

## **FISKER PROVIDES UPDATE ON RECENT BUSINESS ACTIVITIES**

- The recently announced Dealership Partner model is gaining momentum; over 100 dealers in the United States, Canada, and Europe have expressed interest in becoming a Fisker Dealer partner. The company will host a dealer event at its headquarters the week of January 29.
- Based on a combination of direct sales and the new dealer initiative, Fisker expects to sell all its remaining 2023 vehicles before the end of the first quarter. A delivery update will be provided in February.
- During the first quarter 2024, Fisker expects to generate significant cash from the sale of existing 2023 production vehicles that are largely paid for. Consumption of pre-paid parts including batteries for several months of production, will release cash on the balance sheet for working capital, upon sale of these vehicles.
- Flexibility to pursue strategic collaborations was enhanced by a recent amendment to Fisker's 2025 senior convertible notes related to liens on certain intellectual property.
- Outstanding debt under the 2025 convertible notes has been significantly reduced by \$185.5 million reflecting the conversion of a portion of the notes to equity.
- Fisker held the largest meetup in company history, with approximately 2,500 owners and prospective owners gathering in 24 US locations and at six locations in Europe.

**LOS ANGELES** (Jan. 23, 2024) – [Fisker Inc.](#) (NYSE: FSR) ("Fisker"), driven by a mission to create the world's most emotional and sustainable electric vehicles, today is providing an update on recent business activities.

### **Dealer Partner Model Update**

On January 4, Fisker announced a change in its vehicle distribution strategy toward an innovative Dealer Partnership model in North America and hybrid model in Europe that will continue to include direct sales to consumers and dealer arrangements. Since this announcement, Fisker has seen substantial interest from potential partner dealers across the United States, Canada, and Europe. The company is currently engaged with over 100 dealers. Enthusiasm has been driven by the fact that Fisker is the only American brand available to dealers that manufactures exclusively electric vehicles that have class leading features (for example, the Fisker Ocean has the longest range in its segment). Fisker is scheduled to host dealers at its headquarters in Manhattan Beach during the week of January 29. In addition, Chairman and CEO Henrik Fisker and several Fisker executives are scheduled to attend the National Automobile Dealers Association (NADA) show in early February to meet with prospective dealers and promote the company's new dealership model. Fisker expects the first Oceans to be available in dealer showrooms in February.

Many of Fisker's potential dealer partners already support multiple brands of vehicles, have existing EV infrastructure and the ability to service vehicles. The company anticipates that dealers will be able to purchase vehicles for their inventory shortly after finalizing the partner agreements. Fisker believes this strategy is consistent with its asset-light business model and will allow the company to build a strong distribution network capable of servicing its customers in a more cost-efficient way. Initial dealer agreements will likely cover California, Illinois, New York, New Jersey, Massachusetts, Florida, Maryland, and Canada.

### **Anticipated Positive Impact to Cash Flow**

Fisker expects that the Dealer Partnership model will enhance its ability to turn new vehicles into cash by reducing the time vehicles are retained on its balance sheet. Similar to the traditional automotive OEM/dealer model, Fisker will recognize revenue when a vehicle is sold to a dealer. Fisker anticipates that it will sell most of the vehicles it currently has in inventory before the end of this year's first quarter and expects to provide a delivery update in February.

During the first half of 2024, the company expects to generate cash from the sale of existing 2023 production vehicle as well as a consumption of raw materials, including batteries, in producing cars in first half of 2024 that are currently on its balance sheet. The carrying value of completed vehicles in Fisker's inventory at the end of 2023 was approximately \$290 million. Since Fisker has been selling vehicles through its direct to customer model and will pivot to a dealership model during Q1. We expect to sell the balance of our 2023 vehicle inventory before end of the quarter, releasing almost \$290 million on the balance sheet that can be used for working capital. In addition, Fisker has approximately \$260 million of parts, including batteries, which will support the production of Ocean vehicles in 2024. As a result, Fisker expects to achieve a higher contribution to cash flow from Oceans produced and sold in early 2024.

#### **Amendment to 2025 Convertible Notes**

As previously announced, on January 21, Fisker entered into a second amendment and waiver agreement with the holder of its 2025 senior convertible notes. Pursuant to this waiver, among other items, the company no longer is required to maintain a minimum cash balance. In addition, the company has obtained a release from the investor of certain intellectual property belonging to Fisker upon the company entering into certain commercial agreements with an automotive original equipment manufacturer (OEM). Fisker believes this waiver provides increased flexibility to pursue strategic collaborations. Reflecting a series of conversions by the senior convertible notes holder, the company's overall debt level has been reduced. As of January 19, 2024, the principal balance outstanding on the 2025 notes has been reduced by approximately \$185.5 million to \$324.5 million.

#### **NHTSA Preliminary Evaluation**

Fisker issued the following statement on the National Highway Traffic Safety Administration (NHTSA) Office of Defects Investigation's (ODI) Preliminary Evaluation of reported braking issues with the 2023 Fisker Ocean:

The Fisker Ocean brake system uses both friction braking and regenerative braking. In December 2023, Fisker responded to customer feedback and issued an Over-the-Air update (Version 1.10) to the regenerative system that improved the customer experience when traveling over bumps and uneven surfaces, resolving the issue. The Fisker Ocean brake system meets or exceeds all US and international performance requirements.

#### **Key Executive Leadership Updates**

As previously announced, Fisker has strengthened its leadership team with the addition of seasoned and experienced executives across departments including finance, accounting, marketing, and sales.

These leaders include Angel Salinas as Chief Accounting Officer; Eric Goldstein as Head of Investor Relations; Beverly Lively as VP, Internal Controls & Audit; and Dan Quirk as EVP, of Finance and Accounting. Wolfgang Hoffman has also joined as Country Manager for Canada as well as Amira Aly as VP, Marketing, Sales & Financial Service US.

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#### **About Fisker Inc.**

California-based Fisker Inc. is revolutionizing the automotive industry by designing and developing individual mobility in alignment with nature. Passionately driven by a vision of a clean future for all, the company is on a mission to create the world's most sustainable and emotional electric vehicles. To learn more, visit [Fiskerinc.com](https://fiskerinc.com) and enjoy exclusive content across Fisker's social media channels: [Facebook](#), [Instagram](#), [Twitter](#), [YouTube](#), and [LinkedIn](#).

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#### **Forward-Looking Statements**

This press release includes forward-looking statements, which are subject to the "safe harbor" provisions of the US Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "feel," "believes," "expects," "estimates," "projects," "intends," "should," "is to be," or the negative of such terms, or other comparable

terminology and include, among other things, the quote from our chief executive officer, any potential future automotive original equipment manufacturer (or equipment or part manufacturer) transactions and other future events that involve risks and uncertainties. Such forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties, which could cause actual results to differ materially from the forward-looking statements contained herein due to many factors, including, but not limited to: Fisker's limited operating history; Fisker's ability to enter into additional manufacturing and other contracts with Magna or tier-one suppliers in order to execute on its business plan; the risk that OEM and supply partners do not meet agreed-upon timelines or experience capacity constraints; Fisker may experience significant delays in the design, manufacture, regulatory approval, launch and financing of its vehicles; Fisker's ability to execute its business model, including market acceptance of its planned products and services; Fisker's inability to retain key personnel and to hire additional personnel; competition in the electric vehicle market; Fisker's inability to develop a sales distribution network; and the ability to protect its intellectual property rights; and those factors discussed in Fisker's Annual Report on Form 10-K, under the heading "Risk Factors", filed with the Securities and Exchange Commission (the "SEC"), as supplemented by Quarterly Reports on Form 10-Q, and other reports and documents Fisker files from time to time with the SEC. Any forward-looking statements speak only as of the date on which they are made, and Fisker undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this press release.