

Key Topic	Short-Seller Claim	XL Fleet Response	Source Reference
ROI Calculation	In its ROI calculation, short-seller presents a deeply flawed analysis showing negative ROI of 53.1%.	In fact, the Total Cost of Ownership analysis included in XL Fleet's investor presentation is accurate and based on fact-based inputs and assumptions. The Company reiterates its ROI conclusions for the representative fleet of 55.7%.	<ul style="list-style-type: none"> https://s26.g4cdn.com/920386777/files/doc/presentations/2020/Updated-Investor-Presentation-9.21.20.pdf
Fuel Savings	In its ROI calculation, short-seller wrongly assumes fuel cost of \$2.50/gallon.	In fact, the average fuel price in XL Fleet customers' markets is approximately \$3.00/gallon. Approximately 25% of XL Fleet units are in Canada, where the average price for fuel is approximately \$3.70/gallon. Approximately 10% of XL Fleet units are in California, where the average price for fuel is approximately \$3.56/gallon. The current average price for fuel in the U.S. is approximately \$2.71/gallon. The \$3.00/gallon figure utilized by XL Fleet's analysis is accurate.	<ul style="list-style-type: none"> https://www.gasbuddy.com/can https://ww2.energy.ca.gov/almanac/transportation_data/gasoline/retail_gasoline_prices2_cms.html https://www.eia.gov/petroleum/gasdiesel/
Vehicle Life	In its ROI calculation, short-seller wrongly assumes a service life of 5.25 years.	In fact, the short-seller's service life assumption of 5.25 years, combined with its yearly mileage assumption of 23,520 miles, would imply a total service life of less than 125,000 miles. Commercial van expected life is 250,000+ miles. Of the 4,000 XL Fleet systems on the road, approximately 335 customer vehicles have driven over 125,000 miles, and more than 22 customer vehicles have logged over 250,000 miles. A majority of XL Fleet vehicles on the road are not yet halfway through their useful life. The 10-year service life utilized by XL Fleet's analysis is accurate, and conservative based on industry norms and customer feedback.	<ul style="list-style-type: none"> https://news.ihsmarkit.com/prviewer/release_only/slug/automotive-average-age-cars-and-light-trucks-us-rises-again-2019-118-years-ihm-market- https://www.ntea.com/NTEA/Member_benefits/Industry_leading_news/NTEANewsarticle/Aging_trucks_create_more_service_opportunities.aspx?fbclid=IwAR3mkimdckjIEbdqwyYYSwODX5Hop5q6odQWuQdlT9cJ37130kwxqv209PU#:-:text=In%202008%2C%20average%20age%20of,recent%20analysis%20by%20IHS%20Markit
Maintenance Savings	In its ROI calculation, short-seller wrongly assumes total maintenance savings of \$20,000, or just \$200 per vehicle.	In fact, it is widely understood that a hybrid system captures energy normally dissipated in break heat causing wear. Instead, this energy is stored in the battery for use to later help accelerate the vehicle in a process called regenerative braking. This helps add significantly to the vehicle's brake life. XL Fleet's analysis assumes normal brake pad and rotor replacement every 40,000 miles, which carries a parts and labor cost of \$650 in each instance. For reference, the Green America report referenced herein states that a hybrid car's brake pads "last three times as long as those in a conventional car, reducing the frequency of break pad replacement."	<ul style="list-style-type: none"> https://www.greenamerica.org/green-living/money-saving-perks-hybrid-car https://doi.org/10.2172/894985
Fuel Economy	In its report, short-seller wrongly states that XL Fleet's claims of 25%+ MPG gains are incorrect and misleading.	In fact, XL Fleet's fuel economy performance has been validated by independent sources including Automotive Testing and Development Services, Inc. and ESW America, Inc. Additionally, short-seller does not properly account for the significant impact of other variables. With any motor vehicle, actual customer MPG performance heavily depends on a range of factors related to how the vehicle is used. This is especially true in the commercial fleet market, where traffic patterns, payload, drive cycles, amount of idling time, and weather have significant impact on actual performance.	<ul style="list-style-type: none"> Report: Fuel Economy Tests using XL, Inc's Hybrid Powertrain System X3.0 2017 Ford F-250 Pickup Truck Report: 'Fuel Economy Tests using XL Hybrids, Inc.'s Hybrid Powertrain System' Report: 'Fuel Economy Tests using XL Hybrids, Inc's Hybrid Powertrain System X3.0' Report: 'Fuel Economy Tests using XL Hybrids, Inc's XLP Hybrid Powertrain System X3.0 Ford F150 Plug-In Hybrid Electric Vehicle (PHEV)' https://www.fueleconomy.gov/feg/factors.shtml#:~:text=Aggressive%20driving%20(speeding%2C%20rapid%20acceleration,more%20idling%20will%20lower%20MPG.&text=increase%20aerodynamic%20drag%20and%20lower%20fuel%20economy https://www.fueleconomy.gov/mpg/MPG.do?action=browseList&make=Honda&model=Accord%20Hybrid
Driver Cost	In its ROI calculation, short-seller wrongly assumes driver cost of \$18.52/hour.	In fact, XL Fleet's analysis is based on fully-loaded cost of labor of \$50/hour. This figure reflects the blended nature of XL Fleet's customer drivers, which includes services technicians, utility workers, government employees, and other specialized trades that cost companies even more than \$50/hour.	
System Cost	In its ROI calculation, short-seller wrongly assumes hybrid kit cost of \$17,000.	In fact, XL Fleet's analysis is based on volume pricing for XL's hybrid Transit van system of \$13,000 per system. This pricing is based on an actual 2020 customer order, including estimated cost of installation.	