

03/06/2023



 **LORDSTOWN™**

Q4 2022
Earnings Report



Q4 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: our ability to continue as a going concern, which requires us to manage costs, obtain significant additional funding to execute our business plan, and our ability to raise such funding on a reasonable timeline and with suitable terms; our ability to obtain a strategic partner for the Endurance and to raise sufficient capital, including under the financing arrangements we have established, in order to invest in tooling, continue design enhancements of the Endurance to enable scaled production and fund any future vehicles we may develop; the cost and other impacts of contingent liabilities 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 ability to effectively implement and realize the benefits from our recently completed and pending transactions and agreements with Foxconn, including the additional funding transactions under the Investment Agreement, dated November 7, 2022, which are subject to closing conditions, our ability to utilize the designs, engineering data and other foundational work of Foxconn, its affiliates, and other members of the Mobility-in-Harmony (MIH) consortium as well as other parties, and all such parties adhering to timelines to develop, 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, regulatory approval and other factors; our ability to execute our business plan, expansion plans, strategic alliances and other opportunities, including development and market acceptance of our planned products; risks related to our limited operating history, the execution of our business plan and the timing of expected business milestones; our ability to successfully address known and unknown performance, quality, supply chain and other launch-related issues, some of which are or may be material and have given or could give rise to recalls of our vehicles, and resume commercial production and sales of the Endurance on a reasonable timeline and in accordance with our business plan; our ability to establish appropriate supplier relationships to support new vehicle programs; our ongoing ability to obtain vehicle components from our supply chain in sufficient quantities and of acceptable quality to meet vehicle requirements; the availability and cost of raw materials and components; our ability to successfully identify and implement actions that will lower the Endurance bill of materials cost, including identifying a strategic partner to scale the Endurance; our ability to obtain binding purchase orders and build customer relationships; our 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 after sale service, support and warranty coverage that they will require and the impact of performance issues, production pauses and delays and recalls on consumer confidence and interest in our vehicles; the risk that our technology, including our hub motors, do not perform as expected; the effects of competition on our ability to market and sell vehicles; our ability to attract and retain key personnel and hire additional personnel; the pace and depth of electric vehicle adoption generally; our ability to obtain and maintain intellectual property protection and not infringe on the rights of others; our ability to obtain required regulatory approvals and changes in laws, regulatory requirements, interpretations of existing law, governmental incentives and fuel and energy prices; 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.

Additional information on potential factors that could affect the financial results of Lordstown Motors Corp. 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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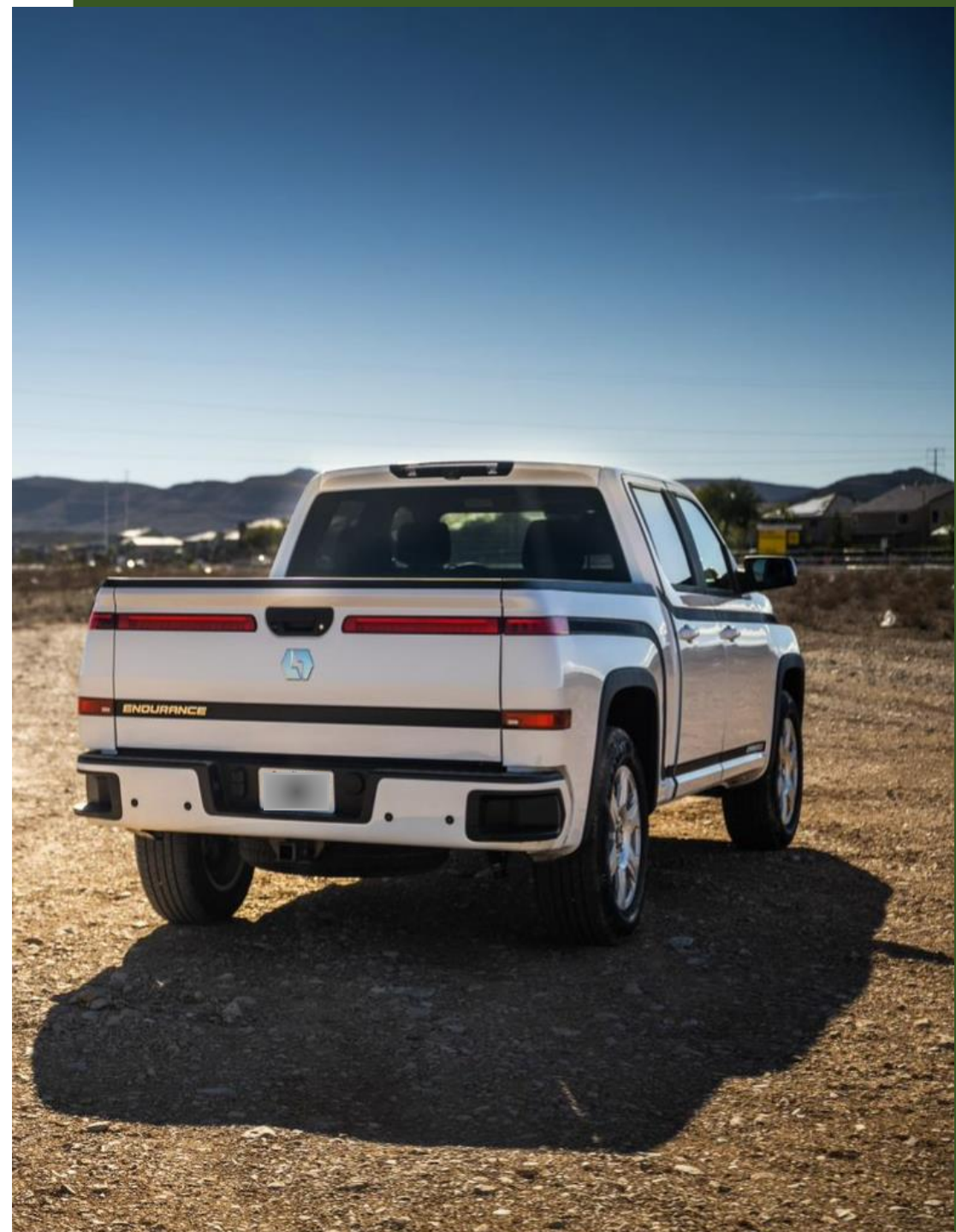
Edward T. Hightower

Chief Executive Officer & President
Lordstown Motors Corp.



Q4 2022 Highlights

- Foxconn Investment of up to \$170 million, subject to certain conditions; initial \$52 million funded
- Progressed pre-development work on the new program in collaboration with Foxconn EV Ecosystem
- Start of commercial sales of Endurance™ vehicles
- Supplier quality and performance issues limited production and sales; temporary production pause and voluntary recalls in Q1 2023 to address; corrective actions underway
- Ending cash and short-term investments of \$221.7 million, significantly in excess of previous outlook
- Reduced operating loss due to spending discipline





Strengthened Partnership: Additional Foxconn Investment in LMC

- Transformed the \$100 million JV into up to \$170 million direct investment in Lordstown Motors Common Stock and Preferred Stock, subject to certain conditions; initial \$52 million funded
- \$100 million of Preferred Stock to support pre-development work on new platform and vehicle program
- Additional tranches of Common Stock and Preferred Stock to be purchased following satisfaction of closing conditions
- Upon completion of next Common Stock funding, Foxconn will have the right to designate two members to be added to LMC's board of directors





Next Platform and EV Program: In Collaboration with Foxconn and MIH

- Continue to work collaboratively with Foxconn and the MIH Consortium on the pre-development work and vehicle development process (VDP) deliverables for our next platform and vehicle program
- Next platform and vehicle program are key to Lordstown Motors' long-term business strategy. Becoming a greater portion of our Company's focus
- New vehicle will likely source key components and subsystems from Foxconn and MIH Consortium members and be built in the Foxconn EV Ohio assembly plant
- Expect to announce more details on next platform and EV program in coming quarters
- Asset-light business model and collaboration with the Foxconn EV ecosystem, including MIH, will provide the opportunity for Lordstown Motors to create winning EVs that are tailored to the needs of customers that use them for various work applications, while gaining the cost benefits of scale





Endurance™ Update: Production and Deliveries



- Following full homologation and certification, we began commercial sales of our Endurance™ EV pick-up truck in Q4
- After our January production update, we discovered performance and quality issues with the vehicles coming off the production line and vehicles in process; some of our initial customers experienced these issues
- Decided to temporarily pause production to work with suppliers to root cause the issues, conduct additional testing, and to update affected vehicles
- Filed paperwork with NHTSA to voluntarily recall the Endurance™ to address supplier quality issues
- Through February, approximately 40 vehicles have been completed or are in process and we have sold a total of six vehicles, of our planned initial batch of up to 500 units
- Have line of sight to resolution of the issues that resulted in the production pause and voluntary recalls. In the upcoming weeks, expect to announce when we will resume production and deliveries
- Our experienced team has collectively been involved in hundreds of new vehicle launches around the world
- We will continue to put our customers and values first



Commercial Strategy: Endurance™ and Future Vehicle Program



- Displaying the Endurance™ at NTEA Work Truck Week (March 7-10)
- Will also display an Endurance™ with commercial fleet-focused accessories from leading manufacturers and suppliers of aftermarket equipment
- Entered into an agreement with a third-party provider under which we will jointly provide service and warranty for the Endurance™ vehicles in key states, where allowed by law
- Shared the story of Lordstown's future and collaboration with Foxconn and MIH at CES in January
- Will discuss LMC's role in the growing Foxconn EV ecosystem later this month at SXSW during the transportation and innovation track



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Adam Kroll

Chief Financial Officer
Lordstown Motors Corp.



Q4 2022 Financial Summary

- Cash of \$222M at 12/31/22 substantially ahead of prior outlook based on disciplined cost management
- Cost of sales of \$30M with direct costs of \$0.6M for three vehicles sold and an NRV charge of \$21M
- R&D of \$15.6M, down 21% versus Q3, based on lower personnel and consulting fees
- SG&A of \$22.2M, including charges of \$8.8M, down 63% versus Q3, based on lower legal accruals, accelerated stock compensation, and a prepaid royalty write-off
- Initial \$52.7 million received from Foxconn in Q4
- Up to \$117.3 million in additional funding, of which \$70 million may only be used for new vehicle program development, subject to conditions and program milestones as set forth in the Investment Agreement





Capital Sources - Foxconn and Other

	Foxconn				Other		Total
	Other	Plant Sale	Investment Agreement		Common Stock		
	Common Stock	2021 Downpayments, Closing & Final True Up	Common Stock	Preferred Stock ³	Equity Purchase Agreement ⁴	ATM ⁵	
2021	\$50.0M	\$100.0M			\$49.4M		\$199.4M
2022		\$157.0M ¹	\$22.7M	\$30.0M ³	\$40.4M	\$12.4M	\$262.5M
2023			\$47.3M ²	\$70.0M ³			TBD ^{3,5}
Total	\$50.0M	\$257.0M	\$70.0M²	\$100.0M³	\$89.8M	TBD⁵	

1) Includes \$18.4 million reimbursement of operating expenses recognized as a reduction to R&D expenses

2) Subject to closing conditions, including, without limitation, CFIUS clearance

3) Refer to the Investment Agreement filed on Form 8K on November 7, 2022 for complete details and defined terms. Use of proceeds from preferred stock purchases is limited to funding mutually agreed upon new vehicle program development activities. Upon satisfaction of certain EV Program milestones (including establishing an EV Program budget) and subject to satisfaction of other conditions set forth in the Investment Agreement, Foxconn will purchase in two tranches up to 0.7 million additional shares of Preferred Stock at a purchase price of \$100 per share. The first tranche will be in an amount up to 0.3 million shares for an aggregate purchase price of \$30 million; the second tranche will be in an amount up to 0.4 million shares for an aggregate purchase price of \$40 million. The parties have agreed to use commercially reasonable efforts to agree upon the EV Program budget and funding milestones no later than May 7, 2023. However, no assurances can be given that each of the conditions to subsequent fundings by Foxconn will be satisfied or as to the timing of any such fundings

4) We entered into an equity purchase agreement ("Equity Purchase Agreement") with YA II PN, LTD. ("YA") on July 23, 2021, pursuant to which YA committed to purchase up to \$400 million in shares of our Class A common stock, subject to certain limitations and conditions set forth in the Equity Purchase Agreement. The actual amount that we were able to raise under this facility was dependent on market conditions as well as limitations in the agreement. During the year ended December 31, 2022, we issued 17.5 million shares to YA and received \$40.4 million cash, net of equity issuance costs. During the year ended December 31, 2021, inclusive of the 0.4 million Commitment Shares (as defined below), we issued 9.6 million shares to YA and received \$49.4 million cash, net of equity issuance costs. The Equity Purchase Agreement was terminated on November 22, 2022

5) On November 7, 2022, the Company entered into an Open Market Sales Agreement (the "Sales Agreement") with Jefferies LLC, as agent ("Jefferies"), pursuant to which the Company may offer and sell up to approximately 50.2 million shares of its Class A common stock from time to time through Jefferies (the "ATM Offering"). During 2022, Jefferies sold approximately 7.8 million shares of Class A common stock which resulted in net proceeds of \$12.4 million. In the future, any additional sales will depend on a variety of factors and no assurance can be given that the Company will sell any shares of Class A common stock under the Sales Agreement, or, if it does, as to the price or amount of the shares that it sells or the dates when such sales will take place. Even if funds are raised under the ATM Offering, the Company will require additional financing to execute its business plan


CONSOLIDATED STATEMENT OF OPERATIONS

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

(UNAUDITED)

	THREE MONTHS ENDED DECEMBER 31, 2022	THREE MONTHS ENDED DECEMBER 31, 2021	TWELVE MONTHS ENDED DECEMBER 31, 2022	TWELVE MONTHS ENDED DECEMBER 31, 2021
NET SALES	194	–	194	–
Cost of Sales:				
Production Costs	635	–	635	–
Depreciation	8,258	–	8,258	–
NRV & Other Adjustments	21,130	–	21,130	–
TOTAL COST OF SALES	30,023	–	30,023	–
OPERATING EXPENSES				
Selling, General, and Administrative Expenses	22,165	25,894	138,270	105,362
Research and Development Expenses (net of \$18.4 million in opex reimbursement)	15,603	58,770	107,816	284,016
Impairment of Property Plant & Equipment and Intangibles	36,524	–	111,389	–
Amortization of Intangible Assets	–	–	–	11,111
TOTAL OPERATING EXPENSES	74,292	84,665	357,475	400,489
Loss from Operations	(104,121)	(400,489)	(387,304)	(400,489)
Other Expense (Income)				
Gain/(loss) on Sale of Assets	(830)	–	100,906	–
Other (Expense) Income	931	3,709	788	(10,079)
Interest Income	2,019	(196)	3,206	200
Loss before Income Taxes	(102,000)	(81,152)	(282,404)	(410,368)
Income Tax Expenses	–	–	–	–
NET LOSS	(102,000)	(81,152)	(282,404)	(410,368)
Less Preferred Stock Dividend	261	–	261	–
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	(102,261)	(81,152)	(282,665)	(410,368)
Net Loss per Share Attributable to Common Shareholders				
Basic	(0.45)	(\$0.42)	(\$1.35)	(\$2.27)
Diluted	(0.45)	(\$0.42)	(\$1.35)	(\$2.27)
Weighted-Average Number of Common Shares Outstanding				
Basic	224,997	193,034	208,682	180,722
Diluted	224,997	193,034	208,682	180,722


CONSOLIDATED STATEMENT OF OPERATIONS

 (AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
 (UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 2022	THREE MONTHS ENDED JUNE 30, 2022	THREE MONTHS ENDED SEPTEMBER 30, 2022	THREE MONTHS ENDED DECEMBER 31, 2022
NET SALES	–	–	–	194
Cost of Sales:				
Production Costs	–	–	–	635
Depreciation	–	–	–	8,258
NRV & Other Adjustments	–	–	–	21,130
TOTAL COST OF SALES	–	–	–	30,023
OPERATING EXPENSES				
Selling, General, and Administrative Expenses	26,019	29,941	60,145	22,165
Research and Development Expenses (net of \$18.4 million in opex reimbursement)	61,864	10,510	19,839	15,603
Impairment of Property Plant & Equipment and Intangibles	–	–	74,865	36,524
TOTAL OPERATING EXPENSES	87,883	40,451	154,849	74,292
Loss from Operations	(87,883)	(40,451)	(154,849)	(104,121)
Other Expense (Income)				
Gain/(loss) on Sale of Assets	–	101,736	–	(830)
Other (Expense) Income	(1,492)	1,991	(643)	931
Interest Income	(258)	383	1,062	2,019
Loss before Income Tax	(89,633)	63,659	(154,430)	(102,000)
Income Tax Expenses	–	–	–	–
NET LOSS	(89,633)	63,659	(154,430)	(102,000)
Less Preferred Stock Dividend	–	–	–	261
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	(89,633)	63,659	(154,430)	(102,261)
Net Loss per Share Attributable to Common Shareholders				
Basic	(\$0.46)	(\$0.32)	(\$0.73)	(\$0.45)
Diluted	(\$0.46)	(\$0.32)	(\$0.73)	(\$0.45)
Weighted-Average number of Common Shares Outstanding				
Basic	196,503	200,821	211,946	224,997
Diluted	196,503	206,682	211,946	224,997


CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS)

	DECEMBER 31, 2022	DECEMBER 31, 2021
CURRENT ASSETS		
Cash and Cash Equivalents	121,358	244,016
Short-term Investments	100,297	–
Inventory, Net	13,672	–
Prepaid Expenses and Other Current Assets	20,548	47,121
TOTAL CURRENT ASSETS	255,875	291,137
Property, Plant and Equipment	193,780	382,746
Intangible Assets	–	1,000
Other Non-Current Assets	2,657	13,900
TOTAL ASSETS	452,312	688,783

	DECEMBER 31, 2022	DECEMBER 31, 2021
CURRENT LIABILITIES		
Accounts Payable	12,801	12,098
Accrued and Other Current Liabilities	56,033	35,507
Purchase Price Down Payment from Foxconn	–	100,000
TOTAL CURRENT LIABILITIES	68,834	147,605
Warrant and Other Non-Current Liabilities	1,446	1,578
TOTAL LIABILITIES	70,280	149,183

	DECEMBER 31, 2022	DECEMBER 31, 2021
STOCKHOLDERS' EQUITY		
Mezzanine Equity		
Preferred Stock, \$0.0001 Par Value, 12,000,000 Shares Authorized; 300,000 and 0 Shares Issued and Outstanding as of December 31, 2022 and December 31, 2021, Respectively	30,261	–
Stockholders' Equity		
Class A Common Stock, \$0.0001 Par Value, 450,000,000 Shares Authorized; 238,924,486 and 196,391,349 Shares Issued and Outstanding as of December 31, 2022 and December 31, 2021, Respectively	24	19
Additional Paid in Capital	1,178,960	1,084,390
Accumulated Deficit	(827,213)	(544,809)
TOTAL STOCKHOLDERS' EQUITY	351,771	539,600
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	452,312	688,783


CONSOLIDATED STATEMENTS OF CASH FLOW

 (AMOUNTS IN THOUSANDS)
 (UNAUDITED)

	THREE MONTHS ENDED DECEMBER 31, 2022	THREE MONTHS ENDED DECEMBER 31, 2021		THREE MONTHS ENDED DECEMBER 31, 2022	THREE MONTHS ENDED DECEMBER 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			CASH FLOWS FROM FINANCING ACTIVITIES		
Net Loss	(282,404)	(410,368)	Proceeds from Notes Payable for Foxconn Joint Venture	13,500	–
Adjustments to Reconcile Net Loss to Cash Used by Operating Activities:			Settlement of Notes Payable for Foxconn Joint Venture	(13,500)	–
Stock-based Compensation	18,826	18,869	Down Payments Received from Foxconn	100,000	100,000
Gain on Disposal of Fixed Assets	(100,906)	–	Issuance of Common Stock	1,853	6,368
Impairment of Property Plant and Equipment and Intangible Assets	111,389	–	Tax Withholding Payments Related to Net Settled Restricted Stock Compensation	(684)	–
Write-off of Prepaid Royalty	4,728	–	Cash proceeds from exercise of warrants	–	82,016
Amortization of Intangible Assets	–	11,111	Cash Received from Foxconn Investment Transactions Class A stock	21,985	–
Depreciation of Property Plant & Equipment	8,476	–	Cash Received from Foxconn Investment Transactions Preferred stock	30,000	–
Write Down of Inventory and Prepaid Inventory	48,529	–	Cash Received from Foxconn Subscription Agreement	–	50,000
Other Non-cash Changes	(384)	10,858	Proceeds from Equity Purchase Agreement, Net of Issuance Costs	40,439	49,375
Changes in Assets and Liabilities:			Proceeds from ATM Offering, Net of Issuance Costs	12,418	–
Accounts Receivables	(203)	21	Net Cash Provided by Financing Activities	206,010	287,759
Inventory	(54,646)	–	(Decrease) / Increase in Cash and Cash Equivalents	(122,658)	(385,745)
Prepaid Expenses and Other Assets	10,648	(34,124)	Cash and Cash Equivalents, Beginning Balance	244,016	629,716
Accounts Payable	2,527	(17,008)	Cash and Cash Equivalents, Ending Balance	121,358	244,016
Accrued Expenses and Other Liabilities	19,657	32,831	NON-CASH ITEMS		
Net Cash Used by Operating Activities	(213,764)	(387,990)	Derecognition of Foxconn Down Payments for Sale of Capital Assets	200,000	–
CASH FLOWS FROM INVESTING ACTIVITIES			Capital Assets Acquired with Payables	339	2,162
Purchases of Capital Assets	(54,567)	(284,514)			
Purchases of Short-term Investments	(100,297)	(1,000)			
Investment in Foxconn Joint Venture	(13,500)	–			
Return of Investment in Foxconn Joint Venture	13,500	–			
Proceeds from the Sale of Capital Assets	39,960	–			
Net Cash Used by Investing Activities	(114,904)	(285,514)			


DETAILED RESEARCH & DEVELOPMENT (R&D) EXPENSES

(AMOUNTS IN THOUSANDS - UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 2022	THREE MONTHS ENDED JUNE 30, 2022	THREE MONTHS ENDED SEPTEMBER 30, 2022	THREE MONTHS ENDED DECEMBER 31, 2022
RESEARCH & DEVELOPMENT (R&D) EXPENSES				
Operating Expense Reimbursement	–	(18,355)	–	–
Accelerated Stock Compensation	–	–	–	(1,847)
Manufacturing	21,038	11,411	840	–
Personnel, Consulting and Professional Fees	16,990	11,626	14,211	12,403
Freight	454	188	137	170
Prototype Components	19,679	1,458	1,694	–
All Other	3,702	4,180	2,957	4,877
TOTAL RESEARCH & DEVELOPMENT EXPENSES	61,863	10,509	19,839	15,603

	TWELVE MONTHS ENDED DECEMBER 31, 2021	TWELVE MONTHS ENDED DECEMBER 31, 2022
RESEARCH & DEVELOPMENT (R&D) EXPENSES		
Operating Expense Reimbursement	–	(18,355)
Accelerated Stock Compensation	–	(1,847)
Manufacturing	57,109	33,290
Personnel, Consulting and Professional Fees	103,652	55,230
Freight	6,996	949
Prototype Components	104,481	22,831
All Other	11,778	15,717
TOTAL RESEARCH & DEVELOPMENT EXPENSES	284,016	107,815


DETAILED SELLING, GENERAL, & ADMINISTRATIVE EXPENSES

(AMOUNTS IN THOUSANDS - UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 2022	THREE MONTHS ENDED JUNE 30, 2022	THREE MONTHS ENDED SEPTEMBER 30, 2022	THREE MONTHS ENDED DECEMBER 31, 2022
SELLING, GENERAL & ADMINISTRATIVE EXPENSES				
Legal Accruals	213	1,787	30,717	1,200
Net Realizable Value Charge to Inventory	2,900	6,500	16,224	–
Prepaid Royalty Write Off	–	–	–	4,728
Accelerated Stock Compensation	–	–	–	2,908
Personnel & Consulting	12,354	12,204	7,707	8,283
Legal Expenses	6,060	4,101	359	962
Insurance	3,108	3,117	3,386	2,199
All other	1,384	2,231	1,751	1,885
TOTAL SELLING, GENERAL & ADMINISTRATIVE EXPENSES	26,019	29,941	60,145	22,165

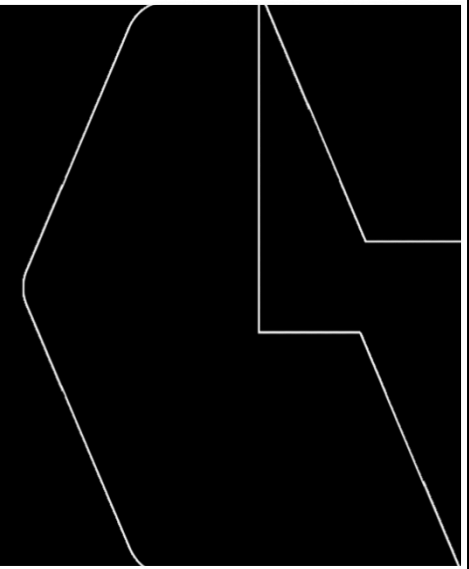
	TWELVE MONTHS ENDED DECEMBER 31, 2021	TWELVE MONTHS ENDED DECEMBER 31, 2022
SELLING, GENERAL & ADMINISTRATIVE EXPENSES		
Legal Accruals	4,522	33,917
Net Realizable Value Charge to Inventory	–	25,624
Prepaid Royalty Write Off	–	4,728
Accelerated Stock Compensation	–	2,908
Personnel & Consulting	49,768	40,549
Legal Expenses	35,425	11,482
Insurance	8,642	11,810
All other	7,007	7,251
TOTAL SELLING, GENERAL & ADMINISTRATIVE EXPENSES	105,363	138,270

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LORDSTOWN

THANK YOU



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