



Q3 2023 Earnings Call

November 14, 2023



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 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

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

Agenda

Introduction

Business Update

Q3 Financials

2023 Guidance

Q4 Priorities / Summary

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; the unavailability, reduction, elimination or adverse application of government subsidies, incentives and regulations; 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; our inability to raise additional capital to fund our operations and business plan; our ability to regain compliance with the listing requirements of the Nasdaq Capital Market and otherwise maintain the listing of our securities thereon; our ability to protect our intellectual property; market acceptance for our products; our ability to obtain sufficient liquidity from operations and financing activities to continue as a going concern and, 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 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 satisfy our customer warranty claims; the outcome of any regulatory or legal proceedings; and other risks and uncertainties and other factors discussed from time to time in our filings with the Securities and Exchange Commission (“SEC”), including under the “Risk Factors” section of our filings 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



Advancing Commercial Vehicle Programs

- Resolved HVIP voucher issue with CARB for Class 4 vehicles in November
- Completed W56 vehicle durability & systems testing and launched production
- Stabilized W750 production, conducted successful customer demos
- AGVs and Paint system installed and in qualification stage at Union City
- Expanded sales network by adding two new certified dealers
- Expanded commercial sales team; completed Sourcewell, GSA registrations



Achieving Milestones in Aero

- Aero sells first aircraft systems
 - HorseFly unit sales to UPS and Valqari
 - Received two new grants, which total about \$1.1 million, expanding the farmland and watershed scanning work we do
 - Total YTD USDA grants of \$2 million, >60 drone unit sales
- Falcon product demos underway internationally
- Analyzing 'Strategic Alternatives' for business unit



Growth in Stables by Workhorse

- Revenue up more than 50% y/y, 20% increase in fleet size
- Electrified over 65% of Lebanon fleet
- Seven W750 units currently in delivery fleet; adding W56 vehicles in Q4
- Expanding demo fleet in incentive-based states during Q4



Other Key Activities

- Administration of class action lawsuit settlement completed
- Shareholder approval for 200 million additional shares
- 'Core' IT and LEAN Systems working across all functions
- Working to recapitalize TROPOS business

People, Products, Processes & Partners READY TODAY for the Transition to EV Technology



Approved CARB/HVIP Vouchers



WORKHORSE™

Innovative, New Path to HVIP Vouchers

- Previous model required Workhorse to work through GreenPower, new model allows Workhorse's W4CC and W750 to list independently in HVIP and creates a path independent from GreenPower
- Breakthrough achieved with CARB on November 8th to allow Workhorse to secure our own voucher pool for Class 4 vehicles
 - First-of-its-kind program for Intermediate Stage Manufacturers
 - Applies to W4 CC and W750 vehicles

Thanks CARB Leadership!

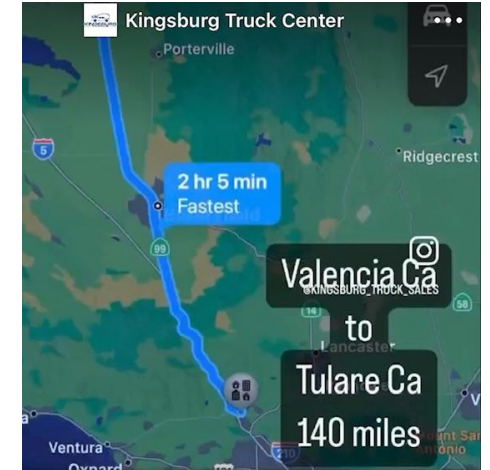


W4 CC and W750 Products

W4 CC

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

- First repeat orders from dealers in NY, CA
- Demos with Commercial & Gov't fleets
- Multiple rear configurations & applications:
 - 12-16' Box
 - Reefer
 - Utility and service trucks
 - Flatbed



W750 Step Van

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

- Currently producing four units per week
- Operating at Stables for 9+ months
- Successful demos – industrial supplies
- Expanding FedEx Ground demos & rentals

SAFE & RELIABLE PRODUCTS
w/ Competitive Range & Payload



W56 Products

W56 Stripped Chassis

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

- >250,000-mile durability & systems testing completed
- SORP August 28th, ramping to 2-3 units/day in Q4
 - 100% of supplier parts are Production Part Approval Processed (PPAP)
 - 95% of production equipment installed & operating
- First P.O. received

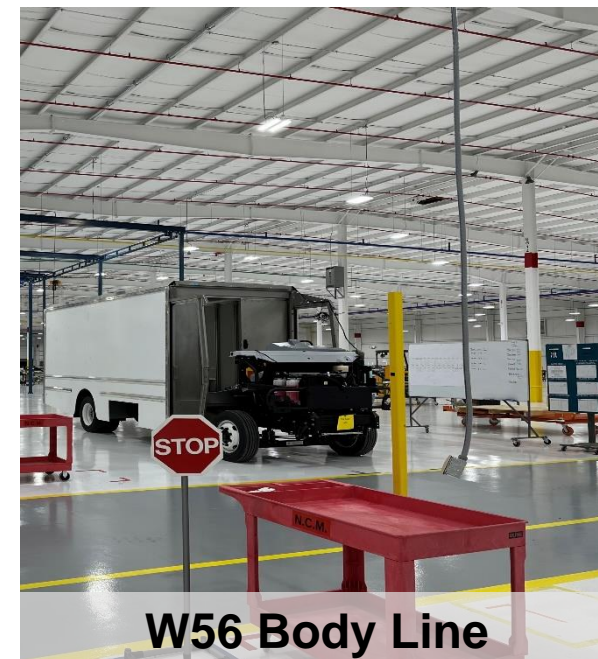
W56 Step Van

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

- Same rigorous testing standards as stripped chassis
- SORP September 21st, ramping to 2 units/day by EOY
 - 100% parts and MFG processes PPAP'd
 - Paint line launch & qualification in process in Q4
- Targeting key industry segments:
 - Last mile packaged delivery
 - Industrial linens & supplies
 - Baked goods & dry food distribution
- Successful vehicle demos in-process at multiple fleets
- Best-in-industry product lead-times (120 days vs. 12-18 months)
- Initial P.O.s received, multiple pending fleet P.O.s for '24



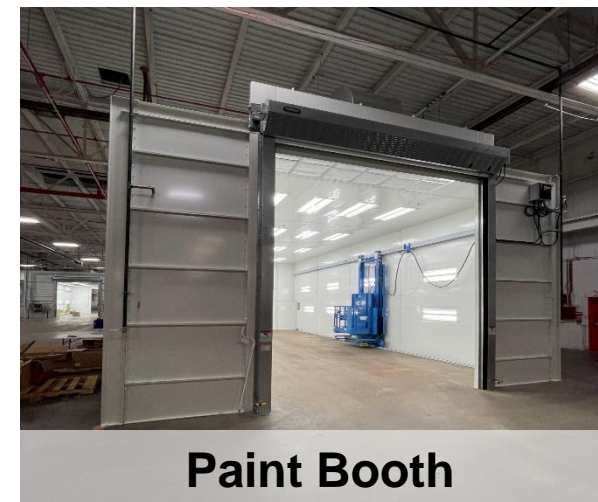
W56 Chassis Line



W56 Body Line



W56 Step Van



Paint Booth

Design to Production in <22 Months!



Last mile fleet opportunities exist

- Customer visits to UC in Q3
- W56 field demos in Q4

First W56 demo units delivered to CA fleets on 10/15

- Industrial Linen Service
- Industrial Supplies

Order-to-Delivery in 5-6 weeks

- Includes custom upfit, paint, brand
- Universally positive driver and fleet manager feedback on truck performance (payload, range)



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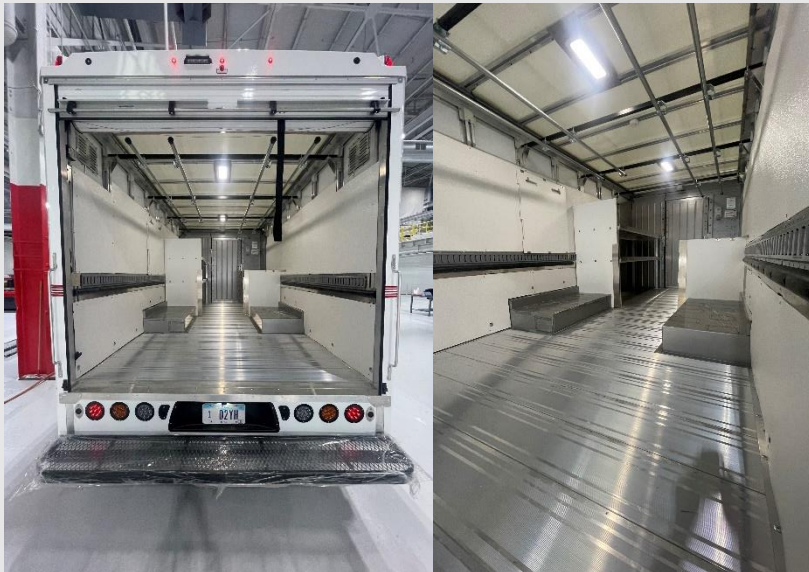


WORKHORSE™

QUALITY CONTROL CHECK:
10-11-23

CONTACT:
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WORKHORSE VEHICLES ARE MANUFACTURED
WITH PRIDE IN UNION CITY, IN



Shortest Lead-Time for CL5-6 Step Van in the NA Industry



Stables by Workhorse

Continued execution of fleet electrification initiative to serve independent contractors and operators

- Continuing to provide last mile package delivery service for FedEx Ground
- Expanded route assignments by 20%
- Seven W750 EV units now in the delivery fleet (~70%)
- Adding two W56 vehicles to the fleet in Q4
- Reviewing rental/placement options to establish second location in incentive-based state
- “White Paper” on ICE-to-EV transition and business case



Tremendous “Real World” Learning Experience = Credibility with Fleets

Aerospace Update



WA4-100 HorseFly

- Sold & shipped first commercial units to UPS, Valqari
- Selected by UPSFF for FAA 44807 certification testing
- Awarded 2 additional USDA grants for ~\$2M
- MFG systems & suppliers capable of producing up to 50 drones/month – ***“America’s Drone Factory”***
- 10 miles, 10 pounds, 45 minutes endurance



WA4-200 Falcon Humanitarian Assistance and Logistics Operations (HALO)

- Demo units in operation internationally
- Continuing to explore additional projects with federal and state governments, numerous applications & grant availability
- >10-17 lb. payload capacity, range of 10-15 miles

Will Explore Strategic Alternatives for Business Unit



Financial Summary Highlights

Third Quarter 2023 Unaudited Results

(\$000s)	Quarter To Date Sep 2023		
	Actual	PY	Change
Gross revenue	\$ 759	\$ 1,549	\$ (789)
Sales allowance	2,269	-	2,269
Net sales	3,029	1,549	1,480
Cost of sales	6,557	9,516	(2,958)
Gross loss	(3,529)	(7,967)	4,438
Research & development	5,772	6,127	(355)
Selling, general & administrative	8,236	11,768	(3,532)
Non-cash equity compensation	3,520	2,985	535
Non-cash lawsuit settlement	-	20,000	(20,000)
Operating expenses	17,528	40,880	(23,352)
Interest income	411	28	383
Other income (loss)	(10,000)	13,414	(23,414)
Loss before income taxes	(30,646)	(35,406)	4,760
Income taxes	-	-	-
Net loss	\$ (30,646)	\$ (35,406)	\$ 4,760

Weighted average shares outstanding for EPS

215,878,517

Shares outstanding at 9/30/23

255,382,128

Sales

Net sales increase was primarily driven by lower W4 CC sales offset by a reversal of the sales allowance recorded in lieu of HVIP voucher certification delays during the second quarter

Cost of Sales

Decrease in cost of sales was a result of lower unit sales in the quarter and inventory reserves and adjustments

Operating Expenses

SG&A decreased by \$3.5 million due to decreased headcount, legal expenses and bonus accrual reversals

R&D overall decreased by \$0.4 million due to a decrease in consulting on prototype projects offset by an increase in headcount from continued investment in engineering

Other Income (Expense)

Other losses included a \$10 million impairment in the Tropos investment in the current year and the gain on the disposal of inventory in the prior year



Balance Sheet Highlights

Third Quarter 2023 Unaudited Results

(\$000s)	9/30/2023	12/31/2022
Cash & cash equivalents	\$ 38,866	\$ 99,277
Accounts receivable net of reserves	7,424	2,079
Other receivables	-	15,000
Inventory, net	40,783	8,850
Prepaid expenses and other	10,706	14,152
Total current assets	97,779	139,358
Property, plant & equipment	37,465	21,502
Investment in Tropos	-	10,000
Lease right-of-use assets	10,879	11,707
Other assets	176	176
Total Assets	\$ 146,299	\$ 182,743
Accounts payable	\$ 11,936	\$ 10,235
Accrued and other current liabilities	5,859	46,207
Deferred revenue, current	4,737	3,375
Warranty liability	1,778	2,208
Current portion of lease liabilities	1,562	1,285
Total Current Liabilities	25,872	63,310
Deferred revenue, long-term	-	2,005
Lease liability, long-term	7,659	8,840
Total Liabilities	33,530	74,156
Stockholders' Equity	112,769	108,587
Total Liabilities and Stockholders' Equity	\$ 146,299	\$ 182,743

No Debt

\$38.9 Million

Cash balance

Increase in Inventory

\$31.9 million increase as production ramped ahead of sales

Shareholder Lawsuit

Settled



Financial Summary

2023 Guidance Update

Revenue in the range of

\$10 million – \$15 million

- Q3 results and anticipated full year sales significantly impacted by HVIP voucher situation
- Revised guidance in light of market disruption and delayed timing for access of our products to California market
- Resolution of HVIP voucher is positive news and provides momentum for remainder of 2023 and into 2024



Q4 Priorities



Advance Product Roadmaps

- Complete HVIP certification for W56
- Ramp up W56 and W750 production
- Continue electrification of Stables fleet
- Initiate W56 Cab Chassis program



Grow CV Sales

- Expand CV dealership network
- Provide step van demos to fleets
- Exercise van upfit supply chain partners
- Earn initial fleet purchase orders



Continue Aerospace Progress

- Secure additional P.O.s with last-mile customers
- Complete farmland scanning and earn additional USDA partnership grants
- Perform FAA flight certification testing with UPS
- Carry out successful demonstrations for industry partners and government officials





Pioneering the transition to zero emission commercial vehicles!