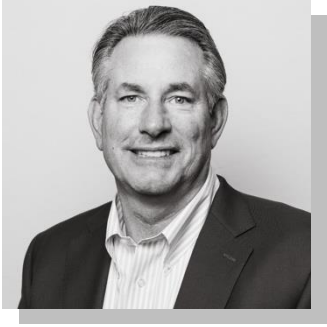


**WORKHORSE™**

**Q3 2022  
Earnings Call**

November 8, 2022

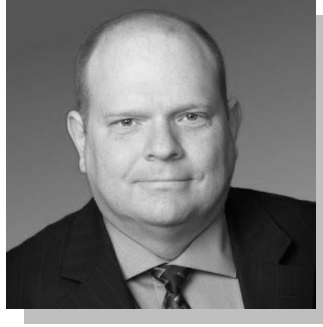
# Today's Presenters



**Rick Dauch**  
CEO

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- 27 years automotive industry experience
- 15 years serving in CEO roles
- Multiple Public/Private Board memberships



**Bob Ginnan**  
CFO

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- 22 plus 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

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

# Agenda

Introduction

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Business Update

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3<sup>rd</sup> Quarter Financials

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2022 Guidance

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Q&A



# Disclaimer

## Cautionary Note Regarding Forward Looking Statements

The material in this document contains 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 document, 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 resource, 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 document. 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 recently announced W750, W56 and W34 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 and semiconductors and resulting increases in costs impacting our company, our customers, our suppliers or the industry; our ability to implement modifications to vehicles to achieve compliance with Federal Motor Vehicle Safety Standards and to meet customer requirements with respect to the C-1000s; 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; negative impacts stemming from the COVID-19 pandemic; market acceptance for our products; our ability to control our expenses; potential competition, including without limitation shifts in technology; global and local business conditions; acts of war (including without limitation the conflict in Ukraine) 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 inability to satisfy covenants in our financing agreements; our inability to maintain our listing of our securities on the Nasdaq Capital Market; our inability to satisfy our customer warranty claims; the outcome of any regulatory proceedings; 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 Accomplishments Over the Past Quarter



## Completed Hiring of Senior Leadership Team

- Hired VP Sales & Marketing and three regional U.S. sales leads with 70+ years of CV industry experience
- Strengthened operating teams in Aero and Commercial Vehicles
- Built out corporate finance and IT staffs



## Progress in Aerospace

- Final flight testing for Horsefly™ underway
- Developed new HALO drone in less than 120 days
- Executing USDA grant work in MS/AR
- Developed initial MFG and supply chain plans for production



## Executed Product Portfolio Roadmap Deliverables

- Built, sold and delivered first W4 CC vehicles to customers
- W56 launch plan remains on track, program builds in process
- Experienced testing setback on C1000
- Training and preparations for Tropos launch in Q4 completed



## Introduced Stables & Stalls

- Created subsidiary that owns local FedEx Ground delivery contract
- Installing charging infrastructure; will transition 10 truck fleet to EVs
- Establish business model to meet needs of small fleet owners and municipalities making the transition to electric vehicles



## State-Of-the-Art Manufacturing Complex ready

- Doubled and renovated floorspace, now have over 400K ft<sup>2</sup>
- Consolidated three warehouse locations into one site at UC
- Moved into new prototype and testing shop in Sharonville, OH



## Proposed Settlement for Class Action Lawsuit

- Resolves previously disclosed securities class action lawsuit and related shareholder derivative actions, subject to court approval
- Expected to be finalized by Q2 2023

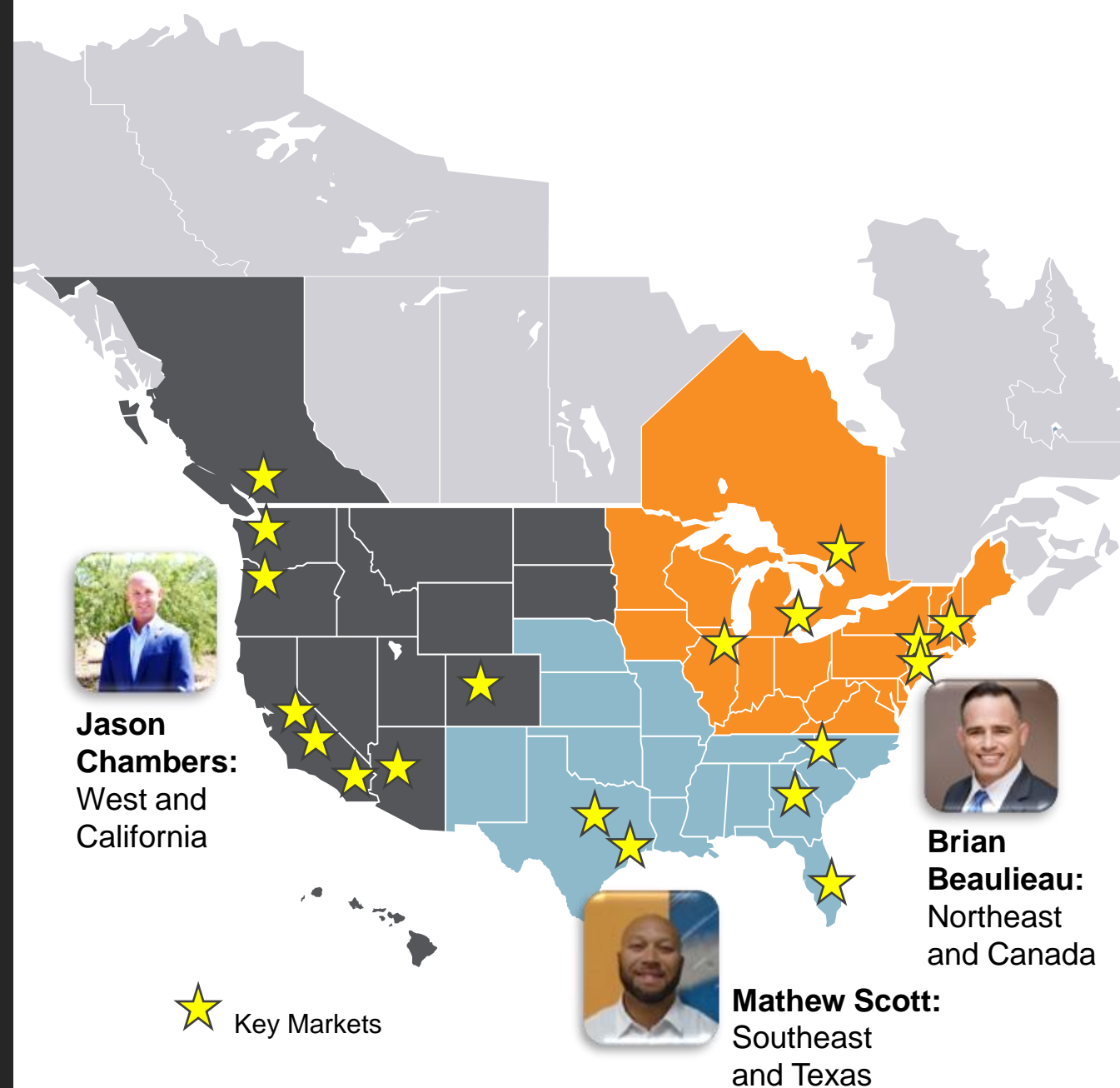
# Organizational Update

## Completed Hiring of Field Sales Team

- Hired **Christina Ameigh** as VP, CV Sales and Marketing. Spent last 13 years with Volvo Truck, with latest assignment she was responsible for VT's Electromobility sales across North America
- Hired three regional U.S. sales leads with combined 70+ years of commercial vehicle sales experience, reporting to Chris
- Hired **Renee Stephens**, Director, Data Analytics and Field Services. More than 30 years experience in both automotive OEM and data analytics industries



**Commercial & Auto Industry Veterans**



# Product Portfolio Plan Update

## W4 CC

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

- Built & sold 10 W4 CC vehicles in Q3
- Continue to build & ship W4 CCs in Q4
- Production ramps up through balance of 2022 (100-200 vehicles)

## W56

CL5-6, 8,000-lb. payload, 150-mile range

- Stripped chassis, step-van, cab & chassis ('24)
- Regular production planned for Q3 2023
- Design and part sourcing 90% complete
- Program builds & testing 4Q 22 / 2Q 23
- Customer demo vehicles by 2Q 23
- SORP 3Q 23

## W750 Van

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

- Part sourcing complete
- Assembly layout 90% complete
- Pilot builds Q4
- SORP Q1 23



## C1000

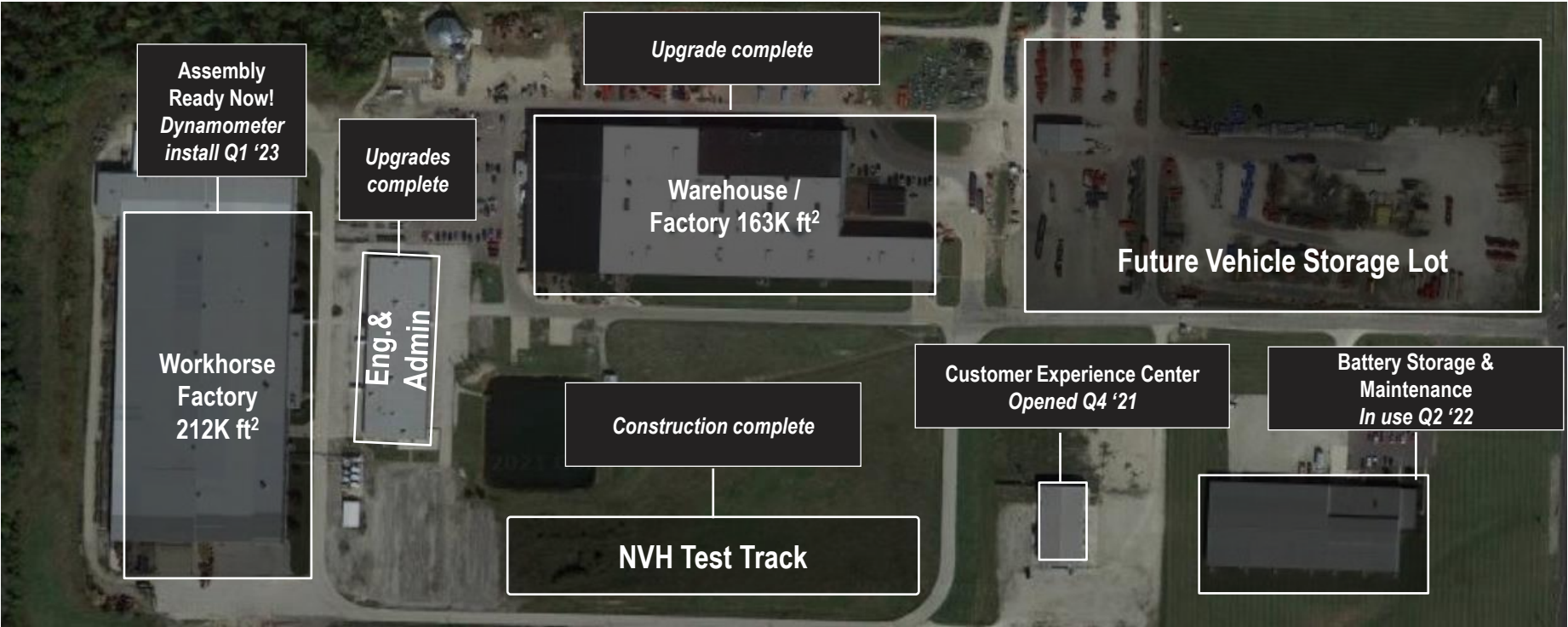
CL3, 3500-lb. payload, 100-mile range

- Redesign of front suspension complete
- Results of fully-loaded durability testing require redesign of the rear suspension
- Expect to complete testing during Q4
- Repair & production decision by 12/31



Shipped first W4 CC units in Q3; On track for full-line of CL3-6 commercial vehicles and chassis in '23-25

# Workhorse Ranch: "Ready to Run"





# Aerospace Update



- Final Horsefly™ flight-testing nearing completion (30' winch, 10-lbs, 10-mile range)
- Conducted field testing with ODOT and OSU
- Multiple customer demos planned in Q4
- Pursuing multiple commercial opportunities



- Humanitarian Assistance and Logistics Operations (HALO)
- New family of drones driven by end customer requirements in North America and Europe
- Supports automatic or manual control
- Final flight-testing nearing completion

# Stables & Stalls

## Launched fleet electrification platform to serve independent contractors and operators

- Leased a maintenance and service facility, or 'Stable,' adjacent to FedEx Lebanon distribution facility and installing 10 Level 2 EV chargers in Q4, the 'Stalls'
- Created a subsidiary that owns a local FedEx Ground delivery contract in Lebanon, Ohio. Includes 10 internal combustion engine trucks
- Electrification of the fleet has begun, all vehicles expected to be converted to EV by the end of Q2 2023
- Developing a 'White Paper' to define successful model of ICE to EV conversion for independent contractors, including field-based data on total cost of ownership



# Financial Summary Highlights

## Third Quarter 2022 Unaudited Results

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Sales, net of returns and allowances	\$ 1,548,798	\$ (576,602)	\$ 1,575,652	\$ 1,147,334
Cost of sales	9,515,547	11,549,187	16,459,102	32,570,616
Gross loss	(7,966,749)	(12,125,789)	(14,883,450)	(31,423,282)
Operating expenses				
Selling, general and administrative	34,753,017	10,579,586	59,693,419	24,470,953
Research and development	6,126,951	2,801,394	15,165,946	8,788,969
Total operating expenses	40,879,968	13,380,980	74,859,365	33,259,922
Loss from operations	(48,846,717)	(25,506,769)	(89,742,815)	(64,683,204)
Interest income (expense), net	27,716	18,599,130	(2,290,993)	23,040,886
Other income (loss)	13,413,500	(77,127,266)	13,413,500	(225,432,884)
Loss before benefit for income taxes	(35,405,501)	(84,034,905)	(78,620,308)	(267,075,202)
Benefit for income taxes	—	2,919,491	—	21,833,930
Net loss	<u>\$(35,405,501)</u>	<u>\$(81,115,414)</u>	<u>\$(78,620,308)</u>	<u>\$(245,241,272)</u>
Net loss per share of common stock				
Basic	\$ (0.22)	\$ (0.66)	\$ (0.50)	\$ (1.99)
Diluted	\$ (0.22)	\$ (0.63)	\$ (0.50)	\$ (1.90)
Weighted average shares used in computing net loss per share of common stock				
Basic	160,213,944	123,584,023	157,117,380	123,186,350
Diluted	160,213,944	129,251,351	157,117,380	128,853,678

### Sales

- Net sales growth was driven by W4 CC sales and the launch of Stables & Stalls

### Cost of Sales

- Decrease in cost of sales for the quarter and year was primarily due to lower headcount, consulting, and inventory reserves. For the quarter, favorable costs were offset by increase in cost from sold trucks. YTD inventory and warranty reserve adjustments are \$9 million lower

### Operating Expenses

- Legal expenses increased, driven by the legal settlement of \$20M (net of insurances proceeds) and legal fees of \$3.8M in Q3 2022 and \$5.8M YTD
- Compensation, including stock-based compensation increased due to an increase in headcount including the addition of leadership
- Consulting fees decreased \$2.8M YTD as projects were brought in-house

# Balance Sheet Highlights

## Third Quarter 2022 Unaudited Results

	September 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 120,117,862	\$ 201,647,394
Accounts receivable, less allowance for credit losses of zero as of September 30, 2022 and December 31, 2021	1,548,196	149,776
Other receivable	15,000,000	—
Inventory, net	11,567,607	10,067,367
Prepaid expenses and other current assets	14,946,935	4,357,829
<b>Total current assets</b>	<b>163,180,600</b>	<b>216,222,366</b>
Property, plant and equipment, net	17,047,641	7,897,807
Investment in Tropos	10,000,000	—
Lease right-of-use assets	11,476,927	1,538,852
Other assets	176,310	2,479,865
<b>Total Assets</b>	<b>\$ 201,881,478</b>	<b>\$ 228,138,890</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 7,728,111	\$ 7,849,607
Accrued and other current liabilities	44,825,969	14,752,827
Deferred revenue, current	3,375,000	—
Warranty liability	3,339,484	4,583,916
Current portion of lease liabilities	1,105,016	363,714
<b>Total current liabilities</b>	<b>60,373,580</b>	<b>27,550,064</b>
Deferred revenue, long-term	1,505,000	—
Lease liabilities, long-term	8,736,715	1,191,053
Convertible notes, at fair value	—	24,705,000
<b>Total Liabilities</b>	<b>70,615,295</b>	<b>53,446,117</b>
Commitments and contingencies		
<b>Total stockholders' equity</b>	<b>131,266,183</b>	<b>174,692,773</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 201,881,478</b>	<b>\$ 228,138,890</b>

### No Debt

\$120 million cash balance

ATM in place

\$15 - \$20 million in capital expenditures expected to upgrade facilities in Indiana, Ohio and Michigan in 2022

Legal settlement \$35 million liability, offset by \$15 million insurance receivable

Tropos \$10 million equity investment, \$5 million in deferred revenue

# Financial Summary

2022 Guidance



100 – 200

Vehicles



\$15M – \$25M

Revenue

## Reaffirming Revenue Guidance



Workhorse expects to manufacture and sell between 100-200 vehicles and generate between \$15-25 million in revenue for calendar year 2022, assuming current supply chain lead times remain unchanged.



# Q4 Priorities



## Execute Product Programs

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- Complete pilot production of W750
- Maintain W56 program timing
- Complete C1000 testing
- Complete Horsefly and HALO flight testing



## Ramp Up Production

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- Continue ramp up of W4 CC production
- Begin manufacturing for Tropos 3-year contract
- Finalize drone manufacturing layouts



## Grow Sales

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- Secure new customer orders for drones and commercial vehicles
- Complete Stables & Stalls facility
- Establish back-office sales admin capability



## Implement Common Systems

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- Corporate administration - ERP, HRM
- LEAN systems across manufacturing and supply chain

Host Analyst Day in Union City on December 7, 2022

# Workhorse Accomplishments – last 12 months

## Strengthened Organization

- Experienced corporate leadership team
- Doubled CV and Aero technical staffs
- LEAN trained operations staff (MFG, SC, Quality)
- Auto, CV and Aerospace industry expertise

## Executing Product Roadmaps

- Class 3-6 CV last-mile delivery vehicles
- Market & purpose driven drones
- Entered contract manufacturing agreement

## Modernized Facilities

- Relocated corporate and Aero headquarters
- Doubled & renovated manufacturing floorspace
- Established technical & prototype centers

## Resolved Legacy Issues

- Dropped USPS lawsuit
- Settled Class Action and Derivative lawsuits

## Financially Stable to Support Plans

- Converted RIDE equity stake to cash
- Converted debt to equity
- Established ATM



**WORKHORSE**



Pioneering the transition to zero-emission commercial vehicles



**Workhorse – “Ready to Run”**