

October 8, 2019



# Workhorse Partners with USOG to Launch Pilot Programs for Drone Delivery of Medical Supplies

CINCINNATI and SAN DIEGO, Oct. 8, 2019 /PRNewswire/ --[Workhorse Group Inc. \(NASDAQ: WKHS\)](#) ("**Workhorse**" or "**the Company**"), an American technology company focused on providing sustainable and cost-effective electric-mobility solutions to the transportation sector has partnered with [Unmanned Systems Operations Group, Inc. \("USOG"\)](#), a provider of end-to-end, unmanned mobile medical delivery logistics, to launch an initial pilot drone delivery program in the San Diego area with the goal of pursuing additional programs for healthcare providers, pharmacies, and specialized medical courier services using Workhorse's HorseFly™, a fully functional drone delivery system.

Workhorse designed the HorseFly as a custom built, high-efficiency unmanned aerial vehicle (UAV), which is fully integrated with the Company's NGEN electric delivery vehicles as well as its legacy models through a completely cloud-based software system. In practice, USOG personnel will be able to monitor multiple autonomous UAV flights while customers are able to track their deliveries through a delivery app which allows for real-time data transmission for information such as package location and vehicle status as well as onboard video.

The HorseFly system conforms to the Federal Aviation Administration's (FAA) standards for UAV operation in the United States. Workhorse and USOG will be operating these pilot programs in compliance within all FAA rules and regulations and are also subject to the Health Insurance Portability and Accountability Act (HIPAA), a 1996 Federal law that restricts access to individuals' private medical information.

Workhorse and USOG are initially working together in the FAA's unmanned aerial system (UAS) Integration Pilot Program (IPP) in San Diego, CA, in which USOG is utilizing a Workhorse step van and Horsefly with the goal of adding additional programs in the coming months.

"USOG's vision is to enable nationwide medical deliveries by UAV, and we couldn't think of a better application for our HorseFly system," said Workhorse CEO Duane Hughes. "We look forward to working closely with USOG as well as with the FAA and other key stakeholders on safe, secure, and timely deliveries in addition to maintaining patient privacy. While we recognize the immediate benefits of utilizing our technology in such a vital application, we're also excited about the possibilities these types of deliveries can represent across a variety of industries and use cases on a much larger scale. As the only U.S. patented truck drone-launched system, we believe we are in an excellent position to take share in a number of nascent delivery markets."

"This partnership represents a game-changing opportunity the broader medical field, which could set a new standard for more effective and timely patient treatment options empowered by drone logistics," added USOG CEO Pharns Genece. "Workhorse has already delivered a

complete system to us, and we are well-positioned to take advantage the FAA IPP program in the near term. Going forward, we will look to expand our work with innovative companies in one of the largest medical markets in the U.S. Our role in the chain of custody, when delivering or moving any medical cargo, is for our customers to be the number one priority. With Workhorse and its HorseFly™ system, we believe we'll be able to save more lives through the secure and timely delivery of medical assets via unmanned systems."

### **About Workhorse Group Inc.**

Workhorse is a technology company focused on providing electric mobility solutions to the transportation sector. As an American original equipment manufacturer, we design and build high performance battery-electric vehicles including trucks and aircraft. Workhorse also develops cloud-based, real-time telematics performance monitoring systems that are fully integrated with our vehicles and enable fleet operators to optimize energy and route efficiency. All Workhorse vehicles are designed to make the movement of people and goods more efficient and less harmful to the environment. For additional information visit [workhorse.com](http://workhorse.com).

### **About Unmanned Systems Operations Group, Inc.**

Unmanned Systems Operations Group, Inc. (USOG) is an 8(a) Service-Disabled Veteran-Owned business and a provider of end-to-end unmanned mobile medical delivery logistics. USOG's autonomous systems are integrated with the Workhorse N-GEN electric delivery truck, which features a control center for an unmanned aerial vehicle (UAV) operator and an auto-launch and recovery system located on the vehicle's rooftop. HorseFly's on-demand delivery software calculates routes, submits Federal Aviation Administration (FAA) Low Altitude Authorization and Notification Capability (LAANC) flight requests, and acquires customer drone delivery authorizations. The system also integrates obstacle avoidance/collision sensors, monitors local weather and adheres to FAA "no-fly" zones, and includes an integrated automatic dependent surveillance (ADS-B) system that transmits highly accurate positional information to aircraft ground controllers and directly to other aircraft. USOG is also pursuing potential applications in disaster relief aid.

### **Forward-Looking Statements**

*This press release 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 limited operations and need to expand in the near future to fulfill product orders; risks associated with obtaining orders and executing upon such orders; the ability to protect our intellectual property; the potential lack of market acceptance of our products; potential competition; 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; our ability to continue as a going concern; 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.*

**Workhorse Investor Relations Contact:**

**Matt Glover and Tom Colton**

Gateway Investor Relations

949-574-3860

[WKHS@gatewayir.com](mailto:WKHS@gatewayir.com)

**USOG Contact:**

Jeff Simons

833-876-4400

[j.simons@usog.us](mailto:j.simons@usog.us)

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