

NIKOLA

GREEN BOND FRAMEWORK | 2023



THE NEGATIVE IMPACT THAT THE TRUCKING
INDUSTRY HAS ON THE ENVIRONMENT IS REAL.

WE HAVE THE POWER TO CHANGE THAT.

LIFE DOESN'T GET BETTER BY CHANCE.
IT GETS BETTER BY CHANGE.



COMPANY OVERVIEW



We are a technology innovator and integrator, working to develop innovative energy and transportation solutions. We are pioneering a business model that aims to enable customers to integrate next-generation truck technology, hydrogen fueling and charging infrastructure, and related maintenance. By creating this ecosystem, we and our strategic business partners and suppliers expect to build a long-term competitive advantage for clean technology vehicles and next generation fueling solutions.

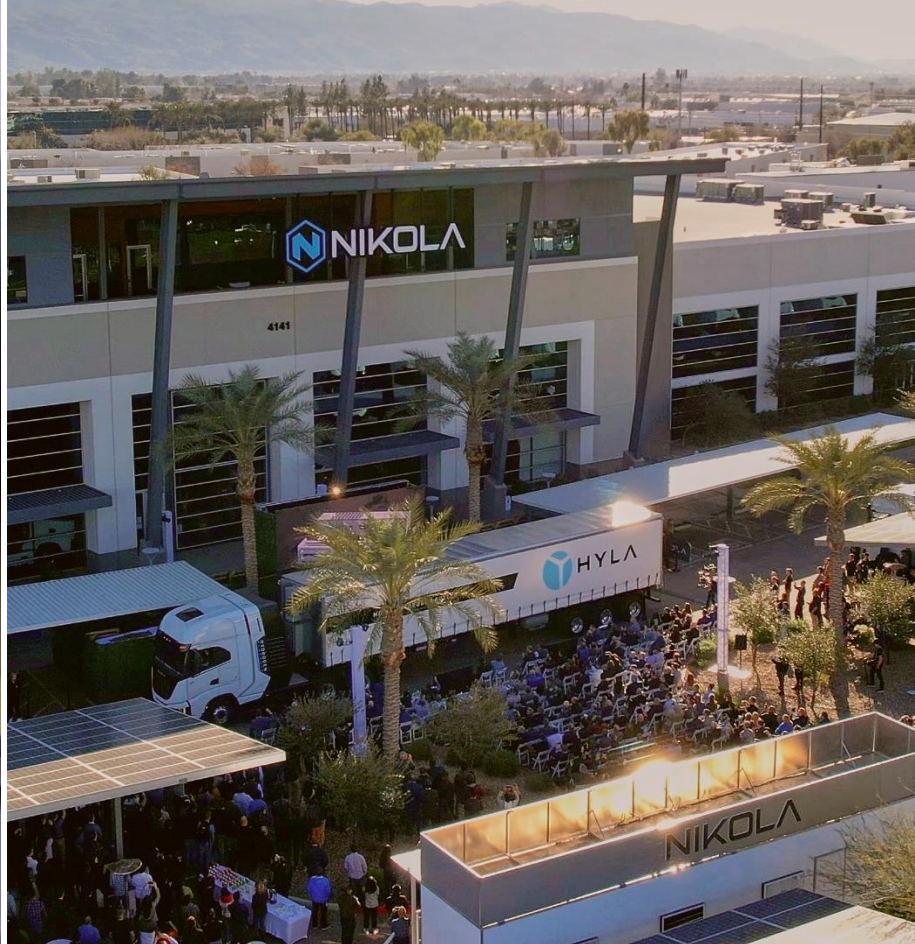
Our expertise lies in design, innovation, software, and engineering. We assemble, integrate, and commission our vehicles in collaboration with our business partners and suppliers. Our approach has always been to leverage strategic partnerships to help lower cost, increase capital efficiency, and accelerate speed to market.

OUR PURPOSE

Our vision is to be the zero-emissions transportation industry leader. We plan to realize this vision through world-class strategic partnerships, groundbreaking research and development, and a revolutionary business model.

According to the U.S. Environmental Protection Agency (“EPA”) and the European Environment Agency (“EEA”), the transportation industry causes an estimated 25% to 30% of U.S. and EU greenhouse gas (“GHG”) emissions. While heavy-duty trucking represents less than 10% of the transportation industry by volume, it is responsible for approximately 40% of the transportation industry’s GHG emissions according to the International Council on Clean Transportation (“ICCT”). With expected expansion of e-commerce freight demands, we believe zero-emission vehicles are crucial for a sustainable future.





OUR BUSINESS

We operate in two business units: Truck and Energy. The Truck business unit is developing and commercializing battery-electric vehicles ("BEV") and hydrogen fuel cell electric vehicles ("FCEV"), Class 8 trucks that provide environmentally friendly, cost-effective solutions to the short-haul, medium-haul, and long-haul trucking sector. The Energy business unit is developing hydrogen fueling infrastructure to support our FCEV customers, as well as other third-party customers.

We believe the key differentiator of our business model is our planned hydrogen fueling ecosystem, which includes (1) participation in hydrogen production projects and hydrogen procurement, (2) hydrogen distribution, and (3) hydrogen storage and dispensing. Historically, investing in alternative fuel vehicles has represented a high risk for both original equipment manufacturers ("OEMs"), and customers due to the uncertainty of the fueling infrastructure. Existing fuel providers have limited incentive to deploy the required resources and capital to develop an alternative fuel infrastructure due to a lack of known demand. The inability to tackle both sides of this equation has prohibited hydrogen from reaching its full potential. Our approach aims to solve this "chicken or the egg" problem, by pairing fueling demand from our FCEV trucks to the refueling infrastructure to reduce the risk of developing the infrastructure while giving our customers the assurance that fuel will be available where and when they need it. We believe this strategy could help unlock hydrogen's potential as the fuel of the future.

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OUR BUSINESS continued

For the BEV and FCEV, we offer both direct sale and lease models through our dealer network. For FCEV, we expect that our go-to-market strategy will initially be to provide truck customers with a stand-alone hydrogen supply agreement that charges customers based on the volume consumed, although alternative structures may be available, especially in the early stages of the FCEV roll-out. In the future, we, along with our dealer network, aim to provide integrated offerings of trucks and fueling solutions, which may include a combination of truck, hydrogen fuel, and/or maintenance.

We believe our hydrogen fueling ecosystem will provide a competitive advantage and help accelerate the adoption of our FCEV. We believe our product portfolio and planned hydrogen fueling ecosystem will provide a key strategic advantage that differentiates us from competitors and will allow us to provide significant and valuable innovation to the global heavy-duty commercial vehicle market and the related fueling and maintenance markets. In the future, we anticipate other Truck OEMs planning to launch FCEVs in the US market will be interested in leveraging the hydrogen infrastructure that Nikola will be establishing with its partners, further spurring FCEV adoption.



OUR PRODUCT PORTFOLIO



As the commercial transportation sector transitions towards zero-emission solutions, we believe there will be a need to offer tailored solutions that meet the needs of each customer. By offering both BEV (for short and medium-haul, city, regional, and drayage deliveries) and FCEV (for medium and long-haul) solutions, we believe we are positioned to change the commercial transportation sector by providing solutions that address a range of customer needs.

By designing our BEV and FCEV trucks on a common platform, key systems such as the high voltage battery and other components can be incorporated in both powertrain offerings. Moreover, our proprietary architecture and controls strategies result in efficient vehicle operation in a wide range of applications.

OUR APPROACH TO SUSTAINABILITY

Our core mission is to combat climate change by globally transforming the transportation industry. Our investment in clean transportation and energy technology provides a comprehensive strategy for reducing carbon emissions.

We remain committed to investing capital to continue to develop and innovate clean technology. Having a strong environmental, social and governance (“ESG”) program is core to our mission. To develop and execute our strategy we have appointed a senior manager over ESG and partnered with a third party to perform a voluntary ESG materiality assessment. Based on the results of the assessment, we believe we have developed meaningful goals, programs, and metrics.

We strive to increase disclosure on the priority ESG topics we determine to be of greatest significance to our business and stakeholders. We have included ESG in the charter of our sustainability, nominating and corporate governance committee and are actively establishing processes to have board and executive guidance, and input and oversight of our sustainability strategy, programs, and performance.

Nikola’s sustainability strategy includes:

- Prioritize waste diversion and circular economy principles.
- Source hydrogen with the carbon intensity that matches our customers’ carbon reduction goals and Total Cost of Ownership (TCO) economics.
- Measure and disclose operation and product GHG emissions.

On average, we estimate that one Nikola truck avoids approximately 106 metric tons of CO₂ per year.*

*Assumes replacement of a class 8 diesel truck with an average of 6 miles per gallon, 62,751 annual miles. Uses 2022 US EPA emission factors and specified averages.



ALIGNMENT WITH THE GREEN BOND PRINCIPLES, 2021

The Green Bond Principles, 2021 (with June 2022 Appendix I) (“GBP”) are voluntary process guidelines that were developed through collaboration between members and observers of the International Capital Markets Association (“ICMA”). The ICMA promotes the development of the international capital and securities markets by pioneering rules, principles, and recommendations.

The GBP seeks to support issuers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. The GBP outline best practices through global guidelines and recommendations that promote transparency, disclosure, and integrity in the development of the green bond market.

Green bonds are any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects (see Use of Proceeds section below) and which are aligned with the four core components of the GBP.

It is Nikola Corporation’s (“Nikola”) intention to use the Green Bond Framework described herein (“Framework”), which follows the GBP, to carry out green bond financing transactions in accordance with the below guidelines in four key areas:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting



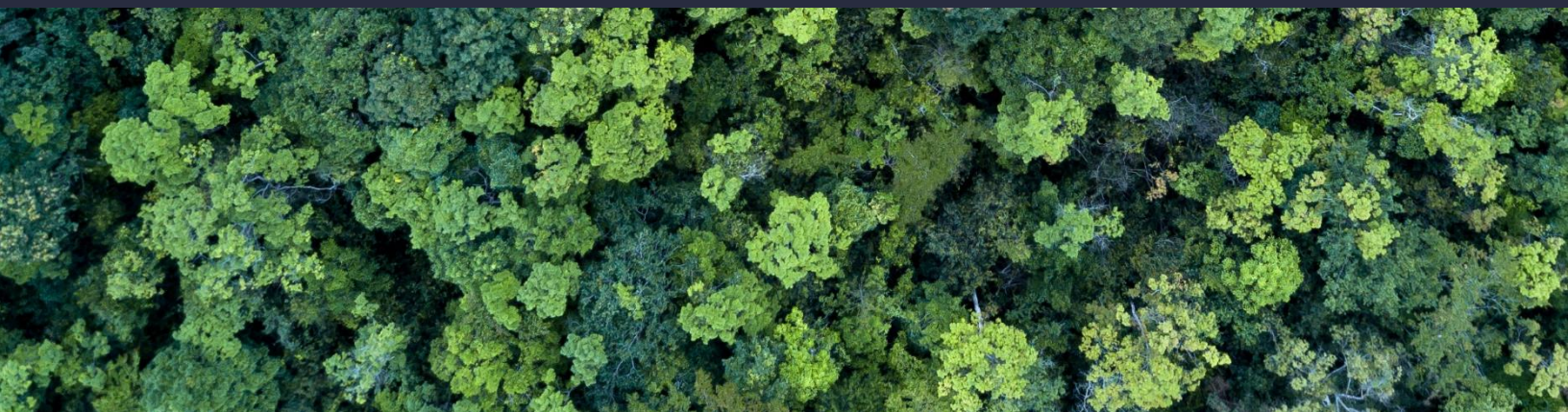
1. USE OF PROCEEDS

Nikola may periodically pursue green bond financing transactions, which will be used to finance or refinance new and/or existing Eligible Green Projects (as defined below) that align with our core mission to combat climate change by transforming the transportation industry. The Framework will serve as a reference document for any green bond financing transactions by Nikola.

We intend to allocate the net proceeds, or an amount equal to the net proceeds, from the sale of any green bond issuances to finance, refinance, or make direct investments in, in whole or in part, one or more new or existing Eligible Green Projects. Eligible Green Projects include expenditures made by us beginning with the issuance date of any green bonds, or in the 24 months prior to any such issuance in any of the following categories.

GBP ELIGIBLE GREEN PROJECT CATEGORIES	ELIGIBLE GREEN PROJECTS	UN SUSTAINABLE DEVELOPMENT GOAL
Clean Transportation	<p>Expenditures related to the design, development, manufacturing, maintenance, and operation of zero tailpipe emission trucks and associated infrastructure.</p> <p>Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> Design, engineering, and manufacturing of zero tailpipe emission trucks for commercial use Building production capacity for electric trucks and hydrogen fuel cell electric trucks Installation of fleet charging and fueling solutions Design, purchasing, engineering and manufacturing of electric vehicle charging/fueling componentry Permitting, design, and build expenditures to enable operation of fixed or flexible fueling solutions 	<p>9 – Industry, Innovation and Infrastructure</p> <p>13 – Climate Action</p>
Renewable Energy	<p>Expenditures related to the construction, development, acquisition, maintenance, and operation of renewable energy generation.</p> <p>Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> On-site renewable energy projects Renewable energy power purchase agreements (PPAs) 	<p>7 – Affordable and Clean Energy</p> <p>11 – Sustainable Cities and Communities</p> <p>13 – Climate Action</p>
Circular Economy Adapted Products, Production Technologies and Processes	<p>Expenditures related to circular economy adapted products, production technologies, and manufacturing processes.</p> <p>Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> Repurposing or recycling of battery packs and remanufacturing of high value components Process development for the recycling of critical materials in components Reusable and returnable packaging process for vehicle components Waste diversion and reduction programs 	<p>12 – Responsible Consumption and Production</p> <p>13 – Climate Action</p>
Energy Efficiency	<p>Expenditures related that use or improve energy efficiency in new construction, building retrofits, and energy efficiency upgrades.</p> <p>Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> Equipment installation, replacement and retrofit Decarbonizing & electrification Commissioning and retro-commissioning Combined heat and power (CHP) applications 	<p>7 – Affordable and Clean Energy</p> <p>9 – Industry, Innovation and Infrastructure</p>
Pollution Prevention and Control	<p>Expenditures related to reduction of air emissions, greenhouse gas control, soil remediation, water conservancy and energy/ emission-efficient waste to energy.</p> <p>Example projects may include, but are not limited to:</p> <ul style="list-style-type: none"> Decarbonization efforts to mitigate and reduce greenhouse gas emissions Waste water treatment and water recycling capabilities Recycling and recovery of hazardous waste 	<p>6 – Clean Water and Sanitation</p> <p>11 – Sustainable Cities and Communities</p> <p>12 – Responsible Consumption and Production</p> <p>13 – Climate Action</p>

Nikola will not knowingly allocate proceeds from the issuance of our green bonds to projects that result in an overall net increase of greenhouse gas emissions.



2. PROCESS FOR PROJECT EVALUATION AND SELECTION

We periodically consider the environmental and social impacts of our businesses and how we can mitigate impacts on communities in which we operate. The Nikola team will review and select projects that align with our Green Bond Framework. Final allocation will be reviewed and approved by our Senior Leadership Team including our Chief Executive Officer, Chief Financial Officer, and President of Energy.





3. MANAGEMENT OF PROCEEDS

Our executive, finance, and accounting teams will track the allocation of net proceeds from such green bonds to identified Eligible Green Projects.

We intend to allocate or earmark an amount equal to the net proceeds from each issuance of green bonds under our Framework to the financing and/or refinancing of recently completed (within the prior 24 months), current and/or future Eligible Green Projects consistent with the Use of Proceeds criteria and evaluation and selection process presented above.

Any proceeds that have not been allocated may be held temporarily in Nikola's cash investment accounts, in cash or other short term and liquid instruments.

In the case of divestment or if a project no longer meets the eligibility criteria as outlined in the Use of Proceeds, the funds will be reallocated to other projects meeting our eligibility criteria as soon as reasonably practicable.

Payment of principal and interest will be made from our general account and will not be linked to the performance of projects to which amounts were allocated.

4 REPORTING

4.1 ALLOCATION REPORTING

Annually, until all the proceeds have been fully allocated, and on a timely basis in case of material developments, we will publish a Green Bond Report, on the investor relations section of our website. The report will include (i) the amount of net proceeds allocated to each Eligible Green Project either individually or by category, subject to confidentiality considerations; (ii) expected impact metrics, where feasible; (iii) a selection of brief project descriptions; and (iv) the outstanding amount of net proceeds to be allocated to Eligible Green Projects at the end of the reporting period.



4.2 IMPACT REPORTING

Where feasible, based on reliable data, and subject to any confidentiality considerations, Nikola plans to report estimated quantitative impact metrics of Eligible Green Projects. Examples of expected impact metrics may include, where feasible and as applicable:

PROJECT CATEGORY	EXAMPLE KEY PERFORMANCE INDICATOR
Clean Transportation	Number of Electric or Hydrogen Fuel Cell Electric Vehicles Manufactured Number of ZEV Fueling/Charging Assets Deployed or Installed Number of Kilograms of Hydrogen Fuel dispensed
Renewable Energy	Emission reduction attributed to renewable energy solutions[MT CO ₂ e] Anticipated renewable energy generation capacity or purchase commitments[MW]
Circular Economy Adapted Products, Production Technologies and Processes	Tons of waste diverted from the landfill Weight of batteries reused, remanufactured or recycled Number of waste diversion measures deployed
Energy Efficiency	Number of energy conservation measures(ECM)deployed
Pollution Prevention and Control	U.S. Short Tons of recycled or recovered hazardous waste Project specific emissions reductions [MT CO ₂ e]

EXTERNAL REVIEW

We expect that our Green Bond Report will be accompanied by (i) assertions by management that an amount equal to the net proceeds of an offering of green bonds was allocated to Eligible Green Projects, and (ii) an attestation report from an independent accountant in respect of the independent accountant's examination of management's assertion conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

In the event Nikola issues convertible bonds and the bonds convert before allocation was completed, Nikola intends to continue the commitment to allocate an amount equal to the net proceeds as soon as practicable but no later than the original maturity date of the convertible bond.



DISCLAIMER

The information and opinions contained in this framework are provided as of the date of this framework and are subject to change without notice. None of Nikola or its subsidiaries assume any responsibility or obligation to update or revise any such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This framework represents current Nikola policy and intent and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Nikola and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Nikola as to the fairness, accuracy, reasonableness or completeness of such information. All statements other than statements of historical facts contained in this framework may be forward-looking statements, including but not limited to statements about future events and expectations. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to: our mission, strategy and commitments; the benefits and attributes of our business model and strategy; expected benefits of our strategic partnerships; our competitive advantage; market opportunity and expectations; our proposed hydrogen fueling ecosystem structure, strategy and the anticipated benefits thereof; customer demand for our trucks; the potential issuance of green bonds; intents regarding the use of the Green Bond Framework, including expected use of proceeds from the issuance of green bonds; and our plans to publish a Green Bond Report annually and obtain reports from an independent accountant for the report. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements, including without limitation: general economic, financial, legal, regulatory, political and business conditions and changes in domestic and foreign markets; assumptions related to our business model; demand for and customer satisfaction and acceptance of our trucks; the execution of definitive agreements with our business partners and the success of our planned collaborations; the effect of competition on our business; the outcome of legal, regulatory and judicial proceedings to which we are, or may become a party; the availability of capital; the impact of political and economic instability and geopolitical tensions; the continued availability of government incentives; changes in applicable laws or regulations; the impact of inflation; the risk that green bonds may not be issued; the risk that the bonds may not qualify as "green bonds"; and the risks and uncertainties summarized under the sections titled "Forward-Looking Statements" and "Risk Factors" in our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the Securities and Exchange Commission (the "SEC") and available on our website at www.nikola.com/investors. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in this framework. No assurance can be given that any goal or plan set forth in forward-looking statements in this framework can or will be achieved, and readers are cautioned not to place undue reliance on such statements which speak only as of the date of this framework, and Nikola does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made. 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If any such offer is made, it will be done so pursuant to separate and distinct documentation in the form of a prospectus, prospectus supplement other equivalent document and a related pricing term sheet (the "Offering Documents"), and any decision to purchase or subscribe for any such securities pursuant to such offer should be made solely on the basis of such Offering Documents and not these materials. In particular, investors should pay special attention to any sections of the Offering Documents describing any risk factors. The information in this framework does not purport to contain all of the information that may be required or desired by a recipient to evaluate Nikola. In all cases, the merits or suitability of any securities or any transaction described in these materials to a particular person's situation should be independently determined by such person. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit or other related aspects of the securities or such transaction and prospective investors are required to make their own independent investment decisions. The information contained herein speaks only as of the date identified on the cover page of this framework.

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FOLLOW NONE.

