

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**Amended and Restated FORM 10-K**  
**as Amended by Amendment No. 1 on Form 10-K/A**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended December 31, 2025  
OR

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

For transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-39598

**XOS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**98-1550505**

(I.R.S. Employer  
Identification Number)

**3550 Tyburn Street**  
**Los Angeles, CA**

(Address of Principal Executive Offices)

**90065**

(Zip Code)

Registrant's telephone number, including area code: **(818) 316-1890**

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.0001 par value per share	XOS	Nasdaq Capital Market
Warrants, every thirty warrants exercisable for one share of Common Stock at an exercise price of \$345.00 per share	XOSWW	Nasdaq Capital Market

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

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, a 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   
Non-accelerated filer

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

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

The aggregate market value of the common stock held by non-affiliates of the registrant on June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter was approximately \$13.0 million based on the closing price reported for such date on the Nasdaq Capital Market. Shares of common stock beneficially owned by each executive officer, director, and holder of more than 10% of our common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 26, 2026, there were approximately 11,982,627 shares of the registrant's common stock outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

None.

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## EXPLANATORY NOTES

Amendment No. 1 on Form 10-K/A, filed with the Securities and Exchange Commission (the “SEC”) on April 21, 2026 (“Amendment No. 1”), amended Xos, Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025 that was originally filed with the SEC on March 30, 2025 (the “Original Form 10-K” and, as amended by Amendment No. 1, the “Report”). Amendment No. 1 was filed solely to:

- include language related to critical audit matters in the Report of Independent Registered Public Accounting Firm issued by our auditors and included in Part II, Item 8 of the Original Form 10-K that was inadvertently omitted from the Original Form 10-K;
- include the information omitted from Part III, Items 10, 11, 12, 13 and 14 of the Original Form 10-K in reliance upon General Instruction G(3) to Form 10-K; and
- delete the reference on the cover of the Original Form 10-K to the incorporation by reference of portions of our proxy statement into Part III of the Original Form 10-K.

In addition, we filed new certifications of our principal executive officer and principal financial officer under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 as exhibits to Amendment No. 1 under Item 15 of Part IV thereof, pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, and a new consent of our Independent Registered Public Accounting Firm as an exhibit to Amendment No. 1 under Item 15 for Part IV thereof.

No other changes were made to the Original Form 10-K. Accordingly, Amendment No. 1 should be read in conjunction with the Original Form 10-K.

This Report restates the Original Form 10-K, as amended by Amendment No. 1. All of Part I and Items 5, 6, 7, 7A, 9, 9A, 9B, 9C and 16 hereof (pages 1 to 74, 120 to 122 and 128) are from the Original Form 10-K, while Item 8, all of Part III and Item 15 hereof (pages A-6 to A-45 and A-46 to A-76) are from Amendment No. 1. The signature pages from both the Original Form 10-K and Amendment No. 1 (pages 129 and A-77, respectively) are included with this Report. Generally, pages numbered with the prefix “A-“ are from Amendment No. 1 and pages with numbers that lack any prefix are from the Original Form 10-K.

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## PART I

As used herein, “Xos”, the “Company,” “our,” “we,” or “us” and similar terms include Xos, Inc. (formerly known as NextGen Acquisition Corporation), together with its consolidated subsidiaries, unless the context indicates otherwise.

### Glossary of Terms

Unless otherwise stated in this Report or the context otherwise requires, reference to:

- “*Business Combination*” means the Domestication, the Merger and the other transactions contemplated by the Merger Agreement, collectively;
- “*Closing*” means the closing of the Business Combination;
- “*Common Stock*” means the shares of common stock, par value \$0.0001 per share, of Xos;
- “*Convertible Note*” means the convertible promissory note issued on August 11, 2022 and amended and restated to date, in an initial principal amount of \$20.0 million.
- “*Domestication*” means the transfer by way of continuation and deregistration of NextGen from the Cayman Islands and the continuation and domestication of NextGen as a corporation incorporated in the State of Delaware;
- “*Hub*” means our rapid-deployment mobile charger designed to expedite fleet transitions to electric vehicles;
- “*Legacy Xos*” means Xos, Inc., a Delaware corporation, prior to the consummation of the Business Combination, now known as Xos Fleet, Inc.;
- “*Merger*” means the merger of Merger Sub with and into Legacy Xos pursuant to the Merger Agreement, with Legacy Xos as the surviving company in the Merger and, after giving effect to such Merger, Legacy Xos becoming a wholly owned subsidiary of Xos;
- “*Merger Agreement*” means that certain Merger Agreement, dated as of February 21, 2021, as amended on May 14, 2021, by and among NextGen, Sky Merger Sub I, Inc., a Delaware corporation and direct wholly owned subsidiary of NextGen (“*Merger Sub*”), and Legacy Xos;
- “*NextGen*” means NextGen Acquisition Corp., a Cayman Islands exempted company, prior to the consummation of the Domestication;
- “*Powertrain*” means an assembly of every component that pushes a vehicle forward. A vehicle’s powertrain creates power from the engine and delivers it to the wheels on the ground. The key components of a powertrain include an engine, transmission, driveshaft, axles, and differential;
- “*Preferred Stock*” means preferred stock, par value \$0.0001 per share, authorized under the Certificate of Incorporation of Xos;
- “*Private Placement Warrants*” means the warrants to purchase shares of Common Stock originally issued in a private placement in connection with the initial public offering of NextGen;
- “*Public Warrants*” means the redeemable warrants to purchase shares of Common Stock at an exercise price of \$345 per share originally issued in connection with the initial public offering of NextGen;
- “*Warrants*” means Private Placement Warrants and Public Warrants;

- “*X-Platform*” means our proprietary, purpose-built vehicle chassis platform;
- “*Xos Energy Solutions*™” means our charging infrastructure business through which we sell the Hub and have from time to time offered chargers, mobile energy storage and energy infrastructure services to accelerate client transitions to electric fleets; and
- “*Xosphere*™” means our proprietary fleet management platform.

### **Cautionary Note Regarding Forward-Looking Statements**

This Annual Report on Form 10-K (the “Report”), including, without limitation, statements under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”). We have based these forward-looking statements on our current expectations and projections about future events. All statements, other than statements of present or historical fact included in this Report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” or the negative of such terms or other similar expressions. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. We caution you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond our control.

As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include those set forth in [Item 1A. Risk Factors](#) of this Report, which are summarized under the caption “Summary of Risk Factors,” immediately following this cautionary note. We encourage investors to review these risk factors.

Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such statements included in this Report may not prove to be accurate. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved.

Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Report, and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by law.

## Summary of Risk Factors

Our business is subject to a number of known and unknown risks, uncertainties and assumptions that could cause actual results to differ materially from those projected or otherwise implied by the forward-looking statements provided herein. Below we summarize what we believe are the principal risk factors relating to our business, but these risks are not the only ones that we face. You should carefully review and consider the full discussion of our risk factors set forth in Item 1A. Risk Factors of this Report, together with the other information in this Report. If any of the following risks actually occurs (or if any of those listed elsewhere in this Report occurs), our business, reputation, financial condition, results of operations, revenue, and future prospects could be seriously harmed. Additional risks and uncertainties of which we are unaware, or that we currently believe are not material, may also become important factors that adversely affect our business.

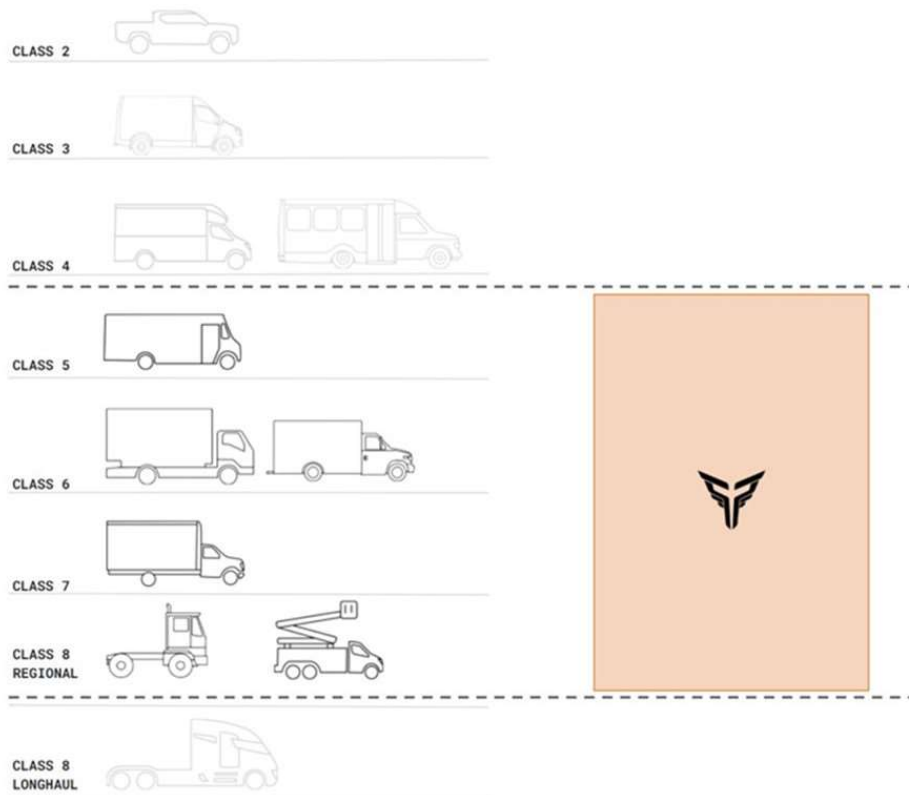
- There is substantial doubt about our ability to continue as a going concern through the next 12 months from the date of the consolidated financial statements in this Report.
- Our limited operating history makes evaluating our business and future prospects difficult and may increase the risk of your investment.
- Our mix of offerings is novel in the industry and has yet to be tested in the long term.
- We are an early-stage company with a history of losses and may incur significant expenses and continuing losses for the foreseeable future.
- Our ability to generate or maintain positive cash flow is uncertain.
- Our financial results may vary significantly from period to period due to fluctuations in our product development cycle and operating costs, product demand and other factors.
- Our business plans require a significant amount of capital. In addition, our future capital needs may require us to sell additional equity or debt securities that may dilute our stockholders or introduce covenants that may restrict our operations or our ability to pay dividends.
- We have incurred substantial debt, including \$17.0 million principal amount of Convertible Note as of March 26, 2026, together with accrued interest thereon, which is due in quarterly installments from May 11, 2026 through February 11, 2028, which could impair our flexibility and access to capital and adversely affect our financial position, and our business would be adversely affected if we are unable to service our debt obligations and are subject to default.
- We have experienced and may in the future experience significant delays in the design, manufacturing and widespread deployment of our products.
- We previously restated our financial statements for several prior periods, which resulted in unanticipated costs and may adversely affect investor confidence, our stock price, our ability to raise capital in the future and our reputation.
- We identified material weaknesses in our internal control over financial reporting, and we may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements. If we fail to remediate any material weaknesses or if we otherwise fail to establish and maintain effective control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.
- If we fail to successfully tool our manufacturing facilities or if our manufacturing facilities become inoperable, we will be unable to produce our vehicles and our business will be harmed.
- We are or may be subject to risks associated with strategic alliances or acquisitions and may not be able to identify adequate strategic relationship opportunities, or form strategic relationships, in the future.
- We derive a significant portion of our revenue from a small number of customers; if revenue derived from these customers decreases or the timing of such revenue fluctuates, our business and results of operations could be negatively affected.

- Our delay in providing sufficient charging solutions for our vehicles has resulted in the delay of the delivery of our vehicles to customers.
- We are dependent on our suppliers, some of which are limited source or single-source suppliers, and their inability or unwillingness to deliver necessary components and materials used in our products at prices and volumes, performance and specifications acceptable to us could harm our business.
- Our business and prospects depend significantly on our ability to build our brands. We may not successfully establish, maintain and strengthen the Xos brand or any other brands, and our brands and reputation could be harmed by negative publicity regarding Xos or our products.
- If we fail to manage our growth effectively, we may not be able to further design, develop, manufacture and market our products successfully.
- Our battery packs use lithium-ion battery cells, a class of batteries which have been observed to catch fire or vent smoke and flame.
- We have experienced, and may again experience increases in costs, disruption of supply or shortage of materials, in particular for lithium-ion battery cells, semiconductors and other key components.
- We rely on complex machinery for the manufacture of our products, which involves a significant degree of risk and uncertainty in terms of operational performance and costs.
- We may be unable to realize the opportunities expected from the acquisition of ElectraMeccanica Vehicles Corp. (“ElectraMeccanica”).
- We may face regulatory limitations on our ability to sell vehicles directly to consumers.
- Compliance obligations and/or the actual or perceived failure to comply with existing or future laws, regulations, contracts, self-regulatory schemes, standards, and other obligations related to data privacy and security (including security incidents) could harm our business.
- The performance characteristics of our products may vary, due to factors outside of our control, which could harm our ability to develop, market and deploy our products.
- We may have insufficient reserves to cover future warranty or part replacement needs or other vehicle, powertrain and battery pack repair requirements, including any potential software upgrades.
- We have experienced product recalls and may experience future product recalls.
- We are highly dependent on the services of Dakota Semler and Giordano Sordoni, our co-founders, as well as our key personnel and senior management, and if we are unable to attract and retain key personnel and hire qualified management, technical and electric vehicle engineering personnel, our ability to compete could be materially and adversely affected.
- The commercial vehicle market is highly competitive, and we may not be successful in competing in this industry.
- Our growth depends on the last-mile and return-to-base segment’s willingness to adopt electric vehicles.
- We cannot predict the amount, timing or pricing of any further sales of Common Stock pursuant to the ATM Offering (as defined below), if any. Future sales of shares in the public markets, including through the ATM Offering, or the perception that such sales may occur, may be dilutive and/or depress the market price of our Common Stock.
- We have been and may continue to be impacted by macroeconomic conditions, including health crises, inflation, uncertain credit and global financial markets, including potential bank failures, labor discord, supply chain disruption, trade policies and tariffs, and geopolitical events, such as the ongoing conflicts between Russia and Ukraine and in the Middle East, and political tensions with China, including the potential for economic downturns as a result of the war in Iran and shortages of access to oil, energy and other key industrial inputs.

## Item 1. Business

### Overview

Xos, Inc., together with its wholly owned subsidiaries (collectively, the “Company” or “Xos”), aims to be the industrial accelerant for the modern energy era, transforming dated power infrastructures into easy-to-deploy solutions for today’s rapidly changing needs. Xos offers a portfolio of power options, from flexible to fixed to fleet solutions. The Company’s flagship technology replaces years of grid construction and the logistical headaches of diesel generators with a scalable platform to increase efficiency and decrease expense, whether supporting temporary needs or long-term installations. This patented technology powers large-scale loads by consolidating power delivery, rapid charging, and smart energy management into one system, scalable to meet nearly any operational need. Xos produces three complementary primary product lines, Xos Energy Solutions™, which includes the Xos Hub™ mobile charging and energy storage platform, Xos Vehicles, which includes the Company’s Class 5 and Class 6 medium-duty electric commercial vehicles, and the Powered by Xos™ powertrain business. The Company also offers Xosphere™, its fleet management software platform.



On March 26, 2024, Xos completed the previously announced business combination involving ElectraMeccanica, whereby Xos acquired all of the issued and outstanding common shares of ElectraMeccanica (the “ElectraMeccanica Shares”) pursuant to a plan of arrangement (the “Plan of Arrangement”) under the Business Corporations Act (British Columbia) (the “Arrangement”) in accordance with the terms of an arrangement agreement entered into by Xos and ElectraMeccanica on January 11, 2024, as amended on January 31, 2024 (the “Arrangement Agreement”). Subject to the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement, on March 26, 2024, each ElectraMeccanica Share outstanding immediately prior to the effective time of the Arrangement was converted automatically into the right to receive 0.0143739 of a share of Common Stock, for total consideration of 1,766,388 shares of Common Stock. See [Note 5 — Acquisition of ElectraMeccanica](#) in the accompanying consolidated financial statements for more information.

### Our Products & Services

## ***Xos Hub™***

The Xos Hub is the proactive, movable power source delivering high-capacity output and high-speed charging in one. It supports energy independence anywhere, without the weight. Engineered for true mobility, the lightweight design can be deployed without a commercial driver's license, offering a faster alternative to traditional grid expansion with integrated peak shaving to lower costs. As a modular architecture that scales as customer needs grow, the Xos Hub ensures mission-critical reliability, suitable for powering everything from AI data centers and construction sites to utilities, major events, and more.

In January 2026, Xos announced an expanded product lineup featuring three new Xos Hub configurations to address a broader range of operational requirements:

- **210 kWh Xos Hub:** Designed for light-duty fleet operations and smaller depot environments where a compact, lower-capacity solution is preferred.
- **420 kWh Xos Hub:** The next-generation flagship offering, providing a 50% increase in energy storage capacity over the previous 280 kWh generation. The 420 kWh Hub offers charging rates of up to 150 kW per port, enables simultaneous charging of multiple electric vehicles with standard CCS1 connectors, and remains under 10,000 pounds, making it easily transportable via a standard pickup truck or trailer without requiring a commercial driver's license.
- **630 kWh Xos Hub:** Designed for heavy-duty fleet applications and high-throughput depot environments requiring maximum energy storage capacity and extended charging availability.

The Xos Hub product line has attracted a diverse and growing customer base. Waymo, the self-driving technology division of Alphabet Inc., utilizes the Xos Hub to support its autonomous vehicle fleet charging operations. Caltrans, the California Department of Transportation, has deployed Xos Hub units for transportation infrastructure applications. SparkCharge, a mobile charging solutions provider, operates Xos Hub units for its commercial charging network. Additional Hub customers include Xcel Energy, Florida Power & Light, Duke Energy and RKU Distributing.

## ***Xos Vehicles***

Xos currently manufactures Class 5 and Class 6 battery-electric commercial vehicles that travel on last-mile, back-to-base routes of up to 200 miles per day. The Company manufactures a medium-duty rolling chassis with multiple body options to address a range of customer applications. The modularity of the Xos chassis allows for numerous use cases and body configurations to satisfy customer demands. In connection with the 2026 model year, Xos issued a press release announcing enhancements to its step van and strip chassis platforms, including galvanized frame rails for improved corrosion resistance and durability, vehicle-to-grid (V2G) charging capability, integrated skid plates for enhanced underbody protection, and other improvements designed to reduce total cost of ownership ("TCO") for fleet operators. Today, the most popular customer configurations utilizing the Xos chassis include the following:

- **Commercial Stepvans:** Stepvan configurations are an attractive choice for a wide range of parcel delivery customers, providing efficient and reliable zero-emission last-mile delivery capabilities.



- **Armored Trucks:** Armored truck configurations using the Xos chassis are popular with customers specializing in armored cash-in-transit and logistics applications.



- **Uniform Rental & Linen Delivery:** The Xos chassis supports configurations for uniform rental, linen delivery, and similar commercial laundry logistics operations.
- **Food & Beverage:** The Xos chassis addresses the needs of food and beverage distribution customers operating last-mile and regional delivery routes.

Xos is designing its next-generation chassis to reduce per-unit production costs, increase technological capabilities, and improve TCO for fleet operators. The next-generation chassis will continue to be designed for a wide range of use cases, including parcel delivery, uniform rental, and cash-in-transit industries.

### ***Powered by Xos™***

The Powered by Xos business provides mixed-use powertrain solutions for off-highway, industrial, and other commercial equipment and specialty vehicles, such as school buses, medical and dental clinics, blood donation vehicles, and mobile command vehicles. The Company’s powertrain offerings encompass a broad range of solutions, including high-voltage batteries, power distribution and management componentry, battery management systems, system controls, inverters, electric traction motors, and auxiliary drive systems.

Blue Bird Corporation (“Blue Bird”), the leading alternative fuel school bus manufacturer in the United States, is a key Powered by Xos customer. Blue Bird has ordered over 100 powertrain units between the second quarter of 2025 and the first quarter of 2026, inclusive, for a variety of its school bus configurations. The relationship between Xos and Blue Bird continues to grow, driven by the competitive performance of Xos’s powertrain products, which the Company believes contribute to greater efficiency in Blue Bird’s electric vehicle offerings and support their electric vehicle sales growth. Xos also supports other industry-leading chassis manufacturers through Powered by Xos, including Winnebago and Wiggins Lift Company.

### **Technology Supporting Our Products & Services**

#### ***Xos Vehicles & Powered by Xos™***

The Company’s proprietary chassis serves as the foundation for all Xos vehicle products. Unlike traditional Class 5 and 6 platforms, the Xos chassis was originally designed and modeled around a more robust Class 7 vehicle architecture. As a result, it was designed to feature sturdier and larger frame rails, a reinforced suspension system, and enhanced durability for demanding commercial use cases. The Company believes this rugged design provides superior strength and reliability, making it well-suited for a wide range of vehicle body integrations and last-mile applications.

Over the past several years, Xos has worked to improve the high-voltage system architecture of its vehicles. These modifications have led to substantial weight savings — eliminating hundreds of pounds in cabling, mounting brackets, and redundant components — while improving both serviceability and durability. The streamlined architecture now contains nearly all high-

voltage cables, wiring harnesses, and sensitive electronic components within protective structures or fully enclosed frame rails, aimed at increasing the resilience of the Company's vehicles in real-world fleet operations.

All Xos vehicles utilize lithium iron phosphate (LFP) battery packs, which are the most widely adopted chemistry in commercial electric vehicles globally. These batteries are sourced through industry-leading partners in order to deliver consistent performance and long cycle-life for customers. Research published in the Journal of the Electrochemical Society, based on testing conducted at Sandia National Laboratories, found that LFP cells deliver 3,000 to 5,000 or more charge cycles compared to 1,000 to 2,300 cycles for nickel manganese cobalt (NMC) alternatives, and degrade approximately twice as slowly under the same conditions. For medium-duty fleets charging vehicles daily, LFP battery technology can support approximately 8 to 12 years of service life, compared to NMC batteries that typically require replacement within 3 to 6 years. Additionally, LFP batteries can be charged to 100% daily without accelerating degradation, unlike NMC batteries that require limiting to 80 to 90% for optimal longevity, meaning LFP vehicles can utilize their full rated range on every duty cycle. Independent laboratory testing has also demonstrated that LFP cells are significantly more resistant to thermal runaway than NMC alternatives, allowing LFP battery systems to operate with simpler and less complex thermal management systems, resulting in lower maintenance requirements, fewer potential failure points, and improved operational uptime. Across the Company's deployed fleet, individual Xos vehicles have routinely handled over 200 stops per day, and after 24 months in service, LFP battery packs have shown less than 2 to 3% degradation, confirming the longevity and durability advantages in real-world commercial operations. Compared to NMC batteries, LFP batteries also contain significantly fewer rare earth and conflict minerals, which the Company believes results in a more resilient supply chain and better long-term cost performance. The Company believes these characteristics support its commitment to deliver durable, high-quality electric vehicles while continually driving down total cost of ownership for customers.

#### *Vehicle Control Software*

Xos designed and developed on-board vehicle control software to leverage third-party software and integrate its proprietary powertrain controls, body controls, instrument cluster, infotainment, and Xosphere™ software.

- *Powertrain controls.* The Company's powertrain controls include, but are not limited to, torque arbitration and power state management, thermal management for the powertrain and high-voltage battery systems, advanced driver assistance and safety and charging system communication and controls.
- *Body controls.* The Company's body controls include cabin heater and air conditioning, hydraulic system control, electronic parking brake system, and certain other software critical for vehicle controls.
- *Instrument cluster and infotainment.* Xos designed a fully digital instrument cluster specifically for last-mile commercial electric vehicles. The custom user interface integrates into all Xos vehicles and is designed to enhance safe vehicle operation and provide critical safety information and driver efficiency guidance.
- *Xosphere™, the Company's proprietary fleet management platform.* The Xosphere suite of tools allows fleet operators to (i) monitor vehicle and charging performance in real-time with in-depth telematics; (ii) reduce charging cost; (iii) optimize energy usage; and (iv) manage maintenance and service support with a single software tool. Xosphere also includes connection modules that feature over-the-air update capabilities through the Company's cloud intelligence platform and features remote diagnostics and maintenance services.

## **Sales & Marketing**

### ***Direct Sales***

The Company's sales efforts are organized around dedicated direct sales teams supporting each of its three primary product lines: Xos Hub, the Xos Vehicles, and the Powered by Xos powertrain products. These sales teams support both key national customer accounts and small and regional fleet customers. Sales representatives and field-based personnel educate fleets on the wide-ranging benefits of the Company's zero-tailpipe emission commercial vehicles, mobile charging and energy storage products, and powertrain solutions used to electrify commercial fleets and specialty vehicles.

The Company's marketing team conducts event planning and manages inside sales processes and marketing systems, including product sales campaigns and targeted email marketing campaigns designed to convert prospective customers across the different

verticals of the business. Xos attends industry trade events to market its products and demonstrate them, and operates a demonstration fleet across the country to allow prospective customers to experience the vehicles in their own operations.

### ***Maintenance Providers***

Xos contracts with third-party maintenance providers in different regional markets to support its customers in the field. These service partnerships extend across multiple geographies, including service locations in California, Texas, New Jersey, New York, Minnesota, and Canada, providing customers with access to qualified technicians and comprehensive after-sales support to ensure maximum vehicle uptime and minimal operational disruption.

### **Customers**

Xos delivers products across its business to a diverse and growing customer base that includes large-scale national accounts with globally recognized commercial fleet operators as well as small- and medium-sized fleets.

For the Xos Vehicles products, the Company has continued to scale its relationship with United Parcel Service, Inc. (“UPS”), delivering over 190 vehicles to UPS in 2025. FedEx remains an important customer in the Company’s vehicle business, and Xos continues to expand its footprint across additional parcel delivery, uniform rental, linen, food and beverage, and armored transport customers.

For the Xos Hub products, the Company has continued to grow its relationships with key customers, including Caltrans and Waymo, two of the Company’s largest Hub customers, both of which continue to order additional units. SparkCharge, Xcel Energy, Duke Energy, and other utility and fleet customers have also deployed Xos Hub products.

In the Powered by Xos product line, Blue Bird Corporation represents a significant and growing commercial opportunity. Blue Bird is the leading alternative fuel school bus manufacturer in the United States, and Xos is becoming one of their trusted powertrain providers for electric vehicles, having received orders for over 100 powertrain units from Blue Bird between the second quarter of 2025 and the first quarter of 2026, inclusive.

In addition to large-scale national accounts, the Company delivers vehicles directly to small- and medium-sized fleets via its in-house sales representatives and established distribution and channel partners. Such accounts include independent service providers, which fulfill last-mile routes for enterprise partners.

### **Competition**

The Company has experienced, and expects to continue to experience, competition from a number of companies, particularly as the commercial transportation sector accelerates towards low-emission, zero-tailpipe emission and carbon neutral fleet solutions. Existing commercial diesel vehicle OEMs, such as Freightliner, Ford, General Motors, Navistar, Paccar, and Volvo/Mack, continue to invest in the development of zero-tailpipe emission solutions.

In addition to competition from traditional diesel OEMs, the Company faces competition from disruptive vehicle manufacturers that are developing alternative fuel and electric commercial vehicles, such as Rivian, Harbinger, and Workhorse.

The Company believes the primary competitive factors in the commercial vehicle market for medium- and heavy-duty last-mile and return-to-base segments include, but are not limited to:

- total cost of ownership;
- emissions profile;
- effectiveness within target applications and use cases;
- ease of integration into existing operations;

- product performance and uptime;
- vehicle quality, reliability and safety;
- service and support;
- technological innovation relating to batteries, software and data analytics; and
- fleet management.

The Company believes that it competes favorably with its competitors on the basis of these factors; however, our competitors may be able to deploy greater resources to the design, development, manufacturing, distribution, promotion, sales, marketing and support of their alternative fuel and electric vehicle and energy service programs. These competitors also compete with the Company in recruiting and retaining qualified research and development, engineering, sales, marketing, corporate and management personnel, as well as in acquiring technologies complementary to, or necessary for, our products and services. Additional mergers and acquisitions may result in even more resources being concentrated with the Company's competitors.

### **Service & Maintenance**

Xos continues to grow its service network to support customers across the United States and Canada. The Company utilizes third-party service partners located in California, Texas, New Jersey, New York, Minnesota, and other locations to provide comprehensive after-sales maintenance and repair services. In addition, Xos operates a nationwide mobile maintenance team spanning from the east coast to the west coast to support vehicles deployed across the country, including vehicles in Canada from British Columbia to Quebec.

### **Manufacturing & Supply Chain**

#### ***Manufacturing***

Xos assembles its electric chassis, starting the process with marrying frame rails and cross members, all the way to the final stage testing of a fully powered electric chassis, which is then shipped to a body upfit partner. The Byrdstown, Tennessee plant is capable of producing chassis, battery systems and Xos Hub units, and powertrain kits, as well as conducting certain prototyping and powertrain installation services.

The Company has established a new production line for the Xos Hub designed to scale production into hundreds of units. Xos has also reconfigured its production facility to increase powertrain manufacturing capacity, with the expectation of building hundreds of powertrain kits during the 2026 fiscal year. The Company has implemented new quality management systems in its Tennessee facility, and inventory management systems continue to improve, including cycle counting inventory control systems designed to proactively manage inventory for just-in-time usage and consumption while maintaining the availability of service parts for the aftermarket.

In addition to the manufacturing facility in Tennessee, the Company maintains vehicle-servicing capabilities and conducts ongoing research and development activities in its Los Angeles, California facility.

#### ***Supply Chain***

The Company's suppliers include Gotion and CATL, which serve as the Company's primary battery suppliers. Additional key suppliers include Dana (providing axle components), Morgan Olson (providing bodies for the Company's strip chassis vehicles), Valley Precision (a California-based fabrication company providing fabrication for Hub components and other parts), and Gator Trailers (providing trailers for the Company's Hub products). As is the case for some automotive companies, certain of the Company's procured components and systems are sourced from single suppliers. The Company works to qualify multiple suppliers for key components where feasible in order to minimize potential production risks. The Company also mitigates risk by maintaining safety inventory for certain key components. The Company's products use various raw materials, such as aluminum, steel, phosphate, lithium, iron, and copper. Pricing for these raw materials is governed by market conditions and may fluctuate due to various factors outside of the Company's control, such as supply and demand and market speculation. The Company is

currently securing all raw materials and components that are either available or becoming available in the global supply chain to support its operations.

The Company is increasingly subject to varying and sometimes conflicting rules, tariffs, and import restrictions that can change with limited notice. In response to the volatile tariff and trade environment resulting from recent federal policy actions, including tariffs imposed under the International Emergency Economic Powers Act (“IEEPA”) and Section 301 of the Trade Act of 1974, the Company has built an adaptive supply chain strategy designed to respond to changes in tariff cost structures while maintaining high-quality suppliers that meet the Company’s requirements for reliability, durability, financial stability, and quality. Tariff rates applicable to the Company’s auto parts sourced from China have fluctuated significantly, reaching as high as 173.4% in April 2025 before moderating to current levels of approximately 28.4% as of the date of this filing. Recent court decisions challenging certain IEEPA-based tariffs may provide some relief for the Company; however, the regulatory environment remains subject to change, and the challenged tariffs may be replaced with other tariffs or similar costs that are equally or more burdensome. Regulatory changes may impact the Company’s ability to continue sourcing components from certain regions or accessing key suppliers. See “Changes in U.S. trade policy, including the imposition of tariffs and the resulting consequences, could adversely affect our business, prospects, financial condition and operating results,” in Part I, Item 1A “Risk Factors” of this Report.

### **Governmental Programs, Incentives & Regulations**

The Company’s business is impacted by various government programs, credits, incentives and policies. The Company’s business and products are also subject to numerous governmental regulations that vary among jurisdictions. Electric vehicle and charging infrastructure demand has been spurred by government incentives and regulations at federal, state and local levels. Government agencies around the world are expected to continue providing incentives for the purchase of electric vehicles and charging infrastructure, and regulations may be introduced to reduce emissions and encourage the use of clean energy vehicles. However, any reduction or elimination of government programs, incentives or credits because of policy changes, the reduced need for such programs due to the perceived success of the electric vehicle, fiscal tightening or other reasons may result in the diminished competitiveness of the electric vehicle industry, which would adversely affect the Company’s business.

Governmental regulations regarding the manufacture, sale and implementation of products and systems similar to the Company’s are subject to future change. The Company cannot predict what impact, if any, such changes may have on its business.

#### ***Programs & Incentives***

##### *Energy Storage Tax Credits*

On August 16, 2022, the Inflation Reduction Act of 2022 (“Inflation Reduction Act”) was enacted into law and is effective for taxable years beginning after December 31, 2022, and remains subject to future guidance releases. The Inflation Reduction Act includes multiple incentives to promote clean energy, electric vehicles, battery and energy storage manufacture or purchase. The Section 48E Investment Tax Credit, effective for qualifying energy property placed in service after December 31, 2024, provides investment tax credits for qualifying energy storage technology, including standalone energy storage systems such as the Xos Hub. The 48E credit may enable customers to receive investment tax credits for qualifying Xos Hub deployments, reducing the effective cost of mobile charging infrastructure and improving the economic case for fleet electrification. However, recent developments suggest that certain energy-related investment tax credit provisions may be subject to early phase-out or revision depending on forthcoming budgetary or legislative changes. See “The unavailability, reduction or elimination of government and economic incentives could have a material adverse effect on our business, prospects, financial condition and operating results” in Part I, Item 1A “Risk Factors” of this Report.

##### *Electric Vehicle Tax Credits*

The Inflation Reduction Act initially provided for certain federal tax credits for the purchase of qualified electric vehicles in the U.S. through 2032. However, the One Big Beautiful Bill Act signed on July 4, 2025 made applicable credits no longer available for vehicles not acquired or placed in service on or before September 30, 2025. See “The unavailability, reduction or elimination of government and economic incentives could have a material adverse effect on our business, prospects, financial condition and operating results” in Part I, Item 1A “Risk Factors” of this Report.

### *State Vehicle Incentives*

Numerous states, as well as certain private enterprises, offer incentive programs to encourage the adoption of alternative fuel vehicles, including tax exemptions, tax credits, exemptions, and special privileges. Many such programs have eligibility requirements, such as a fleet size requirements, required diesel truck trade-in, and environmental regulation compliance. For some state rebate and incentive programs, only a finite amount of funding is available.

Notable for Xos customers is the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (“HVIP”), which provides point-of-sale vouchers for certain qualifying zero-emission vehicles (“ZEVs”). Under HVIP, dealers and fleet operators may request vouchers from HVIP on a first-come first-serve basis, up to the funding amount available for that year, to reduce the cost of purchasing hybrid and zero-emission medium- and heavy-duty trucks and buses. Voucher amounts vary depending on a range of factors, such as the type of vehicle, the location where the vehicle is operated, and the number of vehicles sold. To qualify for HVIP, dealers are required to complete extensive training, initiate and complete applications for each sales order, and complete the voucher redemption process upon delivery to the end-user. Xos customers have significantly benefited from the California HVIP program. Approximately 300 Xos vehicles delivered through December 31, 2025 have been subsidized by HVIP, and HVIP funding is being secured for many more Xos vehicle deliveries and orders.

### *Infrastructure Incentives*

A number of states and municipalities also offer incentive programs to encourage the installation of charging infrastructure for electric vehicles. Eligibility for and the magnitude of incentives varies based on individual charging capabilities and other factors.

### *Emissions Credit Programs*

California has greenhouse gas emissions standards that closely follow the standards of the U.S. Environmental Protection Agency (“EPA”). The registration and sale of ZEVs in California could earn Xos ZEV credits that Xos could in turn sell to traditional OEMs looking to offset emissions from their traditional internal combustion engine vehicles in order to meet California’s emissions regulations. Other U.S. states have adopted similar standards including Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Washington, and the District of Columbia. The Company may take advantage of these regimes by registering and selling ZEVs in these other U.S. states.

ZEV credits in California are calculated under the ZEV regulation and are paid in relation to ZEVs sold and registered in California including battery electric vehicles and fuel cell electric vehicles. The ZEV program assigns ZEV credits to each vehicle manufacturer. Vehicle manufacturers are required to maintain ZEV credits equal to a set percentage of non-electric vehicles sold and registered in California. Each vehicle sold and registered in California earns a number of credits based on the drivetrain type and the all-electric range of the vehicle under the Urban Dynamometer Driving Schedule Test Cycle.

### *Regulations in the United States*

The Company operates in an industry that is subject to extensive environmental regulation, which has become more stringent over time. The laws and regulations to which the Company is subject govern, among others, vehicle emissions and the storage, handling, treatment, transportation and disposal of hazardous materials and the remediation of environmental contamination. Compliance with such laws and regulations at an international, regional, national, state and local level is an important aspect of the Company’s ability to continue our operations.

Environmental standards applicable to the Company are established by the laws and regulations of the countries in which it operates, standards adopted by regulatory agencies and the permits and licenses issued to the Company. Each of these sources is subject to periodic modifications and what the Company anticipates will be increasingly stringent requirements. Violations of these laws, regulations, or permits and licenses may result in substantial administrative, civil, or even criminal fines, penalties, and possibly orders to cease any violating operations or to conduct or pay for corrective works. In some instances, violations may also result in the suspension or revocation of permits or licenses.

### *EPA Emissions and Certificate of Conformity*

The U.S. Clean Air Act requires that the Company obtain a Certificate of Conformity issued by the EPA for vehicles sold in all states, and a California Executive Order issued by the California Air Resources Board (“CARB”) is required for vehicles sold in California. Additionally, certain states, known as “CARB opt-in states,” have adopted the California standards that are either already effective or take effect in the next few years. CARB sets more stringent standards for emissions control for certain regulated pollutants for new vehicles and engines sold in California and must obtain a waiver of preemption from the EPA before implementing and enforcing such standards. States that have adopted the California standards as approved by the EPA also recognize the CARB Executive Order for sales of vehicles.

Although the Company’s vehicles have zero tailpipe emissions, the Company is required to seek an EPA Certificate of Conformity for vehicles sold in states covered by the U.S. Clean Air Act’s standards or a CARB Executive Order for vehicles sold in California or any of the other states that have adopted the stricter California standards. The Company has received the requisite EPA Certificate of Conformity and approval from CARB.

### *Vehicle Safety & Testing*

The Company’s vehicles are subject to regulation by the National Highway Traffic Safety Administration (“NHTSA”), including all applicable Federal Motor Vehicle Safety Standards (“FMVSS”). Numerous FMVSS apply to the Company’s vehicles specifying design, construction, and performance requirements. Xos vehicles are designed to meet all applicable FMVSS standards in effect at the date of manufacture. While the Company’s current vehicles comply and it expects that future vehicles will comply with all applicable FMVSS with limited or no exemptions, FMVSS are subject to change from time to time. As a manufacturer, the Company must self-certify that its vehicles meet all applicable FMVSS, or otherwise are exempt, before the vehicles may be imported or sold in the U.S.

The Company is also required to comply with other federal laws and regulations administered by NHTSA, as well as Federal Motor Carrier Safety Regulations, Federal Highway Administration requirements, and standards set forth by the EPA.

Vehicles sold outside of the U.S. are subject to similar foreign compliance, safety, environmental, and other regulations. Many of those regulations are different from those applicable in the United States and may require redesign and/or retesting.

### *Automobile Manufacturer and Dealer Regulation*

State laws regulate the manufacture, distribution, sale, and service (including delivery) of automobiles, and generally require motor vehicle manufacturers and dealers to be licensed in order to sell vehicles directly to customers in the state. Certain states have asserted that the laws in such states do not permit automobile manufacturers to be licensed as dealers or to act in the capacity of a dealer, or that they otherwise restrict a manufacturer’s ability to deliver or service vehicles. To sell vehicles to customers in states where the Company is not licensed as a dealer, it generally conducts the sale out of the state or via an authorized dealer partner in that state. However, certain states permit the Company, as a manufacturer of motor vehicles, to apply for and receive a dealer license to conduct vehicle sales, provided certain requirements are met. Once licensed in one of these states, the Company may sell its vehicles to any consumer in the United States as a matter of interstate commerce. As of the date of this filing, the Company sells all vehicles using its California dealer license.

### *Battery Safety & Testing*

The Company’s battery packs are required to conform to mandatory regulations that govern transport of “dangerous goods,” defined to include lithium-ion batteries, which may present a risk in transportation. The governing regulations, which are issued by the Pipeline and Hazardous Materials Safety Administration, are based on the United Nations Recommendations on the Safe Transport of Dangerous Goods Model Regulations and related U.N. Manual Tests and Criteria. The regulations vary by mode of shipping transportation, such as by ocean vessel, rail, truck, or air. The Company uses lithium-ion cells in the high voltage battery packs in its vehicles. The use, storage, and disposal of the Company’s battery packs is regulated under U.S. federal law. The Company’s battery packs conform to such “dangerous goods” shipping standards at a cell level.

## ***Regulations in Canada***

The Company's vehicles available for sale in the Canadian market are subject to environmental and safety certifications administered by the appropriate Canadian regulatory authorities, including, but not limited to the Canada Motor Vehicle Safety Standards, which is administered by Transport Canada. Air quality standards are administered by Environment Canada, which accepts U.S. EPA certification. Unlike the United States, there are no impediments to a manufacturer applying for and receiving a dealer license to perform sales and services; however, the Company must obtain the necessary provincial licenses to enable sales and services in each location. Xos works with a dealer partner in Canada to ensure access to the Canadian market and to facilitate vehicle transactions in compliance with Canadian law.

## **Seasonality**

Historically, the automotive industry has experienced higher revenue in the spring and summer months. Additionally, the Company expects volumes of commercial vehicle sales to be less in the winter months as many customers shift focus to executing high-volume holiday deliveries. A significant portion of the Company's customers operate in the parcel and delivery segment which has a "peak season" between the Thanksgiving and Christmas holidays, resulting in preparatory fleet expansions leading into such period followed by declined new vehicle purchases thereafter.

## **Intellectual Property**

The Company's ability to protect its material intellectual property is important to its business. The Company relies upon a combination of protections afforded to owners of patents, copyrights, trade secrets, and trademarks, along with employee and third-party non-disclosure agreements and other contractual restrictions to establish and protect its intellectual property rights. In particular, unpatented trade secrets in the fields of research, development, and engineering are an important aspect of the Company's business by ensuring that its technology remains confidential. The Company also pursues patent protection when it believes it has developed a patentable invention and the benefits of obtaining a patent outweigh the risks of making the invention public through patent filings.

As of December 31, 2025, the Company had eight awarded U.S. patents and one patent pending. Issued U.S. patents generally have a term of 20 years from the earliest effective filing date, subject to any applicable adjustments or extensions. In 2025, the Company filed provisional patents to protect its Hub mobile charging business, which continues to be a fast-growing segment and which the Company expects to grow further as it launches new variations of the Xos Hub product line. The Company pursues the registration of its domain names and material trademarks and service marks in the United States. In an effort to protect its brand, as of December 31, 2025, the Company had 23 pending or approved U.S. trademark applications.

The Company regularly reviews its development efforts to assess the existence and patentability of new inventions, and is prepared to file additional patent applications when it determines it would benefit our business to do so.

## **Facilities**

The Company's headquarters are located in an 85,142 square foot facility in Los Angeles, California, where the Company performs executive and administrative functions and services its vehicles and systems, among other things. The Company entered a new lease agreement for the facility with the landlord in August 2021, the term of which commenced on January 1, 2022, and will terminate on January 31, 2027, unless amended and/or extended. On June 20, 2024, the Company entered into an agreement to sublease a portion of its Los Angeles facility, effective as of July 1, 2024. We recognized income of \$0.5 million (including common area maintenance) in 2025. On March 14, 2025, the Company entered into a month to month sublease of another portion of its Los Angeles facility, effective as of April 1, 2025, and recognized income of \$44,000 in 2025.

The Company also has a manufacturing facility located in Byrdstown, Tennessee that utilizes the facilities of Fitzgerald Manufacturing Partners, LLC, the largest manufacturer of glider kits in the United States. The Company leases two properties in Byrdstown subject to leases that expire in 2026 and 2027.

In connection with the acquisition of ElectraMeccanica, the Company became the lessee of certain properties, including a 235,094 square foot manufacturing facility in Mesa, Arizona and a 17,980 square foot service and distribution center in Huntington Beach, California. These properties were not needed for the Company's business, and the Company has been working to reduce its

exposure to the ElectraMeccanica lease obligations. On August 21, 2025, the Company entered into an agreement (the “Lease Termination Agreement”) with the lessor of the Mesa facility, which resulted in the termination of such lease and provided that the Company shall make monthly payments to the lessor for 18 months following termination in an aggregate amount of approximately \$2.8 million.

## **Human Capital**

### ***People Strategy and Governance***

The Company firmly believes an integral part of its growth story is through elevating the most important asset it has: its people. By focusing on the fundamentals of people strategy, leadership, culture, and talent, the Company remains strong, adaptive, innovative, and well-equipped to respond to the ever-changing commercial vehicle landscape. The People Operations team is responsible for the Company’s human capital policies and strategies and their collective recommendations to the Chief Executive Officer and key leadership members allow the Company to proactively manage its human capital and care for its employees in a manner that is consistent with its values.

### ***Commitment to Diversity, Equity, and Inclusion***

At Xos, the Company believes that creating an inclusive environment for all employees is foundational to its success. One of the Company’s organizational values is “One team: Be actively inclusive. Embrace diversity. Support and celebrate others.” The Company is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives.

### ***Talent Attraction, Growth, and Capability Assessment***

The Company seeks to leverage best practices in assessments and talent management to strengthen and expand its current capabilities and future pipeline while reinforcing a culture of belonging, empowerment, and innovation. The Company also aims to create targeted learning experiences, democratizing learning and career development opportunities across the organization, and empowering employees to design their own career paths with skill development targeted for the roles of today and the future.

The Company believes the extent to which its leaders are equipped to care for, inspire, and empower its people plays a vital role in its strategy. The Company’s set of leadership standards outlines clear expectations for its leaders: that they regularly connect with team members, spend time teaching and coaching, and champion their team’s career development. The Company is committed to helping its leaders strengthen these capabilities with dedicated learning paths and non-traditional learning opportunities.

### ***Employee Well-Being Initiatives***

The Company strives for a holistic approach to well-being that encompasses the financial, social, mental/emotional, physical, and professional needs of its employees. Foundational to the Company’s well-being philosophy is providing a broad array of resources and solutions to educate employees and build capability and support for meeting individual well-being needs and goals.

The Company employs programs to understand employee sentiment on their mental and emotional well-being, health and safety, employee experience, culture, diversity, equity and inclusion, leadership, and strategic alignment. Suggestion boxes and focus groups collect additional information on employee sentiment and needs, and the Company communicates the resulting actions taken with its employee population.

The Company’s well-being programs are an integral part of its total rewards strategy as it works to address business and employee challenges through a multi-channel approach that provides its diverse populations with choices to meet their specific needs.

### ***Employment Data***

As of December 31, 2025, we had 101 employees (including 99 full-time employees) and 34 contractors, up from 114 employees (including 109 full-time employees) and 16 contractors at the prior year-end. The Company has not experienced any work

stoppages and considers its relationships with its employees to be good. None of the Company's employees is subject to a collective bargaining agreement or represented by a labor union.

## **Corporate Information**

Xos, Inc. was initially incorporated on July 29, 2020 as a Cayman Islands exempted company under the name "NextGen Acquisition Corporation" ("NextGen"). On August 20, 2021, the transactions contemplated by the Agreement and Plan of Merger, as amended on May 14, 2021, by and among NextGen, Sky Merger Sub I, Inc., a Delaware corporation and a direct wholly owned subsidiary of NextGen ("Merger Sub"), and Xos, Inc., a Delaware corporation (now known as Xos Fleet, Inc., "Legacy Xos"), were consummated (the "Closing"), whereby Merger Sub merged with and into Legacy Xos, the separate corporate existence of Merger Sub ceased and Legacy Xos became the surviving corporation and a wholly owned subsidiary of NextGen (such transaction the "Merger" and, collectively with the Domestication, the "Business Combination"), and Xos became the publicly traded entity listed on Nasdaq.

## **Available Information (Website)**

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed with or furnished to the Securities and Exchange Commission ("SEC") pursuant to Sections 13(a) and 15(d) of the "Exchange Act," are available, free of charge, on the Company's Investor Relations website at <https://www.xostrucks.com/investor-overview> as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. The SEC maintains a website at <https://www.sec.gov> that contains reports, proxy, information statements, and other information regarding registrants that file electronically with the SEC. The Company uses its Investor Relations website as a means of disclosing material information. Accordingly, investors should monitor the Company's Investor Relations website, in addition to following its press releases, SEC filings, and public conference calls and webcasts. The information provided on, or accessible through, the Company's Investor Relations website is not a part of this Annual Report on Form 10-K, nor is such information incorporated by reference herein, and such information should not be relied upon in determining whether to make an investment in the Company's common stock.

## **Item 1A. Risk Factors**

### **RISK FACTORS**

*Investing in our securities involves risks. Before you make a decision to buy our securities, in addition to the risks and uncertainties discussed above under "Cautionary Note Regarding Forward-Looking Statements," you should carefully consider the risks and uncertainties set forth herein as well as the other information in this Report, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events or developments described below, or of additional risks and uncertainties not presently known to us or that we currently deem immaterial, could materially and adversely affect our business, growth prospects, financial condition, liquidity and results of operations. As a result, the market price of our securities could decline, and you could lose all or part of your investment. Additionally, the risks and uncertainties described in this Report are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business.*

### **Risks Related to our Business and Industry**

***There is substantial doubt about our ability to continue as a going concern through the next 12 months from the date of the consolidated financial statements in this Report.***

As an early-stage company, our ability to access capital is critical. Unless and until we can generate sufficient revenue to cover our operating expenses, working capital and capital expenditures, we will need to raise additional capital in order to fund and scale our operations. Our ability to access capital when needed is not assured and, if capital is not available to us when, and in the amounts, needed, we could be required to delay, scale back or abandon some or all of our development programs and other operations.

Additional equity financing may not be available on favorable terms or at all and, if available, could be dilutive to current stockholders. Our ability to access the SEPA (as defined below) was not extended and terminated on February 11, 2026. Debt financing, if available, may involve restrictive covenants and dilutive financing instruments. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our Common Stock to decline. Moreover, the Convertible Note (as defined below) in the initial principal amount of \$20.0 million, has \$17.0 million principal outstanding as of March 26, 2026, which will need to be repaid in quarterly installments from May 11, 2026 through February 11, 2028. Pursuant to General Instruction I.B.6 of Form S-3, the aggregate dollar amount of Common Stock we can sell pursuant to the ATM Offering (as defined below) in any 12-month period is limited. Furthermore, we are unable to sell shares in the ATM Offering at any time that we are in possession of material non-public information.

Global general economic and political conditions, such as a potential recession, inflation, uncertain credit and global financial markets, including potential future bank failures, health crises, supply chain disruption, fuel prices, international currency fluctuations, changes to trade policies and tariffs, and geopolitical events such as local and national elections, corruption, political instability and tensions and acts of war or military conflict including repercussions of the wars between Russia and Ukraine and in Israel, terrorism, conflicts with Iran or tensions with China and related sanctions and export control restrictions, have and could continue to adversely impact our ability to raise additional funds, among other things.

Since inception, we financed our operations primarily from the sales of shares of Common Stock, the Business Combination, the SEPA, the ElectraMeccanica acquisition, the ATM Offering and the issuance of debt. As of December 31, 2025, our principal sources of liquidity were cash and cash equivalents aggregating to \$14.0 million (including cash acquired pursuant to the Arrangement with ElectraMeccanica, which closed on March 26, 2024).

If we seek additional financing to fund our business activities in the future, any doubt about our ability to continue as a going concern may make prospective investors or other financing sources more resistant or unwilling to provide funding to us on commercially reasonable terms, or at all. In addition, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our audited financial statements and/or seek protection under Chapters 7 or 11 of the United States Bankruptcy Code. This could potentially cause us to cease operations and result in a complete or partial loss of your investment in our Common Stock.

If capital is not available to us when, and in the amounts, needed, we could be required to delay, scale back, or abandon some or all of our operations and development programs, which would materially harm our business, financial condition and results of operations. The result of our Accounting Standards Codification (“ASC”) Subtopic 205-40, *Presentation of Financial Statements—Going Concern* (“ASC 205-40”) analysis, due to uncertainties discussed above, is that there is substantial doubt about our ability to continue as a going concern through the next 12 months from the date of the consolidated financial statements in this Report. Our consolidated financial information does not include any adjustments that might result from the outcome of this uncertainty.

***Our limited operating history makes evaluating our business and future prospects difficult and may increase the risk of your investment.***

We face risks and difficulties as an early-stage company with a limited operating history. If we do not successfully address these risks, our business, prospects, financial condition and operating results may be materially and adversely affected. Xos Fleet, Inc. (“Legacy Xos”) was originally incorporated as a California corporation in October 2015 and converted into a Delaware corporation in December 2020. As further described in Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Business Combination and Public Company Costs,” the Business Combination (as defined therein) was completed in August 2021. We have a very limited operating history on which investors can base an evaluation of our business, prospects, financial condition and operating results. We intend to derive our revenue from the sale of our products and services. There can be no assurance that we will be able to retain existing or secure future business with customers.

***We derive a significant portion of our revenue from a small number of customers; if revenue derived from these customers decrease or the timing of such revenue fluctuates, our business and results of operations could be negatively affected.***

We currently derive a significant portion of our revenue from a small number of customers, and this trend may continue for the foreseeable future. During the year ended December 31, 2025, one customer accounted for 54% of the Company's revenue. The loss of any one of our significant customers, a reduction in the purchases of our products by such customers or the cancellation of significant purchases by any of these customers would reduce our revenue and could harm our ability to achieve or sustain expected results of operations, and a delay of significant purchases, even if only temporary, would reduce our revenue in the period of the delay. Any such reduction in revenue may also impact our cash resources available for other purposes, such as research and development.

***We may not be able to successfully engage target customers or convert early trial deployments with commercial fleets into material orders or additional deployments in the future.***

Our success, and our ability to increase revenue and operate profitably, depends in part on our ability to identify target customers and to convert early trial deployments with commercial fleets into orders or additional deployments in the future. Our vehicles have been delivered to certain customers on an early trial deployment basis, where such customers have the ability to evaluate whether these vehicles meet such customers' performance and other requirements before committing to material orders or additional deployments in the future. If we are unable to meet customers' performance requirements or industry specifications, identify target customers, convert early trial deployments in commercial fleets into material orders or obtain additional deployments in the future, our business, prospects, financial condition and operating results may be materially and adversely affected.

***Our mix of offerings is novel in the industry and has yet to be tested in the long term. Any failure to commercialize our strategic plans could have a material adverse effect on our operating results and business, harm our reputation and could result in substantial liabilities that exceed our resources.***

We have certain offerings, such as the Xos Hub and Xosphere™, that are novel in the industry and subject us to substantial risk given the significant expenditures required before receipt of substantial revenue. These offerings have limited operating histories and have yet to be tested on a large scale. Demand for these offerings may not ultimately meet expectations and/or products and services in development may never become commercially available, either of which may have a material adverse effect on our business, prospects, financial condition and operating results.

New services and products ordinarily encounter difficulties, many of which are beyond our control, including substantial risks and expenses in the course of establishing or entering new markets, organizing operations and undertaking marketing activities. We may also encounter unforeseen expenses, difficulties or delays in connection with developing such services and products, including, but not limited to, those related to providing energy services and related infrastructure, providing financing options, increasing service personnel and supplying insurance and other risk products. The likelihood of our success with offerings such as the Xos Hub and Xosphere™ must be considered in light of these risks and expenses, potential complications or delays and the competitive environment in which we operate. Therefore, there can be no assurances that our business plan will prove successful. We may not be able to generate significant revenue or operate profitably, which may have a material adverse effect on our business, prospects, financial condition and operating results.

***We are highly dependent on the services of Dakota Semler and Giordano Sordoni, our co-founders, as well as our key personnel and senior management, and if we are unable to attract and retain key personnel and hire qualified management, technical and electric vehicle engineering personnel, our ability to compete could be materially and adversely affected.***

Our success depends, in part, on our ability to retain our key personnel. We are highly dependent on the services of Dakota Semler and Giordano Sordoni, our co-founders. Messrs. Semler and Sordoni are the source of many of the ideas, the strategy and the execution driving the Company. If Messrs. Semler or Sordoni were to discontinue their services to us due to death, disability or any other reason, we would be significantly disadvantaged. Additionally, the unexpected loss of or failure to retain one or more of our key personnel and senior management members could adversely affect our business.

Our success also depends, in part, on our continuing ability to identify, hire, attract, train and develop other highly qualified personnel. Experienced and highly skilled personnel are in high demand and competition for such personnel can be intense, and our ability to hire, attract and retain them depends in part on our ability to provide competitive compensation. We may not be able to attract, assimilate, develop or retain qualified personnel in the future, and a failure to do so could adversely affect our business, including the execution of our business strategy. Any failure by our management team and our employees to perform as expected may have a material adverse effect on our business, prospects, financial condition and operating results.

***We have entered and may continue to enter into agreements and non-binding purchase orders, letters of intent and memorandums of understanding or similar agreements for sales of our products, which are cancellable at the option of our customers.***

We have entered and may continue to enter into agreements, purchase orders, letters of intent and memorandums of understanding (“MOUs”) or similar agreements for the sale of our products that include various cancellation rights in favor of the customer. For example, we have entered into binding distribution and purchase agreements for the purchase of vehicles; however, they are subject to the further entry into a definitive agreement with final pricing, warranty coverage and other terms. These purchase obligations may also be canceled by the customer with six months’ written notice. As a result, we cannot ensure that we will be able to enter into a definitive agreement or that our customers will not exercise their cancellation rights. In addition, we have entered and may continue to enter into purchase orders, letters of intent and memorandums of understanding or similar agreements that are not binding on our customer and may also be subject to modification and cancellation provisions. Any of these adverse actions related to these agreements, purchase orders, letters of intent, memorandums of understanding or any future customer contracts could harm our business, prospects, financial condition and operating results.

***The commercial vehicle market is highly competitive, and we may not be successful in competing in this industry.***

We face intense competition in bringing our products to market. We face competition from many different sources in the commercial vehicle market for medium- and heavy-duty last-mile and return-to-base segments, including existing major commercial vehicle OEMs, such as Daimler, Ford, General Motors, Navistar, Paccar, and Volvo, as well as new companies that are developing alternative fuel and electric commercial vehicles. Many of our current and potential competitors, including Rivian and Harbinger, may have significantly greater financial, technical, manufacturing, marketing and other resources than we do and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale and support of their products, including their vehicles. Additionally, our competitors may also have greater name recognition, longer operating histories, larger sales forces, broader customer and industry relationships and greater resources than we do. These competitors also compete with us in recruiting and retaining qualified research and development, sales, marketing and management personnel, as well as in acquiring technologies complementary to, or necessary for, our products. Future mergers and acquisitions activity may result in even more resources being concentrated with our competitors. In addition, we also compete with manufacturers of vehicles with internal combustion engines. There are no assurances that customers will choose our vehicles over those of our competitors, or battery-electric over internal combustion engine vehicles. We expect additional competitors to enter the industry as well.

We expect competition in our industry to intensify from our existing and future competitors as consumer demand for electric and alternative fuel vehicles increases and regulatory scrutiny on the motor vehicle industry intensifies.

***Our growth is dependent upon the last-mile and return-to-base segment’s willingness to adopt electric vehicles.***

Our growth is highly dependent upon the adoption of electric vehicles by last-mile delivery fleets and companies. If the market for last-mile and return-to-base electric vehicles does not develop at the rate or in the manner or to the extent that we expect, or if critical assumptions we have made regarding the efficiency of our total cost of ownership are incorrect or incomplete, our business, prospects, financial condition and operating results could be materially and adversely affected. The rapidly evolving market for last-mile and return-to-base electric vehicles is new and untested and is characterized by rapidly changing technologies, price competition, numerous competitors, evolving government regulation and industry standards and uncertain customer demands and behaviors.

As a result, the market for our products could be affected by numerous factors, such as:

- perceptions about electric vehicle, powertrain and battery pack features, quality, safety, performance, reliability and cost;
- perceptions about the limited range over which electric vehicles may be driven on a single charge;
- government regulations and economic incentives;
- the availability of tax and other government incentives to purchase and operate alternative fuel, hybrid and electric vehicles or future laws requiring increased use of such vehicles;
- the decline of vehicle efficiency resulting from deterioration over time in the ability of a battery pack to hold a charge;

- the availability of service and associated costs for alternative fuel, hybrid or electric vehicles;
- competition, including from other types of alternative fuel, plug-in hybrid, electric and high fuel-economy internal combustion engine vehicles;
- changes or improvements in the fuel economy of internal combustion engines, competitors' vehicles and vehicle controls or competitors' electrified systems;
- fuel and energy prices, including volatility in the cost of fossil fuels, alternative fuels and electricity;
- the timing of adoption and implementation of fully autonomous vehicles;
- access to charging facilities and related infrastructure costs and standardization of electric vehicle charging systems;
- electric grid capacity and reliability; and
- macroeconomic factors.

***The last mile and return to base segment and our technology are rapidly evolving and may be subject to unforeseen changes which could adversely affect the demand for our vehicles and other products.***

The last mile and return to base segment is rapidly evolving and we may be unable to keep up with changes in electric vehicle technology or alternatives to electricity as a fuel source and, as a result, our competitiveness may suffer. Developments in technology or alternative technologies, such as advanced diesel, ethanol, hybrids, fuel cells, or compressed natural gas, or improvements in the fuel economy or emissions profile of the internal combustion engine, may materially and adversely affect our business and prospects in ways we do not currently anticipate. As technologies evolve, particularly battery cell technology, we plan to release refreshed versions of our vehicles, which may also negatively impact the adoption of our existing products. For example, we have largely retired the Lyra™ battery technology from production. A relatively small number of Lyra™ batteries may still be used in certain Powered By Xos™ use cases and for service. Any failure by us to successfully react to changes in existing technologies could materially harm our competitive position and growth prospects.

***The demand for electric vehicles depends, in part, on the continuation of current trends resulting from dependence on fossil fuels. Extended periods of low gasoline or other petroleum-based fuel prices could adversely affect demand for our products, which could materially and adversely affect our business, prospects, financial condition and operating results.***

Gasoline and other petroleum-based fuel prices have been extremely volatile, and we believe this continuing volatility will persist. Lower gasoline or other petroleum-based fuel prices over extended periods of time may lower the perception in government and the private sector that cheaper, more readily available energy alternatives should be developed and produced. If gasoline or other petroleum-based fuel prices remain at deflated levels for extended periods of time, the demand for electric vehicles may decrease, which would have an adverse effect on our business, prospects, financial condition and operating results.

If the cost of gasoline and other petroleum-based fuel decreased significantly, the outlook for the long-term supply of oil to the United States improved, regulations or economic incentives related to fuel efficiency and alternative forms of energy were eliminated or reduced, or if there is a change in the perception that the burning of fossil fuels negatively impacts the environment, the demand for electric vehicles could be reduced, which could materially and adversely affect our business, prospects, financial condition and operating results.

***We are or may be subject to risks associated with strategic alliances or acquisitions and may not be able to identify adequate strategic relationship opportunities, or form strategic relationships, in the future.***

We have entered into MOUs with certain key manufacturers, suppliers and development partners to form strategic alliances with such third-parties, and may in the future enter into additional strategic alliances or joint ventures or minority equity investments, in each case with various third-parties for the manufacture of our products. There is no guarantee that any of our MOUs will lead to any binding agreements or lasting or successful business relationships with such key suppliers and development partners. If these strategic alliances are established, they may subject us to several risks, including risks associated with sharing proprietary information, non-performance by the third-party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third-parties

and, to the extent that any of these strategic third-parties suffer negative publicity or harm to their reputation from events relating to our business, we may suffer negative publicity or harm to our reputation by virtue of our association with any such third-party.

Strategic business relationships are expected to be an important factor in the growth and success of our business. However, there are no assurances that we will be able to continue to identify or secure suitable business relationship opportunities in the future and our competitors may capitalize on such opportunities before we do. Moreover, identifying such opportunities could require substantial management time and resources, and negotiating and financing relationships involves significant costs and uncertainties. If we are unable to successfully source and execute on strategic relationship opportunities in the future, our overall growth could be impaired, and our business, prospects, financial condition and operating results could be materially and adversely affected.

When appropriate opportunities arise, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. In addition to possible stockholder approval, we may need approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable laws and regulations. Obtaining the required approvals and licenses could result in increased delays and costs, and failure to do so may disrupt our business strategy. Furthermore, acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

### **Risks Relating to the Design, Supply and Manufacturing of our Products**

*We have experienced and may in the future experience significant delays in the design, manufacturing and wide-spread deployment of our products, which could harm our business, prospects, financial condition and operating results.*

There are often delays in the design, development, manufacturing and release of new products, and to the extent we delay the launch or manufacture of our products, our growth prospects could be adversely affected. We have experienced delays in our battery production activities, which have resulted in a manufacturing backlog in our vehicle assembly line. If we are not able to manufacture sufficient vehicles and powertrains that meet our specifications, we may need to partner with contract manufacturers or expand our manufacturing capabilities, which may cause us to incur additional costs and delay deployment of our products. Furthermore, we rely on third-party suppliers for the provision and development of many of the key components and materials used in our products, and to the extent we experience any delays, we may need to seek alternative suppliers. If we experience delays by our third-party outsourcing partners or suppliers, we could experience delays in delivering on our timelines.

Any delay in the design, development, manufacturing and release of our products could materially damage our brand, business, prospects, financial condition and operating results.

*We may not be able to accurately plan our production, which may result in us carrying excess and/or obsolete raw material inventory.*

We generally make decisions on our production level and timing, procurement, facility requirements, personnel needs and other resources requirements based on estimates made in light of certain production and sales forecasts, our past dealings with such customers, market conditions and other relevant factors. Our customers' final purchase orders may not be consistent with our estimates. If the final purchase orders substantially differ from our estimates, we may have excess raw material inventory or material shortages. Excess inventory could result in unprofitable sales or write-offs as our products are susceptible to obsolescence and price declines. Expediting additional material to make up for any shortages within a short time frame could result in unprofitable sales or cause us to adjust delivery dates. In either case, our results of operation would fluctuate from period to period.

*Our ability to develop and manufacture our products of sufficient quality and appeal to customers on schedule and on a large scale will require significant capital expenditures and is unproven and still evolving.*

Our future business model depends in large part on our ability to execute our plans to design, develop, manufacture, market, deploy and service our products at scale, which will require significant capital expenditures. We also retain third-party vendors

and service providers to engineer, design, develop, test and manufacture some of the critical systems and components of our products. While this approach allows us to draw upon such third-parties' industry knowledge and expertise, there can be no assurance such systems and components will be successfully developed to our specifications or delivered in a timely manner to meet our program timing requirements.

Our continued development and manufacture of our products are and will be subject to a number of risks, including with respect to:

- our ability to acquire and install the equipment necessary to manufacture the desired quantity of our products within the specified design tolerances;
- long- and short-term durability of our products to withstand day-to-day wear and tear;
- compliance with environmental, workplace safety and similar regulations;
- engineering, designing, testing and securing delivery of critical systems and components on acceptable terms and in a timely manner;
- delays in delivery of final systems and components by our suppliers;
- shifts in demand for our current products and future derivatives built off the X-Platform;
- the compatibility of the X-Platform with future vehicle designs;
- our ability to attract, recruit, hire and train skilled employees;
- quality controls, particularly as we plan to expand our manufacturing capabilities;
- delays or disruptions in our supply chain, like those we have recently experienced due to broader macroeconomic trends;
- other delays and cost overruns; and
- our ability to secure additional funding, if necessary.

If we are unable to develop and manufacture products of sufficient quality and appeal to customers on schedule and on a large scale, our business, prospects, financial condition and operating results may be materially and adversely affected.

***We have no experience to date in high volume manufacturing of our products.***

We do not know whether we will be able to develop efficient, automated, low-cost manufacturing capabilities and processes that will enable us to meet the quality, price, engineering, design and manufacturing standards, as well as the manufacturing volumes, required to successfully mass market our products. Even if we are successful in developing high volume manufacturing capabilities and processes, we do not know whether we will be able to do so in a manner that avoids significant delays and cost overruns, including as a result of factors beyond our control such as problems with suppliers and vendors or force majeure events, meets our product commercialization and manufacturing schedules and satisfies the requirements of customers and potential customers. If we were to experience delays, disruptions, capacity constraints or quality control problems in manufacturing operations, product shipments could be delayed or rejected and our customers could consequently elect to change product demand. These disruptions could negatively impact our revenue, competitive position and reputation.

Our manufacturing facilities and the equipment used to manufacture our products would be costly to replace and could require substantial lead time to replace and qualify for use. Our manufacturing facilities may be harmed or rendered inoperable by natural or man-made disasters, including, war, military conflicts, earthquakes, flooding, fire and power outages, or by health crises, which may render it difficult or impossible for us to manufacture our products for some period of time. The inability to manufacture our products, or the backlog that could develop if our manufacturing facilities are inoperable for even a short period of time, may result in the loss of customers or harm our reputation and have a negative impact on our operating results.

***If we fail to successfully tool our manufacturing facilities or if our manufacturing facilities become inoperable, we will be unable to produce our vehicles and our business will be harmed.***

Tooling our manufacturing facilities for production of our vehicles and our future expansion plans are complicated and present significant challenges. If any of our manufacturing facilities are not tooled in conformity with our requirements, repair or remediation may be required and could require us to take vehicle production offline, delay plans for increasing production capacity, or construct alternate facilities, which could materially limit our manufacturing capacity, delay planned increases in manufacturing volumes, delay the start of production of new product lines, or adversely affect our ability to timely sell and deliver our electric vehicles to customers. Any repair or remediation efforts could also require us to bear substantial additional costs, including both the direct costs of such activities and potentially costly litigation or other legal proceedings related to any identified defect, and there can be no assurance that our insurance policies or other recoveries would be sufficient to cover all or any of such costs. Any of the foregoing consequences could have a material adverse effect on our business, prospects, results of operations and financial condition and could cause our results of operations to differ materially from our current expectations.

***We are dependent on our suppliers, some of which are limited source or single-source suppliers, and the inability or unwillingness of these suppliers, due to increased demand or other factors, to deliver necessary components and materials used in our products at prices, timelines, volumes, performance and specifications acceptable to us, could have a material adverse effect on our business, prospects, financial condition and operating results.***

We rely on third-party suppliers for the provision and development of many of the key components and materials used in our products. While we plan to obtain components and materials from multiple sources whenever possible, some of the components and materials used in our products will be purchased by us from a single or limited number of sources. Our third-party suppliers may not meet their product specifications and performance characteristics, which would impact our ability to achieve our product specifications and performance characteristics as well. Additionally, our third-party suppliers may not obtain the required certifications for their products or provide warranties that are necessary for our products.

We may become dependent on a single source third-party supplier of battery packs. The inability or unwillingness of such single source third-party supplier to deliver battery packs at prices, timelines, volumes, performance and specifications acceptable to us would likely have a material adverse impact on our business, prospects, financial condition and operating results.

Generally, if we are unable to obtain components and materials from our suppliers or if our suppliers decide to create or supply competing products, our business could be adversely affected. We have less negotiating leverage with suppliers than larger and more established automobile manufacturers and may not be able to obtain favorable pricing and other terms for the foreseeable future. While we believe that we can establish alternate supply relationships and can obtain or engineer replacement components for our limited source components, we may be unable to do so in the short term, or at all, at prices, volumes or quality levels that are favorable to us. In addition, if these suppliers experience financial difficulties, cease operations, or otherwise face business disruptions, we may be required to provide substantial financial support to ensure supply continuity or take other measures to ensure components and materials remain available. Any disruption could affect our ability to deliver products and could increase our costs, which could have a material adverse effect on our business, prospects, financial condition and operating results.

***Our battery packs use lithium-ion battery cells, a class of batteries which have been observed to catch fire or vent smoke and flame.***

Our battery packs use lithium-ion battery cells. On rare occasions, lithium-ion battery cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion battery cells. This has occurred in our testing as we refine our battery design. While we have taken measures to enhance the safety of our battery designs, a future field or testing failure of our battery packs could occur, which could subject us to litigation, inquiries, product recalls or redesign efforts, all of which would be time-consuming and expensive. Also, negative public perceptions regarding the suitability of lithium-ion battery cells for automotive applications or any future incident involving lithium-ion battery cells such as a vehicle or other fire, even if such incident does not involve our battery packs, could negatively affect our brand and harm our business, prospects, financial condition and operating results.

In addition, a significant number of lithium-ion battery cells are stored at our facilities and the facilities of our manufacturing partners and suppliers. Any mishandling of battery cells may cause disruption to the operation of such facilities. A safety issue or fire related to the battery cells could disrupt operations or cause manufacturing delays, and could lead to adverse publicity, litigation or a safety recall. Moreover, any failure of a competitor's electric vehicle or energy storage product may cause indirect adverse publicity for us and our products. Such adverse publicity could negatively affect our brand and harm our business, prospects, financial condition and operating results.

***We have, and may again experience increases in costs, disruption of supply or shortage of materials, in particular for lithium-ion battery cells, semiconductors and other key components, which have harmed and could continue to harm our business.***

We and our suppliers have experienced, and may continue to experience, increases in the cost of, or a sustained interruption in the supply or shortage of, components and materials. Any such cost increase, supply interruption or shortage could materially and negatively impact our business, prospects, financial condition and operating results. We and our suppliers use various materials in our respective businesses and products, including for example lithium-ion battery cells and steel, and the prices for such components and materials fluctuate. Additionally, the available supply of such components and materials are and may continue to be unstable, depending on market conditions and global demand, including as a result of increased production of electric vehicles and battery packs by us and our competitors, and could adversely affect our business and operating results. For instance, we are exposed to multiple risks relating to lithium-ion battery cells. These risks include:

- an increase in the cost, or decrease in the available supply, of materials used in our battery packs;
- disruption in the supply of battery cells due to quality issues or recalls by battery cell manufacturers; and
- fluctuations in the value of any foreign currencies in which battery cell and related raw material purchases are or may be denominated against the U.S. dollar.

Our business is dependent on the continued supply of lithium-ion battery cells for the battery packs used in our vehicles and powertrains. Any disruption in the supply of battery cells could disrupt production of our products. We heavily rely on international shipping to transport battery packs and the components and materials used in our proprietary battery packs from our suppliers. Delays due to congestion in west coast ports have caused, and may in the future cause, us to use more expensive air freight or other more costly methods to receive components and materials. Furthermore, fluctuations or shortages in petroleum and other economic conditions have caused, and may in the future cause, us to experience significant increases in freight charges and material costs.

Additionally, we and other vehicle manufacturers that utilize integrated circuits have been negatively impacted by shortages of semiconductors. A combination of factors, including increased demand for consumer electronics, automotive manufacturing shutdowns due to the COVID-19 pandemic, the rapid recovery of demand for vehicles and long lead times for wafer production, have contributed to the shortage of semiconductors. A shortage of semiconductors or other key components or materials could cause a significant disruption to our production schedule. If we are unable to obtain sufficient semiconductors or other key components or materials that have experienced or may experience shortages, or if we cannot find other methods to mitigate the impact of any such shortage, then our financial condition and results of operations may be materially and adversely affected.

Substantial increases in the prices for components or materials utilized in the manufacture of our products, such as those charged by suppliers of battery cells, semiconductors or other key components or materials, would increase our operating costs, and could reduce our margins if the increased costs cannot be recouped through increased vehicle, powertrain or battery pack sales. Any attempts to increase prices in response to increased component or material costs could result in cancellations of orders and reservations and materially and adversely affect our brand, image, business, prospects and operating results.

***We rely on complex machinery for the manufacture of our products, which involves a significant degree of risk and uncertainty in terms of operational performance and costs.***

We rely on complex machinery for the manufacture and assembly of our products, which involves a significant degree of uncertainty and risk in terms of operational performance and costs. Our facilities and the facilities of our suppliers contain large-scale machinery consisting of many components. These components may suffer unexpected malfunctions from time to time and may depend on repairs and spare parts to resume operations, which may not be available when needed. Unexpected malfunctions of these components may significantly affect the intended operational efficiency.

Operational performance and costs can be difficult to predict and are often influenced by factors outside of our control, such as, but not limited to, scarcity of natural resources, environmental hazards and remediation, costs associated with decommissioning of machines, labor disputes and strikes, difficulty or delays in obtaining permits, damage to or defects in electronic systems, industrial accidents, fire, seismic activity and natural disasters. Should operational risks materialize, it may result in the personal injury to or death of workers, the loss of manufacturing equipment, damage to manufacturing facilities, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs, reputational

damage and potential legal liabilities, all which could have a material adverse effect on our business, prospects, financial condition or operating results.

Furthermore, manufacturing technology may evolve rapidly, and we may decide to update our manufacturing processes more quickly than expected, which may result in material increases in our expenses and/or capital expenditures. Moreover, as we scale the commercial production of our vehicles, our experience has caused, and may in the future cause, us to discontinue the use of already installed equipment in favor of different or additional equipment. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and our results of operations could be negatively impacted.

***Delays in deployment of sufficient charging solutions for our vehicles has resulted in the delay of the delivery of vehicles to customers.***

Delays in deployment of sufficient charging solutions for our vehicles has resulted in the delay of the delivery of vehicles to customers. Demand for our vehicles and the customer's willingness to take delivery depends in large part on the availability of charging infrastructure. Most vehicles in our targeted segments operate on last-mile routes that generally return to base hubs on a daily basis, and fleet operators may choose to purchase fewer Xos vehicles, or none at all, if they are unable to install sufficient dedicated charging infrastructure. We have experienced customers delaying or declining delivery of vehicles due to a lack of charging infrastructure. Our charging solutions now being offered, including the Hub may not be sufficient to meet customer needs. Our efforts to install, configure and implement dedicated charging solutions have been affected by numerous factors, such as;

- the cost, availability, standardization and quality of commercial electric vehicle charging systems;
- the availability of government incentives and our ability to navigate legal requirements, such as permits, associated with installing electric vehicle charging systems;
- our ability to hire skilled employees, or train new employees or engage contractors, that are qualified to install and/or service electric vehicle charging systems; and
- electric grid capacity and reliability.

In addition, while the prevalence of public charging stations and third-party charging networks generally has been increasing, charging station locations are significantly less widespread than gas stations. Moreover, the charging bays at such stations or networks may (i) have limited availability, (ii) be unable to accommodate commercial electrical vehicles such as our products, and/or (iii) feature charging times that are unacceptable to our customers. Any failure of public charging stations or third-party charging networks to meet customer expectations or needs, including quality of experience, could impact the demand for electric vehicles, including ours.

***Our business and prospects depend significantly on our ability to build our brands. We may not successfully establish, maintain and strengthen the Xos brand or any other brands, and our brand and reputation could be harmed by negative publicity regarding Xos or our products.***

Our business and prospects are heavily dependent on our ability to develop, maintain and strengthen our brands. If we do not establish, maintain and strengthen our brands, we may lose the opportunity to build a critical mass of customers, and our business, prospects, financial condition and operating results may be materially and adversely affected.

Promoting and positioning our brands will likely depend significantly on our ability to provide high-quality products and engage with our existing and potential customers as intended, and we have limited experience in these areas. In addition, our ability to develop, maintain and strengthen the Xos brand or any other brands will depend heavily on the success of our customer development and branding efforts. Our target customers may be reluctant to acquire products from a new and unproven company such as Xos. In addition, our novel technology and design may not align with target customer preferences. If we do not develop and maintain strong brands, our business, prospects, financial condition and operating results will be materially and adversely impacted.

In addition, if negative incidents relating to our products occur or are perceived to have occurred, whether or not such incidents are our fault, we could be subject to adverse publicity. In particular, given the popularity of social media, any negative publicity,

whether true or not, could quickly proliferate and harm consumer perceptions and confidence in our brands. Furthermore, there is the risk of potential adverse publicity related to our manufacturing or other partners whether or not such publicity is related to their collaboration with us. Our ability to successfully position our brands could also be adversely affected by perceptions about the quality of our competitors' products.

In addition, from time to time, products may be evaluated and reviewed by third-parties. Any negative reviews or reviews which compare us unfavorably to competitors could adversely affect customer perception of our products.

***If we fail to manage our growth effectively, we may not be able to further design, develop, manufacture and market our products successfully.***

Any failure to manage our growth effectively could materially and adversely affect our business, prospects, operating results and financial condition. We intend to expand our operations significantly. We expect our future expansion to include:

- expanding the management team;
- hiring and training new personnel;
- leveraging consultants to assist with company growth and development;
- expanding our product offering across products, as well as services such as energy services;
- controlling expenses and investments in anticipation of expanded operations;
- establishing or expanding design, research and development, manufacturing, sales and service facilities;
- implementing and enhancing administrative infrastructure, systems and processes; and
- expanding into new markets.

As of December 31, 2025, we had 101 employees (including 99 full-time employees) and 34 contractors. We intend to strategically hire personnel across a variety of functions as business needs arise. However, we may have difficulties hiring qualified personnel at times, such as during challenging labor markets. Because our vehicles and powertrains are based on a different technology platform than traditional internal combustion engines, individuals with sufficient training and experience in alternative fuel technologies may not be available to hire, and as a result, we may need to expend significant time and expense training newly hired employees. Competition for individuals with experience designing, manufacturing and servicing vehicles and powertrains and their software is intense, and we may not be able to attract, integrate, train, motivate or retain sufficient highly qualified personnel. The failure to attract, integrate, train, motivate and retain these additional employees could seriously harm our business, prospects, financial condition and operating results.

***The performance characteristics of our products may vary due to factors outside of our control, which could harm our ability to develop, market and deploy our products.***

The performance characteristics of our products, including the expected range, may vary due to factors outside of our control. Our products are subject to continuous design and development updates, and there are no assurances that they will be able to meet their projected performance characteristics. External factors may also impact the performance characteristics of our products, including, but not limited to, driver behavior, speed, terrain, hardware efficiency, payload, vehicle or powertrain conditions and weather conditions. These external factors, as well as any operation of our products other than as intended, may affect the performance of our products, including range and longevity.

In addition, our products may contain defects in design and manufacturing that may cause them not to perform as expected or may require repair. We currently have a limited frame of reference by which to evaluate the performance of our products upon which our business prospects depend. There can be no assurance that we will be able to detect and fix any defects in our products. Our products may not perform consistent with customers' expectations or on par with those of our competitors. See “—Risks Related to the Design, Supply and Manufacturing of our Products—We have experienced product recalls and may experience future product recalls, that could materially and adversely affect our business, prospects, financial condition and operating results.”

If the average performance of our products, including the usable life of a battery pack or energy system, is below expectations, or if there are product defects or any other failure of our products to perform as expected, our reputation could be harmed, which could result in adverse publicity, lost revenue, delivery delays, product recalls, product liability claims and significant warranty and other expenses and could have a material adverse impact on our business, prospects, financial condition and operating results.

***Insufficient reserves to cover future warranty or part replacement needs or other vehicle, powertrain and battery pack repair requirements, including any potential software upgrades, could materially and adversely affect our business, prospects, financial condition and operating results.***

We will need to maintain reserves to cover part replacement and other vehicle, powertrain and battery pack repair needs, including any potential software upgrades or warranty claims. If our reserves are inadequate to cover future maintenance requirements on our products, our business, prospects, financial condition and operating results could be materially and adversely affected. We may become subject to significant and unexpected expenses, including claims from our customers. There can be no assurances that then-existing reserves will be sufficient to cover all expenses.

***We have experienced product recalls and may experience future product recalls that could materially and adversely affect our business, prospects, financial condition and operating results.***

We have experienced product recalls that have either been resolved or are in the process of being resolved. Any future product recall or complications from current recalls may result in negative publicity, damage our brand and materially and adversely affect our business, prospects, financial condition and operating results. In the future, we may, voluntarily or involuntarily, initiate a recall if any of our products, or components thereof, prove to be defective or noncompliant with applicable motor vehicle safety standards or other requirements. If a large number of products are the subject of a recall, or if needed replacement parts are not in adequate supply, we may not be able to deploy recalled products for a significant period of time. These types of disruptions could jeopardize our ability to fulfill existing contractual commitments or satisfy demand for our products and could also result in the loss of business to our competitors. Such recalls also involve significant expense and diversion of management attention and other resources, and could adversely affect our brand image, as well as our business, prospects, financial condition and operating results. Additionally, problems and defects experienced by other electric vehicles from other manufacturers could by association have a negative impact on perception and customer demand for our products.

***We may become subject to product liability claims, including possible class action and derivative lawsuits, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.***

Product liability claims, even those without merit or those that do not involve our products, could harm our business, prospects, financial condition and operating results. The automobile industry in particular experiences significant product liability claims, and we face inherent risk of exposure to claims in the event our products do not perform or are claimed to not have performed as expected. As is true for other electric vehicle suppliers, we expect in the future that our vehicles will be involved in crashes resulting in death or personal injury. Additionally, product liability claims that affect our competitors or suppliers may also cause indirect adverse publicity for us and our products.

A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim against us or our competitors could generate substantial negative publicity about our products and business and could have a material adverse effect on our brand, business, prospects, financial condition and operating results. We may self-insure against the risk of product liability claims, meaning that any product liability claims will likely have to be paid from company funds, not by insurance.

***If we are unable to establish and maintain confidence in our long-term business prospects among customers and analysts and within our industry, then our financial condition, operating results, business prospects and access to capital may be materially and adversely affected.***

Customers may be less likely to purchase our products if they do not believe that our business will succeed or that our service and support and other operations will continue in the long term. Similarly, suppliers and other third-parties may be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed. Accordingly, in order to build and maintain our business, we must maintain confidence among customers, suppliers, analysts and other parties in our products, long-term financial viability and business prospects. Maintaining such confidence may be particularly challenging due to certain factors, including those that are largely outside of our control, such as our limited operating

history, customer unfamiliarity with our products, any delays in scaling manufacturing, delivery and service operations to meet demand, competition, uncertainty regarding the future of electric vehicles (including our vehicles), our manufacturing and sales performance compared with market expectations and any negative publicity with respect to us, our competitors or the industry.

***We have limited experience servicing our products and our integrated software. If we or our partners are unable to adequately service our products and integrated software, our business, prospects, financial condition and operating results may be materially and adversely affected.***

Servicing electric vehicles is different than servicing vehicles with internal combustion engines and requires specialized skills, including high voltage training and servicing techniques. We have partnered with third-parties to perform certain servicing services on our vehicles, but our current or future third-party vehicle servicers may initially have limited experience in servicing vehicles like ours. There can be no assurance that our service arrangements will adequately address the service requirements of our customers to their satisfaction, or that we and our servicing partners will have sufficient resources, experience or inventory to meet these service requirements in a timely manner, particularly if the volume of our vehicle deliveries increases. In addition, if we are unable to roll out and establish a widespread service network that complies with applicable laws, customer satisfaction could be adversely affected, which in turn could materially and adversely affect our reputation and thus our sales, results of operations and prospects.

Our customers will also depend on our customer support team to resolve technical and operational issues relating to the integrated software underlying our products. As we continue to grow, additional pressure may be placed on our customer support team or partners, and we may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support. We also may be unable to modify the future scope and delivery of our technical support to compete with changes in the technical support provided by our competitors. Increased customer demand for support, without corresponding revenue, could increase costs and negatively affect our operating results. If we are unable to establish a reputation for providing high-quality support or otherwise successfully address the service requirements of our customers, our brand may be harmed and we may be subject to claims from our customers, including loss of revenue or damages, and our business, prospects, financial condition and operating results may be materially and adversely affected.

***Our products rely on software and hardware that is highly technical, and if these systems contain errors, bugs or vulnerabilities, or if we are unsuccessful in addressing or mitigating technical limitations in our systems, our business could be adversely affected.***

Our products rely on software and hardware that is highly technical and complex and will require modification and updates over the life of the vehicle, powertrain or battery pack. In addition, our products depend on the ability of such software and hardware to store, retrieve, process and manage immense amounts of data. Our software and hardware may contain errors, bugs, design defects or vulnerabilities, and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives. Some errors, bugs or vulnerabilities inherently may be difficult to detect and may only be discovered after the code has been released for external or internal use. Although we attempt to remedy any issues we observe in our products as effectively and rapidly as possible, such efforts may not be timely, may hamper production or may not be to the satisfaction of our customers. Additionally, if we are able to address any software issues but our over-the-air update procedures fail, such software updates may have to be installed locally, which could hamper our efforts to remedy issues in a timely fashion. If we are unable to prevent or effectively remedy errors, bugs, vulnerabilities or defects in our software and hardware, we may suffer damage to our reputation, loss of customers, loss of revenue or liability for damages, any of which could adversely affect our business and financial results.

### **Risks Related to our Financial Condition**

***Our recent cost-cutting measures may not adequately reduce our operating costs or improve our operating margins, may lead to additional workforce attrition and may cause operational disruptions.***

In October 2024, we initiated a plan to reduce future operating expenses and improve cash flows through a reduction in force and a temporary reduction in cash salaries for certain senior executives. As part of this plan, we made a reduction in our workforce of approximately 26% of our total employee base at the time of the announcement.

The charges and expenditures incurred in connection with these cost-cutting measures, and timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and our actual costs may be greater than we expect in

connection with these activities. The cost-cutting measures may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, employee attrition beyond our intended reductions in force, and a reduction in morale among our remaining employees, all of which may have a material adverse effect on our business, results of operations or financial condition. Furthermore, these cost-cutting measures could place substantial demands on our management and remaining employees, which could lead to the diversion of attention from other business priorities. In addition, while we eliminated certain positions in connection with the reduction in force, certain functions necessary to our operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees or to external service providers, which could result in disruptions to our operations. We may also discover that the workforce reductions will make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. To compensate for reductions in salary for affected employees, we may incur additional unanticipated stock-based compensation expense and related dilution.

***We are an early-stage company with a history of losses and may incur significant expenses and continuing losses for the foreseeable future.***

We incurred an operating loss of \$33.1 million for the year ended December 31, 2025. We believe that we will continue to incur operating and net losses each quarter until at least the time we begin wide-scale deliveries of our products and realize increased adoption of our service offerings.

Even if we can successfully develop our products and attract additional customers, there can be no assurance that we will be financially successful. Our potential profitability is dependent upon the successful development and acceptance of our products, which may not occur.

We expect to continue to incur losses in future periods as we:

- continue to design, develop, manufacture and market our products;
- expand our manufacturing capabilities, including costs associated with contracting the assembly of our products;
- build up inventories of parts and components for our products;
- manufacture an inventory of our products;
- expand our design, development, installation and servicing capabilities;
- increase our sales and marketing activities and develop our distribution infrastructure; and
- increase our general and administrative functions to support our growing operations and to operate as a public company.

Because we will incur the costs and expenses from these efforts before we receive any incremental revenue with respect thereto, our losses in future periods may be significant. In addition, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenue, which would further increase our losses.

***We will require significant capital to develop and grow our business, and we may be unable to adequately control the costs associated with our operations.***

We will require significant capital to develop and grow our business, including developing and manufacturing our products, establishing or expanding design, research and development, manufacturing, sales and service facilities and building our brand. We have incurred and expect to continue incurring significant expenses which will impact our profitability, including research and development expenses (including related to developing and commercializing our products), raw material procurement costs, sales and distribution expenses as we build our brand and market our products, and general and administrative expenses as we scale our operations, identify and commit resources to investigate new areas of demand and incur costs as a public company. Our ability to become profitable in the future will not only depend on our ability to complete the design and development of our products to meet projected performance metrics, identify and investigate new areas of demand and successfully market our products, but also our ability to sell or lease products at prices needed to achieve our expected margins and control our costs. If we are unable to efficiently design, develop, manufacture, market, deploy, distribute and service our products, our margins, profitability and prospects may be materially and adversely affected.

***Our ability to generate or maintain positive cash flow is uncertain.***

For the first time, we had positive cash flow from operating activities of \$5.4 million for a full fiscal year for the year ended December 31, 2025. We expect our business will at times require significant amounts of working capital to support our planned future growth and expansion of products. An inability to generate and maintain positive cash flow for the near term may adversely affect our ability to raise needed capital for our business on reasonable terms or at all, diminish supplier or customer willingness to enter into transactions with us, and/or have other adverse effects that may decrease our long-term viability. There can be no assurance that we will achieve or maintain positive cash flow in the near future or at all.

***Our financial results may vary significantly from period to period due to fluctuations in our product development cycle and operating costs, product demand and other factors.***

We expect our period-to-period financial results to vary based on our operating costs and product demand, which we anticipate will fluctuate as the pace at which we continue to design, develop and manufacture new products, increase manufacturing capacity and establish or expand design, research and development, manufacturing, sales and service facilities varies. Additionally, our revenue from period to period may fluctuate as we identify and investigate areas of demand, adjust volumes and add new product derivatives based on market demand and margin opportunities, develop and introduce new products or introduce existing products to new markets. As a result of these factors, we believe that quarter-to-quarter comparisons of our financial results, especially in the short term, are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of future performance. Moreover, our financial results may not meet expectations of equity research analysts or investors, who may be focused primarily on quarterly financial results, which could cause the trading price of our Common Stock to fall substantially, either suddenly or over time.

***Our business plans require a significant amount of capital. In addition, our future capital needs may require us to sell additional equity or debt securities that may dilute our stockholders or introduce covenants that may restrict our operations or our ability to pay dividends.***

We have incurred, and expect to continue incurring, significant expenses as we expand our business, and we expect that our level of expenses will be significantly affected by customer demand for our products and services. As a result, our ability to access capital is critical and until we can generate sufficient revenue to cover our operating expenses, working capital and capital expenditures, we will need to raise additional capital in order to fund and scale our operations. The fact that we have a limited operating history means, among other things, that we have limited historical data on the demand for our products. As a result, our future capital requirements are uncertain and actual capital requirements may differ from those we currently anticipate. We have obtained debt financing and, in the future, may need to seek equity or additional debt financing to finance a portion of our expenses. Such financing might not be available to us in a timely manner or on terms that are acceptable, or at all.

Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business model, as well as restrictions arising from our existing debt securities (see “—Risks Related to our Indebtedness—We have incurred substantial debt, which could impair our flexibility and access to capital and adversely affect our financial position, and our business would be adversely affected if we are unable to service our debt obligations and are subject to default”). In addition, our ability to access funds potentially available in the ATM Offering is limited in the dollar amount we can raise in any 12-month period, and in that we are unable to sell shares in the ATM Offering at any time that we are in possession of material non-public information. These factors, as well as the market for our Common Stock, may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient capital, we may have to significantly reduce our spending, delay or cancel our planned activities or substantially change our corporate structure. We may not be able to obtain any funding, and we may not have sufficient resources to conduct our business as projected, both of which could mean that we would be forced to curtail or discontinue our operations.

In addition, our future capital needs and other business reasons could cause us to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our stockholders.

If we cannot raise additional capital in a timely manner and on acceptable terms, our operations and prospects could be negatively affected.

***The unavailability, reduction or elimination of government and economic incentives could have a material adverse effect on our business, prospects, financial condition and operating results.***

Any reduction, elimination or discriminatory application of government subsidies and economic incentives due to policy changes, the reduced push for such subsidies and incentives due to the perceived success of the electric vehicle industry or other reasons may increase the net cost to consumers of electric vehicles and related products and result in diminished demand for, and competitiveness of, alternative fuel and electric vehicles (including our products). Our business model currently relies, in part, on the availability of federal tax credits used by our customers to offset the incremental cost of purchasing electric vehicles. While certain tax credits and other incentives for alternative energy production, alternative fuel vehicles and electric vehicles have been available in the past, there is no guarantee these programs will be available in the future. Support for, and opposition to, such subsidies and incentives are subject to political forces and fiscal changes. For example, the current U.S. presidential administration has issued a policy statement aimed at eliminating the “electric vehicle mandate,” which targets state emissions waivers and governmental subsidies. For example, the One Beautiful Bill Act signed on July 4, 2025 made certain credits provided by the Inflation Reduction Act of 2022, which were applicable to our products, no longer available for vehicles not acquired or placed in service on or before September 30, 2025. Additional legislation and/or executive orders may be enacted or issued to implement this stated policy. Any reduction, elimination or selective application of tax and other governmental programs and economic incentives because of policy changes, the reduced need for such programs due to the perceived success of the electric vehicle, fiscal tightening or other reasons may result in the diminished competitiveness of the electric vehicle industry generally or our electric vehicles in particular, which would adversely affect our business, prospects, financial condition and results of operations. If current government subsidies and economic incentives, such as credits under the Inflation Reduction Act, are not available in the future, the affordability and attractiveness of our products and our business, prospects, financial position and results of operations could be materially and adversely affected.

***Our ability to use net operating loss carryforwards and other tax attributes may be limited in connection with the Business Combination or other ownership changes.***

We have incurred losses during our history and may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. As of December 31, 2025, we had federal and state income tax net operating loss carryforwards of \$598.0 million. This consists of approximately \$284.8 million of federal net operating loss carryovers, and approximately \$313.2 million of state net operating loss carryovers. The federal net operating loss carryovers have an indefinite carryforward period, and the state net operating loss carryovers begin to expire in 2036.

Under current U.S. federal income tax law, U.S. federal net operating loss carryforwards generated in taxable periods beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such net operating loss carryforwards, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to current U.S. federal income tax law.

In addition, our net operating loss carryforwards are subject to review and possible adjustment by the IRS and state tax authorities. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the “Code”), these federal net operating loss carryforwards and other tax attributes may become subject to an annual limitation in the event of certain cumulative changes in our ownership. An “ownership change” pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5% of a company’s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Our ability to utilize net operating loss carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes, including potential changes in connection with the Business Combination, the acquisition of ElectraMeccanica or other transactions. Similar rules may apply under state tax laws. If we earn taxable income, such limitations could result in increased future income tax liability to us and our future cash flows could be adversely affected. We have recorded a full valuation allowance related to our net operating loss carryforwards and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets.

***We may not be able to obtain or agree on acceptable terms and conditions for all or a significant portion of the government grants, loans and other incentives for which we may apply. As a result, our business, prospects, financial condition and operating results may be adversely affected.***

We have applied, and intend to continue to apply, for federal and state grants, loans and tax incentives under government programs designed to stimulate the economy and support the production of alternative fuel and electric vehicles and related technologies. Our ability to obtain funds or incentives from government sources in the future is subject to the existence of applicable governmental programs, the availability of funds under such programs and approval of our applications to participate in such programs. The application process for these funds and other incentives will likely be highly competitive. We cannot assure you that we will be successful in obtaining any of these additional grants, loans and other incentives or that we will be eligible for certain tax or other economic incentives. If we are not successful in obtaining any of these additional incentives and we are unable to find alternative sources of funding to meet our planned capital needs, our business and prospects could be materially adversely affected.

***We previously restated our financial statements for several prior periods, which resulted in unanticipated costs and may adversely affect investor confidence, our stock price, our ability to raise capital in the future and our reputation.***

On March 8, 2023, the Audit Committee of our Board of Directors, after discussion with management and with our independent registered public accounting firm, concluded that our previously issued unaudited condensed consolidated financial statements as of and for the quarters ended March 31, 2022, June 30, 2022 and September 30, 2022 (the “Affected Periods”) should no longer be relied upon due to (1) errors in recording results of a physical inventory count, which caused inventories to be overstated and cost of goods sold to be understated, and (2) the improper recording of duplicate inventory receipts as well as improper and inaccurate recording of prepaid inventories, which caused inventories, prepaid inventories (included within Prepaid expenses and other current assets in our consolidated balance sheets) and accrued expenses (included within Other current liabilities) to be overstated. As a result, we restated the financial statements for the Affected Periods.

We incurred unanticipated costs for accounting and legal fees in connection with the restatements, and the restatements may have the effect of eroding investor confidence in us and our financial reporting and accounting practices and processes and may raise reputational issues for our business. The restatements, and any perception that our published results may again need to be restated, may negatively impact the trading price of our securities and make it more difficult for us to raise capital on acceptable terms, or at all.

***We identified material weaknesses in our internal control over financial reporting, and we may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements. If we fail to remediate any material weaknesses or if we otherwise fail to establish and maintain effective control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected and it may adversely affect investor confidence, our reputation, our ability to raise additional capital, and our business operations and financial condition.***

As a public company, we are required to comply with the SEC’s rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on our internal control over financial reporting.

As disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024, we identified material weaknesses in internal controls related to the ineffective operation of controls related to inventory management, revenue recognition, and information technology (“IT”) general controls. As of December 31, 2025, we completed remediation efforts to address the material weaknesses related to inventory management and IT general controls. During the financial reporting close process for the year ended December 31, 2025, we continue to identify material weaknesses in the design and operation of our internal controls over revenue recognition. We also identified additional material weaknesses related to the timeliness of recording supplier and vendor accruals, including instances in which accruals were not properly recorded due to deficiencies in the identification and evaluation of vendor contract terminations. We believe these material weaknesses resulted from limited resources within our accounting and operations functions, which restricted our ability to timely identify, evaluate, and address technical accounting and disclosure matters affecting the consolidated financial statements. Management has determined that these deficiencies are related to insufficient internal resources in technical accounting and financial reporting impacting our internal control over financial reporting for the year ended December 31, 2025.

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

detected on a timely basis. For a discussion of management's evaluation of our disclosure controls and procedures and the material weaknesses identified, see Part II, Item 9A, "Controls and Procedures" of this Report.

Based on the results of our evaluation and the material weaknesses described above, management concluded that our internal control over financial reporting was not effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP as of December 31, 2025.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and prevent fraud. We continue to evaluate steps to remediate the material weaknesses. These remediation measures may be time consuming and costly and there is no assurance that these measures will ultimately have the intended effects.

In order to remediate the material weaknesses in internal control over financial reporting related to the ineffective design and operating effectiveness of controls over revenue recognition, the timeliness of recording supplier and vendor accruals, and the timely identification and assessment of vendor contract terminations, management is implementing enhancements to our financial reporting control framework. These remediation efforts are intended to strengthen both disclosure controls and procedures and internal control over financial reporting by further documenting and implementing control activities to address the identified risks of material misstatement, as well as enhancing monitoring activities over such controls. These material weaknesses will not be considered remediated until the applicable remediated control operates for a sufficient period of time and management has concluded, through testing, that this enhanced control is operating effectively, if ever. Furthermore, we cannot ensure that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate in a timely manner or at all the control deficiencies that led to our material weaknesses in our internal controls over financial reporting or that they will prevent or avoid potential future material weaknesses due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future these controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements.

If we are not able to remediate the material weaknesses, or if we identify any new material weaknesses in the future, then we may be unable to maintain compliance with the requirements of securities laws, stock exchange listing rules, or debt instrument covenants regarding timely filing of information; we could lose access to sources of capital or liquidity; and investors may lose confidence in our financial reporting and our stock price may decline as a result. Though we are taking steps to remediate the material weaknesses, we cannot be assured that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the material weaknesses or avoid potential future material weaknesses or the perception thereof.

As a result of the material weaknesses described above and other related matters raised or that may in the future be identified, we face potential for adverse regulatory consequences, including investigations, penalties or suspensions by the SEC or Nasdaq, litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims arising from the material weaknesses in our internal control over financial reporting and the preparation of our consolidated financial statements. As of the date of this filing, we have no knowledge of any such regulatory consequences, litigation, claim or dispute. However, we can provide no assurance that such regulatory consequences, litigation, claim or dispute will not arise in the future. Any such regulatory consequences, litigation, claim or dispute, whether successful or not, could subject us to additional costs, divert the attention of our management, or impair our reputation. Each of these consequences could have a material adverse effect on our business, reputation, results of operations and financial condition.

We may identify future material weaknesses in our internal controls over financial reporting or fail to meet the demands that will be placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act, and we may be unable to accurately report our financial results, or report them within the timeframes required by law or stock exchange regulations. We cannot assure that our existing material weaknesses will be remediated or that additional material weaknesses will not exist or otherwise be discovered, any of which could adversely affect our reputation, financial condition, and results of operations.

### **Risks Related to Our Indebtedness**

*We have incurred substantial debt, which could impair our flexibility and access to capital and adversely affect our financial position, and our business would be adversely affected if we are unable to service our debt obligations and are subject to default.*

As of December 31, 2025, we had total indebtedness of approximately \$20.6 million, consisting of the Convertible Note (including accrued interest), equipment notes, finance lease liabilities and insurance financing notes. Our substantial indebtedness may:

- limit our ability to use our cash flow or borrow additional funds for working capital, capital expenditures, acquisitions, investments or other general business purposes;
- require us to use a substantial portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry, or our ability to take specified actions to take advantage of certain business opportunities that may be presented to us;
- result in dilution to our existing stockholders in the event the Convertible Note is settled in our shares of Common Stock;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, seek additional capital or restructure or refinance our debt. These alternative measures may not be successful and may not permit us to meet debt service obligations. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. If we do not make the required payments when due, either at maturity, or at applicable installment payment dates, or if we breach the agreement or become insolvent, the lender could elect to declare all amounts outstanding, together with accrued and unpaid interest, and other payments, to be immediately due and payable. If our indebtedness is accelerated, we cannot assure you that we will have sufficient assets to repay the indebtedness. Any default under our indebtedness would have a material adverse effect on our financial condition and our ability to continue our operations.

***Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.***

Our ability to make payments of principal on our indebtedness depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. If the assumptions underlying our cash flow guidance are incorrect, our business may not continue to generate cash flow from operations in the future sufficient to service our indebtedness and make necessary capital expenditures.

If we are unable to generate cash flow sufficient to service our indebtedness and make necessary capital expenditures, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or issuing additional equity, equity-linked or debt instruments on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. If we are unable to engage in any of these activities or engage in these activities on desirable terms, we may be unable to meet our debt obligations, which would materially and adversely impact our business, financial condition and operating results.

***Conversion of the Convertible Note may dilute the ownership interest of our stockholders or may otherwise depress the price of our Common Stock.***

The conversion of some or all of the Convertible Note may dilute the ownership interests of our stockholders. If we elect to settle our conversion obligation with respect to the Convertible Note in shares of our Common Stock or a combination of cash and shares of our Common Stock, any sales in the public market of our Common Stock issuable upon such conversion could adversely affect prevailing market prices of our Common Stock. The holder of the Convertible Note also has rights to convert the principle under the note into shares of Common Stock, subject to certain limitations and the terms of the Convertible Note, and any such conversion, or the perception that any such settlement or conversion is likely or economically attractive, could have adverse effects on the prevailing market prices of our Common Stock. For example, if the market price of our Common Stock approaches the conversion price of the Convertible Note, a conversion becomes more likely and ultimately may become economically attractive if the market price exceeds the conversion price. In addition, the existence of the Convertible Note may encourage short selling by market participants because the conversion of the Convertible Note could be used to satisfy short positions, or anticipated conversion of the Convertible Note into shares of our Common Stock could depress the price of our Common Stock.

## **Risks Related to our Acquisition of ElectraMeccanica**

***We may be unable to realize the opportunities expected from the acquisition of ElectraMeccanica, which could adversely affect our business, financial condition and results of operations.***

Although we expect that the acquisition of ElectraMeccanica will ultimately create growth, operational enhancement, expansion and other opportunities for us, the identification and scope of these opportunities is based on various assumptions, which may or may not prove to be accurate. These opportunities may not arise as expected, or we may not be able to realize the anticipated benefits from these opportunities, from the sources or in the amount, manner or time frame expected, or at all. In addition, we may incur additional or unexpected costs in order to pursue and/or realize these opportunities. Failure to realize these opportunities could significantly reduce the expected benefits associated with the acquisition of ElectraMeccanica.

***Significant costs have been incurred and are expected to be incurred in connection with the consummation of the acquisition of ElectraMeccanica and integrating it with the rest of our business.***

We have incurred, and expect to continue to incur, costs related directly to completing the acquisition and integrating ElectraMeccanica with the rest of our business. Additional unanticipated costs may be incurred as we continue to integrate the two businesses. While we have assumed that certain expenses would be incurred in connection with the acquisition and integration, there are many factors beyond our control that could affect the total amount or the timing of expenses related to the acquisition and integration.

## **Legal and Regulatory Risks**

***Changes in U.S. trade policy, including the threat and/or imposition of tariffs and the resulting consequences or perceptions thereof, could adversely affect our business, prospects, financial condition and operating results.***

The U.S. government has from time to time imposed tariffs on certain foreign goods, including steel and certain vehicle parts, which have resulted in increased costs for goods imported into the United States. In response to these tariffs, a number of U.S. trading partners have imposed retaliatory tariffs on a wide range of U.S. products, which makes it more costly for us to export our products to those countries. Recent events, including new policy introductions and changes following the 2024 U.S. presidential election, may result in substantial regulatory uncertainty regarding international trade and trade policy.

United States policies have called for substantial changes to trade agreements, have increased tariffs on certain goods imported into the U.S. and have raised the possibility of imposing significant additional tariff increases. If we are unable to pass price increases on to our customer base or otherwise mitigate the costs, or if demand for our products decreases due to the higher cost and/or the perception that costs will increase, then our operating results could be materially and adversely affected. While we cannot predict the extent to which the United States or other countries will impose quotas, duties, tariffs, taxes or other similar restrictions upon the import or export of our products, components, raw materials or other supplies in the future, a “trade war” of this nature or other governmental action related to tariffs or international trade agreements could have an adverse impact on demand for our services, sales and clients and affect the economies of the United States and various countries, having an adverse effect on our business, financial condition and results of operations.

***A shift in the regulatory landscape toward more lenient emissions standards, or the perception that such a shift may occur, may impair demand for zero-emission vehicles.***

Any shift, or anticipated shift, in the regulatory landscape toward more lenient emissions standards may reduce the urgency or incentive for commercial fleet operators to transition to zero-emission vehicles. This trend could weaken demand for our electric vehicle offerings and adversely affect our financial results and prospects. Events following the 2024 U.S. presidential election, including the EPA’s announcement of its intent to reconsider the 2009 Greenhouse Gas Endangerment Finding, on which certain automotive emissions standards rely, as well as litigation around any proposed or consummated changes in emissions regulation, may result in substantial uncertainty regarding emissions standards which could persist for a prolonged period of time. The easing of requirements to reduce emissions, or any perception that such easing may occur, could reduce demand for our products and have a material adverse effect on our business, prospects and financial condition.

***We may face regulatory limitations on our ability to sell vehicles directly to consumers, which could materially and adversely affect our ability to sell our vehicles.***

Our business plan includes the direct sale of vehicles to consumers. We have limited experience distributing directly to consumers, and the establishment of our national and global in-house sales and marketing function has proven expensive and time consuming. The laws governing licensing of dealers and sales of motor vehicles vary from state to state. Most states require a dealer license and/or manufacturers license to sell new motor vehicles within the state, and many states prohibit manufacturers or their affiliates from becoming licensed dealers and directly selling new motor vehicles to consumers from within that state. In addition, most states require that we have a physical dealership location in the state before we can be licensed as a dealer.

The application of these state laws to our operations continues to be difficult to predict. Laws in some states have limited our ability to obtain dealer licenses from state motor vehicle regulators and may continue to do so. We may face legal challenges to this distribution model. For instance, in states where direct sales are not permitted, dealers and their lobbying organizations may complain to the government or regulatory agencies that we are acting in the capacity of a dealer without a license. In some states, regulators may restrict or prohibit us from directly providing warranty repair service, or from contracting with third-parties who are not licensed dealers to provide warranty repair service. Even if regulators decide to permit us to sell vehicles, such decisions may be challenged by dealer associations and others as to whether such decisions comply with applicable state motor vehicle dealer laws. Further, even in jurisdictions where we believe applicable laws and regulations do not currently prohibit our direct sales model, legislatures may impose additional limitations.

Our distribution model also includes the sale of vehicles pursuant to agreements with dealers. Xos products sold through dealers may have significantly lower unit margins than those that we sell directly to consumers. Additionally, such dealer relationships may limit our ability to enter into similar agreements with other dealers in certain markets or affect sales in certain markets other than through the dealer assigned to such market. Our ability to terminate any dealership agreement may be limited due to state and local laws and regulations.

Because the laws vary from state to state, our distribution model must be carefully established, and our sales and service processes must be continually monitored for compliance with the various state requirements, which change from time to time. Regulatory compliance and likely challenges to the distribution model may add to the cost of our business or negatively impact our ability to sell and distribute products and services.

***We, our outsourcing partners and our suppliers are subject to substantial regulation and any failure by us, our outsourcing partners or our suppliers to comply with, these regulations could substantially harm our business and operating results.***

We and our products, and motor vehicles in general, as well as our third-party outsourcing partners and our suppliers, are or will be subject to substantial regulation under foreign, federal, state and local laws. We continue to evaluate requirements for licenses, approvals, certificates and authorizations necessary to manufacture, deploy or service our products in the jurisdictions in which we plan to operate and intend to take such actions necessary to comply. We may experience difficulties in obtaining or complying with various licenses, approvals, certifications and other governmental authorizations necessary to manufacture, deploy or service our vehicles in any of these jurisdictions.

If we, our third-party outsourcing partners or our suppliers are unable to obtain or comply with any of the licenses, approvals, certifications or other authorizations necessary to carry out our operations in the jurisdictions in which we currently operate, or those jurisdictions in which we plan to operate, then our business, prospects, financial condition and operating results could be materially and adversely affected. We have incurred, and expect to continue to incur, significant costs in complying with these regulations. Laws related to the electric and alternative fuel vehicle industry are evolving and we face risks associated with changes to these laws, including, but not limited to:

- increased support for other alternative fuel systems, which could have an impact on the acceptance of our products; and
- increased sensitivity by regulators to the needs of established automobile manufacturers with large employment bases, high fixed costs and business models based on the internal combustion engine, which could lead them to pass regulations that could reduce the compliance costs of such established manufacturers or mitigate the effects of government efforts to promote alternative fuel and electric vehicles.

To the extent the laws change, new laws are introduced, or if we introduce new products in the future, some or all of our products may not comply with applicable foreign, federal, state or local laws. Further, certain industry standards currently regulate electrical and electronics equipment. Although standards for electric vehicles are not yet generally available or accepted as industry standards, our products may become subject to such standards in the future. Compliance with changing laws, regulations and standards could be burdensome, time-consuming, and expensive and our efforts to comply could adversely affect our business, prospects, financial condition and operating results.

***If our IT systems, those of third-parties upon which we rely, or our data are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and loss of customers or sales.***

In the ordinary course of our business, we (and the third-parties upon which we rely) collect, store, receive, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, share and otherwise process (collectively, process or processing) personal information, confidential or proprietary information, sensitive information, intellectual property, trade secrets, and financial information (collectively, sensitive information) from vehicles, customers, employees and others as part of our business and operations. We also work with partners and third-party service providers or vendors that process such data on our behalf and in connection with our vehicles. There can be no assurance that any security measures that we or our third-party service providers or vendors have implemented will be effective against current or future threats to such data.

Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and IT systems, and those of the third-parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third-parties upon which we rely, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services.

We and the third-parties upon which we rely are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other IT assets, adware, telecommunications failures, earthquakes, fires, floods, attacks enhanced or facilitated by AI and other similar threats.

In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide products or services, loss of sensitive information and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. In addition, remote work has become more common and has increased risks to our IT systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations.

Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our IT environment and security program.

We rely on third-party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, content delivery to customers, and other functions. We also rely on third-party service providers to provide other products, services, vehicle parts, or otherwise to operate our business. Our ability to monitor these third-parties’ information security practices is limited, and these third-parties may not have adequate information security measures in place.

If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third-parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised. There can be no assurance that any security measures that we may have implemented or may implement in order to protect against security incidents will be effective.

We are also at risk for interruptions, outages and breaches of our: (a) operational systems, including business, financial, accounting, product development, data processing or production processes, owned by us or our third-party vendors or suppliers; (b) facility security systems, owned by us or our third-party vendors or suppliers; (c) transmission control modules or other in-product technology, owned by us or our third-party vendors or suppliers; (d) the integrated software in our products; and (e) customer data and personal information that we process, or our third-party vendors or suppliers, process on our behalf.

Our vehicles contain complex IT systems and built-in data connectivity to accept and install periodic remote updates to improve or update functionality. We utilize in-vehicle services and functionality through the Xosphere™ that utilize data connectivity to monitor performance and timely capture opportunities to enhance on-the-road performance and for safety and cost-saving preventative maintenance. The availability and effectiveness of our Xosphere™ services depend on the continued operation of IT and communications systems. There are inherent risks associated with developing, improving, expanding and updating our current systems, such as the disruption of our data management, procurement, production execution, finance, supply chain and sales and service processes. For example, software such as our Xosphere™ platform can contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when such vulnerabilities are first introduced or when new versions or enhancements of our platform are released. Additionally, even if we are able to develop a patch or other fix to address such vulnerabilities, such a fix may be difficult to push out to our customers or otherwise be delayed. Additionally, our business depends upon the appropriate and successful implementation of our Xosphere™ platform by our customers. If our customers fail to use the Xosphere™ platform according to our specifications, our customers may suffer a security incident on their own systems or other adverse consequences. Even if such an incident is unrelated to our security practices, it could result in our incurring significant economic and operational costs in investigating, remediating, and implementing additional measures to further protect our customers from their own vulnerabilities and could result in reputational harm.

These risks may affect our ability to manage our data and inventory, procure parts or supplies or manufacture, deploy, deliver and service our products, adequately protect our intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. We have designed, implemented and tested security measures intended to prevent unauthorized access to our IT networks, vehicles and related systems. However, unauthorized actors may attempt to gain access to modify, alter and use such networks, vehicles and systems to gain control of or change our vehicles' functionality, user interface and performance characteristics, or to gain access to data stored in or generated by the vehicle.

We have contractual and other legal obligations to notify individuals, regulatory authorities and others of security breaches involving certain types of data. Laws governing data breaches may be inconsistent or change, and new laws may be adopted. In addition, our agreements with certain customers may require us to notify them in the event of a security breach. Such mandatory disclosures are costly, could lead to negative publicity, could divert management's attention, could result in penalties or fines, could result in litigation, may cause our customers to lose confidence in the effectiveness of our security measures and may require us to expend significant capital and other resources to respond to and alleviate problems caused by the actual or perceived security breach.

We take steps designed to detect, mitigate and remediate vulnerabilities in our information systems (such as our hardware and/or software, including that of third-parties upon which we rely). We may not, however, detect and remediate all such vulnerabilities, on a timely basis or at all. Further, we may experience delays in developing and deploying remedial measures and patches designed to address vulnerabilities. Vulnerabilities could be exploited and result in a security incident.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our IT systems, or those of the third-parties upon which we rely. A security incident or other interruption could disrupt our ability (and that of third-parties upon which we rely) to provide our products.

We may expend significant resources or modify our business activities to try to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or

reasonable security measures to protect our IT systems and sensitive information. Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure (actual or perceived) to comply with such requirements could lead to adverse consequences.

If we (or a third-party upon which we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may prevent customers from, or cause customers to stop, using our products, deter new customers from using our products, and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. In addition to experiencing a security incident, third-parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our market position.

***Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition and results of operations.***

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, legislation known as the Tax Cuts and Jobs Act of 2017 (“TCJA”), the Coronavirus Aid, Relief, and Economic Security Act and the Inflation Reduction Act enacted many significant changes to the U.S. tax laws. Further guidance from the Internal Revenue Service and other tax authorities with respect to such legislation may affect us, and certain aspects of such legislation could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to federal tax laws. Future tax reform legislation could have a material impact on the value of our deferred tax assets and could increase our future U.S. tax expense.

Effective January 1, 2022, the TCJA eliminated the option to deduct research and development expenses for tax purposes in the year incurred and requires taxpayers to capitalize and subsequently amortize such expenses over five years for research activities conducted in the United States and over 15 years for research activities conducted outside the United States. Unless the United States Department of the Treasury issues regulations that narrow the application of this provision to a smaller subset of our research and development expenses or the provision is deferred, modified, or repealed by Congress, it could harm our future operating results by effectively increasing our future tax obligations. The actual impact of this provision will depend on multiple factors, including the amount of research and development expenses we will incur, whether we achieve sufficient income to fully utilize such deductions and whether we conduct our research and development activities inside or outside the United States.

***We are subject to stringent and evolving U.S. and foreign laws, regulations and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations and actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue and profits; loss of customers and sales; and other adverse business consequences.***

In the ordinary course of business, we process personal data and other sensitive information and vehicle data. Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission

Act), and other similar laws (e.g., wiretapping laws). For example, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-SPAM") and the Telephone Consumer Protection Act of 1991 ("TCPA") impose specific requirements on communications with customers. For example, the TCPA imposes various consumer consent requirements and other restrictions on certain telemarketing activity and other communications with consumers by phone, fax or text message. TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the Federal Communications Commission or fines of up to \$1,500 per violation imposed through private litigation or by state authorities.

Numerous U.S. states—including California, Virginia, Colorado, Connecticut, and Utah—have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (collectively, the "CCPA"), applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines of up to \$7,500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages.

Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. These developments further complicate compliance efforts, and increase legal risk and compliance costs for us, the third-parties upon which we rely, and our customers. Outside the United States, an increasing number of laws, regulations, and industry standards govern data privacy and security. For example, the European Union's General Data Protection Regulation ("EU GDPR"), the United Kingdom's GDPR ("UK GDPR"), Brazil's General Data Protection Law (Lei Geral de Proteção de Dados Pessoais) (Law No. 13,709/2018), and China's Personal Information Protection Law impose strict requirements for processing personal information.

For example, under the EU GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17.5 million pounds sterling under the UK GDPR or, in each case, 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. In Canada, the Personal Information Protection and Electronic Documents Act and various related provincial laws, as well as Canada's Anti-Spam Legislation, may apply to our operations.

In the ordinary course of business, we may transfer personal information from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal information to other countries. In particular, the European Economic Area ("EEA") and the United Kingdom ("UK") have significantly restricted the transfer of personal information to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws.

Although there are currently various mechanisms that may be used to transfer personal information from the EEA and UK to the United States in compliance with law, such as the EEA's standard contractual clauses, the UK's International Data Transfer Agreement / Addendum, and the EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal information to the United States.

If there is no lawful manner for us to transfer personal information from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third-parties, and injunctions against our processing or transferring of personal information necessary to operate our business. Additionally, companies that transfer personal information out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased

scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the CCPA, require our customers to impose specific contractual restrictions on their service providers.

We publish privacy policies, marketing materials and other statements regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences. Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third-parties that process personal information on our behalf.

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third-parties on which we rely on may fail to comply with such obligations, which could negatively impact our business operations. If we or the third-parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar), litigation (including class-action claims), mass arbitration demands, additional reporting requirements and/or oversight, bans on processing personal information, and orders to destroy or not use personal information. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations.

Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations (including, interruptions or stoppages of data collection needed to train our algorithms); inability to process personal information or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; and/or substantial changes to our business model or operations.

***We are subject to various environmental laws and regulations that could impose substantial costs.***

Our operations are and will be subject to foreign, federal, state and local environmental laws and regulations, including laws relating to the use, handling, storage and disposal of, and human exposure to, hazardous materials. Environmental and health and safety laws and regulations can be complex, and we have limited experience in compliance. Moreover, we expect that we will be affected by future amendments to such laws or other new environmental and health and safety laws and regulations which may require us to change our operations, potentially resulting in a material adverse effect on our business, prospects, financial condition and operating results. These laws can give rise to liability for administrative oversight costs, cleanup costs, property damage, bodily injury, fines and penalties. Capital and operating expenses needed to comply with environmental laws and regulations can be significant, and violations may result in substantial fines and penalties, third-party damages, suspension of production or a cessation of our operations.

Contamination at properties we own or operate, will own or operate, we formerly owned or operated or to which hazardous substances were sent by us, may result in liability for us under environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, which can impose liability for the full amount of remediation-related costs without regard to fault, for the investigation and cleanup of contaminated soil and ground water, for building contamination and impacts to human health and for damages to natural resources. The costs of complying with environmental laws and regulations and any claims concerning noncompliance, or liability with respect to contamination in the future, could have a material adverse effect on our financial condition and operating results.

***We may in the future expand internationally and may face risks associated with our international operations, including unfavorable regulatory, political, tax and labor conditions, which could harm our business.***

If we expand our operations internationally, we may face risks associated with our future international operations, including possible unfavorable regulatory, political, tax and labor conditions, which could harm our business. We anticipate having international operations which would subject us to the legal, political, regulatory and social requirements and economic conditions in any future jurisdictions. However, we have limited experience to date selling and servicing our products internationally and such expansion would require us to make significant expenditures, including the hiring of local employees and establishing facilities, in advance of generating any revenue. We are subject to a number of risks associated with international business activities that may increase our costs, impact our ability to sell and lease our products and require significant management attention. These risks include (i) conforming our products to various international regulatory requirements where our products are sold; (ii) difficulties in obtaining or complying with various licenses, approvals, certifications and other authorizations necessary to manufacture, sell, lease or service our products in any of these jurisdictions; (iii) difficulty in staffing and managing foreign operations; and (iv) difficulties attracting customers in new jurisdictions. If we fail to successfully address these risks, our future business, prospects, financial condition and operating results could be materially and adversely affected.

***We are subject to export and import controls and economic sanctions laws that could subject us to liability if we are not in compliance with such laws.***

Our products are subject to export control, import and economic sanctions laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. Exports of our products must be made in compliance with these laws and regulations. In addition, these laws may restrict or prohibit altogether the sale or supply of certain of our products, services, and technologies to certain governments, persons, entities, countries, and territories, including those that are the target of comprehensive sanctions, unless there are license exceptions that apply or specific licenses are obtained. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers.

In addition, changes to our products, or changes in applicable export control, import, or economic sanctions laws and regulations may create delays in the introduction and sale of our products and solutions or, in some cases, prevent the export or import of our products to certain countries, governments, or persons altogether. Any change in export, import, or economic sanctions laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons, or technologies targeted by such laws and regulations could also result in decreased use of our products, as well as our decreased ability to export or market our products to potential customers. Any decreased use of our products or limitation on our ability to export or market our products would likely adversely affect our business, financial condition and results of operations.

***We are subject to U.S. and foreign anti-corruption and anti-money laundering laws and regulations. We can face criminal liability and other serious consequences for violations, which can harm our business.***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act and possibly other anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other collaborators from authorizing, promising, offering or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors and other collaborators, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

***We may need to defend ourselves against intellectual property infringement claims or misappropriation claims, which may be time-consuming and expensive and, if adversely determined, could limit our ability to commercialize our products.***

Companies, organizations or individuals, including our competitors, may own or obtain patents, trademarks or other proprietary rights that could prevent or limit our ability to make, use, develop or deploy our products, which could make it more difficult for us to operate our business. We may receive inquiries from patent, copyright or trademark owners inquiring whether we infringe upon their proprietary rights. We may also be the subject of more formal allegations that we have misappropriated such parties' trade secrets or other proprietary rights. Companies owning patents or other intellectual property rights relating to battery packs, electric motors, fuel cells or electronic power management systems may allege infringement or misappropriation of such rights.

In response to a determination, or in settlement of allegations, that we have infringed upon or misappropriated a third-party's intellectual property rights, we may be required to do one or more of the following:

- cease development, sales or use of our products that incorporate the asserted intellectual property;
- pay substantial damages;
- obtain a license from the owner of the asserted intellectual property right, which license may not be available on reasonable terms or available at all; and/or
- re-design one or more aspects or systems of our products.

A successful claim of infringement or misappropriation against us could materially and adversely affect our business, prospects, financial condition and operating results. Even if we are successful in defending against these claims, litigation could result in substantial costs and demand on management resources.

***Our business may be adversely affected if we fail to obtain, maintain, enforce and protect our intellectual property and are unable to prevent unauthorized use by third-parties of our intellectual property and proprietary technology.***

Our ability to compete effectively is dependent in part upon our ability to obtain, maintain, enforce and protect our intellectual property rights. To accomplish this, we rely on a combination of patents, trade secrets (including know-how), employee and third-party nondisclosure agreements, copyrights, trademarks, intellectual property licenses and other contractual rights to establish and protect our rights in our technology. Failure to adequately obtain, maintain, enforce and protect our intellectual property could result in our competitors offering identical or similar products, potentially resulting in the loss of our competitive advantage and a decrease in our revenue which would adversely affect our business, prospects, financial condition and results of operations.

The protection of our intellectual property rights will be important to our future business opportunities. However, the measures we take to obtain, maintain, protect and enforce our intellectual property, including preventing unauthorized use by third-parties, may not be effective for various reasons, including the following:

- as noted below, any patent applications we submit may not result in the issuance of patents;
- the scope of any of our existing or future patents may not be broad enough to protect our proprietary rights;
- our issued patents may be challenged or invalidated by third-parties;
- our employees or business partners may breach their confidentiality, non-disclosure and non-use obligations to us;
- third-parties may independently develop technologies that are the same or similar to ours;
- the costs associated with enforcing patents, confidentiality and invention agreements or other intellectual property rights may make enforcement impracticable; and
- current and future competitors may circumvent or otherwise design around our patents.

Patent, trademark, copyright and trade secret laws vary throughout the world. Some foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States. Further, policing the unauthorized use of our intellectual property rights in foreign jurisdictions may be difficult. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the U.S.

Competitors may challenge the validity of those trademarks and other brand names which we have registered, applied for or in which we have otherwise invested. Defending such challenges can be expensive and may adversely affect our ability to maintain the goodwill gained in connection with a particular trademark.

It is our policy to enter into confidentiality and invention assignment agreements with our employees and contractors that have developed material intellectual property for us, but these agreements may not be self-executing and may not otherwise adequately protect our intellectual property, particularly with respect to conflicts of ownership relating to work product generated by the employees and contractors. Furthermore, we cannot be certain that these agreements will not be breached and that third-parties

will not gain access to our trade secrets, know-how and other proprietary technology. Third-parties may also independently develop the same or substantially similar proprietary technology. Monitoring unauthorized use of our intellectual property is difficult and costly, as are the steps we have taken or may take to prevent misappropriation.

We may license patents and other intellectual property from third-parties, including suppliers and service providers, and we may face claims that our use of this in-licensed technology infringes, misappropriates or otherwise violates the intellectual property rights of third-parties. In such cases, we will seek indemnification from our licensors. However, our rights to indemnification may be unavailable or insufficient to cover our costs and losses. Furthermore, disputes may arise with our licensors regarding the intellectual property subject to, and any of our rights and obligations under, any license or other commercial agreement.

To prevent unauthorized use of our intellectual property, it may be necessary to prosecute actions for infringement, misappropriation or other violation of our intellectual property against third-parties. Any such action could result in significant costs and diversion of our resources and management's attention, and there can be no assurance that we will be successful in any such action. Furthermore, many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third-parties from infringing, misappropriating or otherwise violating our intellectual property. Any of the foregoing could adversely affect our business, prospects, financial condition and results of operations.

***Our patent applications for our proprietary technology may not issue, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours.***

We cannot be certain that we are the first inventor of the subject matter of, or the first to file a patent application for, our proprietary technology. If another party has filed a patent application with respect to the same or similar subject matter as we have, we may not be entitled to the protection sought by the patent application. We also cannot be certain whether the claims included in a patent application will ultimately be allowed in any applicable issued patent. Further, the scope of protection of issued patent claims is often difficult to determine. As a result, we cannot be certain that the patent applications that we file will issue, or that our issued patents will afford protection against competitors with similar technology. In addition, our competitors may design around our issued patents, which may adversely affect our business, prospects, financial condition and operating results.

***Our business may be adversely affected by labor and union activities.***

Although none of our employees are currently represented by a labor union, it is common throughout the automobile industry generally for many employees at automobile companies to belong to a union, which can result in higher employee costs and increased risk of work stoppages. We may also directly and indirectly depend upon other companies with unionized workforces, such as our manufacturing partners, parts suppliers and trucking and freight companies, and work stoppages or strikes organized by such unions could have a material adverse impact on our business, financial condition or operating results.

## **Risks Related to Operating as a Public Company and Ownership of Our Securities**

***If we fail to establish and maintain proper and effective internal control over financial reporting, as a public company our ability to produce accurate and timely financial statements could be impaired, investors or analysts may lose confidence in our financial reporting, the trading price of our Common Stock may decline and we could face regulatory investigations or actions.***

We are required to comply with Section 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. If we become an "accelerated filer" or a "large accelerated filer," then an attestation of the independent registered public accounting firm will also be required. The rules governing the standards that must be met for management to assess internal control over financial reporting are complex and require significant documentation, testing and possible remediation.

To comply with the Sarbanes-Oxley Act, the requirements of being a reporting company under the Exchange Act and any complex accounting rules in the future, we may need to, among other things, upgrade our IT systems; implement additional financial and management controls, reporting systems and procedures; and hire additional accounting and finance staff. If we are unable to hire the additional accounting and finance staff necessary to comply with these requirements, we may need to retain additional outside consultants, which may result in significant additional expenses.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our management is likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified through such evaluation of those internal controls.

We have identified material weaknesses in the past and present, and cannot assure you that there will not be additional material weaknesses in our internal control over financial reporting in the future. See “—Risks Related to Our Financial Condition—We identified material weaknesses in our internal control over financial reporting, and we may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements. If we fail to remediate any material weaknesses or if we otherwise fail to establish and maintain effective control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected and it may adversely affect investor confidence, our reputation, our ability to raise additional capital, and our business operations and financial condition.”

***The market prices of our Common Stock and Warrants may be volatile.***

Historically, the price of our Common Stock and Warrants has been volatile. During the year ended December 31, 2025, our stock traded as high as \$9.15 per share and as low as \$1.79 per share, and the price of our Warrants has ranged from \$0.0351 to \$0.0034. The price of our Common Stock, as well as the Warrants, may fluctuate due to a variety of factors, including:

- changes in the industries in which we and our customers operate;
- developments involving our competitors;
- changes in laws and regulations affecting our business;
- variations in our operating performance and the performance of our competitors in general;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- the public’s reaction to our press releases, our other public announcements and our filings with the SEC, particularly with respect to fluctuations in our growth expectations and outlook;
- additions and departures of key personnel;
- commencement of, or developments in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of our Common Stock available for public sale; and
- general economic and political conditions, such as the effects of health crises, recessions, inflation, interest rates, local and national elections, fuel prices, international currency fluctuations, corruption, political instability and acts of war or military conflict, including repercussions of the military conflict between Russia and Ukraine and in the Middle East, including Iran, and tensions with China, or terrorism.

These market and industry factors, or the public’s perception of them, may materially reduce the market price of our Common Stock and the Warrants regardless of our operating performance.

***We do not expect to declare any dividends in the foreseeable future.***

We intend to retain future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board of Directors (our “Board”) and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as our Board deems relevant.

***There is no guarantee that the Warrants will be in the money at the time they become exercisable, and they may expire worthless.***

The exercise price for our Warrants is \$345.00 per share of our Common Stock, and they expire August 20, 2026. There is no guarantee that the Warrants will be in the money prior to their expiration, and as such, the Warrants may expire worthless.

***The terms of the Warrants may be amended in a manner adverse to a holder if holders of at least 65% of the then outstanding Public Warrants approve of such amendment.***

The Warrants were issued in registered form under a Warrant Agreement between the warrant agent and NextGen. The Warrant Agreement provides that (a) the terms of the Warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correct any mistake, including to conform the provisions of the Warrant Agreement to the description of the terms of the Warrants and the Warrant Agreement set forth in the related prospectus, or defective provision or (ii) adding or changing any provisions with respect to matters or questions arising under the Warrant Agreement as the parties to the Warrant Agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the Warrants under the Warrant Agreement and (b) all other modifications or amendments require the vote or written consent of at least 65% of the then outstanding Public Warrants; provided that any amendment that solely affects the terms of the Private Placement Warrants or any provision of the Warrant Agreement solely with respect to the Private Placement Warrants will also require at least 65% of the then outstanding Private Placement Warrants.

Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 65% of the then outstanding Public Warrants approve of such amendment. Although our ability to amend the terms of the Public Warrants with the consent of at least 65% of the then outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Warrants, shorten the exercise period or decrease the number of shares of our Common Stock purchasable upon exercise of a Warrant.

***We may redeem unexpired Warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making such Warrants worthless.***

We have the ability to redeem the outstanding Warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per warrant if, among other things, the last reported sale price of our Common Stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders equals or exceeds \$540.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like). Redemption of the outstanding Warrants as described above could force warrant holders to: (i) exercise their Warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so; (ii) sell their Warrants at the then-current market price when they might otherwise wish to hold their Warrants; or (iii) accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, we expect would be substantially less than the market value of the Warrants. None of the Private Placement Warrants will be redeemable by us (subject to limited exceptions) so long as they are held by NextGen Sponsor or its permitted transferees.

In addition, we have the ability to redeem the outstanding Warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.10 per warrant if, among other things, the last reported sale price of our Common Stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders equals or exceeds \$300.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like). In such a case, the holders will be able to exercise their Warrants prior to redemption for a number of shares of our Common Stock determined based on the redemption date and the fair market value of our Common Stock. The value received upon exercise of the Warrants (i) may be less than the value the warrant holders would have received if they had exercised their Warrants at a later time where the underlying share price is higher and (ii) may not compensate the holders for the value of the Warrants, including because the number of shares received of our Common Stock is capped at 0.012 shares per Warrant (subject to adjustment) irrespective of the remaining life of the Warrants.

***The Warrants are accounted for as derivative liabilities with changes in fair value each period included in earnings, which may have an adverse effect on the market price of our securities.***

We account for the Warrants as derivative warrant liabilities. At each reporting period, (1) the accounting treatment of the Warrants will be re-evaluated for proper accounting treatment as a liability or equity, and (2) the fair value of the liability of the Public

Warrants and Private Placement Warrants will be remeasured and the change in the fair value of the liability will be recorded in our statement of operations and loss. The impact of changes in fair value on earnings may have an adverse effect on the market price of our securities.

***We may issue a substantial number of additional shares of our Common Stock or Preferred Stock, including under our equity incentive plan. Any such issuances would dilute the interest of our stockholders and likely present other risks.***

On March 26, 2024, we completed the previously announced acquisition of ElectraMeccanica. Subject to the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement, on March 26, 2024, each ElectraMeccanica Share outstanding immediately prior to the effective time of the Arrangement was converted automatically into the right to receive 0.0143739 of a share of Common Stock, for total consideration of 1,766,388 shares of Common Stock.

We may issue a substantial number of additional shares of our Common Stock or Preferred Stock, including under our equity incentive plan. Any such issuances of additional shares of our Common Stock or Preferred Stock:

- may significantly dilute the equity interests of our investors;
- may subordinate the rights of holders of our Common Stock if Preferred Stock is issued with rights senior to those afforded our Common Stock;
- could cause a change in control if a substantial number of shares of our Common Stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for our Common Stock and/or Warrants.

***Concentration of ownership among our existing executive officers and directors and their respective affiliates may prevent other investors from influencing significant corporate decisions.***

As of March 26, 2026, our executive officers and directors and their respective affiliates as a group beneficially owned approximately 17.7% of the outstanding shares of Common Stock. As a result, these stockholders are able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, amendment of our Certificate of Incorporation (as amended, the “Certificate of Incorporation”) and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of us or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders.

***Investments in us may be subject to U.S. foreign investment regulations which may impose conditions or limitations on certain investors (including, but not limited to, limits on purchasing our Common Stock, limits on information sharing with such investors, requiring a voting trust, governance modifications, forced divestiture, or other measures).***

Certain investments that involve the acquisition of, or investment in, a U.S. business by a non-U.S. investor may be subject to review and approval by the Committee on Foreign Investment in the United States (“CFIUS”). Whether CFIUS has jurisdiction to review an acquisition or investment transaction depends on, among other factors, the nature and structure of the transaction, including the level of beneficial ownership interest and the nature of any information or governance rights involved. For example, investments that result in “control” of a U.S. business by a foreign person always are subject to CFIUS jurisdiction. Significant CFIUS reform legislation, which was fully implemented through regulations that became effective on February 13, 2020, among other things expanded the scope of CFIUS’s jurisdiction to investments that do not result in control of a U.S. business by a foreign person but afford certain foreign investors certain information or governance rights in a U.S. business that has a nexus to “critical technologies,” “critical infrastructure” and/or “sensitive personal data.” Moreover, other countries continue to strengthen their own foreign direct investment (“FDI”) regimes, and investments and transactions outside of the U.S. may be subject to review by non-U.S. FDI regulators if such investments are perceived to implicate national security policy priorities. Any review and approval of an investment or transaction by CFIUS or another FDI regulator may have outsized impacts on transaction certainty, timing, feasibility, and cost, among other things. CFIUS and other FDI regulatory policies and practices are rapidly evolving, and in the event that CFIUS or another FDI regulator reviews one or more proposed or existing investment by investors, there can be no assurances that such investors will be able to maintain, or proceed with, such investments on terms acceptable to such investors. CFIUS or another FDI regulator may seek to impose limitations or restrictions on, or prohibit, investments by such investors

(including, but not limited to, limits on purchasing our Common Stock, limits on information sharing with such investors, requiring a voting trust, governance modifications, or forced divestiture, among other things).

### **Risks Factors Related to the ATM Offering**

#### ***Issuances or sales of our common stock in the ATM Offering may be dilutive or cause the market price of our shares to fall.***

The issuance or sale of substantial amounts of our common stock, the perception that such issuances or sales of our common stock could occur or the availability for future issuance or sale of our common stock could have a dilutive effect on our actual and expected earnings per share or could have the effect of depressing the market price of our common stock. The actual amount of dilution or decline in market price cannot be determined at this time and would be dependent upon numerous factors which are not currently known to us. Because the sales of the shares offered through our offering of shares of our Common Stock pursuant to a sales agreement (“Sales Agreement”) with Roth Capital Partners, LLC, registered on Form S-3 (the “ATM Offering”) will be made directly into the market or in negotiated transactions, the prices at which we sell these shares will vary and these variations may be significant. Purchasers of the shares we sell, as well as our existing stockholders, will experience significant dilution if we sell shares at prices significantly below the price at which they are invested. In addition, to the extent we need to raise additional capital in the future and we issue additional shares of common stock or securities convertible or exchangeable for our common stock, our then existing stockholders may experience dilution and the new securities may have rights senior to those of our common stock offered in this offering.

#### ***Future sales or issuances of our common stock in the public markets, or the perception of such sales, could depress the trading price of our common stock.***

The sale of a substantial number of shares of our common stock or other equity-related securities in the public markets, or the perception that such sales could occur, could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We may sell large quantities of our common stock at any time pursuant to the ATM Offering, or in one or more separate offerings. We cannot predict the effect that future sales of common stock or other equity-related securities would have on the market price of our common stock.

#### ***The actual number of shares we will issue in the ATM Offering, at any one time or in total, is uncertain.***

Subject to certain limitations in the Sales Agreement, and compliance with applicable law, including the limitations in Instruction I.B.6 of Form S-3 that we sell no more than one-third of our public float held by non-affiliates in any 12-month period, we have the discretion to deliver a placement notice to Roth Capital Partners at any time throughout the term of the Sales Agreement. The number of shares that are sold by or to Roth Capital Partners under the Sales Agreement will fluctuate based on the market price of the shares of common stock during the sales period and limits we set with Roth Capital Partners. Because the price per share of each share sold will fluctuate based on the market price of our common stock during the sales period, it is not possible at this stage to predict the number of shares that will be ultimately issued.

### **General Risk Factors**

#### ***Catastrophic events may disrupt our business.***

Geopolitical events, hostilities and social unrest, war, military conflict, including repercussions of the military conflict between Russia and Ukraine and in the Middle East, conflicts with Iran, and tensions with China, terrorism, political instability, acts of public violence, boycotts, health crises and pandemics or other occurrences that lead to avoidance of public places or cause people to stay at home could harm our business. Additionally, labor discord or disruption, natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could harm our business. In the event of a major earthquake, hurricane or catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, breaches of data security, and loss of critical data, all of which would harm our business, results of operations, and financial condition. In addition, the insurance we maintain would likely not be adequate to cover our losses resulting from disasters or other business interruptions.

***We have been and may continue to be impacted by macroeconomic conditions, rising inflation rates, uncertain credit and global financial market, including potential bank failures, supply chain disruption and geopolitical events, such as the wars between Russia and Ukraine and in the Middle East, conflicts with Iran, and tensions with China.***

In recent years, the United States and other significant markets have experienced cyclical downturns and worldwide economic conditions remain uncertain. Economic uncertainty and associated macroeconomic conditions, including high volatility and uncertainty in the capital markets including as a result of inflation and interest rate spikes and potential future disruptions in access to bank deposits or lending commitments due to bank failures, supply chain disruption and geopolitical events, such as the war between Russia and Ukraine and in the Middle East, conflicts with Iran, and tensions with China, make it difficult for our customers and us to accurately forecast and plan future business activities, and could cause our customers to slow spending on our products and services. Furthermore, during uncertain economic times our customers may face issues gaining timely access to sufficient funding, which could result in an impairment of their ability to make timely payments to us. If that were to occur, we may be required to increase our allowance for expected credit losses and our results could be negatively impacted. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption. In addition, there is a risk that our current or future suppliers, service providers, manufacturers or other partners may not survive such difficult economic times, which would directly affect our ability to attain our operating goals on schedule and on budget.

A significant downturn in economic activity, or general spending on transit or commercial vehicle electrification technologies, may cause our current or potential customers to react by reducing their capital and operating expenditures in general or by specifically reducing their spending on electric commercial vehicles and related technologies. In addition, our customers may delay or cancel projects to upgrade or replace existing vehicles in their fleets, or other projects to electrify commercial vehicle fleets, with our products or seek to lower their costs by renegotiating contracts. Moreover, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our customers.

Given the global nature of our supply chain and customer base, global political, economic, and other conditions, including geopolitical risks such as the current conflicts between Russia and Ukraine and in Israel and with Iran, tensions with China and related sanctions, may adversely affect our business and results of operations in ways we cannot foresee at the outset or at this point. War and economic dislocations may spur recessions, economic downturns, slowing economic growth and social and political instability; commodity shortages, supply chain risks and price increases; instability in U.S. and global capital and credit markets which could impact us, our suppliers and customers; and currency exchange rate fluctuations among other impacts that adversely affect our business or results of operations. In particular, we are subject to currency exchange risks for vehicles sold in Canada, including during the period between vehicle delivery and receipt of reimbursement from federal or provincial incentive programs, which can take several months to process.

We cannot predict the timing, strength, or duration of any economic slowdown or any subsequent recovery generally, or in any industry. If the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition, and operating results could be adversely affected.

***We have been, and may in the future be, adversely affected by health crises, epidemics and pandemics, the duration and economic, governmental and social impact of which is difficult to predict, which may significantly harm our business, prospects, financial condition and operating results.***

We face various risks related to public health issues, including epidemics, pandemics and other outbreaks, such as the recent pandemic of respiratory illness caused by a novel coronavirus known as COVID-19. The potential impact of public health crises, including changes in consumer and business behavior, pandemic fears, market downturns and restrictions on business and individual activities, has caused and may in the future cause volatility in the global economy. Public health crises have also created, and may in the future create, a disruption in the manufacturing, delivery and overall supply chain of vehicle manufacturers and suppliers.

The ultimate impact of a public health crisis on our business, operations or the global economy as a whole may depend on factors that are highly uncertain and that are difficult to predict, including, but not limited to, the duration and spread of the health crisis, its severity, the actions to contain the crisis or treat its impact and how quickly and to what extent normal economic and operating activities can resume. However, the effects could have a material impact on our results of operations.

***Our Certificate of Incorporation designates specific courts as the exclusive forum for certain stockholder litigation matters, which could limit the ability of our stockholders to obtain a favorable forum for disputes with us or our directors, officers or employees.***

Our Certificate of Incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against current or former directors, officers or other employees for breach of fiduciary duty, other similar actions, any other action as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware and any action or proceeding concerning the validity of our Certificate of Incorporation or our Bylaws may be brought only in the Court of Chancery in the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware does not have subject matter jurisdiction thereof, any state court located in the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware), unless we consent in writing to the selection of an alternative forum. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our Certificate of Incorporation also provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. This provision may limit our stockholders' ability to bring any claim in a judicial forum that they find favorable for disputes with us and our directors, officers or other employees and may have the effect of discouraging lawsuits against our directors, officers and other employees. Furthermore, our stockholders may be subject to increased costs to bring these claims, and the exclusive forum provision could have the effect of discouraging claims or limiting investors' ability to bring claims in a judicial forum that they find favorable.

In addition, the enforceability of similar exclusive forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in our Certificate of Incorporation is inapplicable or unenforceable. In March 2020, the Delaware Supreme Court issued a decision in *Salzburg et al. v. Sciabacucchi*, which found that an exclusive forum provision providing for claims under the Securities Act to be brought in federal court is facially valid under Delaware law. We intend to enforce this provision, but we do not know whether courts in other jurisdictions will agree with this decision or enforce it. If a court were to find the exclusive forum provision contained in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, prospects, financial condition and operating results.

***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Common Stock.***

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors, or our chief executive officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;

- provide that our directors may be removed for cause only upon the vote of the holders of at least a majority of the voting power of the then-outstanding shares of capital stock;
- provide that vacancies on our board of directors may be filled only by the affirmative vote of a majority of directors then in office, even if less than a quorum; and
- require the approval of our board of directors or the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our Common Stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that holders of our Common Stock would receive a premium for their shares of our Common Stock in an acquisition.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 1C. Cybersecurity**

##### ***Risk Management and Strategy***

We have established policies and processes designed to assess, identify and manage material risk from cybersecurity threats, and have integrated these processes into our overall risk management systems and processes. Through the use of manual and automated tools, analyses of reports of threats and threat actors, evaluations of threats reported to us, and internal and external audits, we routinely assess material risks from cybersecurity threats, including any potential unauthorized occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein. Following these risk assessments, we re-design, implement, and maintain reasonable safeguards designed to minimize identified risks; reasonably address any identified gaps in existing safeguards; and regularly monitor the effectiveness of our safeguards. Primary responsibility for assessing, monitoring and managing our cybersecurity risks rests with our Chief Operating Officer (COO), who coordinates with our IT and legal departments.

As part of our overall risk management system, we monitor and test our safeguards and train our employees on these safeguards, in collaboration with our IT department and management. Personnel at various levels and departments are made aware of our cybersecurity policies through routine training sessions and assessments. Additionally, depending on the environment, systems, and data at issue, we implement and maintain various measures designed to manage and mitigate material risks from cybersecurity threats, including encryption of data, network security controls, cybersecurity insurance, and asset management, tracking, and disposal. We also engage third-party service providers to assist us in monitoring and testing our cybersecurity safeguards and compliance, such as cybersecurity software providers, professional services firms and firms that conduct security audits and perform user phishing tests and training.

We have not encountered cybersecurity threats, incidents or challenges that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. For additional information regarding risks from cybersecurity threats, please refer to Part I [Item 1A. Risk Factors](#) in this Report, including “*If our IT systems, those of third-parties upon which we rely, or our data are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties;*”

*disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.”*

## **Governance**

One of the key functions of our Board is the informed oversight of our risk management process, including risks from cybersecurity threats. Our Board is responsible for monitoring and assessing strategic risk exposure, and our management is responsible for the day-to-day management of the material risks we face. Our Board administers its cybersecurity risk oversight function directly as a whole, as well as through the Audit Committee.

Our COO, is primarily responsible for assessing and managing our material risks from cybersecurity threats and confers with our IT department in executing our cybersecurity policies and processes, including our incident response processes. Our COO has nine years of experience in assessing and managing cybersecurity risks for the Company and its predecessor. Our cybersecurity incident response processes are designed to escalate certain cybersecurity incidents to the COO and other members of management and/or the Board, depending on the circumstances.

The Audit Committee and the Board receive periodic briefings regarding our cybersecurity risks and activities, including any recent cybersecurity incidents and related responses, cybersecurity systems testing and activities of third-parties. Our management, including the COO, maintains an active dialogue with the Board and Audit Committee on risk management matters, which includes cybersecurity.

## **Item 2. Properties**

Our corporate headquarters are located at 3550 Tyburn Street, Los Angeles, California, an 85,142 square foot facility where we design, engineer and develop our products. The lease for this property will expire in 2027. Additionally, we lease two properties in Byrdstown, Tennessee, subject to leases that expire in 2026 and 2027, where we store raw materials and manufacture and assemble our products. On June 20, 2024, we entered into an agreement to sublease a portion of our Los Angeles office space, effective as of July 1, 2024.

We assumed two lease facilities in connection with the ElectraMeccanica acquisition, which we do not intend to use for our ongoing operations. We became the lessor of a 235,094 square foot manufacturing facility in Mesa, Arizona and a 17,980 square foot service and distribution center in Huntington Beach, California, under leases expiring in 2033 and 2027, respectively.

On August 21, 2025, the Company entered into an agreement with the lessor of the Company’s manufacturing facility in Mesa, Arizona, leased by the Company’s indirect wholly owned subsidiary, EMV Automotive USA Inc., to terminate the lease on the facility. As a result of the termination, the Company is no longer obligated to pay rent on the Mesa Lease and the Company will make 18 monthly payments of approximately \$2.8 million in the aggregate to complete the termination. See [Note 2 — Summary of Significant Accounting Policies](#) of this Report.

We believe our existing facilities are generally well maintained and adequate for our current requirements and that we will be able to obtain additional or alternative space at other locations to support our continuing expansion. We currently do not own any real property.

## **Item 3. Legal Proceedings**

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not currently a party to any legal proceedings, the outcome of which, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our business, financial condition or results of operations.

## **Item 4. Mine Safety Disclosures**

Not applicable.

## PART II

### **Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

#### **Market Information**

Our Common Stock and Public Warrants are currently listed on Nasdaq under the symbols “XOS” and “XOSWW,” respectively.

#### **Holders of Common Stock and Warrants**

As of March 26, 2026, there were 56 holders of record of our Common Stock and 18,833,298 Public Warrants outstanding held by 2 holders of record. Each Public Warrant entitles the registered holder to purchase one thirtieth of one share of our Common Stock at a price of \$345 per whole share, subject to certain adjustments. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

#### **Dividend Policy**

We have never declared or paid any cash dividends on our Common Stock or any other securities. We anticipate that we will retain all available funds and any future earnings, if any, for use in the operation of our business and do not anticipate paying cash dividends in the foreseeable future. In addition, debt instruments may materially restrict our ability to pay dividends on our Common Stock. Payment of future cash dividends, if any, will be at the discretion of our Board of Directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, the requirements of then-existing debt instruments and other factors our Board of Directors deems relevant.

#### **Recent Sales of Unregistered Securities**

There were no unregistered sales of equity securities during the year ended December 31, 2025 other than as reported in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 and our Current Report on Form 8-K dated August 21, 2025, which were filed with the SEC.

#### **Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

Except to the extent withholding shares of Common Stock upon vesting of RSUs may be deemed a purchase, the Company did not purchase any shares of its Equity Securities during the year ended December 31, 2025.

### **Item 6. Reserved**

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### **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis provides information which Xos's management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes to those statements. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part I Item 1A "Risk Factors" of this Report. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "we", "us", "our", and "the Company" are intended to mean the business and operations of Xos and its consolidated subsidiaries.*

#### **Overview**

We are a leading energy storage and fleet electrification solutions provider committed to the decarbonization of commercial transportation. We offer, through Xos Energy Solutions™, mobile charging and energy storage products, such as the Xos Hub™, and have from time to time offered services to support electric vehicle fleets, including fixed charging infrastructure products. We design and manufacture Classes 5 and 6 battery-electric commercial vehicles that travel on last-mile, back-to-base routes of up to 200 miles per day. We developed our proprietary, purpose-built vehicle chassis platform and high-voltage architecture with a focus on the medium-duty commercial vehicle segment and, in particular, last-mile commercial fleet operations.

Xos Energy Solutions™ is our charging infrastructure business through which we offer mobile and stationary multi-application chargers, including the Xos Hub, and mobile energy storage to accelerate transitions to electric fleets by maximizing incentive capture and reducing implementation lead times and costs.

Our X-Platform provides modular features that allow us to accommodate a wide range of last-mile applications and enable us to offer clients vehicles at a lower total cost of ownership compared to traditional diesel fleets. The X-Platform was engineered to be modular in nature to allow fleet operators to customize their vehicles to fit their commercial applications (e.g., upfitting with a specific vehicle body and/or tailoring battery range).

Through our Powered by Xos™ business, we also provide mixed-use powertrain solutions for off-highway, industrial and other specialty vehicles, such as forklifts, school buses, medical and dental clinics, blood donation vehicles, and mobile command vehicles. Our powertrain offerings encompass a broad range of solutions, including high-voltage batteries, power distribution and management componentry, battery management systems, system controls, inverters, electric traction motors and auxiliary drive systems.

We have also developed a fleet management platform called Xosphere™ that interconnects vehicle, maintenance, charging, and service data. The Xosphere™ is aimed at minimizing electric fleet total cost of ownership through fleet management integration. This comprehensive suite of tools allows fleet operators to monitor vehicle and charging performance in real-time with in-depth telematics; reduce charging cost; optimize energy usage; and manage maintenance and support with a single software tool.

In the first quarter of 2026, we entered into an agreement to serve as a dealer for Windrose Technology, Inc.'s electric long-haul truck products (the "Windrose Dealer Agreement"). We believe this relationship will enable us to address customer and prospect demand for heavy-duty long-range electric trucks that our own manufactured vehicles do not meet. The Windrose Dealer Agreement does not include any minimum volume requirements, and we cannot estimate what volumes or revenues we might achieve from this arrangement, if any.

During the year ended December 31, 2025, we delivered 259 vehicles (including leases) and 69 powertrains and Hubs. During the year ended December 31, 2024, we delivered 244 vehicles (including leases) and 53 powertrains and Hubs.

For the year ended December 31, 2025, we generated \$35.8 million in revenue (or 78% of revenue) from vehicle sales, \$7.2 million (or 15% of revenue) in powertrain and hubs sales, \$0.4 million (or 1% of revenue) in sales-type lease revenue, \$1.7 million (or 4% of revenue) in other product revenue, and \$0.9 million (or 2% of revenue) from ancillary revenue. For the year

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ended December 31, 2024, we generated \$42.8 million in revenue (or 76% of revenue) from vehicle sales, \$8.7 million (or 16% of revenue) in powertrain and hubs sales, \$0.7 million (or 1% of revenue) in sales-type lease revenue, \$1.8 million (or 3% of revenue) from other product revenue, and \$1.9 million (or 3% of revenue) from ancillary revenue.

We believe our growth in the coming years will be supported by the growth of e-commerce and last-mile delivery, and will depend in part on regulatory and consumer interest in reducing the impacts of climate change. E-commerce continues to grow rapidly and has been accelerated by changes in consumer purchasing behavior as a result of the COVID-19 pandemic. Commercial trucks are the largest emitters of greenhouse gasses per capita in the transportation industry. Although there can be no assurance such goals will be maintained, the U.S. federal, state and foreign governments, along with corporations such as FedEx, UPS and Amazon, have set ambitious goals to reduce greenhouse gas emissions. We believe regulation relating to commercial vehicles, sustainability initiatives from leading financial and corporate institutions and growth of last-mile logistics will be important factors in establishing the level of demand for, and adoption of, our products worldwide.

Xos is an early-stage company, and as such has incurred net losses and cash outflows since its inception. As an early-stage company, the Company's ability to access capital is critical. However, there can be no assurance such capital will be available to the Company when needed, on favorable terms or at all. If we are unable to collect on our outstanding accounts receivable, obtain a sufficient level of new capital in the near-term and/or obtain replacement financing for or extend the maturity of existing debt, we could be required to dissolve and liquidate our assets under bankruptcy laws or otherwise.

As an early-stage company, we have incurred net losses and cash outflows since our inception. We will continue to incur net losses and cash outflows in accordance with our operating plan as we continue to scale our operations to meet anticipated demand and seek to establish our product and service offerings. As a result, our ability to access capital is critical and until we can generate sufficient revenue to cover our operating expenses, working capital and capital expenditures, we will need to raise additional capital in order to fund and scale our operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our commercialization, research and development programs and/or other efforts and our ability to continue our operations would be negatively impacted. If we seek additional financing to fund our business activities in the future and there remains substantial doubt about our ability to continue as a going concern, investors or other financing sources may be unwilling to provide funding to us on commercially reasonable terms, if at all. In addition, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our audited financial statements and/or seek protection under Chapters 7 or 11 of the United States Bankruptcy Code. This could potentially cause us to cease operations and result in a complete or partial loss of your investment in our Common Stock.

## **Recent Developments**

On January 11, 2024, Xos and ElectraMeccanica entered into an arrangement agreement, as amended on January 31, 2024 (the "Arrangement Agreement"), pursuant to which Xos acquired all of the issued and outstanding common shares of ElectraMeccanica ("ElectraMeccanica Shares") pursuant to a plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia) (the "Arrangement").

The Arrangement was consummated on March 26, 2024. Subject to the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement, on March 26, 2024, each ElectraMeccanica Share outstanding immediately prior to the effective time of the Arrangement was converted automatically into the right to receive 0.0143739 of a share of our Common Stock, for total consideration of 1,766,388 shares of Common Stock. Our liquidity was supplemented by net cash acquired in connection with the acquisition of ElectraMeccanica, which was approximately \$50.2 million (excluding severance related costs paid at closing).

Beginning in the fourth quarter of 2024, management implemented plans to improve Xos's liquidity and working capital requirements, including reducing operating costs in order to conserve financial resources. In the fourth quarter of 2024, Xos took the following measures:

- We completed a reduction in force (the "RIF") pursuant to which we terminated approximately 26% of our total workforce. The RIF may have had, and may continue to have, unintended and/or unknown adverse effects on our operations and results. See "Our recent cost-cutting measures may not adequately reduce our operating costs or improve

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our operating margins, may lead to additional workforce attrition and may cause operational disruptions” in Part I Item 1A Risk Factors of this Report.

- Certain of our senior executives have accepted temporary reductions in their annual base salaries, including our Chief Executive Officer and Chief Operating Officer, reducing their cash salaries by between approximately 20% and approximately 50%, respectively effective October 28, 2024.

On August 8, 2025, the Company and Aljomaih amended the Convertible Note primarily (i) to provide for payment of Interest Shares with respect to all interest accrued through the initial maturity date, and (ii) to change the scheduled repayment of principal from all at once on August 11, 2025, to spread over ten quarterly installments beginning November 11, 2025 and ending February 11, 2028. See [Note 10 — Convertible Notes](#) of this Report. Management plans to continue to seek opportunities to reduce costs and, in particular, cash expenditures, in a manner intended to minimize their adverse impact on our core operations. However, there can be no assurance that the measures described above, or any other cost-cutting measures we may implement in the future, will be sufficient to address our immediate or longer-term liquidity and working capital needs.

On August 21, 2025, the Company entered into an agreement with the lessor of the Company’s manufacturing facility in Mesa, Arizona, leased by the Company’s indirect wholly owned subsidiary, EMV Automotive USA Inc., to terminate the lease on the facility. As a result of the termination, the Company is no longer obligated to pay rent on the Mesa Lease and the Company will make 18 monthly payments of approximately \$2.8 million in the aggregate to complete the termination. See [Note 2 — Summary of Significant Accounting Policies](#) of this Report.

### **Key Factors Affecting Operating Results**

We believe that our performance and future success depend on several factors that present significant opportunities for us but also pose risks and challenges, including those discussed in this Report.

#### ***Successful Commercialization of our Products and Services***

We expect to derive future revenue from sales of our vehicles, energy-storage systems and other product and service offerings. As many of these products are in development, we will require substantial additional capital to continue developing our products and services and bring them to full commercialization as well as fund our operations for the foreseeable future. Until we can generate sufficient revenue from product sales, we expect to finance a substantial portion of our operations through commercialization and production and any future capital raising efforts. The amount and timing of our future funding requirements, if any, will depend on many factors, including the pace and results of our commercialization efforts.

#### ***Customer Demand***

We have sold a limited number of our vehicles to our existing customers, have agreements with future customers and have received interest from other potential customers. The sales of our vehicles and services to our existing and future customers will be an important indicator of our performance.

#### ***Supply Chain Disruptions***

While our ability to source certain critical inventory items has been steadily improving, we are still experiencing long-standing negative effects from global economic conditions, and management expects such effects to continue to varying degrees for the foreseeable future. We have also observed, and expect to be impacted by, sporadic and unpredictable shortages for specific components, primarily in power electronics and harnesses, and disruptions to the supply of components.

Fluctuating tariff regimes—particularly those targeting imports of power electronics, battery components, and structural materials—have introduced significant volatility in our cost structure and procurement planning. The uncertainty around tariff implementation timelines and scope has necessitated frequent adjustments to sourcing strategies, supplier selection, and contract terms.

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To mitigate these impacts, we have undertaken the following measures:

- diversification of supply base to include alternate suppliers in tariff-exempt or trade-friendly regions;
- renegotiation of pricing and delivery terms to account for tariff exposure and cost passthroughs;
- reclassification and compliance reviews to ensure correct harmonized tariff schedule (HTS) codes and leverage tariff exemptions or reduced duty programs, where applicable; and
- strategic stockpiling of high-risk components to reduce exposure to near-term tariff hikes.

We have been closely monitoring potential changes to trade policies and tariffs in order to proactively adjust and refine our strategy. These actions are aimed at preserving cost competitiveness and securing uninterrupted supply amid a fluid and unpredictable trade policy environment. Notwithstanding these efforts, the ongoing tariffs and regulatory changes may affect our ability to source components from specific regions or maintain access to critical suppliers.

### **Basis of Presentation**

The accompanying consolidated financial statements include the accounts of Xos and its wholly owned subsidiaries, Xos Fleet, Inc. and Xos Services, Inc. (f/k/a Rivordak, Inc.), as well as the entities acquired pursuant to the Arrangement with ElectraMeccanica. All significant intercompany accounts and transactions have been eliminated in consolidation. All long-lived assets are maintained in, and all losses are attributable to, the United States.

Currently, we conduct business through one operating segment. We are an early-stage company with minimal commercial operations and our activities to date have been conducted primarily within North America. For more information about our basis of operations, refer to [Note 1 — Description of Business](#) in the accompanying notes to the consolidated financial statements.

### **Components of Results of Operations**

#### ***Revenue***

To date, we have primarily generated revenue from the sale of electric stepvans, stripped chassis vehicles and battery systems. Our stripped chassis is our vehicle offering that consists of our X-Platform electric vehicle base and battery systems, which customers can upfit with their preferred vehicle body. As we continue to expand our commercialization, we expect our revenue to come from these products and other vehicle offerings including chassis cabs, which will feature our chassis and powertrain with the inclusion of a proprietary designed cab, and tractors, a shortened version of the chassis cab designed to haul trailers (also known as “day cabs”), that travel in last-mile use cases. Through Xos Energy Solutions™, we have provided charging infrastructure, including our Xos Hub, as well as certain energy services. In addition, we offer Xosphere™, our fleet management platform.

Revenue consists of product sales, inclusive of shipping and handling charges, net of estimates for customer allowances, service offerings, and leasing. Revenue is measured as the amount of consideration we expect to receive in exchange for delivering products. All revenue is recognized when we satisfy the performance obligations under the contract. We recognize revenue by delivering the promised products to the customer, with the revenue recognized at the point in time the customer takes control of the products. For shipping and handling charges, revenue is recognized at the time the products are delivered to or picked up by the customer. For operating leases which are accounted for under ASC 842, *Leases*, revenue is recognized on a straight line basis over the term of the lease agreement. The majority of our current contracts have a single performance obligation, which is met at the point in time that the product is delivered, and title passes to the customer, and are short term in nature.

Revenue also consists of sales-type leases which are accounted for under ASC 842, *Leases*. Revenue is the lower of the fair value of the asset leased or the present value of the lease receivable and prepayments.

We also earn tradable credits in the operation of our automotive business under various regulations related to emission reduction, clean fuel, and others. We sell these credits to other regulated entities who can use the credits to comply with emission standards

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and other regulatory requirements. We recognize revenue on the sale of these credits, which have negligible incremental costs associated with them, at the time control of the regulatory credit is transferred to the purchasing party.

### ***Cost of Goods Sold***

Cost of goods sold includes materials and other direct costs related to production of our vehicles, including components and parts, batteries, direct labor costs and manufacturing overhead, among others. Cost of goods sold also includes material and other direct costs related to the production and assembly of Hubs, powertrains and battery packs as well as materials and other costs incurred related to charging infrastructure installation. Materials include inventory purchased from suppliers, as well as assembly components that are assembled by company personnel, including allocation of stock-based compensation expense. Direct labor costs relate to the wages of those individuals responsible for the assembly of vehicles, powertrain units, Hubs and batteries delivered to customers. Cost of goods sold also includes depreciation expense on property and equipment related to cost of goods sold activities, calculated over the estimated useful life of the property and equipment on a straight-line basis. Upon property and equipment retirement or disposal, the cost of the asset disposed, and the related accumulated depreciation from the accounts and any gain or loss is reflected in the consolidated statements of operations, allocated to cost of goods sold.

Cost of goods sold includes reserves for estimated warranty expenses as well as reserves for estimated returns of vehicles. Additionally, cost of goods sold includes adjustments for the results of physical inventory counts. Cost of goods sold also includes reserves to write down the carrying value of our inventory to their net realizable value and to provide for any excess or obsolescence.

Costs of goods sold includes the impact of identifiable tariff costs related to the production of our vehicles. Tariffs implemented to date in the United States have caused significant disruption, increased costs (both directly and indirectly), and driven uncertainty in the automotive industry for OEMs, suppliers, and dealers, as well as customers. Additional tariffs implemented in the United States and elsewhere in the future may exacerbate these impacts.

We are continuing to undertake efforts to find more cost-effective vendors and sources of parts and raw materials to lower our overall cost of production.

### ***General and Administrative Expense***

General and administrative (“G&A”) expense consists of personnel-related expenses, outside professional services, including legal, audit and accounting services, as well as expenses for facilities, non-sales related travel, and general office supplies and expenses. Personnel-related expenses consist of salaries, benefits, allocations of stock-based compensation, and associated payroll taxes. Overhead items including rent, insurance, utilities, and other items are included in G&A expense. G&A expense also includes depreciation expense on property and equipment related to G&A activities, calculated over the estimated useful life of the property and equipment on a straight-line basis. Upon property and equipment retirement or disposal, the cost of the asset disposed, and the related accumulated depreciation from the accounts and any gain or loss is reflected in the consolidated statements of operations, allocated to G&A.

### ***Research and Development Expense***

Research and development (“R&D”) expense consists primarily of costs incurred for the design and development of our vehicles and energy-storage systems, including the Hub, which include:

- payroll expense for employees primarily engaged in R&D activities, including allocation of stock-based compensation expense;
- expenses related to licenses and subscriptions of software utilized in R&D activities;
- fees paid to third-parties such as consultants and contractors for engineering and computer-aided design work on vehicle designs and other third-party services; and
- expenses related to materials and supplies consumed in the development and modifications to existing vehicle designs, new vehicle designs contemplated for additional customer offerings, and our battery pack design.

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### ***Sales and Marketing Expense***

Sales and marketing (“S&M”) expense consists primarily of expenses related to our marketing of products and brand initiatives, which includes:

- payroll expense for employees primarily engaged in S&M activities, including allocation of stock-based compensation expense; and
- web design, marketing and promotional items, and consultants who assist in the marketing of our products, services and brand.

### ***Other Expense, Net***

Other expense, net primarily includes interest expense for our equipment leases and interest expense related to our financing obligations, including the amortization for debt discount and issuance costs, offset by gains from the termination of equipment leases and income from the sublease of our Los Angeles, California, office space.

### ***Gain on Operating Lease Termination***

Gain on operating lease termination consists of gains from the termination of the Mesa Lease. See [Note 2 — Summary of Significant Accounting Policies](#) in the accompanying consolidated financial statements for more information.

### ***Change in Fair Value of Derivative Instruments***

Change in fair value of derivative instruments relates to Common Stock warrant liability assumed as part of the Business Combination. Changes in the fair value relate to remeasurement of our Public and Private Placement Warrants to fair value as of any respective exercise date and as of each subsequent balance sheet date and mark-to-market adjustments for these derivative liabilities each measurement period.

### ***Change in Fair Value of Contingent Earn-out Shares Liability***

The contingent earn-out shares liability was established as part of the Business Combination. Changes in the fair value relate to remeasurement to fair value as of each subsequent balance sheet date.

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**Results of Operations**

*Comparison of the Years Ended December 31, 2025 and 2024*

The following table sets forth our historical operating results for the periods indicated (*dollars in thousands*):

	<b>Years Ended December 31,</b>			
	<b>2025</b>	<b>2024</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Revenues</b>	\$ 45,992	\$ 55,961	\$ (9,969)	(18)%
Cost of goods sold	43,268	51,996	(8,728)	(17)%
Gross profit	2,724	3,965	(1,241)	(31)%
<b>Operating expenses</b>				
General and administrative	24,797	35,083	(10,286)	(29)%
Research and development	8,000	10,627	(2,627)	(25)%
Sales and marketing	3,010	4,129	(1,119)	(27)%
<b>Total operating expenses</b>	<b>35,807</b>	<b>49,839</b>	<b>(14,032)</b>	<b>(28)%</b>
<b>Loss from operations</b>	<b>(33,083)</b>	<b>(45,874)</b>	<b>12,791</b>	<b>(28)%</b>
Gain on operating lease termination	9,875	—	9,875	N/A
Other expense, net	(2,137)	(4,561)	2,424	(53)%
Change in fair value of derivative instruments	48	274	(226)	(82)%
Change in fair value of earn-out shares liability	—	39	(39)	(100)%
<b>Loss before provision for income taxes</b>	<b>(25,297)</b>	<b>(50,122)</b>	<b>24,825</b>	<b>(50)%</b>
Provision for income taxes	23	37	(14)	(38)%
<b>Net loss</b>	<b>\$ (25,320)</b>	<b>\$ (50,159)</b>	<b>\$ 24,839</b>	<b>(50)%</b>

*Revenues*

Our total revenue decreased by \$10.0 million, or 18%, from \$56.0 million in the year ended December 31, 2024 to \$46.0 million in the year ended December 31, 2025. The decrease in revenues for the year ended December 31, 2025, was driven by an overall decrease in average selling price from product mix, including a greater proportion of strip chassis and powertrain units as opposed to complete stepvans sold during the year ended December 31, 2025 compared to the year ended December 31, 2024. During the year ended December 31, 2025, we delivered 259 stepvans (including leases), 69 powertrains & Hubs, compared to 244 stepvans (including leases), 53 powertrains & Hubs, including leases, in the year ended December 31, 2024.

The total decrease in revenue was partially offset by an increase in revenue related to non-recurring powertrain engineering services of \$0.6 million in the year ended December 31, 2025.

Revenue for the years ended December 31, 2025 and 2024 consisted of the following (*dollars in thousands*):

	<b>Years Ended December 31,</b>			
	<b>2025</b>	<b>2024</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Product and service revenue</b>				
Stepvans & vehicle incentives <sup>(1)</sup>	\$ 35,832	\$ 42,808	\$ (6,976)	(16)%
Powertrains & hubs <sup>(1)</sup>	7,170	8,740	(1,570)	(18)%
Sales-type lease revenue	398	708	(310)	(44)%
Other product revenue <sup>(2)</sup>	1,700	1,778	(78)	(4)%
Total product and service revenue	45,100	54,034	(8,934)	(17)%
Ancillary revenue	892	1,927	(1,035)	(54)%
<b>Total revenues</b>	<b>\$ 45,992</b>	<b>\$ 55,961</b>	<b>\$ (9,969)</b>	<b>(18)%</b>

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<sup>(1)</sup> Amounts are net of returns and allowances. Stepvans & vehicle incentives and powertrains & hubs include revenue generated from operating leases.

<sup>(2)</sup> Other product revenue for the year ended December 31, 2025 includes revenue related to non-recurring powertrain engineering services of \$0.6 million. The remaining performance obligations for non-recurring engineering services total \$0.2 million as of December 31, 2025.

### *Cost of Goods Sold*

Cost of goods sold decreased by \$8.7 million, or 17%, from \$52.0 million in year ended December 31, 2024 to \$43.3 million in the year ended December 31, 2025. The decrease in cost of goods sold is attributable to decreases of (i) \$5.5 million in direct materials, (ii) \$4.2 million in inventory reserves and associated write-downs of inventory to its net realizable value, (iii) \$2.1 million in favorable physical inventory count and other adjustments, (iv) \$0.6 million in direct labor, (v) \$0.6 million related to overhead, and (vi) \$0.5 million in freight out. These decreases were offset by increases of (i) \$1.8 million related to additional reserves for freight related to a shift in product strategy, (ii) \$1.3 million related to warranty reserves, (iii) \$1.2 million in identifiable tariff charges, and (vi) \$0.5 million due to recognition of return reserves for the year ended December 31, 2025.

The decrease in direct materials was driven by the shift in product mix to selling strip chassis rather than complete stepvans. The decrease in inventory reserves was driven by a decrease in reserves for excess and obsolete inventory and older generation stepvans being written down to net realizable value last year. The decrease in unfavorable adjustments is due to a lower amount of write offs as a result of the annual physical inventory count compared to the previous year. The decrease in direct labor encompasses both employee and subcontractor labor cost and is also due to the change in product mix to less labor intensive units such as powertrains. The decrease in overhead costs is primarily attributable to production of units in more efficient allocations of manufacturing facility space. The decrease in freight out is due to a decrease in average shipping cost per unit as the strip chassis units are shipped to a body outfitter closer to our manufacturing facility rather than the end customer. The increase in additional reserves for freight is due to a shift in the commercialization strategy of the Company, leading to an evaluation of the freight related to inventory without future use. The increase in warranty reserve is due to an additional accrual based on historical claim rates and an additional estimate for Raven units. The increase in tariff charges is due to the tariffs implemented during 2025. The increase due to recognition of return reserves is due to units at our dealer locations being delivered to end customers.

### *General and Administrative*

General and administrative expense decreased by \$10.3 million, or 29%, from \$35.1 million in the year ended December 31, 2024 to \$24.8 million in the year ended December 31, 2025, attributable to decreases of (i) \$5.7 million in headcount and personnel cost for legal, finance, accounting, IT and general and administrative functions, (ii) \$1.2 million in professional fees, including a favorable settlement of an outstanding vendor payable for \$0.8 million, (iii) \$1.1 million in depreciation due to the allocation of less overhead costs, (iv) \$1.0 million in bad debt expense, (v) \$0.7 million in stock-based compensation expense, (vi) \$0.6 million in other operating expenses, including travel, recruiting, and computer equipment, (vii) \$0.6 million in facility costs connected to the termination of the Mesa lease, (viii) and \$0.5 million in insurance costs driven by cost efficiencies associated with a new broker. These decreases were offset by increase of (i) \$0.9 million in financed equipment lease expense with no such comparable expense for the year ended December 31, 2024 and (ii) \$0.2 million in incremental expense related to the settlement of an employee's severance arrangements.

### *Research and Development*

Research and development expenses decreased by \$2.6 million, or 25%, from \$10.6 million in the year ended December 31, 2024 to \$8.0 million in the year ended December 31, 2025. The change was primarily due to decreases of (i) \$2.4 million in allocation of personnel costs driven by lower headcount in engineering and (ii) \$0.4 million in net other costs, driven by reductions of consulting and design fees, in addition to computer and software costs. These decreases were offset by increases of (i) \$0.1 million in stock-based compensation expense and (ii) \$0.1 million in equipment and material purchases related to the development of new Hub variants.

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### *Sales and Marketing*

Sales and marketing expense decreased by \$1.1 million, or 27%, from \$4.1 million in the year ended December 31, 2024 to \$3.0 million in the year ended December 31, 2025. The change was primarily due to decreases of (i) \$1.2 million in allocation of personnel costs driven by lower headcount, (ii) \$0.2 million related to reduction in public relations costs and tradeshow costs. These were offset by an increase of (i) \$0.3 million in stock-based compensation expense.

### *Other Expense, Net*

Other expense, net decreased by \$2.5 million, or 53%, from \$4.6 million in the year ended December 31, 2024 to \$2.1 million in the year ended December 31, 2025. The change was attributable to decreases of (i) \$4.3 million in impairment on property and equipment and assets held for sale, (ii) \$0.5 million increase in sublease income, (iii) \$0.2 million increase in other miscellaneous income, and (iv) \$0.2 million in interest expense related to the Convertible Note during the year ended December 31, 2024. This was offset by a decrease of \$2.7 million from the duty drawback receivable and EV credit sale.

### *Gain on Operating Lease Termination*

The Company recognized \$9.9 million from a gain on operating lease termination due to exiting the Mesa Lease during the year ended December 31, 2025. See [Note 2 — Summary of Significant Accounting Policies](#).

### *Change in Fair Value of Derivatives*

The gain on the change in fair value of derivative instruments decreased by \$0.2 million, or 82% from \$0.3 million in the year ended December 31, 2024 to \$0.1 million in the year ended December 31, 2025. The decrease in change in fair value in both periods is primarily attributable to differences in our stock price and the resulting valuation for the applicable reporting period.

### *Change in Fair Value of Contingent Earn-out Shares Liability*

The gain on the change in fair value of contingent earn-out shares liability decreased by \$39,000, or 100% from \$39,000 in the year ended December 31, 2024 to \$0 in the year ended December 31, 2025. The decrease in change in fair value in both periods is primarily attributable to differences in our stock price and the resulting valuation for the applicable reporting period.

### *Provision for Income Taxes*

The Company recorded income tax provisions of \$23,000 and \$37,000 during the years ended December 31, 2025 and 2024, respectively.

## **Liquidity and Capital Resources**

### ***General***

As of December 31, 2025, our principal sources of liquidity were our cash and cash equivalents of \$14.0 million, with an accumulated deficit of approximately \$228.7 million. Our short-term uses of cash are for working capital and to pay the principal of our indebtedness. During the twelve months ended December 31, 2025, we incurred a net loss of approximately \$25.3 million and had net cash provided by operating activities of \$5.4 million.

Under ASC Subtopic 205-40, *Presentation of Financial Statements—Going Concern* (“ASC 205-40”), we have the responsibility to evaluate whether conditions and/or events raise substantial doubt about our ability to meet our future financial obligations as they become due within one year of the consolidated financial statements included elsewhere in this Report. The result of our ASC 205-40 analysis, due to uncertainties discussed below, is that there is substantial doubt about our ability to continue as a going concern through the next 12 months from the date of the consolidated financial statements in this Report.

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As an early stage company, we have mainly incurred net losses and cash outflows since our inception. We may continue to incur net losses and cash outflows in accordance with our operating plan as we continue to scale our operations to meet anticipated demand and seek to establish our product and service offerings. As a result, our ability to access capital is critical and until we can generate sufficient revenue to cover our operating expenses, working capital and capital expenditures, we will need to raise additional capital in order to fund and scale our operations. These conditions and events raise substantial doubt about our ability to continue as a going concern. Our financial information does not include any adjustment that may result from the outcome of this uncertainty.

In response to these conditions, we are currently evaluating different strategies to obtain the required funding for future operations. We have plans to secure and intend to employ various strategies to raise additional capital, which may include the ATM Offering (as defined below) as well as other capital raising strategies such as debt financing (which may include asset-based lending and/or receivable financing), other non-dilutive financing and/or equity financing. However, we are limited in how much money we can raise under the ATM offering. Our SEPA (as defined below) expired on February 11, 2026, and therefore is not available to us. Our ability to access other capital when needed is not assured and, if capital is not available to us when, and in the amounts needed, we could be required to delay, scale back or abandon some or all of our development programs and other operations, which could materially harm our business, prospects, financial condition and operating results.

Global general economic and political conditions, such as inflation, tariffs (or the threat of tariffs), uncertain credit and global financial markets, supply chain disruption, international currency fluctuations, and geopolitical events have had and could continue to have an adverse impact in our ability to raise additional funds. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our commercialization, research and development programs and/or other efforts and our ability to continue our operations would be negatively impacted. If we seek additional financing to fund our business activities in the future and there remains substantial doubt about our ability to continue as a going concern, investors or other financing sources may be unwilling to provide funding to us on commercially reasonable terms, if at all. In addition, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our audited financial statements and/or seek protection under Chapters 7 or 11 of the United States Bankruptcy Code. This could potentially cause us to cease operations and result in a complete or partial loss of your investment in our Common Stock.

### ***ATM Offering***

On August 14, 2025, we entered into a Sales Agreement (the “Sales Agreement”) with Roth Capital Partners, LLC (the “Agent”). Pursuant to the terms of the Sales Agreement, we may offer and sell shares of our common stock having an aggregate offering amount of up to \$20 million from time to time through the Agent (the “ATM Offering”). Pursuant to General Instruction I.B.6 of Form S-3, we can currently only sell up to an aggregate of \$5.4 million during any 12-month period pursuant to the Sales Agreement (and any other primary offerings registered on Form S-3). Any sales of common stock pursuant to the Sales Agreement would be made in sales deemed to be an “at-the-market offering” as defined in Rule 415 under the Securities Act of 1933, as amended. The Agent is entitled to a commission of 3.0% of the gross proceeds from the sale of common stock sold under the Sales Agreement. During 2025, we sold an aggregate of 730,400 shares of common stock in the ATM Offering, resulting in net proceeds of approximately \$2.4 million. As of December 31, 2025, we had \$2.5 million of shares of Common Stock available for future issuance under the ATM Offering pursuant to our prospectus supplement with respect to the ATM Offering, and \$17.2 million remaining under the terms of the Sales Agreement.

### ***Standby Equity Purchase Agreement***

On March 23, 2022, we entered into a Standby Equity Purchase Agreement with YA II PN, Ltd (“Yorkville”), which was subsequently amended on June 22, 2023 (as amended, the “SEPA”), whereby we had the right, but not the obligation, to sell to Yorkville up to \$125.0 million of our shares of Common Stock at our request any time until February 11, 2026, subject to certain conditions. As of December 31, 2025, the remaining commitment available under the SEPA was \$119.4 million. However, our ability to access the remaining commitment amount was limited by various factors, including, but not limited to, the availability of an effective registration statement permitting the resale of such shares of Common Stock. The SEPA expired on February 11, 2026. We used the net proceeds received from sales of Common Stock pursuant to the SEPA for working capital and general corporate purposes. See [Note 11 — Equity](#) — Standby Equity Purchase Agreement in the accompanying consolidated financial statements for more information regarding the SEPA.

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### *Cash Flow Data*

The following table provides a summary of cash flow data for the years ended December 31, 2025 and 2024 (*in thousands*):

	Years Ended December 31,	
	2025	2024
Net cash provided by (used in) operating activities	\$ 5,365	\$ (48,795)
Net cash provided by investing activities	61	51,176
Net cash used in financing activities	(2,382)	(3,025)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>\$ 3,044</b>	<b>\$ (644)</b>

#### Cash Flow from Operating Activities

Our cash flow from operating activities is significantly affected by the growth of our business. Our operating cash flow is also affected by our working capital needs to support growth in inventory and fluctuations in accounts receivable, accounts payable and other current assets and liabilities.

Net cash provided by operating activities was \$5.4 million for the year ended December 31, 2025, primarily consisting of a cash-basis net loss of \$20.1 million from normal operations of the Company (after non-cash adjustments of \$5.2 million), partially offset by favorable net working capital change of \$25.5 million, primarily driven by lower accounts receivable and inventory usage, partially offset by lower accounts payable and other liabilities relating to the EMV lease termination.

Net cash used in operating activities was \$48.8 million for the year ended December 31, 2024, primarily consisting of a cash-basis net loss of \$26.2 million from normal operations of the Company (after non-cash adjustments of \$24.0 million), together with \$22.6 million in working capital movements, primarily relating to higher accounts receivable, increases in other liabilities relating to the ElectraMeccanica acquisition and inventory usage, partially offset by higher accounts payable.

#### Cash Flow from Investing Activities

Cash flow from investing activities primarily relates to capital expenditures activities, and cash acquired in connection with the acquisition of ElectraMeccanica (applicable to 2024).

Net cash provided by investing activities was \$0.1 million for the year ended December 31, 2025, due to proceeds from the disposal of assets held for sale of \$0.1 million.

Net cash provided by investing activities was \$51.2 million for the year ended December 31, 2024, due to \$51.4 million net cash acquired in connection with the acquisition of ElectraMeccanica and proceeds from the disposal of assets held for sale of \$0.1 million, partially offset by property and equipment additions of \$0.3 million.

#### Cash Flow from Financing Activities

Net cash used in financing activities was \$2.4 million for the year ended December 31, 2025, primarily consisting of (i) equipment lease principal payments of \$2.0 million, (ii) payments of principal on Convertible Notes of \$1.5 million (iii) taxes paid relating to net-settlement of stock-based awards of \$1.0 million, and (iv) payments of net short-term insurance financing note activity of \$0.3 million. These decreases were partially offset by proceeds from issuance of common stock under the ATM Offering by the Company of \$2.4 million

Net cash used in financing activities was \$3.0 million for the year ended December 31, 2024, primarily consisting of (i) equipment lease principal payments of \$2.3 million and (ii) taxes paid relating to net-settlement of stock-based awards of \$1.0 million. These decreases were partially offset by proceeds from net short-term insurance financing note activity of \$0.3 million.

### *Cash Conservation Measures*

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Beginning in the fourth quarter of 2024, management implemented plans to improve our liquidity and working capital requirements, including reducing operating costs in order to conserve financial resources. In the fourth quarter of 2024, we took the following measures:

- We completed a reduction in force (the “RIF”) pursuant to which we terminated approximately 26% of our total workforce.
- Certain of our senior executives have accepted temporary reductions in their annual base salaries of between approximately 20% and approximately 50%, effective October 28, 2024, including our Chief Executive Officer and Chief Operating Officer whose base salaries were reduced by approximately 50%.

Management plans to continue to seek opportunities to reduce costs and, in particular, cash expenditures, in a manner intended to minimize their adverse impact on our core operations. However, there can be no assurance that the measures described above, or any other cost-cutting 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, or have had, unintended and/or unknown adverse effect on our operations (see Part I, Item 1A Risk Factors of this Report, under the caption “Our recent cost-cutting measures may not adequately reduce our operating costs or improve our operating margins, may lead to additional workforce attrition and may cause operational disruptions”).

### **Contractual Obligations and Commitments**

As a result of the Mesa Lease Termination, future lease commitments have been reduced, as further discussed in [Note 2 — Summary of Significant Accounting Policies](#). We did not have any material contractual obligations or other commitments as of December 31, 2025, other than what is disclosed in [Note 15 — Commitments and Contingencies](#) and [Note 8 — Leases](#) in this Report.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements, as defined under the applicable rules and regulations of the SEC.

### **Critical Accounting Policies and Estimates**

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date, as well as reported amounts of revenues and expenses during the reporting periods. Our most significant estimates and judgments involve inventory valuation, incremental borrowing rates for assessing operating and financing lease liabilities, product warranty liability, useful lives of property and equipment, earn-out shares liability, common stock warrant liability, valuation of stock-based compensation, including the fair value of our Common Stock, and the valuation of the convertible notes payable. We base our estimates on historical experience and on various other assumptions believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates, and such differences could be material to our financial statements.

We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management’s judgments and estimates.

While our significant accounting policies are described in the notes to our financial statements (see [Note 2 – Summary of Significant Accounting Policies](#), [Basis of Presentation](#) and [Recent Accounting Pronouncements](#) in the accompanying financial statements), we believe that the following accounting policies require a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

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### ***Revenue Recognition***

We generate revenue from the sale of our commercial electric vehicles, powertrains and hubs, and goods and services related to charging infrastructure. ASC 606, *Revenue from Contracts with Customers*, requires us to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. We determine revenue recognition by applying the following steps:

1. Identifying the contract with a customer;
2. Identifying the performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue as the performance obligations are satisfied.

We recognize revenue consisting of product and vehicle parts sales, inclusive of shipping and handling charges, net of estimates for customer returns. Revenue contracts are identified when an enforceable agreement has been made with a customer. Performance obligations are identified in the contract for each distinct product provided within the contract. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring products. All revenue is recognized when we satisfy our performance obligations under the contract. Any deposits from customers represent contract liabilities. We recognize revenue by transferring the promised product to the customer, with the revenue recognized at the point in time the customer takes control of the product as agreed in the applicable contract, normally when delivered to the carrier. We recognize revenue for shipping and handling charges at the time control is transferred for the related product. Costs for shipping and handling activities that occur after control of the product transfers to the customer are recognized at the time of sale and presented in cost of goods sold. The majority of our contracts have a single performance obligation, which is met at the point in time that the product is delivered to the carrier, and title passes to the customer, and are short term in nature. Sales tax collected from customers is not considered revenue and is accrued until remitted to the taxing authorities.

For other features and services such as Xosphere™ software or over-the-air software updates that are included as part of the vehicle consideration received, an observable price is used to determine the stand-alone selling price or, when one is not available, a blended market approach and cost-plus margin approach is utilized. Revenue is provisioned upon control transfer of a vehicle and recognized over time on a straight-line basis as the Company has a stand-ready obligation to deliver such services to the customer.

For non-recurring engineering services, the Company recognizes revenue on a percentage-of-completion basis determined by the achievement of defined technical milestones and associated deliverables as the Company delivers customized engineering services and associated deliverables to the customer. Any billings in excess of revenue recognized is accrued until associated technical milestones are achieved.

The Company has outstanding sales-type leases for stepvans and Hubs under ASC 842, *Leases* (“ASC 842”). Arrangements under this program can have terms for up to 60 months for stepvans and 24 months for Hub units. The Company recognizes all revenue and costs associated with the sales-type leases upon delivery of the vehicle to the customer. Interest income based on the implicit rate in the lease is recorded over time as customers are invoiced on a monthly basis.

See [Note 2 – Summary of Significant Accounting Policies](#) and [Note 3 – Revenue Recognition](#) for additional information.

### ***Inventories***

Our inventories, which include raw materials, work in process, and finished goods, are carried at the lower of cost or net realizable value. Inventories are valued using average costing, as that method accurately reflects the frequency of our inventory purchases. In the case of manufactured inventories and work in process, cost includes an appropriate share of production overheads based on operating capacity.

At the end of each reporting period, we evaluate whether our inventories are damaged or obsolete, and if so, a loss is recognized in the period in which it occurs. Inventory write-downs are also based on reviews for any excess or obsolescence determined primarily by comparing quantities on hand to current and future demand forecasts. We reserve for any excess or obsolete inventories when it is believed that the net realizable value of inventories is less than the carrying value.

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We also review our inventories to determine whether their carrying value exceeds the net realizable amount (“NRV”) upon the ultimate sale of the inventories. NRV is the estimated selling price of inventories in the ordinary course of business, less estimated costs of completion, disposal, and transportation. At the end of each reporting period, we determine the estimated selling price of our inventory based on market conditions. Once inventories are written-down, a new, lower cost basis for those inventories is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

### ***Income Taxes***

We apply the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as net operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income or expense in the period that includes the enactment date.

In assessing the realizability of deferred income tax assets, ASC 740, *Income Taxes*, requires a more likely than not standard be met. If we determine that it is more likely than not that deferred income tax assets will not be realized, a valuation allowance must be established. We record a valuation allowance, when necessary, to reduce deferred tax assets to the amount expected to be realized. Estimates of the realizability of deferred tax assets, as well as our assessment of whether an established valuation allowance should be reversed, are based on projected future taxable income, the expected timing of the reversal of deferred tax liabilities, and tax planning strategies. When evaluating whether projected future taxable income will support the realization of deferred tax assets, we consider both our historical financial performance and general economic conditions. In addition, we consider the time frame over which it would take to utilize the deferred tax assets prior to their expiration.

We utilize a two-step approach to recognizing and measuring uncertain income tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained upon examination by the IRS or other taxing authorities, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. We consider many factors when evaluating and estimating tax positions and tax benefits, which may require periodic adjustments and may not accurately forecast actual outcomes.

See [Note 17 – Income Taxes](#) for additional information.

### ***Warranty Liability***

We provide customers with a product warranty that assures that the products meet standard specifications and are free for periods typically between 2 to 5 years. We accrue a warranty reserve for the products sold, which includes our best estimate of the projected costs to repair or replace items under warranties and recalls, if identified. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. These estimates are inherently uncertain given our relatively short history of sales, and changes to our historical or projected warranty experience may cause material changes to the warranty reserve in the future. Claims incurred under our standard product warranty programs are recorded based on open claims.

See [Note 2 – Summary of Significant Accounting Policies](#) for additional information.

### ***Public and Private Placement Warrants***

The Public Warrants and the Private Placement Warrants are recognized as derivative liabilities in accordance with ASC 815, *Derivatives and Hedging* (“ASC 815”).

The Private Placement Warrants are identical to the Public Warrants underlying the units sold in NextGen’s initial public offering, except that the Private Placement Warrants and the Common Stock issuable upon exercise of the Private Placement Warrants

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were not transferable, assignable or salable until September 19, 2021, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by us and exercisable by such holders on the same basis as the Public Warrants.

We determine the fair value of our Public Warrants based on the publicly listed trading price of such Warrants as of the valuation date. Accordingly, the Public Warrants are classified as Level 1 financial instruments. Additionally, since the Private Placement Warrants are substantially the same as the Public Warrants, we determined the fair value of our Private Placement Warrants based on the Public Warrant trading price. The Private Warrants are classified as Level 2 financial instruments.

[See Note 12 — Derivatives](#) for additional information.

### ***Convertible Debt***

We account for convertible debt pursuant to ASC 815. We evaluate convertible debt instruments to determine whether any embedded features require bifurcation and separate periodic valuation. Convertible debt is recorded net of stated discounts as well as debt issuance costs. Debt discounts and issuance costs are amortized over the contractual term of the debt using the effective interest rate method. We elected to early adopt Accounting Standards Update (“ASU”) 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible instruments and Contracts in an Entity’s Own Equity (“ASU 2020-06”).

### ***Duty Drawback Receivables***

Duty drawback is the recovery of tariffs paid for vehicles that we acquired as a result of the consummation of the Arrangement. The Company expects to recover some of the vehicle inventory value through crushing the vehicles to recover tariffs already paid. As of December 31, 2025, the Company estimates aggregate tariff recovery of approximately \$2.7 million with respect to destruction of SOLO vehicles and submission of the related claim documents. As of June 30, 2024, the Company completed the crushing of the vehicles but, as of December 31, 2025, has not yet received any tariff recovery related to the destruction of SOLO vehicles.

### **Recent Accounting Pronouncements**

See [Note 2 — Summary of Significant Accounting Policies](#) and our consolidated financial statements included in this filing for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial condition and our results of operations.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

As a smaller reporting company (as defined in Item 10(f)(1) of Regulation S-K), we are not required to provide the information under this Item.

## Item 8. Financial Statements

### Index to Consolidated Financial Statements

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders  
Xos, Inc.

### Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Xos, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of operations, stockholders’ equity, and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

### Going concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company incurred a net loss of \$25.3 million and generated \$5.4 million of cash from operating activities for the year ended December 31, 2025, and as of that date, the Company had total working capital of \$26.2 million, including \$14.0 million of cash and cash equivalents, and an accumulated deficit of \$228.7 million. These conditions, along with other matters as set forth in Note 1, raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical audit matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2022.

Los Angeles, California  
April 21, 2026

**Xos, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
*(in thousands, except for par value per share)*

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 14,040	\$ 10,996
Accounts receivable, net	6,035	26,870
Inventories	24,961	36,567
Prepaid expenses and other current assets	4,841	7,868
<b>Total current assets</b>	<b>49,877</b>	<b>82,301</b>
Property and equipment, net	4,320	6,111
Operating lease right-of-use assets, net	1,534	3,193
Other non-current assets	4,632	6,728
<b>Total assets</b>	<b>\$ 60,363</b>	<b>\$ 98,333</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 2,473	\$ 8,931
Convertible debt, current	6,500	19,970
Other current liabilities	14,685	17,768
<b>Total current liabilities</b>	<b>23,658</b>	<b>46,669</b>
Common stock warrant liability	73	121
Other non-current liabilities	1,345	17,933
Convertible debt, non-current	12,000	—
<b>Total liabilities</b>	<b>37,076</b>	<b>64,723</b>
<b>Commitments and contingencies (Note 15)</b>		
<b>Stockholders' Equity</b>		
Common Stock \$0.0001 par value, authorized 1,000,000 shares, 11,403 and 8,046 shares issued and outstanding at December 31, 2025 and 2024, respectively	1	1
Preferred Stock \$0.0001 par value, authorized 10,000 shares, 0 shares issued and outstanding at December 31, 2025 and 2024	—	—
Additional paid-in capital	252,026	237,029
Accumulated deficit	(228,740)	(203,420)
<b>Total stockholders' equity</b>	<b>23,287</b>	<b>33,610</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 60,363</b>	<b>\$ 98,333</b>

*The accompanying notes are an integral part of these consolidated financial statements*

**Xos, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
*(in thousands, except per share amounts)*

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Revenues</b>	\$ 45,992	\$ 55,961
Cost of goods sold	43,268	51,996
Gross profit	<u>2,724</u>	<u>3,965</u>
<b>Operating expenses</b>		
General and administrative	24,797	35,083
Research and development	8,000	10,627
Sales and marketing	3,010	4,129
<b>Total operating expenses</b>	<u>35,807</u>	<u>49,839</u>
<b>Loss from operations</b>	<u>(33,083)</u>	<u>(45,874)</u>
Gain on operating lease termination	9,875	—
Other expense, net	(2,137)	(4,561)
Change in fair value of derivative instruments	48	274
Change in fair value of earn-out shares liability	—	39
Loss before provision for income taxes	<u>(25,297)</u>	<u>(50,122)</u>
Provision for income taxes	23	37
<b>Net loss</b>	<u><u>\$ (25,320)</u></u>	<u><u>\$ (50,159)</u></u>
<b>Net loss per share</b>		
<b>Basic</b>	\$ (2.71)	\$ (6.69)
<b>Diluted</b>	\$ (2.71)	\$ (6.69)
<b>Weighted average shares outstanding</b>		
<b>Basic</b>	9,360	7,500
<b>Diluted</b>	9,360	7,500

*The accompanying notes are an integral part of these consolidated financial statements*

**Xos, Inc. and Subsidiaries**  
**Consolidated Statements of Stockholders' Equity**  
*(in thousands)*

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Par Value			
<b>Balance at December 31, 2023</b>	<b>5,941</b>	<b>\$ 1</b>	<b>\$ 198,456</b>	<b>\$ (153,261)</b>	<b>\$ 45,196</b>
Stock options exercised	21	—	10	—	10
Stock based compensation expense	—	—	7,671	—	7,671
Issuance of common stock for vesting of restricted stock units	448	—	1	—	1
Shares withheld related to net share settlement of stock-based awards	(136)	—	(1,012)	—	(1,012)
Issuance of common stock for ElectraMeccanica acquisition	1,766	—	31,856	—	31,856
Issuance of common stock under Standby Equity Purchase Agreement	6	—	47	—	47
Net loss	—	—	—	(50,159)	(50,159)
<b>Balance at December 31, 2024</b>	<b>8,046</b>	<b>\$ 1</b>	<b>\$ 237,029</b>	<b>\$ (203,420)</b>	<b>\$ 33,610</b>
Stock options exercised	—	\$ —	\$ —	\$ —	\$ —
Stock based compensation expense	—	—	7,407	—	7,407
Issuance of common stock for vesting of restricted stock units	1,082	—	—	—	—
Shares withheld related to net share settlement of stock-based awards	(322)	—	(1,021)	—	(1,021)
Issuance of common stock in at-the-market offering	730	—	2,402	—	2,402
Issuance of common stock for equipment lease termination	64	—	200	—	200
Issuance of common stock for settlement of accrued interest on convertible debt	1,803	—	6,009	—	6,009
Net loss	—	—	—	(25,320)	(25,320)
<b>Balance at December 31, 2025</b>	<b>11,403</b>	<b>\$ 1</b>	<b>\$ 252,026</b>	<b>\$ (228,740)</b>	<b>\$ 23,287</b>

*The accompanying notes are an integral part of these consolidated financial statements*

**Xos, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
*(in thousands)*

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating Activities:</b>		
Net loss	\$ (25,320)	\$ (50,159)
<i>Adjustments to reconcile net loss to net cash provided by (used in) operating activities</i>		
Depreciation	2,183	3,343
Amortization of right-of-use assets	1,659	1,798
Amortization of debt discounts and issuance costs	30	50
Amortization of insurance premiums	2,430	2,834
Inventory reserves	(263)	2,940
Impairment of property and equipment and assets held-for-sale	564	4,823
Change in fair value of derivative instruments	(48)	(274)
Change in fair value of earn-out shares liability	—	(39)
Gain on operating lease termination	(9,875)	—
Stock-based compensation expense	7,407	7,710
Bad debt expense	2	962
Other non-cash items	1,068	(148)
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable	20,833	(12,690)
Inventories	10,895	(1,558)
Prepaid expenses and other current assets	(501)	(1,562)
Other assets	907	(2,654)
Accounts payable	(6,458)	5,406
Other liabilities	(148)	(9,577)
<b>Net cash provided by (used in) operating activities</b>	<b>5,365</b>	<b>(48,795)</b>
<b>Investing Activities:</b>		
Proceeds from the disposal of assets held for sale	61	125
Purchases of property and equipment	—	(304)
Net cash acquired in acquisition of ElectraMeccanica Vehicles Corp	—	51,355
<b>Net cash provided by investing activities</b>	<b>61</b>	<b>51,176</b>
<b>Financing Activities:</b>		
Principal payment for equipment leases	(1,973)	(2,347)
Proceeds from short-term insurance financing note	2,609	3,107
Payment for short-term insurance financing note	(2,899)	(2,830)
Payments on convertible notes	(1,500)	—
Stock option exercises	—	10
Taxes paid related to net share settlement of stock-based awards	(1,021)	(1,012)
Proceeds from sale of newly issued shares of common stock	2,402	—
Proceeds from issuance of Common Stock under Standby Equity Purchase Agreement	—	47
<b>Net cash used in financing activities</b>	<b>(2,382)</b>	<b>(3,025)</b>

<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	3,044	(644)
<b>Cash, cash equivalents and restricted cash, beginning of year</b>	10,996	11,640
<b>Cash, cash equivalents and restricted cash, end of year</b>	<u>\$ 14,040</u>	<u>\$ 10,996</u>

**Reconciliation of Cash, Cash Equivalents and Restricted Cash to Consolidated Balance Sheets:**

Cash and cash equivalents	\$ 14,040	\$ 10,996
<b>Total cash, cash equivalents and restricted cash</b>	<u>\$ 14,040</u>	<u>\$ 10,996</u>

**Supplemental disclosure of cash flow information**

Cash paid for income taxes	\$ 51	\$ 17
Operating lease termination	\$ (9,875)	\$ —

**Supplemental disclosure of non-cash investing and financing activities**

Issuance of common stock for equipment lease termination	\$ (200)	\$ —
Settlement of accrued interest with shares of Xos common stock	\$ (6,009)	\$ —
Purchase of property and equipment in accounts payable	\$ (30)	\$ (35)
Net assets acquired in acquisition of ElectraMeccanica Vehicles Corp.	\$ —	\$ 54,630
Xos common stock issued in exchange for ElectraMeccanica Vehicles Corp.	\$ —	\$ (31,856)

*The accompanying notes are an integral part of these consolidated financial statements*

**Xos, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 1 — Description of Business**

Xos, Inc., together with its wholly owned subsidiaries (collectively, the “Company” or “Xos”) is a leading fleet electrification solutions provider committed to the decarbonization of commercial transportation. Xos designs and manufactures Classes 5 through 8 battery-electric commercial vehicles designed to travel on last-mile, back-to-base routes of up to 200 miles per day. Xos also offers charging infrastructure products and services through Xos Energy Solutions™ to support electric vehicle fleets. The Company’s proprietary fleet management software, Xosphere™, integrates vehicle operation and vehicle charging aimed at providing commercial fleet operators a more seamless and cost-efficient vehicle ownership experience than traditional internal combustion engine counterparts. Xos developed the X-Platform (its proprietary, purpose-built vehicle chassis platform) specifically for the medium-duty commercial vehicle segment with a focus on last-mile commercial fleet operations. Xos seeks to offer customers a suite of commercial products and services to facilitate electric fleet operations and seamlessly transition their traditional combustion-engine fleets to battery-electric vehicles.

***Business Combination***

Xos, Inc. was initially incorporated on July 29, 2020, as a Cayman Islands exempted company under the name “NextGen Acquisition Corporation” (“NextGen”). On August 20, 2021, the transactions contemplated by the Agreement and Plan of Merger, as amended on May 14, 2021, by and among NextGen, Sky Merger Sub I, Inc., a Delaware corporation and a direct wholly owned subsidiary of NextGen (“Merger Sub”), and Xos, Inc., a Delaware corporation (now known as Xos Fleet, Inc., “Legacy Xos”), were consummated (the “Closing”), whereby Merger Sub merged with and into Legacy Xos, the separate corporate existence of Merger Sub ceased and Legacy Xos became the surviving corporation and a wholly owned subsidiary of NextGen (such transaction the “Merger” and, collectively with the Domestication, the “Business Combination”), and Xos became the publicly traded entity listed on Nasdaq.

***ElectraMeccanica Acquisition***

On January 11, 2024, the Company and ElectraMeccanica Vehicles Corp. (“ElectraMeccanica”) entered into an arrangement agreement, as amended on January 31, 2024 (the “Arrangement Agreement”), pursuant to which the Company acquired all of the issued and outstanding common shares of ElectraMeccanica (each, an “ElectraMeccanica Share”) pursuant to a plan of arrangement (the “Plan of Arrangement”) under the Business Corporations Act (British Columbia) (the “Arrangement”).

The Arrangement was consummated on March 26, 2024. Subject to the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement, on March 26, 2024, each ElectraMeccanica Share outstanding immediately prior to the effective time of the Arrangement was converted automatically into the right to receive 0.0143739 of a share of the Company’s Common Stock, for total consideration of 1,766,388 shares of Common Stock. The Company’s liquidity has been supplemented by accessing ElectraMeccanica’s cash balance, which was approximately \$50.2 million (excluding severance related costs paid at closing) as of the effective date of the Arrangement.

***Risks and Uncertainties***

In recent years, the United States and other significant markets have experienced cyclical downturns and worldwide economic conditions remain uncertain. Global general economic and political conditions, such as recession, inflation, uncertain credit and global financial markets, including potential future bank failures, health crises, supply chain disruption, fuel prices, international currency fluctuations, changes to trade policies and tariffs (or the perception that such changes may occur), and geopolitical events such as local and national elections, corruption, political instability and acts of war or military conflict, or terrorism, make it difficult for our customers and us to accurately forecast and plan future business activities, and could cause our customers to slow spending on our products and services or impact their ability to make timely payments. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption. In addition, there is a risk that our current or future suppliers, service providers, manufacturers or other partners may not survive such difficult economic times, which would directly affect our ability to attain our operating goals on schedule and on budget. The ultimate impact of current economic conditions on the Company is uncertain, but it may have a material negative impact on the Company’s business, operating results, cash flows, liquidity and financial condition.

Additionally, ongoing geopolitical events, such as the military conflicts between Russia and Ukraine, in Israel and with Iran or tensions with China and related sanctions and export control restrictions, may increase the severity of supply chain disruptions and further hinder our ability to source inventory for our vehicles. These conflicts continue to evolve and the ultimate impact on

**Xos, Inc. and Subsidiaries**  
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the Company is uncertain, but any prolonged conflict may have a material negative impact on the Company's business, operating results, cash flows, liquidity and financial condition.

Although the Company has used the best current information available to it in its estimates, actual results could materially differ from the estimates and assumptions developed by management.

***Liquidity***

As an early stage company, the Company has incurred net losses and cash outflows since its inception. The Company may continue to incur net losses and cash outflows in accordance with its operating plan as the Company continues to scale its operations to meet anticipated demand and establish its product and service offerings. As a result, the Company's ability to access capital is critical and until the Company can generate sufficient revenue to cover its operating expenses, working capital and capital expenditures, the Company will need to raise additional capital in order to fund and scale its operations. The Company may raise additional capital through a combination of debt financing, other non-dilutive financing and/or equity financing, including through asset-based lending and/or receivable financing and collecting on its outstanding receivables. The Company's ability to raise or access capital when needed is not assured and, if capital is not available to the Company when and in the amounts needed, the Company could be required to delay, scale back or abandon some or all of its development programs and other operations, which could materially harm its business, prospects, financial condition and operating results. Global general economic conditions continue to be unpredictable and challenging in many sectors, with disruptions to, and volatility in, the credit and financial markets in the United States and worldwide resulting from the effects of potential recessions, rising inflation rates, potential bank failures, supply chain disruption, fuel prices, international currency fluctuations, changes to trade policies and tariffs, and geopolitical events such as local and national elections, corruption, political instability and acts of war or military conflicts including repercussions of the wars between Russia and Ukraine and in Israel, conflicts with Iran, and tensions with China, or terrorism.

As of December 31, 2025, the Company's principal sources of liquidity were its cash and cash equivalents aggregating \$14.0 million. The Company's short- and long-term uses of cash are for working capital and to pay interest and principal on its debt. The Company has incurred losses in nearly every period since inception and had net cash provided by operating activities of \$5.4 million and net cash used in operating activities of \$48.8 million for the years ended December 31, 2025 and 2024, respectively.

As an early-stage growth company, the Company's ability to access capital is critical. However, there can be no assurance such capital will be available to the Company when needed, on favorable terms or at all. The consolidated financial information does not include any adjustments that might result from the outcome of this uncertainty. These conditions and events raise substantial doubt about the Company's ability to continue as a going concern.

The Company intends to employ various strategies to obtain the required funding for future operations, which may include capital raising strategies such as debt financing, other non-dilutive financing and/or equity financing, including through asset-based lending and/or receivable financing and collecting on its outstanding receivables. The Company may sell additional shares of its common stock pursuant to the ATM Offering (as defined below in [Note 11 - Equity](#)), subject to certain limitations on the amount of proceeds that may be raised. At December 31, 2025, the Company also had the SEPA (as defined below in [Note 11 - Equity](#)), although its ability to access the SEPA was contingent upon specified conditions, including having a post-effective amendment to the Registration Statement on Form S-1 filed on July 27, 2023 filed with the SEC and declared effective. Moreover, the SEPA expired on February 11, 2026.

On August 9, 2022 (as amended on September 28, 2022), the Company entered into a note purchase agreement (the "Note Purchase Agreement") with Aljomaih Automotive Co. ("Aljomaih") under which the Company agreed to sell and issue to Aljomaih a convertible promissory note with a principal amount of \$20.0 million and a maturity date of August 11, 2025. On August 8, 2025, the Company and Aljomaih entered into Amendment Number One to the Note Purchase Agreement and amended and restated the Convertible Note issued thereunder. On August 14, 2025, the Company and Aljomaih entered into a Letter Agreement regarding certain restrictions on convertibility of the Convertible Note (Amendment Number One to the Note Purchase Agreement, the amendment and restatement of the Convertible Note and the Letter Agreement are referred to collectively as the "Aljomaih Amendments"). Among other things, the Aljomaih Amendments extended the maturity of the Convertible Note such that it is now due in ten quarterly installments payable between November 11, 2025 and February 11, 2028. The first four such installments are \$1.5 million each, the fifth through eighth installments are \$2.0 million each and the final two installments are \$3.0 million each; provided that such installments may be increased in the event certain financing activities result in proceeds to the Company in excess of four times the aggregate amount of Convertible Note principal payments otherwise required on or prior to any installment date. Pursuant to the Aljomaih Amendments, and notwithstanding

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the postponement of maturity of the Convertible Note, interest that had accrued on the Convertible Note through August 11, 2025, of approximately \$6.0 million in the aggregate, was converted into 1,803,262 shares of Common Stock at the 10-day VWAP (as defined in the Convertible Note) on August 25, 2025.

Based on the Company's strategies to raise funds as described above and Xos's cash and cash equivalents as of December 31, 2025, the Company believes there is substantial doubt about such resources providing sufficient liquidity for the next twelve months following the date of the issuance of the consolidated financial statements in this Report. Management is presently exploring options to increase liquidity to resolve this concern and facilitate further growth. As a result, it is not probable that Xos's plans alleviate the substantial doubt about the Company's ability to continue as a going concern for at least one year from the issuance of the consolidated financial statements in this Report based on plans Management has been able to execute through the date of the issuance of the consolidated financial statements in this Report, although additional actions are under review. Absent the Company being able to collect on its outstanding accounts receivable, obtain a sufficient level of new capital in the near-term and/or obtain replacement financing for, or further extend the maturity of existing debt, the Company could be required to seek protection under Chapters 7 or 11 of the United States Bankruptcy Code. This could potentially cause the Company to cease operations.

***Supply Chain Disruptions***

While the Company's ability to source certain critical inventory items has been steadily improving, it is still experiencing long-standing negative effects from global economic conditions, and expects such effects to continue to varying degrees for the foreseeable future. The Company has also observed, and expects to be impacted by, sporadic and unpredictable shortages for specific components, primarily in power electronics and harnesses, and disruptions to the supply of components.

Fluctuating tariff regimes—particularly those targeting imports of power electronics, battery components, and structural materials—have introduced significant volatility in the Company's cost structure and procurement planning. The uncertainty around tariff implementation timelines and scope has necessitated frequent adjustments to sourcing strategies, supplier selection, and contract terms.

The Company has been closely monitoring potential changes to trade policies and tariffs in order to proactively adjust and refine its strategy. These actions are aimed at preserving cost competitiveness and securing uninterrupted supply amid a fluid and unpredictable trade policy environment. Notwithstanding these efforts, the ongoing tariffs and regulatory changes may affect the Company's ability to source components from specific regions or maintain access to critical suppliers.

**Note 2 — Basis of Presentation, Summary of Significant Accounting Policies and Recent Accounting Pronouncements**

The following is a summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements:

***Basis of Presentation***

The Company's consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission (the "SEC") for annual financial information. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date, as well as reported amounts of revenues and expenses during the reporting periods. The areas with significant estimates and judgments include, among others, inventory valuation, incremental borrowing rates for assessing operating and financing lease liabilities, useful lives of property and equipment, stock-based compensation, product warranty liability, and valuations utilized in connection with acquisitions. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable, the results of which form the basis for making judgments about the

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carrying values of assets and liabilities. Actual results could differ from those estimates, and such differences could be material to the Company's financial statements.

***Comprehensive Income (Loss)***

The Company's comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss). For the years ended December 31, 2025 and 2024, the Company had no components of other comprehensive income (loss). Accordingly, comprehensive income (loss) is the same as net income (loss) for each period presented.

***Revenue Recognition***

The Company generates revenue from the sale of its commercial electric vehicles, powertrains and hubs, and goods and services related to charging infrastructure. Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, requires the Company to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company determines revenue recognition by applying the following steps:

1. Identifying the contract with a customer;
2. Identifying the performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue as the performance obligations are satisfied.

The Company recognizes revenue primarily consisting of product sales, inclusive of shipping and handling charges, net of estimates for customer returns. Revenue contracts are identified when an enforceable agreement has been made with a customer. Performance obligations are identified in the contract for each distinct product provided within the contract. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products. All revenue is recognized when the Company satisfies its performance obligations under the contract. Any deposits from customers represent contract liabilities. The Company recognizes revenue by transferring the promised products to the customer, with the revenue recognized at the point in time the customer takes control of the products as agreed in the contracts, normally when delivered to the carrier. The Company recognizes revenue for shipping and handling charges at the time control is transferred for the related product. Costs for shipping and handling activities that occur after control of the product transfers to the customer are recognized at the time of sale and presented in cost of goods sold. The majority of its contracts have a single performance obligation, which is met at the point in time that the product is delivered to the carrier, and title passes to the customer, and are short term in nature. Sales tax collected from customers is not considered revenue and is accrued until remitted to the taxing authorities.

For other features and services such as over-the-air software updates that are included as part of the vehicle consideration received, an observable price is used to determine the stand-alone selling price or, when one is not available, a blended market approach and cost-plus margin approach is utilized. Revenue is provisioned upon control transfer of a vehicle and recognized over time on a straight-line basis as the Company has a stand-ready obligation to deliver such services to the customer.

For non-recurring engineering services, the Company recognizes revenue on a percentage-of-completion basis determined by the achievement of defined technical milestones and associated deliverables as the Company delivers customized engineering services and associated deliverables to the customer. The Company determines that the output method of revenue recognition is appropriate to reflect the Company's performance in transferring control of the engineering services and associated deliverables. Any billings in excess of revenue recognized is accrued until associated technical milestones are achieved.

The Company has outstanding sales-type leases for stepvans and Hubs under ASC 842, *Leases* ("ASC 842"). Arrangements under this program can have terms for up to 60 months for stepvans and 24 months for Hub units. The Company recognizes all revenue and costs associated with the sales-type leases upon delivery of the vehicle to the customer. Interest income based on the implicit rate in the lease is recorded over time as customers are invoiced on a monthly basis.

***Cash, Cash Equivalents and Restricted Cash***

The Company considers all highly liquid investments with original maturities of three months or less at the time of purchase as cash equivalents for which cost approximates fair value. The likelihood of realizing material losses from cash and cash equivalents, including the excess of cash balances over federally insured limits, is remote.

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As of December 31, 2025 and 2024, the Company did not have restricted cash balances.

***Automotive Regulatory Credits***

The Company earns tradable credits under various regulations related to emission reduction, clean fuel, and others. The Company sells these credits to other regulated entities that can use the credits to comply with emission standards and other regulatory requirements. Payments for automotive regulatory credits are typically received at the point control transfers to the purchasing party, or in accordance with payment terms customary to the business.

The Company recognizes revenue on the sale of these credits, which have negligible incremental costs associated with them, at the time control of the regulatory credit is transferred to the purchasing party. There was no revenue recognized from the sale of automotive regulatory credits for the year ended December 31, 2025. There was \$0.6 million revenue recognized from the sale of automotive regulatory credits during the year ended December 31, 2024.

***Accounts Receivable, Net***

The Company records unsecured and non-interest bearing accounts receivable at the gross invoice amount, net of any allowance for expected credit losses. The Company maintains its allowance for expected credit losses at a level considered adequate to provide for potential account losses on the balance based on management's evaluation of past losses, current customer conditions, and the anticipated impact of current economic conditions. The Company recorded an allowance for expected credit losses of \$49,000 and \$246,000 as of December 31, 2025 and December 31, 2024, respectively. Actual write-offs totaled \$46,000 and \$778,000 as of December 31, 2025 and December 31, 2024, respectively. No recoveries were identified in the periods ending December 31, 2025 and 2024.

***Duty Drawback Receivable***

Duty drawbacks are recoveries of tariffs paid for vehicles that were acquired as a result of the consummation of the Arrangement. The Company expects to recover some of the vehicle inventory value through crushing the vehicles to recover tariffs already paid. As of December 31, 2025, the Company estimates aggregate tariff recovery of approximately \$2.7 million with respect to destruction of SOLO (as defined below in [Note 5 — Acquisition of ElectraMeccanica](#)) vehicles and submission of the related claim documents. As of December 31, 2024, the Company completed the crushing of the vehicles but has not yet submitted all claim documents or received any tariff recovery related to the destruction of SOLO vehicles. The Company recorded the duty drawback receivable within other non-current assets in the consolidated balance sheets as of December 31, 2025 and 2024, and in other expense, net, within the consolidated statements of operations for the year ended December 31, 2024.

***Inventories***

The Company's inventory, which includes raw materials, work in process, and finished goods, is carried at the lower of cost or net realizable value. Inventory is valued using average costing, as that method accurately reflects the frequency of the Company's inventory purchases. In the case of manufactured inventories and work in process, cost includes an appropriate share of production overheads based on operating capacity.

At the end of each reporting period, the Company evaluates whether its inventories are damaged or obsolete, and if so, a loss is recognized in the period in which it occurs. Inventory write-downs are also based on reviews for any excess or obsolescence determined primarily by comparing quantities on hand to current and future demand forecasts. The Company reserves for any excess or obsolete inventories when it is believed that the net realizable value of inventories is less than the carrying value.

The Company also reviews its inventory to determine whether its carrying value exceeds the net realizable amount ("NRV") upon the ultimate sale of the inventory. NRV is the estimated selling price of inventory in the ordinary course of business, less estimated costs of completion, disposal, and transportation. At the end of each reporting period, the Company determines the estimated selling price of its inventory based on market conditions. Once inventory is written-down, a new, lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

***Prepaid Expenses and Other Current Assets***

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Prepaid expenses and other current assets primarily consists of prepaid inventory, other insurance assets, deposits, assets held-for-sale, dealer return contract assets, and prepaid license and subscriptions. Prepaid inventory includes contractual advance payments to suppliers for inventory to secure the raw materials needed for production and research and development purposes. Prepaid inventory is reclassified to inventories when received. Amortization expense on other prepaid assets and insurance assets is calculated using the straight-line method over the stated term of the prepaid assets and properly classified into the corresponding expense account.

Assets held-for-sale are measured, on a quarterly basis, at the lower of their carrying value and fair value less costs to sell. Impairment costs are recorded in the period incurred.

Dealer return contract assets represent the Company's right to consideration in exchange for goods or services to dealers, which is conditional upon satisfying future performance obligations. This account is recognized in accordance with the revenue recognition principles under U.S. GAAP, reflecting the estimated future return of vehicles from dealer contracts.

***Income Taxes***

The Company applies the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as net operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income or expense in the period that includes the enactment date.

In assessing the realizability of deferred income tax assets, ASC 740, *Income Taxes*, requires a more likely than not standard be met. If the Company determines that it is more likely than not that deferred income tax assets will not be realized, a valuation allowance must be established. The Company records a valuation allowance, when necessary, to reduce deferred tax assets to the amount expected to be realized. Estimates of the realizability of deferred tax assets, as well as the Company's assessment of whether an established valuation allowance should be reversed, are based on projected future taxable income, the expected timing of the reversal of deferred tax liabilities, and tax planning strategies. When evaluating whether projected future taxable income will support the realization of deferred tax assets, the Company considers both its historical financial performance and general economic conditions. In addition, the Company considers the time frame over which it would take to utilize the deferred tax assets prior to their expiration.

The Company utilizes a two-step approach to recognizing and measuring uncertain income tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained upon examination by the Internal Revenue Service ("IRS") or other taxing authorities, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating tax positions and tax benefits, which may require periodic adjustments and may not accurately forecast actual outcomes.

***Property and Equipment, net***

Property and equipment, net, including leasehold improvements, are stated at cost less accumulated depreciation. Depreciation expense is calculated using the straight-line method over the estimated useful life of the asset. Leasehold improvements are depreciated over the shorter of the estimated life of asset or the lease term. Depreciation expense is included in cost of goods sold, general and administrative expense and research and development expense on our consolidated statements of operations.

Construction in progress is comprised primarily of production equipment, tooling, and leasehold improvements related to the manufacturing of the Company's products, including all costs of obtaining the asset and bringing it to the facilities in the condition necessary for its intended use. There is no depreciation provided for assets in construction in progress. Once completed, the assets are transferred to their respective asset classes, and depreciation begins when an asset is ready for its intended use. The Company did not have construction in progress as of December 31, 2025 and 2024.

The estimated useful lives to calculate depreciation of property and equipment and leasehold improvements consisted of the following:

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Asset Category	Useful Life
Equipment	5 years
Finance leases	Shorter of the lease term or the useful lives of the assets
Vehicles	5 years
Leasehold improvements	Shorter of the lease term or the useful lives of the assets
Furniture and fixtures	5 years
Computers, internally developed software and related equipment	3 years

The Company capitalizes additions, renewals, and improvements greater than \$5,000, while repairs and maintenance are expensed as incurred. When property and equipment is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss on the disposition is recorded in the consolidated statements of operations as a component of other expense, net.

The Company evaluates its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company measures recoverability by comparing the carrying amount to the future undiscounted cash flows that the asset or asset group is expected to generate. If the asset or asset group is not recoverable, its carrying amount is adjusted down to its fair value. Impairment losses of property and equipment of \$0.8 million and \$4.2 million were recognized as a component of other expense, net, in the consolidated statements of operations for the years ended December 31, 2025 and 2024, respectively.

**Warranty Liability**

The Company provides customers with a product warranty that assures that the products meet standard specifications and is free for periods typically between 2 to 5 years. The Company accrues warranty reserve for the products sold, which includes its best estimate of the projected costs to repair or replace items under warranties and recalls if identified. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. These estimates are inherently uncertain given the Company’s relatively short history of sales, and changes to its historical or projected warranty experience may cause material changes to the warranty reserve in the future. Claims incurred under the Company’s standard product warranty programs are recorded based on open claims. The Company recorded warranty liability within other current liabilities in the consolidated balance sheets for the years ended December 31, 2025 and 2024.

The reconciliation of the change in the Company’s product liability balances for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

	December 31, 2025	December 31, 2024
Warranty liability, beginning of period	\$ 740	\$ 1,306
Reduction in liability (payments)	(1,664)	(1,616)
Increase in liability <sup>1</sup>	2,401	1,050
Warranty liability, end of period	<u>\$ 1,477</u>	<u>\$ 740</u>

<sup>1</sup>A portion of the increase in warranty liability during the year reflects updated historical claims experience, including the recognition of additional expected costs associated with the Company’s older-generation stepvan units.

**Public and Private Placement Warrants**

The warrants to purchase shares of Common Stock at an exercise price of \$345.00 per share originally issued in connection with NextGen’s initial public offering (the “Public Warrants”) and the warrants to purchase Common Stock originally issued in a private placement in connection with the initial public offering of NextGen (the “Private Placement Warrants”) are recognized as derivative liabilities in accordance with ASC 815, *Derivatives and Hedging* (“ASC 815”).

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The Private Placement Warrants are identical to the Public Warrants, except that the Private Placement Warrants and the shares of Common Stock issuable upon exercise of the Private Placement Warrants were not transferable, assignable or salable until September 19, 2021, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company determined the fair value of its Public Warrants based on the publicly listed trading price of such Warrants as of the valuation date. Accordingly, the Public Warrants are classified as Level 1 financial instruments. Additionally, since the Private Placement Warrants are substantially the same as the Public Warrants, the Company determined the fair value of its Private Placement Warrants based on the Public Warrant trading price. Accordingly, the Private Warrants are classified as Level 2 financial instruments.

***Contingent Earn-out Shares Liability***

Earn-out Shares represent a freestanding financial instrument classified as liabilities on the accompanying consolidated balance sheets as the Company determined that these financial instruments are not indexed to the Company's own equity in accordance with ASC 815, *Derivatives and Hedging*. Earn-out Shares liability were initially recorded at fair value in the Business Combination and are adjusted to fair value at each reporting date using Level 3 inputs with changes in fair value recorded in change in fair value of Earn-Out Shares liability in the consolidated statements of operations.

The earn-out triggers included a change of control provision within 5 years of the Closing, and achieving certain volume weighted average share prices ("VWAPs") within 5 years of the Closing. These conditions result in the instrument failing indexation guidance and are properly reflected as a liability as of December 31, 2025 and 2024. The Company did not have a liability related to the Earn-Out Shares for both the years ended December 31, 2025 and 2024.

In addition to the Earn-out Shares, the Company has a contingent obligation to issue restricted stock units ("Earn-out RSUs") to certain stockholders and employees upon the achievement of certain market share price milestones within specified periods following the Business Combination. The allocated fair value to the Earn-out RSU component, which is covered by *ASU 718, Compensation — Stock Compensation* ("ASC 718"), is recognized as stock-based compensation expense over the vesting period commencing on the grant date of the award.

***Convertible Promissory Note***

The Company accounts for convertible debt pursuant to ASC 815. The Company evaluates convertible debt instruments to determine whether any embedded features require bifurcation and separate periodic valuation. Convertible debt is recorded net of stated discounts and debt issuance costs. Debt discounts and issuance costs are amortized over the contractual term of the debt using the effective interest rate method. The Company elected to early adopt *ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20)* and *Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06").

***Leases***

Upon inception of a contract, the Company evaluates if the contract, or part of the contract, contains a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The lease liability is measured as the present value of the unpaid lease payments, and the ROU asset value is derived from the calculation of the lease liability, including prepaid lease payments, if any. Lease payments include fixed and in-substance fixed payments, variable payments based on an index or rate, reasonably certain purchase options, termination penalties, fees paid by the lessee to the owners of a special-purpose entity for restructuring the transaction, and probable amounts the lessee will owe under a residual value guarantee. Lease payments do not include (i) variable lease payments other than those that depend on an index or rate, (ii) any guarantee by the lessee of the lessor's debt, or (iii) any amount allocated to non-lease components, if such election is made upon adoption, per the provisions of *ASU 2016-02, Leases*.

When the Company cannot determine the actual implicit rate in a lease, it uses its estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments. The

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Company gives consideration to its recent debt issuances, if any, as well as publicly available data for instruments with similar characteristics when calculating its incremental borrowing rate. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Company's lease term includes any option to extend the lease when it is reasonably certain to be exercised based on considering all relevant economic factors. Operating expense charges from the lessor are accounted for on an accrual basis. The Company has elected not to separate the lease and non-lease components and also elected not to recognize operating lease right-of-use assets and operating lease liabilities for leases with an initial term of twelve months or less.

The Company's leases have remaining terms from less than 0.4 years to 1.2 years.

The Company reviews the carrying value of its ROU assets for impairment whenever events or changes in circumstances indicate that the recorded value may not be recoverable. Recoverability of assets is measured by comparing the carrying amounts of the assets to the estimated future undiscounted cash flows, excluding financing costs. If the Company determines that an impairment exists, any related impairment loss is estimated based on fair values.

***Research and Development Costs***

The Company's research and development costs are related to developing new products and services and improving existing products and services. The Company invests in the continued development and improvement of its technology as well as its chassis design. Research and development costs consist primarily of personnel-related expenses, consultants, engineering equipment and supplies, and design and testing expenses. Research and development expenses have been expensed as incurred and included in the consolidated statements of operations.

***Advertising***

Advertising costs are expensed as incurred and are included within sales and marketing expenses in the consolidated statements of operations. Advertising expenses for the years ended December 31, 2025 and 2024 totaled approximately \$42,000 and \$0.2 million, respectively.

***Stock-Based Compensation***

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation — Stock Compensation*, under which share-based payments that involve the issuance of Common Stock to employees and non-employees and meet the criteria for equity-classified awards are recognized in the financial statements as compensation expense based on the fair value on the date of grant.

Prior to the Business Combination, the Company issued stock options to purchase shares of Common Stock ("Options") to employees and non-employees under the Xos, Inc. 2018 Stock Plan (the "2018 Stock Plan"). The Company allows employees to exercise options prior to vesting. The Company considers the consideration received for the early exercise of an option to be a deposit and the related amount is recorded as a liability. The liability is relieved when the options vest. The Company has the right to repurchase any unvested (but issued) shares upon termination of service of an employee at the original exercise price. The Company stopped issuing options under the 2018 Stock Plan in the fourth quarter of 2020. The Company estimated the fair value of options on the date of the grant using the Black-Scholes option pricing model.

Since the Business Combination, the Company has issued restricted stock units ("RSUs") to employees and non-employees under the Xos, Inc. 2021 Equity Incentive Plan (the "2021 Equity Plan"). The Company initially values RSUs based on the grant date closing price of the Company's Common Stock. For awards with periodic vesting, the Company recognizes the related expense on a straight-line basis over the requisite service period for the entire award, subject to periodic adjustments to ensure that the cumulative amount of expense recognized through the end of any reporting period is at least equal to the portion of the grant date value of the award that has vested through that date. The Company accounts for forfeitures prospectively as they occur.

If there are any modifications or cancellations of the underlying unvested share-based awards, the Company may be required to accelerate, increase or cancel any remaining unrecognized or previously recorded stock-based compensation expense.

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***Net Loss per Share***

Basic net loss per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted-average number of common shares and the dilutive effect of the number of ordinary shares that would have been outstanding if all potentially dilutive ordinary shares had been issued, using the treasury stock method, in accordance with ASC 260, *Earnings Per Share*. In accordance with ASU 2020-06, the Company utilizes the if-converted method to compute the dilutive effect of convertible instruments.

The dilutive impact of contingently issuable Earn-out Shares have been excluded from the diluted loss per share calculation as the necessary conditions to be issued have not been satisfied. The dilutive impacts of Common Stock issuable upon the exercise of out-of-the-money Public and Private Placement Warrants have been excluded from the diluted loss per share calculation. The dilutive impacts of RSUs and options for each of the years ended December 31, 2025 and 2024, have been excluded from the diluted loss per share calculation as the Company was in a loss position.

***Concentrations of Credit and Business Risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which, at times, may exceed the Federal Depository Insurance Corporation coverage limit of \$250,000. As of December 31, 2025 and 2024, the Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

During the year ended December 31, 2025, one customer accounted for 54% of the Company's revenues. During the year ended December 31, 2024, three customers accounted for 13%, 11% and 10% of the Company's revenues.

As of December 31, 2025, four customers accounted for 17%, 14%, 12% and 10% of the Company's accounts receivable. As of December 31, 2024, no customer had an accounts receivable balance greater than 10% of the Company's accounts receivable.

***Concentration of Supply Risk***

The Company is dependent on its suppliers, the majority of which are single-source suppliers, and the inability of these suppliers to deliver necessary components of its products according to the schedule and at prices, quality levels and volumes acceptable to the Company, or its inability to efficiently manage these components, could have a material adverse effect on the Company's results of operations and financial condition.

As of December 31, 2025, two vendors accounted for 12% and 11% of the Company's accounts payable. As of December 31, 2024, three vendors accounted for 19%, 15%, and 10% of the Company's accounts payable.

***Defined Contribution Plan***

The Company has a 401(k) savings plan that is intended to qualify as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"). Under the 401(k) savings plan, participating employees are auto enrolled to 3% of their eligible compensation, subject to certain limitations. The Company did not make any contributions to the 401(k) savings plan during the years ended December 31, 2025 and 2024.

***Segment Information***

The Company operates under one segment as it has developed, marketed, and sold primarily only one class of similar products of electric stepvans, stripped chassis vehicles, battery systems, Hubs, and other products. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's CODM is its Chief Executive Officer.

The CODM assesses performance of the segment and decides how to allocate resources based on revenue, gross profit, employee-related costs and net income (loss) presented on a consolidated basis, for purposes of allocating resources and evaluating financial performance. The Company has one business activity and there are no segment managers who are held accountable for operations, operating results and plans for products or components below the consolidated unit level. Accordingly, the Company reports under a single operating segment. The accounting policies of the segment are the same as those described in the summary of significant accounting policies.

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***Operating Lease Termination***

On August 21, 2025, the Company entered into an agreement with the lessor of the Company's manufacturing facility in Mesa, Arizona, leased by the Company's indirect wholly owned subsidiary, EMV Automotive USA Inc., to terminate the lease on the facility ("Mesa Lease") and, although the Company is no longer obligated to pay rent on the Mesa Lease, the termination agreement calls for 18 monthly payments by the Company of approximately \$2.8 million in the aggregate. In conjunction with the termination, (i) a gain of \$9.9 million was recognized, (ii) a security deposit of \$0.9 million, net of \$0.3 million utilities security deposit received, was kept by the lessor and removed from other non-current assets, (iii) \$1.2 million short-term lease liabilities were decreased in other current liabilities, and (iv) long-term lease liabilities were decreased by \$13.8 million in other non-current liabilities during the year ended December 31, 2025.

***Equipment Lease Termination***

Pursuant to a Compromise Settlement and Release Agreement, dated as of August 1, 2025, between the Company and the lessor of the Company's long-term vehicle leases, the Company issued 64,043 shares of unregistered common stock and paid \$110,000 in cash to settle approximately \$0.2 million in short-term equipment lease liabilities and \$0.2 million in long-term equipment lease liabilities owed by the Company. As a result of the settlement, a gain of \$17,000 was recognized and included in other expense, net.

***Recent Accounting Pronouncements Issued and Adopted:***

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires incremental annual income tax disclosures. This amendment includes disclosures of specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold; income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes, and also disaggregated by individual jurisdictions that meet a quantitative threshold; income (or loss) from continuing operations before income tax expenses (or benefit) disaggregated between domestic and foreign; and income tax expense (or benefit) from continuing operations disaggregated by federal, state and foreign. The guidance is effective for annual periods beginning after December 15, 2024. We adopted this ASU on a prospective basis effective January 1, 2025. Refer to [Note 17 — Income Taxes](#) for the inclusion of new disclosures required.

***Recent Accounting Pronouncements Issued and not yet Adopted:***

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures*, and in January 2025, the FASB issued ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, to improve the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses including purchases of inventory, employee compensation, depreciation and intangible asset amortization in commonly presented expense captions such as cost of sales, selling, general and administrative expense, and research and development. As clarified, these amendments are effective for the Company for annual periods in 2027, applied prospectively, with early adoption permitted, and interim periods beginning in 2028. The Company intends to adopt the amendments in this update prospectively in 2027 for annual periods and in 2028 for interim periods. The impact of the adoption of the amendments in this update is not expected to be material to the Company's consolidated financial position and results of operations, as the requirements only require more detailed disclosures in the footnotes to the Company's consolidated financial statements.

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments – Credit Losses (Topic 326)*, to allow entities to elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. These amendments are effective for the Company for annual and interim periods in 2026 applied prospectively, with early adoption permitted. As the Company does not currently have material credit losses on its trade receivables, the impact of the adoption of the amendments in this update is not expected to be material to the Company's consolidated financial position and results of operations.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, to update the accounting for software developed for internal use to better align with software development as it has evolved from a sequential development method to incremental and iterative development methods. The amendments in this update require an entity to begin capitalizing internal-use software costs when management has authorized and committed to funding the software project and it is probable that the project will be completed and the software will be used to perform the function intended. These amendments are effective for the Company for annual and interim periods in 2028, applied either prospectively, retrospectively, or by a modified approach,

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with early adoption permitted. As the Company does not currently have a material amount of software developed for internal use, the impact of the adoption of the amendments in this update is not expected to be material to the Company's consolidated financial position and results of operations.

The Company is still evaluating all other applicable recently issued accounting pronouncements to evaluate the impact of the adoption of such pronouncements on its consolidated financial statements or notes thereto.

**Note 3 — Revenue Recognition**

Disaggregated revenues by major source for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Product and service revenue		
Stepvans & vehicle incentives <sup>(1)</sup>	\$ 35,832	\$ 42,808
Powertrains & hubs <sup>(1)</sup>	7,170	8,740
Sales-type lease revenue	398	708
Other product revenue <sup>(2)</sup>	1,700	1,778
Total product and service revenue	45,100	54,034
Ancillary revenue	892	1,927
<b>Total revenues</b>	<b>\$ 45,992</b>	<b>\$ 55,961</b>

<sup>(1)</sup> Amounts are net of returns and allowances. Stepvans & vehicle incentives and powertrains & hubs include revenue generated from operating leases.

<sup>(2)</sup> Other product revenue for the year ended December 31, 2025 includes revenue related to non-recurring powertrain engineering services of \$0.6 million. The remaining performance obligations for non-recurring engineering services total \$0.2 million as of December 31, 2025 and are expected to be satisfied in 2026.

The Company leases stepvans and Hubs to customers under operating leases with terms ranging from 24 to 36 months. At the end of the lease term, customers are required to return the vehicles to Xos. During the years ended December 31, 2025 and December 31, 2024, the Company recorded operating lease revenue of \$11,000 and \$35,000, respectively, on a straight-line basis over the contractual terms of the respective leases as part of Stepvans & vehicle incentives, above. During the years ended December 31, 2025 and December 31, 2024, the Company recorded operating lease revenue of \$64,000 and \$29,000, respectively, on a straight-line basis over the contractual terms of the respective leases as part of Powertrains & hubs, above.

For the year ended December 31, 2025, the Company recognized \$0.4 million of sales-type leasing revenue and \$0.2 million of sales-type leasing costs. For the year ended December 31, 2024, the Company recognized \$0.7 million of sales-type leasing revenue and \$0.2 million of sales-type leasing costs. Sales-type leasing costs are recorded in cost of goods sold within the accompanying consolidated statements of operations.

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**Note 4 — Lease Receivable**

For deferred equipment agreements that contain embedded operating leases, upon lease commencement, the Company defers and records the equipment cost of operating lease assets within property and equipment, net of accumulated depreciation. These operating lease assets are subsequently amortized to cost of goods sold over the lease term on a straight-line basis.

For deferred equipment agreements that contain embedded sales-type leases, the Company recognizes lease revenue and costs, as well as a lease receivable, at the time the lease commences. Lease revenue related to both operating-type and sales-type leases for the years ended December 31, 2025 and December 31, 2024 was approximately \$0.5 million and \$0.8 million, respectively. Costs related to embedded leases within the Company’s deferred equipment agreements are included in cost of goods sold in the accompanying consolidated statement of operations and loss. Interest on the lease receivable was immaterial to the consolidated financial statements for the years ended December 31, 2025 and December 31, 2024.

Lease receivable from sales-type leases consists of the following:

(in thousands)	Balance Sheet Location	December 31, 2025	December 31, 2024
Lease receivable		\$ 572	\$ 2,528
Allowance for expected credit losses		—	(719)
Lease receivable, net	Prepaid expenses and other current assets	572	1,809
Less: current portion of lease receivable		(517)	(1,264)
Lease receivable, non-current	Other non-current assets	\$ 55	\$ 545

As of December 31, 2025, estimated future maturities of customer sales-type lease receivable and operating lease payments for each of the following fiscal years are as follows:

Fiscal year	Future Lease Receivables/Payments (in thousands)	
	Sales-Type Leases	Operating Leases
2025	\$ 517	\$ 15
2026	38	—
2027	17	—
2028	—	—
Thereafter	—	—
Total lease payments	\$ 572	\$ 15

**Note 5 — Acquisition of ElectraMeccanica**

On March 26, 2024, Xos acquired all of the issued and outstanding ElectraMeccanica Shares in exchange for the issuance of 1,766,388 shares of Xos Common Stock. The transfer of common shares resulted in the Xos stockholders and ElectraMeccanica shareholders immediately prior to the transaction owning approximately 79% and 21% of Xos upon completion of the transaction, respectively. The Company accounted for the acquisition of ElectraMeccanica as an asset acquisition in accordance with Accounting Standards Codification Topic 805-50, *Acquisition of Assets Rather than a Business*, because the acquired set of assets and activities did not include a substantive process. Therefore, the acquired set of assets and activities does not meet the definition of a business. This determination was made with key judgments including the following:

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- ElectraMeccanica has discontinued, recalled, and repurchased all previously sold three-wheeled electric vehicles (the “SOLO”) because of a loss of propulsion issue that resulted in the vehicles being under a “do not drive” order from the National Highway Traffic Safety Administration.
- All in-process research and development (“IPR&D”) projects to commercialize the SOLO or a new four-wheeled electric (the “E4”) were terminated by ElectraMeccanica. The IPR&D related to SOLO and E4 has nominal value and require significant time, cost, and engineering efforts to commercialize.
- The majority of the assembled workforce was performing administrative tasks or working on the destruction of the remaining inventory and closing of leased facilities at the time of the acquisition. The destruction of the remaining inventory was completed during the year ended December 31, 2024. The acquired assembled workforce did not contain sufficient engineers with the knowledge and skill set to commercialize ElectraMeccanica’s terminated IPR&D projects.

Accordingly, the purchase consideration provided by Xos to effect the acquisition has been allocated to the acquired assets and assumed liabilities based upon their relative fair values. The following table summarizes the acquisition of ElectraMeccanica on March 26, 2024 (in thousands):

<b>Purchase consideration <sup>(1)</sup></b>	<b>\$ (35,588)</b>
<b>Assets acquired</b>	
Cash and cash equivalents	\$ 50,240
Restricted cash	1,115
Prepaid expenses and other current assets	1,539
Other non-current assets	1,736
Total identifiable assets acquired	<u>\$ 54,630</u>
<b>Liabilities assumed</b>	
Accounts payable	\$ (804)
Other current liabilities <sup>(2)</sup>	(1,903)
Other non-current liabilities <sup>(2)</sup>	(16,335)
Total liabilities assumed	<u>\$ (19,042)</u>
<b>Net assets acquired and liabilities assumed</b>	<u><u>\$ 35,588</u></u>

<sup>(1)</sup> As a result of the asset acquisition accounting, the transaction costs of \$3.7 million associated with the acquisition are included in the costs of the assets acquired and allocated amongst qualifying assets using the relative fair value basis. The transaction costs primarily included financial advisor fees, accounting, and legal expenses.

<sup>(2)</sup> As of the date of acquisition, the Company assumed two lease facilities in connection with the ElectraMeccanica acquisition, which are reflected in other current liabilities and other non-current liabilities of approximately \$1.2 million and \$16.0 million, respectively. As of August 21, 2025, the Company has exited one of these leases (see [Note 8 — Leases](#))

The Company recognized \$0 and \$2.0 million of severance related expenses in connection with the ElectraMeccanica acquisition in general and administrative expense in its consolidated statements of operations during the years ended December 31, 2025 and December 31, 2024, respectively.

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**Note 6 — Inventories**

Inventory amounted to \$25.0 million and \$36.6 million, respectively, for the years ended December 31, 2025 and 2024 and consisted of the following (*in thousands*):

	December 31, 2025	December 31, 2024
Raw materials	\$ 16,367	\$ 24,943
Work in process	3,647	6,983
Finished goods	4,947	4,641
<b>Total inventories</b>	<b>\$ 24,961</b>	<b>\$ 36,567</b>

Inventories as of December 31, 2025 and 2024 were comprised of raw materials, work in process related to the production of stepvans, powertrains, Hubs, and other products for sale and finished goods inventory including vehicles in transit to fulfill customer orders, new vehicles, new vehicles awaiting final pre-delivery quality review inspection, and Xos Energy Solutions products available for sale. The remaining capitalized labor and overhead cost remaining in work in process and finished goods inventory is \$0.6 million and \$0.8 million as of December 31, 2025 and December 31, 2024, respectively.

Inventories are stated at the lower of cost or net realizable value. Cost is computed using average cost. Inventory write-downs are based on reviews for excess and obsolescence determined primarily by current and future demand forecasts. During the years ended December 31, 2025 and 2024, the Company recorded inventory recoveries of \$0.3 million and write-downs of \$2.9 million, respectively, to reflect inventories at their net realizable values and provide an allowance for any excess or obsolete inventories.

**Note 7 — Selected Balance Sheet Data**

***Prepaid Expenses and Other Current Assets***

Prepaid expenses and other current assets for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

	December 31, 2025	December 31, 2024
Prepaid inventories	\$ 465	\$ 725
Prepaid expenses and other <sup>(1)</sup>	2,184	2,814
Lease receivable	517	1,264
Contract assets	—	1,099
Financed insurance premiums	1,076	1,315
Assets held for sale <sup>(2)</sup>	599	651
<b>Total prepaid expenses and other current assets</b>	<b>\$ 4,841</b>	<b>\$ 7,868</b>

<sup>(1)</sup> Primarily relates to prepaid insurance, prepayments for charging infrastructure projects, other receivables, and prepaid licenses and subscriptions.

<sup>(2)</sup> Assets held for sale are comprised of manufacturing equipment no longer used in production and marketed to be sold.

***Other Non-Current Assets***

Other non-current assets as of December 31, 2025 and December 31, 2024 consisted of the following (*in thousands*):

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	December 31, 2025	December 31, 2024
Security deposits <sup>(1)</sup>	\$ 338	\$ 1,873
Duty drawback receivable <sup>(2)</sup>	2,709	2,709
Lease receivable, non-current	55	545
Other non-current assets	1,530	1,601
<b>Total other non-current assets</b>	<b>\$ 4,632</b>	<b>\$ 6,728</b>

<sup>(1)</sup> Primarily relates to security deposits for operating and equipment leases. On August 21, 2025, the Company terminated the Mesa Lease, resulting in the removal of \$0.9 million, net of \$0.3 million utilities security deposit received, in security deposits. See [Note 2 — Summary of Significant Accounting Policies](#).

<sup>(2)</sup> Represents the estimated amount that can be recovered from previously paid tariffs relating to crushed SOLO vehicles that were acquired in connection with the ElectraMeccanica acquisition.

**Other Current Liabilities**

Other current liabilities for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

	December 31, 2025	December 31, 2024
Accrued expenses and other <sup>(1)</sup>	\$ 6,744	\$ 2,886
Accrued interest <sup>(2)</sup>	758	4,789
Accrued payroll <sup>(3)</sup>	2,004	2,079
Contract liabilities	—	260
Customer deposits	616	1,275
Warranty liability	1,477	740
Equipment notes payable, current <sup>(4)</sup>	—	377
Short-term insurance financing notes	958	1,280
Operating lease liabilities, current <sup>(5)</sup>	1,836	3,028
Finance lease liabilities, current <sup>(6)</sup>	292	1,054
<b>Total other current liabilities</b>	<b>\$ 14,685</b>	<b>\$ 17,768</b>

<sup>(1)</sup> Primarily relates to the liabilities assumed in connection with the ElectraMeccanica acquisition, accrued inventory purchases, accrued professional fees, and other accrued expenses. Amounts also include \$1.9 million relating to accrued termination expenses incurred in conjunction with the termination of the Mesa Lease during the year ended December 31, 2025. See [Note 2 — Summary of Significant Accounting Policies](#).

<sup>(2)</sup> Represents accrued interest on the Convertible Promissory Note, which interest is convertible into shares of the Company's common stock at maturity. On August 8, 2025, the Note was amended, resulting in the conversion of \$6.0 million of accrued interest into unregistered common stock. See [Note 10 — Convertible Notes](#).

<sup>(3)</sup> Primarily relates to payroll liabilities such as accrued payroll, accrued vacation, accrued bonuses and other payroll liabilities.

<sup>(4)</sup> Primarily relates to notes payable on manufacturing equipment. On August 1, 2025, the Company issued 64,043 shares of unregistered common stock and paid \$0.1 million in cash payments to settle approximately \$0.2 million in short-term equipment lease liabilities and \$0.2 million in long-term equipment lease liabilities owed by the Company under certain outstanding vehicle leases, resulting in a gain on settlement of approximately \$17,000 for the year ended December 31, 2025.

<sup>(5)</sup> Primarily relates to operating lease liabilities assumed in connection with the ElectraMeccanica acquisition. On August 21, 2025, the Company terminated the Mesa Lease, resulting in the removal of \$1.2 million in short-term operating lease liabilities. See [Note 2 — Summary of Significant Accounting Policies](#).

<sup>(6)</sup> In October 2025, the Company resolved a disagreement related to the terms of a finance lease, which resulted in a net benefit to general and administrative expenses of \$0.9 million during the year ended December 31, 2025.

**Xos, Inc. and Subsidiaries**  
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Revenue recognized for the year ended December 31, 2025 from the customer deposits and contract liabilities balance as of December 31, 2024 was \$0.6 million. Revenue recognized for the year ended December 31, 2024 from the customer deposits and contract liabilities balance as of December 31, 2023 was \$0.8 million.

**Other Non-Current Liabilities**

Other non-current liabilities as of December 31, 2025 and 2024 consisted of the following (*in thousands*):

	December 31, 2025	December 31, 2024
Accrued interest expense and other <sup>(1)</sup>	\$ 958	\$ 635
Equipment notes payable, non-current <sup>(2)</sup>	—	224
Operating lease liabilities, non-current <sup>(3)</sup>	262	16,656
Finance lease liabilities, non-current	125	418
<b>Total other non-current liabilities</b>	<b>\$ 1,345</b>	<b>\$ 17,933</b>

<sup>(1)</sup> Includes \$0.5 million relating to accrued termination expenses incurred in conjunction with the termination of the Mesa Lease during the year ended December 31, 2025. See [Note 2 — Summary of Significant Accounting Policies](#).

<sup>(2)</sup> Primarily relates to notes payable on manufacturing equipment. On August 1, 2025, the Company issued 64,043 shares of unregistered common stock and paid \$0.1 million in cash payments to settle approximately \$0.2 million in short-term equipment lease liabilities and \$0.2 million in long-term equipment lease liabilities owed by the Company under certain outstanding vehicle leases, resulting in a gain on settlement of approximately \$17,000 for the year ended December 31, 2025.

<sup>(3)</sup> Primarily relates to operating lease liabilities assumed in connection with the ElectraMeccanica acquisition. On August 21, 2025, the Company terminated the Mesa Lease, resulting in the removal of \$13.8 million of long-term operating lease liabilities. See [Note 2 — Summary of Significant Accounting Policies](#).

**Note 8 — Leases**

A summary of the balances relating to the Company's lease assets and liabilities as of December 31, 2025 and 2024 consisted of the following (*in thousands*):

	Balance Sheet Location	December 31, 2025	December 31, 2024
<b>Assets</b>			
Operating leases	Operating lease right-of-use assets, net	\$ 1,534	\$ 3,193
Equipment finance leases	Property and equipment, net	215	730
<b>Total lease assets</b>		<b>1,749</b>	<b>3,923</b>
<b>Liabilities</b>			
<b>Current</b>			
Operating leases	Other current liabilities	1,836	3,028
Equipment finance leases	Other current liabilities	292	1,054
<i>Sub-total</i>		<b>2,128</b>	<b>4,082</b>
<b>Non-current</b>			
Operating leases	Other non-current liabilities	262	16,656
Equipment finance leases	Other non-current liabilities	125	418
<i>Sub-total</i>		387	17,074
<b>Total lease liabilities</b>		<b>\$ 2,515</b>	<b>\$ 21,156</b>

**Operating Leases**

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The Company has a 5-year office lease on its headquarter facility in Los Angeles, California, which commenced in January 2022, as well as certain other leases (both short-term and long-term) within the United States. In connection with the acquisition of ElectraMeccanica, the Company assumed the leases for a manufacturing facility in Mesa, Arizona and a service and distribution center in Huntington Beach, California, maturing in May 2033 and January 2027, respectively. On August 21, 2025, the Company entered into an agreement with the lessor of the Mesa facility, which resulted in the termination of such lease and provided that the Company shall make monthly payments to the lessor for 18 months following termination in an aggregate amount of approximately \$2.8 million.

The Company records lease expense on a straight-line basis over the lease term. Total lease expense recorded was \$3.7 million and \$3.8 million for the years ended December 31, 2025 and 2024, respectively.

Lease terms include renewal or termination options that the Company is reasonably certain to exercise. For leases with a term of 12 months or less, the Company has made an accounting policy election to not record a ROU asset and associated lease liability on its consolidated balance sheets. Total lease expense recorded for these short-term leases was \$0 for both the years ended December 31, 2025 and 2024, respectively.

**Equipment Finance Leases**

The Company leased certain equipment facilities under finance leases that expire on various dates through 2027. The finance lease cost during the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

		Years Ended December 31,	
		2025	2024
Income Statement Location			
Amortization	Cost of goods sold	\$ 91	\$ 945
Interest accretion on finance lease liabilities	Other expense, net	153	214
<b>Total</b>		<b>\$ 244</b>	<b>\$ 1,159</b>

On August 1, 2025, the Company issued 64,043 shares of unregistered common stock and paid \$0.1 million in cash payments to settle approximately \$0.2 million in short-term equipment lease liabilities and \$0.2 million in long-term equipment lease liabilities owed by the Company under certain outstanding vehicle leases, resulting in a gain on settlement of approximately \$17,000 for the year ended December 31, 2025. Moreover, on October 30, 2025, the Company settled \$1.3 million in equipment lease liabilities owed by the Company under certain manufacturing equipment leases, resulting in aggregate net receipts of \$0.7 million.

**Supplemental Cash Flow Information, Weighted-Average Remaining Lease Term and Discount Rate**

The weighted-average remaining lease term and discount rates, as well as supplemental cash flow information for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands for the supplemental cash flow information*):

	Years Ended December 31,	
	2025	2024
Supplemental cash flow information:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 3,698	\$ 3,913
Weighted average remaining lease term:		
Operating leases	1.0 year	7.1 years
Equipment finance leases	1.3 years	0.9 years
Weighted average discount rate:		
Operating lease - incremental borrowing rate	6.6 %	8.9 %
Equipment finance leases - rate implicit in the lease	8.6 %	5.9 %

**Maturity Analysis**

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A summary of the undiscounted cash flows and a reconciliation to the Company’s lease liabilities as of December 31, 2025 consisted of the following (*in thousands*):

	December 31, 2025		
	Operating Leases	Equipment Finance Leases	Total
2026	1,990	317	2,307
2027	194	129	323
Thereafter	—	—	—
Total future minimum lease payments	\$ 2,184	\$ 446	\$ 2,630
Less: imputed interest	86	29	115
Present value of Lease Liabilities	<b>\$ 2,098</b>	<b>\$ 417</b>	<b>\$ 2,515</b>

**Note 9 — Earn-out Shares Liability**

The Company has a contingent obligation to issue 547,000 shares (the “Earn-out Shares”) of Common Stock and grant 8,700 restricted stock units (“Earn-out RSUs”) to certain stockholders and employees upon the achievement of certain market share price milestones within specified periods following the Business Combination on August 20, 2021.

The Earn-out Shares will be issued in tranches based on the following conditions:

- i. If the volume-weighted average closing share price (“VWAP”) of the Common Stock equals or exceeds \$420.00 per share for any 10 trading days within any consecutive 20-trading day period between the Merger closing date and the five year anniversary of such closing date (“Earn-out Period”), then the Company is required to issue an aggregate of 180,000 shares (“Tranche 1 Earn-out Shares”) of Common Stock to holders with the contingent right to receive Earn-out Shares (excluding any Earn-out RSUs). If after Closing and during the Earn-out Period, there is a Change in Control (as defined in the Merger Agreement), the Company is required to issue Tranche 1 Earn-out Shares when the value per share of the Company is equal to or greater than \$420.00 per share, but less than \$600.00. If there is a change in control where the value per share of common stock is less than \$420.00, then the Earn-out Shares shall terminate prior to the end of the Earn-out Period and no Common Stock shall be issuable.
- ii. If the VWAP of the Common Stock equals or exceeds \$600.00 per share for any 10 trading days within any consecutive 20-trading day period during the Earn-out Period, then the Company is required to issue an aggregate of 180,000 shares (“Tranche 2 Earn-out Shares”) of Common Stock to holders with the contingent right to receive Earn-out Shares (excluding any Earn-out RSUs). If after Closing and during the Earn-out Period, there is a Change in Control (as defined in the Merger Agreement), the Company is required to issue Tranche 2 Earn-out Shares when the value per share of the Company is equal to or greater than \$600.00 per share, but less than \$750.00.
- iii. If the VWAP of the Common Stock equals or exceeds \$750.00 per share for any 10 trading days within any consecutive 20-trading day period during the Earn-out Period, then the Company is required to issue an aggregate of 180,000 shares (“Tranche 3 Earn-out Shares”) of Common Stock to holders with the contingent right to receive Earn-out Shares (excluding any Earn-out RSUs). If after Closing and during the Earn-out Period, there is a Change in Control (as defined in the Merger Agreement), the Company is required to issue Tranche 3 Earn-out Shares when the value per share of the Company is equal to or greater than \$750.00 per share.

Pursuant to the guidance under ASC 815, *Derivatives and Hedging*, the right to Earn-out Shares was classified as a Level 3 fair value measurement liability, and the increase or decrease in the fair value during the reporting period is recognized in the consolidated statement of operations accordingly. The fair value of the Earn-out Shares liability was estimated using the Monte Carlo simulation of the stock prices based on historical and implied market volatility of a peer group of public companies.

As of both December 31, 2025 and 2024, the fair value of the Earn-out Shares liability was estimated to be \$0. The Company recognized a gain on the change in fair value in Earn-out Shares liability of \$0 and \$39,000 in its consolidated statements of operations for the years ended December 31, 2025 and 2024, respectively.

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The allocated fair value to the Earn-out RSU component, which is covered by ASU 718, *Compensation — Stock Compensation*, is recognized as stock-based compensation expense over the vesting period commencing on the grant date of the award.

**Note 10 — Convertible Notes**

***Convertible Promissory Note***

On August 9, 2022, the Company entered into the Note Purchase Agreement with Aljomaih under which the Company agreed to sell and issue to Aljomaih a convertible promissory note with a principal amount of \$20.0 million. On August 11, 2022, pursuant to the Note Purchase Agreement, the Company sold and issued \$20.0 million in principal amount of a convertible promissory note (the “Original Note”) to Aljomaih. On September 28, 2022, the Company and Aljomaih agreed to amend and restate the Original Note (as amended and restated, the “Note”) to, among other things, adjust the calculation of the shares of the Company’s Common Stock issuable as interest, as described further below.

The Note, which was initially scheduled to mature on August 11, 2025, bears interest at a rate of 10.0% per annum, payable at maturity in validly issued, fully paid and non-assessable shares of Common Stock (“Interest Shares”), unless earlier converted or paid. If the 10-day VWAP ending on the trading day immediately prior to the applicable payment date is greater than or equal to the Minimum Price (as defined in Nasdaq Rule 5635(d)) or the Company has received the requisite approval from its stockholders (which it has), the number of Interest Shares to be issued will be calculated based on such 10-day VWAP; otherwise, the number of Interest Shares to be issued would have been based on the Nasdaq Minimum Price. The conversion price for the Note is initially equal to \$71.451 per share, subject to adjustment in some events pursuant to the terms of the Note. The Company will have the right, in its sole discretion and exercisable at its election by sending notice of such exercise to Aljomaih, to irrevocably fix the method of settlement that will apply to all conversions of Notes. Methods of settlement include (i) physical settlement in shares of Common Stock, (ii) cash settlement determined by multiplying the principal being converted by the 10-day VWAP ending on the trading day immediately prior to the conversion date and dividing by the conversion price, or (iii) a combination of Common Stock and cash.

On August 8, 2025, the Company and Aljomaih entered into Amendment Number One to the Note Purchase Agreement and amended and restated the Convertible Note issued thereunder. On August 14, 2025, the Company and Aljomaih entered into a Letter Agreement regarding certain restrictions on convertibility of the Convertible Note. Among other things, the Aljomaih Amendments extended the maturity of the Convertible Note so that it is now due in ten quarterly installments payable between November 11, 2025 and February 11, 2028. The first four such installments are \$1.5 million each, the fifth through eighth installments are \$2.0 million each and the final two installments are \$3.0 million each; provided that such installments may be increased in the event certain financing activities result in proceeds to the Company in excess of four times the aggregate amount of Convertible Note principal payments otherwise required on or prior to any installment date. Pursuant to the Aljomaih Amendments, and notwithstanding the postponement of maturity of the Convertible Note, the interest accrued on the Convertible Note through August 11, 2025, of approximately \$6.0 million in the aggregate, was converted into 1,803,262 shares of Common Stock at the 10-day VWAP (as defined in the Convertible Note) on August 25, 2025.

The future scheduled mandatory prepayments of principal as of December 31, 2025 were as follows (in thousands):

	<b>Mandatory Prepayments</b>	
2026	\$	6,500
2027		9,000
2028		3,000
Total	\$	18,500

The Note also includes an optional redemption feature that provides the Company, on or after August 11, 2024, or as otherwise agreed to between the Company and Aljomaih in writing, the right to redeem the outstanding principal and accrued and unpaid interest, upon written notice not less than 5 trading days prior to exercise of the option, in full or in part and without penalty.

The Company accounts for the Note in accordance with the guidance contained in ASC 815-40, *Derivatives and Hedging—Contracts in Entity’s Own Equity*, under which the Note was analyzed for the identification of material embedded features that meet the criteria for equity treatment and/or bifurcation and must be recorded as a liability. The Company initially classified the Note as a non-current liability given a maturity date of greater than one year, however, during the quarter ended September 30, 2024, the Note was reclassified as a current liability since its maturity date was less than one year from September 30, 2024. On

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August 8, 2025, the Note was amended subject to Amendment Number One, and as a result, a portion of the Note has been reclassified as a non-current liability at June 30, 2025, due to a change in the principal repayment schedule of the Note.

The Note will not be included in the computation of either basic or diluted EPS for the year ended December 31, 2025 in [Note 19 — Net Loss per Share](#). This financial instrument is not included in basic EPS because it does not represent participating securities. Further, the Note is not included in diluted EPS because including these financial instruments would have an antidilutive effect on EPS for the year ended December 31, 2025.

As of December 31, 2025 and 2024, the Note had a principal balance of \$18.5 million and \$20.0 million outstanding, net of unamortized debt and issuance costs of \$0 and \$30,000, respectively. Debt issuance costs are amortized through the maturity date of the Note using the effective interest rate method. Amortization of debt issuance costs, recorded in other expense, net, for the years ended December 31, 2025 and 2024 was \$30,000 and \$50,000, respectively. The Company recorded interest expense of \$2.0 million in other expense, net related to the Note for each of the years ended December 31, 2025 and 2024.

**Note 11 — Equity**

***Xos Common and Preferred Stock***

The Company is authorized to issue two classes of stock to be designated, respectively, “Common Stock” and “Preferred Stock.” The total number of shares which the Company is authorized to issue is 1,010,000,000 shares. 1,000,000,000 shares shall be Common Stock, each having a par value of one-hundredth of one cent (\$0.0001). 10,000,000 shares shall be Preferred Stock, each having a par value of one-hundredth of one cent (\$0.0001).

Voting Rights: Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Company for their vote; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon by law or pursuant to this Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

Preferred Stock: The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Company (the “Board of Directors”) is expressly authorized to provide for the issue of all or any number of the shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the Delaware General Corporation Law (the “DGCL”). The Board of Directors is also expressly authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issuance of shares of that series. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

***Standby Equity Purchase Agreement***

On March 23, 2022, the Company entered into a Standby Equity Purchase Agreement with YA II PN, Ltd. (“Yorkville”), which was subsequently amended on June 22, 2023 (as amended, the “SEPA”), whereby the Company had the right, but not the obligation, to sell to Yorkville up to \$125.0 million of shares of its Common Stock at its request any time until February 11, 2026, subject to certain conditions.

As consideration for Yorkville’s commitment to purchase shares of Common Stock at the Company’s direction upon the terms and subject to the conditions set forth in the SEPA, upon execution of the SEPA, the Company issued 619 shares of Common Stock to Yorkville.

On June 22, 2023, the Company and Yorkville entered into the First Amendment to Standby Equity Purchase Agreement (the “SEPA Amendment”), in which the Company and Yorkville amended the SEPA to: (1) change the calculation of the purchase price of an Option 1 Advance (as defined in the SEPA) from an average of the daily VWAP of the Common Stock during a

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three-day pricing period to the lowest VWAP during such three-day pricing period; (2) change the denomination of any requested advances from the Company to Yorkville under the SEPA from dollars to shares; (3) increase Yorkville's beneficial ownership limitation under the SEPA from 4.99% to 9.99% of the outstanding Common Stock, provided that if any portion of an advance under the SEPA would cause Yorkville to exceed the beneficial ownership limitation due to Yorkville's ownership of the Company's securities convertible into Common Stock, then the maximum number of shares of Common Stock that such securities will be convertible into will be reduced by the number of shares of Common Stock included in such advance for such period that Yorkville holds such shares of common stock covered by such advance and the number of shares of Common Stock covered by such advance would not be reduced; (4) extend the commitment period to February 11, 2026 and (5) make other administrative and drafting changes.

During the years ended December 31, 2025 and 2024, the Company issued 0 shares and 5,500 shares of Common Stock under the SEPA for proceeds of \$0 and \$46,750, respectively. As of both December 31, 2025 and December 31, 2024, the remaining commitment available under the agreement was \$119.4 million. However, our ability to fully utilize the remaining commitment amount was limited by various factors, including, but not limited to, the availability of an effective registration statement permitting the resale of such shares of Common Stock. Ultimately, the Company did not cause the effectiveness of any such registration statement during 2025 or thereafter, and the SEPA expired on February 11, 2026.

***Common Stock Offering***

On May 30, 2023, the Company filed a Registration Statement on Form S-3 (File No. 333-272284), to issue and sell from time to time, together or separately, certain securities at an aggregate public offering price that will not exceed \$100 million. Such registration statement was declared effective on June 8, 2023. On August 14, 2025, the Company filed a prospectus supplement to the prospectus included in such registration statement for an at-the-market offering by the Company of up to \$5.4 million of its Common Stock (the "ATM Offering"). The Sales Agreement, dated August 14, 2025, with respect to the Company's ATM Offering (the "Sales Agreement") provides for the sale of the Company's stock in at-the-market sales up to \$20 million, subject to the amount available to be sold by the Company pursuant to its registration statement.

During the years ended December 31, 2025, the Company sold 730,400 shares of Common Stock in the ATM Offering at an average price of \$3.87 per share for aggregate net proceeds of \$2.4 million after commissions of \$0.1 million and legal, accounting, investor relations and other offering costs of \$0.3 million. As of December 31, 2025, the Company had \$2.5 million of shares of Common Stock available for future issuance under the ATM Offering pursuant to the Company's prospectus supplement with respect to the ATM Offering, and \$17.2 million remaining under the terms of the Sales Agreement.

**Note 12 — Derivative Instruments**

**Public and Private Placement Warrants**

As of December 31, 2025, the Company had 18,633,301 Public Warrants and 199,997 Private Placement Warrants outstanding, with fair values of \$0.1 million and \$780, respectively.

Each Warrant is exercisable to purchase one-thirtieth of one share of Common Stock. The Public Warrants have an exercise price of \$345.00 per whole share, subject to adjustments, and will expire on August 20, 2026 or earlier upon redemption or liquidation. The Public Warrants may only be exercised for a whole number of shares. No fractional Public Warrants were issued upon separation of the units and only whole Public Warrants trade. The Public Warrants became exercisable; provided that the Company has an effective registration statement under the Securities Act, covering the issuance of the Common Stock issuable upon exercise of the Warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder (or the Company permits holders to exercise their Public Warrants on a cashless basis under the circumstances specified in the warrant agreement). A registration statement was filed with the SEC covering the issuance of the Common Stock issuable upon exercise of the Warrants, and the Company undertook its commercially reasonable efforts to maintain the effectiveness of such registration statement and a current prospectus relating to those shares of Common Stock until the Public Warrants expire or are redeemed. If the shares of Common Stock are at the time of any exercise of a Public Warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, it will not be required to file or maintain in effect a registration statement.

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The Private Placement Warrants are identical to the Public Warrants, except that the Private Placement Warrants and the Common Stock issuable upon exercise of the Private Placement Warrants were not transferable, assignable or salable until September 19, 2021, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial shareholders or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

***Redemption of Warrants for cash when the price per share of Common Stock equals or exceeds \$540.00:***

At any time that the Warrants are exercisable, the Company may redeem the outstanding Warrants (except as described above with respect to the Private Placement Warrants):

- in whole and not in part;
- at a price of \$0.01 per Warrant;
- upon not less than 30 days' prior written notice of redemption to each Warrant holder; and
- if, and only if, the last reported sale price of Common Stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the Warrant holders (the "Reference Value") equals or exceeds \$540.00 per share (as adjusted for share sub-divisions, share dividends, rights issuances, consolidations, reorganizations, recapitalizations and the like).

The Company will not redeem the Warrants as described above unless a registration statement under the Securities Act covering the issuance of the Common Stock issuable upon exercise of the Warrants is then effective and a current prospectus relating to those Common Stock is available throughout the 30-day redemption period. If and when the Warrants become redeemable by the Company, it may exercise its redemption right even if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

***Redemption of Warrants for Common Stock when the price per share equals or exceeds \$300.00:***

At any time the Warrants are exercisable, the Company may redeem the outstanding Warrants (including both Public Warrants and Private Placement Warrants):

- in whole and not in part;
- at \$0.10 per Warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their Warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to an agreed table based on the redemption date and the "fair market value" of Common Stock;
- if, and only if, the Reference Value equals or exceeds \$300.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like); and
- if the Reference Value is less than \$540.00 per share (as adjusted), the Private Placement Warrants must also concurrently be called for redemption on the same terms as the outstanding Public Warrants, as described above.

The "fair market value" of Common Stock shall mean the average reported last sale price of Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Warrants.

In no event will the Company be required to net cash settle any Warrant. The Warrants may also expire worthless.

**Note 13 — Stock-Based Compensation**

***2018 Stock Plan***

On November 27, 2018, the Legacy Xos's board of directors and stockholders adopted the 2018 Stock Plan. There are no shares available for issuance under the 2018 Stock Plan, however, the 2018 Stock Plan continues to govern the terms and conditions of the outstanding awards granted under the 2018 Stock Plan.

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**Notes to Consolidated Financial Statements**

As of December 31, 2025 there were 1,211 Options outstanding under the 2018 Stock Plan. The amount and terms of Option grants were determined by the board of directors of Legacy Xos. The Options granted under the 2018 Stock Plan generally expire within 10 years from the date of grant and generally vest over four years, at the rate of 25% on the first anniversary of the date of grant and ratably on a monthly basis over the remaining 36-month period thereafter based on continued service.

Stock option activity during the year ended December 31, 2025 consisted of the following:

	Options	Weighted Average Fair Value	Weighted Average Exercise Price	Weighted Average Remaining Years	Intrinsic Value
December 31, 2024 — Options outstanding	1,669	\$ 0.54	\$ 0.60	4.80	\$ 4,404
Granted	—	—	—		
Exercised	(406)	0.73	0.46		2,351
Forfeited	(52)	0.64	0.46		143
December 31, 2025 — Options outstanding	1,211	\$ 0.47	\$ 0.66	3.69	\$ 1,399
December 31, 2025 — Options vested and exercisable	1,211	\$ 0.47	\$ 0.66	3.69	\$ 1,399

Aggregate intrinsic value represents the difference between the exercise price of the options and the fair value of the Company’s Common Stock. The aggregate intrinsic value of options exercised during the years ended December 31, 2025 and 2024 were approximately \$2,351 and \$0.1 million, respectively.

The Company estimates the grant date fair value of options utilizing the Black-Scholes option pricing model, which is dependent upon several variables, including expected option term, expected volatility of the Company's share price over the expected term, expected risk-free rate and expected dividend yield rate. There were no option grants during the years ended December 31, 2025 and 2024.

**2021 Equity Plan**

On August 19, 2021 the Company’s stockholders approved the 2021 Equity Incentive Plan (the “2021 Equity Plan”), which was ratified by the Company’s board of directors on August 20, 2021. The 2021 Equity Plan provides for the grant of incentive stock options (“ISOs”), within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”) to employees, including employees of any parent or subsidiary, and for the grant of non-statutory stock options (“NSOs”), stock appreciation rights, restricted stock awards, restricted stock units (“RSUs”), performance awards and other forms of awards to employees, directors and consultants, including employees and consultants of Xos’s affiliates. On June 24, 2024, the Company’s stockholders approved the Xos, Inc. Amended and Restated 2021 Equity Incentive Plan (the “A&R 2021 Equity Plan”) to increase the aggregate number of shares of Common Stock reserved for issuance under the 2021 Equity Plan by 1,180,819 shares. On June 24, 2025, the Company’s stockholders approved the 2025 Amendment to the Xos, Inc. Amended and Restated 2021 Equity Incentive Plan (the “2025 Amendment”) to increase the aggregate number of shares of Common Stock reserved for issuance under the 2021 Equity Plan by 3,100,000 shares.

As of December 31, 2025, there were 1,725,409 shares of Common Stock available for issuance under the A&R 2021 Equity Plan, as amended.

RSU activity during the year ended December 31, 2025 consisted of the following:

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	RSUs	Weighted Average Grant Date Fair Value	Aggregate Fair Value
December 31, 2024 — RSU outstanding	1,530,481	\$ 8.14	\$ 4,961,551
Granted	2,909,383	3.06	7,624,635
Vested	(1,070,228)	6.91	3,363,203
Forfeited	(273,569)	8.20	850,503
December 31, 2025 — RSU outstanding	3,096,067	\$ 3.79	\$ 5,605,441

The Company recognized stock-based compensation expense (including Earn-out RSUs) in the consolidated statements of operations for the years ended December 31, 2025 and 2024 totaling approximately \$7.4 million and \$7.7 million, respectively, which consisted of the following (*in thousands*):

	December 31, 2025	December 31, 2024
Cost of goods sold	\$ 248	\$ 354
Research and development	1,539	1,435
Sales and marketing	1,078	738
General and administrative	4,542	5,183
<b>Total</b>	<b>\$ 7,407</b>	<b>\$ 7,710</b>

We allocate stock-based compensation expense to cost of goods sold, research and development expense, sales and marketing expense and general and administrative expense, based on the roles of the applicable recipients of such stock-based compensation. The unamortized stock-based compensation expense was \$9.3 million as of December 31, 2025, and weighted average remaining amortization period as of December 31, 2025 was 1.63 years.

The aggregate fair value of RSUs that vested was \$3.4 million during the year ended December 31, 2025.

**Note 14 — Property and Equipment, net**

Property and equipment, net consisted of the following at December 31, 2025 and 2024 (*in thousands*):

	December 31, 2025	December 31, 2024
Equipment	\$ 5,705	\$ 5,705
Finance lease assets	1,339	1,609
Furniture and fixtures	173	173
Company vehicles <sup>(1)</sup>	3,442	2,817
Leasehold improvements	1,401	1,401
Computers, software and related equipment	3,128	3,128
Property and equipment, gross	15,188	14,833
Accumulated depreciation	(10,868)	(8,722)
<b>Property and equipment, net</b>	<b>\$ 4,320</b>	<b>\$ 6,111</b>

<sup>(1)</sup>Amounts include operating lease assets (stepvans and Hubs) for which the Company is a lessor. As of December 31, 2025, gross operating lease assets and accumulated depreciation on operating lease assets were \$0.3 million and \$0.1 million, respectively. As of December 31, 2024, gross operating lease assets and accumulated depreciation on operating lease assets were \$0.4 million and \$0.1 million, respectively.

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Depreciation expense during the years ended December 31, 2025 and 2024 totaled approximately \$2.2 million and \$3.3 million, respectively.

**Note 15 — Commitments and Contingencies**

***Legal Contingencies***

Legal claims may arise from time to time in the normal course of business, the results of which may have a material effect on the Company's accompanying consolidated financial statements. As of December 31, 2025, the Company was not a party to any legal proceedings, that individually or in the aggregate, are reasonably expected to have a material adverse effect on the Company's results of operations, financial condition or cash flows. On October 10, 2025, the Supreme Court of British Columbia (the "BC Court") issued a judgment in favor of a former employee of EMV for the enforcement of a putative settlement agreement with respect to the employee's severance arrangements, which required aggregate payments of approximately \$0.5 million, including approximately \$0.2 million paid in 2025. A former employee has claimed certain amounts are due to such employee under a contract with the company related to such former employee's separation from the company. The Company denies such claims. Although no settlement has been reached yet, the Company has reserved amounts that in the aggregate are not expected to have a material impact on the company for potential negotiated cash and equity payments to the former employee in settlement of the claims.

***Other Contingencies***

The Company enters into non-cancellable long-term purchase orders and vendor agreements in the normal course of business. As of December 31, 2025, non-cancellable purchase commitments with two of the Company's vendors totaled \$0.2 million.

**Note 16 — Related Party Transactions**

The Company has lease agreements with Fitzgerald Manufacturing Partners. The owner of Fitzgerald Manufacturing Partners is a stockholder of the Company. During each of the years ended December 31, 2025 and 2024, the Company incurred rent expense of \$0.6 million and \$0.7 million, respectively, related to these agreements.

During the year ended December 31, 2024, the Company sold two Hubs to Xcel Energy, resulting in \$0.5 million in revenue, with no similar transaction occurring in the year ended December 31, 2025. A member of the Company's Board of Directors served as the Senior Vice President, System Strategy and Chief Planning Officer of Xcel Energy through March 17, 2025. Management believes these transactions were conducted on terms consistent with those that prevail in arm's length transactions with unrelated third-parties.

**Note 17 — Income Taxes**

Loss before provision for income taxes for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
U.S.	\$ (25,343)	\$ (50,824)
Foreign	46	702
Loss before provision for income taxes	<u>\$ (25,297)</u>	<u>\$ (50,122)</u>

The income tax expense for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

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**Notes to Consolidated Financial Statements**

	December 31, 2025	December 31, 2024
<b>Current:</b>		
Federal	\$ —	\$ —
State	23	37
Foreign	—	—
Total current income tax expense	<u>\$ 23</u>	<u>\$ 37</u>
<b>Deferred:</b>		
Federal	\$ —	\$ —
State	—	—
Foreign	—	—
Total deferred income tax expense	—	—
<b>Income tax expense</b>	<u>\$ 23</u>	<u>\$ 37</u>

The reconciliation between the provision for income tax expense and the amount of income tax computed by applying the U.S. federal statutory rate to income before provision for income taxes as shown in the accompanying consolidated statements of operations and other loss for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

	December 31, 2025	
	Amount	Percent
Tax provision at U.S. federal statutory rate	\$ (5,323)	21.00 %
State and local income taxes (net of federal income tax effect) <sup>1</sup>	13	(0.05)
Tax credits	(598)	2.36
Change in valuation allowance	5,040	(19.92)
<b>Nontaxable or nondeductible items</b>		
Stock compensation	859	(3.40)
Interest expense settled in stock	422	(1.67)
Other permanent items	37	(0.15)
<b>Other reconciling items</b>		
Prior year true up	(469)	1.85
Other	42	(0.17)
<b>Provision for income taxes</b>	<u>\$ 23</u>	<u>(0.09)%</u>

<sup>1</sup>State taxes in California, Texas, New Jersey, New York, and Tennessee made up the majority of the tax effect in this category

As previously disclosed for the years ended December 31, 2024 prior to the adoption of ASU 2023-09, the effective income tax rate differs from the statutory federal income tax rate as follows:

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	<b>December 31, 2024</b>
Tax provision at U.S. federal statutory rate	21.00 %
Nondeductible expenses	(2.58)
Fair value adjustments on earnout interests liability	0.02
Fair value adjustments on derivative liability	0.12
R&D credit	1.03
State taxes, net of federal benefit	9.77
Change in valuation allowance adjustment	(30.40)
Other	0.97
Effective tax rate	<u>(0.07)%</u>

The amounts of cash taxes paid are as follows (in thousands):

	<b>December 31, 2025</b>
US Federal	\$ —
State	
California	3
North Carolina	2
New Jersey	4
New York	6
Texas	20
Tennessee	8
Other States	8
Foreign	
Canada	—
Other Foreign jurisdictions	—
Income taxes paid (net of refunds received)	<u>\$ 51</u>

The Company's components of deferred tax assets and liabilities for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands*):

**Xos, Inc. and Subsidiaries**  
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	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Deferred tax assets:</b>		
Net operating loss carryover	\$ 79,136	\$ 66,082
General business and other tax credits	10,472	9,077
Capitalized research and development	8,072	12,215
Intangible assets	1,835	2,038
Fixed assets	1,559	1,668
Lease liabilities	1,104	4,396
Stock based compensation	686	1,011
Business interest limitation	553	511
Inventories	1,627	2,426
Other non-current deferred tax assets	2,323	1,216
Subtotal	<u>107,367</u>	<u>100,640</u>
Valuation allowance	<u>(106,460)</u>	<u>(99,401)</u>
Total	<u>\$ 907</u>	<u>\$ 1,239</u>
<b>Deferred tax liabilities:</b>		
Fixed assets	\$ —	\$ —
Operating lease right-of-use asset	(435)	(922)
Other non-current deferred tax liabilities	(472)	(317)
Total	<u>\$ (907)</u>	<u>\$ (1,239)</u>
Net deferred tax asset	<u>\$ —</u>	<u>\$ —</u>

The Company has recorded a full valuation allowance as of December 31, 2025 and 2024 since, in the judgment of management given the Company’s history of losses, the realization of these deferred tax assets was not considered more likely than not. The valuation allowance was \$106.5 million and \$99.4 million as of December 31, 2025 and 2024, respectively, with increases attributable to the current year’s provision. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period in which those temporary differences become deductible. Management considers projected future taxable income and tax planning strategies in making this assessment.

In accordance with Code Section 382 (“Section 382”) and Section 383 (“Section 383”), a corporation that undergoes an “ownership change” (generally defined as a cumulative change (by value) of more than 50% in the equity ownership of certain stockholders over a rolling three-year period) is subject to limitations on its ability to utilize its pre-change net operating losses and research and development credits to offset post-change taxable income and post-change tax liabilities, respectively. The Company’s existing net operating losses and research and development credits may be subject to limitations arising from previous ownership changes, and the ability to utilize net operating losses could be further limited by Section 382 and Section 383 of the Code. In addition, future changes in the Company’s stock ownership, some of which may be outside of the Company’s control, could result in an ownership change under Section 382 and Section 383 of the Code.

As of December 31, 2025, the Company had net operating loss carryforwards of \$598.0 million. This consists of approximately \$284.8 million of federal net operating losses and approximately \$313.2 million of state net operating losses. The federal net operating losses have an indefinite carryforward period, and the state net operating losses which will begin to expire in 2036.

As of December 31, 2025, the Company had research and development credit carryforwards of \$11.2 million. This consists of approximately \$7.1 million federal research and development credits, which will begin to expire in 2041, and approximately \$4.1 million state research and development credits, which will begin to expire in 2036.

**Xos, Inc. and Subsidiaries**  
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The Company is subject to taxation and files income tax returns with the U.S. federal government and various states. The Company currently is not under audit by the Internal Revenue Service. The Company's 2020 California state return is currently under audit by the California Franchise Tax Board, but the Company doesn't believe there are any uncertain tax benefits that should be reserved. The Company currently is not under audit by any other tax authorities. The Company generally is not subject to examination for tax years prior to 2020 except for California.

The Company had no unrecognized tax benefits for the years ended December 31, 2025 and 2024. Interest and penalties related to unrecognized tax benefits are recognized in operating expenses. No such interest and penalties were recognized during the years ended December 31, 2025 and 2024. The Company does not expect the amount of unrecognized tax benefits will materially change in the next twelve months.

***One Big Beautiful Bill Act***

On July 4, 2025, the President signed H.R. 1, the "One Big Beautiful Bill Act," ("OBBBA") into law. The legislation includes several changes to federal tax law that generally allow for more favorable deductibility of certain business expenses beginning in 2025, including the restoration of immediate expensing of domestic R&D expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense. The Act modifies various energy credits to accelerate the phase out of these credits. The Act also includes certain changes to the U.S. taxation of foreign activity, including changes to foreign tax credits, Global Intangible Low-Taxed Income (GILTI), Foreign-Derived Intangible Income (FDII), and Base Erosion and Anti-Abuse Tax (BEAT), amongst other changes. These changes are generally effective for tax years beginning after December 31, 2025. The Company evaluated the impact of the legislation in accordance with ASC 740 and determined that it did not have a material effect on the Company's consolidated financial statements for the year ended December 31, 2025.

**Note 18 — Fair Value Measurements**

ASC 820, *Fair Value Measurements and Disclosures*, clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based upon assumptions that market participants would use in pricing an asset or liability.

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. As presented in the tables below, this hierarchy consists of three broad levels:

- *Level 1:* Quoted prices in active markets for identical assets and liabilities.
- *Level 2:* Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose inputs or significant value drivers are observable.
- *Level 3:* Significant inputs to the valuation model are unobservable and significant to the overall fair value measurement of the assets or liabilities. Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, other current liabilities, warrants and earn-out shares liability. The fair value of cash, cash equivalents, and accounts receivable, accounts payable, other current liabilities, and convertible debt approximates carrying value due to their short-term maturity.

As required by ASC 820, assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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Assets and liabilities carried at fair value on a recurring basis as of December 31, 2025 and 2024 consisted of the following (*in thousands*):

	December 31, 2025			
	Fair Value	Level 1	Level 2	Level 3
<b>Financial Liabilities:</b>				
Private Placement Warrants	\$ 1	\$ —	\$ 1	\$ —
Public Warrants	72	72	—	—
<b>Total Financial Liabilities</b>	<b>\$ 73</b>	<b>\$ 72</b>	<b>\$ 1</b>	<b>\$ —</b>

	December 31, 2024			
	Fair Value	Level 1	Level 2	Level 3
<b>Financial Liabilities:</b>				
Private Placement Warrants	\$ 1	\$ —	\$ 1	\$ —
Public Warrants	120	120	—	—
<b>Total Financial Liabilities</b>	<b>\$ 121</b>	<b>\$ 120</b>	<b>\$ 1</b>	<b>\$ —</b>

There was no change in the fair value of Level 3 financial liabilities during the years ended December 31, 2025 and 2024. The fair value of Earn-out Shares liability was immaterial to the consolidated financial statements for each of the periods ended December 31, 2025 and 2024

**Note 19 — Net Loss per Share**

Basic and diluted net loss per share for the years ended December 31, 2025 and 2024 consisted of the following (*in thousands, except for per share amounts*):

	December 31, 2025	December 31, 2024
<b>Numerator:</b>		
Net loss	\$ (25,320)	\$ (50,159)
Net loss income attributable to common stockholders, basic	(25,320)	(50,159)
Net loss income attributable to common stockholders, diluted <sup>(1)</sup>	(25,320)	(50,159)
<b>Denominator:</b>		
<i>Basic</i>		
Weighted average common shares outstanding, basic	9,360	7,500
Basic net loss per share	\$ (2.71)	\$ (6.69)
<i>Diluted</i>		
Weighted average common shares outstanding, diluted <sup>(1)</sup>	9,360	7,500
Diluted net loss per share	\$ (2.71)	\$ (6.69)

<sup>(1)</sup> Net loss attributable to common stockholders, diluted during the years ended December 31, 2025 and 2024, excludes adjustments related to the change in fair value of derivative liabilities, interest expense and amortization of discounts and issuance costs related to Convertible Note. These adjustments were excluded from the calculation of diluted net loss per share as they would have an antidilutive effect (see [Note 10 — Convertible Notes](#)).

Potential ending shares outstanding that were excluded from the computation of diluted net loss per share because their effect was anti-dilutive as of December 31, 2025 and 2024 consisted of the following (*in thousands*):

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	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Contingent earn-out shares	547	547
Common stock public and private warrants	628	628
Restricted stock units	3,096	1,531
Stock options	1	2
If-converted common stock from convertible debt	280	280

**Xos, Inc. and Subsidiaries**  
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**Note 20 — Segment Reporting**

The following table presents segment revenue, gross profit, and net loss for the periods presented (in thousands):

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Revenues</b>	\$ 45,992	\$ 55,961
Cost of goods sold	43,268	51,996
<b>Gross profit</b>	<b>2,724</b>	<b>3,965</b>
less:		
Employee related	18,076	27,400
Facility and rent	3,917	4,530
Insurance	3,183	3,693
Depreciation	1,984	3,088
Professional services	1,625	3,093
Computer and software as a service	2,053	2,439
Research and development materials	1,656	1,603
Other <sup>(1)</sup>	3,313	3,993
Gain on operating lease terminations	(9,875)	—
Other expense, net	2,137	4,561
Change in fair value of derivative instruments	(48)	(274)
Change in fair value of earn-out shares liability	—	(39)
Provision for income taxes	23	37
Segment net loss	<b>\$ (25,320)</b>	<b>\$ (50,159)</b>

<sup>(1)</sup> Other includes \$0.9 million and \$0 of financed equipment lease expense during the years ended December 31, 2025 and 2024, respectively, as well as bad debt expense, travel & entertainment, general and administrative freight, property/franchise taxes, and merchant fees.

**Note 21 — Subsequent Events*****Windrose Resale Agreement***

In the first quarter of 2026, the Company entered into an agreement to serve as a dealer for Windrose Technology, Inc.'s electric long-haul truck products (the "Windrose Dealer Agreement"). Through this relationship, the Company seeks to be able to address customer and prospect demand for heavy duty long-range electric trucks that its own manufactured vehicles may not meet. The Windrose Dealer Agreement does not include any minimum volume requirements, and the Company cannot predict what volumes or revenues it might achieve from this arrangement, if any.

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

None.

### **Item 9A. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Principal Executive Officer and Principal Financial Officer carried out evaluations of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2025. Based upon each of their evaluations, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective at the reasonable assurance level for the year ended December 31, 2025, due to the material weaknesses in our internal control over financial reporting discussed below.

#### *Management's Annual Report on Internal Control over Financial Reporting*

Management is responsible for designing, implementing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Our management, including the Chief Executive Officer and Chief Financial Officer, recognizes that our disclosure controls or our internal control over financial reporting cannot prevent or detect all possible instances of errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025 and, in making this assessment, used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 framework). Because of the material weaknesses described below, our management believes that, as of December 31, 2025, our internal control over financial reporting was not effective based on those criteria.

#### *Material Weaknesses in Internal Control Over Financial Reporting*

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Accordingly, a material weakness increases the risk that the financial information we report contains material errors. If we fail to remediate these material weaknesses, determine that our internal control over financial reporting is not effective, discover areas that need improvement in the future or discover additional material weaknesses, these shortcomings could have an adverse effect on our business and financial results, and the price of our Common Stock could be negatively affected.

As disclosed in our prior year Annual Report on Form 10-K for the year ended December 31, 2024, management identified material weaknesses in the design and operating effectiveness of our internal controls over financial reporting related to three areas, specifically, inventory management, revenue recognition, and information technology (IT) general controls. Management

concluded that these material weaknesses were primarily attributable to insufficient internal resources with technical accounting and financial reporting expertise, which adversely impacted our internal control over financial reporting for the year ended December 31, 2024.

As of December 31, 2025, management completed remediation efforts to address the material weaknesses related to inventory management and IT general controls. These remediation activities included the addition of qualified personnel, enhanced training related to inventory management processes, and the implementation of strengthened monitoring procedures and updated policies addressing segregation of duties across IT systems, processes and controls. In addition, the Company engaged external consultants with expertise in public company internal control compliance to assist in the assessment, design, implementation, and testing of certain controls related to inventory management and IT general controls.

During the financial reporting close process for the year ended December 31, 2025, management continued to identify material weaknesses in the design and operating effectiveness of internal control over financial reporting related to revenue recognition. Management also identified additional material weaknesses related to the timeliness of recording supplier and vendor accruals, including instances in which accruals were not properly recorded due to deficiencies in the identification and evaluation of vendor contract terminations.

Management believes these material weaknesses resulted from limited resources within our accounting and operations functions, which restricted its ability to timely identify, evaluate, and address technical accounting and disclosure matters affecting the consolidated financial statements. As part of management's efforts to reduce costs and preserve liquidity, we were unable to develop and retain sufficient personnel to adequately fulfill internal control responsibilities, resulting in an insufficient complement of individuals with the appropriate level of accounting knowledge and experience. Accordingly, management has concluded that these deficiencies were attributable to insufficient internal resources in technical accounting and financial reporting, which adversely impacted our internal control over financial reporting for the year ended December 31, 2025.

Based on the results of our evaluation and the material weaknesses described above, management concluded that our internal control over financial reporting was not effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP as of December 31, 2025.

Notwithstanding these material weaknesses, management has concluded that our audited consolidated financial statements included in this Annual Report on Form 10-K are fairly stated in all material respects in accordance with U.S. GAAP for each of the periods presented therein.

#### *Remediation of Material Weakness in Internal Control Over Financial Reporting*

To remediate the material weaknesses in internal control over financial reporting related to the ineffective design and operating effectiveness of controls over revenue recognition, the timeliness of recording supplier and vendor accruals, and the timely identification and assessment of vendor contract terminations, management is implementing enhancements to our financial reporting control framework. These remediation efforts are intended to strengthen both disclosure controls and procedures and internal control over financial reporting by further documenting and implementing control activities to address the identified risks of material misstatement, as well as enhancing monitoring activities over such controls. Management believes these remediation efforts are progressing as planned and expects to remediate the material weaknesses during the year ending December 31, 2026.

Our remediation efforts are expected to include, but are not limited to, the following actions:

- *Adding qualified personnel and providing enhanced training to improve the assessment and documentation of contractual terms and conditions within the revenue recognition process;*
- *Strengthening communication protocols between our sales, accounting, and finance teams to ensure timely identification and evaluation of any non-standard contract terms and conditions;*
- *Designing and implementing a precise control, using existing personnel, to ensure the timely identification and assessment of vendor contract terminations, and providing enhanced training to improve the timely identification, evaluation, and recording of supplier and vendor accruals; and*

- *Engaging external consultants with expertise in public company internal control compliance to assist in assessing and implementing additional controls related to revenue recognition.*

To further remediate the identified material weaknesses, management, including the Chief Executive Officer and Chief Financial Officer, has reaffirmed and reinforced the importance of effective internal control, control consciousness and maintaining a strong control environment throughout the organization. Management expects to continue its efforts to evaluate, refine, and enhance our financial reporting controls and procedures. These material weaknesses will not be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that the enhanced controls are designed appropriately and operating effectively.

*Changes in Internal Control over Financial Reporting*

Except as noted above, there were no changes in the Company’s internal control over financial reporting that occurred during the year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

**Item 9B. Other Information**

*Insider Trading Arrangements*

During the three months ended December 31, 2025, none of our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Item 408 of Regulation S-K, except as set forth in the table below:

	<b>Date</b>	<b>Action</b>	<b>Rule 10b5-1<sup>(1)</sup></b>	<b>Expiration Date</b>	<b>Total Shares of Common Stock to be Sold<sup>(2)</sup></b>
Dakota Semler, Chief Executive Officer	12/30/2025	Adoption	Yes	3/31/2027	245,000

<sup>(1)</sup> Contract, instruction, or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

<sup>(2)</sup> Maximum number of shares to be sold under the trading arrangement.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**PART III****Item 10. Directors, Executive Officers and Corporate Governance**

## Executive Officers and Directors

The following table sets forth the name, age and position of each of our executive officers and directors as of April 20, 2026:

<b>Name</b>	<b>Age</b>	<b>Position</b>
<b>Executive Officers</b>		
Dakota Semler	34	Chief Executive Officer, Chair of our Board of Directors
Giordano Sordoni	34	Chief Operating Officer, Director
Liana Pogosyan	42	Chief Financial Officer
<b>Non-Employee Directors</b>		
Stuart Bernstein <sup>(1)(2)</sup>	62	Director
George N. Mattson <sup>(1)(3)</sup>	60	Director
Dietmar Ostermann <sup>(1)(2)(3)(4)</sup>	64	Director
Ed Rapp <sup>(1)(2)</sup>	69	Director
Michael Richardson <sup>(2)(3)</sup>	69	Director
John F. Smith <sup>(1)</sup>	75	Director
Alice Yake <sup>(3)</sup>	47	Director

(1) Member of our Audit Committee.

(2) Member of our Compensation Committee.

(3) Member of our Nominating and Corporate Governance Committee.

(4) Lead independent director.

**Executive Officers**

**Dakota Semler.** Mr. Semler has served as our Chief Executive Officer and the Chair of our Board since August 2021. Mr. Semler is a Co-Founder of Xos and served as Chief Executive Officer and a director of Legacy Xos (as defined below) from September 2016 to August 2021. Prior to Xos, Mr. Semler served as Chief Executive Officer of Malibu Management Services, a hospitality operator, and Bucket List Experiences, a tour operator company from 2014 to 2016. Mr. Semler was also an independent contractor for TSG Group, a real estate holding company, from 2014 to 2016. Mr. Semler attended California State University and George Washington University.

**Giordano Sordoni.** Mr. Sordoni has served as our Chief Operating Officer and a member of our Board since August 2021. Mr. Sordoni is a Co-Founder of Xos and served as Chief Operating Officer and a director of Legacy Xos (as defined below) from September 2016 to August 2021. Prior to Xos, Mr. Sordoni served as Co-Founder at Calibur Inc., a startup consulting business advising early-stage businesses, from August 2015 to August 2016. Mr. Sordoni was Director of Marketing at Malibu Family Wines, a wine production company, from July 2014 to June 2016. Mr. Sordoni holds a B.A. in International Business and Marketing from George Washington University.

**Liana Pogosyan.** Ms. Pogosyan has served as our Chief Financial Officer since August 2025, and previously served as our Vice President of Finance and Acting Chief Financial Officer from May 2023 to August 2025, and as our Controller from January 2022 to May 2023. Prior to Xos, Ms. Pogosyan was at Marcus & Millichap, Inc., a national real estate brokerage firm, from May 2013 to January 2022, where she served in a variety of positions before becoming their Vice President, Operations Controller and Financial Reporting. Prior to that, Ms. Pogosyan served as an Audit Manager at KPMG LLP, an accounting and advisory firm, followed by serving as the Manager Corporate Reporting at Ixia, a global test and networking company. Ms. Pogosyan sits on the board, and is the audit committee chair, of AbilityFirst, a 501(c)(3) nonprofit. Ms. Pogosyan holds a Master's degree in Business Administration from the University of California at Los Angeles, a Bachelor's degree in Accounting from the University of Southern California, and is a Certified Public Accountant.

## Non-Employee Directors

**Stuart Bernstein.** Mr. Bernstein has served as a member of our Board since October 2022. Mr. Bernstein is the Founder and Managing Member of Sustainable Capital LLC, a sustainable investment firm. Prior to that, he was a long-time partner at Goldman Sachs & Co. (“Goldman Sachs”), where during his 25-year career he founded and managed the Clean Technology and Renewables Group within the investment banking division, working with many of the firm’s corporate and investor clients focused on sustainability. He also ran the Venture Capital Coverage effort, was co-head of Equity Capital Markets and Global Head of the Technology Capital Markets Team where he advised on capital markets strategies and transactions with hundreds of late-stage private and early-stage public growth companies. Mr. Bernstein is also: Strategic Advisor to G2VP, a sustainable venture and growth investment firm; Senior Advisor to Story3 Capital Partners, a consumer, commerce, and content private equity firm; Advisory Board Member of Kimpact, a national affordable housing fund with a focus on environmental and social impact; Strategic Advisor to Corner Development Founders, pursuing real estate redevelopment through tenant upgrades, multi-family additions and sustainable improvements; and Advisory Board Member to Upwell Water, a company committed to creating tech-enabled water resources and infrastructure to solve the World’s water needs. Mr. Bernstein has been a Board Member of the Haas School of Business since January 2008, served as a Trustee of the University of California, Berkeley from September 2012 to August 2021, and served on the Advisory Board of the Lawrence Berkeley National Lab from August 2018 to December 2020. Previously, Mr. Bernstein served as an advisor to our predecessor company, NextGen, and NextGen II. Mr. Bernstein earned a B.S., Phi Beta Kappa, from the University of California, Berkeley and an MBA and MPA from the Harvard Business School and the Harvard Kennedy School, respectively.

**George N. Mattson.** Mr. Mattson has served as a member of our Board since August 2021, prior to which Mr. Mattson served as a director of NextGen Acquisition Corporation (“NextGen”), our predecessor, since October 2020. Mr. Mattson has served as the Chief Executive Officer and director of Wheels Up Experience Inc. (NYSE: UP), a leading provider of on-demand private aviation in the U.S., since September 2023. Mr. Mattson is a private investor in public and private companies and was the co-founder and co-Chairman of NextGen and NextGen Acquisition Corp. II (“NextGen II”), both special purpose acquisition companies, prior to their mergers in 2021 with Xos, Inc. and Virgin Orbit Holdings, respectively. Mr. Mattson served as a Partner and Co-Head of the Global Industrials Group in Investment Banking at Goldman, Sachs & Co. from November 2002 through August 2012. Mr. Mattson joined Goldman Sachs in 1994 and served in a variety of positions before becoming Partner and Co-Head of the Global Industrials Group. Mr. Mattson formerly served as a director of Delta Air Lines, Inc. (NYSE: DAL) from October 2012 to October 2023, Virgin Galactic Holdings, Inc. (NYSE: SPCE) from October 2019 to June 2023, and Virgin Orbit Holdings, Inc. (Nasdaq: VORB) from December 2021 to August 2023, NextGen II from January 2021 to December 2021 and Air France-KLM S.A. (PAR: AF) from 2017 until February 2021. Mr. Mattson holds a B.S. degree in Electrical Engineering from Duke University and an M.B.A. from the Wharton School of the University of Pennsylvania.

**Dietmar Ostermann.** Mr. Ostermann has served as a member of our Board since March 2024, prior to which he served as a director of ElectraMeccanica since July 2022. Mr. Ostermann has consulted for a wide range of original equipment manufacturers (including Navistar, Daimler Truck, Proterra, Ashok Leyland, FAW, GM, Ford, Stellantis, Rivian, BMW, Mercedes, VW, Nissan and Hyundai) as well as many auto suppliers (including American Axle, Dana, Denso, Magna, Metalsa, and ZF) on topics of business strategy, product development and operations improvement. Mr. Ostermann most recently served as PricewaterhouseCoopers’s (“PwC’s”) Global and US Auto Advisory Leader based in Detroit, MI for 11 years. Prior to PwC, he led the global auto practice of management consulting firm PRTM in Boston, MA. Prior to that, he spent 17 years at the management consulting firm A.T. Kearney in the United States and Germany, where he served as Chief Executive Officer for three years. Mr. Ostermann currently serves as an independent director for auto suppliers Shape Corp, North American Stamping Group and Vistech, and as an advisory board member of EV Charger manufacturer and charging software solutions provider ChargePoint (Nasdaq:CHPT). Mr. Ostermann holds a bachelor’s degree in Industrial Engineering and Business from the University of Hamburg in Germany and a master’s degree in industrial and Systems Engineering and Business from the University of Southern California.

**Ed Rapp.** Mr. Rapp has served as a member of our Board since August 2021. Prior to his retirement in 2016, Mr. Rapp was a Caterpillar Inc. (NYSE: CAT) Group President. During his time in the Caterpillar executive office, Mr. Rapp led Resource Industries and Construction Industries and served as the company’s Chief Financial Officer. Mr. Rapp also serves as a director of AbbVie, Inc. (NYSE: ABBV) and previously served as a director of FM Global. Mr. Rapp holds a BSBA in Finance from University of Missouri - Columbia.

**Michael Richardson.** Mr. Richardson has served as a member of our Board since March 2024, prior to which he served as Vice-Chair of the ElectraMeccanica board of directors, of which he was a member since November 2022. Mr. Richardson served as Interim Chief Executive Officer of Dura Automotive, an independent designer and manufacturer of automotive components, from March 2020 to September 2020. Mr. Richardson served as President of Nexteer Automotive from June 2016 to January 2020 and also served as Executive Board Director of Nexteer Automotive from April 2013 to January 2020. Mr. Richardson has been serving as a director of Shape Corporation since February 2018, and served as a director of Dura Automotive Systems LLC from September 2020 to December 2024. Mr. Richardson holds a bachelor’s degree in Mechanical Engineering from Kettering University and a master’s degree in Business Administration from Central Michigan University.

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**John F. Smith.** Mr. Smith has served as a member of our Board since August 2025. Mr. Smith has been Principal of Eagle Advisors LLC, a strategy development and performance improvement consultancy since 2011. Mr. Smith previously served on the board of directors of: TI Fluid Systems plc (LON: TIFS), from 2017 to 2025; American Axle & Manufacturing (NYSE: AXL), from 2011 to 2025; Covisint Corp (Nasdaq: COVS), where he was Chairman from 2016 until its sale in 2017; and CEVA Logistics (SIX:CEVAL), from 2013 until it was taken private in 2019. In 2010, Mr. Smith retired as Group Vice President of General Motors, Corporate Planning and Alliances, after over forty-two years with GM. Mr. Smith also serves on the board, and as Secretary and Treasurer of Jeremie Rising, a 501(c)(3) non-profit organization he co-founded in 2019 dedicated to providing medical, educational and shelter-related relief to Haitians living in and around Jérémie, Haiti.

**Alice Yake (Jackson).** Ms. Yake has served as a member of our Board since December 2021. In April 2025, Ms. Yake began serving as VP – Grid Modeling Initiative of Breakthrough Energy. Previously, Ms. Yake served as Senior Vice President, System Strategy and Chief Planning Officer at Xcel Energy Inc. (Nasdaq: XEL), a major U.S. electricity and natural gas company, from June 2022 to March 2025. From May 2018 to June 2022, she served as President of Xcel Energy - Colorado. From September 2016 to May 2018, she served as Associate Vice President of Strategic Revenue Initiatives at Xcel Energy Inc. Ms. Yake has been a director of Liberty Energy Inc. (NYSE:LBRT) since October 2025. Ms. Yake is Chair of the Board of Directors of the Smart Electric Power Alliance, and sits on the boards of the Denver Museum of Nature and Science, Mile High United Way, Colorado Concern, and the American Red Cross CO/WY Chapter. Ms. Yake received a B.S. in Management Information Systems from Texas A&M University and completed the Harvard Business School Program for Leadership Development.

### **Board Composition**

Our business and affairs are organized under the direction of our Board. The primary responsibilities of our Board are to provide oversight, strategic guidance, counseling and direction to our management. Our Board meets on a regular basis and additionally as required.

In accordance with the terms of our Certificate of Incorporation, our Board is divided into three classes: Class I, Class II and Class III, with only one class of directors being elected in each year and each class serving a three-year term. Under our Certificate of Incorporation and our Bylaws, vacancies on our Board may be filled by a majority of the directors then in office, even though less than a quorum of our Board, or by a sole remaining director. A director elected by our Board to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors to be elected in such election.

Our Board is divided into the following classes:

- Class I, which consists of Ed Rapp, Michael Richardson, and John F. Smith, whose terms will expire at our annual meeting of stockholders to be held in 2028;
- Class II, which consists of Alice K. Yake, George N. Mattson and Giordano Sordoni, whose terms will expire at our annual meeting of stockholders to be held in 2026; and
- Class III, which consists of Stuart Bernstein, Dietmar Ostermann and Dakota Semler, whose terms will expire at our annual meeting of stockholders to be held in 2027.

At each annual meeting of stockholders to be held, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election and until their successors are duly elected and qualified. This classification of our Board may have the effect of delaying or preventing changes in our control or management. Our directors may be removed only for cause by the affirmative vote of the holders of at least a majority of our voting stock.

### **Board Membership Criteria**

Our Board considers director nominee recommendations from the Nominating and Corporate Governance Committee of our Board (the "Nominating and Corporate Governance Committee"). Director candidates should have certain minimum qualifications, including being able to read and understand basic financial statements and having the highest personal integrity and ethics. In considering candidates recommended by the Nominating and Corporate Governance Committee, our Board also considers factors such as: (i) possessing relevant expertise upon which to be able to offer advice and guidance to management; (ii) having sufficient time to devote to our affairs; (iii) demonstrating excellence in his or her field; (iv) having the ability to exercise sound business judgment; (v) experience as a board member or executive officer of another publicly held company; and (vi) having a diverse personal background, perspective, and experience. Our Board reviews candidates for director

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nomination in the context of the current composition of our Board, our operating requirements and the long-term interests of our stockholders.

The Nominating and Corporate Governance Committee appreciates the value of thoughtful Board refreshment, and regularly identifies and considers qualities, skills and other director attributes that would enhance the composition of our Board. In the case of incumbent directors whose terms of office are set to expire, the Committee reviews these directors' overall service to the Company during their terms, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair the directors' independence. To compile a list of potential director candidates, the Nominating and Corporate Governance Committee uses its network of contacts and may also engage, if it deems appropriate, a professional search firm. The function of the professional search firm would be to identify potential candidates, including those with diverse attributes, facilitate meetings with the candidates, conduct diligence regarding the candidate and confirm such candidate's background. After identifying the potential candidates, the Nominating and Corporate Governance Committee, or the third-party search firm, if used, would then conduct any appropriate and necessary inquiries into the backgrounds and qualifications of such possible candidates after considering the function and needs of our Board.

The Nominating and Corporate Governance Committee also determines whether the director candidate is independent for purposes of the Nasdaq Stock Market ("Nasdaq"), which determination is based upon applicable Nasdaq listing rules, applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Corporate Governance Committee would then meet to discuss and consider the candidates' qualifications and then select a nominee for recommendation to our Board by majority vote.

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, based on whether or not the candidate was recommended by a stockholder. Stockholders who wish to recommend individuals for consideration by the Nominating and Corporate Governance Committee to become nominees for election to our Board may do so by delivering a written recommendation to the Nominating and Corporate Governance Committee at the following address: 3550 Tyburn Street, Los Angeles, CA 90065, Attention: General Counsel, in accordance with the timeline outlined in our Bylaws. Submissions must include, among other things, the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and a representation that the nominating stockholder is a beneficial or record holder of our stock and has been a holder for at least one year. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

### **Director Independence**

Each of the directors on our Board other than Dakota Semler and Giordano Sordoni qualifies as an independent director, as defined under the Nasdaq listing rules, and our Board consists of a majority of "independent directors," as defined under the rules of the SEC and Nasdaq listing rules relating to director independence requirements. In addition, we are subject to the rules of the SEC and Nasdaq relating to the membership, qualifications and operations of the Audit Committee of the Board (the "Audit Committee") and the Compensation Committee of the Board (the "Compensation Committee").

As required under the Nasdaq listing standards, a majority of the members of a listed company's Board must qualify as "independent," as affirmatively determined by our Board. Our Board consults with the Company's counsel to ensure that our Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of Nasdaq, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent auditors, our Board has affirmatively determined that the following seven directors are independent directors within the meaning of the applicable Nasdaq listing standards: Mr. Bernstein; Mr. Mattson; Mr. Ostermann; Mr. Rapp; Mr. Richardson; Mr. Smith; and Ms. Jackson. Luisa Ingargiola, who left the Board during 2025, was determined to be "independent" during the period she served on the Board in 2025. In making these determinations, our Board considered the current and prior relationships that each director has with us and all other facts and circumstances our Board deemed relevant in determining their independence, including the beneficial ownership of our shares by each director and the transactions described in the section titled "Certain Related Person Transactions" and found that none of these directors or nominees for director had a material or other disqualifying relationship with the Company.

### **Board Leadership Structure**

Our Board is currently chaired by the Chief Executive Officer of the Company, Mr. Semler. Our Board also has an appointed lead independent director, who was Mr. Mattson for the first half of 2025 and Mr. Ostermann starting July 1, 2025.

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The Company believes that combining the positions of Chief Executive Officer and Chair helps to ensure that our Board and management act with a common purpose. In the Company's view, separating the positions of Chief Executive Officer and Chair has the potential to give rise to divided leadership, which could interfere with good decision-making or weaken the Company's ability to develop and implement strategy. Instead, the Company believes that combining the positions of Chief Executive Officer and Chair provides a single, clear chain of command to execute the Company's strategic initiatives and business plans. In addition, the Company believes that a combined Chief Executive Officer/Chair is better positioned to act as a bridge between management and our Board, facilitating the regular flow of information. The Company also believes that it is advantageous to have a Chair with an extensive history with and knowledge of the Company (as is the case with the Company's Chief Executive Officer) as compared to a relatively less informed independent Chair.

Our Board had appointed Mr. Mattson, and more recently, has appointed Mr. Ostermann as the lead independent director to help reinforce the independence of our Board as a whole. The position of lead independent director has been structured to serve as an effective balance to a combined Chief Executive Officer/Chair. The lead independent director is empowered, among other duties and responsibilities, to approve agendas and meeting schedules for regular Board meetings, preside over Board meetings in the absence of the Chair, preside over and establish the agendas for meetings of the independent directors, act as liaison between the Chair and the independent directors, approve information sent to our Board, preside over any portions of Board meetings at which the evaluation or compensation of the Chief Executive Officer is presented or discussed and, as appropriate upon request, act as a liaison to stockholders. In addition, it is the responsibility of the lead independent director to coordinate between our Board and management with regard to the determination and implementation of responses to any problematic risk management issues. As a result, the Company believes that the lead independent director can help ensure the effective independent functioning of our Board in its oversight responsibilities. In addition, the Company believes that the lead independent director is better positioned to build a consensus among directors and to serve as a conduit between the other independent directors and our Chair, for example, by facilitating the inclusion on meeting agendas of matters of concern to the independent directors. In light of the Chief Executive Officer's extensive history with and knowledge of the Company, and because our Board's lead independent director is empowered to play a significant role in our Board's leadership and in reinforcing the independence of our Board, the Company believes that it is advantageous for the Company to combine the positions of Chief Executive Officer and Chair.

### **Role of the Board in Risk Oversight**

One of the key functions of our Board is informed oversight of our risk management process. Our Board does not have a standing risk management committee, but rather administers this oversight function directly through our Board as a whole, as well as through various standing committees of our Board that address risks inherent in their respective areas of oversight. In particular, our Board is responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for us, and the Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps management will take to monitor and control such exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal and regulatory requirements. The Compensation Committee of our Board (the "Compensation Committee") assesses and monitors whether our compensation plans, policies and programs comply with applicable legal and regulatory requirements.

### **Meetings of the Board of Directors**

Our Board met 11 times, and acted by unanimous written consent in lieu of a meeting on eight occasions, during fiscal year 2025. Each member of our Board attended 75% or more of the aggregate number of meetings of our Board and of the committees on which he or she served, held during the portion of the last fiscal year for which he or she was a director or committee member, except Mr. Mattson, who attended 73% of such meetings.

As required under applicable Nasdaq listing standards, in fiscal year 2025, the Company's independent directors met three times in regularly scheduled executive sessions at which only independent directors were present.

## Board Committees

Our Board has established three standing committees: an Audit Committee; a Compensation Committee; and a Nominating and Corporate Governance Committee. Our Board adopted a charter for each of these committees, which complies with the applicable requirements of current Nasdaq rules. We will comply with future requirements to the extent they will be applicable to us. Copies of the charters for each committee are available on the investor relations portion of our website at <https://www.xostrucks.com/corporate-governance>. The information provided on, or accessible through, our website is not a part of this Proxy Statement, nor is such information incorporated by reference herein, and such information should not be relied upon in determining whether to make an investment in our common stock.

### *Audit Committee*

The Audit Committee consists of Ed Rapp, Stuart Bernstein, Dietmar Ostermann, George Mattson and John F. Smith. Ms. Yake and Messrs. Rapp, Bernstein and Mattson served on the Audit Committee throughout 2025, with our standing committees being reconstituted effective January 1, 2026. In addition, former director, Ms. Ingargiola, served on the Audit Committee from prior to 2025 until her resignation from our Board, effective June 24, 2025. Our Board determined that each of the members of the Audit Committee satisfies the independence requirements of Nasdaq and Rule 10A-3 under the Exchange Act. Each member of the Audit Committee can read and understand fundamental financial statements in accordance with Nasdaq audit committee requirements. In arriving at this determination, our Board examined each Audit Committee member's scope of experience and the nature of their prior and/or current employment.

Mr. Rapp serves as the chair of the Audit Committee. Our Board determined that each of Messrs. Rapp, Ostermann and Smith qualifies (and that Ms. Ingargiola qualified) as an audit committee financial expert within the meaning of SEC regulations and meets the financial sophistication requirements of Nasdaq listing rules. In making this determination, our Board considered such director's formal education and previous experience in financial roles. Both our independent auditors and management periodically meet privately with the Audit Committee.

The Audit Committee met three times, and acted by unanimous written consent on five occasions, during fiscal year 2025 and is actively involved in the review and oversight of the Company's financials, the development of the Company's internal controls and accounting functions, among the committee's other responsibilities.

The functions of this committee include, among other things:

- oversee the Company's accounting and financial reporting processes, systems of internal control, financial statement audits and the integrity of the Company's financial statements;
- manage the selection, engagement terms, fees, qualifications, independence, and performance of the Company's auditors;
- maintain and foster an open avenue of communication with the Company's management, internal audit function and auditors;
- review any reports or disclosures required by applicable law and stock exchange listing requirements;
- oversee the design, implementation, organization and performance of the Company's internal audit function;
- help the Board oversee the Company's legal and regulatory compliance, including risk assessment and management practices and policies;
- provide regular reports and information to the Board;
- review with management and the auditors the results of the Company's annual financial statement audit;
- review the annual audited financial statements and the quarterly financial statements and recommend to the Board whether the proposed annual audited financial statements should be included in the Company's Annual Report on Form 10-K;
- review the Company's "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in its periodic reports to be filed with the SEC;

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- review any proposed earnings press releases and other financial information and guidance regarding the Company's results of operations to be provided publicly or to ratings agencies;
- review significant issues regarding accounting principles and financial-statement presentation;
- review the Company's processes and policies on risk identification, management and assessment in all areas of the Company's business, including financial and accounting;
- confer with management and the auditors concerning the scope, design, adequacy and effectiveness of internal control over financial reporting and the Company's disclosure controls and procedures;
- oversee procedures for receiving, retaining and investigating complaints regarding accounting, internal accounting controls or auditing matters or other complaints or submissions delegated to the committee by the Board;
- review the results of management's efforts to monitor compliance with the Company's programs and policies designed to ensure compliance with applicable laws and stock exchange listing requirements;
- review and approve, in accordance with the Company's policies, any related party transaction as defined by applicable law or stock exchange listing requirements; and
- evaluate the committee's performance and review and assess the adequacy of the committee's charter and recommend any proposed changes to the Board for its consideration.

Our Board has adopted a written Audit Committee charter that is available to stockholders on our website at <https://www.xostrucks.com/corporate-governance>.

### ***Compensation Committee***

Commencing January 1, 2026, the Compensation Committee has consisted of Dietmar Ostermann, Stuart Bernstein, Ed Rapp and Michael Richardson. Throughout 2025, the Compensation Committee consisted of Mr. Ostermann, Mr. Bernstein, George Mattson and Mr. Rapp. Mr. Mattson served as the chair of the Compensation Committee until April 3, 2025, when Mr. Mattson stepped down as chair of the Compensation Committee and the Board appointed Mr. Ostermann as the new chair. Our Board has determined that each of the members of the Compensation Committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act and satisfies the independence requirements of Nasdaq.

The Compensation Committee met six times, and acted by unanimous written consent on five occasions, during fiscal year 2025 and is actively involved in reviewing and defining our approach to compensation, including overall and executive compensation.

The functions of the committee include, among other things:

- help the Board oversee the Company's compensation policies, plans and programs with a goal to attract, incentivize, retain and reward top quality executive management and employees;
- review and determine the compensation to be paid to the Company's executive officers and directors;
- when required, review and discuss with management the Company's compensation disclosures in the "Compensation Discussion and Analysis" section of the Company's annual reports, registration statements, proxy statements or information statements filed with the SEC;
- when required, prepare and review the committee report on executive compensation included in the Company's annual proxy statement in accordance with applicable rules and regulations of the SEC;
- review, oversee and approve (or make recommendations to the Board for approval of) the Company's overall compensation strategy and policies;
- review and approve (or make recommendations to the Board for approval of) the compensation and other terms of employment of the Company's Chief Executive Officer and evaluate the Chief Executive Officer's performance in achieving corporate performance goals and objectives;

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- review and approve (or make recommendations to the Board for approval of) the compensation, individual and corporate performance goals and objectives and other terms of employment of the Company's other executive officers and evaluate their individual performance;
- develop and periodically review with the Company's Chief Executive Officer the plans for succession for the Company's executive officers (with the exception of the Chief Executive Officer);
- review and recommend to the Board for its approval the type and amount of compensation to be paid or awarded to Board members;
- adopt, amend, terminate, and administer the Company's equity awards, pension, and profit sharing plans, bonus plans, benefit plans and other similar programs; and
- evaluate the committee's performance and review and assess the adequacy of the committee's charter and recommend any proposed changes to the Board for its consideration.

The composition and function of the Compensation Committee comply with all applicable requirements of the Sarbanes-Oxley Act, SEC rules and regulations and Nasdaq listing rules. We will comply with future requirements to the extent they become applicable to us.

Our Board has adopted a written Compensation Committee charter that is available to stockholders on our website at <https://www.xostrucks.com/corporate-governance>.

### *Compensation Committee Processes and Procedures*

Typically, the Compensation Committee meets on a regular schedule several times per year. The agenda for each meeting is usually developed in coordination with the Chair of the Compensation Committee, in consultation with the Chief Executive Officer and the General Counsel. Various members of management and other employees as well as outside advisors or consultants may be invited by the Compensation Committee to make presentations, to provide financial or other background information or advice or to otherwise participate in Compensation Committee meetings.

The Chief Executive Officer does not participate in, and is not present during, any deliberations or determinations of the Compensation Committee regarding his compensation or individual performance objectives. The charter of the Compensation Committee grants the Compensation Committee full access to all of our books, records, facilities, and personnel. In addition, under the charter, the Compensation Committee has the authority to obtain, at our expense, advice and assistance from compensation consultants and internal and external legal, accounting or other advisors and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties.

Generally, the Compensation Committee's process comprises two related elements: the determination of compensation levels and the establishment of performance objectives for the current year. For executives other than the Chief Executive Officer, the Compensation Committee solicits and considers evaluations and recommendations submitted to our Compensation Committee by the Chief Executive Officer. For all executives and directors, as part of its deliberations the Compensation Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executives and directors in various hypothetical scenarios, and executive and director stock ownership information.

The Compensation Committee has the authority under its charter to retain outside consultants or advisors, as it deems necessary or advisable. In accordance with this authority, during fiscal year 2023 the Compensation Committee had engaged the services of Meridian LLP ("Meridian") as its independent outside compensation consultant to provide services to our Board, including market-based analysis of executive compensation arrangements for our management team, which the Compensation Committee relied upon in setting the compensation of the named executive officers in fiscal year 2024. The Compensation Committee has not retained any independent outside compensation consultants since fiscal year 2023.

Neither Meridian nor any of its affiliates had or maintain any other direct or indirect business relationships with us or any of our subsidiaries. The Compensation Committee evaluated whether any work provided by Meridian raised any conflict of interest for services performed during 2023 and determined that it did not.

During 2023, Meridian's services were limited to advising on executive and director compensation, employee equity plans, and other broad-based plans that do not discriminate in scope, terms, or operation, in favor of our executive officers or directors, and that are available generally to all salaried employees.

*Compensation Committee Interlocks and Insider Participation*

Throughout 2025, the Compensation Committee consisted of George Mattson, Stuart Bernstein, Dietmar Ostermann and Ed Rapp. Mr. Mattson served as chair until April 3, 2025, when Mr. Ostermann took over the gavel. None of the members of the Compensation Committee is currently, or has been at any time, one of our officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the Board or compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee.

*Nominating and Corporate Governance Committee*

The Nominating and Corporate Governance Committee consists of Alice Yake, George Mattson, Dietmar Ostermann and Michael Richardson. Ms. Yake serves as the chair of the Nominating and Corporate Governance Committee. Mr. Ostermann was appointed to the Nominating and Corporate Governance Committee effective January 1, 2026. Our Board has determined that each of the members of the Nominating and Corporate Governance Committee satisfies the independence requirements of Nasdaq.

The functions of this committee include, among other things:

- help the Board oversee the Company's corporate governance functions and develop, update as necessary and recommend to the Board the governance principles applicable to the Company;
- identify, evaluate and recommend and communicate with candidates qualified to become Board members or nominees for directors of the Board consistent with criteria approved by the Board;
- periodically review the performance of the Board, including the Board committees and management, and make recommendations to the Board for areas of improvement;
- oversee the Board's committee structure and operations, including authority to delegate to subcommittees and committee reporting to the Board;
- periodically review and make recommendations to the Board regarding the Company's process for stockholder communications with the Board;
- consider possible conflicts of interest of officers and directors as set forth in the Company's Code of Conduct, and make recommendations to the Board to prevent, minimize or eliminate such conflicts of interest;
- periodically review and assess the Company's corporate governance guidelines and the Code of Conduct, and, as appropriate, recommend changes to the Board for its consideration;
- develop and periodically review with the Company's Chief Executive Officer the plans for succession for the Company's Chief Executive Officer, as it sees fit, and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to this position;
- consider the Board's leadership structure, including the separation of the chairperson of the Board and Chief Executive Officer roles and/or appointment of a lead independent director of the Board, either permanently or for specific purposes, and make such recommendations to the Board with respect thereto as the Committee deems appropriate;
- periodically review the processes and procedures used by the Company to provide information to the Board and its committees and the scope of such information and make recommendations to the Board and management for improvement as appropriate; and
- evaluate its performance and review and assess the adequacy of the committee's charter and recommend any proposed changes to the Board for its consideration.

The composition and function of the Nominating and Corporate Governance Committee comply with all applicable requirements of the Sarbanes-Oxley Act, SEC rules and regulations and Nasdaq listing rules. We will comply with future requirements to the extent they become applicable to us.

Our Nominating and Corporate Governance Committee met six times, and acted by unanimous written consent on four occasions, during fiscal year 2025 and is actively involved in our governance and operations.

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Our Board has adopted a written Nominating and Corporate Governance Committee charter that is available to stockholders on our website at <https://www.xostrucks.com/corporate-governance>.

### **Communications With the Board of Directors**

Any stockholder or any other interested party who desires to communicate with our Board, or any specified individual director, may do so by directing such correspondence to the attention of our Corporate Secretary at our offices at 3550 Tyburn Street, Los Angeles, California 90065. Communications received are distributed to an independent Board member, as well as other members of our Board, as appropriate, depending on the facts and circumstances outlined in the communication received, within the discretion of our secretary.

### **Limitation on Liability and Indemnification of Directors and Officers**

Our Certificate of Incorporation eliminates our directors' liability for monetary damages to the fullest extent permitted by applicable law. The Delaware General Corporation Law ("DGCL") provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any transaction from which the director derives an improper personal benefit;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for any unlawful payment of dividends or redemption of shares; or
- for any breach of a director's duty of loyalty to the corporation or its stockholders.

If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Our Certificate of Incorporation requires us to indemnify and advance expenses, to the fullest extent permitted by applicable law, to our directors and officers (and we may indemnify and provide advancement of expenses to employees, agents any other persons to which applicable law permits us to provide indemnification). We maintain a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers. Finally, our Certificate of Incorporation prohibits any retroactive changes to the rights or protections available to, or to increase the liability of, any director in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

In addition, we have entered into separate indemnification agreements with our directors and officers. These agreements, among other things, require us to indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as one of our directors or officers or any other company or enterprise to which the person provides services at our request.

We believe these provisions in our Certificate of Incorporation are necessary to attract and retain qualified persons as directors and officers.

### **Delinquent Section 16(a) Reports**

Section 16(a) of the Exchange Act requires that our executive officers and directors, and persons who own more than 10% of a registered class of our equity securities, file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Based solely on our review of Section 16 reports filed with the SEC and written representations from certain reporting persons provided to us, we believe that all Section 16(a) SEC filing requirements applicable to our directors and executive officers the fiscal year ended December 31, 2025 were timely met, except for the following:

- Mr. Sordoni's Form 4 filed on January 15, 2025 late in reporting shares withheld on January 10, 2025 to satisfy tax withholding obligations in connection with the vesting of previously reported RSUs;
- An aggregate of three Forms 4 filed on March 13, 2025 by Dakota Semler, Giordano Sordoni and Liana Pogosyan (one each), were late in reporting shares withheld on March 10, 2025 to satisfy tax withholding obligations in connection with the vesting of previously reported RSUs;

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- An aggregate of two Forms 4 filed by George Mattson and Ed Rapp on April 30, 2025 (one each) were late in reporting the grant of RSUs on April 10, 2025 in lieu of certain cash payments pursuant to our Third Amended and Restated Non-Employee Director Compensation Policy; and
- A Form 4 filed on May 30, 2025 by Luisa Ingargiola was late in reporting a transaction on May 27, 2025 for the sale of common stock.

### **Code of Conduct for Employees, Executive Officers and Directors**

Our Board adopted a Code of Conduct (the “Code of Conduct”), applicable to all of our employees, officers (including our principal executive officer, principal financial officer and principal accounting officer) and directors. The Code of Conduct is available on our website at <https://www.xostrucks.com/corporate-governance>. The Nominating and Corporate Governance Committee of our Board is responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for employees, executive officers and directors. Any amendments to the Code of Conduct, or any waivers of its requirements, that apply to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, will be disclosed on our website within the time period required by the SEC. Upon request to our secretary, we will provide a copy of our Code of Conduct to any person without charge.

### **Corporate Governance Guidelines**

Our Board adopted the Xos, Inc. Corporate Governance Guidelines to assure that our Board will have the necessary authority and practices in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. The guidelines are also intended to align the interests of directors and management with those of our stockholders. The Corporate Governance Guidelines set forth the practices our Board intends to follow with respect to Board composition and selection including diversity, Board meetings and involvement of senior management, Chief Executive Officer performance evaluation and succession planning, and Board committees and director compensation. The Corporate Governance Guidelines, as well as the charters for each committee of our Board, may be viewed on our website at <https://www.xostrucks.com/corporate-governance>.

### **Insider Trading and Hedging Policy**

We have adopted the Xos, Inc. Amended and Restated Insider Trading Policy (the “Insider Trading Policy”) governing the purchase, sale, and/or other dispositions of our securities by our directors, officers and employees (including members of their immediate families and anyone with whom they share a household) that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and any Nasdaq listing standards applicable to the Company. While the Insider Trading Policy does not apply to the Company directly, the Company seeks to comply with all insider trading laws, rules and regulations, and applicable listing standards in connection with any transactions it may make involving our stock.

Under the Insider Trading Policy, all of our directors, officers, employees and designated consultants are prohibited from engaging in short sales of our securities, trading in derivative securities, including buying or selling puts or calls on our securities, or otherwise engaging in any form of hedging or monetization transactions (such as prepaid variable forwards, equity swaps, collars and exchange funds) involving our securities. Our Insider Trading Policy does allow entering into any margin account arrangement or pledging our securities as collateral for a loan with prior approval by us.

The foregoing summary of our Insider Trading Policy does not purport to be complete and is qualified by reference to the full text of such policy, as amended, copies of which can be found as Exhibits 19.1 and 19.2 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

### **Item 11. Executive Compensation**

The following disclosure concerns the compensation arrangements of our named executive officers. As a “smaller reporting company” as defined Rule 12b-2 promulgated under the Exchange Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to smaller reporting companies.

To achieve our goals, we have designed, and intend to modify as necessary, our compensation and benefits program to attract, retain, incentivize and reward deeply talented and qualified executives who share our philosophy and desire to work towards achieving our goals.

We believe our compensation programs should promote the success of the Company and align executive incentives with the long-term interests of our stockholders.

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For the year ended December 31, 2025, Xos's named executive officers were:

- Dakota Semler - Chief Executive Officer;
- Giordano Sordoni - Chief Operating Officer; and
- Liana Pogosyan - Chief Financial Officer.

### Summary Compensation Table

The following table sets forth information concerning the compensation of the named executive officers for the fiscal years ended December 31, 2024 and 2025.

Name and Position	Year	Salary <sup>(1)</sup> (\$)	Bonus <sup>(2)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)	Stock Awards <sup>(4)</sup> (\$)	All other compensatio n (\$)	Total (\$)
<b>Dakota Semler</b> <i>Chief Executive Officer</i>	2025	\$ 263,966	\$ —	\$ 233,589	\$1,938,474	\$ 44,245 <sup>(5)</sup>	\$ 2,480,274
	2024	\$ 392,308	\$ 106,250	\$ 58,325	\$2,103,950	\$ 30,000 <sup>(5)</sup>	\$ 2,690,833
<b>Giordano Sordoni</b> <i>Chief Operating Officer</i>	2025	\$ 256,731	\$ —	\$ 233,589	\$1,938,474	\$ —	\$ 2,428,794
	2024	\$ 346,154	\$ 93,750	\$ 51,463	\$1,936,395	\$ —	\$ 2,427,762
<b>Liana Pogosyan</b> <i>Chief Financial Officer<sup>(6)</sup></i>	2025	\$ 295,385	\$ —	\$ 127,176	\$ 463,548	\$ —	\$ 886,109

- (1) Salary amounts represent actual amounts paid during 2024 and 2025. Effective October 28, 2024, each of Messrs. Semler and Sordoni's base salary rate was reduced by 50%.
- (2) On March 13, 2025, the Compensation Committee of the Company's Board determined to award discretionary bonuses to participants in the 2024 Bonus Plan (as defined below) who remain employed by the Company at the time of payment, in the amounts that they would have earned under the 2024 Bonus Plan had the minimum targets for Operating Cash Flow and Gross Margin (as each term is defined below) been achieved.
- (3) Comprise amounts paid pursuant to the annual cash bonus program based on performance in the applicable fiscal year, as described in "Cash Bonuses - Annual Cash Bonus Program" below.
- (4) Amounts reported represent the aggregate grant-date fair value of awards granted to our named executive officers during 2024 and 2025, computed in accordance with FASB ASC Topic 718 Compensation-Stock Compensation ("ASC 718"). The assumptions used in calculating the grant-date fair value of the awards reported in this column are set forth in the notes to our consolidated financial statements. The amount does not reflect the actual economic value that may be realized by the named executive officer.
- (5) Consists of amounts related to Mr. Semler's use of Xos administrative support for personal matters.
- (6) Ms. Pogosyan served as our Senior VP Accounting and Acting Chief Financial Officer from May 2023 to August 10, 2025, when she was appointed as our Chief Financial Officer. Ms. Pogosyan was not one of our named executive officers in 2024.

This section provides a narrative description of the material factors necessary to understand the information disclosed in the summary compensation table above. We have developed an executive compensation program that is designed to align compensation with our business objectives and the creation of stockholder value, while enabling us to attract, retain, incentivize and reward individuals who contribute to our long-term success.

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Our policies with respect to the compensation of our executive officers are administered by our Board in consultation with the Compensation Committee. Our compensation policies are designed to provide for compensation that is sufficient to attract, motivate and retain our executives and to establish an appropriate relationship between executive compensation and the creation of stockholder value.

### **Base Salary**

Base salary is generally set at a level that is commensurate with the executive's duties and authorities, contributions, prior experience and sustained performance. In connection with management's efforts to reduce operating costs in order to conserve financial resources, our Chief Executive Officer and Chief Operating Officer accepted temporary reductions in their annual base salaries of approximately 50%, effective as of October 28, 2024. The timing of any restoration of such base salaries for those who remain employed will be based on evolving business and economic conditions and will be made in consultation with, and pursuant to the consent of, the Board of Directors.

On May 9, 2025, our Compensation Committee established the 2025 annual base salaries for our executive team, including our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, including both (a) target levels that will apply if and when the Board determines that the Company's economic condition has sufficiently improved ("Target 2025 Salary"), and (b) temporarily reduced levels which will apply in the meantime ("Austerity 2025 Salary"). The Target 2025 Salary was set at \$450,000 and the Austerity 2025 Salary was set at \$300,000 for each of our Chief Executive Officer and our Chief Operating Officer, and at \$350,000 and \$300,000, respectively, for our Chief Financial Officer.

### **Cash Bonuses**

#### ***Discretionary Cash Bonuses***

From time to time, our Board or the Compensation Committee, in its discretion, may approve bonuses for our named executive officers based on individual performance, Company performance or as otherwise determined to be appropriate. On March 13, 2025, the Compensation Committee of our Board determined to award discretionary bonuses to participants in the 2024 Bonus Plan who remain employed by the Company at the time of payment. Such discretionary bonuses were awarded in recognition of Xos's 2024 results falling just short of the minimum thresholds for payment under the Operating Cash Flow and Gross Margin performance criteria of the 2024 Bonus Plan in spite of unforeseen challenges encountered by the Company during 2024, and are in the respective amounts that the recipients would have earned under the 2024 Bonus Plan had the minimum targets for operating cash flow and gross margin, in fact, been achieved. No discretionary bonuses were awarded to our named executive officers with respect to 2025 performance.

#### ***Annual Cash Bonus Program***

Under the Company's 2021 Equity Incentive Plan, as amended (the "2021 Plan"), the Compensation Committee has established an annual cash bonus program with performance goals in order to tie executive bonuses to Company performance. In determining the target awards for our executives under our annual cash bonus program for 2025 (the "2025 Bonus Plan"), the Compensation Committee reviewed the executives' job responsibilities, market data based on peer group benchmarking and internal equity.

The Compensation Committee selected the following four financial measures by which to assess 2025 performance for purposes of the awards under the 2025 Bonus Plan: (i) Operating Cash Flow; (ii) Revenue; (iii) Gross Margin; and (iv) Unit Deliveries. The 2025 Bonus Plan established performance targets for both the first half of 2025 and the second half of 2025 with 50% of each participant's total annual target bonus amount serving as the baseline payout applicable to each half year. The 2025 Bonus Plan targeted payouts for August 2025 with respect to the first half of 2025 and March 2026 with respect to the second half of 2025, provided that we have a minimum cash balance of \$6 million at the time of payment.

The tables below show, for each of the first and second halves of 2025, the selected financial performance measures, their respective weightings, and their respective performance goals.

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Performance Criteria	Weighting	Unit	First Half 2025 Performance Goals			
			Below Low	Low	Baseline	High <sup>(5)</sup>
Operating Cash Flow <sup>(1)</sup>	25%	USD (in thousands)	<\$ (9,000)	\$ (9,000)	\$(6,401)	n/a
Revenue <sup>(2)</sup>	25%	USD (in thousands)	<\$28,200	\$28,200	\$37,774.50	n/a
Gross Margin <sup>(3)</sup>	25%	USD (in thousands)	<\$3,350	\$3,350	\$8,519.50	n/a
Unit Delivery Volume <sup>(4)</sup>	25%	#	<148	148	250	n/a
Payout as Percentage of Weighted Portion of Target Annual Bonus		%	0%	50%	100%	

Performance Criteria	Weighting	Unit	Second Half 2025 Performance Goals			
			Below Low	Low	Baseline	High <sup>(5)</sup>
Operating Cash Flow <sup>(1)</sup>	25%	USD (in thousands)	<\$ (9,000)	\$ (9,000)	\$(6,401)	\$401
Revenue <sup>(2)</sup>	25%	USD (in thousands)	<\$28,200	\$28,200	\$37,774.50	\$75,549
Gross Margin <sup>(3)</sup>	25%	USD (in thousands)	<\$3,350	\$3,350	\$8,519.50	\$17,039
Unit Delivery Volume <sup>(4)</sup>	25%	#	<149	149	250	500
Payout as Percentage of Weighted Portion of Target Annual Bonus		%	0%	50%	100%	200%

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- (1) “Operating Cash Flow” is defined as net cash used in operating activities.
- (2) “Revenue” consists of product sales, inclusive of shipping and handling charges, net of estimates for customer allowances.
- (3) “Gross Margin” is defined as net cash used in operating activities minus purchase of property and equipment.
- (4) “Unit Delivery Volume” includes the number of vehicles (including leases) and powertrains delivered.
- (5) Any excess in performance above Baseline in the First Half shall be added to the performance in Second Half for purposes of calculating Second Half achievement.

The tables below show the achievement in each of the first and second halves of 2025 for the selected financial performance measures, their respective weightings, and the total percentage payouts.

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### First Half 2025 Results

Performance Criteria	Unit	Achievement	Criteria Payout Percentage	Weighting	Half Year Payout Percentage	Annual Payout Percentage
Operating Cash Flow	USD (in thousands)	\$(111)	>100%	25%	25%	12.5%
Revenue	USD (in thousands)	\$24,376	—%	25%	—%	—%
Gross Margin	USD (in thousands)	\$2,946	—%	25%	—%	—%
Unit Deliveries	#	164	57.8%	25%	14.5%	7.2%

### Second Half 2025 Results

Performance Criteria	Unit	Achievement	Criteria Payout Percentage	Weighting	Half Year Payout Percentage	Annual Payout Percentage
Operating Cash Flow	USD (in thousands)	\$700	200%	25%	50%	25%
Revenue	USD (in thousands)	\$21,600	—%	25%	—%	—%
Gross Margin	USD (in thousands)	\$2,600	—%	25%	—%	—%
Unit Deliveries	#	164	57.4%	25%	14.4%	7.2%

The table below shows the (i) 2025 target annual bonus amount (in the aggregate for the First Half and Second Half of 2025) and (ii) the 2025 actual aggregate payouts for each of our named executive officers under the 2025 Bonus Plan:

	2025 Target Amount	Total Payout Percentage	2025 Actual Total Payout
<b>Dakota Semler</b> Chief Executive Officer	\$ 450,000	51.91 %	\$ 233,589
<b>Giordano Sordoni</b> Chief Operating Officer	\$ 450,000	51.91 %	\$ 233,583
<b>Liana Pogosyan</b> Chief Financial Officer	\$ 245,000	51.91 %	\$ 127,176

### Benefits and Perquisites

We provide benefits to our named executive officers on the same basis as provided to all of our employees, including health, dental and vision insurance; life insurance; accidental death and dismemberment insurance; employee assistance program; life planning, financial and legal resources; and worldwide emergency travel assistance. We do not maintain any executive-specific benefit or executive perquisite programs other than as provided in the agreements described in “Agreements with Xos Named Executive Officers” below.

Other than the director and officer indemnity insurance coverage we maintain for our directors and officers, we do not maintain any executive-specific health and welfare benefit or perquisites.

Executive officers have access to an administrative assistant who, from time to time, may provide administrative support for personal matters of the executive officer, the benefit of which is based on the actual time spent.

## Equity Awards

Xos, Inc. was initially incorporated on July 29, 2020 as a Cayman Islands exempted company under the name “NextGen Acquisition Corporation” (“NextGen”). On August 20, 2021, the transactions contemplated by the Agreement and Plan of Merger, as amended on May 14, 2021, by and among NextGen, Sky Merger Sub I, Inc., a Delaware corporation and a direct wholly owned subsidiary of NextGen (“Merger Sub”), and Xos, Inc., a Delaware corporation (now known as Xos Fleet, Inc., “Legacy Xos”), were consummated, whereby Merger Sub merged with and into Legacy Xos, the separate corporate existence of Merger Sub ceased and Legacy Xos became the surviving corporation and a wholly owned subsidiary of NextGen (the “Business Combination”). In connection with the Business Combination, NextGen’s name was changed to “Xos, Inc.”

Prior to the completion of the Business Combination, Legacy Xos issued options to purchase Legacy Xos common stock to employees and nonemployees, including our named executive officers, under the Xos, Inc. 2018 Stock Plan (the “2018 Plan”). Following the Business Combination, we issued and plan to continue issuing Restricted Stock Units (“RSUs”) to our employees and eligible nonemployees, including our named executive officers, under the 2021 Plan. Additionally, a significant portion of total compensation has traditionally been in the form of equity awards. In 2025, the Compensation Committee granted each of the named executive officers RSUs in amounts set forth in the table below. One-third of the RSUs granted on September 10, 2025, vested on March 10, 2026, with the remainder to vest ratably on a monthly basis over the twenty-four months immediately thereafter, subject to the individual’s continued service.

<b>Name</b>	<b>Grant Date</b>	<b>Number of RSUs granted</b>
Dakota Semler	9/10/2025	646,158
Giordano Sordoni	9/10/2025	646,158
Liana Pogosyan	9/10/2025	154,516

The Compensation Committee meets from time to time to consider and act with respect to equity compensation awards for the Company’s executive officers. The grant date is the date on which the Compensation Committee acts to approve the award, unless the Compensation Committee establishes the grant date at a specified future date, such as following the release of earnings or other potentially material nonpublic information. Board and Compensation Committee meetings are generally scheduled a year in advance and without regard to anticipated earnings or other major announcements by the Company. Neither the Board nor the Compensation Committee takes material nonpublic information into account when determining the timing and terms of any equity compensation awards, and the Company does not time the disclosure of material nonpublic information to affect the value of its executive compensation.

The Company did not grant stock options (or similar awards) during 2025 to any named executive officer during any period beginning four business days before and ending one business day after the filing of any Company periodic report on Form 10-Q or Form 10-K, or the filing or furnishing of any Company Form 8-K that disclosed any material non-public information.

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### Outstanding Equity Awards at 2025 Fiscal Year-End

The following table presents information regarding outstanding equity awards held by our named executive officers as of December 31, 2025. Award amounts in the following table and footnotes have been adjusted for the Reverse Stock Split, as necessary.

Name	Grant Date	Stock Awards	
		Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$) <sup>(1)</sup>
Dakota Semler	9/10/2025	646,158 <sup>(2)</sup>	\$ 1,169,546
	8/10/2024	116,864 <sup>(3)</sup>	\$ 211,524
	5/10/2023	35,222 <sup>(4)</sup>	\$ 63,752
	8/3/2022	466 <sup>(5)</sup>	\$ 843
Giordano Sordoni	9/10/2025	646,158 <sup>(2)</sup>	\$ 1,169,546
	8/10/2024	107,212 <sup>(3)</sup>	\$ 194,054
	5/10/2023	35,222 <sup>(4)</sup>	\$ 63,752
	7/11/2022	873 <sup>(5)</sup>	\$ 1,580
Liana Pogosyan	9/10/2025	154,516 <sup>(2)</sup>	\$ 279,674
	8/10/2024	26,885 <sup>(3)</sup>	\$ 48,662
	2/10/2022	144 <sup>(6)</sup>	\$ 261

- (1) Market value reflects the number of RSUs multiplied by \$1.81 per share, which was the closing price of the Common Stock on December 31, 2025.
- (2) One-third of the RSU vested on March 10, 2026, with the remainder to vest ratably on a monthly basis over the twenty-four months immediately thereafter, subject to continued service.
- (3) One-third of the RSU vested on April 10, 2025, with the remainder to vest ratably on a monthly basis over the twenty-four months immediately thereafter, subject to continued service.
- (4) Twenty-five percent (25%) of the RSUs vested on April 10, 2024, with the remainder to vest ratably on a monthly basis over the thirty-six months immediately thereafter, subject to continued service.
- (5) Twenty-five percent (25%) of the RSUs vested on April 10, 2023, with the remainder to vest ratably on a monthly basis over the thirty-six months immediately thereafter, subject to continued service.
- (6) Twenty-five percent (25%) of the RSUs vested on February 10, 2023, with the remainder to vest ratably on a monthly basis over the thirty-six months immediately thereafter, subject to continued service.

#### Agreements with Xos Named Executive Officers

We were party to agreements with each of our named executive officers, as summarized below.

##### *Offer letter agreement with Dakota Semler*

On September 6, 2016, Mr. Semler entered into an offer letter agreement with Legacy Xos to serve as its Chief Executive Officer. Mr. Semler's employment would continue until terminated in accordance with the terms of the offer letter agreement.

##### *Offer letter agreement with Giordano Sordoni*

On September 7, 2016, Mr. Sordoni entered into an offer letter agreement with Legacy Xos to serve as Director of Business Development. Mr. Sordoni's employment would continue until terminated in accordance with the terms of the offer letter agreement. Mr. Sordoni was subsequently promoted to Chief Operating Officer.

***Executive Employment Agreements with each of Dakota Semler and Giordano Sordoni***

On June 26, 2025, we entered into Executive Employment Agreements (the “Employment Agreements”) with each of Mr. Semler and Mr. Sordoni (the “Executive Employees”). Other than certain compensation in connection with a qualifying termination as described below, the Employment Agreements generally provide for the same terms of employment as the Executive Employees were subject to immediately prior to entering such Employment Agreements, including without limitation: annualized base salaries of \$450,000; an annual short-term incentive compensation plan with target amounts equal to 100% of base salary (“Target Bonus”); equity awards at the discretion of the board; and certain other benefits and perquisites.

In the event an Executive Employee's employment is terminated for any reason, the Executive Employee shall be paid all accrued but unpaid base salary and accumulated but unused paid time off, and reimbursement for any business expenses incurred by the Executive Employee and not yet reimbursed as of the date of termination (collectively, the "Accrued Payments").

In addition to the Accrued Payments, in the event an Executive Employee's employment is terminated by us without Cause (as defined in the Employment Agreements) or by the Executive Employee either with Good Reason (as defined in the Employment Agreements) or within six months prior to, or twenty-four months after, a Change in Control or Corporate Transaction (as such terms are defined in the 2021 Plan, then, subject to conditions including the Executive Employee's compliance with his Employment Agreement and entry into a release and waiver, we shall provide the terminated Executive Employee with the following severance benefits:

- (1) Cash severance payments equal to (i) twelve (12) months of base salary plus (ii) the greater of (A) the average short term incentive plan ("STIP") bonus earned by the Executive Employee in the two prior years and (B) 100% of the target annual STIP bonus for the fiscal year in which the termination of employment occurs;
- (2) Payment of a severance amount equal to the Target Bonus the Executive Employee would have earned had they achieved all objective and subjective performance conditions for the year in which their employment was terminated (or, if no Target Bonus was established for that year, then the Target Bonus for the last performance year during which the Executive Employee had a Target Bonus), prorated for the portion of the year that the Executive Employee remained employed (the "Pro-Rata Bonus Amount");
- (3) Payment of the Executive Employee's health care insurance premiums for six months for an individual plan purchased by the Executive Employee, or up to twelve months if the Executive Employee elects continuation coverage under COBRA; and
- (4) All of the Executive Employee's unvested equity awards (the "Awards") under the 2021 Plan will accelerate and vest, and any Performance Awards (as defined in the 2021 Plan) that have multiple vesting levels depending on the level of performance will accelerate at 100% of the target level.

In the event an Executive Employee's employment is terminated due to the Executive Employee's death or Disability (as defined in the Employment Agreements), the Executive Employee (or his estate) will receive the Accrued Payments and the Pro-Rata Bonus Amount, and all such Executive Employee's Awards under the 2021 Plan shall continue to vest for a period of twelve months following the date of such termination.

The Employment Agreements also clarify that the temporary reductions in salary accepted by Messrs. Semler and Sordoni effective October 28, 2024, as adjusted by the Compensation Committee of our board of directors on May 9, 2025, only reduce the actual monthly salaries to be paid to such Executive Employees and have no effect on the rate of base salary used to calculate any other benefits, including without limitation the amounts of target bonuses and the amounts of any payments due upon termination of employment.

***Offer letter agreement with Liana Pogosyan***

On January 5, 2022, Ms. Pogosyan entered into an offer letter agreement with us to serve as Corporate Controller. Ms. Pogosyan was subsequently promoted to Vice President of Finance and Acting Chief Financial Officer. On November 21, 2023, we and Ms. Pogosyan entered into an amendment (the “2023 Offer Letter Amendment”) to the offer letter dated January 5, 2022. On August 11, 2025, we and Ms. Pogosyan executed a Promotion Letter in connection with her appointment as Chief Financial Officer, which amended her offer letter to reflect her new titles. The 2023 Offer Letter Amendment provides certain payments and benefits upon any termination of employment without Cause (as defined in the 2023 Offer Letter Amendment) or upon resignation for Good Reason (as defined in the 2023 Offer Letter Agreement) during the period commencing one year prior to a Change of Control (as defined in the 2023 Offer Letter Agreement) and ending two years following such Change of Control (i.e., a double trigger). These payments and benefits include (i) a lump-sum cash payment of one-half of Ms. Pogosyan's annual base salary in effect immediately prior to the termination, (ii) a cash payment of Ms. Pogosyan's target yearly cash bonus then in effect for the performance year in which such termination occurs (or, if no such target has been set,

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then no less than the target yearly cash bonus for the prior year) and (iii) immediate vesting of Ms. Pogosyan’s unvested time-vesting equity awards and prorated vesting of performance-vesting equity awards based on the level of achievement of such performance goals as of Ms. Pogosyan’s termination of employment.

### Clawbacks

In November 2023, our Board adopted our Incentive Compensation Recoupment Policy, which is intended to comply with the final clawback rules adopted by Nasdaq and approved by the SEC pursuant to Section 10D and Rule 10D-1 of the Exchange Act and the related Nasdaq listing requirements.

### Pay Versus Performance Disclosure

As required by Item 402(v) of Regulation S-K, which was mandated by Section 953(a) of the Dodd-Frank Act, we are providing the following information about the relationship between “compensation actually paid” to our principal executive officer (“PEO”) and average “compensation actually paid” to our named executive officers (“NEOs”) and the financial performance of the Company for 2025 and 2024, in each case calculated in a manner consistent with SEC rules.

Year	Summary Compensation Table Total for PEO(1)	Compensation Actually Paid to PEO (1)(2)	Average Summary Compensation Table Total for Non-PEO NEOs (2)(3)	Average Compensation Actually Paid to Non-PEO NEOs (3)	Value of Initial Fixed \$100 Investment Based On Total Shareholder Return(4)	Net Income (in millions)
2025	\$2,480,274	\$1,493,297	\$1,657,452	\$1,058,348	\$ 22.68	\$ (25.3)
2024	\$2,690,833	\$1,336,815	\$1,922,673	\$893,038	\$ 40.60	\$ (50.2)

- (1) The PEO reflected in these columns for 2024 and 2025 is Dakota Semler.
- (2) Compensation actually paid (“CAP”) to our PEO and Non-PEO NEOs is calculated based on the “Total Compensation” reported in the Summary Compensation Table (“SCT”) for each of the applicable fiscal years, adjusted to exclude and include certain items in accordance with Item 402(v) of Regulation S-K, as follows.

#### PEO SCT Total to CAP Reconciliation:

Fiscal Year	SCT Total	Deductions from SCT Total (i)	Additions to SCT Total (ii)				CAP
			Fair Value of Current Year Equity Awards for Covered Fiscal Year	Change in Value of Prior Years’ Awards Unvested for Covered Fiscal Year	Vesting Date Fair Value of Awards vesting in Year Granted	Change in Value of Prior Years’ Awards that Vested in Covered Fiscal Year	
2025	\$ 2,480,274	\$ 1,938,474	\$ 1,169,546	\$ (218,149)	\$ —	\$ 101	\$ 1,493,297
2024	\$ 2,690,833	\$ 2,103,950	\$ 976,212	\$ (303,246)	\$ 105,870	\$ (28,903)	\$ 1,336,815

#### Average Non-PEO NEOs SCT Total to CAP Reconciliation:

Fiscal Year	SCT Total	Deductions from SCT Total (i)	Additions to SCT Total (ii)				CAP
			Fair Value of Current Year Equity Awards for Covered Fiscal Year	Change in Value of Prior Years’ Awards Unvested for Covered Fiscal Year	Vesting Date Fair Value of Awards vesting in Year Granted	Change in Value of Prior Years’ Awards that Vested in Covered Fiscal Year	
2025	\$ 1,657,452	\$ 1,201,011	\$ 724,610	\$ (121,790)	\$ —	\$ (912)	\$ 1,058,348
2024	\$ 1,922,673	\$ 1,507,374	\$ 694,079	\$ (248,530)	\$ 60,934	\$ (28,744)	\$ 893,038

- (i) Represents the grant date fair value of equity-based awards granted each year. The fair values of equity compensation, including such amounts described in the tables below, are calculated in accordance with FASB ASC Topic 718. All assumptions made in the valuations are contained and described in footnote 13 to the Company's financial statements for 2025 contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on March 30, 2026. The amounts shown in the table reflect the total fair value on the date of grant and do not necessarily reflect the actual value, if any, that may be realized by the NEOs.

We did not report a change in pension value for any of the years reflected in this table because the Company does not maintain a pension plan and therefore a deduction from SCT related to pension value is not needed.

- (ii) Reflects the value of equity calculated in accordance with the SEC methodology for determining CAP for each year shown. The fair values of equity compensation, including such amounts described in the tables below, are calculated in accordance with FASB ASC Topic 718. All assumptions made in the valuations are contained and described in footnote 13 to the Company's financial statements for 2025 contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on March 31, 2026. The amounts shown in the table reflect the total fair value on the applicable date(s) listed in the table above, and do not necessarily reflect the actual value, if any, that may be realized by the NEOs.
- (3) The non-PEO NEOs reflected in these columns are, (i) for 2025: Giordano Sordoni and Liana Pogosyan; and (ii) for 2024: Giordano Sordoni and Christen Romero.
- (4) Represents cumulative total return to holders of our common stock, from December 29, 2023 (the last trading day before 2024) through December 31, 2025, calculated from the market close on the last trading day before Fiscal 2024 through and including the end of each applicable fiscal year in the table above for which the total shareholder return is being calculated. The total shareholder return assumes that \$100 was invested in our common stock on December 29, 2023 through December 31, 2025, including reinvestment of any dividends.

## **Director Compensation**

Commencing on October 1, 2021, our lead independent director receives an annual cash retainer of \$25,000 for his or her service in that role. The chairs of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee receive annual cash retainers of \$20,000, \$10,000 and \$10,000, respectively, for their respective committee service. The annual cash retainers are payable in equal quarterly installments in arrears on the last day of each fiscal quarter in which service occurred, prorated for any partial quarter of service.

In January 2022, the Compensation Committee approved a program pursuant to which non-employee directors may elect to receive their annual cash retainers and any other cash compensation they become entitled to receive for serving on our Board in the form of fully vested restricted stock unit awards rather than in cash by executing a form of election and timely delivering the same to the Company.

On August 8, 2022, our Board adopted the Xos, Inc. Third Amended and Restated Non-Employee Director Compensation Policy (as amended from time to time, the "Director Compensation Policy"). Pursuant to this policy, each member of our Board who is not our employee, and who was not otherwise precluded from participation in the Director Compensation Policy, receives the following equity compensation for his or her service as a member of our Board:

- Following each annual meeting of our stockholders if the non-employee director remains in service through the applicable grant date, an annual restricted stock unit award with a value equal to \$200,000, which fully vests on the earlier of (i) the first anniversary of the applicable grant date and (ii) the day before the next annual meeting of our stockholders, following the applicable grant date, subject to the individual's continued service through the vesting date (the "Annual Grant").

If a Change in Control (as defined in the 2021 Plan) occurs, each non-employee director's then-outstanding equity awards granted under the policy will vest in full immediately prior to the Change in Control so long as the non-employee director continues to provide service to us through such time.

On March 11, 2026, our Board adopted the Xos, Inc. Fourth Amended and Restated Non-Employee Director Compensation Policy, which added an annual cash retainer of \$20,000 for service as a non-employee director of the Company.

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This annual cash retainer, like those for leadership roles, is payable in equal quarterly installments in arrears on the last day of each fiscal quarter in which service occurred, prorated for any partial quarter of service.

Our policy is to reimburse directors for reasonable and necessary out-of-pocket expenses incurred in connection with attending Board and committee meetings or performing other services in their capacities as directors.

Messrs. Semler and Sordoni do not receive additional compensation for their services as directors.

The following table contains information concerning the compensation of our non-employee directors in fiscal year 2025.

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)(1)(2)(3)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Stuart Bernstein	-	\$ 199,606	-	\$ 199,606
George Mattson	\$ 15,000 <sup>(4)</sup>	\$ 213,445	-	\$ 213,445
Dietmar Ostermann	\$ 20,000 <sup>(5)</sup>	\$ 199,606	-	\$ 219,606
Ed Rapp	\$ 20,000 <sup>(6)</sup>	\$ 219,298	-	\$ 219,298
Michael Richardson	-	\$ 199,606	-	\$ 199,606
John F. Smith	-	\$ 142,511	-	\$ 142,511
Alice Yake	\$ 10,000 <sup>(7)</sup>	\$ 204,566	-	\$ 209,566

- (1) Amounts reported represent the aggregate grant date fair value of the RSUs granted to our non-employee directors during 2025 under the 2021 Plan, in each case computed in accordance with ASC 718. The assumptions used in calculating the grant-date fair value of the RSUs reported in this column are set forth in the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025. This amount does not reflect the actual economic value that may be realized by the director.
- (2) On July 10, 2025, pursuant to the Director Compensation Policy, Mr. Mattson, Mr. Bernstein, Mr. Ostermann, Mr. Rapp, Mr. Richardson and Ms. Yake were each granted 62,377 RSUs as an Annual Grant. Mr. Smith joined the Board in August 2025, and on October 10, 2025, the Compensation Committee granted Mr. Smith 52,978 RSUs representing a *pro rata* portion of the Annual Grants received by the other non-employee directors in accordance with the estimated days he would be serving on the board from the 2025 Annual Meeting to the 2026 Annual Meeting. For Mr. Mattson, Mr. Rapp and Ms. Yake, includes awards of RSUs in lieu of quarterly cash fees for service as committee chair and/or lead independent director which are also reported in the “Fees Earned... in Cash” column (see footnotes 4, 6 and 7).
- (3) The table below shows the aggregate number of shares of Common Stock subject to equity awards outstanding for each of our non-employee directors as of December 31, 2025:

<b>Name</b>	<b>Stock Awards (#)</b>
Stuart Bernstein	62,377
George Mattson	62,377
Dietmar Osterman	62,377
Ed Rapp	62,377
Michael Richardson	62,377
John F. Smith	52,978
Alice Yake	62,377

- (4) Mr. Mattson earned \$15,000 of annual cash retainers during 2025; however, he elected to receive such amounts in fully vested RSUs under the 2021 Plan in lieu of cash payments, in accordance with the Director Compensation Policy described above. On March 31, 2026, Mr. Mattson amended his election to exclude the new annual cash retainer for service as a non-employee director and to terminate his election entirely at the end of calendar 2026.
- (5) Mr. Ostermann earned \$20,000 of annual cash retainers during 2025.

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- (6) Mr. Rapp earned \$20,000 of annual cash retainers during 2025; however, he elected to receive such amounts in fully vested RSUs under the 2021 Plan in lieu of cash payments, in accordance with the Director Compensation Policy described above.
- (7) Ms. Yake earned \$10,000 of annual cash retainers during 2025; however, she elected to receive 50% of such amounts in fully vested RSUs under the 2021 Plan in lieu of cash payments, in accordance with the Director Compensation Policy described above.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

#### Equity Compensation Plan Information

The following table provides certain information with respect to all of the Company's equity compensation plans in effect as of December 31, 2025.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights <sup>(1)</sup>	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(4)</sup>
	(a)	(b)	(c)
Equity compensation plans approved by security holders	3,097,278 <sup>(2)</sup>	\$ 0.66	2,299,760 <sup>(3)</sup>
Equity compensation plans not approved by security holders	-	\$ —	-
<b>Total</b>	<b>3,097,278</b>	<b>\$ 0.66</b>	<b>2,299,760</b>

- (1) The weighted average exercise price is calculated based solely on outstanding stock options. It does not take into account the 3,096,067 shares issuable upon vesting of outstanding RSU awards without any cash consideration payable for those shares.
- (2) Consists of outstanding RSU awards under the 2021 Plan and 1,211 shares of Common Stock underlying Options previously granted under the 2018 Plan. The 2018 Plan was terminated in connection with the Business Combination and no additional awards may be granted under the 2018 Plan. Excludes purchase rights (if any) accruing under the Xos, Inc. 2021 Employee Stock Purchase Plan (the "ESPP").
- (3) As of December 31, 2025, 1,725,374 shares of Common Stock remained available for future issuance under the 2021 Plan, and 574,386 shares of Common Stock remained available for future issuance under the ESPP. The number of shares remaining available for future issuance under the 2021 Plan automatically increases on January 1st each year, through and including January 1, 2031 in an amount equal to 5% of the total number of shares of the Common Stock outstanding on December 31st of the preceding year, or a lesser number of shares as determined by our Board of Directors prior to January 1st of a given year. The number of shares remaining available for future issuance under the ESPP automatically increases on January 1st of each year through and including January 1, 2031, in an amount equal to the least of (i) 1.5% of the total number of shares of the Company's Common Stock outstanding on December 31st of the preceding calendar year, (ii) 200,000 shares of Common Stock (as adjusted for the Reverse Stock Split effected on December 4, 2023), or (iii) a number of shares as determined by our Board of Directors prior to January 1st of a given year. On January 1, 2026, the number of shares available for issuance under the ESPP automatically increased by 171,051 shares.
- (4) Subsequent to December 31, 2025, an additional 570,172 shares of Common Stock became available for issuance under the 2021 Plan as of January 1, 2026 pursuant to an automatic increase.

#### Certain Beneficial Owners, Directors and Executive Officers

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The following table sets forth information known to us regarding the beneficial ownership of our Common Stock as of April 16, 2026 (the “Measurement Date”), by:

- each person who is known by us to be the beneficial owner of more than 5% of the outstanding shares of Common Stock;
- each of our named executive officers and directors; and
- all of our current executive officers and directors, as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days and RSUs that vest within 60 days. We have relied upon information provided to us by our current directors and executive officers and copies of documents that have been filed with the SEC by others for purposes of determining the number of shares each person beneficially owns.

The beneficial ownership percentages set forth in the table below are based on 12,004,597 shares of our Common Stock issued and outstanding as of the Measurement Date. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to stock awards held by that person that are issuable upon settlement of RSUs and all shares subject to options and/or warrants, as applicable, held by the person that vest within the next 60 days, in the case of RSUs, or that are currently exercisable or would be exercisable within 60 days of the Measurement Date. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise noted in the footnotes to the following table, and subject to applicable community property laws, the persons and entities named in the table have sole voting and investment power with respect to their beneficially owned Common Stock.

Name and Address of Beneficial Owner <sup>(1)</sup>	Number of Shares of Common Stock	Percentage of Outstanding Common Stock
<b><i>Directors and Named Executive Officers:</i></b>		
Dakota Semler <sup>(2)</sup>	419,624	3.5 %
Giordano Sordoni <sup>(3)</sup>	1,179,736	9.8 %
Liana Pogosyan <sup>(4)</sup>	59,977	*
Stuart Bernstein <sup>(5)</sup>	37,509	*
George N. Mattson <sup>(6)</sup>	322,635	2.7 %
Dietmar Ostermann <sup>(7)</sup>	20,567	*
Ed Rapp <sup>(8)</sup>	90,821	*
Michael Richardson <sup>(9)</sup>	24,887	*
John F. Smith <sup>(10)</sup>	0	*
Alice Yake <sup>(11)</sup>	42,308	*
<b>All Directors and Current Executive Officers of the Company as a Group (ten individuals)<sup>(12)</sup></b>	2,198,064	18.0 %
<b><i>Five Percent Holders:</i></b>		
Aljomaih Automotive Co. <sup>(13)</sup>	2,684,682	21.9 %
Emerald Green Trust <sup>(14)</sup>	1,561,229	13.0 %

\* Less than one percent.

- (1) Unless otherwise noted, the business address of those listed in the table above is 3550 Tyburn Street, Los Angeles, California 90065.
- (2) Consists of: (i) 364,714 shares of Common Stock held directly by Mr. Semler; and (ii) 54,910 shares of Common Stock that may be acquired upon the settlement of outstanding RSUs within 60 days of the Measurement Date. Does not include: (a) 471,975 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more

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than 60 days after the Measurement Date; or (b) any shares held by the Emerald Green Trust, of which Mr. Semler is the beneficiary, because he has no voting or dispositive power over the shares held by Emerald Green Trust.

- (3) Consists of: (i) 1,126,033 shares of Common Stock held by Mr. Sordoni; and (ii) 53,703 shares of Common Stock that may be acquired upon the settlement of outstanding RSUs within 60 days of the Measurement Date. Does not include 465,944 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (4) Consists of: (i) 48,032 shares of Common Stock held by Ms. Pogosyan; and (ii) 11,945 shares of Common Stock that may be acquired upon the settlement of outstanding RSUs within 60 days of the Measurement Date. Does not include 106,938 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (5) Consists of: (i) 31,710 shares of Common Stock held directly by Mr. Bernstein; (ii) 4,133 shares of Common Stock held by Bernstein Investment Partners LLC, an entity of which Mr. Bernstein is a managing member; and (iii) 1,666 shares of Common Stock issuable upon exercise of 50,002 public warrants (every 30 public warrants are exercisable for one share of Common Stock) held by Bernstein Investment Partners LLC. Does not include 62,377 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (6) Consists of: (i) 131,250 shares of Common Stock held by NGAC GNM Feeder LLC (“NGAC”), which Mr. Mattson may be deemed to beneficially own by virtue of his shared control over NGAC; (ii) 88,667 shares of Common Stock issuable upon exercise of and 2,660,020 public warrants (every 30 public warrants are exercisable for one share of Common Stock) held by NGAC; (iii) 33,333 shares of Common Stock held by GNM ICBC LLC (“GNM”), which Mr. Mattson may be deemed to beneficially own by virtue of his shared control over GNM; and (iv) 69,385 shares held directly by Mr. Mattson. Does not include 62,377 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (7) Consists of 20,567 shares of Common Stock held directly by Mr. Ostermann. Does not include 62,377 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (8) Consists of (i) 21,172 shares of Common Stock held by Edward Joseph Rapp TTEE U/A DTD 02/07/2005 (“EJR Trust”), of which Mr. Rapp is trustee; (ii) 666 shares of common stock issuable upon exercise of 20,000 public warrants (every 30 public warrants are exercisable for one share of Common Stock) held by the EJR Trust; and (iii) 68,983 shares of Common Stock held directly by Mr. Rapp. Does not include 62,377 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (9) Consists of 24,887 shares of Common Stock held directly by Mr. Richardson. Does not include 62,377 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (10) Does not include 52,978 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (11) Consists of 42,308 shares of Common Stock held directly by Ms. Yake. Does not include 62,377 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (12) Consists of (i) 1,986,507 outstanding shares of Common Stock beneficially owned by our current executive officers and directors; (ii) 120,558 shares of Common Stock that may be acquired upon the settlement of outstanding RSUs within 60 days of the Measurement Date; and (iii) 90,999 shares of Common Stock issuable upon exercise of 2,730,022 public warrants (every 30 public warrants are exercisable for one share of Common Stock). Does not include 1,472,097 shares of Common Stock that may be acquired upon settlement of outstanding RSUs more than 60 days after the Measurement Date.
- (13) Based solely on information obtained from a Schedule 13D/A filed with the SEC on November 16, 2022 on behalf of Aljomaih Automotive Co. (“Aljomaih”) as adjusted for the Reverse Stock Split of our Common Stock on December 6, 2023, and transactions directly between us and Aljomaih. Consists of (i) 2,446,637 shares held directly by Aljomaih and (ii) 238,045 shares that Aljomaih has the right to acquire upon conversion of the \$17.0 million outstanding principal amount of the Note. Does not include shares issuable by us in payment of interest accrued on the Note. Aljomaih is wholly owned by Aljomaih Holding Co. The board of directors of Aljomaih has the power to dispose of and the power to vote the shares of Common Stock beneficially owned by Aljomaih. Mohammed Al-Abdullah Aljomaih, Mohammed Abdulaziz Aljomaih, Abdulrahman Abdulaziz Aljomaih, Hamad Abdulaziz Aljomaih are each a

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stockholder and a director of Aljomaih Holding Co. and may be deemed to beneficially own securities held by Aljomaih Automotive. The business address of the reporting person is P.O. Box 224, Dammam Postal Code 31411, Saudi Arabia.

- (14) Based solely on information obtained from a Schedule 13D/A filed with the SEC on January 20, 2026. Consists of 1,561,229 shares of Common Stock held directly by Emerald Green Trust. As co-trustees of Emerald Green Trust, Sarah Bardo and Shane Semler share voting and dispositive power over the securities held by Emerald Green Trust. Shane Semler is also the beneficial owner of 6,003 shares of Common Stock that he holds directly. The business address of the reporting person is 32111 Mulholland Hwy, Malibu, CA 90265.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

#### **Related Person Transactions Policy and Procedures**

Our Board adopted a written Related Person Transactions Policy that sets forth our policies and procedures regarding the identification, review, consideration and oversight of related-person transactions. For purposes of our policy, a related-person transaction is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any related person are, were or will be participants, in which the amount involved exceeds the lesser of (i) \$120,000 or (ii) 1% of the average of our total assets at year end for the last two completed fiscal years. Transactions involving compensation for services provided to us as an employee, consultant or director will not be considered related-person transactions under this policy.

Under the policy, a related person is any executive officer, director, nominee to become a director or a security holder known by us to beneficially own more than 5% of any class of our voting securities (a “significant stockholder”), including any of their immediate family members and affiliates, including entities controlled by such persons or such person has a 5% or greater beneficial ownership interest.

Each director and executive officer shall identify, and we shall request each significant stockholder to identify, any related-person transaction involving such director, executive officer or significant stockholder or his, her or its immediate family members and inform the Audit Committee pursuant to this policy before such related person may engage in the transaction.

In considering related-person transactions, the Audit Committee takes into account the relevant available facts and circumstances, which may include, but are not limited to:

- the risk, cost and benefits to us;
- the impact on a director’s independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction; and
- the availability of other sources for comparable services or products.

The Audit Committee shall approve only those related-party transactions that, in light of known circumstances, are in, or are not inconsistent with, the best interests of us and our stockholders, as the Audit Committee determines in the good faith exercise of its discretion.

#### **Certain Related Person Transactions**

##### ***Hub sales to Xcel Energy***

During the year ended December 31, 2024, we sold two Hubs to Xcel Energy in the ordinary course of business for an aggregate of approximately \$0.5 million. At that time, our director, Alice Yake, was serving as the Senior Vice President, System Strategy and Chief Planning Officer of Xcel Energy. We believe these transactions were conducted on terms consistent with those that prevail in arm’s length transactions with unrelated third-parties.

##### ***Convertible Promissory Notes***

On August 9, 2022, we entered into a Note Purchase Agreement with Aljomaih Automotive Co. (“Aljomaih”) under which we agreed to sell and issue to Aljomaih a convertible promissory note in the principal amount of \$20.0 million. On August 11, 2022, pursuant to the Note Purchase Agreement, we sold and issued to Aljomaih the Original Note. On September 28, 2022, we and Aljomaih agreed to amend and restate the Original Note to the Aljomaih Note to, among other things, adjust the calculation of the shares of our Common Stock issuable as interest, as described further below.

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The Aljomaih Note bears interest at a rate of 10.0% per annum, payable at maturity in shares of our Common Stock (“Interest Shares”), unless earlier converted or paid. If the 10-day VWAP ending on the trading day immediately prior to the applicable payment date is greater than or equal to the Minimum Price (as defined in Nasdaq Rule 5635(d)) or we have received the requisite approval from our stockholders, the number of Interest Shares to be issued will be calculated based on the 10-day; otherwise, the number of Interest Shares to be issued will be based on the Minimum Price. The conversion price for the Aljomaih Note was initially equal to \$71.451 per share, as adjusted for our Reverse Stock Split that occurred on December 6, 2023, subject to adjustment in some events pursuant to the terms of the Aljomaih Note. We will have the right, in our sole discretion and exercisable at our election by sending notice of such exercise to Aljomaih, to irrevocably fix the method of settlement that will apply to all conversions of Aljomaih Notes. Methods of settlement include (i) physical settlement in shares of our Common Stock, (ii) cash settlement determined by multiplying the principal being converted by the 10-day VWAP ending on the trading day immediately prior to the conversion date and dividing by the conversion price, or (iii) a combination of shares or our Common Stock and cash.

On August 8, 2025, we and Aljomaih entered into Amendment Number One to the Note Purchase Agreement and amended and restated the Note issued thereunder, and, on August 14, 2025, we and Aljomaih entered into a Letter Agreement regarding certain restrictions on convertibility of the Note (collectively, the “August 2025 Amendments”). Among other things, the August 2025 Amendments extended the maturity of the Note so that it is now due in ten quarterly installments payable between November 11, 2025 and February 11, 2028. The first four such installments are \$1.5 million each, the fifth through eighth installments are \$2.0 million each and the final two installments are \$3.0 million each; provided that such installments may be increased in the event certain financing activities result in proceeds to us in excess of four times the aggregate amount of Note principal payments otherwise required on or prior to any installment date. Pursuant to the August 2025 Amendments, and notwithstanding the postponement of maturity of the Note, the interest accrued on the Note through August 11, 2025, of approximately \$6.0 million in the aggregate, was converted into 1,803,262 shares of Common Stock at the 10-day VWAP (as defined in the Note) on August 25, 2025.

Pursuant to the August 2025 Amendments, at any time when the conversion price would be less than the New Nasdaq Minimum Price (as defined below), the aggregate number of Interest Shares deliverable or previously delivered upon any interest payments under the Note plus the number of shares of Common Stock that may be issued or were previously issued in respect of conversion of principal or any other portion of the Note, shall not exceed 1,737,247 shares of our Common Stock (subject to adjustment) (the “Limit”), which was 19.99% of the outstanding shares of our Common Stock on August 8, 2025, immediately prior to the August 2025 Amendments. Any interest amounts payable in excess of the amount payable with Interest Shares, shall instead be payable within five business days of the earlier of (x) August 11, 2026 and (y) the date we receive stockholder approval to issue more than the Limit in respect of conversion of the Note, as amended.

The Aljomaih Note also includes an optional prepayment feature that provides us, on or after August 11, 2024, or as otherwise agreed to between us and Aljomaih in writing, the right to prepay the outstanding principal and accrued and unpaid interest, upon written notice not less than five trading days prior to exercise of the option, in full or in part and without penalty.

Prior to the August 2025 Amendments, Aljomaih had a right to designate one individual for nomination (the “Designated Director”) to our Board, subject to the approval of us and our Board and satisfaction of certain conditions. However, Aljomaih never designated any Designated Director, and the August 25 Amendments eliminated this right.

We have agreed to give Aljomaih a right of first offer (“Right of First Offer”) with respect to any future distribution of products or services offered by us in Cooperation Council for the Arab States of the Gulf (Saudi Arabia, Bahrain, Kuwait, United Arab Emirates, Qatar and Oman), Jordan, Iraq, Syria, Lebanon, Egypt and Yemen. The Right of First Offer will terminate upon the later of (i) the date the principal amount of the Note is repaid in full, and (ii) February 11, 2028.

### ***NextGen Related Transactions and Agreements***

#### ***Registration Rights Agreement***

In connection with the Business Combination, Xos, NextGen Sponsor LLC (“NextGen Sponsor”) and certain other parties entered into the Amended and Restated Registration Rights Agreement (the “A&R Registration Rights Agreement”), pursuant to which we agreed to register for resale, pursuant to Rule 415 under the Securities Act, certain shares of Common Stock and other equity securities of Xos that are held by the parties thereto from time to time, subject to the restrictions on transfer therein. The A&R Registration Rights Agreement amends and restates that certain Registration Rights Agreement by and among NextGen, NextGen Sponsor and the other parties thereto, dated October 6, 2020 and entered into in connection with NextGen’s initial public offering and that certain Investor Rights Agreement by and among Legacy Xos and the other parties thereto, dated December 31, 2020. The A&R Registration Rights Agreement will terminate on the earlier of (i) the tenth anniversary of the date of the A&R Registration Rights Agreement or (ii) with respect to any party thereto, on the date that such party no longer holds any Registrable Securities (as defined therein).

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### *Private Placement Warrants*

Simultaneously with the consummation of the initial public offering of NextGen, NextGen Sponsor purchased 6,000,000 Private Placement Warrants at a price of \$1.50 per warrant, or \$9.0 million in the aggregate, in a private placement. On November 13, 2020, the underwriters partially exercised the over-allotment option and on November 17, 2020, simultaneously with the closing of the over-allotment, NextGen consummated the second closing of the private placement, resulting in the purchase of an aggregate of an additional 333,334 Private Placement Warrants by NextGen Sponsor, generating gross proceeds to the NextGen of \$500,000. Each Private Placement Warrant entitles the holder to purchase one-thirtieth of one share of our Common Stock for \$345.00 per whole share (as adjusted for the Reverse Stock Split). A portion of the proceeds from the sale of the Private Placement Warrants was placed in the trust account of NextGen. The Private Placement Warrants may not be redeemed by us so long as they are held by NextGen Sponsor or its permitted transferees. If the Private Placement Warrants are held by holders other than NextGen Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by us and exercisable by the holders on the same basis as the Public Warrants. NextGen Sponsor, or its permitted transferees, has the option to exercise the Private Placement Warrants on a cashless basis.

The Private Placement Warrants are identical to the Public Warrants except that the Private Placement Warrants: (i) are not redeemable by NextGen, (ii) may be exercised for cash or on a cashless basis so long as they are held by NextGen Sponsor or any of its permitted transferees and (iii) are entitled to registration rights (including the ordinary shares issuable upon the exercise of the Private Placement Warrants).

### **Independence**

The Board has determined that Messrs. Bernstein, Mattson, Ostermann, Rapp, Richardson and Smith, and Ms. Yake are independent applying the Nasdaq listing rules. See the discussion under “Director Independence” in Part III, Item 10 of this Report for more information.

### **Item 14. Principal Accountant Fees and Services**

#### **Principal Accountant Fees and Services**

The Audit Committee of our Board retained Grant Thornton LLP (“Grant Thornton”) as the Company’s independent registered public accounting firm for the fiscal years ended December 31, 2025 and 2024. The following tables summarize the aggregate fees billed by Grant Thornton for services performed for the Company for the fiscal years ended December 31, 2025 and 2024, respectively (in thousands):

	Fiscal Year Ended	
	December 31, 2025	December 31, 2024
Audit Fees <sup>(1)</sup>	\$ 667	\$ 687
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total	\$ 667	\$ 687

(1) Audit Fees include actual fees for the audit of our annual consolidated financial statements, the reviews of interim financial statements included in our Quarterly Reports on Form 10-Q and consents.

### **Pre-Approval Policies and Procedures.**

The charter of the Audit Committee provides that the Committee will approve all audit and non-audit related services that the Company’s independent registered public accounting firm provides to the Company before the engagement begins, unless applicable law and stock exchange listing requirements allow otherwise. The charter also provides that the Audit Committee may establish pre-approval policies and procedures or delegate pre-approval authority to one or more Audit Committee members as permitted by applicable law and stock exchange listing requirements.

All fees billed by Grant Thornton in 2025 and 2024 were pre-approved by the Audit Committee.

**PART IV****Item 15. Exhibits and Financial Statement Schedules****(a)** Financial Statements

See Index to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

**(b)** Financial Statement Schedule

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or notes thereto.

**(c)** Exhibits

The documents listed in the Exhibit Index of this Report are incorporated by reference or are filed with this Report.

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
2.1+	<a href="#">Agreement and Plan of Merger, dated as of February 21, 2021, as amended on May 14, 2021, by and among NextGen, Sky Merger Sub I, Inc. and Legacy Xos (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on August 26, 2021).</a>
2.2	<a href="#">Amendment to the Agreement and Plan of Merger, dated as of May 14, 2021 (incorporated by reference to Exhibit 2.2 of the Company's Current Report on Form 8-K filed on August 26, 2021).</a>
2.3	<a href="#">Arrangement Agreement by and between Xos, Inc. and ElectraMeccanica Vehicles Corp., dated as of January 11, 2024 (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on January 12, 2024).</a>
2.4	<a href="#">Amendment Agreement by and between Xos, Inc. and ElectraMeccanica Vehicles Corp., dated as of January 31, 2024 (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on February 1, 2024).</a>
3.1	<a href="#">Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on August 26, 2021).</a>
3.2	<a href="#">Certificate of Amendment to Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on December 6, 2023).</a>
3.3	<a href="#">Bylaws of the Company (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed on August 26, 2021).</a>
4.1	<a href="#">Form of Specimen Common Stock Certificate of the Company (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on August 26, 2021).</a>
4.2	<a href="#">Form of Warrant Certificate of the Company (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed on August 26, 2021).</a>
4.3	<a href="#">Warrant Agreement, dated October 6, 2020, between NextGen and Continental Stock Transfer &amp; Trust Company, as warrant agent (incorporated by reference to Exhibit 4.3 of the Company's Current Report on Form 8-K filed on August 26, 2021).</a>
4.4	<a href="#">Description of Securities (incorporated by reference to Exhibit 4.4 of the Company's Annual Report on Form 10-K filed on March 30, 2022).</a>
4.5	<a href="#">Amended and Restated Convertible Promissory Note, dated as of September 28, 2022, by and between Xos, Inc. and Aljomaih Automotive Co. (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on September 30, 2022).</a>
4.6	<a href="#">Form of Convertible Debenture, by and between Xos, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed on August 11, 2022).</a>
4.7	<a href="#">First Amendment to the Convertible Debentures, dated June 22, 2023, between Xos, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed on June 23, 2023).</a>
4.8	<a href="#">Second Amended and Restated Convertible Promissory Note, dated as of August 8, 2025, by and among Xos, Inc. and Aljomaih Automotive Co. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on August 13, 2025).</a>

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<b>Exhibit Number</b>	<b>Description</b>
10.1	<a href="#"><u>Form of Subscription Agreement, by and between NextGen and the undersigned subscriber party thereto (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on August 26, 2021).</u></a>
10.2	<a href="#"><u>Amended and Restated Registration Rights Agreement, by and among the Company, NextGen Sponsor and certain former stockholders of Legacy Xos (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on August 26, 2021).</u></a>
10.3	<a href="#"><u>Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed on August 26, 2021).</u></a>
10.4	<a href="#"><u>Letter Agreement, dated October 6, 2020, among NextGen, NextGen Sponsor and the Registrant's officers and directors (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed on August 26, 2021).</u></a>
10.5	<a href="#"><u>Form of Indemnification Agreement by and between the Company and its directors and officers (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed on August 26, 2021).</u></a>
10.6#	<a href="#"><u>Xos, Inc. Amended and Restated 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on July 23, 2024).</u></a>
10.6a#	<a href="#"><u>Form of Global Option Grant Notice (incorporated by reference to Exhibit 10.6a of the Company's Current Report on Form 8-K filed on August 26, 2021).</u></a>
10.6b#	<a href="#"><u>Form of Global RSU Award Grant Notice (incorporated by reference to Exhibit 10.6b of the Company's Current Report on Form 8-K filed on August 26, 2021).</u></a>
10.7#	<a href="#"><u>Xos, Inc. 2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.7 of the Company's Current Report on Form 8-K filed on August 26, 2021).</u></a>
10.8#	<a href="#"><u>Third Amended and Restated Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on August 11, 2022).</u></a>
10.9#	<a href="#"><u>Offer Letter between Dakota Semler and Thor Trucks Inc. (now known as Xos Fleet, Inc.), dated September 6, 2016 (incorporated by reference to Exhibit 10.10 of the Company's Registration Statement on Form S-1 filed on September 13, 2021).</u></a>
10.10#	<a href="#"><u>Offer Letter between Giordano Sordoni and Thor Trucks Inc. (now known as Xos Fleet, Inc.), dated September 7, 2016 (incorporated by reference to Exhibit 10.11 of the Company's Registration Statement on Form S-1 filed on September 13, 2021).</u></a>
10.11#	<a href="#"><u>Offer Letter between Liana Pogosyan and Xos, Inc., dated January 5, 2022 (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q filed on August 11, 2023).</u></a>
10.12#	<a href="#"><u>Amendment to Offer Letter between Liana Pogosyan and Xos, Inc., dated November 21, 2023 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on November 22, 2023).</u></a>
10.13#	<a href="#"><u>Offer Letter between Christen Romero and Xos, Inc. (now known as Xos Fleet, Inc.), dated December 6, 2020 (incorporated by reference to Exhibit 4.4 of the Company's Annual Report on Form 10-K filed on March 30, 2022).</u></a>
10.14#	<a href="#"><u>Amendment to Offer Letter between Christen Romero and Xos, Inc., dated November 21, 2023 (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed on March 29, 2024).</u></a>
10.15	<a href="#"><u>Lease between Legacy Xos and RIF V – Glendale Commerce Center, LLC, dated August 6, 2021 (incorporated by reference to Exhibit 10.9 of the Company's Registration Statement on Form S-1 filed on September 13, 2021).</u></a>
10.16	<a href="#"><u>Standby Equity Purchase Agreement, dated March 23, 2022 between Xos, Inc. and YA II PN, LTD (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on March 28, 2022).</u></a>
10.17	<a href="#"><u>First Amendment to Standby Equity Purchase Agreement, dated June 22, 2023, between Xos, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on June 23, 2023).</u></a>
10.18	<a href="#"><u>Note Purchase Agreement, dated as of August 9, 2022, by and between Xos, Inc. and Aljomaih Automotive Co. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on August 11, 2022).</u></a>
10.19	<a href="#"><u>Securities Purchase Agreement, dated as of August 9, 2022, by and between Xos, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on August 11, 2022).</u></a>
10.20	<a href="#"><u>Side Letter to the Securities Purchase Agreement, dated June 22, 2023, between Xos, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on June 23, 2023).</u></a>
10.21	<a href="#"><u>Registration Rights Agreement, dated as of August 9, 2022, by and between Xos, Inc. and YA II PN, Ltd. (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed on August 11, 2022).</u></a>
10.22	<a href="#"><u>Form of Voting Support and Lock-Up Agreement, dated as of January 11, 2024, by and between ElectraMeccanica Vehicles Corp. and certain holders of shares of common stock of Xos, Inc. (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on January 12, 2024).</u></a>

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<b>Exhibit Number</b>	<b>Description</b>
10.23	<a href="#">Form of Voting Support and Lock-Up Agreement, dated as of January 11, 2024, by and between Xos, Inc. and certain holders of shares of common stock of ElectraMeccanica Vehicles Corp. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on January 12, 2024).</a>
10.24#	<a href="#">Xos, Inc. 2018 Stock Plan (incorporated by reference to Exhibit 99.3 of the Company's Registration Statement on Form S-8 filed on October 26, 2021).</a>
10.25#	<a href="#">Executive Employment Agreement between Xos Fleet, Inc. and Dakota Semler, dated as of June 26, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 27, 2025).</a>
10.26#	<a href="#">Executive Employment Agreement between Xos Fleet, Inc. and Giordano Sordoni, dated as of June 26, 2025 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 27, 2025).</a>
10.27#	<a href="#">2025 Amendment to the Xos, Inc. Amended and Restated 2021 Equity Incentive Plan (incorporated by reference to Appendix B to the Company's Definitive Proxy Statement on Schedule 14A filed on May 12, 2025).</a>
10.28	<a href="#">Amendment Number One to Note Purchase Agreement, dated August 8, 2025, by and among Xos, Inc. and Aljomaih Automotive Co. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on August 13, 2025).</a>
10.29#	<a href="#">Promotion Letter, signed August 11, 2025, amending Offer Letter between Liana Pogosyan and Xos, Inc. dated January 5, 2022, as amended to date (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on August 13, 2025).</a>
10.30	<a href="#">Sales Agreement, dated as of August 14, 2025, between Xos, Inc. and Roth Capital Partners, LLC (incorporated by reference to Exhibit 1.1 to the Company's first Current Report on Form 8-K filed on August 14, 2025).</a>
10.31	<a href="#">Letter Agreement between Xos, Inc. and Aljomaih Automotive Co., executed on August 14, 2025 (incorporated by reference to Exhibit 10.1 to the Company's second Current Report on Form 8-K filed on August 14, 2025).</a>
10.32	<a href="#">Lease Amendment - Termination Agreement between Landing 4 Industrial, LLC and EMV Automotive USA Inc., dated August 21, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 27, 2025).</a>
19.1	<a href="#">Xos, Inc. Amended and Restated Insider Trading Policy, adopted and effective March 7, 2023. (incorporated by reference to Exhibit 19.1 to the Company's Annual Report on Form 10-K filed March 31, 2025).</a>
19.2±	<a href="#">Amendment No. 1 to the Xos, Inc. Amended and Restated Insider Trading Policy, adopted and effective September 4, 2025.</a>
21.1±	<a href="#">List of Subsidiaries.</a>
23.1*	<a href="#">Consent of Grant Thornton LLP.</a>
24.1±	<a href="#">Power of Attorney (included on signature page hereto).</a>
31.1±	<a href="#">Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).</a>
31.2±	<a href="#">Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).</a>
31.3*	<a href="#">Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).</a>
31.4*	<a href="#">Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).</a>
32.1**	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.</a>
32.2*	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.</a>
97.1	<a href="#">Xos, Inc. Incentive Compensation Recoupment Policy effective as of November 15, 2023 (incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K filed March 29, 2024).</a>
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.

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<b>Exhibit Number</b>	<b>Description</b>
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

\* Filed or furnished herewith.

\*\* Previously furnished with the Original Form 10-K.

+ Schedules and exhibits have been omitted pursuant to Item 601 (b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

± Previously filed with the Original Form 10-K

# Indicates management contract or compensatory plan or arrangement.

**Item 16. Form 10-K Summary.**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on March 30, 2026.

### XOS, INC.

By: /s/ Dakota Semler  
Name: Dakota Semler  
Title: Chief Executive Officer  
(Principal Executive Officer)

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Dakota Semler and Liana Pogosyan, and each of them, his or her true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments and supplements to this Annual Report on Form 10-K for the fiscal year ended December 31, 2025, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
<u>/s/ Dakota Semler</u> Dakota Semler	Chief Executive Officer, Chairman (Principal Executive Officer)	March 30, 2026
<u>/s/ Liana Pogosyan</u> Liana Pogosyan	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 30, 2026
<u>/s/ Giordano Sordoni</u> Giordano Sordoni	Chief Operating Officer, Director	March 30, 2026
<u>/s/ Stuart Bernstein</u> Stuart Bernstein	Director	March 30, 2026
<u>/s/ Alice Yake</u> Alice Yake	Director	March 30, 2026
<u>/s/ George N. Mattson</u> George N. Mattson	Director	March 30, 2026
<u>/s/ Dietmar Ostermann</u> Dietmar Ostermann	Director	March 30, 2026
<u>/s/ Ed Rapp</u> Ed Rapp	Director	March 30, 2026
<u>/s/ Michael Richardson</u> Michael Richardson	Director	March 30, 2026
<u>/s/ John F. Smith</u> John F. Smith	Director	March 30, 2026

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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 on April 21, 2026.

**XOS, INC.**

By: /s/ Dakota Semler

Name: Dakota Semler

Title: Chief Executive Officer  
(Principal Executive Officer)