Q2 2026 Earnings Call

For the quarterly period ended June 30, 2026

Steven Rossi
Founder & Chief Executive Officer

Jennifer Kartychak
Chief Financial Officer

Forward-looking statements

During this call, we will make forward-looking statements, including statements regarding our expectations for financial and business trends, our market position, our go-to-market and growth initiatives, and our product programs and their expected benefits.

These statements are predictions based on our current beliefs, expectations and assumptions. Because they relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside our control.

Actual results may differ materially, and you should not place undue reliance on them.

These statements are subject to the risks discussed in our SEC filings, including our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

They speak only as of today's date, and we assume no obligation to update them except as required by law.

Any supplemental operating metric discussed today should be considered together with, and not as a substitute for, the underlying GAAP results.

This presentation accompanies Worksport's Second Quarter 2026 prepared remarks and the Quarterly Report on Form 10-Q for the period ended June 30, 2026, filed August 11, 2026.

AGENDA

What we will cover today

01	Q2 2026 scorecard	S. ROSSI
02	The WKSP platform	S. ROSSI
03	Liquidity and capital resources	S. ROSSI
04	Financial review	J. KARTYCHAK
05	Inventory strategy	J. KARTYCHAK
06	Commercial execution	S. ROSSI
07	2026 outlook and cash-flow framework	S. ROSSI

COR portable energy system in field use

FORMAT

1) ≈25 minutes of prepared remarks.

2) Analyst Q&A

3) Investor town hall.

Record revenue, lower costs and lower cash burn — in the same quarter

NET SALES

$5.2M

+27% YoY · +58% QoQ

Strongest quarter in company history

GROSS PROFIT

$1.6M

+52% YoY · +93% QoQ

Margin ≈32%, vs ≈26% in Q1 2026

OPERATING EXPENSES

$5.5M

−17% vs Q1 2026

Moving towards Cost Structure Efficiency

OPERATING CASH USE

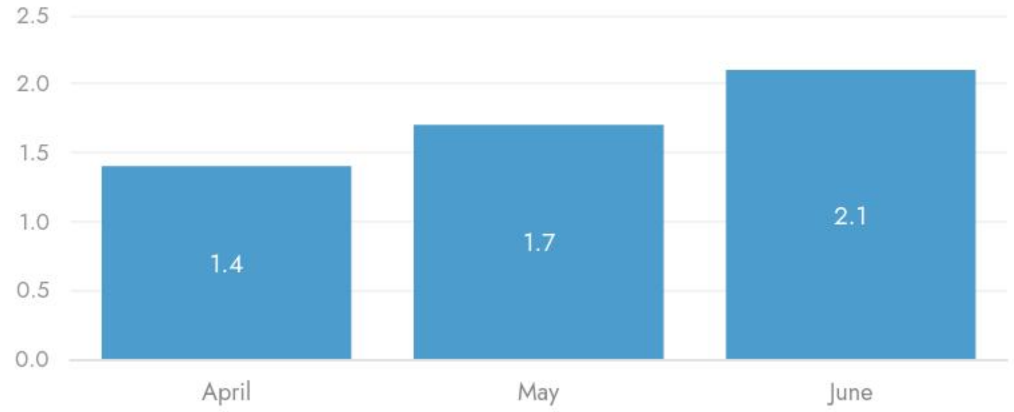
$3.4M

−58% vs Q1 2026

From $8.2M in Q1 2026

Quarterly net sales ($M) and gross margin (%)

Monthly net sales within Q2 2026 ($M)



June — strongest month on record: ≈$2.1M revenue · ≈35% gross margin

> *Q2 proved the cost base and the revenue line can move in opposite directions in the same quarter.*

THE WKSP PLATFORM

A diversified platform — one manufacturing core, multiple products, channels and revenue streams

CORE ECONOMIC ENGINE — TODAY

Hard-folding tonneau covers, built in-house

Manufactured at our ISO 9001:2015-certified facility in West Seneca, New York.

Newest cover, **NEXUS**, launched in Q2 2026 — its first quarter in the portfolio.

Disciplined execution of the core business comes ahead of additional growth vectors; Q2 results support that commitment.

NEAR-TERM GROWTH LEVERS

- **Distributor onboarding** — New wholesale partners
- **Distribution reorders** — Repeat-order cadence
- **E-commerce expansion** — Growing direct channel
- **Working capital** — Inventory → cash

EMERGING ENERGY OPTIONS

SOLIS · COR — mobile power

Extends the truck bed from a covered platform into a mobile power system. Continued innovation, with larger partnerships being pursued for the energy lineup.

AetherLux — Terravis Energy

A strategic opportunity through our subsidiary Terravis Energy; certification targeted for the second half of 2026.

Worksport

Liquidity rests on cash, revolver availability — and $12.1M of inventory ready to convert

$1.2M

Cash and cash equivalents at June 30, 2026.

$0.82M

Remaining availability on the revolving line of credit — borrowing capacity, not cash.

$12.1M

Inventory balance — expected to be a strong source of additional liquidity. The conversion plan is detailed in inventory strategy.

GOING CONCERN — ADDRESSED DIRECTLY

The Q2 Form 10-Q continues to disclose substantial doubt about our ability to continue as a going concern. The plan for closing that gap is the plan we are executing operationally:

01 Convert inventory into sales and cash

02 Grow gross profit faster than recurring cash costs

03 Improve marketing productivity

04 Actively analyze additional financing opportunities

H1 capital funded the scale build — the priority now is reducing reliance on dilutive capital

WHAT H1 2026 CAPITAL WAS FOR

The objective during the first half was to **strategically support growth initiatives that we believe will create value over time** — funding working capital and operations to support scaling.

We are now well positioned to **convert inventory into working capital efficiently in the second half of the year**.

WHERE LIQUIDITY COMES FROM NOW

Inventory — our greatest source of liquidity — is being managed during the balance of the year. Production is moving to a **just-in-time environment**: maximizing the use of raw materials while minimizing the concentration risk of inventory build-up.

CEO ALIGNMENT

$125,000

Previously accrued and unpaid bonus compensation **taken in stock at market closing prices** — aligning incentives with shareholders.

"I continue to believe the future of the Company reflects strong value, as we continue to actively target cash-flow positivity."

— Steven Rossi, CEO

"We continue to prioritize **reducing our reliance on dilutive capital** as gross profit expands and operating cash flow improves. This is the priority."

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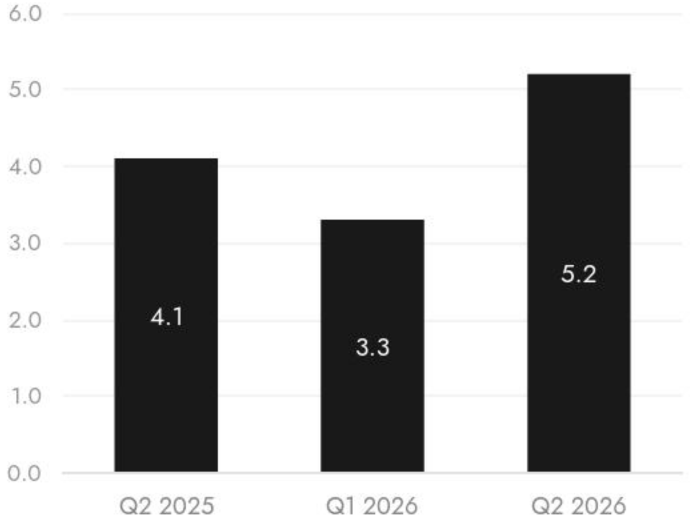
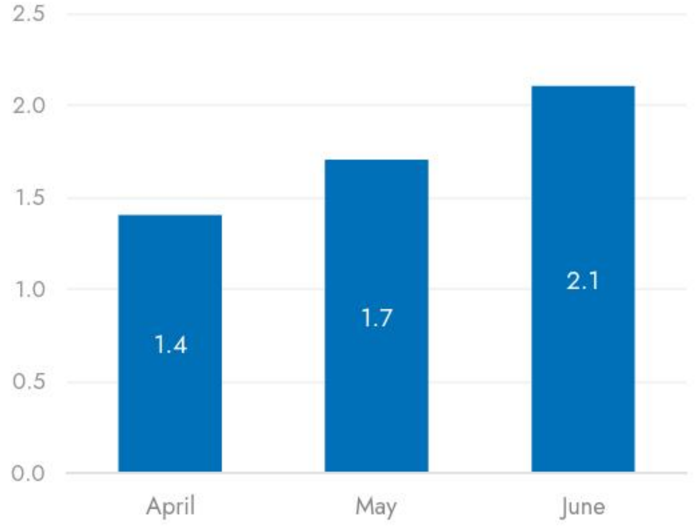
Net sales of $5.2M — up 27% year over year, 58% sequentially, and building every month of the quarter

Quarterly net sales ($M)



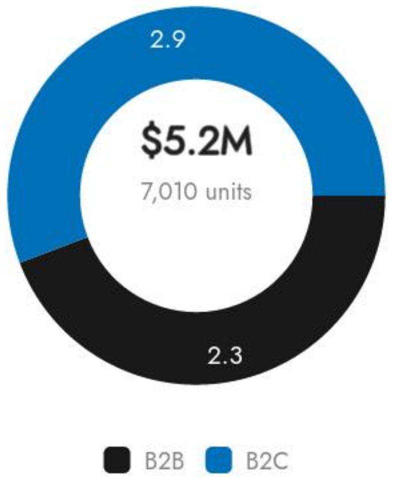
H1 2026 net sales **$8.5M** — about **11,574 units**.
Growth of ≈27% YoY and ≈58% sequentially.

Monthly net sales within Q2 ($M)



Driven by production output, availability and channel execution — not any single order.

Q2 channel mix ($M net sales)

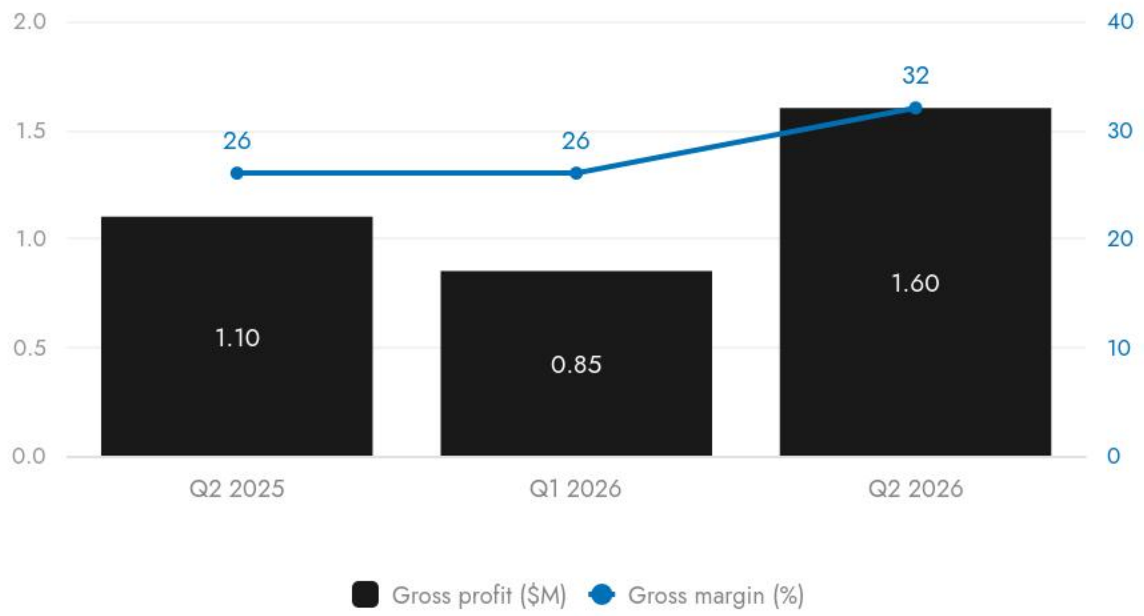


B2B: 2,957 units → ≈$2.3M
B2C: 4,053 units → ≈$2.9M
Mix consistent Q1 → Q2 2026.

Why mix matters: B2B carries a lower gross margin but a materially lower marketing cost per unit — the balance between the two channels determines both blended margin and cash efficiency. Two channels give us direct customer insight and wholesale reach at the same time.

Gross margin expanded to ≈32% — five-plus points of expansion against a rising cost base

Gross profit ($M) and gross margin (%) by quarter



Gross profit **+52% YoY** and **+93% sequentially**. Monthly gross profit margin climbed from ≈26% in March 2026 to **≈35% in June** — margin strengthened as the quarter progressed.

WHAT DROVE THE EXPANSION

- **Higher sales volume** — record units through both channels
- **Overhead absorption efficiencies** as production scaled
- **Product mix** — including NEXUS contribution in its first quarter

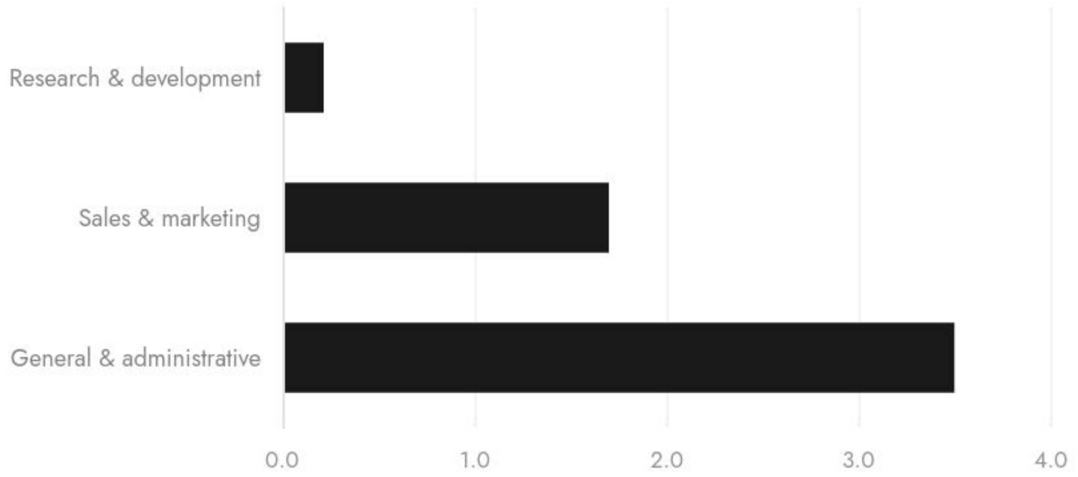
These gains **offset higher input and landed costs, including tariff pressure**. Worth emphasizing: we expanded margin more than five points against a rising cost base.

Sustaining gross margin near its current run rate as volume grows and channel mix shifts is a **principal objective for H2 2026**.

> Gross profit is the engine of the cash-flow framework: every incremental point of margin at higher volume directly narrows the operating cash-flow gap (see outlook).

Operating expenses fell $1.1M (–17%) sequentially — net loss improved 32% to $3.97M

Q2 2026 operating expenses ($M) — all captions down sequentially

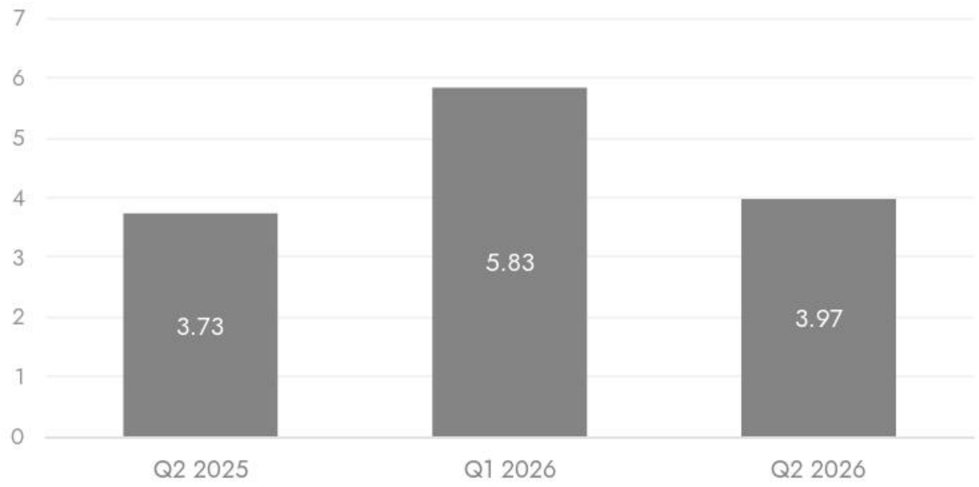


G&A $3.5M — down ≈$690K (–16%) vs Q1 2026.

S&M $1.7M — down ≈$449K (–21%) vs Q1 2026: the first evidence of the marketing discipline committed to on the Q1 call. S&M grew just ≈1% as a share of sales against 27% sales growth.

R&D $214K — down $91K (–30%) YoY: AL4 and NEXUS moved out of development and into production. Spend converted into product we are now selling.

Net loss ($M) — improving sequentially



Net loss of **$3.97M** — a **32% sequential improvement** from $5.83M in Q1 2026, and broadly in line with the prior-year quarter ($3.73M).

Loss per share improved to $(0.33) from $(0.71) in the prior-year quarter.

Total operating expenses of $5.5M were up ≈16% YoY on growth investment — while declining 17% sequentially.

> **The H2 objective is straightforward:** gross profit expanding at a rate faster than operating cash requirements — the mechanism that creates a path to positive operating cash flow.

Operating cash use fell 58% sequentially to $3.4M — the balance-sheet build phase is behind us

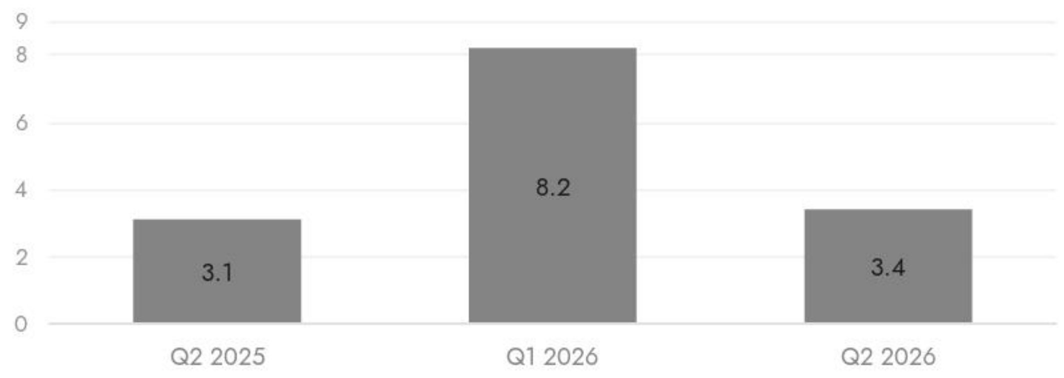
Q2 2026 operating cash-flow bridge ($M)

Net loss	Less: non-cash items (SBC, D&A)	Loss before working capital	Working-capital use
$3.97M	**–$1.1M**	**≈$2.74M**	**≈$0.56M**

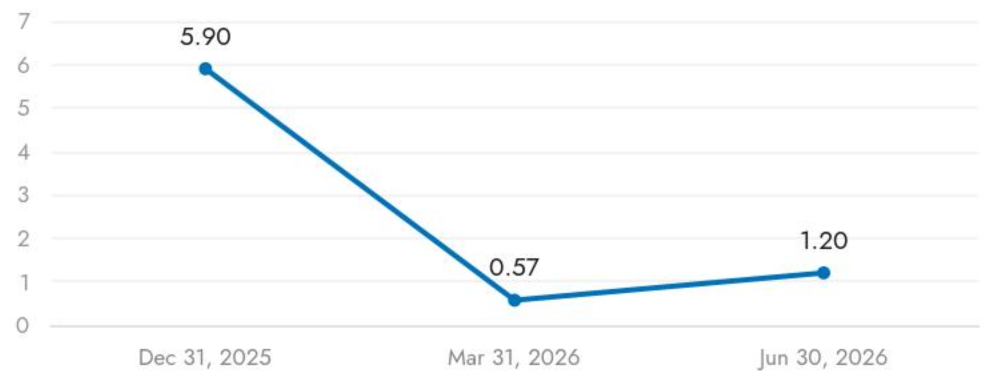
vs ≈$3.6M consumed in Q1 — a substantial normalization

= Operating cash use of **≈$3.4M** in Q2 2026 — the clearest sign that the balance-sheet build phase is behind us

Net cash used in operating activities ($M)



Cash and cash equivalents ($M, period end)



H1 2026 operating cash use $11.7M, +≈68% vs $6.9M in the prior-year period — reflecting the first-half inventory build. June 30 liquidity: $1.2M cash + $0.82M revolver availability.

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$12.1M of inventory is the largest internal source of working capital — conversion is already underway

Net inventory composition, June 30 ($M)

Raw materials already purchased; finished goods ready to sell; WIP in between. **Materials and finished goods are expected to meaningfully reduce during Q3.**

HOW WE ARE OPTIMIZING INVENTORY

Procurement — spend complete

H1 procurement of ≈$8.1M was front-loaded to support expanded sales channels; ≈$1.0M remained in accounts payable at June 30. That spend is now complete, and procurement is managed against forecast projections.

Production — sell-through led

Manufacturing is managed against demonstrated sell-through and distributor reorder cadence — not launch forecasts. A just-in-time model maximizes raw-material use and minimizes inventory build-up risk.

Fulfillment — sell more than we make

Finished goods of $4.6M — approximately 6,800 covers — is the balance most directly convertible in the near term. Managed by product family and channel, with working-capital conversion as the measure we report against.

JULY SIGNAL

~30%

more covers sold than made in July — and that continues to be the goal for Q3 2026.

We are prepared to take questions on inventory aging and the split between inventory supporting confirmed orders versus forecast demand.

NEXUS — from first unit to $1.0M of cumulative net sales in about 10 weeks

$1.0M

cumulative net sales in ≈10 weeks

NEXUS entered commercial production on **April 13, 2026**, with sales shortly after — Q2 2026 was its first quarter in the portfolio.

Its proprietary **single-side operating system** lets a person secure and release the cover without walking around the truck — a practical solution to a real complaint, creating a differentiated premium product.

Margin contribution increased across both sales channels during Q2 — a product went from first unit to meaningful margin inside a single quarter. Into July, NEXUS sales continue to grow.

- **Apr 13, 2026** — Commercial production begins
- **Q2 2026** — First quarter in the portfolio
- **≈10 weeks** — $1.0M cumulative net sales
- **July 2026** — Sales continue to grow

NEXUS hard-folding tonneau cover (worksport.com)

Focus now: **maximize margin capture** through manufacturing efficiencies and channel expansion, including an established sales cadence.

Worksport

Two distribution partners added in Q2 — the widest wholesale access in company history

Meyer Distributing

JOINED JUNE 2026 · FIRST MULTINATIONAL PARTNER

Brings a substantially larger North American wholesale network serving dealers, installers and aftermarket resellers — the widest wholesale access this company has had. Orders were fulfilled during the quarter.

Tri-State Enterprises

ADDED LATE APRIL 2026 · FOUR U.S. STATES

Began carrying Worksport products, including NEXUS — broadening our reach across four U.S. states. Orders were fulfilled during the quarter.

WHY IT MATTERS — THE WHOLESALE PATH

WORKSPORT → DISTRIBUTORS → DEALERS · INSTALLERS · RESELLERS → TRUCK OWNERS

Distributor-driven sales, including repeat orders, expand reach while **reducing our blended marketing burden per unit**. H2 2026 focus: distributor programs that emphasize **active order frequency**.

Pipeline, characterized accurately: our filing describes conversations with **three additional major distributors**. These are opportunities at present — not contracted backlog and not guaranteed revenue streams. We will announce updates as they are available.

The energy platform is advancing through certification gates — capital allocated against measurable milestones

SOLIS

SOLAR TONNEAU COVER

Solar generation integrated directly into the tonneau-cover platform. Entered Q2 with launch and certification work substantially complete.

COR

MODULAR PORTABLE ENERGY · UL & CSA CERTIFIED

Pairs with SOLIS or operates standalone — together they extend the truck bed from storage into a power source. The UL/CSA certification package removes a real commercialization barrier and expands the distributors, retailers, fleets and commercial customers that can evaluate the system.

AetherLux

TERRAVIS ENERGY · U.S. PATENT 12,624,872

Patent granted during Q2 covers ZeroFrost heat-pump architecture, designed to reduce or eliminate conventional defrost cycles. Certification expected in H2 2026, subject to testing and customary timing. Next gate: third-party validation and certification.

Capital discipline: SOLIS/COR were not a material share of Q2 revenue — near-term focus is product-market fit and acquisition economics. Federal, fleet and OEM opportunities show notable progress but assume no near-term revenue. AetherLux is pre-commercial — no procurement decision, and not relied upon for the 2026 operating plan.

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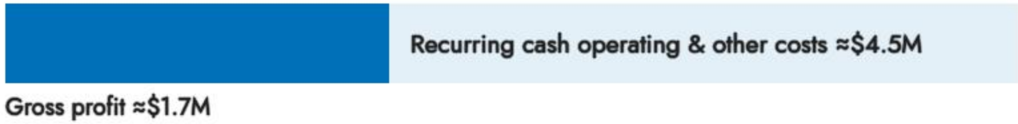
The path to positive operating cash flow is straightforward — and Q2 moved all four drivers at once

Q2 2026 coverage math ($M, approximate)



≈32% of recurring cash operating requirements were covered by gross profit in Q2

That left a pre-working-capital gap of ≈**$2.9M**, with working-capital usage of ≈$0.6M in the quarter. Closing the remaining gap comes from some combination of higher revenue, sustained or improved gross margins, disciplined recurring expenditures and continued improvements in inventory turnover.

SENSITIVITY GUIDEPOSTS — NOT REVENUE GUIDANCE

≈$12.9M

of quarterly revenue at a **35% gross margin** would fully cover the pre-working-capital cash cost structure — benchmarked on the ≈$2.1M monthly run rate

≈$9.3M

of quarterly net sales with **margin contribution +≈300 bps** — recurring cash costs would still fall ≈$1.2M per quarter, with neutral working capital

THE FOUR DRIVERS — Q2 PROGRESS AGAINST EACH

- ✓ **Grow revenue** — +58% sequentially in Q2
- ✓ **Expand gross profit** — +93% sequentially in Q2
- ✓ **Control cash costs** — OpEx –17% sequentially
- ✓ **Convert working capital** — WC use ≈$0.6M vs ≈$3.6M

Focus: operating cash-flow breakeven — no specific calendar target. The priority is disciplined cash generation rather than optimizing around a single quarter. The gap continues to narrow, and Q2 demonstrates a clear trajectory toward a self-sustaining, cash-flow-positive operating model.

CLOSING REMARKS

A business on its way to successfully scaling

Q2 2026 showed that Worksport can generate stronger revenue, expand margin, reduce operating expenses and materially improve cash efficiency in the same quarter — against a rising input-cost base. There is still work ahead: convert inventory and expand distribution reach while maintaining meaningful gross profit.

WE ARE COMMITTING TO THREE THINGS

01 Convert inventory into cash

02 Turn distributor access into repeat orders

03 Grow sales volume faster than operational cash requirements

Thank you for your continued interest in Worksport.

QUESTION & ANSWER SESSION

Q&A

We welcome live questions from analysts on the call.

Investors may submit questions through the Zoom Q&A feature or by email. Selected investor questions may also be addressed during the town hall immediately following this call.

Investor relations

investors@worksport.com · worksport.com