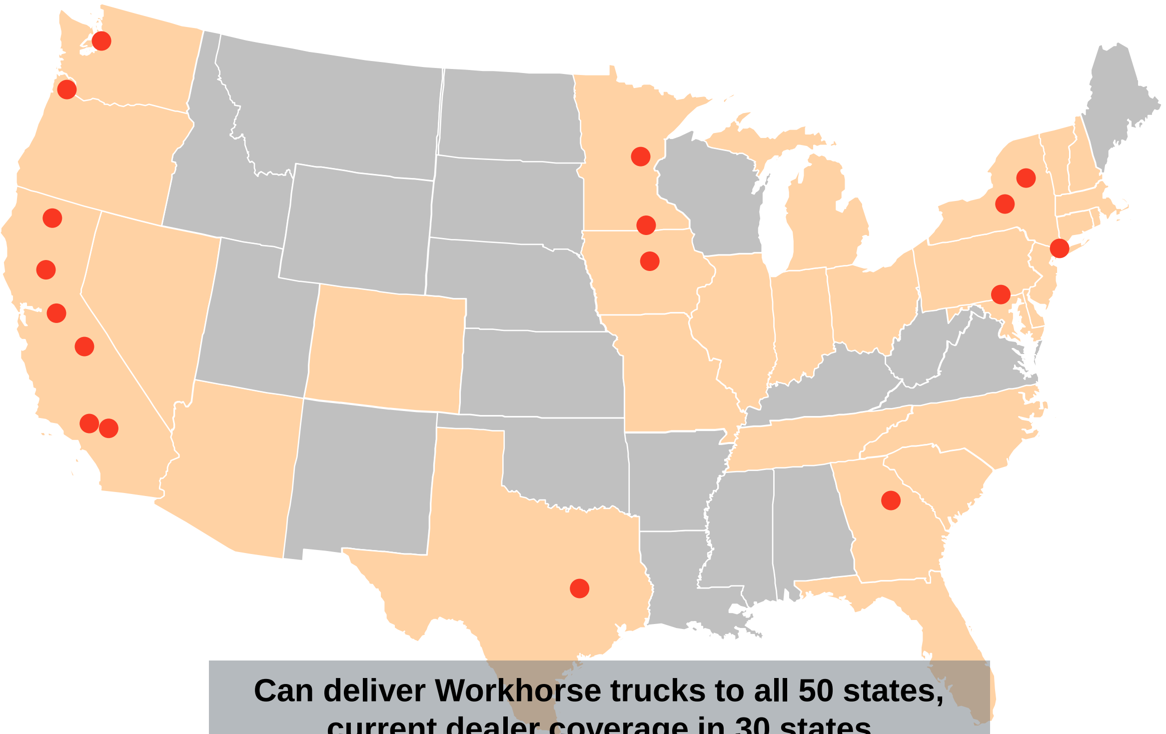
- Builds upon the success of the 178-inch wheelbase step van
- 208-inch wheelbase vehicle will be available in both strip chassis and step van variants
- 22-feet long with cargo volume of 1,200 cubic feet
- Added over 100 refinements to this new variant of the W56, designed to provide enhanced efficiency and easier upfitting
- Production of the new vehicle along with initial customer deliveries expected in Q4
- Shares assembly line and paint system with 178-inch model at Union City
- Expect >25% mix based on customer feedback

Expanding Commercial Network

- To help sell its product, Workhorse has established a strong, nationwide certified dealer network with service, targeting dealer locations in key commercial EV markets
- Workhorse has experienced strong fleet and dealer interest in its W56 vehicles, most recently adding key dealers and partners in the Northwest, Upper Midwest and Northeast regions, including in Ziegler in three (3) states, Milea in New York City, and Eco Auto in North Boston
- Workhorse now has 13 dealer partners with 17 locations across 10 states
- Awarded a Sourcewell contract for procurement in the category of Class 4-8 chassis and cabs with related equipment, accessories, and services, allowing Workhorse to expand its reach to government, educational, and nonprofit sectors within all 50 states and Canada

Certified Dealers

BurrTruck
milea Truck Sales & Leasing
Colonial The Bus Place
Pritchard Commercial
Electric Commercial Vehicles
Riverview International Trucks, LLC
EcoAuto
The Truck Shop
Fairway EV
Western Truck Exchange
Freeway Isuzu Trucks Vans
Kingsburg Truck Sales
Ziegler Auto Group



Can deliver Workhorse trucks to all 50 states, current dealer coverage in 30 states

Thoughtful Dealer Selection Criteria

- Select locations along critical logistics corridors (i.e. major interstates)
- Select locations within Section 177 states with incentives – CA, NY, NJ, and NY (with a priority on CA)
- Strength of the dealer go-to-market plan for the electric vehicle presented
- Ability for the dealer to service electric vehicles (i.e. infrastructure, equipment, technical staff, etc.)
- Ability to upfit vehicles, either through its own capacity or through partnerships

Continuing to actively expand dealer network with a target of 15-20 dealers by the end of 2024

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Protecting Our Financial Runway

Continued Actions to Preserve Cash and Extend Financial Runway

- Reduced cash burn rate from approx. $10 million to less than $3.5 million per month in the last six months
- Cost savings through significant reduction in workforce, deferral of cash compensation for executives and other cost saving measures
- Furloughed 73 Union City manufacturing facility employees; reinstated 16 employees as demand and production increased
- Delayed W56 cab chassis development 12-18 months
- Divested Aero business
- $112.7 million in financing facility remains available

Financial Summary Highlights

Second Quarter 2024 Unaudited Results

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Sales, net of returns and allowances	$ 842,440	$ 3,966,463
Cost of sales	7,301,348	8,427,377
Gross loss	(6,458,908)	(4,460,914)
Operating expenses		
Selling, general and administrative	12,066,553	14,002,517
Research and development	1,992,779	5,059,745
Total operating expenses	14,059,332	19,062,262
Loss from operations	(20,518,240)	(23,523,176)
Interest income (expense), net	(5,158,859)	505,500
Fair value adjustment (loss) on warrants	(642,900)	—
Loss before benefit for income taxes	(26,319,999)	(23,017,676)
Benefit for income taxes	—	—
Net loss	$ (26,319,999)	$ (23,017,676)
Net loss per share of common stock		
Basic and Diluted*	$ (1.40)	$ (2.40)
Weighted average shares used in computing net loss per share of common stock		
Basic and Diluted*	18,855,034	9,283,015

Revenue

Sales, net of returns and allowances for the three months ended June 30, 2024 and 2023 were $0.8 million and $4.0 million, respectively. The decrease in sales was primarily due to lower W4 CC vehicle sales compared with the same period a year ago, which was partially offset by an increase in other service revenue generated from operating Stables by Workhorse route, Drones as a Service before the Aero Divestiture and other service revenue.

Cost of Sales

Cost of sales for the three months ended June 30, 2024 and 2023 were $7.3 million and $8.4 million, respectively. The decrease in cost of sales was primarily due to a $4.4 million decrease in costs related to direct materials due to lower sales volume and higher volume of vehicles capitalized into finished goods, a decrease in consulting expenses of $0.5 million and a $0.5 million decrease in employee compensation and related expenses due to lower headcount as result of employee furloughs during the period. The decrease in cost of sales was partially offset by a $2.7 million increase in inventory reserve expenses, and a $1.0 million increase in depreciation expense.

Operating Expenses

Selling, general and administrative ("SG&A") expenses during the three months ended June 30, 2024 and 2023 were $12.1 million and $14.0 million, respectively. The decrease in SG&A expenses was driven by a $2.4 million decrease in employee compensation and related expenses primarily due to lower headcount and a decrease of $0.6 million in marketing expenses during the period, which was partially offset by a $0.2 million increase in depreciation expense and a $0.3 million increase in information technology costs.

Research and development ("R&D") expenses during the three months ended June 30, 2024 and 2023 were $2.0 million and $5.1 million, respectively. The decrease in R&D expenses was primarily driven by a $2.0 million decrease in employee compensation and related expenses due to lower headcount and a $0.8 million decrease in consulting expenses, which was partially offset by a $0.4 million increase in prototype expenses driven by the W56 208-inch wheelbase program.

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Balance Sheet Highlights

Second Quarter 2024 Unaudited Results

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 5,308,611	$ 25,845,915
Restricted cash	—	10,000,000
Accounts receivable, less allowance for credit losses of $0.2 million and $0.2 million as of June 30, 2024 and December 31, 2023, respectively	760,504	4,470,209
Inventory, net	46,503,385	45,408,192
Prepaid expenses and other current assets	6,902,370	8,101,162
Total current assets	59,474,870	93,825,478
Property, plant and equipment, net	36,497,886	37,876,955
Lease right-of-use assets	9,227,564	9,795,981
Other assets	176,310	176,310
Total Assets	$ 105,376,630	$ 141,674,724
Liabilities		
Current liabilities:		
Accounts payable	$ 10,501,569	$ 12,456,272
Accrued and other current liabilities	6,335,271	4,862,740
Deferred revenue, current	6,954,581	4,714,331
Warranty liability	642,326	1,902,647
Current portion of lease liabilities	3,028,889	3,560,612
Warrant liability	4,580,442	5,605,325
Current portion of convertible notes	9,649,030	20,180,100
Total current liabilities	41,692,108	53,282,027
Lease liabilities, long-term	5,047,565	5,280,526
Total Liabilities	46,739,673	58,562,553
Commitments and contingencies		
Stockholders' Equity:		
Series A preferred stock, par value $0.001 per share, 75,000,000 shares authorized, zero shares issued and outstanding as of June 30, 2024 and December 31, 2023	—	—
Common stock, par value $0.001 per share, 450,000,000 shares authorized, 20,738,091 shares issued and outstanding as of June 30, 2024 and 14,299,042 shares issued and outstanding as of December 31, 2023 (presented on a reverse stock split-adjusted	20,738	14,299
Additional paid-in capital	865,660,256	834,666,123
Accumulated deficit	(807,044,037)	(751,568,251)
Total stockholders' equity	58,636,957	83,112,171
Total Liabilities and Stockholders' Equity	$ 105,376,630	$ 141,674,724

Cash balance

$5.3 Million

Capital Spending

$3.8 million year to date

Financing Transaction

Financing agreement provides additional closings of up to $112.7 million in aggregate principal amount of notes and warrants to support the Company's continued execution of its product roadmap and Commercial EV business plan.

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Near-Term Priorities

Advance Product Roadmaps

- Continue product demos/discussions with key fleets
- Support dealer efforts with private and gov’t fleets
- Select participation in ‘Green’ trade shows
- Earn GSA certification
- Expand CV dealership network
- Ramp up production in-line with new orders
- Complete testing and start 208" production in Q4

Strengthen Financial Position

- Maintain lower operating cost environment until sales develop
- Maintain supplier relationships and capability
- Convert inventory to cash through truck sales
- Complete sale/leaseback transaction for Union City

Emerge a Winner in Class 4-6 Segment

Questions?