

11/08/2022



 **LORDSTOWN™**

**Q3 2022**  
Earnings Report



Q3 2022  
Earnings  
Release

# 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 "feel," "believes," "expects," "estimates," "projects," "intends," "should," "is to be," 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 not guarantees of future performance and are subject to risks and uncertainties, which could cause actual results to differ materially from the forward-looking statements contained herein due to many factors, including, but not limited to: the need to raise substantial additional capital to execute our business plan, achieve our production targets for the Endurance, achieve scaled production of the Endurance, develop additional vehicles, to continue ongoing operations and remain a going concern, and our ability to raise such funding including under current arrangements on a reasonable timeline and with suitable terms; the cost and other impacts of contingent liabilities such as litigation, regulatory proceedings, investigations, stockholder letters and claims and availability of insurance coverage and/or adverse publicity with respect to these matters, which may have a material adverse effect, whether or not successful or valid, on our liquidity position, market price of our stock, cash projections, business prospects and ability and timeframe to obtain financing; our limited operating history and our ability to execute our business plan, including through our expanding relationship with Foxconn; our ability to raise sufficient capital in order to invest in the tooling that we expect will enable us to eventually lower the Endurance bill of materials cost, continue design enhancements of the Endurance and fund future vehicles that we may develop; the rollout of our business and the timing of expected business milestones, including the ability to ensure the completion of tooling, to establish and maintain appropriate supplier relationships, to successfully complete testing, homologation and certification, and to continue ramp up of commercial production (which is currently expected to be slow) and start delivery of the Endurance in accordance with our projected timeline; our ability to successfully identify and implement actions that will lower the Endurance bill of materials cost; supply chain disruptions, inflation and the potential inability to source essential components and raw materials, including on a timely basis or at acceptable cost, and their consequences on testing, production, sales and other activities; our ability to obtain binding purchase orders and build customer relationships; the risk that our technology, including our hub motors, does not perform as expected and our overall ability to deliver on the expectations of customers with respect to the pricing, performance, quality, reliability, safety and efficiency of the Endurance and to provide the levels of warranty coverage, service and support that they will require; our ability to conduct business using a direct sales model, rather than through a dealer network used by most other OEMs; the effects of competition on our ability to market and sell vehicles; our inability to retain key personnel and to hire additional personnel; the ability to protect our intellectual property rights; the failure to obtain required regulatory approvals; changes in laws or regulatory requirements or new or different interpretations of existing law; changes in governmental incentives and fuel and energy prices; the impact of health epidemics, including the COVID-19 pandemic, on our business; cybersecurity breaches and threats and compliance with privacy and data protection laws; failure to timely implement and maintain adequate financial, information technology and management processes and controls and procedures; our ability to remain in compliance with our existing financial obligations; and the possibility that we may be adversely affected by other economic, geopolitical, business and/or competitive factors, including rising interest rates and the direct and indirect effects of the war in Ukraine.

In addition, the Investment Transactions and other relationships entered into with Foxconn are subject to risks and uncertainties. No assurances can be given that we will successfully implement or that we will realize the anticipated benefits from the Investment Transactions or other recently completed transactions with Foxconn, including the contract manufacturing agreement. The funding transactions under the Investment Agreement are subject to closing conditions including regulatory approvals and further negotiation of development milestones. The EV Program will require additional funding and the establishment and implementation of the program requirements, among other matters, and may not be consummated, sufficiently implemented or provide the benefits we expect, which could have a material adverse effect on our business, operating results, financial condition and prospects. The success of the EV Program depends on many variables, which could include our ability to utilize the designs, engineering data and other foundational work of Foxconn, its affiliates, and other members of the MIH consortium as well as other parties to commercialize, industrialize, homologate and certify a vehicle in North America, along with variables that are out of the parties' control, such as technology, innovation, adequate funding, supply chain and other economic conditions, competitors, customer demand and other factors that impact new vehicle development. If we are unable to develop new vehicles for ourselves and potentially other customers, our business prospects, results of operations and financial condition may be adversely affected. If the Investment Transactions are consummated, Foxconn will own a significant percentage of our equity securities and have rights that enable it to influence our actions, operation of the Board and actions requiring stockholder approval. If we are unable to maintain our relationship with Foxconn or effectively manage outsourcing the production of the Endurance to Foxconn, we may be unable to ensure continuity, quality, and compliance with our design specifications or applicable laws and regulations, which may ultimately disrupt and have a negative effect on our production and operations.

We will need additional funding and will seek strategic partnerships to execute our business plan and to achieve scaled production of the Endurance and development of other vehicles. There can be no assurance that such financing or partnerships would be available to us on favorable terms or at all, due to several factors, including market and economic conditions, the significant amount of capital required, the fact that our bill of materials cost is currently, and expected to continue to be, substantially higher than our anticipated selling price, uncertainty surrounding regulatory approval and the performance of the vehicle, meaningful exposure to material losses related to ongoing litigation and the SEC investigation, our performance and investor sentiment with respect to us and our business and industry. Additional information on potential factors that could affect the financial results of the Company and its forward-looking statements is included in its most recent Form 10-K and subsequent filings with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement. Any forward-looking statements speak only as of the date on which they are made, and Lordstown Motors undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation.



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## Non-GAAP Financial Measures

In addition to the results provided in accordance with accounting principles generally accepted in the U.S. (“GAAP”), this presentation includes non-GAAP measures, including Adjusted Operating loss (income), Adjusted R&D and Adjusted SG&A, to present operating results on an adjusted basis to eliminate the impact of the closing of the Foxconn APA, net realizable value (NRV) adjustments, PP&E impairment and litigation accrual, as management believes these affect the comparability or underlying business trends between quarters. The table below provides a reconciliation of Operating loss (income), R&D and SG&A, the most directly comparable financial measures calculated and presented in accordance with GAAP, to Adjusted Operating loss, Adjusted R&D and Adjusted SG&A, respectively. The Company believes that these non-GAAP measures, when reviewed in conjunction with GAAP financial measures, can provide more information to assist investors in evaluating historical trends and the current period performance. Items may be excluded from GAAP financial measures when the Company believes this provides useful supplementary information to management and investors in assessing the operating performance of our business. However, the Company’s inclusion of these adjusted measures should not be construed as an indication that its future results will be unaffected by unusual or infrequent items or that the items for which it has made adjustments are unusual or infrequent or will not recur. A non-GAAP financial measure should be considered in addition to, and not as superior to or as a substitute for the GAAP financial measures presented in this earnings release and the Company’s condensed consolidated financial statements and other publicly filed reports. In addition, any non-GAAP financial measure the Company provides may not be the same as or comparable to similar non-GAAP measures presented by other companies.



# 01

## **Edward T. Hightower**

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Chief Executive Officer & President  
Lordstown Motors Corp.



# Q3 2022 Highlights

01. Began commercial production of the all-electric Endurance™ pickup truck at a slow ramp governed by engineering readiness, quality and part availability
02. Awaiting EPA and CARB certifications
03. FMVSS crash testing has been successfully completed and remaining FMVSS non-crash testing is ongoing
04. Endurance™ named semifinalist for North American Truck of the Year
05. Receiving strong interest in the Endurance™ from fleet management companies and fleets





# Top Priority: Endurance™ Launch

- Began commercial production of the all-electric Endurance™ pickup truck in Q3
- Slow initial pace with ramp up determined by engineering readiness, quality, and part availability
- Rate of production expected to increase by the end of November
- Approximately 30 units built by end of 2022 – remainder of initial batch to be built in first half of 2023, subject to securing partnerships and additional financing





# Vehicle Validation Continues

- Expect to receive full homologation and certification in Q4
- Awaiting receipt of EPA and CARB certification
- All FMVSS crash testing has been successfully completed with remaining FMVSS non-crash testing ongoing
- Test vehicle drives will continue
- Over the air updates allow us to complete software enhancements and improvements after customer delivery





# Semifinalist

## North American Truck of the Year

- Endurance™ named a semifinalist for North American Truck of the Year (NACTOY)
- Over 30 automotive journalists conducted extended drives and evaluations of the Endurance™







# Fleet Focused Commercial Strategy

- Received strong interest in the Endurance™ from fleet management companies and fleets
- Endurance™ recently shown at SEMA Electrified exhibit
- Endurance™ on location at Fleet Forward conference until November 11<sup>th</sup> and in the NACTOY booth at Los Angeles Auto Show November 19<sup>th</sup> - 28<sup>th</sup>





# Foxconn Direct LMC Investment

Transaction Overview				
Tranches	Principal Amount	Shares	Price/Share	Date or Trigger/Notes:
Tranche #1 - Common & Preferred Stock				
Common Stock	\$22,734,402	12,917,274	\$1.76	Closing – on or about 11/22/2022, subject to customary closing conditions
Convert. Preferred Stock	\$30,000,000	300,000	\$100	Closing – on or about 11/22/2022, subject to customary closing conditions
Tranche #2 - Common Stock	\$47,265,597	26,855,453	\$1.76	Second closing – subject to CFIUS review, ownership capped at 19.9% on an as adjusted basis
Tranche #3 - Convert. Preferred Stock	\$30,000,000	300,000	\$100	Satisfaction of an initial set of certain initial, mutually-agreed upon EV Program milestones, including a budget
Tranche #4 - Convert. Preferred Stock	\$40,000,000	400,000	\$100	Satisfaction of another set of certain, mutually-agreed upon EV Program milestones
<b>Total Potential Investment</b>	<b>\$170,000,000</b>			

Transaction Provisions	
Provisions	Details
Board Representation	2 designees following tranche #2
Standstill	Minimum of 2 years
Voting Rights / Limitations	Foxconn can vote its common and preferred shares, on an as-converted basis, up to 19.9% of all of LMC's voting shares
Voting Agreement	Foxconn will vote with the recommendation of the Board of Directors (other than change of control-type transactions)
Preemptive Rights	Following 6 months and CFIUS review, Foxconn will have preemptive rights on certain equity issuances
Termination of Existing JV	Existing JV will be terminated; Foxconn will reimburse Lordstown for certain expenses already incurred and Lordstown indebtedness is satisfied in full

Note: Please refer to recent SEC filings for more details



# 02

## **Adam Kroll**

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**Chief Financial Officer**  
Lordstown Motors Corp.



# Q3 2022 Financial Summary

- Cash of \$204M ahead of plan
- Adjusted R&D<sup>1</sup> of \$19.8M, down 31% versus Q2
- Adjusted SG&A<sup>1</sup> of \$13.9M down 35% versus Q2
- Asset impairment of \$74.9M<sup>1</sup>
- \$16.2M charge to reflect net realizable value of inventory<sup>1</sup>
- Legal accrual of \$30M for historical litigation<sup>1</sup>
- Foxconn agreement is a Q4 event
- Initial \$53 million expected in Q4



1) Please see “Non-GAAP Tables” in the proceeding slides

**CONSOLIDATED STATEMENT OF OPERATIONS**

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30, 2022	THREE MONTHS ENDED SEPTEMBER 30, 2021	NINE MONTHS ENDED SEPTEMBER 30, 2022	NINE MONTHS ENDED SEPTEMBER 30, 2021
<b>NET SALES</b>	—	—	—	—
<b>OPERATING EXPENSES</b>				
Selling, General, and Administrative Expenses	60,145	31,281	116,105	79,468
Research and Development Expenses* (2022 YTD amounts are net of \$18,355 in reimbursements)	19,839	56,890	92,213	225,246
Impairment of Fixed Assets	74,865	—	74,865	—
Amortization of Intangible Assets	—	11,111	—	11,111
Gain on Sale	—	—	(101,736)	—
Total Operating Expense	154,849	99,282	181,447	315,825
Loss from Operations	(154,849)	(99,282)	(181,447)	(315,825)
<b>OTHER (EXPENSE) INCOME</b>				
Other (Expense) Income	(643)	3,467	(144)	(13,788)
Interest Income	1,062	9	1,187	396
Loss before Income Taxes	(154,430)	(95,806)	(180,404)	(329,217)
Income Tax Expense	—	—	—	—
<b>Net Loss</b>	(154,430)	(95,806)	(180,404)	(329,217)
<b>LOSS PER SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS</b>				
Basic & Diluted	(0.73)	(0.54)	(0.89)	(1.86)
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>				
Basic	211,946	178,761	203,147	176,573

**CONSOLIDATED BALANCE SHEETS**  
 (AMOUNTS IN THOUSANDS)

	SEPTEMBER 30, 2022	DECEMBER 31, 2021
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	154,232	244,016
Short-term Investments	49,304	—
Inventory, Net	11,180	
Prepaid Expenses and Other Current Assets	37,462	47,121
<b>Total Current Assets</b>	<b>252,178</b>	<b>291,137</b>
Property, Plant and Equipment	225,020	382,746
Intangible Assets	1,000	1,000
Other Non-Current Assets	27,882	13,900
<b>Total Assets</b>	<b>501,080</b>	<b>688,783</b>

	SEPTEMBER 30, 2022	DECEMBER 31, 2021
<b>CURRENT LIABILITIES</b>		
Accounts Payable	15,634	12,098
Accrued and Other Current Liabilities	57,014	35,507
Purchase Price Down Payment from Foxconn	—	100,000
Note Payable to Foxconn	13,500	—
<b>Total Current Liabilities</b>	<b>86,148</b>	<b>147,605</b>
Warrant and Other Non-Current Liabilities	2,495	1,578
<b>Total Liabilities</b>	<b>88,643</b>	<b>149,183</b>

	SEPTEMBER 30, 2022	DECEMBER 31, 2021
<b>STOCKHOLDERS' EQUITY</b>		
Class A Common Stock	22	19
Additional Paid in Capital	1,137,628	1,084,390
Accumulated Deficit	(725,213)	(544,809)
<b>Total Stockholders' Equity</b>	<b>412,437</b>	<b>539,600</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>501,080</b>	<b>688,783</b>

**STATEMENT OF CASH FLOW**

(AMOUNTS IN THOUSANDS)

(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30, 2022	NINE MONTHS ENDED SEPTEMBER 30, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Loss</b>	(180,404)	(329,217)
Adjustment to Reconcile Net Loss to Cash Used by Operating Activities:		
Stock-Based Compensation	10,949	12,365
Gain on Disposal of Fixed Assets	(101,736)	—
Impairment of Fixed Assets	74,865	—
Amortization of Intangible Assets	—	11,111
Other Non-Cash Changes	26,108	13,903
<b>Changes in Assets and Liabilities:</b>		
Account Receivables	—	21
Inventory	(36,695)	—
Prepaid Expenses and Other Assets	10,289	(3,001)
Accounts Payable	5,120	10,929
Accrued Expenses and Other Liabilities	20,482	37,649
<b>Net Cash Used by Operating Activities</b>	(171,022)	(246,240)

	NINE MONTHS ENDED SEPTEMBER 30, 2022	NINE MONTHS ENDED SEPTEMBER 30, 2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Capital Assets	(50,563)	(255,528)
Purchases of Short-Term Assets	(49,304)	—
Investment in Foxconn Joint Venture	(13,500)	—
Proceeds from the Sale of Capital Assets	38,813	—
<b>Net Cash Used by Investing Activities</b>	(74,554)	(255,528)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Notes Payable	13,500	82,016
Down Payments Received from Foxconn	100,000	—
Issuance of Common Stock	1,853	3,822
Proceeds from Equity Purchase Agreement with YA, Net of Issuance Costs	40,439	20,000
<b>Net Cash Used by Financing Activities</b>	155,792	105,838
Decrease in Cash and Cash Equivalents	(89,784)	(395,930)
Cash and Cash Equivalents, Beginning Balance	244,016	629,761
Cash and Cash Equivalents, Ending Balance	154,232	233,831

	NINE MONTHS ENDED SEPTEMBER 30, 2022	NINE MONTHS ENDED SEPTEMBER 30, 2021
<b>NON-CASH ITEMS</b>		
Application of Foxconn Deposits to Sale of Capital Assets	200,000	—
Capital Assets Acquired with Payables	2,162	10,793

**OPERATING EXPENSES (INCOME) DETAILS BY QUARTER**

(AMOUNTS IN THOUSANDS)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Research and Development Costs (R&D)							
Component Costs	50,625	21,944	12,298	19,614	19,680	1,458	1,695
Manufacturing and Facility Costs	8,243	18,173	15,956	18,583	21,943	10,740	909
Engineering, Testing and Other	32,944	36,427	28,636	20,574	20,241	16,667	17,235
Operating Expense Reimbursement	—	—	—	—	—	(18,355)	—
<b>Total R&amp;D</b>	<b>91,812</b>	<b>76,544</b>	<b>56,890</b>	<b>58,771</b>	<b>61,864</b>	<b>10,510</b>	<b>19,839</b>
Selling, General and Administrative (SG&A)							
Legal	5,222	14,434	12,575	7,714	6,273	5,888	31,077
Insurance	1,863	1,861	2,042	2,875	3,108	3,117	3,386
Personnel and Professional Fees	5,756	15,110	15,289	13,612	12,354	12,205	7,707
Net Realizable Value Charge to Inventory	—	—	—	—	2,900	6,500	16,224
Other	1,553	2,388	1,375	1,691	1,384	2,231	1,751
<b>Total SG&amp;A</b>	<b>14,394</b>	<b>33,793</b>	<b>31,281</b>	<b>25,892</b>	<b>26,019</b>	<b>29,941</b>	<b>60,145</b>
Gain on Sale	—	—	—	—	—	(101,736)	—
Amortization	—	—	11,111	—	—	—	—
Impairment of Fixed Assets	—	—	—	—	—	—	74,865
<b>Operating Expenses (Income)</b>	<b>106,206</b>	<b>110,337</b>	<b>99,282</b>	<b>84,664</b>	<b>87,883</b>	<b>(61,285)</b>	<b>154,849</b>



**NON-GAAP TABLES**

(AMOUNTS IN THOUSANDS)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Operating Loss (Income)	106,206	110,337	99,282	84,664	87,883	(61,285)	154,849
Adjustment:							
Operating Expenses Reimbursement	—	—	—	—	—	18,355	—
Amortization of Intangible Assets	—	—	(11,111)	—	—	—	—
Gain on Sale	—	—	—	—	—	101,736	—
Impairment of Fixed Assets	—	—	—	—	—	—	(74,865)
Litigation Accruals	(1,500)	—	—	(500)	—	(2,000)	(30,000)
Net Realizable Value Charge to Inventory	—	—	—	—	(2,900)	(6,500)	(16,224)
<b>Adjusted Operating Loss</b>	<b>104,706</b>	<b>110,337</b>	<b>88,171</b>	<b>84,164</b>	<b>84,983</b>	<b>50,306</b>	<b>33,760</b>
Research and Development Expenses	91,812	76,544	56,890	58,771	61,864	10,510	19,839
Adjustments:							
Operating Expense Reimbursement	—	—	—	—	—	18,355	—
<b>Adjusted Research and Development Expenses</b>	<b>91,812</b>	<b>76,544</b>	<b>56,890</b>	<b>58,771</b>	<b>61,864</b>	<b>28,865</b>	<b>19,839</b>
Selling, General and Administrative Expenses	14,394	33,793	31,281	25,892	26,019	29,941	60,145
Adjustments:							
Litigation Accruals	(1,500)	—	—	(500)	—	(2,000)	(30,000)
Net Realizable Value Charge to Inventory	—	—	—	—	(2,900)	(6,500)	(16,224)
<b>Adjusted Selling, General and Administrative Expenses</b>	<b>12,894</b>	<b>33,793</b>	<b>31,281</b>	<b>25,392</b>	<b>23,119</b>	<b>21,441</b>	<b>13,921</b>

- Excited about launch and upcoming first deliveries
- Deepening of Foxconn relationship with direct investment
- Nomination for North American Truck-of-the-Year (NACTOY) highlights our competitive, all-electric full-sized Endurance™
- Continuing our mission of accelerating EV adoption

# THANK YOU, TEAM

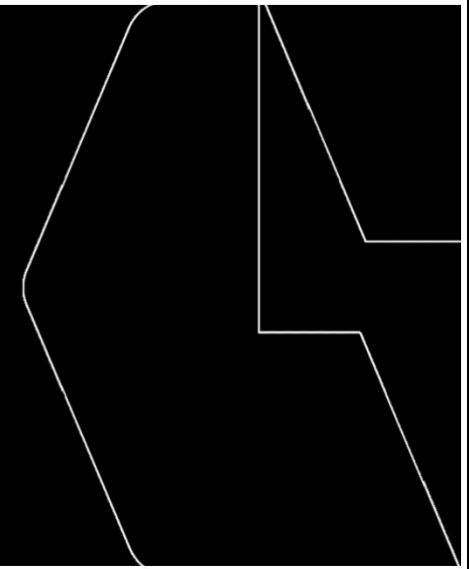


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**LORDSTOWN**

**THANK YOU**



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