



NIKOLA CORPORATION
CEO “Fireside Chat”
June 1, 2023

Presenters

Michael Lohscheller – Chief Executive Officer
Dhillon Sandhu – Investor Relations Lead

Michael Lohscheller

Good afternoon everyone, and thank you for joining me for our chat and Q&A. I'm Michael Lohscheller, CEO of Nikola Corporation. The purpose of this discussion is to answer any questions you may have related to our upcoming annual meeting of stockholders scheduled for June 7th, as well as the business of Nikola.

Before we start, I'd like to take a couple of minutes to talk about the company.

We believe that Nikola is on the right side of history. In a world where diesel trucks are starting to be phased out and strong regulations are being passed, we have zero emission class A trucks with battery electric, and hydrogen fuel cell electric powertrains, and the HYL A hydrogen infrastructure business, coming together. We have a state-of-the-art manufacturing facility in Coolidge, Arizona, with a production line that is soon to be capable of building both battery electric and hydrogen fuel cell trucks.

We have assembled teams of top engineers, energy experts, and assembly, sales, marketing, planning, and HR personnel, among many others, coming from well-established and industry leading companies.

We have the experience, we have the product, we have the people, but what we have created is very capital intensive. Engineering and constructing trucks and creating a hydrogen business takes capital, but we also think we can deliver good returns to our shareholders based on the competitive advantages discussed above. And with more than 4 million Class 8 diesel trucks on the road in North America today, we have a lot of work to do and ground to cover.

This is why we are asking you, our stockholders, for a vote for Proposal Two. There's just a few days left before the voting deadline. Your vote for Proposal Two allows us to increase the authorized number of shares of our company's common stock. This will allow Nikola to raise capital and enable us to continue working towards achieving our business plan milestones and accomplishing our company mission to pioneer solutions for a zero emissions world.



I'm excited about what is next for Nikola. Our hydrogen fuel cell electric trucks starts production next month and we have battery electric trucks driving on the roads in customers and dealers hands, and even have inventory ready for delivery to fleets around the country. To add to that, our HYLA activities are starting to take shape with partnerships and opportunities such as our recent Voltera announcement.

Again, there is a lot of progress being made on all fronts, and I am confident Nikola will continue to lead the way to a more sustainable future with your support. Thank you for spending some time with me this afternoon and I look forward to answering your questions.

Dylan, please go ahead with the first question.

Dhillon Sandhu

Thank you, Michael. Before we begin, I would like to note that today's discussion includes forward-looking statements about our future expectations and plans. Actual results may differ materially from those stated, and some factors could cause actual results to differ are explained in our filings with the SEC. Forward-looking statements speak only as of the date on which they they're made. You are cautioned not to put undue reliance on forward-looking statements.

We received multiple questions from stockholders on a few topics with many of those questions receiving a significant number of votes. As such, we have consolidated those questions into four topics which we will address today. The first being the minimum closing bid price non-compliance received from NASDAQ. That would be a good starting point so we can address any concerns.

Michael Lohscheller

Sure, as many of you are aware, we received a notice of non-compliance with respect to the minimum closing bid price from NASDAQ. We expect to have up to two 180 calendar day periods to remedy the closing bid price requirement. To regain closing bid price compliance, shares of Nikola's common stock must close at or above \$1 for 10 consecutive trading days in either of the two 180 calendar day periods.

In the instance Nikola's common stock does not close at or above \$1 for 10 consecutive trading days we can effectuate a reverse stock split of our common stock to move Nikola stock price above \$1 and regain compliance. A reverse stock split currently requires an affirmative vote of the holders of a majority of shares of our common stock outstanding as of the record date. And there is a proposal pending in Delaware that would reduce this threshold to a majority of the shares voting on the proposal voting in favor.

We believe we will be able to regain NASDAQ compliance and will work to ensure Nikola common stock is not delisted.



We have tough decisions to make as we navigate through challenging times. While the past has not been easy, and we have a very steep hill to climb, we are confident in our plan. We have world-class products and world-class teams and people at Nikola.

Dhillon Sandhu

Thank you, Michael. The second topic which we received a number of questions on is cash burn and profitability and what initiatives the company is implementing to reduce spending and achieve profitability.

Michael Lohscheller

We are working diligently to reduce cash burn and achieve profitability as soon as possible. Some of the immediate steps we are taking right now include making the strategic decision to focus on hydrogen fuel cell trucks, our Hyla hydrogen supply and refueling business, and vehicle software controls and autonomous technologies. We will also continue our battery electric truck.

The hydrogen fuel cell truck is a preferred solution for large fleet customers that need to go 500 miles per day, and we are excited to begin serial production next month. The fuel cell has a lower weight, longer range, and significantly reduced refueling time versus the battery electric truck. While we think that the battery electric truck is a great solution for a smaller portion of the marketplace with a “return to base” model, we believe the fuel cell truck's superior specs make it the preferred solution for larger customers as it is expected to serve a wider variety of duty cycles and provide higher utilization.

We are also focusing on the North American market, selling our stake in the European joint venture to Iveco. We are focusing on the North American market now, streamlining operations, and reducing our cash burn as we are no longer required to commit precious capital to the European joint venture. We were previously building and developing four trucks on two continents. We are now building two trucks on one continent, cutting programs in half.

The US is the leader in the energy transition with federal incentives like IRA, state incentives like California's HVIP, New York's TVIP, LCFS credits in multiple states, and state regulations like California's Advanced Clean Fleets Rule. While we have decided to exit the European market for now, this does not preclude us from entering back into the European market in the future.

We believe we have the most advanced Class 8 truck available for purchase and will be the only company with a fuel cell electric vehicle available for purchase later this year.

In addition to refocusing on strategic priorities, we are taking measures to reduce spending and cash burn. Some of those efforts include:

- Localizing as much of the supply chain as possible, including assembling the Bosch fuel cell power module in Coolidge, which is expected to reduce bill of material costs.

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- Optimizing our cost structures and organization to align with the new focused Nikola.
- Selling existing battery electric truck inventory on our balance sheet and moving it to a build to order product which optimizes working capital, as we would not hold raw materials or finished goods inventory on our balance sheet.
- Working with new financing partners to reduce account receivables as dealers get on floor plan financing plans, and finding new retail financing customers to enable end customer sales.
- Our HYLA energy strategy has always been focused on finding partners to fund the capital requirements, which enables Nikola and its partners to share in the returns. The Voltera partnership along with others, like Plug and FFI, are examples of this capitalized partnership heavy strategy.

So with our new focus optimized and allowing cost structures and working capital optimization, we have a better line of site to achieve EBITDA profitability in 2025 and positive gross margin next year. This, of course, assumes we have sufficient common stock available to finance our business.

Dhillon Sandhu

Michael, the next requested topic from stockholders is customer orders and sales traction, and specifically what our line of sight is to achieve delivery volumes which help us achieve positive gross margin and EBITDA.

Michael Lohscheller

So as we discussed on the Q1 earnings call, we are seeing good sales momentum for both the battery electric and hydrogen fuel cell trucks. Our dealers sold 33 battery electric retail sales in Q1, which is more than all of 2022, and orders for 140 hydrogen fuel cell trucks have been received by our dealers. As of today, that number has grown to 178 orders received by dealers.

The fuel cell truck momentum is very promising, and the strong interest reaffirms our belief that we have the right product at the right time. By continuing to build sales momentum on the hydrogen fuel cell truck, and realigning cost structures, there is potential for us to reach positive gross margin and EBITDA on lower volumes than we previously communicated.

In previous quarters for the fuel cell trucks, we announced LOIs and orders from customers. These include the longstanding order for up to 800 trucks from Anheuser-Busch, an LOI for up to 100 trucks from PGT trucking, up to 75 truck order from Plug, and LOI for up to 70 trucks from TTSI, and up to 40 truck LOI from Covenant.

These announcements still stand, and some have been converted to orders that are part of the 178 mentioned above.



End customer orders for hydrogen and fuel cell trucks include a 50 truck order from AJR Trucking, 20 for Biagi Brothers on behalf of Anheuser Busch, and the first five from Plug Power.

So we are seeing those LOIs and indication of interest begin to convert to end customer orders, and we look forward to growing our order book and building sales momentum.

Dhillon Sandhu

Thank you, Michael. Lastly, we received questions regarding hydrogen station infrastructure and the plan to roll out stations to support truck deployment.

Michael Lohscheller

We are making good progress on the build out of our hydrogen refueling ecosystem. What we are planning to execute is something which has never been done before. We are balancing the deployment of new truck technology while rolling out the critical refueling infrastructure required to fuel those vehicles. This is a massive feat which will require a lot of capital and multiple stakeholders working together to accomplish the mission.

Nikola is pushing forward with our partners to do just that. We recently announced our joint development agreement with Voltera, in which Voltera will supply the capital and operate up to 50 HYL A branded hydrogen refueling stations. The stations are intended to provide the dispensing and recharging infrastructure capable of refueling both hydrogen fuel cell and battery electric trucks. Our agreement with Travel Centers of America is another example of a great infrastructure partnership. We have made good progress on the Ontario [CA] station on equipment and permitting, and we expect to complete the station in Q4, 2023.

Equally exciting is the pioneering work that Nikola has done on hydrogen mobile fuelers. In addition to deploying four of our own heavy duty 700 bar mobile fuelers, we have also entered into strategic supply agreements, including Chart Industries and Taylor Wharton, in which they will supply the equipment to produce, transport, and dispense hydrogen, including mobile fuelers and modular stations. Mobile fuelers, we believe, will play a key role in ecosystem, allowing flexible deployments at low cost, and gives Nikola a valuable early mover advantage in the hydrogen ecosystem.

We are also working with partners like Fortescue Future Industry to identify and co-develop hydrogen production facilities and other partners for hydrogen supply and off tech, including Plug Power and KeyState Natural Gas Synthesis.

Our partnership ecosystem is proof that Nikola is a natural solution for hydrogen supply of tech when highway vehicles consume significant amounts of energy, and we are not aware of other players who will have their vehicles on the road by the end of this year.



Nikola's ability to meet this significant hydrogen demand also means that Nikola will share in a market opportunity for creating value from participating in energy supply logistics and dispensing, including the ability participate in large incentive programs such as IRA, LCFS, and other programs.

We think that the value proposition of being an integrated truck and energy company is distinctive and offers customers and shareholders the ability to participate in multiple streams of value.

Thank you all for participating in this chat and we will look to have these more often in the future.

And once again, we ask you for a vote for Proposal Two, which will allow us to raise capital and enable us to continue working towards achieving our business plan milestone and accomplishing our company mission.

Thank you so very much once again. Goodbye.

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