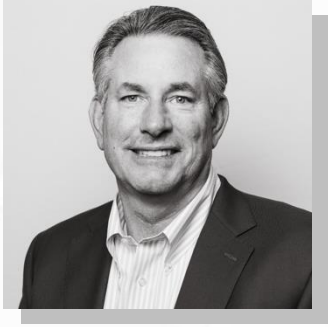




# Q4 and Full Year 2021 Earnings Call

MARCH 1, 2022

# Today's Presenters



**Rick Dauch**  
CEO

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26 years automotive industry experience

14 years serving in CEO roles

Multiple Public/Private Board memberships



**Bob Ginnan**  
CFO

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21 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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25 years executive experience across multiple industrial sectors

Extensive M&A, public affairs, investor relations and corporate communications experience

# Agenda

Introduction

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CEO Update

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4th Quarter Financials

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2022 Guidance

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Q&A



# Disclaimer

## Cautionary Note Regarding Forward Looking Statements

*This presentation includes forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," or the negative of such terms, or other comparable terminology. 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 herein. Factors that could cause actual results to differ materially include, but are not limited to: our ability to successfully 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 FMVSS and to meet customer demands with respect to the C-1000s; the results of our ongoing review of the Company's business and go-forward operating and commercial plans; our ability to capitalize on opportunities to deliver products to meet customer requirements; our limited operations and need to expand to fulfill product orders; the ability to protect our intellectual property; negative impacts stemming from the continuing COVID-19 pandemic; market acceptance of our products; our ability to control our expenses; potential competition, including shifts in technology; global and local business conditions; 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. Workhorse expressly disclaims any obligation to publicly update any forward-looking statements contained herein, whether as a result of new information, future events or otherwise, except as required by law.*



# CEO Update

## Q4 2021 Priorities

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## Filling the Open Seats

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## “Stabilize & Grow” Process

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## Product Roadmap

- C-1000
  - W56
  - W34
  - W750
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## Aero



# First 90-Day Recap (from Q3 2021 Results Call)

## Q4 2021 Priorities



Hire experienced CFO  
& select executives



Strengthen technical &  
commercial capabilities



Complete C-1000  
vehicle testing



Finalize product  
development roadmaps

- Vans
- Chassis
- UAVs



Finalize 2022  
budget



Develop 2022-24  
business plans at BUs

# Process of Stabilization and Growth

## 6 P's: People, Products, Processes, Partners, Politics, Profits

### Developing & executing 3-year business plan







### Value Creation For ALL Stakeholders

- Associates
- Investors
- Communities
- Customers
- Suppliers
- Business Partners

# Continuing to Build and Strengthen our Leadership Team

All Joined Workhorse in the Last 7 Months

POSITION	NAME	YEARS OF RELEVANT EXPERIENCE
CEO	Rick Dauch	25
 CFO	<b>Bob Ginnan</b>	<b>25</b>
CAO/GC	Jim Harrington	25
CTO	Josh Anderson	15
 CHRO	<b>Kerry Roraff</b>	<b>11</b>
VP, Supply Chain	Jim Peters	25
VP, Product Development	Dave Bjerke	25
VP, Corporate Development	Stan March	25
 VP, Manufacturing Services	<b>Brad Hartzell</b>	<b>22</b>
 VP, Government Affairs	<b>Ben Drake</b>	<b>10</b>



JOINED THE COMPANY SINCE NOVEMBER





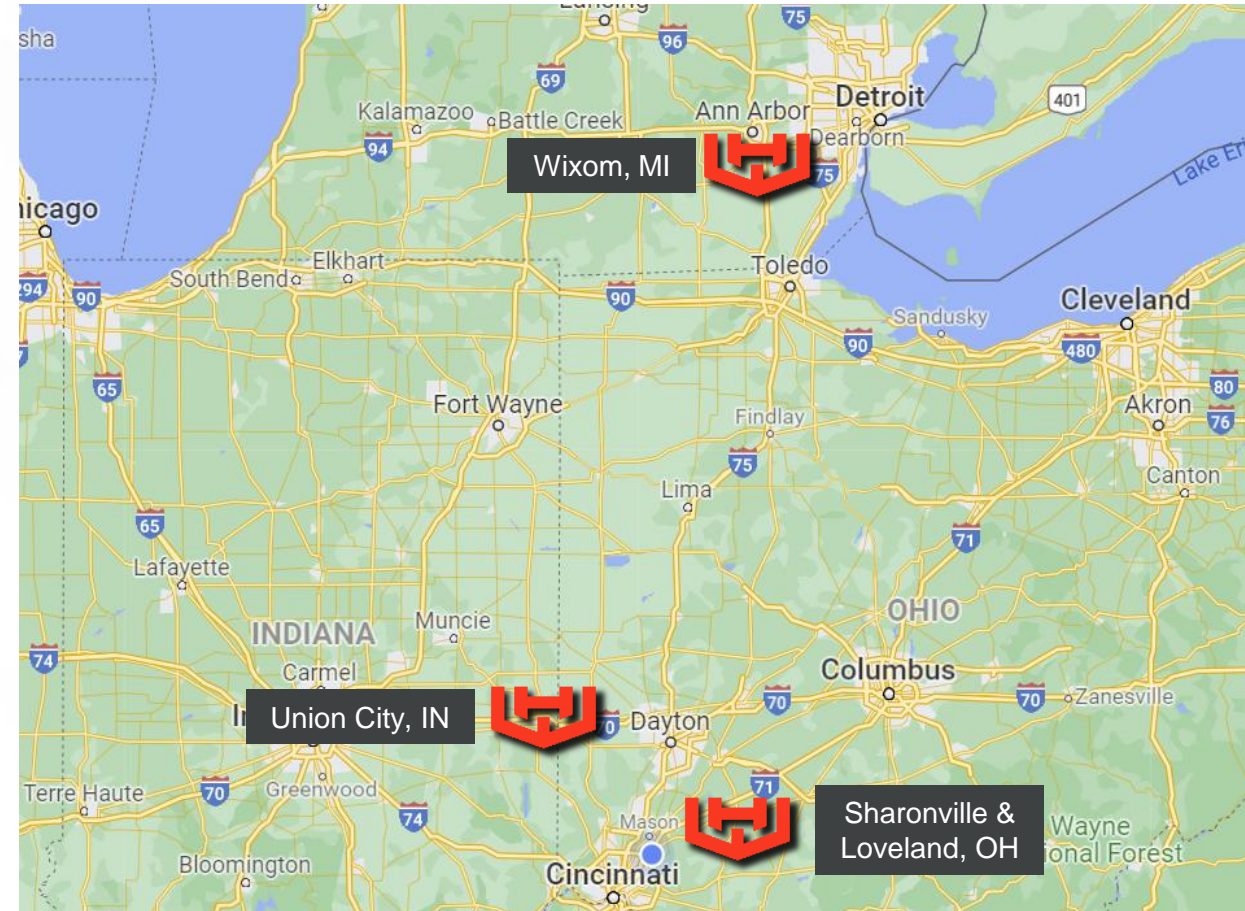
# Workhorse's Facilities

Opened new engineering and technical design center in Wixom, MI on February 21, 2022

- Hired a number of experienced automotive design engineers with chassis, suspension, drivetrain, energy storage and supply chain management expertise
- More than 270 years cumulative design experience added in last 3 months, with more onboarding in Q2

Will consolidate and relocate headquarters' staff together with our CV advanced technology team in Sharonville, OH in April 2022

Significant investment underway at Union City, IN manufacturing complex ahead of Q3 2022 production



*Workhorse is situated in the heart of "Auto Alley" – 60% of all automotive production in the United States is located within the Michigan / Ohio / Indiana / Illinois / Kentucky / Tennessee corridor*



# Commercial Vehicles

We have redefined our electric vehicle product platform strategy in the last 6 months to rapidly address the broadest TAM via a multifaceted approach:

- C1000
- W56
- W34
- W750



# C-1000 Testing Results and Plans

## FMVSS Compliance

- Validation testing completed
- Design improvements required
- Implementing corrective actions
- Reporting compliance with NHTSA

## E-Powertrain Reliability/Structural Durability

- Address supplier quality issues
- Front suspension replacement
- Limited cargo capacity remains

## Actions Required

- Repurchased 41 vehicles
- Must repair all manufactured vehicles
- Manufacture 50-75 more vans from inventory on hand during 2022
- Major impairment charge



# Revised Product Roadmap

Model	Start of Production	Weight Class	Description	Variant	Target Market
W56	Q3 2023	Class 5/6	BEV Steel Rail Ladder Frame Chassis	Strip Chassis	Local Delivery/Step Van
				Cab Chassis	Box Truck/Reefer
W34	2024	Class 3/4	BEV Low Floor Skateboard Chassis	Strip Chassis	Bus/RV/Custom Body
				Cab Chassis	Bus/RV/Straight Truck/Box Truck
				Step Van	Local Delivery/Last Mile

## W56 - Flexible Steel Ladder Chassis

Shortest path to BEV production

Leverage historical designs

Various wheelbase options

Common parts bin

## W34 - Next Generation EV

E-Gen/C1000 lessons learned

Accessible Low Floor Platform

Proven E-powertrain System

Advanced technology options



# W750

## Sourced EV Chassis with Workhorse Designed Cab Modifications & Branding

- Class 4 rated, 150-mile range
- Sold by Workhorse as cab chassis or completed package body
- 1500 units over 21 months
- FMVSS and CMVSS certified

## Custom Package Body

- Workhorse custom body
- 784 cubic foot capacity
- Aluminum/composite construction
- 5000+ lb. payload with body

## Step Van Design

- Curbside step and slider
- Interior partition wall with slider door
- Optional jump seat

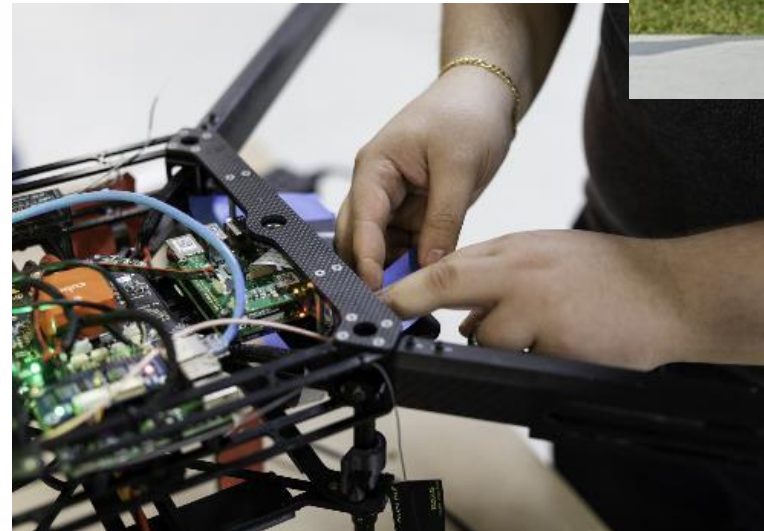
## High Volume Base Chassis

- Originally OEM Developed
- Up to 16,000 lb. GVW
- SORP Q3 2022



# Aerospace

- Expanded technical capabilities and team
- Approved by the federal government to pursue commercial FAA Type Certification (Part 21.17) in '22-23
- Market segment leading payload and range capabilities in final development and test
- Secured contracts with USDA to provide monitoring, data procurement and analytics as part of demonstration project
- Exploring additional projects with federal & state governments and a large retailer



**Awarded multiple USDA contracts and grants**

# Financial Summary Highlights

## Fourth Quarter

	For the Three Months Ended December 31,	
	2021	2020
Sales, net of returns and allowances	\$ (1,999,256)	\$ 651,570
Cost of sales	99,921,494	6,992,531
Gross loss	(101,920,750)	(6,340,961)
Operating expenses		
Selling, general and administrative	15,689,842	4,692,732
Research and development	2,821,058	4,015,606
Total operating expenses	18,510,900	8,708,338
Loss from operations	(120,431,650)	(15,049,299)
Interest expense, net	35,685,050	4,881,376
Other loss (income)	-	(322,247,044)
(Loss) income before (benefit) provision for income taxes	(156,116,700)	302,316,369
(Benefit) provision for income taxes	(13,159)	21,833,930
Net (loss) income	\$ (156,103,541)	\$ 280,482,439

- \$2.7 million sales decrease due to customer refunds related to the recall of our C-1000 vehicles
- Cost of sales includes non-cash charges of:
  - \$63.6 million inventory impairment
  - \$23.9 million prepaid impairment reserve
  - \$6.8 million charge to adjust the carrying amount of fixed assets and tooling related to the C-Series
- Operating expenses:
  - Increase in employee costs due to increased headcount, severance pay, and stock-based compensation
  - Offset by lower R&D consulting and prototype component costs

# Financial Summary Highlights

## 2021

	For the Years Ended December 31,	
	2021	2020
Sales, net of returns and allowances	\$ (851,922)	\$ 1,392,519
Cost of sales	132,492,110	13,067,108
Gross loss	(133,344,032)	(11,674,589)
Operating expenses		
Selling, general and administrative	40,160,795	20,157,658
Research and development	11,610,027	9,148,931
Total operating expenses	51,770,822	29,306,589
Loss from operations	(185,114,854)	(40,981,178)
Interest expense, net	12,644,164	190,520,337
Other loss (income)	225,432,884	(323,111,944)
(Loss) income before (benefit) provision for income taxes	(423,191,902)	91,610,429
(Benefit) provision for income taxes	(21,847,089)	21,833,930
Net (loss) income	\$ (401,344,813)	\$ 69,776,499

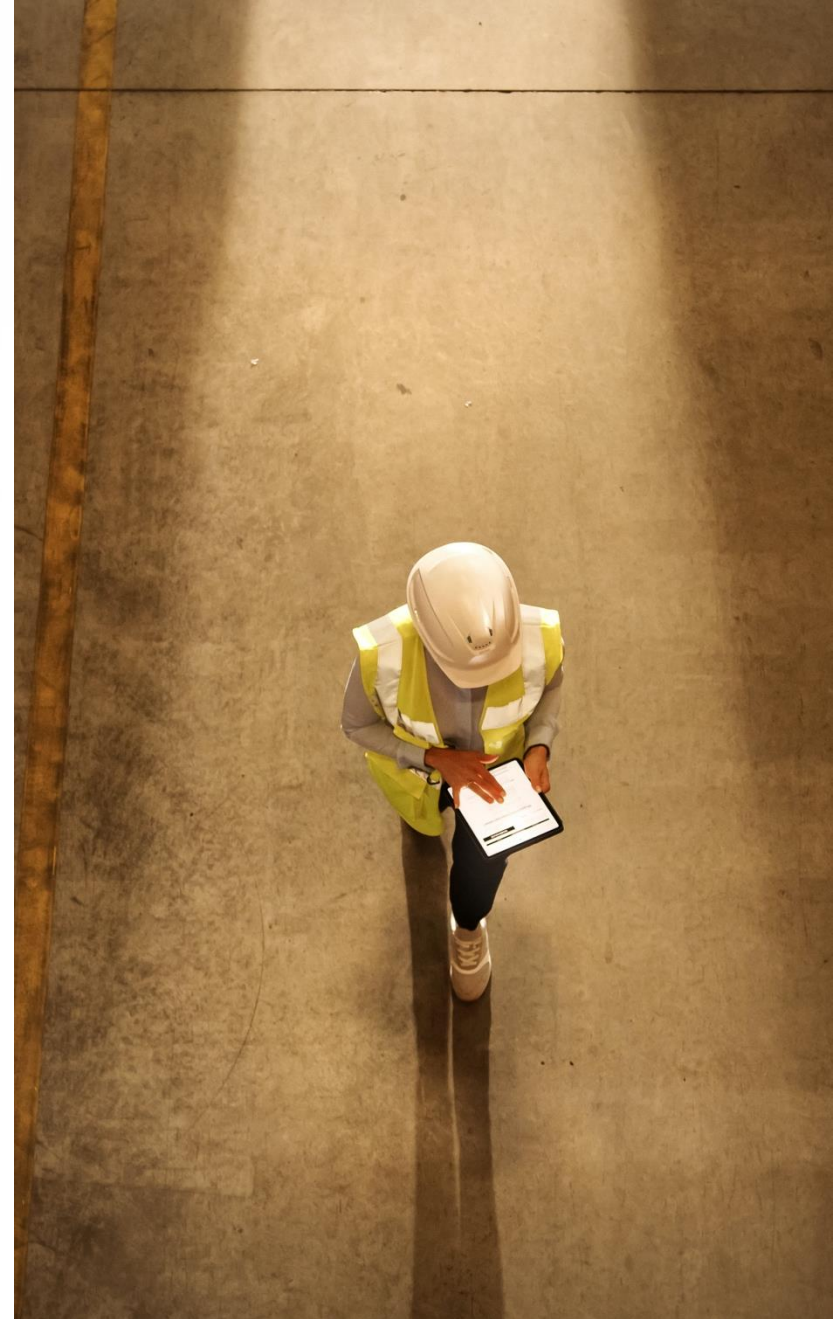
- \$2.2 million decrease in sales due to customer refunds related to the recall of our C-1000 vehicles
- Cost of sales includes non-cash charges of:
  - \$75.0 million inventory impairment
  - \$23.9 million prepaid impairment reserve
  - \$6.8 million charge to adjust the carrying amount of fixed assets and tooling related to the C-Series
- Operating expenses:
  - Increase in employee costs due to increased headcount and stock-based compensation



# Financial Summary

## Cash

- \$201.6 million in cash and equivalents on hand at December 31, 2021
- Debt (face amount) remains unchanged at \$27.5 million
- 2022 Capex plans are between \$25 and \$35 million for facility upgrades in Indiana, Ohio and Michigan
- Plan to establish an At-the-Market (“ATM”) equity program utilizing our current shelf registration to allow us to opportunistically raise capital in the coming quarters

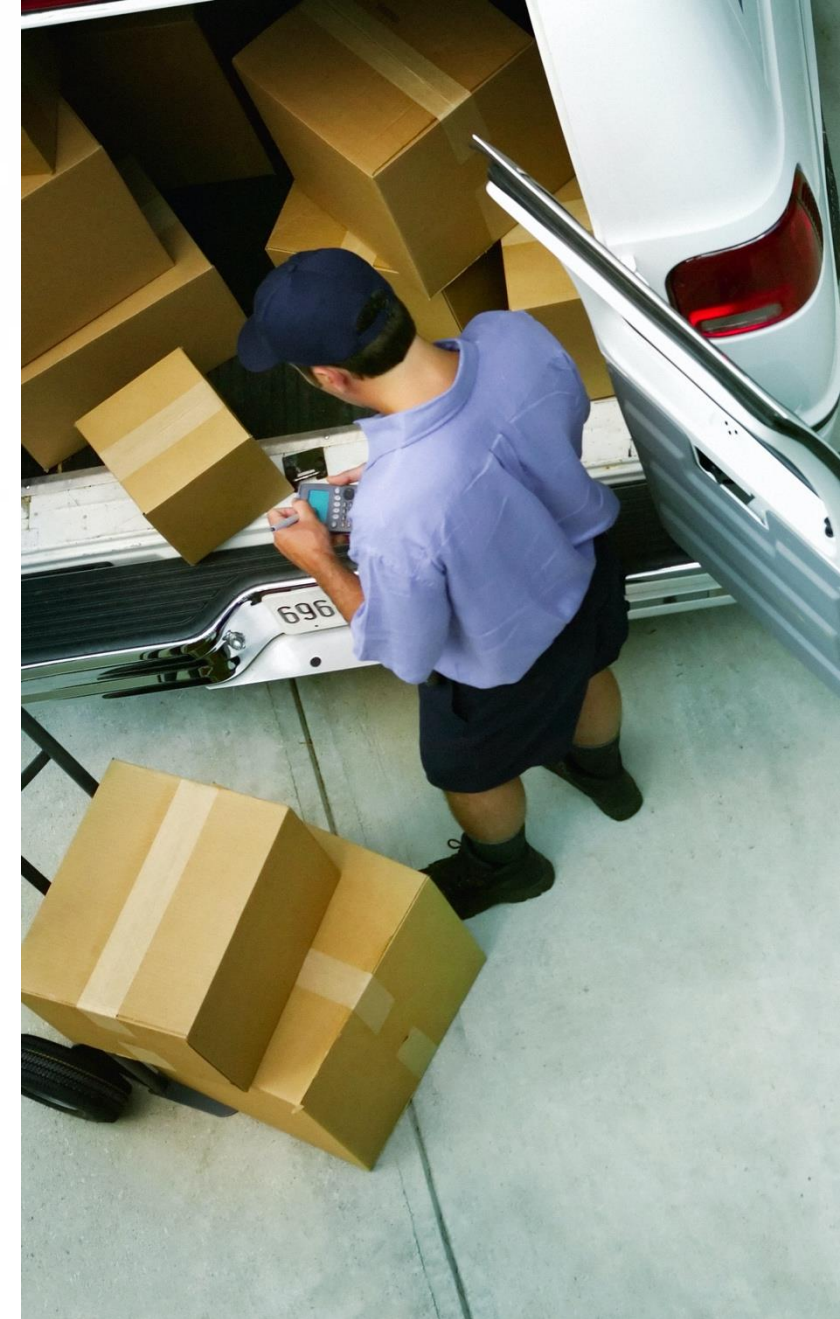


# Financial Summary

## 2022 Guidance

### Assuming current supply chain stability/visibility:

- Our outlook for 2022 reflects our planned progressive ramp in manufacturing, which is backloaded, as we are not expecting to produce any vehicles in the first half of the year
- Under the newly developed business plans, Workhorse expects to manufacture and sell at least 250 vehicles in 2022 and generate at least \$25 million in revenue



# Summary and Q&A



Further strengthened  
the leadership team



Redefined strategic  
product roadmap



Expanded engineering  
talent/open Wixom  
office



C-1000 FMVSS testing  
completed

Redesign/repair plans  
established, underway



Signed strategic  
supplier partnership with  
GreenPower

SORP Q3 2023



Capital investment  
plans developed for  
2022



Questions