

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **May 5, 2021**

LORDSTOWN MOTORS CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38821
(Commission
File Number)

83-2533239
(IRS Employer
Identification No.)

2300 Hallock Young Road
Lordstown, Ohio 44481
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(234) 285-4001**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value \$0.0001 per share	RIDE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

On April 12, 2021, the SEC issued a statement (the “Statement”) discussing the accounting implications of certain terms that are common in warrants issued by special purpose acquisition companies (“SPACs”). Specifically, the Statement focused on certain settlement terms and provisions related to certain tender offers, which terms are similar to those contained in the warrants (the “Warrants”) issued by Lordstown Motors Corp. (the “Company”). As of December 31, 2020, the Company had 13,380,680 Warrants outstanding. As a result of exercises for cash proceeds to the Company of approximately \$82.0 million and redemption of certain Warrants during the first quarter, as of March 31, 2021, 3,955,907 Warrants were outstanding. The rights of holders of the Warrants are governed by warrant agreements between American Stock Transfer & Trust Company, as warrant agent, and the Company (the “Warrant Agreements”).

In light of the Statement, the Company’s management evaluated the terms of the Warrant Agreements and concluded that because the Warrants include the type of provisions (the “Provisions”) interpreted in the Statement, the Company should classify some, if not all, of the Warrants as liabilities in the Company’s audited financial statements for the year ended December 31, 2020 (the “Financial Statements”) and not as components of equity. Warrants that are classified as liabilities must be adjusted to fair value each reporting date with changes in the fair value recorded in the Company’s statement of operations. The Company is continuing to assess the impact of the Statement on each category of Warrants.

On May 5, 2021, the Board of Directors (the “Board”) of the Company, in consultation with the Audit Committee of the Board, concluded that it would be appropriate to restate the Financial Statements in an Annual Report on Form 10-K/A for the period ended December 31, 2020 (the Form 10-K/A”) to reflect the applicable Warrants as liabilities. The Company has discussed this approach with its independent registered public accounting firm, KPMG LLP, and is working diligently to finalize the valuation of the Warrants and intends to file the Form 10-K/A as soon as practicable. In the Form 10-K/A and in its future financial statements (unless the Provisions are removed from the Warrant Agreements in accordance with the terms thereof), the Company will measure the fair value of the liability classified Warrants at the end of each reporting period or at the time of exercise and recognize the changes in the fair value in the Company’s statement of operations. The Warrants were recorded in the Company’s consolidated financial statements as a result of the business combination between Diamond Peak Holdings Corp. (now known as the Company) and Lordstown EV Corporation (formerly known as Lordstown Motors Corp.) and the reverse recapitalization that occurred on October 23, 2020 and did not impact any reporting periods prior to the business combination.

The information in the Form 10-K/A and subsequent filings will also supersede press releases or other communications describing the Financial Statements and other related financial information for the year ended December 31, 2020.

In light of the restatement, the Company’s management evaluated the effectiveness of the Company’s controls and procedures as of December 31, 2020. That evaluation included consideration of the views expressed in the Statement in which the SEC staff clarified its interpretations of certain generally accepted accounting principles related to warrants issued by SPACs. Prior to the Statement, management believed that the Company’s warrant accounting was consistent with generally accepted accounting principles. Management’s belief was supported by the fact that most other SPACs and parties who had merged with SPACs similarly interpreted the warrant accounting principles at issue. However, based on the clarifications expressed in the Statement which resulted in the restatement, the Company concluded that the Company’s controls and procedures were not effective as of December 31, 2020 and determined that a material weakness existed.

Item 7.01. Regulation FD Disclosure.

The following information is being furnished pursuant to Item 7.01 of Form 8-K. This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

On May 11, 2021, the Company issued a press release relating to, among other things, the matters discussed in Item 4.02 of this Current Report on Form 8-K. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference into this Item 7.01.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[99.1](#) [Press Release dated May 11, 2021.](#)

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LORDSTOWN MOTORS CORP.

By: /s/ Stephen S. Burns
Name: Stephen S. Burns
Title: Chief Executive Officer and Chairman

Date: May 11, 2021

Lordstown Motors Corp. Announces Response to SEC Guidance Issued on April 12, 2021 Applicable to Warrants Issued by Special Purpose Acquisition Companies (“SPACs”)

LORDSTOWN, Ohio - (GLOBE NEWSWIRE) - Lordstown Motors Corp. (Nasdaq: RIDE) (“Lordstown Motors”), a leader in electric light duty trucks focused on the commercial fleet market, today announced in a Current Report on Form 8-K, that as a result of recent guidance provided by the SEC on April 12, 2021 for all SPAC-related companies regarding the accounting and reporting for their warrants (the “SEC Statement”), it will restate its previously issued 2020 consolidated financial statements.

The restatement pertains to the accounting treatment for public and private placement warrants (“warrants”) that were outstanding at the time of the business combination with DiamondPeak Holdings Corp. on October 23, 2020 (the “Business Combination”). Consistent with market practice among SPACs, we had been accounting for the warrants as equity under a fixed accounting model. However, in light of the recent SEC Statement, we intend to restate our historical financial statements for the year ended December 31, 2020 such that some, if not all, of the warrants are accounted for as liabilities and marked-to-market each reporting period (the “restatement”). In general, under the mark-to-market accounting model, we will measure the fair value of the liability classified warrants at the end of each reporting period or at the time of exercise and recognize the changes in the fair value in our operating results. The change in accounting treatment does not impact any reporting periods prior to the Business Combination.

As of December 31, 2020, we had 13,380,680 Warrants outstanding and, as a result of exercises and redemption of certain warrants, as of March 31, 2021, 3,955,907 warrants were outstanding.

About Lordstown Motors Corp.

Lordstown Motors Corp. is an Ohio-based original equipment manufacturer of light duty fleet vehicles, founded by CEO Steve Burns with the purpose of transforming Ohio's Mahoning Valley and Lordstown, Ohio, into the epicenter of electric-vehicle manufacturing. The company owns the 785 acre, 6.2 million square foot Lordstown Assembly Plant where it plans to build the Lordstown Endurance, believed to be the world's first full-size, all-electric pickup truck designed to serve the commercial fleet market. For additional information visit www.lordstownmotors.com.

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,” “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 completion of our review of our warrants and preparation of the restated financial statements; any subsequent guidance or clarifications that the SEC may provide on this matter; our limited operating history and other risks and uncertainties set forth in the section entitled “Risk Factors” and “Forward-Looking Statements” in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the “Commission”) for the fiscal year ended December 31, 2021 and other reports filed by the Company with the SEC. Any forward-looking statements speak only as of the date on which they are made, and Lordstown Motors Corp. undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this press release.

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