

08/04/2022



 **LORDSTOWN**[™]
MOTORS

Q2 2022

Earnings Report



Q2 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," "believe," "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 in 2022 and beyond, achieve scaled production of the Endurance, to continue ongoing operations and remain a going concern, and our ability to raise such funding 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, 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 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 any future vehicles we may develop; the rollout of our business and the timing of expected business milestones, including our ability to complete the engineering of the Endurance and Foxconn's completion of the conversion and retooling of the Lordstown facility, to establish and maintain appropriate supplier relationships, to successfully complete testing, homologation and certification, and to start production and 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 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 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 debt covenants, our ability to repay the obligations when due, and the risks associated with having pledged significant assets as collateral for recently obtained indebtedness; and the possibility that we may be adversely affected by other economic, geopolitical, business and/or competitive factors, including the direct and indirect effects of the war in Ukraine. In addition, the transactions 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 recently completed transactions with Foxconn, including the contract manufacturing agreement and the joint venture to jointly develop additional EVs for launch. 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. The success of the joint venture depends on many variables, including our ability to utilize the designs, engineering data and other foundational work of Foxconn, its affiliates and other members of the MIH consortium 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 OEM customers, our business prospects, results of operations and financial condition may be adversely affected. We will need additional funding to execute our 2022 business plan and achieve scaled production of the Endurance. As we seek additional sources of financing, there can be no assurance that such financing would be available to us on favorable terms or at all. Our ability to obtain additional financing in the debt and equity capital markets is subject 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 release includes a non-GAAP measure, referred to as “core operating expenses,” to present operating results on an adjusted basis to eliminate the impact of the closing of the Foxconn APA. The table below provides a reconciliation of operating expenses (income), the most directly comparable financial measure calculated and presented in accordance with GAAP, to the presented non-GAAP financial measure. The Company believes that core operating expenses, 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

Dan Ninivaggi

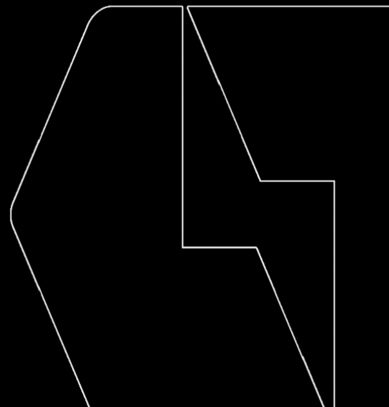
Executive Chairman
Lordstown Motors Corp.

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ENDURANCE

Click [HERE](#) to watch the video.





Q2 2022 Highlights

01. Three additional senior leadership appointments, in addition to Edward Hightower moving to CEO role
02. Closed our contract manufacturing agreement and asset purchase agreement with Foxconn. Formed joint venture that includes a commitment for a \$100M incremental investment
03. Endurance™ PPV builds have been completed and certification testing is underway
04. Actively seeking additional OEM partners to scale Endurance™ and fleet partnerships in connection with first Foxconn JV vehicle program
05. Disciplined spending contributes to better than forecasted cash at 6/30





02

Edward T. Hightower

Chief Executive Officer & President
Lordstown Motors Corp.



Three Key Topics

01 The Endurance Launch

02 Product Development Joint Venture with Foxconn

03 Growing and Strengthened Team

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01. Top Priority: Endurance™ Launch

- PPV builds have been completed
- Remain on track to start commercial release production (CRP) in Q3, at a slow rate
- Sales to commercial fleet customers expected to begin in Q4 after full homologation and certification
- Manufacturing partners at Foxconn Ohio plant are ready for launch





01. Vehicle Validation Continues

- Completed final powertrain calibration
- Currently in first phases of EPA certification testing
- Final round of hot weather testing in Death Valley planned for August 2022
- Significant progress, but not 100% done; completing more test miles
- Monitoring diagnostics of Endurance™ test vehicles from the cloud



Endurance™ Vehicle Performance Testing at the [Goodyear Proving Ground](#) in Texas, July 22nd, 2022



VEHICLE VALIDATION

Click [HERE](#) to watch the video.





01. Fleet Focused Commercial Strategy

- Fleet-focused using a direct sales approach
- Have interest from several commercial FMCs and fleet operators
- Significant commercial activity in addition to positive feedback on the Endurance™
- Endurance™ will be one of the full-sized BEV pickups on the market
- Strategically focusing on initial sales to select customers





02. MIH EV Design LLC Joint Venture

- 55/45 JV \$100M in committed capital from Foxconn
- Foxconn's primary commercial vehicle development partner in North America
- Accelerates time to market and achieves scale at lower volumes
- JV will collaborate with Foxconn's global EV ecosystem including the MIH consortium



Lordstown Motors and MIH EV Design LLC CEO, **Edward Hightower** and Foxconn Chairman, **Young Liu**, on July 5th, 2022



03. Strengthened Management Team

We have broadened our management team with deep automotive experience.



Executive Vice President

Dr. Donna Bell

30-year industry vet who is our EVP of Product Creation, Engineering, & Supply Chain



Senior Vice President

Andrew Reyntjes

30-year auto and commercial fleet vet who is our SVP of Sales, Service & Marketing



Vice President

Jill Coniglio-Kirk

20-year auto HR vet who is our VP of People & Culture



03

Adam Kroll

Chief Financial Officer
Lordstown Motors Corp.



Q2 2022 Financial Summary

- 01
 - Cash position ahead of plan
 - Disciplined expense control

- 02
 - Completed all Foxconn transactions
 - \$257.5M in total proceeds. In the quarter; a gain on sale of \$101.7M plus a \$20.2M reimbursement of certain operating expenses

- 03
 - Continuing fundraising and strategic partnership efforts
 - Partners contributed \$30M initial funding in Q2



CONSOLIDATED STATEMENT OF OPERATIONS

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

(UNAUDITED)

	THREE MONTHS ENDED JUNE 30, 2022	THREE MONTHS ENDED JUNE 30, 2021	SIX MONTHS ENDED JUNE 30, 2022	SIX MONTHS ENDED JUNE 30, 2021
NET SALES	—	—	—	—
OPERATING EXPENSES				
Selling, General, and Administrative Expenses	29,941	33,793	55,960	48,187
Research and Development Expenses ¹	10,510	76,544	72,374	168,356
Gain on Sale	(101,736)	—	(101,736)	—
Total Operating (Income) Expense	(61,285)	110,337	26,598	216,543
Income (Loss) from Operations	61,285	(110,337)	(26,598)	(216,543)
OTHER INCOME (EXPENSE)				
Other Income (Expense)	1,991	1,877	499	(17,255)
Interest Income	383	260	125	387
Income (Loss) before Income Taxes	63,659	(108,200)	(25,974)	(233,411)
Income Tax Expense	—	—	—	—
Net Income (Loss)	63,659	(108,200)	(25,974)	(233,411)
LOSS PER SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS				
Basic	0.32	(0.61)	(0.13)	(1.33)
Diluted	0.32	(0.61)	(0.13)	(1.33)
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	200,821	176,585	198,674	175,595
Diluted	201,015	176,585	198,674	175,595

¹ Research and development expenses for the three and six months ended June 30, 2022 are net of \$18.4 million in operating expense reimbursements.

CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS)

	JUNE 30, 2022	DECEMBER 31, 2021		JUNE 30, 2022	DECEMBER 31, 2021
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and Cash Equivalents	235,686	244,016	Accounts Payable	12,979	12,098
Inventory, Net	4,013	—	Accrued and Other Current Liabilities	34,355	35,507
Prepaid Expenses and Other Current Assets	43,080	47,121	Purchase Price Down Payment from Foxconn	—	100,000
Total Current Assets	282,779	291,137	Note Payable to Foxconn	13,500	—
Property, Plant and Equipment	286,928	382,746	Total Current Liabilities	60,834	147,605
Intangible Assets	1,000	1,000			
Other Non-Current Assets	27,487	13,900	Warrant and Other Non-Current Liabilities	1,601	1,578
Total Assets	598,194	688,783	Total Liabilities	62,435	149,183

	JUNE 30, 2022	DECEMBER 31, 2021
STOCKHOLDERS' EQUITY		
Class A Common Stock	21	19
Additional Paid in Capital	1,106,521	1,084,390
Accumulated Deficit	(570,783)	(544,809)
Total Stockholders' Equity	535,759	539,600
Total Liabilities and Stockholders' Equity	598,194	688,783

STATEMENT OF CASH FLOW

(AMOUNTS IN THOUSANDS)

(UNAUDITED)

	SIX MONTHS ENDED JUNE 30,2022	SIX MONTHS ENDED JUNE 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	(25,974)	(233,411)
Adjustment to Reconcile Net Loss to Cash Used by Operating Activities:		
Stock-Based Compensation	6,546	5,780
Gain on Disposal of Fixed Assets	(101,736)	—
Other Non-Cash Changes	9,123	18,261
Forgiveness of Note Payable	—	(1,015)
Changes in Assets and Liabilities:		
Account Receivables	—	19
Inventory	(13,413)	—
Prepaid Expenses and Other Assets	5,301	726
Accounts Payable	1,197	7,209
Accrued Expenses and Other Liabilities	(2,471)	31,057
Net Cash Used by Operating Activities	(121,427)	(171,373)

	SIX MONTHS ENDED JUNE 30,2022	SIX MONTHS ENDED JUNE 30, 2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Capital Assets	(40,043)	(175,601)
Investment in Foxconn Joint Venture	(13,500)	—
Proceeds from the Sale of Capital Assets	37,553	—
Net Cash Used by Investing Activities	(15,990)	(175,601)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Notes Payable	13,500	82,016
Down Payments Received from Foxconn	100,000	—
Issuance of Common Stock	1,853	1,098
Proceeds from Equity Purchase Agreement, Net Issuance Costs	13,734	—
Net Cash Used by Financing Activities	129,087	83,114
Decrease in Cash and Cash Equivalents	(8,330)	(263,861)
Cash and Cash Equivalents, Beginning Balance	244,016	629,761
Cash and Cash Equivalents, Ending Balance	235,686	365,900

	SIX MONTHS ENDED JUNE 30,2022	SIX MONTHS ENDED JUNE 30, 2021
NON-CASH ITEMS		
Derecognition of Foxconn Deposits to Sale of Capital Assets	200,000	—
Capital Assets Acquired with Payables	1,846	14,631

OPERATING EXPENSES (INCOME) DETAILS BY QUARTER

(AMOUNTS IN THOUSANDS)

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

NON-GAAP RECONCILIATION FROM OPERATING EXPENSES (INCOME) TO CORE OPERATING EXPENSES

(AMOUNTS IN THOUSANDS)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Operating Expenses (Income)	106,206	110,337	99,282	84,664	87,883	(61,285)
Adjustments:						
Operating Expense Reimbursement	—	—	—	—	—	18,355
Gain on Sale	—	—	—	—	—	101,736
Core Operating Expenses	106,206	110,337	99,282	84,664	87,883	58,806



Thank you, LMC Team!

- Excited about launch
- Excellent visit from brand ambassador, Joe Burrow on June 21st
- Broad potential from Foxconn relationship
- Continuing our mission of accelerating EV adoption

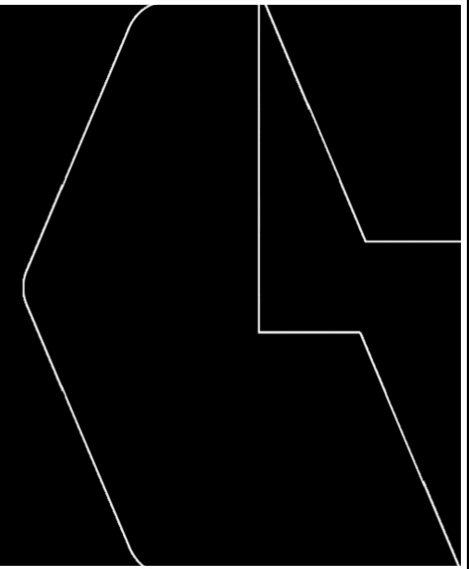


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Thank you!



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