

XOS

INVESTOR PRESENTATION
NASDAQ: XOS



DECEMBER 2023

Disclaimer

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, expectations related to product deliveries and customer demand; expectations regarding regulatory changes; and Xos’ long-term strategy and future growth. These forward-looking statements may be identified by the words “believe,” “plan,” “project,” “potential,” “seem,” “seek,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “target,” “opportunity,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions and any other statements that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements contain such identifying words. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) Xos’ ability to implement business plans, forecasts, and other expectations, and identify and realize additional opportunities, (ii) Xos’ limited operating history, (iii) cost increases and delays in production due to supply chain shortages in the components needed for the production of Xos’ vehicle chassis and battery system, (iv) Xos’ ability to meet production milestones and fulfill backlog orders, (v) changes in the industries in which Xos operates, (vi) variations in operating performance across competitors, (vii) changes in laws and regulations affecting Xos’ business, (viii) Xos’ ability to implement its business plan or meet or exceed its financial projections (ix) Xos’ ability to retain key personnel and hire additional personnel, particularly in light of current and potential labor shortages, (x) the risk of downturns and a changing regulatory landscape in the highly competitive electric vehicle industry, (xi) Xos’ ability to service its indebtedness and (xii) the outcome of any legal proceedings that may be instituted against Xos. All forward-looking statements included in this press release are expressly qualified in their entirety by, and you should carefully consider, the foregoing factors and the other risks and uncertainties described under the heading “Risk Factors” included in Xos’ Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 31, 2023 and Xos’ other filings with the SEC, copies of which may be obtained by visiting Xos’ Investors Relations website at <https://investors.xostrucks.com/> or the SEC’s website at www.sec.gov. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Xos assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Xos does not give any assurance that it will achieve its expectations.

Non-GAAP Financial Measures

The financial information in this presentation has been presented in accordance with United States generally accepted accounting principles (“GAAP”) as well as on a non-GAAP basis to supplement our consolidated financial results. Our non-GAAP financial measures include Operating Cash Flow less CapEx (Free Cash Flow), Non-GAAP Operating Loss and Non-GAAP Gross Loss which are defined as follows. “Operating Cash Flow less CapEx (Free Cash Flow)” is defined as net cash used in operating activities minus purchases of property and equipment. “Non-GAAP Operating Loss” is defined as loss from operations adjusted for stock-based compensation, inventory write-downs and physical inventory and other adjustments. “Non-GAAP Gross Loss” is defined as gross loss minus inventory write-downs and physical inventory and other adjustments. We believe that the use of Operating Cash Flow less CapEx (Free Cash Flow), Non-GAAP Operating Loss and Non-GAAP Gross Loss reflect additional means of evaluating Xos’ ongoing operating results and trends. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. It is important to note our computation of Operating Cash Flow less CapEx (Free Cash Flow), Non-GAAP Operating Loss and Non-GAAP Gross Loss may not be comparable to other similarly titled measures computed by other companies, because not all companies may calculate Operating Cash Flow less CapEx (Free Cash Flow), Non-GAAP Operating Loss and Non-GAAP Gross Loss in the same fashion. Non-GAAP information is not prepared under a comprehensive set of accounting rules and therefore, should only be read in conjunction with financial information reported under GAAP when understanding our operating performance. A reconciliation between historical GAAP and non-GAAP financial information is provided in this presentation.

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COMPANY OVERVIEW

INVESTMENT THESIS

RECENT HIGHLIGHTS

APPENDIX

NASDAQ: XOS | A leading commercial EV OEM, with a path to profitability

As a leader in EV stepvans and charging infrastructure...



...Xos delivers TCO savings, with a path to profitability, supported by regulatory tailwinds...

Total Cost of Ownership (TCO) savings

Xos' proprietary technology saves fleets money

Most fleets see payback times of <5 years, before incentives

Path to profitability

Shipped first gross margin positive units in Q2 2023 and gross margin positive in Q3 2023

Backlog of signed sales orders supports growing delivery volumes

Regulatory tailwinds

California's mandate requires fleets to buy thousands of EV stepvans by 2025

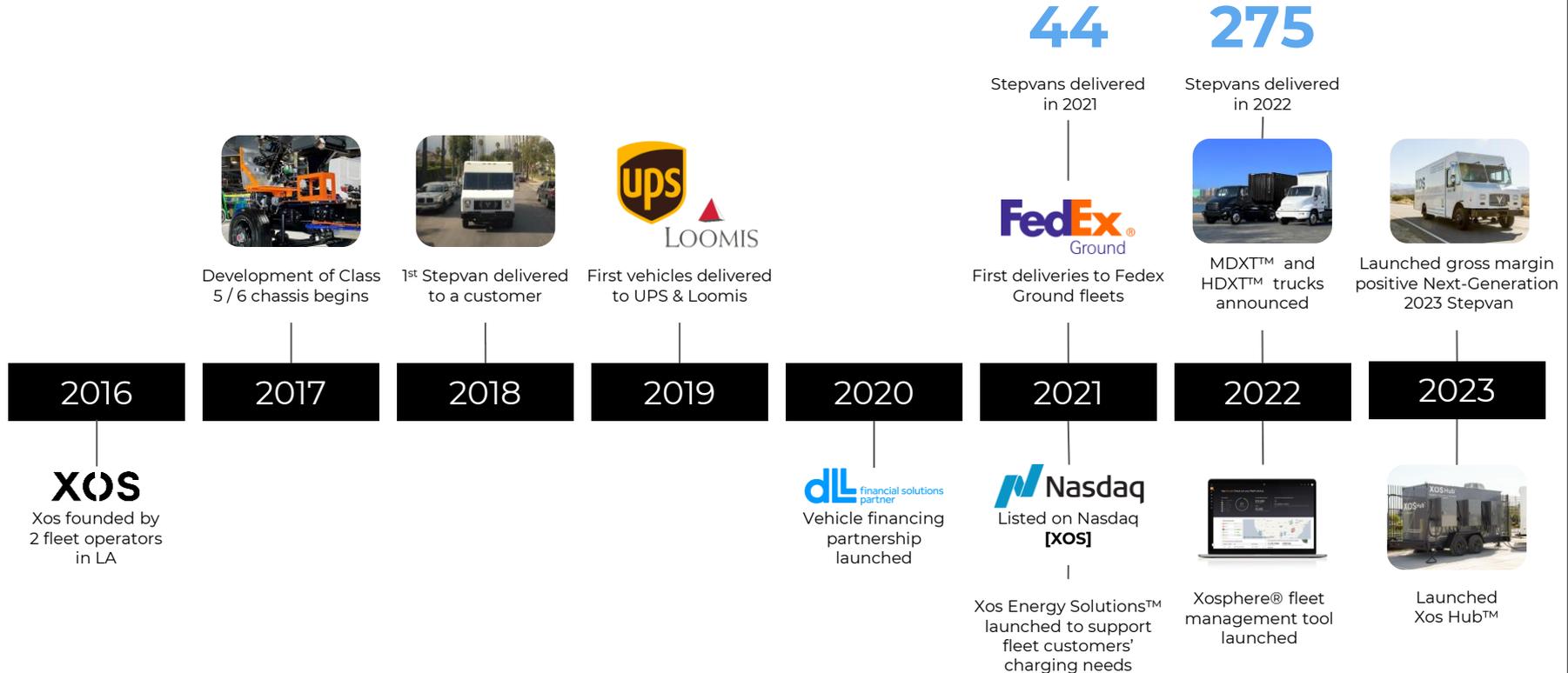
Stackable federal and state incentives can cover the majority of vehicle costs

...enabling fleets to transition to EVs, including:



Note: Total cost of ownership estimates are for illustrative purposes only and are subject to variation based on a number of factors not fully discussed herein.

Xos started delivering EV Stepvans in 2018 and is committed to making top-tier vehicles for leading fleets



Leadership Team



Dakota Semler
Chairman & CEO



Giordano Sordoni
COO & Director



Liana Pogosyan
Acting CFO



BOARD OF DIRECTORS

Alice Jackson



Burt Jordan



Stuart Bernstein



George Mattson



Ed Rapp





Xos is both a vehicle OEM and provider of charging solutions for commercial fleets

Truck OEM

Scale production of electric commercial vehicles for last-mile, back-to-base fleets that provide Total Cost of Ownership (TCO) and regulatory, and environmental benefits for fleet operators

Xos Energy Solutions™

Removing roadblocks to EV adoption via mobile charging units, fixed charging hardware, and turnkey infrastructure services

Truck OEM | Xos is an EV leader in Class 5 and 6 Stepvans

									
	Light Duty		Medium Duty				Heavy Duty		Specialty
Weight Class	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Varies
GVWR (lbs)	<6,000	6,001 – 10,000	10,001 – 14,000	14,001 – 16,000	16,001 – 19,500	19,501 – 26,000	26,001 – 33,000	33,001 – 80,000	Varies
Production EV OEMs	N/A	 	 		 	 	 	  	
Legacy Diesel OEMs	 	 	 	 	 	 	  	   	 

Current Xos market

Planned Xos market

Truck OEM | Xos 2023 SV (Stepvan)

The Xos Stepvan is a 100% battery-electric Class 5 /6 vehicle, purpose-built for commercial applications of up to 200 miles*.

Battery Options	100 mile (140 kW)
	200 mile (280 kW)
GVWR	23,000 – 26,000 lbs
Payload	10,500 lbs (140kW)
	8,000 lbs (280 kW)
Charge Rating	150 kW (DC)
	22 kW (AC) Add-on Available
Wheelbase	178"
Propulsion	Direct Drive
Max Torque	1,696 ft lbs
Power	335 Horsepower

Features:

Sliding Doors, Cup Holders, Jump Seat, Cabin HVAC, AC Chargers (optional), USB Charge Ports (optional), Cooling Fans (optional), Lift Gate (optional), Advanced Driver Assistance System (optional)



Xos Energy Solutions™ | In-house team helps customers install fleet charging infrastructure on-time



STEP 1

Customer Discovery

In-depth evaluation of customer charging needs, existing electrical capacity, and available incentives



STEP 2

Collaborative Design

Creation of the charging plan, according to the fleet's daily operations, that meets driver needs and offers the shortest path to EV deployment



STEP 3

Planning & Permitting

Support through the municipal permit and utility upgrade planning processes, which can add months to vehicle delivery timelines if not closely managed

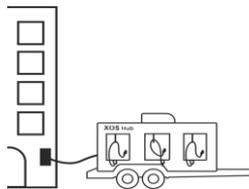


STEP 4

Construction & Installation

Project management of contracting, procurement, and installation of charging equipment

Xos Energy Solutions™ | In addition to fixed chargers, the Hub™ is a mobile solution enabling fleets to go EV today



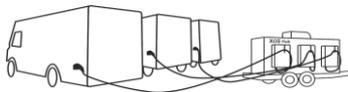
1. Trickle Charge

the Hub throughout the day and during off-peak hours



2. Deploy the Hub

wherever fast charging is needed - for capacity augmentation, roadside assistance, or emergency response



3. Charge 5 EVs

simultaneously in as little as 1-2 hours



4. Remotely Monitor

fleet to optimize charge schedules and perform diagnostics

Xos Energy Solutions™ | Xos Hub

The Xos Hub is a mobile charging solution capable of charging up to 5 vehicles at one time.

Number and Type of Charge Heads	5
	CCS1V
Charge Rate	40 kW
Expected Discharge Time	Tesla Model 3 65 to 95 min Ford F-150 Lightning 110 min Chevy Bolt 80 min 140kW Stepvan 180 min
Dimensions	235" x 93.5" x 84"
Curb Weight	16,000 lbs
Tow Vehicle	1-Ton Pickup, Pintle Hitch
Battery Capacity	400 kWh
Power Source	100-amp Twist Lock Receptacle*
Connectivity	4G / WiFi / OCPP 1.6

* 480V 3-Phase Power required on site



Manufacturing, quality, and supply chain management are the core focuses of Xos

Manufacturing capabilities

- All vehicles are produced in a **100,000 sqft factory** located in Byrdstown, Tennessee
- Current capacity of 2,000 vehicles per year can be expanded to **5,000 vehicles per year** via layout changes and a second shift

Supply chain resilience

- Xos' history of scaling vehicle production has enabled **long-term supply agreements** for critical battery, motor, and power electronic components
- Xos has invested in tools that reduce days of in-process inventory and improve **working capital efficiency**

Quality assurance

- On-site leadership ensures adherence to quality standards and supports a **culture of constant improvement**



Xos vehicles provide financial and ESG benefits as our customers transition to EVs

“Xos vehicles continue to deliver value to our growing fleet by helping us cut back on **fuel and maintenance costs** while also helping us meet our sustainability goals”

 **LOOMIS** VP of Procurement and Fleet

“We are continuously working to reduce our environmental impact and **transitioning our fleet** from diesel to electric is important to us. The vehicles from Xos will help us reduce our overall emission output”

 **UniFirst** EVP of Operations

“In 2021, we announced our **\$2.5 billion commitment** to electrifying our fleet and orders of 40,000 electric vehicles to achieve our goal of having 50% of our Mobility fleet electric by 2025 and 50% of our clients' fleets electric by 2030. Partnering with innovative OEMs like Xos helps us to reach this important goal”

 **Merchants FLEET** VP of Fleet Electrification and Sustainability





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Xos builds trucks that customers need, is on a path to profitability, and benefits from regulatory tailwinds



Lower cost of ownership than diesel

Xos Stepvans deliver **Total Cost of Ownership (TCO)** savings before incentives, with payback periods <5 years



Market leading path to profitability

Xos is among the first publicly-traded commercial EV OEMs to deliver **positive gross margin** units



Enabling the mandated transition to EV

Recent emission mandates require Xos customers to purchase **1,000s of new units**¹, while incentives are **funding the transition** to EVs

1. California Advanced Clean Fleets (ACF) regulation requires priority fleets to purchase zero emission vehicles for 10-100% of their fleets
Note: Total cost of ownership estimates are for illustrative purposes only and are subject to variation based on a number of factors not fully discussed herein.
Sources: California Air Resources Board (CARB); Xos analysis

Lower TCO | Xos' proprietary technology saves fleets money



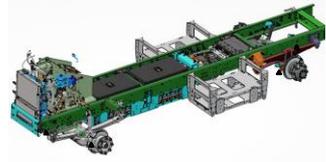
Custom battery system

Delivers high performance and reliability, supported by in-house battery team



In-house software & controls

Enables rapid iteration on the most critical EV technologies



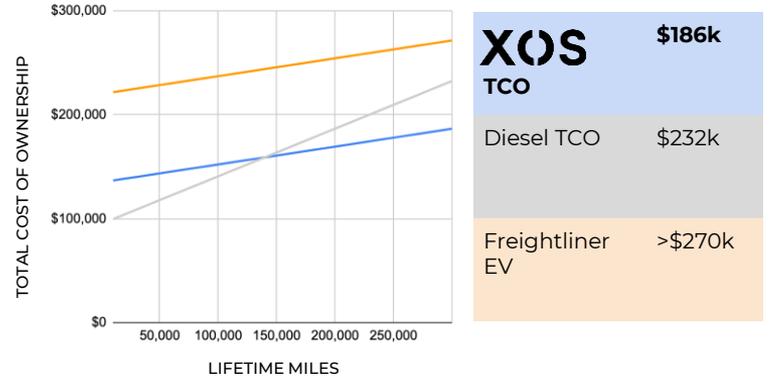
Xos-built chassis

Provides fleets and upfitters with a higher payload and more versatile platform



Total Cost of Ownership comparison

Based on purchase price, energy/fuel, and maintenance spend over 300k Miles



Diesel	Total Savings	\$46K
	Payback Period	< 5 years
FL EV	Total Savings	\$85K
	Payback Period	N/A

Note: Total cost of ownership estimates are for illustrative purposes only and are subject to variation based on a number of factors not fully discussed herein. Sources: U.S. Department of Energy; AAA Fuel price data; Xos analysis

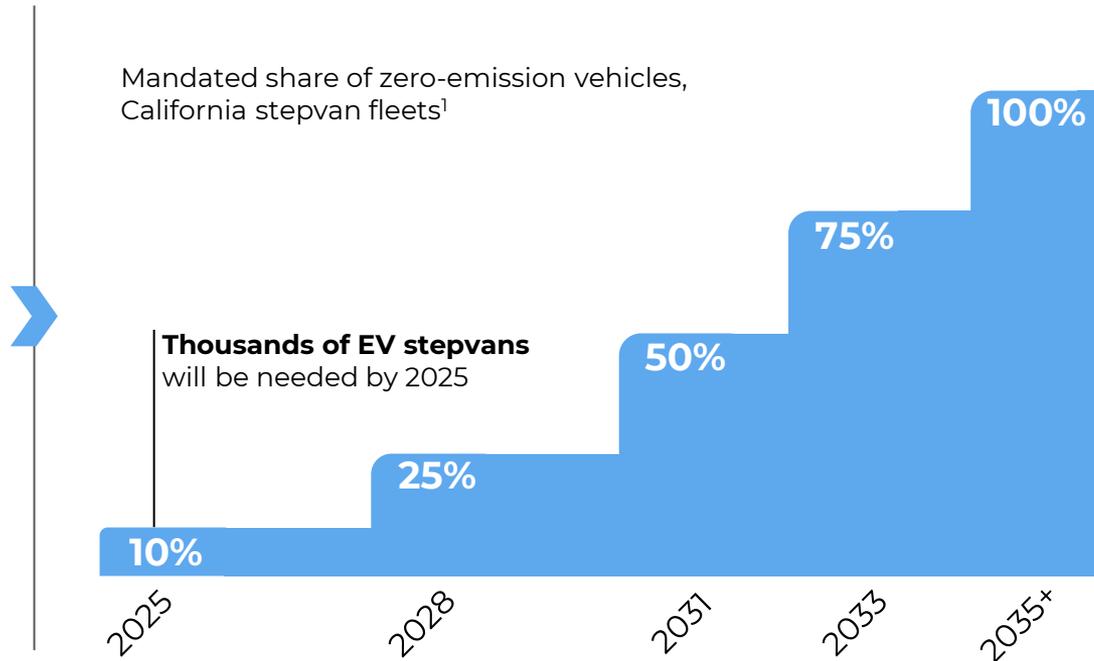
Regulatory tailwinds | California put a deadline on the EV transition, and other states are expected to follow

California fleet regulations Advanced Clean Fleets (ACF)

The Advance Clean Fleets (ACF) rules passed in 2023 by the California Air Resources Board (CARB) require medium-duty fleets, including stepvans, to transition to **100% zero-emission vehicles** by 2035

Outside California

14 other states, California, and the District of Columbia signed a pledge for 30% zero-emission fleets by 2030 and 100% by 2050



¹ Based on the ZEV milestones option for milestone group 1 as laid out in the California Advanced Clean Fleets (ACF) regulation for high priority fleets
Sources: California Air Resources Board (CARB); Xos analysis

Regulatory tailwinds | Stackable federal and state incentives can cover the majority of vehicle costs

\$40K federal IRA tax credit
(~25% of stepvan cost)



Oregon

75% of vehicle cost

California

\$85K voucher

Nevada

\$90K voucher

Utah

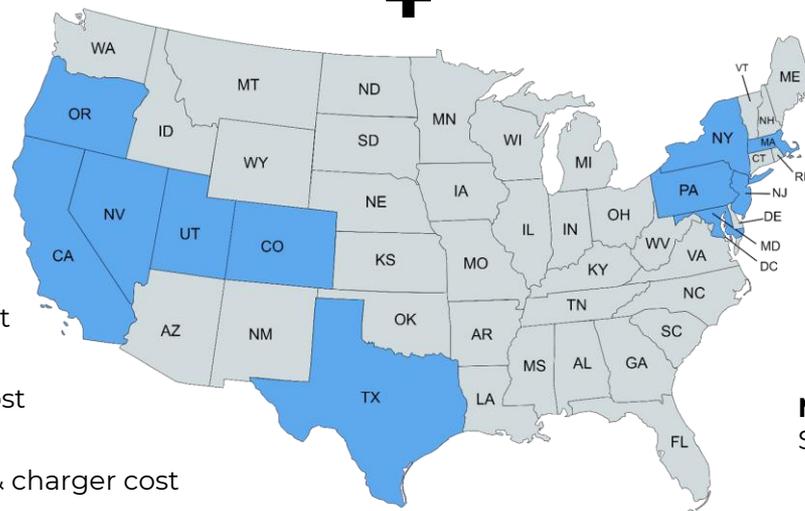
75% of project cost

Colorado

55% of vehicle cost

Texas

75% of vehicle & charger cost



Eligible for federal incentives

Eligible for state & federal incentives

Massachusetts

\$60K voucher

New York

\$125K voucher

New Jersey

\$90K voucher

Pennsylvania

60% of vehicle cost

Maryland

\$80K voucher

Note: Neither Xos, Inc. nor its affiliates render advice on tax or tax matters to clients or potential clients. Nothing in the materials provided constitutes legal, accounting, or tax advice, or a representation that any strategy is suitable or appropriate to your circumstances. Please consult your own legal and tax advisors to determine the laws and analyses applicable to your specific circumstances.
Sources: U.S. IRS; State websites; Xos analysis

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Q3 2023 Highlights | Xos' most profitable quarter yet with 105 deliveries and positive 12% gross margins

- Xos achieved **GAAP gross margins of 12%** in the first full quarter of production of the revised 2023 stepvan
- **Xos delivered 105 units**, up 175% over the second quarter of 2023
- Delivered **quarter over quarter reduction in direct material, direct labor and overhead costs** on a per unit basis through the realization of previous investments in R&D and strategic sourcing
- Sustained a build rate of **over 700 vehicles per year** for over a month, underscoring Xos' ability to deliver high volumes of vehicles without additional capex investments



Q3 2023 | Financial highlights

INCOME STATEMENT HIGHLIGHTS (\$M)

Three Months Ended

	30 Sept 2023	30 June 2023
Revenue	\$16.7	\$4.8
Gross profit	\$2.0	\$(3.7)
Non-GAAP gross profit	\$1.1	\$(2.3)
Net loss	\$(14.1)	\$(23.6)
Loss from operations	\$(12.6)	\$(20.5)
Non-GAAP operating loss	\$(11.2)	\$(17.0)

BALANCE SHEET HIGHLIGHTS (\$M)

	30 Sept 2023	30 June 2023
Inventories	\$48.9	\$55.5
Cash equivalents, restricted cash and marketable debt securities	\$23.4	\$27.8

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Truck OEM | Planned models

MDXT™

Class 6 / 7 medium-duty chassis cab
Provisional specifications:

- Range: 130 - 270 miles
- Max Payload: 14,000 - 20,000 lbs
- GVWR: 23,000 - 33,000 lbs
- Max Torque: 11,285 - 16,595 ft lbs
- Power: 401 - 469 Horsepower



HDXT™

Class 8 heavy-duty tractor
Provisional specifications:

- Range: 110 - 230 miles
- Max Payload: 54,000 - 56,000 lbs
- GVWR: 36,200 - 53,200 lbs
- Max Torque: 30,535 - 36,583 ft lbs
- Power: 784 - 798 Horsepower



Condensed consolidated balance sheets

<i>(in thousands, except par value)</i>	September 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 22,570	\$ 35,631
Restricted cash	792	3,044
Accounts receivable, net	11,383	8,238
Marketable debt securities, available-for-sale	-	50,648
Inventories	48,903	57,540
Prepaid expenses and other current assets	7,827	8,100
Total current assets	91,475	163,201
Property and equipment, net	15,541	18,581
Operating lease right-of-use assets, net	5,390	6,555
Other non-current assets	1,779	1,599
Total assets	\$ 114,185	\$ 189,936
Liabilities and Stockholders' Equity		
Accounts payable	\$ 2,431	\$ 2,896
Convertible debt, current	7,939	26,849
Derivative liabilities	14	405
Other current liabilities	16,785	15,616
Total current liabilities	27,169	45,766
Convertible debt, non-current	19,907	19,870
Earn-out shares liability	115	564
Common stock warrant liability	527	661
Other non-current liabilities	8,907	11,000
Total liabilities	56,625	77,861
Commitment and Contingencies		
Stockholders' Equity		
Common Stock \$0.0001 par value, authorized 1,000,000 shares, 177,602 and 168,817 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	18	17
Preferred Stock \$0.0001 par value, authorized 10,000 shares, 0 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	-	-
Additional paid-in capital	196,976	190,215
Accumulated deficit	(139,434)	(77,418)
Accumulated other comprehensive loss	-	(739)
Total stockholders' equity	57,560	112,075
Total liabilities and stockholders' equity	\$ 114,185	\$ 189,936

Condensed consolidated statements of operations and comprehensive loss

<i>(in thousands, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues	\$ 16,696	11,008	26,147	27,805
Cost of goods sold	14,711	21,759	28,764	49,859
Gross profit (loss)	1,985	(10,751)	(2,617)	(22,054)
Operating expenses				
General and administrative	8,546	9,470	29,961	30,991
Research and development	4,516	8,573	15,446	24,493
Sales and marketing	1,548	2,345	5,113	7,891
Total operating expenses	14,610	20,388	50,520	63,375
Loss from operations	(12,625)	(31,139)	(53,137)	(85,429)
Other expense, net	(1,726)	(1,334)	(9,840)	(1,479)
Change in fair value of derivative instruments	315	5,857	525	9,125
Change in fair value of earn-out shares liability	(68)	6,654	443	24,148
Loss before provision for income taxes	(14,104)	(19,962)	(62,009)	(53,635)
Provision for income taxes	3	-	7	3
Net loss	\$ (14,107)	(19,962)	(62,016)	(53,638)
Other comprehensive income (loss)				
Marketable debt securities, available-for-sale				
Change in net unrealized gain (loss), net of tax of \$0, for the three and nine months ended September 30, 2023 and 2022	56	141	739	(835)
Total comprehensive loss	\$ (14,051)	(19,821)	(61,277)	(54,473)
Net loss per share				
Basic	\$ (0.08)	(0.12)	(0.36)	(0.33)
Diluted	\$ (0.08)	(0.13)	(0.36)	(0.34)
Weighted average shares outstanding				
Basic	176,291	165,901	172,129	164,379
Diluted	176,291	174,118	172,129	167,148

Reconciliation of operating cash flow less CapEx (free cash flow) and non-GAAP operating loss

Operating Cash Flow less CapEx (Free Cash Flow):

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended June 30,
	2023	2022	2023	2022	2023
	Net cash used in operating activities	\$ (8,613)	\$ (29,769)	\$ (38,655)	\$ (105,597)
Sales (purchases) of property and equipment	190	(2,436)	(1,164)	(11,898)	(1,101)
Free Cash Flow	\$ (8,423)	\$ (32,205)	\$ (39,819)	\$ (117,495)	\$ (15,817)

Non-GAAP Operating Loss:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended June 30,
	2023	2022	2023	2022	2023
	Loss from Operations	\$ (12,625)	\$ (31,139)	\$ (53,137)	\$ (85,429)
Stock-based compensation	2,242	1,282	6,308	3,751	2,054
Inventory reserves	(1,097)	3,309	(1,155)	5,300	413
Physical inventory and other adjustments	261	1,883	839	3,364	1,031
Non-GAAP Operating Loss	\$ (11,219)	\$ (24,665)	\$ (47,145)	\$ (73,014)	\$ (16,985)

Reconciliation of non-GAAP gross loss

Non-GAAP Gross Loss:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended June 30,
	2023	2022	2023	2022	2023
Gross profit (loss)	\$ 1,985	\$ (10,751)	\$ (2,617)	\$ (22,054)	\$ (3,725)
Inventory reserves	(1,097)	3,309	(1,155)	5,300	413
Physical inventory and other adjustments	261	1,883	839	3,364	1,031
Non-GAAP Gross Profit (Loss)	\$ 1,149	\$ (5,559)	\$ (2,933)	\$ (13,390)	\$ (2,281)

XOS

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