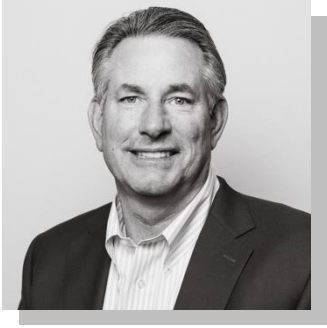


**WORKHORSE<sup>TM</sup>**

**Q1 2022  
Earnings Call**

May 10, 2022

# Today's Presenters



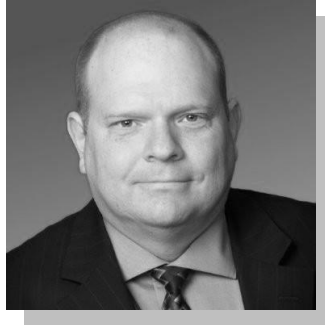
**Rick Dauch**  
CEO

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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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Business Update

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1<sup>st</sup> Quarter Financials

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2022 Guidance

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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 Report, 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 Report. 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 demands with respect to the C1000s; 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 and enhance elements of our production process to fulfill product orders; the ability to protect our intellectual property; negative impacts stemming from the continuing 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.*

# Business Update

## Q1 2022 Operational Highlights

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Stabilize / Fix / Grow Model

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## Updates on Product Roadmap

- C1000
  - W56
  - W34
  - W750/W4CC
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Aero

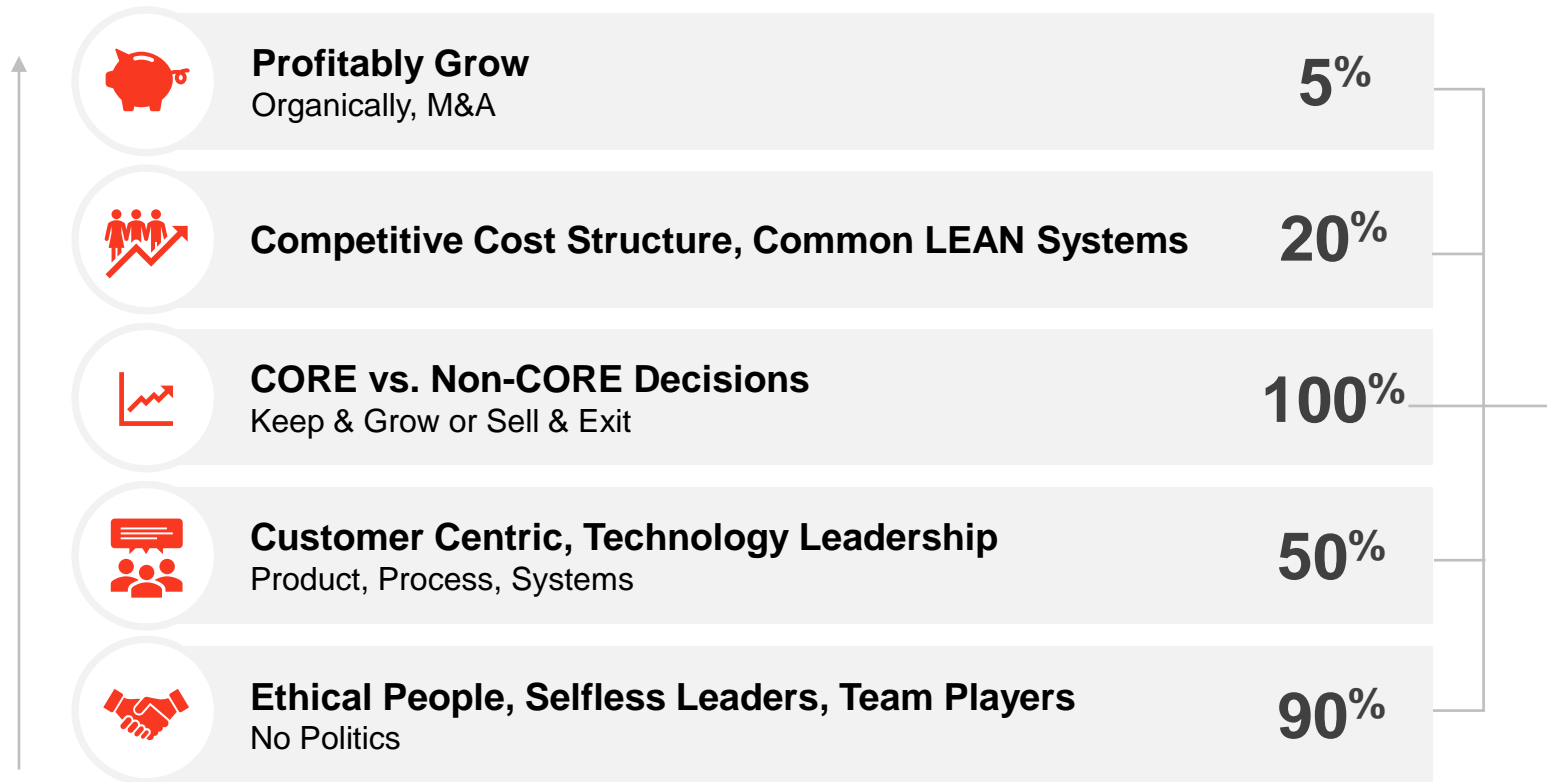


# Process of Stabilization and Growth

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

Continue to make progress on 3-year business plan

Progress to date:



## Value Creation For ALL Stakeholders

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

# Building a Foundation for Growth

## Delivering on our Strategic Priorities

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### **Building out experienced & talented executive leadership team:**

- Hired a CIO with 35+ years of supply chain and IT leadership team in auto industry (OEM, Tier 1)
- Hired a Corporate Counsel with 5+ years of business & commercial law experience
- Search underway for VP, Sales & Marketing with commercial vehicle and transportation industry experience

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### **Strengthened engineering, manufacturing and operational capabilities:**

- Hired a Director — Quality with 35+ years of quality systems experience at OEM (powertrain, assembly, SQD)
- Hired a Director — PCL with 25+ years of Supply Chain & LEAN systems at Tier 1 auto suppliers
- Completed HQ relocation and consolidation with advanced CV technology team in Sharonville, Ohio
- Opened new technical design & testing center in Wixom, Michigan; Hired four Principal Engineers (SMEs) for Chassis, Electronics, Controls, Body

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### **Strengthened balance sheet and increased financial flexibility through deleveraging transaction:**

- Debt/Equity exchange deal to eliminate 100% of debt and related covenants
- Entered into ATM agreement



# Workhorse's Facility Readiness



## Wixom, MI Technical Center

- CV leadership team
- Supply Chain team
- Vehicle Development & Testing



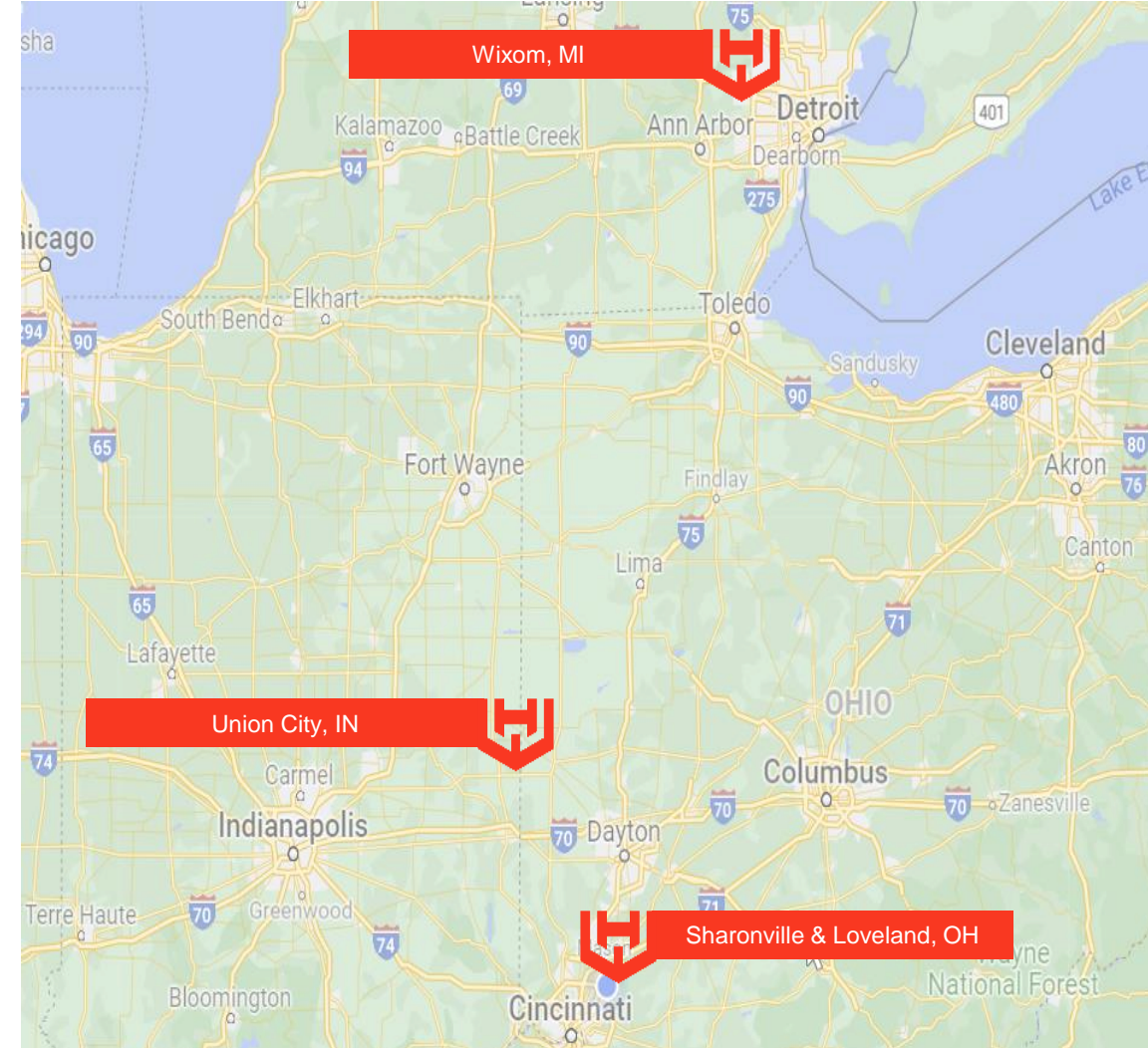
## Union City, IN — “The Workhorse Ranch”

- 212K ft<sup>2</sup> factory renovated for 3Q SORP
- 167K ft<sup>2</sup> warehouse/factory acquired
- 35K ft<sup>2</sup> battery storage facility leased
- New Test Track to be built by 4Q22
- Customer Certification Center open



## Sharonville, OH HQ & Tech Center

- C-Suite leadership team
- Advanced E-Powertrain engineering
- Prototype Shop
- Customer Field Service





# Product Roadmap Update

Significant progress made in Q1 to deliver a family of EV commercial vehicles and chassis across the Class 3-6 segments in '22-24

- C1000 (Class 3, limited production)
- W750 van & W4CC (Class 4)
- W56 (3 versions)
- W34 (TBD)

Entered into multiyear referral agreement with ChargePoint throughout the U.S. and Canada



# Electric Vehicles: Executing the Strategic Product Roadmap

Vehicle	Product Details	SORP	Program Status
<b>C1000</b>	Existing Class 3 vehicle	Q3 2022	<ul style="list-style-type: none"> <li>• FMVSS testing design changes finalized</li> <li>• Complete vehicle BOM updated &amp; released</li> <li>• Supplier partners addressing the E-powertrain sub-system issues</li> <li>• On-track to return vehicles to service starting in August 2022</li> <li>• Repair 161 previously manufactured vehicles by year-end</li> <li>• Manufacture 50-75 additional C1000s by year-end</li> <li>• Working closely with 2-3 customers to sell 100% of vehicles in 2022</li> </ul>
<b>W750/W4CC</b>	Class 4 delivery step van/cab chassis	Q3 2022	<ul style="list-style-type: none"> <li>• Received first purchase orders</li> <li>• Revealed demo vehicles at ACT show and Ride &amp; Drive</li> <li>• Expect to deliver the W4CC cab chassis version in Q3</li> <li>• W750 delivery van version available in Q4</li> </ul>
<b>W56</b>	Class 5-6 delivery step van, cab chassis and stripped chassis designed to serve packages goods and truck market segments	Q3 2023	<ul style="list-style-type: none"> <li>• Engineering &amp; design teams tracking to plan and cost targets</li> <li>• Selected suppliers for the E-axle and batteries, more than 50% of the platform bill of materials sourced and committed</li> <li>• Production intent vehicles by Q4 2022</li> </ul>
<b>W34</b>	Class 3-4 chassis and step vans that build on the key technologies introduced by the E-Gen and C1000 vehicle designs	2024	<ul style="list-style-type: none"> <li>• Market research underway</li> <li>• Customer survey on pricing and vehicles options completed</li> </ul>

All programs on-time, on-budget; adding technical & supply chain staff to execute multiple programs



# Aerospace: Furthering Investment & Securing Key Contracts

- Final development and testing phase for vehicle launched drones with industry leading payload, range and safe delivery capabilities (7-10 lbs; 10 miles)
- Market leading winch capabilities designed in-house with 99.1% testing success rate
- Flying in North Dakota and Mississippi to support government programs
- Exploring additional projects with federal and state governments
- Added 3 pilots and 4 engineers in 1Q 2022

**Awarded multiple USDA contracts and grants**



# Financial Summary Highlights

## First Quarter

	Three Months Ended March 31,	
	2022	2021
Sales, net of returns and allowances	\$ 14,299	\$ 521,060
Cost of sales	3,923,351	6,225,299
Gross loss	(3,909,052)	(5,704,239)
Operating expenses		
Selling, general and administrative	11,910,259	6,885,830
Research and development	4,011,934	3,863,715
Total operating expenses	15,922,193	10,749,545
Loss from operations	(19,831,245)	(16,453,784)
Interest expense (income), net	2,223,290	(14,920,473)
Other loss	-	(136,605,952)
Loss before benefit for income taxes	(22,054,535)	(138,139,263)
Benefit for income taxes	-	(17,632,492)
Net loss	\$ (22,054,535)	\$ (120,506,771)

- Sales essentially zero, as expected
- Cost of Sales:
  - Decrease in cost of sales was primarily due to a decrease in volume of vehicle sales
  - Increase in legal fees year over year
- Operating Expenses:
  - Increase in employee costs due to increased headcount and appointments of new executive leadership team
  - Internal resources offset consulting expenses

# Financial Summary

## Cash

**\$167.0<sub>M</sub>**

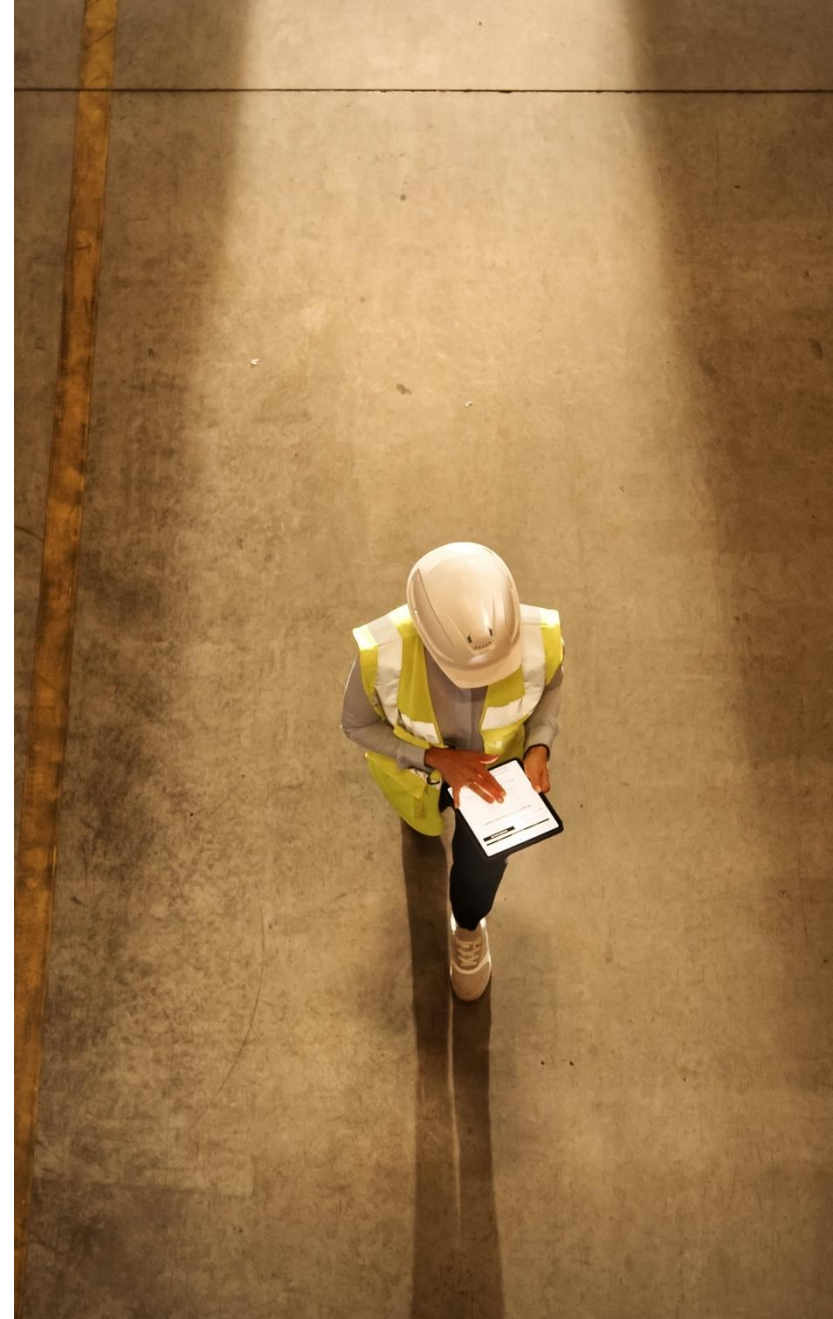
million in cash and  
equivalents on hand at  
March 31, 2022

**No Debt**

on the balance sheet due to  
deleveraging exchange  
transaction

**\$25 – \$35<sub>M</sub>**

2022 Capex plans remain  
between \$25 and \$35 million  
for facility upgrades across  
the company, primarily at  
Union City, IN





# Financial Summary

## 2022 Guidance

### Assuming current supply chain stability/visibility:

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- ✓ 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 continues to expect to manufacture and sell at least 250 vehicles in 2022 and generate at least \$25 million in revenue



# Q2 Priorities



Complete the critical ‘next layer’ organizational staffing of Workhorse, focused on commercial, engineering, supply chain and IT systems following the executive significant hires we’ve made over the last year



Execute product roadmap timelines



Continue renovations of the ‘Workhorse Ranch’ for Q3/Q4 product launches



Transfer and install test & validation equipment at MI and OH based technical centers



Complete the first phase of Common System deployment—PLC, LEAN Systems, ERP assessment



Secure customer orders for our new products (W750 and W4CC)

# Summary

**1) We are building a strong foundation here at Workhorse:**

- Experienced executive leadership team with auto & CV industry backgrounds
- Technical expertise in vehicle, sub-system, E-powertrain design & engineering
- Globally experienced supply chain team
- World class, fully equipped operating site and technical centers
- Common IT, HRM and LEAN operating systems

**2) Strategic product roadmap focused on 'last mile delivery' is on-track and on-budget**

- C1000 build-out by year-end
- W4CC/W750 in 2H22
- W56 in 2023
- W34 in 2024
- HorseFly™ Drone

**3) STRONG market demand and governmental support for EV and infrastructure**

**4) Debt and covenant free company with adequate cash to execute our plans**

***Pioneering the transition to zero-emission commercial vehicles***





# Questions?

