

## Nikola 2024 Proxy Statement Video

Speaker 1 (00:00):

Hello, Nikola Stockholders. I'm Steve Shindler, chairman of the board at Nikola. I've been a part of Nikola for almost four years, serving on the board and more recently as chairman. I have held many executive positions in the US and internationally and in more than 30 years of business, I have only seen a few technologies and organizations that have turned an industry on its head. One was with Nextel, which if you recall, changed the landscape of mobile phone technology forever. Now it's Nikola. This is a company that is changing the trucking world with zero emissions class eight trucks and the energy infrastructure solutions to supply them. It's a privilege to be part of a company driven by such a transformative vision, and I have full confidence in our exceptional leadership team and dedicated employees who continue to propel us forward. We know it's been a winding road, but the journey, while difficult, we believe will be successful.

(00:55)

We appreciate the trust you've placed in us and your unwavering support. Okay, so what's next? Our 2024 annual meeting of stockholders is scheduled for June 5th, and to prepare, we have filed our definitive proxy statement. We encourage you to read the proxy, which is available on our website, and we hope you agree to vote in favor of all five proposals. We've seen a big reaction to proposal number two, which involves a reverse split. We understand that it may be a bit controversial, so we ask you to submit some questions so we can discuss it a bit further. For other topics related to the company, please tune in to our Q1 2024 earnings call on Tuesday, May 7th. Once again, thank you for submitting your questions and watching this video. Now let's get into the questions.

Speaker 2 (01:43):

The questions submitted were compiled into two categories. Question one, I don't speak accounting. Any chance you could do a brief overview of reverse splits, what it means and what it means for the company?

Speaker 1 (01:56):

Thank you for the question. As many of you know, the Nikola team has worked hard to reset our operational focus since 2023, and now it's time to reset our financial foundation. A reverse split will reduce the number of common shares outstanding and increase the dollar value per share by the same ratio. The total dollar value does not change. If you owned 100 shares at \$1 per share and the reverse split was one to 10, then you'd have 10 shares at \$10 per share. Okay, so the next logical question is why are we doing this? The answer is for a multitude of reasons. As you know, if our stock goes below \$1 for a certain period of time, we can be delisted from the nasdaq. Our stock went \$1 last year, but we recovered quickly. This year the stock has remained below \$1 for a longer period of time.

(02:50)

Taking a proactive move with a reverse split will allow the stock to firmly trade above \$1, which will hopefully eliminate the delisting risk. Being a pioneer is not an inexpensive process. Many investors, corporate and individual won't even look at buying shares in a company if the share price is less than \$5. The question after that is why we're not setting the ratio we've said between one to 10 and one to 30. This is a great question and will partly depend on where the stock is trading at the time we consider a reverse split. The goal is to have financial flexibility and the ability for company management and the board to figure out what ratio will work best for the company at that time.

Speaker 2 (03:34):

Question two, it seemed like we were gaining momentum with reaching NASDAQ compliance organically. Why not wait it out to see how that momentum played out? Any special reason why this is necessary now? What's the benefit?

Speaker 1 (03:47):

Another great question. We thought quite deeply about this and analyzed as many possibilities as we could. To do what we need to do, we will need to raise capital. We considered whether we should increase our authorized shares like we did last year, or if we could find another mechanism that might work. We understand that the stock has seen some downward pressure since the filing of our preliminary proxy, and sure it could have been possible for the stock to rise above \$1 and clear the NASDAQ delisting hurdle, but that's just one aspect of our need to reset our financial foundation. We must eliminate the distraction of delisting and position ourselves to raise capital more efficiently and effectively. We believe that if we can achieve a share price at a more consistent level with the Russell 3000 companies, it will encourage investor interest and improve the marketability of our common stock to an even broader range of investors.

(04:41)

Why is this important? More interest means more capital that can be raised and more flexibility for the company and its shareholders. Because of the trading volatility often associated with low price stocks, many brokerage firms and institutional investors have internal policies and practices that either prohibit them from investing in low price stocks or tend to discourage individual brokers from recommending low price stocks, so a higher share price that may result from the reverse stock split could enable institutional investors and brokerage firms to invest in our common stock. A long answer I know, but a good question. It is our feeling that this reverse split will put the company on a more stable path with a considerable amount of options. In closing, I would like to thank you once again for taking the time for Nikola today. We appreciate your questions and we ask that you keep sending them to us, and if you like this video, I can do another one prior to our annual meeting to answer any further questions. We are together pioneering solutions for a zero emissions world to decarbonize the trucking industry and your support is crucial to make it happen. Thank you once again for being an essential part of Nikola's journey. Your vote is especially important at this year's annual meeting to maintain trajectory.