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): February 12, 2025

WORKHORSE GROUP INC.
(Exact name of registrant as specified in its charter)

Nevada	001-37673	26-1394771
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

3600 Park 42 Drive, Suite 160E, Sharonville, Ohio 45241
(Address of principal executive offices) (zip code)

1 (888) 646-5205
(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

☐ 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))

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. ☐

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	WKHS	The Nasdaq Capital Market

Item 1.01. Entry into a Material Definitive Agreement.

Securities Purchase Agreement

As previously disclosed, on March 15, 2024, Workhorse Group Inc. (the "Company") entered into a securities purchase agreement (the "Securities Purchase Agreement") with an institutional investor (the "Investor") under which the Company agreed to issue and sell, in one or more registered public offerings by the Company directly to the Investor, (i) senior secured convertible notes for up to an aggregate principal amount of $139,000,000 (the "Notes") that will be convertible into shares of the Company's common stock, par value of $0.001 per share (the "Common Stock") and (ii) warrants (the "Warrants") to purchase shares of Common Stock in multiple tranches over a period beginning on March 15, 2024. Pursuant to the Securities Purchase Agreement, on February 12, 2025 (the "Closing Date"), the Company issued and sold to the Investor (i) a Note in the original principal amount of $35,000,000 (the "Tenth Additional Note") and (ii) a Warrant to purchase up to 55,045,655 shares of Common Stock (the "New Warrant"). The Investor has waived its right to receive certain Warrants in connection with the issuance of the Tenth Additional Note. Refer to the Company's Current Report on Form 8-K filed on March 15, 2024 for additional information related to the Securities Purchase Agreement, the Notes, and the Warrants. The Tenth Additional Note was issued pursuant to the Company's Indenture between the Company and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), dated December 27, 2023 (the "Base Indenture"), and a Twelfth Supplemental Indenture, dated February 12, 2025, entered into between the Company and the Trustee (together with the Base Indenture, the "Indenture").

As previously disclosed, the Company has issued and sold to the Investor (i) Notes in aggregate original principal amount of $42,485,714 (the "Prior Notes") and (ii) Warrants to purchase up to 15,640,900 shares of Common Stock (the "Prior Warrants") pursuant to the Securities Purchase Agreement (following adjustment in connection with the Company's 1-for-20 reverse stock split, which became effective on June 17, 2024). As of February 11, 2025, $8,350,000 aggregate principal amount remained outstanding under the Notes, and no shares had been issued pursuant to the Warrants. Upon our filing of one or more additional prospectus supplements, and our satisfaction of certain other conditions, the Securities Purchase Agreement contemplates additional closings of up to $61,514,286 in aggregate principal amount of additional Notes and a corresponding Warrant pursuant to the Securities Purchase Agreement as further described in our Current Report on Form 8-K filed on March 15, 2024. The description of the Securities Purchase Agreement, form of Note, form of Warrant, Indenture, Security Agreement and Subsidiary Guarantee contained therein is hereby incorporated by reference herein in its entirety.

No Note may be converted and no Warrant may be exercised to the extent that such conversion or exercise would cause the then holder of such Note or Warrant to become the

beneficial owner of more than 9.99% of the Company's then outstanding Common Stock, after giving effect to such conversion or exercise (the "Beneficial Ownership Cap").

Notes

Like the Prior Notes, the Tenth Additional Note was issued with original issue discount of 12.5%, resulting in $30,625,000 of proceeds to the Company before fees and expenses. Pursuant to a letter agreement entered into between the Company and the Investor in connection with the Tenth Additional Note (the "Lockbox Letter"), such proceeds, after fees and expenses, were deposited into a lockbox account under the control of the collateral agent under the Securities Purchase Agreement. Funds may be released from the lockbox from time to time (i) in an amount corresponding to the principal amount converted, if the Investor converts any portion of the Tenth Additional Note; (ii) in the amount of $2,625,000 each calendar month, if the Company satisfies the conditions of a Market Release Event (as defined in the Lockbox Letter), including minimum common stock price and trading volume conditions; or (iii) otherwise, with the consent of the Investor.

Although the Company expects that it will receive the funds held in the lockbox account during the term of the Tenth Additional Note, it is possible that the foregoing events will not occur with respect to some or all of the principal amount of the Tenth Additional Note and that, accordingly, it will not be able to draw some or all of the funds in the lockbox account.

The Tenth Additional Note is a senior, secured obligation of the Company, ranking senior to all other unsecured indebtedness, subject to certain limitations and is unconditionally guaranteed by each of the Company's subsidiaries, pursuant to the terms of a certain security agreement and subsidiary guarantee.

Like the Prior Notes, the Tenth Additional Note bears interest at a rate of 9.0% per annum, payable in arrears on the first trading day of each calendar quarter, at the Company's option, either in cash or in-kind by compounding and becoming additional principal. Upon the occurrence and during the continuance of an event of default, the interest rate will increase to 18.0% per annum. Unless earlier converted or redeemed, the Tenth Additional Note will mature on the one-year anniversary of the date hereof, subject to extension at the option of the holders in certain circumstances as provided in the Tenth Additional Note.

Like the Prior Notes, all amounts due under the Tenth Additional Note are convertible at any time, in whole or in part, and subject to the Beneficial Ownership Cap, at the option of the holders into shares of Common Stock at a conversion price equal to the lower of $0.4244 (the "Reference Price") or (b) the greater of (x) $0.1000 (the "Floor Price") and (y) 87.5% of the volume weighted average price of the Common Stock during the ten trading days ending and including the trading day immediately preceding the delivery or deemed delivery of the applicable conversion notice, as elected by the converting holder. The Reference Price and Floor Price are subject to customary adjustments upon any stock split, stock dividend, stock combination, recapitalization or similar event. The Reference Price is also subject to full-ratchet adjustment in connection with a subsequent offering at a per share price less than the Reference Price then in effect. Subject to the rules and regulations of Nasdaq, we have the right, at any time, with the written consent of the Investor, to lower the reference price to any amount and for any period of time deemed appropriate by our board of directors. Upon the satisfaction of certain conditions, we may prepay the Tenth Additional Note upon 15 business days' written notice by paying an amount equal to the greater of (i) the face value of the Tenth Additional Note at premium of 25% (or 75% premium, during the occurrence and continuance of an event of default, or in the event certain redemption conditions are not satisfied) and (ii) the equity value of the shares of Common Stock underlying the Tenth Additional Note. The equity value of the Common Stock underlying the Tenth Additional Note is calculated using the two greatest volume weighted average prices of our Common Stock during the period immediately preceding the date of such redemption and ending on the date we make the required payment.

Like the Prior Notes, the Tenth Additional Note contains customary affirmative and negative covenants, including certain limitations on debt, liens, restricted payments, asset transfers, changes in the business and transactions with affiliates. It also requires the Company to maintain minimum liquidity on the last day of each fiscal quarter in the amount of either (i) $1,500,000 if the sale leaseback transaction of Company's manufacturing facility in Union City, Indiana (the "Sale Leaseback") has not been consummated and (ii) $4,000,000 if the Sale Leaseback has been consummated, subject to certain conditions. The Tenth Additional Note also contains customary events of default.

The Company and the Investor previously entered into a limited waiver (the "Waiver") of certain provisions of the Securities Purchase Agreement, whereby (i) for the period from entry into the Waiver and ending on and including October 16, 2025, the Investor waived certain provisions of the Securities Purchase Agreement to permit the Company to sell up to $5 million in shares of Common Stock pursuant to an at-the-market offering program without a price floor and without application of certain anti-dilution and participation provisions in the Notes and the Warrants, and (ii) the Company waived the obligation of an affiliate of the Investor to make certain ongoing lease payments under the asset purchase agreement pursuant to which the Company divested from its aero business.

Under certain circumstances, including a change of control, the holder may cause us to redeem all or a portion of the then-outstanding amount of principal and interest on the Tenth Additional Note in cash at the greater of (i) the face value of the amount of the Tenth Additional Note to be redeemed at a 25% premium (or at a 75% premium, if certain redemption conditions are not satisfied or during the occurrence and continuance of an event of default), except that if the Company is required to make a redemption under the Tenth Additional Note and no event of default has occurred and is continuing and there is no redemption conditions failure, the redemption premium on principal and interest of the Tenth Additional Note corresponding to funds held in the lockbox account will be 10%, (ii) the equity value of our Common Stock underlying such amount of the Tenth Additional Note to be redeemed and (iii) the equity value of the change of control consideration payable to the holder of our Common Stock underlying the Tenth Additional Note.

In addition, during an event of default, the holder may require us to redeem in cash all, or any portion, of the Tenth Additional Note at the greater of (i) the face value of our Common Stock underlying the Tenth Additional Note at a 75% premium and (ii) the equity value of our Common Stock underlying the Tenth Additional Note. In addition, during a bankruptcy event of default, we shall immediately redeem in cash all amounts due under the Tenth Additional Note at a 75% premium unless the holder of the Tenth Additional Note waives such right to receive payment. Further, upon the sale of certain assets, the holder may cause a redemption at a premium, including upon consummation of the Sale Leaseback if the redemption conditions are not satisfied. The Tenth Additional Note also provides for purchase and participation rights in the event of a dividend or other purchase right being granted to the holders of Common Stock.

Warrants

The exercise price per share of Common Stock under the New Warrant is $0.6999. Like the Prior Warrants, the New Warrant is immediately exercisable for a period of 10 years following its issuance date.

Like the Prior Warrants, the Investor has a purchase right that allows the Investor to participate in transactions in which the Company issues or sells certain securities or other property to holders of Common Stock, allowing the Investor to acquire, on the terms and conditions applicable to such purchase rights, the aggregate purchase rights which the Investor would have been able to acquire if the Investor held the number of shares of Common Stock acquirable upon exercise of the New Warrant.

In the event of a Fundamental Transaction (as defined in the New Warrant) that is not a change of control or corporate event as described in the New Warrant, the surviving entity would be required to assume the Company's obligations under the New Warrant. In addition, if the Company engages in certain transactions that result in the holders of

the Common Stock receiving consideration, a holder of the New Warrant will have the option to either (i) exercise the New Warrant prior to the consummation of such transaction and receive the consideration to be issued or distributed in connection with such transaction or (ii) cause the Company to repurchase the New Warrant for its then Black Scholes Value (as defined in the New Warrant).

The issuance of the Tenth Additional Note, the New Warrant and the shares of Common Stock issuable upon conversion have been registered pursuant to the Company's effective shelf registration statement on Form S-3 (File No. 333-273357) (the "Registration Statement"), and the related base prospectus included in the Registration Statement, as further supplemented by a prospectus supplement filed on February 12, 2025.

The description of the terms and conditions of the Securities Purchase Agreement, the Notes, the Warrants and the Base Indenture do not purport to be complete and is qualified in its entirety by the full text of Securities Purchase Agreement, the Notes, the Warrants and the Base Indenture, which are filed as exhibits to the Company's Current Report on Form 8-K filed on March 15, 2024.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference in its entirety.

Forward-Looking Statements

Certain statements in this Current Report on Form 8-K are forward-looking statements that involve a number of risks and uncertainties. For such statements, the Company claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from the Company's expectations. Additional factors that could cause actual results to differ materially from those stated or implied by the Company's forward-looking statements are disclosed in the Company's reports filed with the Securities and Exchange Commission.

Item 9.01. Exhibits.

Exhibit No.	Description
10.1	Twelfth Supplemental Indenture.
10.2	Form of Lockbox Letter.
104	Cover page from this Current Report on Form 8-K, formatted as Inline XBRL.

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.

WORKHORSE GROUP INC.

Date: February 12, 2025

By: /s/ James D. Harrington
Name: James D. Harrington
Title: General Counsel, Chief Compliance Officer and Secretary

WORKHORSE GROUP INC.

TO

TWELFTH SUPPLEMENTAL INDENTURE TO
INDENTURE DATED DECEMBER 27, 2023

Dated as of February 12, 2025

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

as Trustee

Series A-12 Senior Secured Convertible Note Due 2026

WORKHORSE GROUP INC.

**TWELFTH SUPPLEMENTAL INDENTURE TO
INDENTURE DATED DECEMBER 27, 2023**

Series A-12 Senior Convertible Note Due 2026

TWELFTH SUPPLEMENTAL INDENTURE, dated as of February 12, 2025 (this "**Twelfth Supplemental Indenture**"), between **WORKHORSE GROUP INC.**, a Nevada corporation (the "**Company**"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as Trustee (the "**Trustee**").

RECITALS

A. The Company filed a registration statement on Form S-3 on July 20, 2023 (File Number 333-273357) (the "**Registration Statement**") with the Securities and Exchange Commission (the "**SEC**") pursuant to Rule 415 under the Securities Act of 1933, as amended (the "**Securities Act**") and the Registration Statement has been declared effective by the SEC on July 28, 2023.

B. The Company has heretofore executed and delivered to the Trustee an Indenture, dated as of December 27, 2023, substantially in the form filed as an exhibit to the Registration Statement (the "**Base Indenture**"), the Supplemental Indenture, dated as of December 27, 2023 (the "**First Supplemental Indenture**"), the Second Supplemental Indenture, dated as of March 15, 2024 (the "**Second Supplemental Indenture**"), the Third Supplemental Indenture, dated as of May 10, 2024 (the "**Third Supplemental Indenture**"), the Fourth Supplemental Indenture, dated as of May 29, 2024 (the "**Fourth Supplemental Indenture**"), the Fifth Supplemental Indenture, dated as of July 18, 2024 (the "**Fifth Supplemental Indenture**"), the Sixth Supplemental Indenture, dated as of August 23, 2024 (the "**Sixth Supplemental Indenture**"), the Seventh Supplemental Indenture, dated as of September 30, 2024 (the "**Seventh Supplemental Indenture**"), the Eighth Supplemental Indenture, dated as of October 16, 2024 (the "**Eighth Supplemental Indenture**"), the Ninth Supplemental Indenture, dated as of November 27, 2024 (the "**Ninth Supplemental Indenture**"), the Tenth Supplemental Indenture, dated as of December 16, 2024 (the "**Tenth Supplemental Indenture**"), and the Eleventh Supplemental Indenture, dated as of January 27, 2025 (the "**Eleventh Supplemental Indenture**", and collectively with the Base Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, and the Tenth Supplemental Indenture, the "**Indenture**"), providing for the issuance from time to time of Securities (as defined in the Indenture) by the Company.

C. The Indenture has been qualified under the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**").

D. Section 2 of the Indenture provides for various matters with respect to any series of Securities issued under the Indenture to be established in an indenture supplemental to the Indenture.

E. Section 9.01 of the Indenture provides that, without the consent of the Holders, the Company and the Trustee may enter into an indenture supplemental to the Indenture to establish the form or terms of Securities of any series as provided by Section 2 of the Indenture.

F. In accordance with that certain Securities Purchase Agreement, dated March 15, 2024 (the "**Securities Purchase Agreement**"), by and among the Company and the investors party thereto or their registered assigns (the "**Investors**"), at the applicable Closing (as defined in the Securities Purchase Agreement) related to this Twelfth Supplemental Indenture, the Company has agreed to sell to the Investors, and the Investors have agreed to purchase from the Company, up to $35,000,000 in aggregate principal amount of Notes (in one or more tranches, in accordance with the terms of the Securities Purchase Agreement), subject to the satisfaction of certain terms and conditions set forth in the Securities Purchase Agreement, in each case, pursuant to (i) the Indenture, (ii) this Twelfth Supplemental Indenture, (iii) the Securities Purchase Agreement, (iv) the Security Agreement (defined below), (v) Subsidiary Guarantee (defined below) and (vi) the Registration Statement.

G. In connection with the Securities Purchase Agreement, the Company and each other Grantor (as defined in the Security Agreement) (together with the

Company, each a "**Grantor**", and collectively, the "**Grantors**") and the Agent (as defined below), have entered into that certain Security Agreement, dated as of March 15, 2024, (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), pursuant to which each Grantor granted a first priority security interest in such Grantor's right, title and interest in the Collateral (as defined in the Security Agreement) to Horsepower Management LLC, as collateral agent for the Investors (in such capacity, the "**Agent**"), to secure all obligations owed to the Agent and the Investors under the Transaction Documents (as defined in the Securities Purchase Agreement).

H. In connection with the Securities Purchase Agreement, that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of March 15, 2024 (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Mortgage**") was made by Workhorse Motor Works Inc. in favor of the Agent, to secure all obligations owed to the Agent and the Investors under the Transaction Documents (as defined in the Securities Purchase Agreement).

I. In connection with the Securities Purchase Agreement, certain affiliates and subsidiaries of the Company (each, a "**Guarantor**", and collectively, the "**Guarantors**"), have entered into that certain Subsidiary Guarantee, dated as of March 15, 2024, (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Subsidiary Guarantee**"), pursuant to which each Guarantor has guaranteed the obligations owed to the Agent and the Investors under the Transaction Documents (as defined in the Securities Purchase Agreement).

J. The Company hereby desires to supplement the Indenture pursuant to this Twelfth Supplemental Indenture to set forth the terms and conditions of the Notes to be issued in accordance herewith.

NOW, THEREFORE, THIS TWELFTH SUPPLEMENTAL INDENTURE WITNESSETH, for and in consideration of the premises and the issuance of the series of Securities provided for herein, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities of such series, as follows:

ARTICLE I

RELATION TO INDENTURE; DEFINITIONS

Section 1.1. RELATION TO INDENTURE. This Twelfth Supplemental Indenture constitutes an integral part of the Indenture.

Section 1.2. DEFINITIONS. For all purposes of this Twelfth Supplemental Indenture:

(a) Capitalized terms used herein without definition shall have the meanings specified in the Indenture or in the Notes, as applicable;

(b) All references herein to Articles and Sections, unless otherwise specified, refer to the corresponding Articles and Sections of this Twelfth Supplemental Indenture; and

(c) The terms "herein," "hereof," "hereunder" and other words of similar import refer to this Twelfth Supplemental Indenture.

ARTICLE II

THE SERIES OF SECURITIES

Section 2.1. TITLE. There shall be a series of Securities designated the "Series A-12 Senior Secured Convertible Notes Due 2026" (the "**Notes**").

Section 2.2. LIMITATION ON AGGREGATE PRINCIPAL AMOUNT. The aggregate principal amount of the Notes to be sold pursuant to the Securities Purchase Agreement and to be issued pursuant to this Twelfth Supplemental Indenture on the date hereof shall be $35,000,000.

Section 2.3. PRINCIPAL PAYMENT DATE. The principal amount of the Notes outstanding (together with any accrued and unpaid interest and other amounts) shall be payable in accordance with the terms and conditions set forth in the Notes on each Conversion Date, Alternate Conversion Date, redemption date and on the Maturity Date, in each case as defined in the Notes.

Section 2.4. INTEREST AND INTEREST RATES. Interest shall accrue and shall be payable at such times and in the manner set forth in the Notes.

Section 2.5. PLACE OF PAYMENT. Except as otherwise provided by the Notes, the place of payment where the Notes may be presented or surrendered for payment, where the Notes may be surrendered for registration of transfer or exchange (to the extent required or permitted, as applicable, by the terms of the Notes) and where notices and demand to or upon the Trustee in respect of the Notes and the Indenture may be served shall be: U.S. Bank Trust Company, National Association, CN-OH-W6CT; 425 Walnut Street, Cincinnati, OH 45202, Attn.: Corporate Trust - Workhorse Group Inc.; Telephone: (513) 632-2077; Email: Daniel.Boyers@usbank.com.

Section 2.6. REDEMPTION. The Company may redeem the Notes, in whole or in part, at such times and in the manner set forth in the Notes.

Section 2.7. DENOMINATION. The Notes shall be issuable only in registered form without coupons and in minimum denominations of $1,000 and integral multiples in excess thereof.

Section 2.8. CURRENCY. Principal and interest and any other amounts payable, from time to time, on the Notes shall be payable in such coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts in accordance with Section 26(b) of the Notes.

Section 2.9. FORM OF SECURITIES. The Notes shall be issued in the form attached hereto as **Exhibit A**. **Exhibit A** also includes the form of Trustee's certificate of authentication for the Notes. The Company has elected to issue only definitive Securities and shall not issue any global Securities hereunder.

Section 2.10. CONVERTIBLE SECURITIES. The Notes are convertible into shares of Common Stock (as defined in the Notes) of the Company upon the terms and conditions set forth in the Notes and all references to "Common Stock" in the Indenture shall be deemed to be references to Common Stock for all purposes thereunder. In connection with any conversion of any given Note into Common Stock, the Trustee may rely conclusively, without any independent investigation, on any Conversion Notice (as defined in the Notes) executed by the applicable Holder of such Note and an Acknowledgement (as defined in the Notes) signed by the Company (in each case, in the forms attached as Exhibits I and II to the Note), in lieu of the Company's obligations to deliver an Officer's Certificate, Board Resolution or an Opinion of Counsel

pursuant to Article Two, Article Three, Section 7.02 or Section 7.07 of the Indenture in connection with any conversion of any Note. The applicable Conversion Notice and/or Acknowledgement (unless subsequently revoked or withdrawn) shall be deemed to be a joint instruction by the Company and such Holder to the Trustee to record on the register of the Notes such conversion and decrease in the principal amount of such Note by such aggregate principal amount of the Note converted, in each case, as set forth in such applicable Conversion Notice and/or Acknowledgement.

Section 2.11. REGISTRAR. The Trustee shall only serve initially as the Security Registrar and not as a paying agent and, in such capacity, shall maintain a register (the "**Security Register**") in which the Trustee shall register the Notes and transfers of the Notes. The entries in the Security Register shall be conclusive and binding for all purposes absent manifest error. The initial Security Register shall be created by the Trustee in connection with the authentication of the initial Notes in the names and amounts detailed in the related Company Order. No Note may be transferred or exchanged except in compliance with the authentication procedures of the Trustee in accordance with this Twelfth Supplemental Indenture. The Trustee shall not register a transfer, exchange, redemption, conversion, cancellation or any other action with respect to a Note unless instructed to do so in an Officer's Certificate, the Company's order for the authentication and delivery of such Note, Conversion Notice and/or Acknowledgement, as applicable. Each Officer's Certificate, Company's order for the authentication and delivery of such Note, Conversion Notice and/or Acknowledgement, as applicable, given to the Trustee in accordance with this Section 2.11 shall constitute a representation and warranty to the Trustee that the Trustee shall be fully indemnified in connection with any liability arising out of or related to any action taken by the Trustee in good faith reliance on such Officer's Certificate, Company's order for the authentication and delivery of such Note, Conversion Notice and/or Acknowledgement, as applicable.

Section 2.12. SINKING FUND OBLIGATIONS. The Company has no obligation to redeem or purchase any Notes pursuant to any sinking fund or analogous requirement or upon the happening of a specified event or at the option of a Holder thereof.

Section 2.13. NO PAYING AGENT. Notwithstanding anything in Sections 3.02 or 4.03 of the Indenture to the contrary, the Company shall not be required to appoint and has not appointed any Paying Agent in respect of the Notes pursuant to the Indenture or any Supplemental Indenture and all amounts payable, from time to time, pursuant to the Notes shall, for so long as so long as no Paying Agent has been appointed, be paid directly by the Company to the applicable Holder. Unless or until notified otherwise, the Trustee may conclude all payments have been made when due including principal at maturity. The Company shall provide notification to the Trustee otherwise including any changes in principal prior to maturity in order for the Trustee to maintain accurate records as Security Register.

Section 2.14. EVENTS OF DEFAULT. The Company has elected that the provisions of Section 4 of the Notes shall govern all Events of Default in lieu of Section 6 of the Indenture.

Section 2.15. EXCLUDED DEFINITIONS. The Company has elected that none of the following definitions in the Indenture shall be applicable to the Notes and any analogous definitions set forth in the Notes shall govern in lieu thereof:

- Definition of "Business Day" in Section 1.01;
- Definition of "Event of Default" in Sections 1.01 or 6.01;
- Definition of "Person" in Section 1.01; and
- Definition of "Subsidiary" in Section 1.01.

Section 2.16. EXCLUDED PROVISIONS. The Company has elected that none of the following provisions of the Indenture shall be applicable to the Notes and any analogous provisions (including definitions related thereto) of this Twelfth Supplemental Indenture and/or the Notes shall govern in lieu thereof:

- Section 2.03 (Denominations; Provisions for Payment)
- Section 2.05 (Registration of Transfer and Exchange)
- Section 2.06 (Temporary Securities)
- Section 2.07 (Mutilated, Destroyed, Lost or Stolen Securities)
- Section 2.10 (Authenticating Agent)
- Section 2.11 (Global Securities)
- Article 3 (Redemption)
- Section 4.03 (Paying Agents)
- Article 6 (Remedies of the Trustee and Securityholders on Event of Default)
- Section 9.01 (Without Consent of Holders)
- Article 10 (Successor Entity)
- Article 11 (Satisfaction and Discharge)
- Article 12 (Immunity of Incorporators, Stockholders, Officers and Directors)
- Section 13.05 (Governing Law; Jury Trial Waiver)

Section 2.17. COVENANTS. In addition to any covenants set forth in Article 4 of the Indenture, the Company shall comply with the additional covenants set forth in Section 15 of the Notes.

Section 2.18. IMMEDIATELY AVAILABLE FUNDS. All cash payments of principal and interest shall be made in U.S. dollars and immediately available funds.

Section 2.19. TRUSTEE MATTERS.

(a) Duties of Trustee. Notwithstanding anything in the Indenture to the contrary:

(i) the sole duty of the Trustee is to act as the Security Registrar unless otherwise agreed to by Horsepower Opportunities LLC or its registered assigns (the "**Required Holder**"), the Trustee and the Company in an additional supplemental Indenture (other than this Twelfth Supplemental Indenture) or as separately agreed to in a writing by the Trustee and the Required Holder;

(ii) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder (including as Security Registrar), and to each agent, custodian, and any other such Persons employed to act hereunder;

(iii) the Trustee has no duty to make any calculations called for under the Notes, and shall be protected in conclusively relying without liability upon an Officer's Certificate with respect thereto without independent verification;

(iv) for the protection and enforcement of the provisions of the Indenture, this Twelfth Supplemental Indenture and the Notes, the Trustee shall be entitled to such relief as can be given at either law or equity;

(v) in the event that the Holders of the Notes have waived any Event of Default with respect to this Twelfth Supplemental Indenture or the Notes, the default covered thereby shall be deemed to be cured for all purposes hereunder and the Company, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other default to impair any right consequent thereon;

(vi) the Trustee makes no representation as to the validity or value of any securities or assets issued upon conversion of the Notes, and the Trustee shall not be responsible for the failure by the Company to comply with any provisions of the Notes;

(vii) the Trustee will not at any time be under any duty or responsibility to any Holder to determine the Conversion Price (as defined in the Notes) (or any adjustment thereto) or whether any facts exist that may require any adjustment to the Conversion Price, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in the Indenture, this Twelfth Supplemental Indenture, in any supplemental indenture or the Notes provided to be employed, in making the same;

(viii) the Trustee will not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities, cash or other property that may at any time be issued or delivered upon the conversion of any Note; and the Trustee makes any representations with respect thereto; and

(ix) the Trustee will not be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities, cash or other property upon the surrender of any Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company with respect thereto.

(b) Additional Indemnification. In addition to any indemnification rights set forth in the Indenture, the Company agrees the Trustee may retain one separate counsel on behalf of itself and the Holders (and in the case of an actual or perceived conflict of interest, one additional separate counsel on behalf of the Holders) and, if deemed advisable by such counsel, local counsel, and the Company shall pay the reasonable fees and expenses of such separate counsel and local counsel.

(c) Successor Trustee Petition Right. If an instrument of acceptance by a successor Trustee required by Section 7.08 or 7.09 of the Indenture has not been delivered to the Trustee within 30 days after the giving of a notice of removal, the Trustee being removed, at the expense of the Company, may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(d) Trustee as Creditor. If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

(e) Reports by the Company. The parties hereto acknowledge and agree that delivery of such reports, information, and documents to the Trustee pursuant to the provisions of Section 4.05 of the Indenture is for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive knowledge or notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates). The Trustee shall have no duty to monitor or confirm, on a continuing basis or otherwise, the Company's or any other Person's compliance with any of the covenants under the Indenture and this Twelfth Supplemental Indenture, to determine whether such reports, information or documents are available on the SEC's website (including the EDGAR system or any successor system,) the Company's website or otherwise, to examine such reports, information, documents and other reports to ensure compliance with the provisions of this Indenture, or to ascertain the correctness or otherwise of the information or the statements contained therein.

(f) Statements by Officers as to Default. In addition to the Company's obligations pursuant to the Indenture, the Company agrees as follows:

(i) Annually, within 120 days after the close of each fiscal year beginning with the first fiscal year during which the Notes remain outstanding, the Company will deliver to the Trustee an Officer's Certificate (one of which Officers signatory thereto shall be the Chief Executive Officer, Chief Financial Officer or Chief Corporate and Strategy Officer of the Company) as to the knowledge of such Officers of the Company's compliance (without regard to any period of grace or requirement of notice provided herein) with all conditions and covenants under the Indenture, this First Supplemental Indenture and the Notes and, if any Event of Default has occurred and is continuing, specifying all such Events of Defaults and the nature and status thereof of which such Officers have knowledge.

(ii) The Company shall, so long as any of the Notes remain outstanding, deliver to the Trustee, as soon as practicable and in any event within 30 days after the Company becomes aware of any Event of Default, an Officer's Certificate specifying such Events of Default, its status and the actions that the Company is taking or proposes to take in respect thereof.

(g) Further Instruments and Acts. Upon request of the Trustee, the Company will execute and deliver such further instruments and perform such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of the Indenture and this Twelfth Supplemental Indenture.

(h) Expense. Notwithstanding anything in the Indenture to the contrary, any actions taken by the Trustee in any capacity shall be at the Company's reasonable expense.

Section 2.20. SATISFACTION; DISCHARGE. The Indenture and this Twelfth Supplemental Indenture will be discharged and will cease to be of further effect with respect to the Notes (except as to any surviving rights expressly provided for herein and in the Transaction Documents (as defined in the Securities Purchase Agreement)), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of the Indenture and this Twelfth Supplemental Indenture with respect to the Notes, when all outstanding amounts under the Notes shall have been paid in full (and/or converted into shares of Common Stock or other securities in accordance therewith) and no other obligations remain outstanding pursuant to the terms of the Notes, this Twelfth Supplemental Indenture, the Indenture and/or the other Transaction Documents, as applicable, which have not been paid in full by the Company, and when the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of the Indenture and this Twelfth Supplemental Indenture with respect to the Notes have been complied with. Notwithstanding the satisfaction and discharge of the Indenture and this Twelfth Supplemental Indenture, the obligations of the Company to the Trustee under Section 7.06 of the Indenture shall survive.

Section 2.21. CONTROL BY SECURITYHOLDERS. The Required Holder shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to the Notes; provided, however, that such direction shall not be in conflict with any rule of law. Subject to the provisions of Section 7.01 of the Indenture and this Twelfth Supplemental Indenture, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceeding so directed would involve the Trustee in personal liability. The Notes may be amended, modified or waived, as applicable, in accordance with Section 18 of the Notes. Upon any waiver of any term of the Notes, the default covered thereby shall be deemed to be cured for all purposes of the Indenture, this Twelfth Supplemental Indenture, the Notes and the Company, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE III

EXPENSES

Section 3.1. PAYMENT OF EXPENSES. In connection with the offering, sale and issuance of the Notes, the Company, in its capacity as issuer of the Notes, shall pay all reasonable, documented out-of-pocket costs and expenses relating to the offering, sale and issuance of the Notes and compensation and expenses of the Trustee under the Indenture in accordance with the provisions of Section 7.06 of the Indenture.

Section 3.2. PAYMENT UPON RESIGNATION OR REMOVAL. Upon termination of this Twelfth Supplemental Indenture or the Indenture or the removal or resignation of the Trustee, unless otherwise stated, the Company shall pay to the Trustee all reasonable, documented out-of-pocket amounts, fees and expenses (including reasonable attorney's fees and expenses) accrued to the date of such termination, removal or resignation.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1. TRUSTEE NOT RESPONSIBLE FOR RECITALS. The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Twelfth Supplemental Indenture.

Section 4.2. ADOPTION, RATIFICATION AND CONFIRMATION. The Indenture, as supplemented and amended by this Twelfth Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed.

Section 4.3. CONFLICT WITH INDENTURE; TRUST INDENTURE ACT. Notwithstanding anything to the contrary in the Indenture, if any conflict arises between the terms and conditions of this Twelfth Supplemental Indenture (including, without limitation, the terms and conditions of the Notes) and the Indenture, the terms and conditions of this Twelfth Supplemental Indenture (including the Notes) shall control; provided, however, that if any provision of this Twelfth Supplemental Indenture or the Notes limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required thereunder to be a part of and govern this Twelfth Supplemental Indenture, the latter provisions shall control. If any provision of this Twelfth Supplemental Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provisions shall be deemed to apply to the Indenture as so modified or excluded, as the case may be.

Section 4.4. AMENDMENTS; WAIVER. This Twelfth Supplemental Indenture may be amended by the written consent of the Company and the Required Holder; provided however, no amendment shall adversely impact the rights, duties, immunities or liabilities of the Trustee without its prior written consent. Notwithstanding anything in any other Transaction Document to the contrary, no amendment to any Transaction Document that adversely impact the rights, duties, immunities or liabilities of the Trustee hereunder, pursuant to the Indenture and/or the Notes, as applicable, shall be effective without the Trustee's prior written consent. No provision hereof may be waived other than by an instrument in writing signed by the party against whom enforcement is sought.

Section 4.5. SUCCESSORS. This Twelfth Supplemental Indenture shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any purchasers of the Notes.

Section 4.6. SEVERABILITY; ENTIRE AGREEMENT. If any provision of this Twelfth Supplemental Indenture shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Twelfth Supplemental Indenture in that jurisdiction or the validity or enforceability of any provision of this Twelfth Supplemental Indenture in any other jurisdiction. The Indenture, this Twelfth Supplemental Indenture, the Transaction Documents and the exhibits hereto and thereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 4.7. COUNTERPARTS. This Twelfth Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 4.8. GOVERNING LAW. This Twelfth Supplemental Indenture and the Indenture shall each be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware. Except as otherwise required by Section 25 of the Notes, the Company hereby irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein (i) shall be deemed or operate to preclude any Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to such Holder, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other court ruling in favor of such Holder or (ii) shall limit, or shall be deemed or construed to limit, any provision of Section 25 of the Notes. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS TWELFTH SUPPLEMENTAL INDENTURE OR ANY TRANSACTION CONTEMPLATED HEREBY.**

Section 4.9. U.S.A. PATRIOT ACT. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Supplemental Indenture agree that they shall provide the Trustee with such information as it may reasonably request in order for the Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

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IN WITNESS WHEREOF, the parties hereto have caused this Twelfth Supplemental Indenture to be duly executed on the date or dates indicated in the acknowledgments and as of the day and year first above written.

WORKHORSE GROUP INC.

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Title:

EXHIBIT A

(FORM OF NOTE)

Exhibit 10.2

[Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation S-K and, where applicable, have been marked with "[*]" to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) is the type that the registrant treats as private or confidential.]

WORKHORSE GROUP INC.
3600 Park 42 Drive
Suite 160E
Sharonville, Ohio 45241

February 12, 2025

The Investor (as defined below)
signatory hereto.

Re: Workhorse Group, Inc.

Dear Sir or Madam:

Reference is hereby made to that certain Securities Purchase Agreement (the "**Securities Purchase Agreement**"), dated March 15, 2024, by and between [*] (the "**Original Investor**") and Workhorse Group Inc., a Nevada corporation with offices located at 3600 Park 42 Drive, Suite 160E, Sharonville, Ohio 45241 (the "**Company**"), pursuant to which the Company, subject to the satisfaction of certain conditions set forth therein, has sold (with respect to the Original Investor), and may sell (with respect to the Investor (as defined below)), certain Notes (as defined in the Securities Purchase Agreement) and Warrants (as defined in the Securities Purchase Agreement). Prior to the date hereof, pursuant to that certain assignment agreement, dated February 12, 2025, the Original Investor assigned its rights to purchase Additional Notes and Additional Warrants pursuant to the Securities Purchase Agreement to the undersigned (the "**Investor**"). Capitalized terms not defined herein shall have the meaning as set forth in the Securities Purchase Agreement.

The Company and the Investor mutually desire to consummate an Additional Closing of (i) at least $35 million in aggregate principal amount of Additional Notes (the "**Proposed Additional Note**", such aggregate principal amount of such Proposed Additional Note, the "**Proposed Principal Amount**" and such Additional Closing with respect thereto, the "**Proposed Additional Closing**") and (ii) certain Additional Warrants, which shall be subject to the terms and conditions of this letter agreement, as follows:

(a) Lockbox Agreement. Prior to the time of the Proposed Additional Closing, the Company and the Collateral Agent, for the benefit of the Investor, shall enter into a deposit account control agreement (the "**Lockbox DACA**"), in form and substance satisfactory to the Company and the Collateral Agent, with respect to Account Number: [*] (the "**Lockbox Account**") with [*] (including any successor thereto approved by the Collateral Agent, in its sole discretion, the "**Lockbox Bank**"), which Lockbox Account shall be subject to the restriction that no Cash deposited into such Lockbox Account shall be released by the Lockbox Bank to the Company (or at the direction of the Company) without the written signature of the Collateral Agent. The Lockbox DACA shall provide, among other things, that (A) the Lockbox Bank will comply with any and all instructions originated by the Collateral Agent directing the disposition of any Cash (and/or other assets, as applicable) in the Lockbox Account without further consent by the Company or any of its Subsidiaries, (B) the Lockbox Bank shall waive, subordinate and agree not to exercise any rights of setoff or recoupment or any other claim against the Lockbox Account other than for payment of its service fees and other charges directly related to the administration of the Lockbox Account and for returned checks or other items of payment, and (C) the Lockbox Bank shall not comply with any instructions, directions or orders of any form with respect to the Lockbox Account other than instructions, directions or orders originated by the Collateral Agent.

(b) Deposit with respect to Proposed Additional Closing; Restricted Principal. On the Additional Closing Date with respect to the Proposed Additional Closing, the Company shall direct the Investor to wire $30,392,500 of the Purchase Price (the "**Initial Lockbox Deposit Amount**") of the Investor with respect to the Proposed Additional Closing to be deposited into the Lockbox Account. The Company and the Investor hereby acknowledge and agree that as of the Additional Closing Date with respect to the Proposed Additional Closing and deposit of such Initial Lockbox Deposit Amount into the Lockbox Account, an Initial Lockbox Deposit Amount of Restricted Principal shall exist under the Proposed Additional Note. The Company shall maintain a register of any Restricted Principal (as defined below) in the Proposed Additional Note, from time to time, and each occurrence of all, or any part, of Restricted Principal becoming unrestricted upon any Lockbox Release Event (as defined below). Any conversion notice with respect to the Proposed Additional Note shall specify whether any Restricted Principal is being converted thereunder.

(c) Lockbox Release Event.

(i) Upon the occurrence of any Lockbox Release Event, the Collateral Agent shall, as soon as commercially practicable, but in no event later than one (1) Trading Day thereafter, cause a Cash amount equal to such applicable Lockbox Release Amount subject to such Lockbox Release Event to be released from the Lockbox Account (as calculated in accordance with the definition of Lockbox Release Event below, each, a "**Lockbox Release Amount**") and deposited into a bank account specified in writing by the Company on or prior to such date (each a "**Lockbox Release**"); provided, that if the Company fails to select a bank account in a writing delivered to the Collateral Agent on or prior to such first Trading Day, the Collateral Agent shall effect such Lockbox Release as soon as commercially practicable after receipt of such bank account election from the Company.

(ii) For the purpose of this Agreement, the following definitions shall apply:

a. "**Cash**" of the Company and its Subsidiaries on any date shall be determined from such Persons' books maintained in accordance with GAAP, and means, without duplication, the cash, cash equivalents and Eligible Marketable Securities accrued by the Company and its wholly owned Subsidiaries on a consolidated basis on such date.

b. "**Eligible Marketable Securities**" as of any date means marketable securities which would be reflected on a consolidated balance sheet of the Company and its Subsidiaries prepared as of such date in accordance with GAAP, and which are permitted under the Company's investment policies as in effect on the Issuance Date or approved thereafter by the Company's Board of Directors.

c. "**Lockbox Release Amount**" means, with respect to any given Lockbox Release Event, such amount of Cash as specified in the applicable clause of the definition of "Lockbox Release Event".

d. "**Lockbox Release Event**" means, as applicable, (i) with respect to any voluntary conversion of this Note, each of (A) the Company's receipt of a Conversion Notice pursuant to the Proposed Additional Note executed by the Investor in which all, or any part, of the Conversion Amount to be converted includes any Restricted Principal, the amount of Cash from the Lockbox Account equal to the lesser of (x) the remaining Cash (and/or other assets) in the Lockbox Account and (y) such portion of the Cash (and/or other assets) in the Lockbox Account represented by Restricted Principal subject to conversion in such applicable Conversion Notice and (B) the Company's receipt of written confirmation by the Investor that the Common Stock issued pursuant to such Conversion Notice have been properly delivered in accordance with Section 3(c) of the Proposed Additional Note (in each case, as adjusted, if applicable, to reflect the withdrawal of any Conversion Notice, in whole or in part, by the Investor, whether pursuant to Section 3(c)(ii) of the Proposed Additional Note or otherwise), (ii) the Company's receipt of a notice by the Investor voluntarily electing to effect a release of all, or any part, of any Cash (and/or other assets) then held in the Lockbox Account, (iii) such date that no Restricted Principal remains outstanding, (iv) on March 3, 2025 (and on the first (1st) Trading Day of each calendar month thereafter), if no Equity Conditions Failure (as defined in the Proposed Additional Note) then exits and, as of such date of determination, no Lockbox Volume Failure (as defined below) or Lockbox Price Failure (as defined below) then exists, the lesser of (x) the remaining Cash (and/or other assets) in the Lockbox Account and (y) the applicable Market Release Amount of Cash then held in the Lockbox Account, but not with respect to any other Cash (and/or other assets) then held in the Lockbox Account or (v) if for any consecutive thirty (30) Trading Day period after the Issuance Date (as defined in the Proposed Additional Note), no Equity Conditions Failure (as defined in the Proposed Additional Note) exits and, as of such date of determination, no Lockbox Volume Failure (as defined below) or Lockbox Price Failure (as defined below) then exists, as applicable, and the Company delivers a written notice to the Investor and the Collateral Agent certifying to the foregoing (each, a "**Market Release Event**"), solely with respect to the applicable Market Release Amount, but not with respect to any other Cash (and/or other assets) then held in the Lockbox Account; provided that only one (1) Market Release Event may occur in any thirty (30) Trading Day period.

e. "**Lockbox Volume Failure**" means, with respect to a particular date of determination, the aggregate daily dollar trading volume (as reported on Bloomberg) of the Common Stock on the Principal Market on any Trading Day during the thirty (30) Trading Day period ending on the Trading Day immediately preceding such date of determination, is less than $5,000,000.

f. "**Lockbox Price Failure**" means, with respect to a particular date of determination, the VWAP of the Common Stock on any Trading Day during the thirty (30) Trading Day period ending on the Trading Day immediately preceding such date of determination fails to exceed $1.00 (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions occurring after the Issuance Date of the Proposed Additional Note) (each, a "**Lockbox Price Measuring Period**"). All such determinations to be appropriately adjusted for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions during any such measuring period.

g. "**Market Release Amount**" means, with respect to any given Lockbox Release Event, the lesser of (A) the remaining Cash (and/or other assets)in the Lockbox Account and (B) the difference of (x) $2,625,000 less (y) the aggregate amount of Cash (and/or other assets) released from the Lockbox Account to the Company during the applicable Lockbox Price Measuring Period, if any.

h. "**Restricted Principal**" means, as of any given date, the difference of (i) all Cash (and/or other assets) held in the Lockbox Account of the Collateral Agent, for the benefit of the Investor, as of the Additional Closing Date of the issuance of the Proposed Additional Note and (ii) all Cash (and/or other assets) released from the Lockbox of the Collateral Agent, for the benefit of the Investor, to the Company (or at the Company's direction) on or prior to such given date.

(d) Security Interest. In addition to, but not in limitation of, anything set forth in the Security Documents, the Company hereby grants and pledges to the Collateral Agent, for the benefit of the Investor, a continuing security interest in any Cash (or other assets), from time to time, in the Lockbox Account (the "**Cash Collateral**") to secure prompt repayment of any and all amounts outstanding hereunder and pursuant to the Transaction Documents from time to time and to secure prompt performance by the Company of each of its covenants and duties under the Transaction Documents. Such security interest constitutes a valid, first priority security interest in the presently existing Cash Collateral, and will constitute a valid, first priority security interest in later-acquired Cash Collateral. Notwithstanding any filings undertaken related to the Collateral Agent's rights under the New York Uniform Commercial Code or any other applicable law, rules and/or regulations with respect thereto, the Collateral Agent's Lien on the Cash Collateral shall remain in effect for so long as any Restricted Principal remains outstanding under the Proposed Additional Note and/or any Cash Payment Obligations (as defined below) exist. Notwithstanding the foregoing, upon any Lockbox Release, but solely with respect to such applicable Lockbox Release Amount, the Collateral Agent hereby automatically releases any Lien hereunder on such Lockbox Release Amount. The Company hereby (i) authorizes the Collateral Agent to file, one or more financing or continuation statements, and amendments thereto, relating to the Cash Collateral and (ii) ratifies such authorization to the extent that the Collateral Agent has filed any such financing or continuation statements, or amendments thereto, prior to the date hereof.

(e) Cash Payment Obligations. Notwithstanding anything herein to the contrary, at the option of the Investor, the Investor may satisfy all, or any part, of any redemption or other cash payment obligation of the Company pursuant to the Proposed Additional Note and/or pursuant to any other Transaction Document, including the reimbursement of any legal fees or expenses provided hereunder or thereunder (each, a "**Cash Payment Obligation**"), from the Cash Collateral in the Lockbox Account, including, without limitation, in connection with any redemption hereunder or payment due at the Maturity Date (as defined in the Proposed Additional Note). In connection with any Cash Payment Obligation hereunder, the Company hereby irrevocably consents to the Collateral Agent's delivery of an instruction letter to the Lockbox Bank to release Cash Collateral from the Lockbox Account in an amount not to exceed such Cash Payment Obligation to the Investor. In addition, upon the occurrence of any event which could reasonably be expected to result in a Cash Payment Obligation, the Collateral Agent may, at the Investor's option and written direction (which may be an e-mail), withdraw all, or any part, of the Cash Collateral in the Lockbox Account; provided that (x) such withdrawn amount shall not exceed such amount which the Investor reasonably believes would be necessary to satisfy such Cash Payment Obligation, and (y) such withdrawal shall not constitute the delivery of a Redemption Notice pursuant to the Proposed Additional Note or any other Note then held by the Investor (each, a "**Investor Note**") or payment pursuant to any Investor Note unless the Investor specifies in writing to the Company that the Investor has applied such Cash Collateral in satisfaction of such Cash Payment Obligation. For the avoidance of doubt, and not withstanding anything herein to the contrary, at such time as the only remaining Cash Payment Obligations hereunder and pursuant to the Transaction Documents equals (or is less than) the fair market value of the Cash Collateral then held in the Lockbox Account, the Collateral Agent shall be required to deliver an instruction letter to the Lockbox Bank to release Cash Collateral from the Lockbox Account to satisfy such Cash Payment Obligations prior to taking any actions against any other Collateral of the Company or demanding any other cash payment from the Company or any of its Subsidiaries with respect thereto.

(f) Lockbox Default. If the Lockbox Bank or the Company breaches any covenant or other term or condition of any Lockbox DACA or otherwise fails to promptly comply with the instructions of the Collateral Agent in connection with the Cash Collateral, the Collateral Agent may, upon receipt of written direction from the Investor (which may be an e-mail) at the Investor's option, withdraw the Cash Collateral from the Lockbox Bank and hold such Cash Collateral until such time as (x) the Company and the Collateral Agent have agreed upon a replacement Lockbox Bank and (y) a Lockbox DACA with respect to such Cash Collateral and a new account shall have been duly executed by the Company, the Collateral Agent and the replacement Lockbox Bank. Notwithstanding anything herein to the contrary, if the Company or any of its Subsidiaries receives any of the Cash Collateral in breach of any Lockbox DACA (or receives notice from the Collateral Agent that an amount was wired to the Company from the Lockbox Account without the proper authorization of the Collateral Agent and/or the Investor), the Company shall promptly cause such amounts to be returned to the Lockbox Account.

(g) Limited Waiver. Notwithstanding anything in the Note to the contrary, upon the occurrence of a Change of Control pursuant to which the Investor shall have delivered to the Company a Change of Control Redemption Notice that includes the redemption of all, or any part, of Restricted Principal (such aggregate amount of Restricted Principal, each a "**Change of Control Restricted Principal Amount**"), solely with respect to such applicable Change of Control Restricted Principal Amount, and not with respect to any other portion of any Conversion Amount to be redeemed pursuant to such applicable Change of Control Redemption Notice, the defined term "Redemption Premium" as used in Section 5(b) of the Note shall be waived, in part, such that "125%" as used therein shall be replaced with "110%" solely for the calculation of such portion of the Change of Control Redemption Price attributable to such Change of Control Restricted Principal Amount (and not with respect to any other portion of any Conversion Amount to be redeemed pursuant to such applicable Change of Control Redemption Notice).

At the request of either party, the other party shall execute, acknowledge and deliver, without further consideration, all such further assignments, conveyances, endorsements, deeds, powers of attorney, consents and other documents and take such other action as may be reasonably requested to consummate the transactions contemplated by this letter agreement.

Any term, provision, covenant, representation, warranty or condition of this letter agreement may be waived, but only by a written instrument signed by the party entitled to the benefits thereof. The failure or delay of any party at any time or times to require performance of any provision hereof or to exercise its rights with respect to any provision hereof shall in no manner operate as a waiver of or affect such party's right at a later time to enforce the same. No waiver by any party of any condition, or of the breach of any term, provision, covenant, representation or warranty contained in this letter agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or waiver of any other condition or of the breach of any other term, provision, covenant, representation or warranty. No modification or amendment of this letter agreement shall be valid and binding unless it be in writing and signed by all parties hereto.

The Company shall, on or before 8:30 a.m., New York City time, on the first business day after the date of this letter, file a Current Report on Form 8-K with the SEC disclosing all material terms of the transactions contemplated hereby and attaching the form of this letter as an exhibit thereto (collectively with all exhibits attached thereto, the "**8-K Filing**"). From and after the 8-K Filing, the Investor shall not be in possession of any material, nonpublic information received from the Company or any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agents, that is not disclosed in the 8-K Filing. In addition, effective upon the issuance of the 8-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any letter, whether written or oral, between the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Investor or any of its affiliates, on the other hand, shall terminate and be of no further force or effect. The Company understands and confirms that the Investor will rely on the foregoing representations in effecting transactions in securities of the Company.

All questions concerning the construction, validity, enforcement and interpretation of this letter agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this letter agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

This letter agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither the Company nor the Investor shall assign this letter agreement or any of their respective rights or obligations hereunder without the prior written consent of the other party.

This letter agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

If any term, provision, covenant or restriction of this letter agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this letter agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties shall negotiate in good faith to modify this letter agreement to preserve each party's anticipated benefits under this letter agreement.

This letter agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

The language used in this letter agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

[The remainder of the page is intentionally left blank]

To evidence your agreement to the above, please sign and date below.

Very truly yours,

WORKHORSE GROUP INC.

By: _____
Name:
Title:

ACCEPTED AND AGREED TO
AS OF THIS 12TH OF
FEBRUARY, 2025 BY:

[*]

By: _____
Name:
Title: