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

FORM 10-Q

☐ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-37673

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

Nevada	**26-1394771**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

48443 Alpha Drive #190, Wixom, Michigan 48393
(Address of principal executive offices, including zip code)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No ☐

The number of shares of the Registrant's Common Stock, $0.001 par value per share, outstanding as of November 9, 2026, was10,928,585.

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Forward-Looking Statements

The discussions in this Quarterly Report on Form 10-Q ("Report") contain forward-looking statements reflecting our current expectations that involve risks and uncertainties. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Some of these statements, when used in this Report, may be identified by the use of the words "plans", "expects" or "does not expect", "estimated", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "targets", "projects", "contemplates", "predicts", "potential", "continue", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might", "will" or "will be taken", "occur" or "be achieved". These are statements that relate to future periods and include, but are not limited to, statements about the anticipated benefits of our merger with Motiv Power Systems, Inc., the features, benefits and performance of our products, the market for modular AI computing, the development, production readiness and potential commercialization of our TerraPod modular data center platform, the development, completion and acceptance of the manufacturing spec unit and the payment of consideration by Rhaelm Holdings Limited ("Rhaelm") under our Manufacturing Spec Unit Purchase Agreement, the negotiation, execution and timing of a definitive supply agreement with Rhaelm, the contemplated contingent initial order for 150 TerraPod systems, any first-order prepayment and the U.S. right of first refusal, our potential admission to Rhaelm's blueprint collaboration as a supply-chain provider, anticipated TerraPod production timing and volumes, potential future commercial production and deployment of modular data center systems, our go-to-market approach, the expected date for initial production and delivery of any new product line, our ability to leverage existing capabilities in developing any new product line, the potential for revenue from any new product line to enable us to continue cost reduction efforts for our electric trucks, our ability to introduce new product offerings and increase revenue from existing products, expected expenses including those related to selling and marketing, product development and general and administrative, our beliefs regarding the health and growth of the market for our products, anticipated increase in our customer base, expansion of our products functionalities, expected revenue levels and sources of revenue, expected impact, if any, of legal proceedings, the adequacy of our liquidity and capital resources, including our ability to receive sufficient funding from our existing financing arrangements or from future financings and the expected terms of such financing, and expected growth in business. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from the forward-looking statements contained in this Report.

Factors that could cause actual results to differ materially include, but are not limited to: our ability to develop and manufacture our product portfolio, including the Class 5/6 W56 Step Van, Class 5/6 Stripped Chassis, Class 4 EPIC4 Shuttle Bus, School Bus, Box Truck, Work Truck, our ability to design and develop our new modular AI data center product line, and other programs; the non-binding nature of our letter of intent with Rhaelm and the risk that a definitive supply agreement will not be entered into; the risk that the conditions to the contemplated 150-unit contingent initial order, including Rhaelm's acceptance of the platform, definitive documentation and required internal approvals by Rhaelm, will not be met, that the order will not be placed or will not be placed on terms consistent with our expectations; our ability to successfully complete the manufacturing spec unit and the TerraPod systems, secure reliable sources of critical components, and retain or hire personnel necessary to support production of modular AI infrastructure products; the risk that market adoption and customer demand for TerraPod systems may not materialize as expected; the risk that the costs of developing and manufacturing the manufacturing spec unit and/or the TerraPod systems may exceed our expectations and that we may be unable to obtain sufficient funds from commercial partners or investors to offset such costs; the additional costs and resources associated with developing and commercializing new products and new markets, including our new modular AI data center product line; our ability to establish and maintain commercial partnerships and to attract and retain customers for our existing and new products, including for our new modular AI data center product line; the potential for distraction resulting from our efforts to develop any new product line; risks related to the development of the modular AI computing market; our ability to raise capital to fund our operations; ongoing, anticipated or unexpected changes in the U.S. political environment, including those resulting from the current presidential administration, control of Congress, and changes to regulatory agencies; the implementation of changes to the existing tariff regime by the current presidential administration and measures taken in response to such tariffs by foreign governments; risks associated with obtaining orders and executing upon such orders; the unavailability, reduction, elimination or adverse application of government subsidies and incentives or any challenge to or failure by the federal government, states or other governmental entities to adopt or enforce regulations such as the California Air Resources Board's Advanced Clean Fleet regulation; changes in attitude toward environmental, social, and governance matters among regulators, investors, and parties with which we do business; supply chain disruptions, including constraints on steel, semiconductors and other material inputs and resulting cost increases impacting our Company, our customers, our suppliers or the industry; our ability to capitalize on opportunities to deliver products to meet customer requirements; our limited operations and need to expand and enhance elements of our production process to fulfill product orders; our general inability to raise additional capital to fund our operations and business plan; our ability to receive sufficient proceeds from our current and any future financing arrangements to meet our liquidity needs and the potential costs, dilution and restrictions resulting from any such financing; our ability to maintain the listing of our securities on the Nasdaq Capital Market and the impact of any steps we have taken, including reverse splits of our Common Stock, or any future steps we may take to regain such compliance, on our operations, stock price and future access to liquidity; our ability to protect our intellectual property; market acceptance of our

products and the development of markets for our new products; our ability to obtain sufficient liquidity from operations and financing activities to continue as a going concern and our ability to control our expenses; the effectiveness of our cost control measures and impact such measures could have on our operations; potential competition, including without limitation shifts in technology; volatility in and deterioration of national and international capital markets and economic conditions; global and local business conditions; acts of war and/or terrorism, the ongoing conflict between Russia and Ukraine, and conflict or instability involving Iran or the Middle East, including disruptions in the Strait of Hormuz, and the resulting volatility in energy costs, and the impact of inflation and interest rates; the prices being charged by our competitors; our inability to retain key members of our management team; our inability to satisfy our customer warranty claims; the outcome of any regulatory or legal proceedings; and other risks and uncertainties and other factors discussed from time to time in our filings with the Securities and Exchange Commission ("SEC"), including under the "Risk Factors" section of our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K").

Forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Workhorse Group Inc.
Condensed Consolidated Balance Sheets

(in thousands, except share amounts)	September 30, 2026 (Unaudited)	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 4,868	$ 12,240
Restricted cash	525	680
Accounts receivable, less allowance for credit losses of $156 and $435 as of September 30, 2026 and December 31, 2025, respectively	2,799	3,889
Inventory, net	38,666	39,065
Prepaid expenses and other current assets	5,645	3,948
Total current assets	52,503	59,822
Property, plant and equipment, net	17,849	22,470
Goodwill	3,124	3,130
Intangible assets, net	9,767	10,182
Operating lease right-of-use assets, net	20,636	21,872
Other assets	638	416
Total Assets	$ 104,517	$ 117,892
Liabilities		
Current liabilities:		
Accounts payable	$ 17,026	$ 16,301
Accrued liabilities and other current liabilities	8,140	8,063
Deferred revenue	1,009	1,615
Warranty liability - current portion	2,342	3,183
Operating lease liability - current portion	2,110	3,616
Stock rights liability	—	6,074
Customer order credit agreement - related party	18,389	—
Convertible notes at fair value - related party, current portion	5,684	—
Total current liabilities	54,700	38,852
Operating lease liability - long-term	21,608	18,777
Cash flow credit agreement - related party	37,991	10,000
Convertible notes at fair value - related party - long-term	—	5,429
Warranty liability - long-term	2,250	1,792
Total Liabilities	116,549	74,850
Commitments and contingencies (Note 16)		
Stockholders' Equity (Deficit):		
Series A preferred stock, par value of $0.001 per share, 75,000,000 shares authorized, 0 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	—	—
Common stock, par value $0.001 per share, 36,000,000 shares authorized, 10,928,585 and 9,699,858 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	11	10
Additional paid-in capital	368,821	362,055
Accumulated deficit	(380,864)	(319,023)
Total stockholders' equity (deficit)	(12,032)	43,042
Total Liabilities and Stockholders' Equity	$ 104,517	$ 117,892

See accompanying notes to the Condensed Consolidated Financial Statements.

Workhorse Group Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

(in thousands, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Sales, net of returns and allowances	$ 6,137	$ 9,573	$ 14,028	$ 11,469
Cost of sales	15,697	10,970	38,542	15,304
Gross loss	(9,560)	(1,397)	(24,514)	(3,835)
Operating expenses:				
Selling, general and administrative	7,368	5,062	24,753	13,871
Research and development	3,749	2,793	11,926	9,650
Total operating expenses	11,117	7,855	36,679	23,521
Loss from operations	(20,677)	(9,252)	(61,193)	(27,356)
Interest expense, net	(1,379)	(5,623)	(2,533)	(13,018)
Change in fair value of convertible note	338	—	61	—
Change in fair value of stock rights	—	—	1,885	—
Other expense	(70)	1	(95)	(3)
Loss before benefit for income taxes	(21,788)	(14,874)	(61,875)	(40,377)
Benefit for income taxes	—	—	34	—
Net loss	$ (21,788)	$ (14,874)	$ (61,841)	$ (40,377)
Net loss per share of common stock				
Basic and Diluted	$ (2.00)	$ (1.55)	$ (5.84)	$ (4.29)
Weighted-average shares used in computing net loss per share of common stock				
Basic and Diluted	10,915	9,599	10,598	9,421

See accompanying notes to the Condensed Consolidated Financial Statements.

Workhorse Group Inc.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(Unaudited)

(in thousands)	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount	Number of Shares	Amount			
Balance as of December 31, 2025	—	$ —	9,700	$ 10	$ 362,055	$ (319,023)	$ 43,042
Common stock issued for stock rights	—	—	750	1	3,032	—	3,033
Net loss	—	—	—	—	—	(19,882)	(19,882)
Balance as of March 31, 2026	—	—	10,450	11	365,087	(338,905)	26,193
Common stock issued for stock rights	—	—	443	—	1,156	—	1,156
Net loss	—	—	—	—	—	(20,171)	(20,171)
Balance as of June 30, 2026	—	—	10,893	11	366,243	(359,076)	7,178
Stock-based compensation	—	—	36	—	489	—	489
Warrants issued under Credit Agreement amendments	—	—	—	—	2,089	—	2,089
Net loss	—	—	—	—	—	(21,788)	(21,788)
Balance as of September 30, 2026	—	$ —	10,929	$ 11	$ 368,821	$ (380,864)	$ (12,032)

See accompanying notes to the Condensed Consolidated Financial Statements.

Workhorse Group Inc.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(Unaudited)

(in thousands)	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount	Number of Shares	Amount			
Balance as of December 31, 2024	44,866	$ 45	9,328	$ 9	$ 214,063	$ (254,937)	$ (40,820)
Stock-based compensation	—	—	—	—	106	—	106
Exercise of stock options	—	—	3	—	—	—	—
Net loss	—	—	—	—	—	(12,656)	(12,656)
Balance as of March 31, 2025	44,866	45	9,331	9	214,169	(267,593)	(53,370)
Stock-based compensation	—	—	—	—	106	—	106
Net loss	—	—	—	—	—	(12,847)	(12,847)
Balance as of June 30, 2025	44,866	45	9,331	9	214,275	(280,440)	(66,111)
Stock-based compensation	—	—	—	—	75	—	75
Exercise of stock options	—	—	288	—	17	—	17
Net loss	—	—	—	—	—	(14,874)	(14,874)
Balance as of September 30, 2025	44,866	$ 45	9,619	$ 9	$ 214,367	$ (295,314)	$ (80,893)

See accompanying notes to the Condensed Consolidated Financial Statements.

Workhorse Group Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)	Nine Months Ended September 30, 2026	2025
Cash flows from operating activities:		
Net loss	$ (61,841)	$ (40,377)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5,222	695
Provision for allowance for credit losses	(82)	—
Provision for excess and obsolete inventory	1,342	—
Amortization of debt discount - Warrants	80	—
Non-cash lease expense	2,211	650
Warranty provision	4,424	1,925
Stock-based compensation	489	287
Non-cash interest expense and change in fair value of convertible notes	255	—
Non-cash change in fair value of stock rights	(6,074)	—
Non-cash conversion of stock rights	4,189	—
Loss on disposal of assets	137	—
Effects of changes in operating assets and liabilities:		
Accounts receivable	1,154	(1,388)
Inventory, net	(943)	(270)
Prepaid expenses and other current assets	(1,900)	24
Accounts payable	850	3,511
Accrued liabilities and other current liabilities	(5,478)	11,103
Operating lease liability	349	(647)
Net cash used in operating activities	(55,616)	(24,487)
Cash flows from investing activities:		
Capital expenditures	(300)	(375)
Net cash used in investing activities	(300)	(375)
Cash flows from financing activities:		
Proceeds from secured promissory note - related party	—	22,000
Proceeds from Cash Flow Credit Agreement - related party	30,000	—
Proceeds from Customer Order Credit Agreement - related party	20,000	—
Repayment of Customer Order Credit Agreement - related party	(1,611)	—
Exercise of options	—	17
Net cash provided by financing activities	48,389	22,017
Change in cash and cash equivalents and restricted cash	(7,527)	(2,845)
Cash and cash equivalents and restricted cash, beginning of the period	12,920	6,629
Cash and cash equivalents and restricted cash, end of the period	$ 5,393	$ 3,784
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 970	$ —
Cash paid for taxes	$ —	$ —

(in thousands)	Nine Months Ended September 30, 2026	2025
Non-cash investing and financing activities:		
Warrants issued in connection with Credit Agreement amendments	$ 2,089	$ —
Right-of-use assets obtained in exchange for operating lease liabilities	$ 976	$ —

See accompanying notes to the Condensed Consolidated Financial Statements.

1. SUMMARY OF BUSINESS AND SIGNIFICANT ACCOUNTING PRINCIPLES

Overview

Workhorse Group Inc. ("Workhorse," or the "Company") is an American industrial technology company. From its manufacturing facility in Union City, Indiana, Workhorse applies its electrification, high-voltage systems integration, ruggedized platform manufacturing and distributed energy capabilities to its electric commercial vehicles and modular AI infrastructure products. Our current commercial operations are primarily focused on providing sustainable and cost-effective solutions to the commercial transportation sector. We design and manufacture all-electric vehicles, including the technology that optimizes the way that these vehicles operate. The Company's vehicles are engineered for last-mile delivery, medium-duty operations, and a growing range of specialized applications. The Company is also developing a containerized modular artificial intelligence ("AI") data center product line intended to leverage its existing engineering and manufacturing capabilities.

Reverse Merger Transaction

On December 15, 2025 (the "Closing Date"), we completed our merger with Motiv Power Systems, Inc. ("Motiv"), pursuant to which Motiv became our indirect, wholly owned subsidiary (the "Merger"). Following the Merger, the Company has continued to operate under the legal name Workhorse Group Inc., which remains the registrant for the United States Securities and Exchange Commission ("SEC") reporting purposes, and Workhorse's common stock continues to be listed on The Nasdaq Stock Market LLC under the ticker symbol "WKHS." The Merger was accounted for as a reverse acquisition, with Motiv being treated as the acquirer for accounting purposes, in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, *Business Combinations.* Accordingly, the consolidated assets, liabilities and results of operations of Motiv became the historical consolidated financial statements of the combined company, and Workhorse's assets, liabilities and results of operations were consolidated with those of Motiv beginning on the acquisition date. Operations prior to the Merger are presented as those of Motiv in this and future reports. Workhorse's assets and liabilities were measured and recognized at their fair values as of the closing of the Merger. References to "Workhorse," the "Company," "we," "us," or "our," when used in the Condensed Consolidated Financial Statements incorporate the operations of Motiv unless otherwise indicated or the context requires otherwise. See further discussion of the transactions in connection with the Merger in Note 2, *Merger and Related Transactions* and Note 8, *Debt.*

Liquidity, Capital Resources, and Going Concern

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") applicable to a going concern. The going concern basis of presentation assumes that the Company will continue in operation for at least one year after the date these Condensed Consolidated Financial Statements are issued and will be able to realize assets and discharge its liabilities and commitments in the normal course of business. The Condensed Consolidated Financial Statements do not include any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

Pursuant to the requirements of FASB ASC Topic 205-40, *Presentation of Financial Statements - Going Concern*("ASC 205-40"), management must evaluate whether there are conditions and events, considered in aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for at least one year after the date that these Condensed Consolidated Financial Statements are issued. In accordance with ASC 205-40, management's analysis can only include the potential mitigating impact of management's plans that have not been fully implemented as of the issuance date if (i) it is probable that management's plans will be effectively implemented on a timely basis, and (ii) it is probable that the plans, when implemented, will alleviate the relevant conditions or events that raise substantial doubt about the Company's ability to continue as a going concern.

We had sales of $14.0 million, incurred a net loss of $61.8 million and used $55.6 million of cash in operating activities during the nine months ended September 30, 2026. As of September 30, 2026, the Company had negative working capital of $2.2 million, including $4.9 million of cash and cash equivalents and $0.5 million of restricted cash, and an accumulated deficit of $380.9 million.

As a result of our recurring losses from operations, accumulated deficit, projected capital needs, delays in bringing our vehicles to market and lower than expected market demand, management determined that substantial doubt exists regarding our ability

to continue as a going concern within one year after the issuance date of the accompanying Condensed Consolidated Financial Statements. Our ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next twelve months to improve our liquidity and working capital, which includes, but is not limited to:

- Generating revenue by increasing sales of our vehicles and other services;
- Generating revenue by developing a modular AI data center product line;
- Reducing redundant expenses and limiting non-strategic capital expenditures;
- Realizing synergies from the Merger, including savings from reducing contract manufacturers for Motiv products by manufacturing them in the Workhorse production facility;
- Continuing efforts to lower the total bill of material cost of our vehicles to be in line with internal combustion engine ("ICE") vehicles;
- Completing our entry into the modular AI data center category and developing the new product line;
- Obtaining proceeds from our current financing arrangements; and
- The consummation of a potential equity or equity-linked financing.

It is essential that we have access to capital as we bring our existing line of vehicles to market, scale up production and sales of such vehicles and continue to develop additional variations of our existing vehicles and our next generation of vehicles. There is no assurance that we will be successful in implementing management's plans to generate liquidity to fund these activities or other aspects of our short and long-term strategy, that our projections of our future capital needs will prove accurate or that any additional funding will be available or sufficient to continue operations in future periods.

Our revenues from operations are unlikely to be sufficient to meet our liquidity requirements for the twelve months following the date of the issuance of our Condensed Consolidated Financial Statements, and, accordingly, our ability to continue as a going concern depends on our ability to obtain proceeds from external financing. We currently expect that our primary sources of financing will be the Credit Agreements (as defined below in Note 2, *Merger and Related Transactions*) and a potential equity or equity-linked financing.

Because the public float of our Common Stock is currently less than $75.0 million, the SEC's "baby shelf" rules will limit the amount of securities we can offer and sell pursuant to a registration statement on Form S-3, including Common Stock and all other securities, to one-third of our public float in any twelve-month period. Accordingly, our ability to obtain liquidity through registered offerings of securities is substantially limited.

As of September 30, 2026, our stockholders' deficit of $12.0 million was below the $2.5 million minimum stockholders' equity required for continued listing on The Nasdaq Capital Market, and our continued listing currently depends on satisfying an alternative standard based on the market value of our listed securities. If we fail to satisfy Nasdaq's continued listing requirements and our Common Stock is delisted, our ability to obtain financing would be further limited.

Subject to certain conditions, the Credit Agreements permit the Company to raise funds through an equity or equity-linked financing; however, the consummation of such a transaction is not probable as of the issuance date of the accompanying Condensed Consolidated Financial Statements.

Because of the foregoing, our ability to obtain proceeds from additional financings is extremely limited under current conditions, and if we are unable to obtain such proceeds, we may need to further adjust our operations and/or elect or be required to seek protection by filing a voluntary petition for relief under the Bankruptcy Code. If this were to occur, the value available to our various stakeholders, including our creditors and stockholders, is uncertain and trading prices for our securities may bear little or no relationship to the actual recovery, if any, by holders of our securities in bankruptcy proceedings.

In order to manage liquidity and operating capital, in August 2025, the Company entered into certain transactions, including the Convertible Financing (described in Note 8, *Debt*) and the Sale-Leaseback transaction (described in Note 2, *Merger and Related Transactions*), pursuant to which the Company received gross proceeds of $25.0 million. As of September 30, 2026, there was $5.0 million in principal outstanding under the Convertible Financing.

In December 2025, the Company also entered into the Customer Order Credit Agreement and the Cash Flow Credit Agreement (each as defined below in Note 2 *Merger and Related Transactions*). As of September 30, 2026, and pursuant to amendments to such Customer Order Credit Agreement and Cash Flow Credit Agreement, the Customer Order Credit Agreement provided Workhorse with up to $20.0 million to fund vehicle manufacturing in connection with Qualified Purchase Orders (as defined in the Customer Order Credit Agreement) and the Cash Flow Credit Agreement provided Workhorse with a line of credit with borrowing capacity of up to $40.0 million to fund its working capital requirements, Merger-related costs, and general corporate purposes. As of September 30, 2026, borrowings outstanding under the Customer Order Credit Agreement were $18.4 million,

with $1.6 million of remaining availability, and borrowings outstanding under the Cash Flow Credit Agreement were $40.0 million, with no remaining availability.

The Company is actively working to evaluate financing alternatives; however, as noted above, as of the issuance date of the accompanying Condensed Consolidated Financial Statements, it is not probable that a potential equity or equity-linked financing transaction will be consummated.

We may also rely on other debt financing or other sources of capital funding, such as through the sale of assets, to obtain sufficient financial resources to fund our operating activities. If we are unable to maintain sufficient financial resources, our business, financial condition and results of operations, as well as our ability to continue to develop, produce and market our vehicle programs and satisfy our obligations as they become due, will be materially and adversely affected. This could affect future vehicle program production and sales. Failure to receive additional proceeds will have a material, adverse impact on our business operations. There can be no assurance that we will be able to obtain the additional proceeds needed to achieve our goals on acceptable terms or at all. Additionally, any additional equity or equity-linked financings would likely have a dilutive effect on the holdings of our existing stockholders. Our current level of cash and cash equivalents is not sufficient to execute our business plan. For the foreseeable future, we will incur operating expenses, capital expenditures and working capital funding that will deplete our cash on hand.

The conditions described above raise substantial doubt regarding our ability to continue as a going concern for a period of at least one year from the date of issuance of these Condensed Consolidated Financial Statements.

Basis of Presentation and Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Workhorse Group Inc. and its subsidiaries, with all intercompany transactions and balances having been eliminated. The Company prepared the Condensed Consolidated Financial Statements in accordance with GAAP and the rules and regulations of the SEC and, in the Company's opinion, reflect all necessary adjustments, including normal recurring items that are necessary.

Since Motiv was determined to be the accounting acquirer in connection with the Merger, the Condensed Consolidated Financial Statements for periods prior to the Merger reflect only Motiv's historical results of operations and financial position. Subsequent to the Merger, the Condensed Consolidated Financial Statements as of and for the three and nine months ended September 30, 2026 includes the combined entities' activity and financial position.

The Company has elected the fair value option in accordance with ASC 825,*Financial Instruments*, for its convertible debt. This election was made to align the measurement of these financial instruments with their market values and simplify the accounting for the components. Changes in fair value of convertible debt are recognized in the Condensed Consolidated Statements of Operations.

In the opinion of our management, the unaudited Condensed Consolidated Financial Statements have been prepared on a basis consistent with the audited Consolidated Financial Statements and include all adjustments necessary for the fair presentation of Workhorse's financial condition, results of operations and cash flows for the interim periods presented. Such adjustments are of a normal, recurring nature. The results of operations and cash flows for the interim periods presented may not necessarily be indicative of full-year results. These Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures in the accompanying notes. These estimates include, but are not limited to, sales return reserves, income taxes, accounts receivable collectibility, inventory valuation, warranties, and the fair value of long-lived assets, financial instruments, convertible notes, warrants and fair value assessments made as part of our preliminary assessment of the purchase price allocation as a result of the Merger.

Reclassifications

The Company reclassified certain prior period amounts on the Condensed Consolidated Balance Sheets to conform to the current-period presentation. These reclassifications had no impact on net income (loss), total assets, or total liabilities.

Segment Reporting

The Company operates as a single reporting segment under ASC 280, *Segment Reporting*, which encompasses the design, manufacture, and distribution of all-electric vehicles. The Company's operations are conducted within the United States, and revenues or long-lived assets attributable to foreign countries were not material for the periods presented. The Chief Executive Officer (CEO), as the Company's Chief Operating Decision Maker (CODM), evaluates financial performance and allocates resources based on consolidated financial information, including total revenues, operating loss, and profitability for the business as a whole. The significant expenses regularly reviewed by the CODM to evaluate segment performance are the expenses presented in the Condensed Consolidated Statement of Operations, and no further disaggregation is provided for segment review purposes. As such, segment information has been presented at the consolidated level, as there are no additional reportable segments in the context of ASC 280.

2. MERGER AND RELATED TRANSACTIONS

As described in Note 1, Motiv merged with a wholly owned subsidiary of Workhorse on December 15, 2025. The Merger was accounted for as a business combination in accordance with ASC 805, *Business Combinations.* While the legal acquirer in the Merger was Workhorse, for financial accounting and reporting purposes under GAAP, Motiv was the accounting acquirer, and the Merger was accounted for as a reverse acquisition for accounting purposes. Motiv was determined to be the accounting acquirer primarily based on the facts that (i) Motiv's investors own a substantial majority of the voting rights in the combined company; (ii) Motiv designated a majority (five of seven) of the initial members of the board of directors of the combined company; and (iii) Motiv's senior management hold most key positions in senior management of the combined company. Accordingly, the consolidated assets, liabilities and results of operations of Motiv became the historical consolidated financial statements of the combined company, and Workhorse's assets, liabilities and results of operations were consolidated with those of Motiv beginning on the acquisition date at the estimated fair value of assets acquired and liabilities assumed. Operations prior to the Merger are presented as those of Motiv in this and future reports.

Prior to the Closing Date of the Merger, Motive GM Holdings II LLC ("MGMH"), a Delaware limited liability company, was Motiv's controlling stockholder and largest creditor, with all financial indebtedness of Motiv beneficially owned by MGMH or one of its affiliates. In connection with the closing of the Merger, MGMH received 6,629,800 shares of Common Stock (the "Merger Consideration") in partial satisfaction of the financial indebtedness of Motiv beneficially owned by MGMH or one of its affiliates, with any remaining indebtedness cancelled for no consideration, which resulted in MGMH owning 68.3% of the then issued and outstanding of our Common Stock. All outstanding preferred and common shares of Motiv were cancelled for no consideration. In addition, pursuant to the Merger Agreement, all unexercised and outstanding Workhorse stock options were cancelled for no consideration, and all other awards under Workhorse's equity incentive plans that were unvested immediately prior to the Merger were accelerated in full, with performance deemed achieved at target level for performance share units.

Repayment and Exchange

On August 15, 2025, in connection with the Merger Agreement, Workhorse entered into a Waiver, Repayment and Exchange Agreement (the "Repayment Agreement") by and among Workhorse and the investors party thereto (collectively, the "2024 Note Holder") to (i) redeem all of Workhorse's outstanding obligations under the notes issued to the 2024 Note Holder (the "2024 Notes") and (ii) cancel the warrants issued to the 2024 Note Holder (the "2024 Warrants") on the Closing Date.

In addition, in accordance with the terms of the Repayment Agreement, Workhorse issued to the 2024 Note Holder rights (the "Rights") to acquire 1,193,364 shares of Common Stock in exchange for the cancellation of the 2024 Warrants (the "Exchange"). Upon completing the repayment and the exchange, Workhorse had no outstanding obligations under the 2024 Notes, all of the 2024 Notes and 2024 Warrants were cancelled, and all collateral, including the Cash Collateral (as defined in the Repayment Agreement), securing the 2024 Notes was released. Following the repayment and the exchange effective December 15, 2025, the parties thereto terminated the Securities Purchase Agreement, by and between Workhorse and the 2024 Note Holder (the "Securities Purchase Agreement"). As of September 30, 2026, all shares of Common Stock have been issued to the 2024 Note Holder, and no shares remain issuable under the Rights.

The Sale-Leaseback Transaction

On August 15, 2025, in connection with the sale and leaseback transaction (the "Sale-Leaseback"), a subsidiary of Workhorse, Workhorse Motor Works Inc., entered into a Purchase and Sale Agreement with an affiliate of MGMH (the "Property Purchaser") for the sale of its Union City, Indiana manufacturing facility and campus (the "Property"), excluding any equipment and any fixtures solely used in the production of vehicles, to the Property Purchaser for a purchase price, before fees

and expenses, of $20.0 million. Workhorse used the proceeds to redeem a portion of the 2024 Notes pursuant to the Repayment Agreement, to pay Merger transaction expenses, and for general corporate purposes.

Closing Debt Financing

On December 15, 2025, Workhorse entered into a (i) Credit Agreement (Customer Orders) (the "Customer Order Credit Agreement") and (ii) Credit Agreement (Cash Flow) (the "Cash Flow Credit Agreement" and together with the Customer Order Credit Agreement, the "Credit Agreements" and such transactions, collectively, the "Closing Debt Financing"), each by and among Workhorse, as borrower, certain subsidiaries of Workhorse, as guarantors, and MGMH as lender.

The Customer Order Credit Agreement provided Workhorse with up to $40.0 million to fund vehicle manufacturing in connection with Qualified Purchase Orders (as defined in the Customer Order Credit Agreement). The Cash Flow Credit Agreement provided Workhorse with a line of credit with borrowing capacity of up to $10.0 million to fund its working capital requirements, including costs related to the Merger, and its general corporate purposes.

The Credit Agreements were amended in April 2026, June 2026 and again in August 2026 to increase the borrowing capacity under the Cash Flow Credit Agreement, defer interest payments on the additional commitments until after September 30, 2026 and January 31, 2027 and to reduce the borrowing capacity under the Customer Order Credit Agreement. In August 2026, in connection with the June and August amendments, the Company issued Warrants to MGMH to purchase 1.5 million shares of Common Stock with an exercise price of $10 per share. The Warrants are exercisable immediately and expire five years from the date of issuance. In October 2026, the Company further amended the Credit Agreements, as further described in Note 17, *Subsequent Events*.

See Note 8, *Debt* for additional information regarding the Closing Debt Financing, and Note 12,*Stockholders' Equity* for additional information regarding the Warrants.

Purchase Price Allocation

Under reverse acquisition accounting, the assets and liabilities of Workhorse were recorded at their fair value. For additional details on the fair value measurement of the acquired assets and liabilities assumed, including the valuation techniques used, please refer to Note 11, *Fair Value Measurements* in the 2025 Form 10-K.

The following table summarizes the fair value of purchase consideration for the Merger and the preliminary allocation of the purchase price to the identifiable assets acquired and liabilities assumed, based on their estimated fair values as of the acquisition date:

(in thousands)		**Purchase Price Allocation**
Cash and cash equivalents	$	10,430
Accounts receivable		374
Inventory		24,642
Prepaid expenses and other current assets		4,679
Property and equipment		21,578
Goodwill		3,124
Intangible assets		10,200
Operating leases right-of-use assets		21,691
Other assets		416
Accounts payable		(9,652)
Accrued liabilities and other liabilities		(13,393)
Stock rights liability		(7,112)
Convertible note		(5,412)
Operating lease liability		(22,051)
Total purchase consideration	$	39,514

The allocation of the purchase price is preliminary and subject to adjustment during the measurement period, not to exceed one year from the acquisition date, as we finalize the valuations for tangible and intangible assets. During the nine months ended

September 30, 2026, the Company recorded measurement period adjustments related to additional information obtained about facts and circumstances that existed as of the acquisition date. These adjustments primarily relate to (i) the recognition of additional accrued legal fees following the finalization of a legal settlement associated with litigation that existed at the acquisition date, (ii) a decrease in the estimated amount of accounts receivable, accounts payable and other accrued liabilities that existed at the acquisition date and (iii) adjustment to fixed assets for a vehicle that was put in service prior to the merger date. As a result, the Company decreased goodwill by $5.7 thousand. The Company will continue to evaluate information obtained during the measurement period and may record further adjustments to the preliminary purchase price allocation as additional information becomes available.

The results of Workhorse's operations have been included in our condensed consolidated financial statements for the three and nine months ended September 30, 2026.

The following unaudited pro forma summary presents consolidated information of the Company as if the business combination had occurred on January 1, 2025.

(in thousands)	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Revenue	$ 11,958	$ 20,164
Net loss	(11,226)	(63,353)

The unaudited pro forma financial information includes adjustments for (i) interest expense on new debt (the Convertible Financing and Cash Flow Credit Agreement), (ii) interest expense for historical debt that was forgiven as part of the Merger, (iii) stock-based compensation expense for accelerated vesting of Workhorse stock options, issuance of director grants, and the cancellation of Motiv shares, (iv) acquisition-related costs, and (v) the sale and leaseback transaction, including the gain on sale of assets, depreciation expense of assets prior to sale, and lease expense.

The unaudited pro forma financial information is provided for illustrative purposes only and does not reflect the results of operations that would have occurred had the acquisition taken place on that date.

3. INVENTORY, NET

Inventory, net consisted of the following:

(in thousands)	September 30, 2026	December 31, 2025
Raw materials	$ 40,356	$ 49,962
Work in process	7,400	1,341
Finished goods[1]	3,045	6,793
Total Inventory	50,801	58,096
Less: inventory reserves	(12,135)	(19,031)
Inventory, net	$ 38,666	$ 39,065

[1] Finished goods inventory includes new vehicles available for sale.

We reserve for any excess or obsolete inventories or when we believe the net realizable value of inventories is less than the carrying value. As of September 30, 2026, and December 31, 2025, we carried inventory reserves of $12.1 million and $19.0 million, respectively. Inventory reserves have declined by $6.9 million during the nine months ended September 30, 2026, primarily due to the disposal of $5.6 million of previously reserved obsolete inventory, which was charged against the reserve, and the release of approximately $3.0 million of reserves related to older model Workhorse vehicles sold, partially offset by $1.7 million of additional reserves recorded during the period.

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following:

(in thousands)	September 30, 2026	December 31, 2025
Prepaid purchases	$ 3,707	$ 443
Less: prepaid purchases reserve	(75)	(75)
Prepaid purchases, net	3,632	368
Prepaid insurance	1,112	1,768
Right of return asset	—	351
Prepaid software costs	—	878
Other	901	583
Prepaid expenses and other current assets	$ 5,645	$ 3,948

Prepaid purchases consist of deposits made to our suppliers for non-recurring engineering costs and production parts. As of September 30, 2026 and December 31, 2025, net prepaid purchases primarily consisted of deposits for direct materials associated with the manufacturing of our vehicles, and have increased since year end primarily due to purchasing parts for sold vehicle orders.

5. GOODWILL AND INTANGIBLE ASSETS

The Company recognized goodwill as a result of the Merger on December 15, 2025. The goodwill represents the excess of the purchase price over the fair value of net assets acquired and is attributable to expected synergies from the Merger, as well as the value of the assembled workforce. The goodwill is not deductible for tax purposes.

As of September 30, 2026 and December 31, 2025, goodwill totaled $3.1 million and $3.1 million, respectively. During the nine months ended September 30, 2026, the Company recorded measurement period adjustments that decreased goodwill by $5.7 thousand. See Note 2, *Merger and Related Transactions* for additional information.

We evaluate goodwill for impairment annually on October 1st of each year, or more frequently if events or changes in circumstances indicate the asset might be impairedNo indicators of impairment were identified for the three and nine months ended September 30, 2026 and 2025.

We acquired identifiable intangible assets as a result of the Merger on December 15, 2025.

Intangible assets consist of the following:

	As of September 30, 2026			As of December 31, 2025		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:						
Proprietary technology	$ 1,150	$ (182)	$ 968	$ 1,150	$ (10)	$ 1,140
Customer relationships	4,750	(251)	4,499	4,750	(8)	4,742
Total	$ 5,900	$ (433)	$ 5,467	$ 5,900	$ (18)	$ 5,882
Indefinite-lived intangible assets:						
Trade name	4,300	—	4,300	4,300	—	4,300
Total intangible assets	$ 10,200	$ (433)	$ 9,767	$ 10,200	$ (18)	$ 10,182

Amortization expense for the three months ended September 30, 2026 and 2025 was $0.1 million and $0 million, respectively, and amortization expense for the nine months ended September 30, 2026 and 2025 was $0.4 million and $0 million, respectively. No indicators of impairment were identified for the three and nine months ended September 30, 2026 and 2025.

6. REVENUE

The following table provides a summary of sales activity for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Vehicles	$ 6,030	$ 9,480	$ 13,702	$ 11,230
Services, parts and accessories	80	83	236	185
Extended warranty revenue	27	10	90	54
Total revenues	$ 6,137	$ 9,573	$ 14,028	$ 11,469

For the three months ended September 30, 2026 and 2025, two entities represented 73% of our total revenues, and three entities represented 85% of our total revenues, respectively. For the nine months ended September 30, 2026 and 2025, one entity represented 57% of our total revenues, and four entities represented 81% of our total revenues, respectively.

Vehicles

Revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as the Company fulfills its obligations under the agreement, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including any constraints on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

Services, Parts and Accessories

Services, parts and accessories revenue consists of non-warranty after-sales vehicle services, body shop and parts, and assembly services. It also includes revenue generated from operating our Stables by Workhorse route, and other service revenue. We recognize revenue related to sales of service, parts and other accessories when we transfer control of the items. For the majority of vehicles, parts, and accessories, we transfer control and recognize a sale when we ship the product from our manufacturing facility to our customer (dealers and distributors). We recognize service revenue upon the transfer of control to the customer, which is generally at the time the service is completed.

Extended Warranty Revenue

We also provide extended warranty services to customers. Revenue related to these services is recognized over time as the services are provided.

Deferred Revenue

Deferred revenue related to the sales of select vehicles consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Deferred revenue, beginning of period	$ 1,003	$ 3,077	$ 1,615	$ 794
Additions	33	224	40	2,748
Revenue recognized	(27)	(1,051)	(646)	(1,292)
Deferred revenue, end of period	1,009	2,250	1,009	2,250
Less: current portion	1,009	2,250	1,009	2,250
Long-term deferred revenue, end of period	$ —	$ —	$ —	$ —

7. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities consisted of the following:

(in thousands)	**September 30, 2026**	**December 31, 2025**
Accrued payroll	$ 5,720	$ 4,578
Supplier allowance	—	1,046
Sales returns and allowances	—	457
Financed insurance liability	716	1,303
Accrued interest	1,194	38
Customer deposits	80	—
Other	430	641
Total accrued and other current liabilities	$ 8,140	$ 8,063

Warranty Liability

We generally provide a manufacturer's warranty on all new vehicles we sell. We record a warranty liability for the products sold by us, which includes our best estimate of the projected costs to repair or replace items under warranties and recalls if identified. The amount of warranty liability accrued reflects management's best estimate of the nature, frequency, and costs of future claims. Historically, the cost of fulfilling the warranty obligations has principally involved replacement parts, towing and transportation costs, labor and sometimes travel for any field retrofit campaigns. Our estimates are based on historical experience, the extent of pre-production testing, the number of units involved, and the extent of features/components included in product models. We record adjustments to our estimates when those differences are known.

Although we believe the estimates and judgments discussed herein are reasonable, actual results could differ, and we may be exposed to increases or decreases in our warranty liability accrual that could be material. The increase in warranty costs incurred and accrual for warranty during the three and nine months ended September 30, 2026, was primarily attributable to costs related to an ongoing retrofit campaign for certain Motiv trucks sold in Canada. Costs incurred during the period were higher than our original estimates, and we increased our reserves required to complete the retrofit campaign.

Accrued warranty activity consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Warranty liability, beginning of period	$ 4,877	$ 2,449	$ 4,975	$ 2,737
Warranty costs incurred	(1,575)	(713)	(4,807)	(1,779)
Provision for warranty	1,290	1,147	4,424	1,925
Warranty liability, end of period	4,592	2,883	4,592	2,883
Less: current portion	2,342	1,899	2,342	1,899
Long-term warranty liability, end of period	$ 2,250	$ 984	$ 2,250	$ 984

8. DEBT

A reconciliation of debt is as follows:

(in thousands)	**September 30, 2026**	**December 31, 2025**
Debt, beginning of period	$ 15,429	$ 68,363
Debt issued during period	50,000	32,000
Repayments	(1,611)	—
Paid-in-kind interest accrued during period	316	17,389
Debt forgiven	—	(107,735)
Debt assumed	—	5,412
Change in fair value of convertible note	(61)	—
Debt discount from issuance of warrants	(2,089)	—
Amortization of debt discount - warrants	80	—
Debt, end of period	62,064	15,429
Debt, current portion	24,073	—
Debt, long-term portion	$ 37,991	$ 15,429

Pre-Merger Note Payable

Motiv had a Senior Secured Promissory Note (the "A&R Senior Note") through which it was provided loan advances at an interest rate of 10% per annum, compounded monthly, by MGMH. Prior to 2025, Motiv had amended and restated the A&R Senior Note to provide advances totaling $35.0 million. During the year ended December 31, 2025, we further amended and restated the A&R Senior Note to provide for an additional $22.0 million in loan advances.

As of the closing of the Merger, the aggregate outstanding principal and accrued compounded interest related to the A&R Senior Note of $107.7 million was fully forgiven as part of the Merger transaction.

Credit Facilities

On December 15, 2025, Workhorse entered into the Closing Debt Financing, consisting of the (i) Customer Order Credit Agreement and (ii) Cash Flow Credit Agreement, each by and among Workhorse, as borrower, certain subsidiaries of Workhorse, as guarantors, and MGMH, a related party, as lender.

The Customer Order Credit Agreement originally provided Workhorse with up to $40.0 million to fund vehicle manufacturing in connection with Qualified Purchase Orders (as defined in the Customer Order Credit Agreement). Under the Customer Order Credit Agreement, a Qualified Purchase Order includes purchase orders entered into between Workhorse and/or one or more of its subsidiaries and a customer made on terms approved by MGMH or substantially similar to terms previously approved by MGMH pursuant to a master purchase agreement or other standard terms and conditions approved by MGMH. The amount of funds advanced by MGMH upon the receipt of an acceptable purchase order will be determined by MGMH but will not exceed

70% of the purchase price for the ordered vehicles without MGMH's consent. The Cash Flow Credit Agreement originally provided Workhorse with a line of credit with borrowing capacity of up to $10.0 million to fund its working capital requirements, including costs related to the Merger, and its general corporate purposes.

Workhorse's outstanding obligations under each Credit Agreement bear interest at a reference rate equal to the term Secured Overnight Financing Rate for a three-month tenor ("SOFR") plus an applicable margin of 5.00%. If SOFR is unavailable pursuant to the terms of the Credit Agreements, the reference rate will be the prime rate of interest per annum last quoted by The Wall Street Journal, and the applicable margin will be 2.50% per annum. Workhorse's obligations under the Credit Agreements mature on December 15, 2028. MGMH's obligation to advance additional funds under the Cash Flow Credit Agreement will terminate and thereafter be at the discretion of MGMH upon the consummation of a private investment in a public entity ("PIPE") transaction (as defined in the Credit Agreements) to the extent such PIPE occurs prior to the maturity date of the Cash Flow Credit Agreement. Both Credit Agreements contain customary representations and warranties, affirmative and negative covenants, and events of default, and provide for customary acceleration and remedy rights for MGMH upon the occurrence of an event of default by Workhorse.

Workhorse's obligations under the Credit Agreements are senior secured obligations of Workhorse, ranking senior to all other indebtedness and, subject to certain limitations, are unconditionally guaranteed by each of Workhorse's subsidiaries, pursuant to the terms of the Credit Agreements and secured by substantially all of the assets of Workhorse and its subsidiaries pursuant to a certain Security Agreement (the "Security Agreement"). Payments under the Cash Flow Credit Agreement are effectively subordinated to payments under the Customer Order Credit Agreement pursuant to the waterfall in the Security Agreement.

Amendments to Credit Agreements

In April 2026, Workhorse made the following amendments to the Credit Agreements: (i) amends the Cash Flow Credit Agreement to increase the borrowing capacity from $10.0 million to $20.0 million, (ii) amends the Cash Flow Credit Agreement to defer interest payments on the additional $10.0 million Commitment until the Interest Payment Date (as defined in the Cash Flow Credit Agreement) occurring after September 30, 2026 and (iii) amends the Customer Order Credit Agreement to reduce the borrowing capacity from $40.0 million to $30.0 million.

In June 2026, Workhorse made the following amendments to the Credit Agreements: (i) amends the Cash Flow Credit Agreement to increase the borrowing capacity from $20.0 million to $30.0 million, (ii) amends the Cash Flow Credit Agreement to defer interest payments on the additional $10.0 million Commitment until the first Interest Payment Date (as defined in the Cash Flow Credit Agreement) occurring after September 30, 2026, (iii) amends the Customer Order Credit Agreement to reduce the borrowing capacity from $30.0 million to $20.0 million and (iv) obligates the Company to issue warrants to purchase equity interests in the Company within45 days of the execution of the amendment or such later date as the lender agrees, with terms and in number to be mutually agreed, as consideration for the amendments therein.

In August 2026, Workhorse amended the Credit Agreements to increase the borrowing capacity under the Cash Flow Credit Agreement from $30.0 million to $40.0 million and to defer interest payments on the additional commitments until after January 31, 2027. Additionally, the amendment included the obligation to issue warrants (the "Warrants") to purchase an aggregate of 1,500,000 shares of the Company's common stock at $1.0 per share, in favor of MGMH, consisting of 750,000 warrant shares issued as consideration for the August 2026 amendment to the Credit Agreements and 750,000 warrant shares issued in satisfaction of the Company's obligations under the Company's June 2026 amendment to the Credit Agreements. The warrants are exercisable immediately and expire five years from the date of issuance. In October 2026, the Company further amended the Credit Agreements, as further described in Note 17, *Subsequent Events*.

The Company evaluated the amendments to the Credit Agreements under ASC 470-60 and ASC 470-50 and concluded the amendments were not troubled debt restructurings and were not substantially different from the original terms. Accordingly, the amendments were accounted for as debt modifications, and no gain or loss was recognized. The fair value of the Warrants issued to the lender was recorded as an additional debt discount, as further described under "Warrants" below.

During the nine months ended September 30, 2026, we borrowed $20.0 million under the Customer Order Credit Agreement and $30.0 million under the Cash Flow Credit Agreement.

As of September 30, 2026, borrowings outstanding under the Customer Order Credit Agreement were $18.4 million, with $1.6 million of remaining availability, and borrowings outstanding under the Cash Flow Credit Agreement were $40.0 million, with no remaining availability.

As of September 30, 2026, the Company was in compliance with the debt terms and associated covenants under the Customer Order Credit Agreement and the Cash Flow Credit Agreement.

Warrants

In August 2026, in connection with the amendment of Credit Agreements, the Company issued Warrants to MGMH, a related party, to purchase 1.5 million shares of Common Stock with an exercise price of $10 per share. The Warrants are exercisable immediately and expire five years from the date of issuance. As of September 30, 2026, no shares had been issued pursuant to the Warrants and there were 1.5 million Warrants outstanding.

The Company determined that the Warrants are indexed to its own stock and meet the conditions for equity classification under ASC 815-40. The Company estimated the fair value of the Warrants at issuance as $2.1 million using the Black-Scholes option pricing model. This amount was recorded as an increase to additional paid-in capital, with a corresponding debt discount. Because the Warrants are equity-classified, they are not remeasured at fair value in subsequent periods.

The debt discount is presented as a reduction of the carrying amount of the Cash Flow Credit Agreement and is being amortized to interest expense over its remaining term using the effective interest method, at an effective interest rate of 12.8%. For the three and nine months ended September 30, 2026, amortization of the warrant discount was $0.1 million for each period. As of September 30, 2026, the unamortized warrant discount was $2.0 million.

See Note 12, *Stockholders' Equity*, for additional information on the Warrants.

Convertible Note

In August 2025, in connection with the execution of the Merger Agreement, Workhorse issued a secured convertible note to an affiliate of MGMH, with an aggregate principal balance of $5.0 million (the "Convertible Note," and the transaction, the "Convertible Financing"). The Convertible Note is subordinated to the Closing Debt Financing and guaranteed by each of Workhorse's subsidiaries. The Convertible Note bears interest at a rate of 8.0% per annum, subject to adjustment as set forth in the Convertible Note, compounded quarterly and increasing the principal outstanding under the Convertible Note. The Convertible Note matures August 15, 2027. The Convertible Note will be automatically convertible into a number of shares of Workhorse Common Stock equal to the principal amount then outstanding divided by 90% of the price per share paid by investors in a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells common stock or preferred stock that occurs after the Closing of the Merger (the "Equity Financing").

On December 15, 2025, we assumed the Convertible Note in connection with the Merger, and the parties to the Convertible Note entered into an Amended and Restated Convertible Note (the "A&R Note") to make the obligations under the Convertible Note, as amended, unsecured obligations of Workhorse and each guarantor party thereto. As a result, the Convertible Note Security Agreement that had been entered into in connection with the issuance of the Convertible Note was terminated on the Closing Date. The Convertible Note Subsidiary Guaranty that had been entered into in connection with the issuance of the Convertible Note was amended and restated (the "A&R Convertible Note Subsidiary Guaranty") to incorporate the termination of the Convertible Note Security Agreement.

During the three and nine months ended September 30, 2026, an Equity Financing has not occurred and therefore, there were no conversions of principal amounts outstanding under the Convertible Note to Common Stock. As of September 30, 2026, the estimated fair value of the A&R Note was $5.2 million with $0.5 million of paid-in-kind interest accrued and the aggregate principal amount outstanding was $5.0 million. Because the maturity date is within twelve months of September 30, 2026, the Convertible Note was reclassified from long-term liabilities to current liabilities during the three months ended September 30, 2026.

The fair value of the A&R Note as of September 30, 2026 was estimated using a scenario-based valuation approach that incorporated a discount rate of 12.2%, with a 30% probability assigned to an equity financing event occurring in March 2027, a 30% probability assigned to an equity financing event occurring in June 2027, and a 40% probability that the note will be held to maturity in August 2027.

As of September 30, 2026, we were in compliance with the debt terms and associated covenants under the A&R Note.

For the three and nine months ended September 30, 2026, interest expense on related party debt under the Credit Agreements and the Convertible Note was $1.4 million and $2.5 million, respectively, and interest paid to the related party was $0.2 million and $1.0 million, respectively. As of September 30, 2026, deferred interest payable to the related party was $1.2 million.

9. LEASES

We have entered into various operating lease agreements for offices, manufacturing and warehouse facilities.

We lease the Union City, Indiana manufacturing facility from an affiliate of MGMH, a related party, pursuant to a lease agreement with an initial term of 20 years that commenced in August 2025. We have the option to renew the lease for six additional 5-year renewal terms, subject to the terms of the lease. After the conclusion of a six-month abatement period that ended in February 2026, base annual rent is $2.1 million and is subject to an annual increase of 3% during the initial term of the lease and certain additional increases during any renewal term. In April 2026, the parties to the lease entered into an agreement whereby the lessor agreed to a deferral of the Company's monthly rental payments for five months beginning May 2026, with the entire deferred amount due and payable in a single lump-sum payment on or before September 30, 2026. In August 2026, the parties to the lease entered into an agreement whereby the lessor agreed to an additional deferral of the Company's monthly rental payments for four months beginning October 2026. This agreement also deferred all rents that had been due at September 30, 2026. As a result, the entire deferred amount, totaling $1.6 million, is now due and payable in a single lump-sum payment on or before January 31, 2027. The Company accounted for the agreements as lease modifications and remeasured the lease liability using its incremental borrowing rate as of the modification date, with a corresponding adjustment to the right-of-use asset, which was not material. The lease continues to be classified as an operating lease.

During the three and nine months ended September 30, 2026, the Company recognized $0.7 million and $2.1 million of lease expense, respectively, and made lease payments of $0 and $0.5 million, respectively, to the related party for the Union City lease. As of September 30, 2026, deferred rent payable to the related party was $1.9 million.

In September 2026, the Company commenced a lease for a new facility in Hayward, California, with a term through April 2034 and no rent due through April 2027, and recorded a right-of-use asset and operating lease liability of $1.0 million.

We determine if an arrangement is a lease, or contains a lease provision, at inception and record the leases in our Condensed Consolidated Financial Statements upon lease commencement, which is the date when the underlying asset is made available for our use by the lessor.

As permitted by ASC 842, *Leases*, we have elected not to record in the Condensed Consolidated Balance Sheets leases with a lease term of 12 months or less at lease inception that do not contain a purchase option or renewal term provision we are reasonably certain to exercise. All other lease right-of-use ("ROU") assets and lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Because most of our leases do not provide an implicit rate of return, we used our incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments.

Our leases may include one or more options to extend the lease term, each for a period of up to 5 years. Some of our leases also include options to terminate the lease prior to the end of the agreed upon lease term. For the purpose of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain we will exercise such options.

Lease expense for operating leases is recognized on a straight-line basis over the lease term as either cost of sales or operating expenses depending on the nature of the leased asset.

During the three and nine months ended September 30, 2026 and 2025, we did not identify any indicators of impairment of ROU assets, and no impairment losses were recognized during the periods.

The components of lease expense are as follows in our Condensed Consolidated Statements of Operations:

(in thousands)	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Short-term lease expense	$ —	$ —	$ 106	$ 70
Operating lease expense	1,525	288	4,340	915
Total lease expense	$ 1,525	$ 288	$ 4,446	$ 985
Sublease income	$ 144	$ —	$ 271	$ —

Lease right-of-use assets consisted of the following:

(in thousands)	September 30, 2026	December 31, 2025
Operating lease right-of-use assets	$ 20,636	$ 21,872

Lease liabilities consisted of the following:

(in thousands)	September 30, 2026	December 31, 2025
Current portion operating lease liabilities	$ 2,110	$ 3,616
Long-term operating lease liabilities	21,608	18,777
Operating lease liabilities	$ 23,718	$ 22,393

10. FAIR VALUE MEASUREMENTS

We estimate the fair value of the A&R Note using commonly accepted valuation methodologies at each reporting date, with changes in fair value recognized in the Condensed Consolidated Statements of Operations. Considerable judgment was required in interpreting market data to develop the estimates of fair value. Accordingly, our estimates are not necessarily indicative of the amounts that we, or holders of the instruments, could realize in a current market exchange. Significant assumptions used in the fair value model for convertible debt included estimates of the redemption dates, discount rates, and the market price of the Company's Common Stock. The use of different assumptions and/or estimation methodologies could have a material effect on the estimated fair values.

The Stock Rights liability is measured at fair value at each reporting date, with changes in fair value recognized in the condensed consolidated statements of operations. The fair value of the Stock Rights liability is determined using the quoted market price of the Company's Common Stock as of the measurement date. Because the valuation is based on unadjusted quoted prices for the Company's Common Stock in an active market, the Stock Rights liability is classified within Level 1 of the fair value hierarchy. Changes in the fair value of the Stock Rights liability are primarily driven by fluctuations in the Company's stock price. As of September 30, 2026, there are no Stock Rights outstanding.

The following table presents the estimated fair values:

	September 30, 2026				December 31, 2025			
(in thousands)	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
A&R note	$ 5,218	$ —	$ —	$ 5,218	$ 5,279	$ —	$ —	$ 5,279
Stock Rights liability	$ —	$ —	$ —	$ —	$ 6,074	$ 6,074	$ —	$ —

The following table presents a roll-forward of the fair value of the convertible notes payable that will continue to be measured at fair value on a recurring basis for which fair value is determined based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy as of September 30, 2026.

(in thousands)	A&R Note
Balance at December 31, 2025	$ 5,279
Change in fair value during the period	(61)
Balance at September 30, 2026	$ 5,218

As of September 30, 2026, there have been no significant changes in the valuation methodologies or classification of our Level 3 fair value measurements. The Company continues to utilize consistent approaches in determining the fair value of assets and liabilities categorized within these levels, in accordance with ASC 820.

11. STOCK-BASED COMPENSATION

We maintain, as approved by the board of directors and the stockholders, the Amended and Restated 2023 Long-Term Incentive Plan (the “Plan”) and the Inducement Equity Award Plan (the "Inducement Plan"), providing for the issuance of stock-based awards to employees, officers, directors or consultants of the Company.

Restricted stock units

Each restricted stock unit (“RSU”) represents the right to receive one share of Common Stock upon vesting. Vesting of each award is subject to the recipient’s continued service through the applicable vesting date.

A summary of RSU activity for the nine months ended September 30, 2026 is as follows:

	Number of Unvested Shares	Weighted Average Grant Date Fair Value per Share
Balance, December 31, 2025	—	$ —
Granted	1,378,025	2.76
Vested	(34,275)	2.63
Forfeited	—	—
Balance, September 30, 2026	1,343,750	$ 2.76

Stock-based compensation expense

Stock-based compensation expense was $0.5 million for both the three and nine months ended September 30, 2026, and was recorded in Selling, general and administrative expenses on the Condensed Consolidated Statements of Operations. As of September 30, 2026, unrecognized compensation cost related to unvested RSUs was $3.3 million, which is expected to be recognized over a weighted-average period of 2.5 years.

Value Creation Incentive Plan

On September 22, 2026, the Board of Directors adopted the Value Creation Incentive Plan ("VCIP"). The Company’s executive officers, as well as other employees of the Company, are eligible to participate in the VCIP. The VCIP provides for the grants of performance awards to eligible employees, which awards may be earned based on the achievement of one or more performance goals over a designated performance period, which will generally consist of three (3) to five (5) year periods, as determined by the Committee. Actual award amounts payable to participants based on the achievement of the performance goals will be paid in cash, or alternatively at the Committee’s election, in the form of shares of the Company’s common stock. The Board also approved grants of performance awards under the VCIP to two officers and one other employee, with aggregate target award amounts of $25.0 million. The awards may be earned over a performance period from October 1, 2026 through September 30, 2031, based on the achievement of revenue, gross margin, operating cash flow, and market capitalization milestones. No compensation cost related to the awards was recognized for the three and nine months ended September 30, 2026. Compensation cost will be recognized in future periods as achievement of the performance milestones becomes probable and over the derived service period for the market capitalization milestone.

12. STOCKHOLDERS' EQUITY (DEFICIT)

Rights

On December 15, 2025, in connection with the Merger Agreement, we issued the Rights to acquire 1,193,364 shares of Workhorse Common Stock in exchange for the cancellation of the 2024 Warrants. See Note 10, *Fair Value Measurements*, for more information on the fair value of the Rights. As of September 30, 2026, all shares of Common Stock have been issued to the 2024 Note Holder, and no shares remain issuable under the Stock Rights liability.

Pre-Merger Motiv Stock

Common Stock

Pre-Merger, Motiv had authorized 82,520,000 shares of common stock, at a par value of $0.001 per share. There were 9,619,903 shares of Motiv common stock issued and outstanding as of September 30, 2025.

Preferred Stock

Pre-Merger, Motiv had 44,866,071 shares of preferred stock, par value $0.001 per share, authorized for issuance, all of which were designated as Series A Preferred Stock.

Voting

The holder of each share of preferred stock was entitled toone vote for each share of common stock into which such preferred stock could then be converted and, with respect to such vote, such holder had full voting rights and powers equal to the voting rights and powers of the holders of Motiv common stock and was entitled to notice of any stockholders' meeting in accordance with Motiv's bylaws.

Conversion

Each share of preferred stock was convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Motiv common stock as was determined by dividing the applicable original issue price by the applicable conversion price in effect at the time of conversion.

The conversion Price of the preferred stock was initially equal to the original issue price. The preferred stock conversion price was subject to adjustment for stock dividends, stock splits, recapitalization and upon the occurrence of certain triggering events related to anti-dilution protection rights. In the event that a future preferred stock financing had occurred at a price lower than the last preferred financing round, the conversion ratios of the existing preferred stock were changed to protect the ownership position of existing investors.

Redemption

Pre-Merger, Motiv was required to redeem the Series A Preferred Stock in the case of a deemed liquidation event which included (a) a merger or consolidation in which: (i) Motiv was a constituent party, or (ii) a subsidiary of Motiv was a constituent party and Motiv issued shares of its capital stock pursuant to such merger or consolidation; except any such merger or consolidation involving Motiv or a subsidiary in which the shares of capital stock of Motiv outstanding immediately prior to such merger or consolidation continued to represent, or were converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation was a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or (b) (i) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by Motiv or any subsidiary of Motiv of all or substantially all of the assets of Motiv and its subsidiaries taken as a whole, or (ii) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of Motiv if substantially all of the assets of Motiv and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition was to a wholly owned subsidiary of Motiv. However, in such an event all classes of shareholders would be entitled to receive the same type of consideration. Consequently, the Series A Preferred Stock was classified as permanent equity on the Condensed Consolidated Balance Sheet. There were no dividends declared on the shares of Series A Preferred Stock.

As of September 30, 2025, there were44,866,071 shares of Series A Preferred Stock issued and outstanding.

All pre-Merger Motiv common and preferred stock was cancelled on the Closing date of the Merger.

Post-Merger Workhorse Stock

Common Stock

We have one class of Common Stock, par value $0.001 per share. Each share of our Common Stock is entitled to one vote on all matters submitted to stockholders. As of September 30, 2026, our authorized shares of Common Stock for issuance was 36,000,000, and there were 10,928,585 shares of Common Stock issued and outstanding.

Preferred Stock

Workhorse has authorized 75,000,000 shares of preferred stock, par value $0.001 per share. Our certificate of incorporation provides that shares of preferred stock may be issued from time to time in one or more series. Our Board of Directors is authorized to fix the voting rights, if any, designations, powers, preferences, qualifications, limitations and restrictions thereof, applicable to the shares of preferred stock. As of September 30, 2026, there were no shares of preferred stock issued and outstanding.

Warrants

In August 2026, in connection with the amendment of Credit Agreements, the Company issued Warrants to MGMH to purchase 1.5 million shares of Common Stock with an exercise price of $10 per share. The Warrants are exercisable immediately and expire five years from the date of issuance.

The exercise price and the number of shares issuable are subject to proportionate adjustment for stock dividends, stock splits, reverse stock splits, and reclassifications of the Common Stock. If the Company grants, issues, or sells rights to purchase securities or other property pro rata to holders of Common Stock, or makes a distribution of assets to those holders, the holder may participate as if it had held the shares issuable upon full exercise of the Warrants.

The Warrants may be settled only in shares of Common Stock, either upon cash exercise or, at the holder's option when no effective registration statement covers the issuance or resale of the underlying shares, by cashless exercise. The Company is not required to net cash settle the Warrants under any circumstances.

The Company determined that the Warrants are indexed to its own stock and meet the conditions for equity classification under ASC 815-40. The Company estimated the fair value of the Warrants at issuance as $2.1 million using the Black-Scholes option pricing model. This amount was recorded as an increase to additional paid-in capital, with a corresponding debt discount. Because the Warrants are equity-classified, they are not remeasured at fair value in subsequent periods.

The fair value of the Warrants was measured using the Black-Scholes model approach with the following assumptions:

Valuation Assumptions	**Initial Recognition on August 25, 2026**
Fair Value *(in thousands)*	$ 2,089
Stock Price	$ 3.14
Strike Price	$ 10.00
Volatility (annual)	80.0%
Risk-Free Rate	4.3%
Estimated time to expiration (years)	5
Dividend Yield	0.0%

As of September 30, 2026, none of the Warrants had been exercised, and all 1,500,000 remained outstanding.

13. INCOME TAXES

As of September 30, 2026 and December 31, 2025, our net deferred tax liability was zero. Cumulative deferred tax assets are fully reserved as there is not sufficient evidence to conclude it is more likely than not the deferred tax assets are realizable. No

current liability for federal or state income taxes has been included in these Condensed Consolidated Financial Statements due to the loss for the periods.

14. LOSS PER SHARE

Basic loss per share of Common Stock is calculated by dividing net loss by the weighted-average shares outstanding for the period. Potentially dilutive shares, which are based on the weighted-average shares of Common Stock underlying outstanding stock rights using the treasury stock method or the if-converted method, as applicable, are included when calculating the diluted net loss per share of Common Stock when their effect is dilutive.

The following table presents the potentially dilutive shares that were excluded from the computation of diluted net loss per share of Common Stock, because their effect was anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Conversion of Series A preferred stock	—	44,866,071	—	44,866,071
Series C-3 warrants	—	334,516	—	334,516
Exercise of outstanding options	—	15,399,018	—	15,399,018
Warrants	1,500,000	—	1,500,000	—
Restricted stock units	1,343,750	—	1,343,750	—

15. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Standards Issued But Not Yet Adopted

ASU No. 2024-03, Disaggregation of Income Statement Expenses In November 2024, the FASB issued ASU No. 2024-03,*Disaggregation of Income Statement Expenses*, which improves income statement expense disclosure requirements. Under ASU No. 2024-03, issuers will be required to incorporate new tabular disclosures disaggregating prescribed expense categories within relevant income statement captions in the notes to their financial statements. These categories include purchases of inventory, employee compensation, depreciation and intangible asset amortization. The amendments are effective for annual reporting periods beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027 and may be applied prospectively or retrospectively to any or all prior periods presented. The adoption of ASU No. 2024-03 will require us to provide additional disclosures related to certain income statement expenses, but otherwise will not materially impact our Condensed Consolidated Financial Statements.

ASU No. 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements In December 2025, the FASB issued ASU No. 2025-11,*Interim Reporting (Topic 270): Narrow-Scope Improvements*, which clarifies the applicability of interim reporting guidance, the types of interim reporting, and the form and content of interim financial statements prepared in accordance with GAAP. The amendments are intended to improve the navigability of existing interim reporting requirements and are not intended to expand or reduce current interim disclosure requirements. The amendments are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted, and may be applied prospectively or retrospectively. The Company is currently evaluating the impact of this ASU on its interim condensed consolidated financial statements and related disclosures.

All other ASUs issued but not yet adopted were assessed and determined to be not applicable or are not expected to have a material impact on our Condensed Consolidated Financial Statements, including financial statement disclosures.

16. COMMITMENTS AND CONTINGENCIES

General Matters

The Company is party to various negotiations and legal proceedings arising in the normal course of business. The Company provides reserves for these matters when a loss is probable and reasonably estimable. The Company does not disclose a range

of potential loss for these matters because the likelihood of such a loss is remote. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's condensed consolidated financial position, results of operations, cash flows or liquidity.

Legal Proceedings

On April 19, 2024, Coulomb Solutions Inc. ("CSI"), a supplier to the Company of certain of the batteries used in its vehicles, filed a complaint captioned *Coulomb Solutions, Inc. vs. Workhorse Technologies, Inc.*, in United States District Court for the Eastern District of Michigan (Case No. 2:24-cv-11048) (the "CSI Litigation"). In its complaint, CSI asserted two claims, including a breach of contract claim and an alternative unjust enrichment claim, that are both based upon Workhorse's alleged failure to pay amounts due under several invoices. CSI sought to recover damages in excess of $4.0 million, including alleged past due amounts, interest, and collection costs. On April 17, 2026, we entered into a binding settlement term sheet (the "Term Sheet") with CSI to resolve the CSI Litigation. The Term Sheet provided for, among other things, the final dismissal of the CSI Litigation with prejudice in exchange for the Company's payment of $4.3 million (the "Settlement Amount"). In April 2026, the parties entered into a definitive settlement agreement as contemplated by the Term Sheet to resolve the CSI Litigation. The Company funded the payment of the Settlement Amount through borrowing under the Customer Order Credit Agreement and paid the full Settlement Amount prior to the May 28, 2026 deadline. As of September 30, 2026, the Settlement Amount has been paid in full, and the Company has no remaining accrual related to this matter.

On November 6, 2025, CMD Global Partners (USA), LLC ("CMD"), filed a complaint against the Company in the United States District Court for the Southern District of New York (Case No. 1:25-cv-09298). In its complaint, CMD sought to recover success fees pursuant to a signed engagement letter for investment banking services for the Workhorse Aero divestiture transaction. In April 2026, the parties entered into a settlement agreement, pursuant to which Workhorse paid CMD an aggregate of $0.6 million. As of September 30, 2026, the Company had paid the full settlement amount and has no remaining accrual related to this matter.

17. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for potential recognition and disclosures through the date the accompanying condensed consolidated financial statements were filed.

In October 2026, the Company borrowed an additional $1.6 million and made repayments of $0.2 million under the Customer Order Credit Agreement. Additionally, in October 2026, the Company amended the Credit Agreements to i) increase the borrowing capacity of the Customer Order Credit Agreement from $20.0 million to $30.0 million, ii) defer interest payments on the additional commitment until after March 31, 2027, and iii) defer interest payments on the $30.0 million of the $40.0 million in outstanding borrowings on the Cash Flow Credit Agreement until after March 31, 2027. Following the effectiveness of the amendment, in October 2026 we borrowed an additional $10.0 million under the Customer Order Credit Agreement. As of the filing date, we had $29.8 million in outstanding borrowings and $0.2 million remaining availability under the Customer Order Credit Agreement, and we had $40.0 million in outstanding borrowings and no remaining availability under the Cash Flow Credit Agreement.

On October 28, 2026, the Company entered into a Manufacturing Spec Unit Purchase Agreement (the "MSPA") with Rhaelm Holdings Limited ("RHAELM"), a UK-based developer of sovereign AI infrastructure, pursuant to which RHAELM will pay the Company $10.0 million over three installments to build a full-scale TerraPod manufacturing spec unit at the Company's Union City, Indiana facility. Additionally, on the same date, the Company and RHAELM also entered into a non-binding letter of intent (the "LOI") reflecting the parties' intention to work towards executing a definitive supply agreement, which the parties are targeting to sign by December 31, 2026. As of the filing date, the Company has received $6.0 million of the $10.0 million due in accordance with the MSPA.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and notes thereto included under Item 1 in this Quarterly Report on Form 10-Q (this "Report") and our Consolidated Financial Statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2025.

The statements included herein that are not based solely on historical facts are "forward looking statements." Such forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties. Our actual results could differ materially from those anticipated by us in these forward-looking statements as a result of various factors, including those discussed in this Report and under Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the SEC on March 31, 2026.

Overview

Workhorse Group Inc. ("Workhorse," or the "Company") is an American industrial technology company. From its manufacturing facility in Union City, Indiana, Workhorse applies its electrification, high-voltage systems integration, ruggedized platform manufacturing and distributed energy capabilities to its electric commercial vehicles and modular AI infrastructure products. Our current commercial operations are primarily focused on providing sustainable and cost-effective solutions to the commercial transportation sector. We design and manufacture all-electric vehicles, including the technology that optimizes the way that these vehicles operate. The Company's vehicles are engineered for last-mile delivery, medium-duty operations, and a growing range of specialized applications. The Company is also developing a containerized modular artificial intelligence ("AI") data center product line intended to leverage its existing engineering and manufacturing capabilities.

We believe our all-electric commercial vehicles offer fleet operators significant benefits, which include:

- Lower total cost-of-ownership as compared to conventional gas/diesel vehicles;
- Improved profitability through lower maintenance costs and reduced fuel expenses; and
- Decreased vehicle emissions and reduced carbon footprint.

We continue to seek opportunities to grow our business organically, and by expanding relationships with existing and new customers and dealers. We believe we can take advantage of long-term opportunities and continue our efforts to bring product innovations to market.

On December 15, 2025 (the "Closing Date"), we completed our merger with Motiv Power Systems, Inc. ("Motiv"), pursuant to which Motiv became our indirect, wholly owned subsidiary (the "Merger").

The Merger was accounted for as a reverse acquisition, with Motiv being treated as the acquirer for accounting purposes. References to "Workhorse," the "Company," "we," "us," or "our," when used in this Report incorporate the operations of Motiv unless otherwise indicated or the context requires otherwise.

Prior to the Closing Date of the Merger, Motive GM Holdings II LLC ("MGMH"), a Delaware limited liability company, was Motiv's controlling stockholder and largest creditor, with all financial indebtedness of Motiv beneficially owned by MGMH or one of its affiliates. In connection with the closing of the Merger, MGMH received 6,629,800 shares of Workhorse Common Stock (the "Merger Consideration") in partial satisfaction of the financial indebtedness of Motiv beneficially owned by MGMH or one of its affiliates, with any remaining indebtedness cancelled for no consideration, which resulted in MGMH owning 68.3% of the then issued and outstanding of our Common Stock.

Merger Related Transactions

The Waiver, Repayment and Exchange Agreement

On August 15, 2025, in connection with the contemplated Merger, Workhorse entered into a Waiver, Repayment and Exchange Agreement (the "Repayment Agreement") by and among Workhorse and the investors party thereto (collectively, the "2024 Note Holder") to (i) redeem all of Workhorse's outstanding obligations under the notes issued to the 2024 Note Holder (the "2024 Notes") and (ii) cancel the warrants issued to the 2024 Note Holder (the "2024 Warrants") on the Closing Date.

On December 15, 2025, in accordance with the terms of the Repayment Agreement and upon consummation of the Merger, Workhorse issued to the 2024 Note Holder rights (the “Rights”) to acquire 1,193,364 shares of Common Stock in exchange for the cancellation of the 2024 Warrants (the “Exchange”). Upon completing the redemption of the 2024 Notes (the "Repayment") and the Exchange, Workhorse had no outstanding obligations under the 2024 Notes, all of the 2024 Notes and 2024 Warrants were cancelled, and all collateral, including cash collateral, securing the 2024 Notes was released. Following the Repayment and the Exchange effective December 15, 2025, Workhorse and the 2024 Note Holder terminated the Securities Purchase Agreement to which they were parties, pursuant to which the 2024 Notes were issued and which allowed for further issuances of notes and previously served as a source of third-party financing to Workhorse (the “Securities Purchase Agreement”).

As of September 30, 2026, all shares of Common Stock have been issued to the 2024 Note Holder, and no shares remain issuable under the Stock Rights liability.

The Convertible Financing

On August 15, 2025, Workhorse issued to an affiliate of MGMH a Subordinated Secured Convertible Note (the “Convertible Note”) with an aggregate original principal amount of $5.0 million (the “Convertible Financing”). The Convertible Note was issued without original issue discount, and Workhorse received $5.0 million in proceeds, which was used for general corporate purposes. The Convertible Note bears interest at a rate of 8.0% per annum, subject to adjustment as set forth in the Convertible Note, compounded quarterly and increasing the principal outstanding under the Convertible Note. The Convertible Note was originally a secured obligation of Workhorse, ranking senior to all other indebtedness and, subject to certain limitations, and unconditionally guaranteed by each of Workhorse’s subsidiaries and secured by substantially all of the assets of Workhorse and its subsidiaries.

Workhorse’s obligations under the Convertible Note mature 24 months after the date of issuance. The Convertible Note is automatically convertible into a number of shares of Workhorse Common Stock equal to the principal amount then outstanding divided by 90% of the price per share paid by investors in a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells common stock or preferred stock that occurs after the Closing Date of the Merger.

On December 15, 2025, the parties to the Convertible Note entered into an Amended and Restated Convertible Note (the “A&R Note”) to make the obligations under the Convertible Note, as amended, unsecured obligations of Workhorse and each guarantor party thereto. As a result, the Convertible Note Security Agreement entered into when the Convertible Note was issued was terminated on the Closing Date. The Convertible Note Subsidiary Guaranty entered into when the Convertible Note was issued was amended and restated (the “A&R Convertible Note Subsidiary Guaranty”) to incorporate the termination of the Convertible Note Security Agreement.

The Sale-Leaseback Transaction

On August 15, 2025, in connection with the sale and leaseback transaction (the “Sale-Leaseback”), a subsidiary of Workhorse, Workhorse Motor Works Inc., entered into a Purchase and Sale Agreement with an affiliate of MGMH (the “Property Purchaser”) for the sale of its Union City, Indiana manufacturing facility and campus (the “Property”), excluding any equipment and any fixtures solely used in the production of vehicles, to the Property Purchaser for a purchase price, before fees and expenses, of $20.0 million. Workhorse used the proceeds to redeem a portion of the 2024 Notes pursuant to the Repayment Agreement, to pay Merger transaction expenses, and for general corporate purposes.

On April 25, 2026, the Company and an affiliate of MGMH entered into an agreement whereby the lessor agreed to a deferral of the Company’s monthly rental payments pursuant to the lease for the Company’s manufacturing facility in Union City, Indiana for five months beginning May 2026, with the entire deferred amount due and payable in a single lump-sum payment on or before September 30, 2026. In August 2026, the parties to the lease entered into an agreement whereby the lessor agreed to an additional deferral of the Company’s monthly rental payments for four months beginning October 2026. This agreement also deferred all rents that had been due at September 30, 2026. As a result, the entire deferred amount is now due and payable in a single lump-sum payment on or before January 31, 2027.

Post-Merger Financing

On December 15, 2025, Workhorse entered into a (i) Credit Agreement (Customer Orders) (the “Customer Order Credit Agreement”) and (ii) Credit Agreement (Cash Flow) (the “Cash Flow Credit Agreement” and together with the Customer Order Credit Agreement, the “Credit Agreements” and such transactions, collectively, the “Closing Debt Financing”), each by and among Workhorse, as borrower, certain subsidiaries of Workhorse, as guarantors, and MGMH as lender.

The Customer Order Credit Agreement provided Workhorse with up to $40.0 million to fund vehicle manufacturing in connection with Qualified Purchase Orders (as defined in the Customer Order Credit Agreement). Under the Customer Order Credit Agreement, a Qualified Purchase Order includes purchase orders entered into between Workhorse and/or one or more of its subsidiaries and a customer made on terms approved by MGMH or substantially similar to terms previously approved by MGMH pursuant to a master purchase agreement or other standard terms and conditions approved by MGMH. The amount of funds advanced by MGMH upon the receipt of an acceptable purchase order will be determined by MGMH but will not exceed 70% of the purchase price for the ordered vehicles without MGMH's consent. The Cash Flow Credit Agreement provided Workhorse with a line of credit with borrowing capacity of up to $10.0 million to fund its working capital requirements, including costs related to the Merger, and general corporate purposes.

Workhorse's outstanding obligations under each Credit Agreement bear interest at a reference rate equal to the term Secured Overnight Financing Rate for a three-month tenor ("SOFR") plus an applicable margin of 5.00%. If SOFR is unavailable pursuant to the terms of the Credit Agreements, the reference rate will be the prime rate of interest per annum last quoted by The Wall Street Journal, and the applicable margin will be 2.50% per annum. Workhorse's obligations under the Credit Agreements mature on December 15, 2028. MGMH's obligation to advance additional funds under the Cash Flow Credit Agreement will terminate and thereafter be at the discretion of MGMH upon the consummation by Workhorse of a PIPE transaction (as defined in the Credit Agreements) to the extent such PIPE occurs prior to the maturity date of the Cash Flow Credit Agreement. Both Credit Agreements contain customary representations and warranties, affirmative and negative covenants, and events of default, and provide for customary acceleration and remedy rights for MGMH upon the occurrence of an event of default by Workhorse.

Workhorse's obligations under the Credit Agreements are senior secured obligations of Workhorse, ranking senior to all other indebtedness and, subject to certain limitations, are unconditionally guaranteed by each of Workhorse's subsidiaries, pursuant to the terms of the Credit Agreements and secured by substantially all of the assets of Workhorse and its subsidiaries pursuant to a certain Security Agreement (the "Security Agreement"). Payments under the Cash Flow Credit Agreement are effectively subordinated to payments under the Customer Order Credit Agreement pursuant to the waterfall in the Security Agreement.

In April 2026, Workhorse made the following amendments to the Credit Agreements: (i) amends the Cash Flow Credit Agreement to increase the borrowing capacity from $10.0 million to $20.0 million, (ii) amends the Cash Flow Credit Agreement to defer interest payments on the additional $10.0 million Commitment until the Interest Payment Date (as defined in the Cash Flow Credit Agreement) occurring after September 30, 2026 and (iii) amends the Customer Order Credit Agreement to reduce the borrowing capacity from $40.0 million to $30.0 million.

In June 2026, Workhorse made the following amendments to the Credit Agreements: (i) amends the Cash Flow Credit Agreement to increase the borrowing capacity from $20.0 million to $30.0 million, (ii) amends the Cash Flow Credit Agreement to defer interest payments on the additional $10.0 million Commitment until the first Interest Payment Date (as defined in the Cash Flow Credit Agreement) occurring after September 30, 2026, (iii) amends the Customer Order Credit Agreement to reduce the borrowing capacity from $30.0 million to $20.0 million and (iv) obligates the Company to issue warrants to purchase equity interests in the Company within 45 days of the execution of the amendment or such later date as the lender agrees, with terms and in number to be mutually agreed, as consideration for the amendments therein.

In August 2026, Workhorse amended the Credit Agreements to increase the borrowing capacity under the Cash Flow Credit Agreement from $30.0 million to $40.0 million and to defer interest payments on the additional commitments until after January 31, 2027. Additionally, the amendment included the obligation to issue warrants to purchase an aggregate of 1,500,000 shares of the Company's common stock at $10 per share. The warrants are exercisable immediately and expire five years from the date of issuance. In October 2026, we amended the Credit Agreements to i) increase the borrowing capacity of the Customer Order Credit Agreement from $20.0 million to $30.0 million, ii) defer interest payments on the additional commitments until after March 31, 2027, and iii) defer interest payments on the $30.0 million of the $40.0 million outstanding on the Cash Flow Credit Agreement until after March 31, 2027, as further described in Note 17, *Subsequent Events*.

Going Concern; Financing

As discussed more fully under Note 1, *Summary of Business and Significant Accounting Principles; Liquidity, Capital Resources, and Going Concern,*to our Unaudited Condensed Consolidated Financial Statements included with this Report, and under *Liquidity and Capital Resources; Going Concern below*, our ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next twelve months to improve the Company's liquidity and working capital requirements.

In order to manage liquidity and operating capital, the Company entered into certain of the transactions described above, including the Convertible Financing and the Sale-Leaseback transaction, pursuant to which the Company received gross proceeds of $25.0 million. As of September 30, 2026, there was $5.0 million in principal outstanding under the A&R Note. Additionally, the Company has access to the Customer Order Credit Agreement and the Cash Flow Credit Agreement. See discussion above in *Post-Merger Financing* for further information on the borrowing capacity of the Credit Agreements. As of September 30, 2026, borrowings outstanding under the Customer Order Credit Agreement were $18.4 million, with $1.6 million of remaining availability, and borrowings outstanding under the Cash Flow Credit Agreement were $40.0 million, with no remaining availability.

As of the filing date, we had $29.8 million in outstanding borrowings and $0.2 million remaining availability under the Customer Order Credit Agreement, and we had $40.0 million in outstanding borrowings and no remaining availability under the Cash Flow Credit Agreement.

Subject to certain conditions, the Credit Agreements permit the Company to raise funds through an equity or equity-linked financing. The Company is actively working to evaluate financing alternatives; however, the consummation of such a transaction is not probable as of the issuance date of the accompanying Condensed Consolidated Financial Statements.

Accordingly, our ability to obtain additional proceeds from financing is extremely limited under current conditions, and if we are unable to obtain such proceeds, we may need to further adjust our operations and seek protection by filing a voluntary petition for relief under the Bankruptcy Code. If this were to occur, the value available to our various stakeholders, including our creditors and stockholders, is uncertain and trading prices for our securities may bear little or no relationship to the actual recovery, if any, by holders of our securities in bankruptcy proceedings.

These conditions raise substantial doubt regarding our ability to continue as a going concern for a period of at least one year from the date of issuance of these accompanying Condensed Consolidated Financial Statements.

Cost-saving Measures

A key component of management's intended plan to improve our liquidity and working capital requirements was completion of the Merger. Consummation of the Merger resulted in settlement of all of Workhorse's obligations under the 2024 Notes, with all of the 2024 Notes and 2024 Warrants being cancelled, and all collateral, including the cash collateral, securing the 2024 Notes being released. Additionally, all indebtedness of Motiv was partially satisfied in exchange for the Merger Consideration with the balance cancelled for no consideration. Additionally, as a result of the Merger, we believe that we have the potential to (i) benefit from our and Motiv's complementary customer bases, which include a substantial number of leading national medium duty fleets; (ii) benefit from our complementary sales and marketing strategies, which include extensive dealer relationships and an established methodology for direct sales to fleets and other customers; and (iii) achieve cost synergies, including savings from reducing contract manufacturers for Motiv products by manufacturing them in the Workhorse production facility, including the transition away from contract manufacturers and shifting of production of all vehicles into the Workhorse production facility during 2026. Additionally, the combined company now has an extensive portfolio of products, including a full range of Class 4-6 trucks and buses that the Company believes will be attractive to customers.

Management plans to continue to work to achieve expected synergies from the Merger. There can be no assurance that the measures described above, or any other cost-saving measures we may implement in the future, will be sufficient to address our immediate or longer-term liquidity and working capital needs. Moreover, it is possible that such measures will have an adverse effect on our operations.

Trucks in Production

We continue to focus on product quality, manufacturing capacity and operational planning, and engineering and design to enable increased deliveries and deployments of our products and future revenue growth. We have plans to continue to reduce the total cost of and enhance the design and performance of our current product lineup, as well as design new vehicles as the market evolves. We are planning a new, proprietary "modular" chassis design that will be based on the foundational learnings gathered from field-tested W56 components but with a scalable architecture that supports flexible wheelbase configurations, advanced battery and axle technologies, and next-generation software and power electronics. In addition, we are planning for our first Class 5/6 cab chassis, which will pair the new modular chassis with a lightweight, low-cost cab designed for efficient upfitting, spanning applications across all classes of medium duty trucks. We continued to electrify the fleet of trucks being used in our Stables by Workhorse initiative, which operates FedEx Ground delivery routes in the greater Cincinnati, OH area. The electrification of the fleet provides us with firsthand data on the benefits and challenges of independent fleet operators experience while executing last-mile delivery operations. The initiative also provides valuable insights into how our customers can plan for and manage the transition to EV operations, including how to develop adequate charging infrastructure, training and maintenance services. In addition to our ongoing production ramp in 2026, we intend to continue to generate demand and

brand awareness by improving our trucks' performance and functionality, and by developing new truck programs, including new W56 variants. We expect to continue to benefit from ongoing electrification of the commercial truck market and in particular "last mile delivery" sector.

Recent Trends and Market Conditions

We continue to monitor macroeconomic conditions to remain flexible and to optimize and evolve our business as appropriate in this tumultuous environment and we will endeavor to project demand and infrastructure requirements globally and deploy our production, workforce and other resources accordingly.

Market Demand

We continue to experience slower-than-anticipated industry wide electric truck adoption rates and lack of government subsidies and incentives available to our dealers as well as slower than expected roll-out of additional power to electric grids and the resulting effect on rollouts of electric truck charging infrastructure, nationwide. Delayed governmental approvals in certain states and slower than expected proliferation of charging stations across the country have also adversely impacted demand. We expect these delays and the current and developing regulatory landscape in the United States to continue to slow adoption in 2026. The dynamic regulatory landscape is a significant consideration for our operations and strategic planning and remains uncertain. Proposed changes to California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program ("HVIP") could negatively impact demand, if implemented. The removal of the Federal 45W tax-rebate for commercial vehicles may also impact a small percentage of customers. Weighing against these real and potential additional headwinds are the introduction of new incentive programs in some states as well as increased incentives in New York's, New York Truck Voucher Incentive Program ("NYTVIP") and Washington State's Zero-Emission Incentive Program ("WAZIP").

Commodities

Commodity prices remain volatile, and we expect continued cost increases for key materials used in electric truck production, including lithium, cobalt, nickel, steel, and aluminum. Global shifts in supply and demand have caused uneven price trends across commodities, but overall, we anticipate higher material costs. In addition, tariff measures and trade policy under the presidential administration have raised the cost of imported automotive parts and raw materials. The current U.S. trade policy, including tariffs, is dynamic, and we are actively monitoring developments and evaluating potential impacts on our supply chain, production costs, and pricing strategies, in addition to the impacts that the war in Iran is having on commodity prices as a result of rising energy costs and supply chain disruptions.

Supply Chain

We continue to develop relationships with suppliers of key parts, components and raw materials to be used in the manufacture of our products such as batteries, electronics, and truck chassis that are sourced from suppliers across the world. As we continue to execute on our new truck programs, we will continue to identify supplier relationships and truck program synergies which may allow us to take advantage of pricing efficiencies from economies of scale. Where available, we seek to utilize multiple supply sources for key parts, and we will work to qualify multiple supply sources to achieve pricing efficiencies and minimize potential production risks related to supply chain. As previously disclosed, we are currently working with certain of our vendors to extend or restructure the payment terms of past due accounts payable balances.

Inflation

Inflation continues to impact our operations, resulting from both supply and demand imbalances as economies continue to face constraints as well as the impact on the availability and cost of energy and other commodities as a result of the ongoing war in Ukraine, the war in Iran, and other tensions in the Middle East. Rising inflation and interest rates could adversely affect our business by increasing our input costs and the cost of any financing we may undertake in the future.

Geopolitical and Regulatory Environment

Our operations and results may be affected by changes in U.S. trade, environmental, and energy policy, which have shifted significantly and may continue to shift through executive action, legislation, and court decisions. Federal policy actions have reduced support for the adoption of electric trucks, including the reduction or elimination of government incentives and the repeal of federal greenhouse gas emission standards for heavy-duty vehicles. These actions may be subject to legal challenge, reversal, or further change, and their ultimate effect on demand for our products is uncertain.

Tariff policy has also changed frequently and remains uncertain. Tariffs on imports affect our costs and those of our suppliers and industry, and the scope, legal basis, and duration of these tariffs have been and may continue to be subject to legal challenge and change. We cannot predict future tariff actions or their effect on our costs and supply chain.

More broadly, the regulatory environment for our businesses continues to evolve, and new or changing laws and regulations at the federal, state, and international levels could affect our operations in ways we cannot predict.

Results of Operations

The Company operates as a single reporting segment under ASC 280, *Segment Reporting*, ("ASC 280") consistent with how management evaluates and prioritizes investment and resource allocation decisions and assesses operating performance.

Our Condensed Consolidated Statements of Operations are as follows:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
($ in thousands)	**2026**	**2025**	**$**	**%**	**2026**	**2025**	**$**	**%**
Sales, net of returns and allowances	$ 6,137	$ 9,573	$ (3,436)	(36)%	$ 14,028	$ 11,469	$ 2,559	22 %
Cost of sales	15,697	10,970	4,727	43 %	38,542	15,304	23,238	152 %
Gross loss	(9,560)	(1,397)	(8,163)	584 %	(24,514)	(3,835)	(20,679)	539 %
Operating expenses:								
Selling, general and administrative	7,368	5,062	2,306	46 %	24,753	$ 13,871	10,882	78 %
Research and development	3,749	2,793	956	34 %	11,926	9,650	2,276	24 %
Total operating expenses	11,117	7,855	3,262	42 %	36,679	23,521	13,158	56 %
Loss from operations	(20,677)	(9,252)	(11,425)	123 %	(61,193)	(27,356)	(33,837)	124 %
Interest expense, net	(1,379)	(5,623)	4,244	(75)%	(2,533)	$ (13,018)	10,485	(81)%
Change in fair value of convertible note	338	—	338	N/M	61	$ —	61	N/M
Change in fair value of stock rights	—	—	—	N/M	1,885	$ —	1,885	N/M
Other expense	(70)	1	(71)	N/M	(95)	(3)	(92)	N/M
Loss before benefit for income taxes	(21,788)	(14,874)	(6,914)	46 %	(61,875)	(40,377)	(21,498)	53 %
Benefit for income taxes	—	—	—	— %	34	—	34	N/M
Net loss	$ (21,788)	$ (14,874)	$ (6,914)	46 %	$ (61,841)	$ (40,377)	$ (21,464)	53 %

Sales, net of returns and allowances

Sales, net of returns and allowances were $6.1 million and $9.6 million for the three months ended September 30, 2026 and 2025, respectively, and $14.0 million and $11.5 million for the nine months ended September 30, 2026 and 2025, respectively. For the three months ended September 30, 2026, the sales decrease compared with the prior year period was due to changes in vehicle mix. We delivered 39 vehicles in the third quarter of 2026 compared with 38 vehicles in the same period in the prior year, but the vehicles delivered in the third quarter of this year included 12 older model Workhorse vehicles sold at a discounted amount in order to sell through the inventory, compared with the prior year period that did not include any discounted vehicles sold. For the nine months ended September 30, 2026, the sales increase was driven by the delivery of 39 more vehicles as compared to the prior year period, which included 24 older model Workhorse vehicles sold at a discounted amount in order to sell through the inventory.

Cost of sales

Cost of sales were $15.7 million and $11.0 million for the three months ended September 30, 2026 and 2025, respectively, and $38.5 million and $15.3 million for the nine months ended September 30, 2026 and 2025, respectively. The increases in cost of sales of $4.7 million and $23.2 million for the three and nine months ended September 30, 2026, respectively, were primarily a result of higher sales volume and the higher fixed cost base of Workhorse's Union City, IN manufacturing facility. During the three and nine months ended September 30, 2026, respectively, we recorded a non-cash charge of $1.8 million and $2.6 million, respectively, to settle a contract with a battery supplier. The charge reflected the cost of batteries previously purchased and returned to the supplier as the vehicle model has been discontinued. Additionally, costs in the first quarter of 2026 included the contract manufacturing costs of the legacy Motiv operational structure. Warranty costs in the nine months ended September 30,

2026 and 2025 were fairly consistent in both periods, as they both included charges related a retrofit campaign for certain Motiv trucks sold in Canada. We initially recorded a $1.1 million reserve for the campaign in the third quarter of 2025. Costs incurred for that retrofit campaign during the current year exceeded our original estimates, and we increased our reserves required to complete the retrofit campaign by $1.3 million in the first quarter of 2026. These items were partly offset by margin realized on the sale of 12 and 24 older model Workhorse vehicles during the three and nine months ended September 30, 2026, respectively, that had been previously written down.

Selling, general and administrative expenses

Selling, general and administrative ("SG&A") expenses were $7.4 million and $5.1 million for the three months ended September 30, 2026 and 2025, respectively, and $24.8 million and $13.9 million for the nine months ended September 30, 2026 and 2025, respectively. The increases in SG&A of $2.3 million and $10.9 million for three and nine months ended September 30, 2026, respectively, were primarily driven by the Merger, as the current year periods reflected the costs of the combined company, whereas the corresponding prior-year periods reflected only the costs of Motiv's historical operations. The higher costs were primarily attributable to legal, consulting, accounting and investor relations fees, higher IT costs, increased D&O insurance costs associated with the combined company's public-company status, and rent expense for duplicative facilities pending closure as part of the Merger integration. These increases were partly offset by Merger-related synergies, including reductions in redundant headcount and other operating costs.

Research and development expenses

Research and development ("R&D") expenses were $3.7 million and $2.8 million for the three months ended September 30, 2026 and 2025, respectively, and $11.9 million and $9.6 million for the nine months ended September 30, 2026 and 2025, respectively. The increases in R&D expenses of $1.0 million and $2.3 million for the three and nine months ended September 30, 2026, respectively, were primarily driven by higher employee compensation and related expenses associated with our investment in key R&D projects, including our initiative to reduce the total bill of material cost of our vehicles to levels comparable with internal combustion engine ("ICE") vehicles.

Interest expense, net

For the three months ended September 30, 2026 and 2025, Interest expense, net was $1.4 million and $5.6 million, respectively. For the nine months ended September 30, 2026 and 2025, Interest expense, net was $2.5 million and $13.0 million, respectively. The difference was primarily driven by lower outstanding debt at lower interest rates in the first nine months of 2026 as compared to the prior year. All debt that was outstanding as of September 30, 2025 was restructured in connection with the Merger, resulting in lower debt levels at lower interest rates.

Change in fair value of convertible note

In connection with the Merger, we assumed the A&R Note that is remeasured to fair value at each reporting period. As of September 30, 2026, the estimated fair value of the A&R Note was $5.2 million. We recorded fair value gains of $0.3 million and $0.1 million for the three and nine months ended September 30, 2026, respectively.

Change in fair value of Stock Rights

In connection with the Merger, we assumed an outstanding liability for Rights to acquire 1,193,364 shares of Workhorse Common Stock (the "Rights"). The Rights were issued pre-Merger in exchange for the cancellation of the 2024 Warrants. The Rights are periodically marked-to-market using the closing price of Workhorse Common Stock. During the three and nine months ended September 30, 2026, we recorded $0 and $1.9 million, respectively, of income related to changes in the fair value of the Rights. All Rights were exercised as of June 30, 2026, and no shares remain issuable under the Stock Rights liability.

Liquidity and Capital Resources; Going Concern

We have financed our operations primarily through sales of equity securities and issuances of debt. We have utilized this capital for R&D to fund designing, building and delivering trucks to customers and for working capital purposes.

We had sales of $14.0 million, incurred a net loss of $61.8 million and used $55.6 million of cash in operating activities during the nine months ended September 30, 2026. As of September 30, 2026, we had $4.9 million of cash and cash equivalents and $0.5 million in restricted cash.

As a result of our recurring losses from operations, accumulated deficit, projected capital needs, delays in bringing our vehicles to market and lower than expected market demand, management determined that substantial doubt exists regarding our ability

to continue as a going concern within one year after the issuance date of the accompanying Condensed Consolidated Financial Statements. Our ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next twelve months to improve our liquidity and working capital, which includes, but is not limited to:

- Generating revenue by increasing sales of our vehicles and other services;
- Generating revenue by developing a modular AI data center product line;
- Reducing redundant expenses and limiting non-strategic capital expenditures;
- Realizing synergies from the Merger, including savings from reducing contract manufacturers for Motiv products by manufacturing them in the Workhorse production facility;
- Continuing efforts to lower the total bill of material cost of our vehicles to be in line with ICE vehicles;
- Completing our entry into the modular AI data center category and developing the new product line;
- Obtaining proceeds from our current financing arrangements; and
- The consummation of a potential equity or equity-linked financing.

It is essential that we have access to capital as we bring our existing line of vehicles to market, scale up production and sales of such vehicles and continue to develop additional variations of our existing vehicles and our next generation of vehicles. There is no assurance that we will be successful in implementing management's plans to generate liquidity to fund these activities or other aspects of our short and long-term strategy, that our projections of our future capital needs will prove accurate or that any additional funding would be available or sufficient to continue operations in future periods.

Our revenues from operations are unlikely to be sufficient to meet our liquidity requirements for the twelve months following the date of the issuance of our Condensed Consolidated Financial Statements, and, accordingly, our ability to continue as a going concern depends on our ability to obtain and receive proceeds from external financing. We currently expect that our primary source of financing will be the Credit Agreements and a potential equity or equity-linked financing.

Because the public float of our Common Stock is currently less than $75.0 million, the SEC's "baby shelf" rules will limit the amount of securities we can offer and sell on Form S-3, including Common Stock and all other securities, to one-third of our public float in any twelve-month period. Accordingly, our ability to obtain liquidity through public sales of securities is substantially limited.

As of September 30, 2026, our stockholders' deficit of $12.0 million was below the $2.5 million minimum stockholders' equity required for continued listing on The Nasdaq Capital Market, and our continued listing currently depends on satisfying an alternative standard based on the market value of our listed securities. If we fail to satisfy Nasdaq's continued listing requirements and our Common Stock is delisted, our ability to obtain financing would be further limited.

Subject to certain conditions, the Credit Agreements permit the Company to raise funds through an equity or equity-linked financing; however, the consummation of such a transaction is not probable as of the issuance date of the accompanying Condensed Consolidated Financial Statements.

Because of the foregoing, our ability to obtain additional proceeds from financing is extremely limited under current conditions, and if we are unable to obtain such proceeds, we may need to further adjust our operations and seek protection by filing a voluntary petition for relief under the Bankruptcy Code. If this were to occur, the value available to our various stakeholders, including our creditors and stockholders, is uncertain and trading prices for our securities may bear little or no relationship to the actual recovery, if any, by holders of our securities in bankruptcy proceedings, if any. These conditions raise substantial doubt regarding our ability to continue as a going concern for a period of at least one year from the date of issuance of these accompanying Condensed Consolidated Financial Statements.

We may also rely on other debt financing or other sources of capital funding such as through the sale of assets to obtain sufficient financial resources to fund our operating activities. If we are unable to maintain sufficient financial resources, our business, financial condition and results of operations, as well as our ability to continue to develop, produce and market our vehicle programs and satisfy our obligations as they become due, will be materially and adversely affected. This could affect future vehicle program production and sales. Failure to receive additional proceeds will have a material, adverse impact on our business operations. There can be no assurance that we will be able to obtain the additional proceeds needed to achieve our goals on acceptable terms or at all. Additionally, any additional equity or equity-linked financings would likely have a dilutive effect on the holdings of our existing stockholders. Our current level of cash and cash equivalents is not sufficient to execute our business plan. For the foreseeable future, we will incur operating expenses, capital expenditures and working capital funding that will deplete our cash on hand. These conditions raise substantial doubt regarding our ability to continue as a going concern for a period of at least one year from the date of issuance of these Condensed Consolidated Financial Statements.

Summary of Cash Flows

(in thousands)	Nine Months Ended September 30, 2026	2025
Net cash used in operating activities	$ (55,616)	$ (24,487)
Net cash used in investing activities	$ (300)	$ (375)
Net cash provided by financing activities	$ 48,389	$ 22,017

Cash Flows from Operating Activities

Our cash flows from operating activities are affected by our cash investments to support the business in R&D, manufacturing, and SG&A. Our operating cash flows are also affected by our working capital needs to support fluctuations in accounts receivable, inventory, accounts payable and other current assets and liabilities.

During the nine months ended September 30, 2026 and 2025, net cash used in operating activities was $55.6 million and $24.5 million, respectively. The increase in net cash used in operations was primarily attributable to higher net losses of $21.5 million in the first nine months of 2026 as compared to the prior year.

Cash Flows from Investing Activities

Cash used in investing activities related primarily to capital expenditures, totaling $0.3 million for the nine months ended September 30, 2026, and $0.4 million for the nine months ended September 30, 2025. Capital expenditures in 2026 were due to investments in tooling and equipment required as we transition the manufacturing of legacy Motiv vehicles in the Workhorse manufacturing facility in Union City, IN as a result of the Merger.

Cash Flows from Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2026, was $48.4 million, which was attributable to net proceeds received during the period from the Cash Flow Credit Agreement and Customer Order Credit Agreement. Net cash provided by financing activities during the nine months ended September 30, 2025, was $22.0 million, which was attributable to proceeds received during the period from the A&R Senior Note.

Future Purchase Commitments

From time to time in the ordinary course of business, we enter into agreements with vendors for the purchase of components and raw materials to be used in the manufacture of our products. However, due to contractual terms, variability in the precise growth curves of our development and production ramps, and opportunities to renegotiate pricing, we generally do not enter into binding and enforceable purchase orders under such contracts beyond the needs of our current production schedule and expected supplier lead times. The timing and magnitude of purchase orders beyond such period could change materially based on customer order volumes and other factors.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Critical Accounting Estimates

A discussion of our critical accounting estimates is contained in the 2025 Form 10-K, under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Recent Accounting Pronouncements

A description of recently issued and adopted accounting pronouncements is contained in Note 15,*Recent Accounting Pronouncements*, of the Condensed Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of our quantitative and qualitative disclosures about market risk, see "Quantitative and Qualitative Disclosures About Market Risks" included in the 2025 Form 10-K, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." There have been no material changes to the information provided in the Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer.

Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2026, our disclosure controls and procedures were not effective as of such date due to a material weakness in internal control over financial reporting, as described below.

Material Weakness in Internal Control over Financial Reporting

There are inherent limitations on the effectiveness of any system of internal controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective internal controls and procedures can only provide reasonable assurance of achieving their control objectives.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

As disclosed in our 2025 Form 10-K, management identified a material weakness in our internal controls over financial reporting, which had not been remediated as of September 30, 2026. The Company did not maintain sufficient accounting and finance personnel with the appropriate level of experience and technical expertise to consistently execute and maintain effective internal controls over financial reporting, including controls related to:

- The preparation and review of complex accounting estimates and judgments,
- The timely performance of management review controls, and
- The execution of controls designed to ensure the completeness and accuracy of account reconciliations and financial statement disclosures.

While management has designed internal controls intended to address the risks of material misstatement in these areas, the Company lacked adequate personnel resources during the period to execute these controls at a level of precision and consistency necessary to prevent or detect material misstatements on a timely basis.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the three months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, other than the continuing remediation activities noted below.

Remediation of Material Weakness

Management is committed to remediating the identified material weakness and continues the implementation of the following measures:

- Appointing a new Chief Financial Officer and Chief Accounting Officer in July 2026;

- Expanding the use of third-party technical accounting and financial reporting advisors to supplement internal resources during peak reporting periods; and
- Enhancing documentation and execution standards for key management review controls.

Management believes these actions, when fully implemented and operating effectively, will remediate the material weakness. However, the material weakness cannot be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that the controls are operating effectively.

Unless and until the material weakness is remediated, or if new material weaknesses arise in the future, material misstatements could occur and go undetected in our interim Condensed Consolidated Financial Statements or annual Consolidated Financial Statements, and we may be required to restate our financial statements. In addition, we may experience delays in satisfying our reporting obligations or to comply with Securities and Exchange Commission rules and regulations, which could result in, among other things, regulatory or enforcement actions, securities litigation, limitations on our ability to access capital markets, debt rating agency downgrades or rating withdrawals, or loss in confidence of our investors, any one of which could adversely affect the valuation of our Common Stock and our business prospects. We can give no assurance that the measures we have taken and plan to take in the future will remediate the material weakness identified or that any additional material weaknesses will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of certain material legal proceedings, please see Note 16,*Commitments and Contingencies,* to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

For a detailed discussion of risk factors affecting us, see "Part I – Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes in the current period regarding our risk factors, other than as noted below.

Risks Related to our Business and Operations

Our expansion into the modular AI data center market may not be successful and could adversely affect our business, financial condition, and results of operations.

In July 2026, we announced our intention to develop a modular AI data center product line and in October 2026, we announced that we had entered into a manufacturing spec unit purchase agreement with a developer of sovereign AI infrastructure to build a manufacturing spec unit for our new modular data center platform and a non-binding letter of intent to work towards a supply agreement. Although we believe our expansion into the modular AI data center leverages certain of our existing engineering, manufacturing, and supply chain capabilities, it represents an expansion into a new market with different competitive dynamics, customer requirements, technologies, and operational risks than our historical business.

Our success will depend on our ability to design, manufacture, market, and support these products, establish customer demand, secure reliable sources of critical components, raise capital, and effectively compete against established participants in the data center infrastructure market. While the recently announced agreement and letter of intent provide a possible foundation for the commercialization of our new TerraPod platform, there can be no assurances that a definitive supply agreement will be executed or that the developer will ultimately place an initial order. Further, if no supply agreement is executed and/or no initial order is placed, regardless of the reasons, other potential customers may be disinclined to purchase our modular AI data center products in the future. Additionally, even if our entry into the market through these agreements is successful, we may be required to make significant investments in engineering, manufacturing, inventory, personnel, software, and other resources before realizing meaningful revenue, if any.

In addition, the modular AI data center market is rapidly evolving and subject to changing technologies, customer preferences, regulatory requirements, and competitive pressures. If market adoption develops more slowly than anticipated, if customer demand does not materialize, if we encounter delays in product development or commercialization, or if we are unable to successfully execute our business strategy, our investments may not generate the expected returns.

Our expansion into this market may also divert management's attention and financial resources from our existing business, increase operational complexity, and expose us to risks that we have not previously encountered. If we are unsuccessful in developing or commercializing our modular AI data center products, or if the costs associated with this initiative exceed our expectations, our business, financial condition, operating results, and cash flows could be materially and adversely affected.

We do not satisfy Nasdaq's minimum stockholders' equity requirement, and our continued listing depends on the market value of our listed securities. If we fail to satisfy Nasdaq's continued listing requirements, our efforts to regain compliance may substantially dilute our stockholders, and if those efforts are unsuccessful, our Common Stock could be delisted.

Nasdaq Listing Rule 5550(b)(1) requires companies listed on The Nasdaq Capital Market to maintain stockholders' equity of at least $2.5 million (the "Stockholders' Equity Requirement"). A company that does not meet the Stockholders' Equity Requirement may instead satisfy Nasdaq's continued listing standards with either (i) a market value of listed securities of at least $35 million or (ii) net income from continuing operations of $500,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years.

As of September 30, 2026, we reported a stockholders' deficit of $12.0 million, and we therefore do not satisfy the Stockholders' Equity Requirement. We have not generated net income from continuing operations of at least $500,000 in our

most recently completed fiscal year or in two of our three most recently completed fiscal years. As a result, our continued listing depends on maintaining a market value of listed securities of at least $35 million.

The market value of our listed securities has recently fluctuated above and below $35 million, and the market price of our Common Stock has been volatile. As a result, we may receive a deficiency notice from Nasdaq. Whether we receive a notice, and when, will depend on the market value of our listed securities and on Nasdaq's review of our compliance, and we cannot predict either. If we do receive a notice, depending on the circumstances, we could be required to submit a plan to regain compliance within 45 calendar days, or we could be given a compliance period of up to 180 calendar days. There can be no assurance that we will continue to satisfy the market value standard, or, if we receive a notice, that we will regain compliance within any period Nasdaq provides.

If we are unable to satisfy the market value standard, we would need to increase stockholders' equity by at least approximately $14.5 million from its September 30, 2026 level to regain compliance, and by substantially more to sustain compliance in light of our continuing operating losses. We expect any such plan would involve an equity or equity-linked financing, which, as described under "Liquidity and Capital Resources; Going Concern," is not probable as of the date of this Quarterly Report, and/or the conversion or exchange of outstanding indebtedness into equity, including indebtedness held by MGMH. Any such transaction would likely result in substantial dilution, may require stockholder approval, and could significantly increase MGMH's ownership of the Company.

As described under "Liquidity and Capital Resources; Going Concern," the consummation of an equity or equity-linked financing is not probable as of the date of this Quarterly Report. There can be no assurance that Nasdaq would accept any plan we submit, that we would regain and maintain compliance, or that any appeal to a Nasdaq Hearings Panel of a delisting determination would be successful.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Other than the equity securities issued in transactions disclosed in our Current Report on Form 8-K during the quarter ended September 30, 2026, there were no unregistered sales of equity securities during the period.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Insider Trading Arrangements

During the three months ended September 30, 2026, none of our directors or officers (as defined in Rule 16a-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any "non-Rule 10b5-1 trading arrangement" (as defined by Item 408(c) of Regulation S-K).

ITEM 6. EXHIBITS

Exhibit No.	Description
2.1*	Agreement and Plan of Merger, dated August 15, 2025, by and among Workhorse Group Inc., Omaha Intermediate 2, Inc., Omaha Intermediate, Inc., Omaha Merger Subsidiary, Inc., and Motiv Power Systems, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on August 15, 2025).
10.1	Workhorse Group Inc. Short-Term Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on July 23, 2026).
10.2	Amendment No. 3, dated as of August 11, 2026, by and among Workhorse Group Inc., as borrower, the subsidiary guarantors party thereto and Motive GM Holdings II LLC, as lender (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on August 12, 2026).
10.3	Form of Common Stock Purchase Warrant by and among Workhorse Group Inc., certain subsidiaries of Workhorse Group Inc., and Motive GM Holdings II LLC. (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on August 12, 2026).
10.4	Workhorse Group Inc. Value Creation Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company'sCurrent Report on Form 8-K filed with the SEC on September 28, 2026).
31.1**	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1***	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2***	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL INSTANCE DOCUMENT
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Inline XBRL Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Certain schedules and exhibits to this Exhibit have been omitted in accordance with Item 601 of Regulation S-K.

** Filed herewith.

*** Furnished herewith.

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 thereunto duly authorized.

WORKHORSE GROUP INC.

Dated: November 16, 2026

By: /s/ Scott Griffith

Name: Scott Griffith
Title: Chief Executive Officer
(Principal Executive Officer)

Dated: November 16, 2026

By: /s/ Jody Davis

Name: Jody Davis
Title: Chief Financial Officer
(Principal Financial Officer)

Dated: November 16, 2026

By: /s/ Lindsay A. Barnes

Name: Lindsay A. Barnes
Title: Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Scott Griffith, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Workhorse Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant) and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 16, 2026

/s/ Scott Griffith

Scott Griffith,
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Jody Davis, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Workhorse Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant) and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 16, 2026

/s/ Jody Davis

Jody Davis,
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly report of Workhorse Group Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott Griffith, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 16, 2026

/s/ Scott Griffith

Scott Griffith,
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly report of Workhorse Group Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jody Davis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 16, 2026

/s/ Jody Davis

Jody Davis,
Chief Financial Officer
(Principal Financial Officer)