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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

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**FORM 10-Q**

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**(Mark One)**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-39160

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**FISKER INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of incorporation or organization)

**82-3100340**

(I.R.S. Employer Identification No.)

**1888 Rosecrans Avenue, Manhattan Beach, CA 90266**  
(Address of principal executive offices)

(833) 434-7537  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class                                    | Trading symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Class A Common Stock, par value of \$0.00001 per share | FSR               | New York Stock Exchange                   |

**Securities registered pursuant to Section 12(g) of the Act: None**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an

emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of November 11, 2021, the registrant had 163,840,984 shares of Class A Common Stock and 132,354,128 shares of Class B Common Stock, par value \$0.00001 per share, outstanding.

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### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q (this “report”) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are forward-looking and as such are not historical facts. These forward-looking statements include, without limitation, statements regarding future financial performance, business strategies, expansion plans, future results of operations, estimated revenues, losses, projected costs, prospects, plans and objectives of management. These forward-looking statements are based on our management’s current expectations, estimates, projections and beliefs, as well as a number of assumptions concerning future events, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this report, words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “would” and variations thereof and similar words and expressions are intended to identify such forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this report may include, for example, statements about:

- our ability to grow and manage growth profitably;
- our ability to enter into binding contracts with OEMs or tier-one suppliers in order to execute on our business plan;
- our ability to execute our business model, including market acceptance of our planned products and services;
- our expansion plans and opportunities;
- our expectations regarding future expenditures;
- our ability to raise capital in the future;
- our ability to attract and retain qualified employees and key personnel;
- the possibility that we may be adversely affected by other economic, business or competitive factors;
- our ability to maintain the listing of our Class A common stock, par value \$0.00001 per share (“Class A Common Stock”) on the NYSE;
- changes in applicable laws or regulations;
- the outcome of any known and unknown litigation and regulatory proceedings;
- the possibility that COVID-19 may adversely affect the results of our operations, financial position and cash flows; and
- other factors described in this report, including those described in the section entitled “*Risk Factors*” under Part I, Item 1A of our most recent Annual Report on Form 10-K/A for the year ended December 31, 2020 filed with the U.S. Securities and Exchange Commission (“SEC”) on May 17, 2021, as supplemented by Quarterly Reports on Form 10-Q and filed with the SEC.

The forward-looking statements contained in this report are based on our current expectations and beliefs concerning future developments and their potential effects on our business. There can be no assurance that future developments affecting our business will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the section entitled “*Risk Factors*” under Part I, Item 1A of our Annual Report on Form 10-K/A for the year ended December 31, 2020 filed with the SEC on May 17, 2021. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the effect of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

The forward-looking statements made by us in this report speak only as of the date of this report. Except to the extent required under the federal securities laws and rules and regulations of the SEC, we disclaim any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, there is no assurance that the events or results suggested by the forward-looking statements will in fact occur, and you should not place undue reliance on these forward-looking statements.

### **WEBSITE AND SOCIAL MEDIA DISCLOSURE**

We use our website ([www.fiskerinc.com](http://www.fiskerinc.com)) and various social media channels as a means of disclosing information about the company and its products to its customers, investors and the public (e.g., @fiskerinc, @fiskerofficial, #fiskerinc, #henrikfisker and #fisker on Twitter, Facebook, Instagram, YouTube, TikTok and LinkedIn). The information posted on social media channels is not incorporated by reference in this report or in any other report or document we file with the SEC. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press

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releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about the Company when you enroll your e-mail address by visiting the “Investor Email Alerts” section of our website at [www.investors.fiskerinc.com](http://www.investors.fiskerinc.com). Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about the Company when you enroll your e-mail address by visiting the “Investor Email Alerts” section of our website at [www.investors.fiskerinc.com](http://www.investors.fiskerinc.com).

## **ADDITIONAL INFORMATION**

Unless the context indicates otherwise, references in this report to the “Company,” “Fisker,” “we,” “us,” “our” and similar terms refer to Fisker Inc. (f/k/a Spartan Energy Acquisition Corp.) and its consolidated subsidiaries (including Fisker Group Inc. or Legacy Fisker). References to “Spartan” refer to our predecessor company prior to the consummation of the Business Combination (as defined below).

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**PART I—FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**Condensed Consolidated Balance Sheets**

**Fisker Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
*(In thousands, except share data)*  
**(Unaudited)**

|  | As of<br>September 30,<br>2021 | As of<br>December 31,<br>2020 |
|--|--------------------------------|-------------------------------|
| <b>ASSETS</b>  |                                |                               |
| Current assets:  |                                |                               |
| Cash and cash equivalents  | \$ 1,400,411                   | \$ 991,158                    |
| Prepaid expenses and other current assets  | 22,856                         | 9,872                         |
| Total current assets   | <u>1,423,267</u>               | <u>1,001,030</u>              |
| Non-current assets:  |                                |                               |
| Property and equipment, net  | 18,558                         | 945                           |
| Intangible assets  | 200,089                        | 58,041                        |
| Right-of-use assets, net   | 19,178                         | 2,548                         |
| Other non-current assets   | 1,352                          | 1,329                         |
| Total non-current assets   | <u>239,177</u>                 | <u>62,863</u>                 |
| <b>TOTAL ASSETS</b>  | <u><u>\$ 1,662,444</u></u>     | <u><u>\$ 1,063,893</u></u>    |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                                |                               |
| Current liabilities:   |                                |                               |
| Accounts payable   | \$ 13,142                      | \$ 5,159                      |
| Accrued expenses   | 60,198                         | 7,408                         |
| Lease liabilities  | 4,023                          | 655                           |
| Total current liabilities  | <u>77,363</u>                  | <u>13,222</u>                 |
| Non-current liabilities:   |                                |                               |
| Customer deposits  | 5,085                          | 3,527                         |
| Warrants liability   | —                              | 138,102                       |
| Lease liabilities  | 15,831                         | 1,912                         |
| Convertible senior notes   | 659,129                        | —                             |
| Total non-current liabilities  | <u>680,045</u>                 | <u>143,541</u>                |
| Total liabilities  | <u>757,408</u>                 | <u>156,763</u>                |
| <b>COMMITMENTS AND CONTINGENCIES (Note 13)</b>   |                                |                               |
| Stockholders' equity:  |                                |                               |
| Preferred stock, \$0.00001 par value; 15,000,000 shares authorized; no shares issued and outstanding as of September 30, 2021 and December 31, 2020  | —                              | —                             |
| Class A Common stock, \$0.00001 par value; 750,000,000 shares authorized; 163,816,328 and 144,912,362 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively | 2                              | 1                             |
| Class B Common stock, \$0.00001 par value; 150,000,000 shares authorized; 132,354,128 shares issued and outstanding as of September 30, 2021 and December 31, 2020                               | 1                              | 1                             |
| Additional paid-in capital   | 1,385,846                      | 1,055,128                     |
| Accumulated deficit  | (480,813)                      | (147,904)                     |
| Receivable for warrant exercises   | (96)                           |                               |
| Total stockholders' equity   | <u>905,036</u>                 | <u>907,130</u>                |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>  | <u><u>\$ 1,662,444</u></u>     | <u><u>\$ 1,063,893</u></u>    |

The accompanying notes are an integral part of these consolidated financial statements.

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**Fisker Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**For the Three Months and Nine Months ended September 30, 2021 and 2020**  
*(In thousands, except share and per share data)*  
**(Unaudited)**

|   | Three-Months Ended September 30, |                    | Nine-Months Ended September 30, |                    |
|---|----------------------------------|--------------------|---------------------------------|--------------------|
|   | 2021                             | 2020               | 2021                            | 2020               |
| <b>Revenue</b>  | \$ 15                            | —                  | \$ 65                           | —                  |
| <b>Cost of goods sold</b>   | 16                               | —                  | 47                              | —                  |
| <b>Gross margin</b>   | (1)                              | —                  | 18                              | —                  |
| <b>Operating costs and expenses:</b>  |                                  |                    |                                 |                    |
| General and administrative  | 10,273                           | \$ 6,521           | 24,012                          | 8,056              |
| Research and development  | 99,291                           | 3,402              | 171,807                         | 3,963              |
| Total operating costs and expenses  | 109,564                          | 9,923              | 195,819                         | 12,019             |
| Loss from operations  | (109,565)                        | (9,923)            | (195,801)                       | (12,019)           |
| <b>Other income (expense):</b>  |                                  |                    |                                 |                    |
| Other income (expense)  | (84)                             | 6                  | (98)                            | 15                 |
| Interest income   | 155                              | 8                  | 415                             | 13                 |
| Interest expense  | (2,147)                          | (765)              | (2,147)                         | (1,326)            |
| Change in fair value of derivatives   | —                                | (29,149)           | (138,436)                       | (29,409)           |
| Foreign currency gain (loss)  | 1,797                            | 159                | 3,158                           | 122                |
| Total other income (expense)  | (279)                            | (29,741)           | (137,108)                       | (30,585)           |
| <b>Net loss</b>   | <u>\$ (109,844)</u>              | <u>\$ (39,664)</u> | <u>(332,909)</u>                | <u>(42,604)</u>    |
| <b>Net loss per common share</b>  |                                  |                    |                                 |                    |
| Net loss per share attributable to Class A and Class B Common shareholders- Basic and Diluted | <u>\$ (0.37)</u>                 | <u>\$ (0.38)</u>   | <u>\$ (1.15)</u>                | <u>\$ (0.40)</u>   |
| <b>Weighted average shares outstanding</b>  |                                  |                    |                                 |                    |
| Weighted average Class A and Class B Common shares outstanding- Basic and Diluted             | <u>296,133,530</u>               | <u>105,549,787</u> | <u>290,445,265</u>              | <u>105,476,293</u> |

The accompanying notes are an integral part of these consolidated financial statements.

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**Fisker Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Temporary Equity and Stockholders' Equity (Deficit)**  
*(In thousands, except share data)*  
**(Unaudited)**

|   | Series A<br>Convertible Preferred |        | Series B<br>Convertible Preferred |        | Founders<br>Convertible Preferred |        | Class A<br>Common Stock |        | Class B<br>Common Stock |        | Additional<br>Paid-in<br>Capital |        | Receivable<br>For<br>Warrant<br>Exercises |              | Accumulated<br>Deficit | Stockholders'<br>Deficit |
|---|-----------------------------------|--------|-----------------------------------|--------|-----------------------------------|--------|-------------------------|--------|-------------------------|--------|----------------------------------|--------|---|--------------|------------------------|--------------------------|
|   | Shares                            | Amount | Shares                            | Amount | Shares                            | Amount | Shares                  | Amount | Shares                  | Amount | Shares                           | Amount |   |              |                        |                          |
| <b>Balance at June 30, 2021</b>   | —                                 | \$ —   | —                                 | \$ —   | —                                 | \$ —   | 163,711,901             | \$ 2   | 132,354,128             | \$ 1   | \$1,481,556                      | \$ —   | \$ (370,969)                              | \$ 1,110,590 |                        |                          |
| Stock-based compensation  | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | 1,043                            | —      | —   | —            | —                      | 1,043                    |
| Exercise of stock options and issuance of restricted stock unit awards, net of statutory tax withholdings | —                                 | —      | —                                 | —      | —                                 | —      | 104,427                 | —      | —                       | —      | 35                               | —      | —   | —            | —                      | 35                       |
| Purchase of capped call options   | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | (96,788)                         | —      | —   | —            | —                      | (96,788)                 |
| Net Loss  | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | —                                | —      | —   | (109,844)    | (109,844)              |                          |
| <b>Balance at September 30, 2021</b>  | —                                 | \$ —   | —                                 | \$ —   | —                                 | \$ —   | 163,816,328             | \$ 2   | 132,354,128             | \$ 1   | \$1,385,846                      | \$ —   | \$ (480,813)                              | \$ 905,036   |                        |                          |

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|   | Series A<br>Convertible Preferred |        | Series B<br>Convertible Preferred |        | Founders<br>Convertible Preferred |        | Class A<br>Common Stock |        | Class B<br>Common Stock |        | Additional<br>Paid-in<br>Capital |         | Receivable<br>For<br>Warrant<br>Exercises |            | Accumulated<br>Deficit | Stockholders'<br>Deficit |
|---|-----------------------------------|--------|-----------------------------------|--------|-----------------------------------|--------|-------------------------|--------|-------------------------|--------|----------------------------------|---------|---|------------|------------------------|--------------------------|
|   | Shares                            | Amount | Shares                            | Amount | Shares                            | Amount | Shares                  | Amount | Shares                  | Amount |                                  |         |   |            |                        |                          |
| Balance at December 31, 2020  | —                                 | \$ —   | —                                 | \$ —   | —                                 | \$ —   | 144,912,362             | \$ 1   | 132,354,128             | \$ 1   | \$ 1,055,128                     | \$ (96) | \$ (147,904)                              | \$ 907,130 |                        |                          |
| Stock-based compensation  | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | 4,078                            | —       | —   | —          | —                      | 4,078                    |
| Exercise of stock options and issuance of restricted stock unit awards, net of statutory tax withholdings | —                                 | —      | —                                 | —      | —                                 | —      | 1,095,446               | —      | —                       | —      | (53)                             | —       | —   | (53)       | —                      | (53)                     |
| Exercise of warrants  | —                                 | —      | —                                 | —      | —                                 | —      | 27,751,587              | 1      | —                       | —      | 365,463                          | 458     | —   | —          | 365,922                |                          |
| Shares surrendered upon exercise of warrants  | —                                 | —      | —                                 | —      | —                                 | —      | (9,943,067)             | —      | —                       | —      | —                                | (384)   | —   | —          | (384)                  |                          |
| Purchase of capped call option  | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | (96,788)                         | —       | —   | —          | (96,788)               |                          |
| Stock issuance costs and redemption payments  | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | (22)                             | 22      | —   | —          | —                      | —                        |
| Vesting of Magna warrants   | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | 58,040                           | —       | —   | —          | 58,040                 |                          |
| Receivable for warrant exercises collected  | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | —                                | —       | —   | —          | —                      | —                        |
| Net Loss  | —                                 | —      | —                                 | —      | —                                 | —      | —                       | —      | —                       | —      | —                                | —       | (332,909)                                 | —          | (332,909)              |                          |
| Balance at September 30, 2021   | —                                 | \$ —   | —                                 | \$ —   | —                                 | \$ —   | 163,816,328             | \$ 2   | 132,354,128             | \$ 1   | \$ 1,385,846                     | \$ —    | \$ (480,813)                              | \$ 905,036 |                        |                          |

|                               | Series A<br>Convertible Preferred |          | Series B<br>Convertible Preferred |          | Founders<br>Convertible Preferred |        | Class A<br>Common Stock |        | Class B<br>Common Stock |        | Additional<br>Paid-in<br>Capital |      | Receivable<br>For<br>Warrant<br>Exercises |             | Accumulated<br>Deficit | Stockholders'<br>Deficit |
|-------------------------------|-----------------------------------|----------|-----------------------------------|----------|-----------------------------------|--------|-------------------------|--------|-------------------------|--------|----------------------------------|------|---|-------------|------------------------|--------------------------|
|                               | Shares                            | Amount   | Shares                            | Amount   | Shares                            | Amount | Shares                  | Amount | Shares                  | Amount |                                  |      |   |             |                        |                          |
| Balance at June 30, 2020      | 16,983,241                        | \$ 4,634 | 3,765,685                         | \$ 6,386 | 27,162,191                        | \$ —   | 266,015                 | \$ —   | 105,191,937             | \$ 1   | \$ 849                           | \$ — | \$ (20,840)                               | \$ (19,990) |                        |                          |
| Stock-based compensation      | —                                 | —        | —                                 | —        | —                                 | —      | —                       | —      | —                       | —      | 264                              | —    | —   | —           | 264                    |                          |
| Exercise of stock option      | —                                 | —        | —                                 | —        | —                                 | —      | 91,832                  | —      | —                       | —      | 60                               | —    | —   | —           | 60                     |                          |
| Net Loss                      | —                                 | —        | —                                 | —        | —                                 | —      | —                       | —      | —                       | —      | —                                | —    | (39,664)                                  | (39,664)    |                        |                          |
| Balance at September 30, 2020 | 16,983,241                        | \$ 4,634 | 3,765,685                         | \$ 6,386 | 27,162,191                        | \$ —   | 357,847                 | \$ —   | 105,191,937             | \$ 1   | \$ 1,173                         | \$ — | \$ (60,504)                               | \$ (59,330) |                        |                          |

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|                                  | Series A<br>Convertible Preferred |                 | Series B<br>Convertible Preferred |                 | Founders<br>Convertible Preferred |             | Class A<br>Common Stock |             | Class B<br>Common Stock |             | Additional<br>Paid-in<br>Capital | Receivable<br>For<br>Warrant<br>Exercises | Accumulated<br>Deficit | Stockholders'<br>Deficit |
|----------------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|-----------------------------------|-------------|-------------------------|-------------|-------------------------|-------------|----------------------------------|---|------------------------|--------------------------|
|                                  | Shares                            | Amount          | Shares                            | Amount          | Shares                            | Amount      | Shares                  | Amount      | Shares                  | Amount      |                                  |   |                        |                          |
| Balance at<br>December 31, 2019  | <u>16,983,241</u>                 | <u>\$ 4,634</u> | <u>3,765,685</u>                  | <u>\$ 6,386</u> | <u>27,162,191</u>                 | <u>\$ —</u> | <u>210,863</u>          | <u>\$ —</u> | <u>105,191,937</u>      | <u>\$ 1</u> | <u>\$ 756</u>                    | <u>\$ —</u>                               | <u>\$ (17,900)</u>     | <u>\$ (17,143)</u>       |
| Stock-based<br>compensation      | —                                 | —               | —                                 | —               | —                                 | —           | —                       | —           | —                       | —           | 334                              | —   | —                      | 334                      |
| Exercise of stock option         | —                                 | —               | —                                 | —               | —                                 | —           | 146,984                 | —           | —                       | —           | 83                               | —   | —                      | 83                       |
| Net Loss                         | —                                 | —               | —                                 | —               | —                                 | —           | —                       | —           | —                       | —           | —                                | (42,604)                                  | (42,604)               | (42,604)                 |
| Balance at<br>September 30, 2020 | <u>16,983,241</u>                 | <u>\$ 4,634</u> | <u>3,765,685</u>                  | <u>\$ 6,386</u> | <u>27,162,191</u>                 | <u>\$ —</u> | <u>357,847</u>          | <u>\$ —</u> | <u>105,191,937</u>      | <u>\$ 1</u> | <u>\$ 1,173</u>                  | <u>\$ —</u>                               | <u>\$ (60,504)</u>     | <u>\$ (59,330)</u>       |

The accompanying notes are an integral part of these consolidated financial statements.

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**Fisker Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
*(In thousands, except share data)*  
**(Unaudited)**

|   | Nine-Months Ended September 30, |                  |
|---|---------------------------------|------------------|
|   | 2021                            | 2020             |
| <b>Cash Flows from Operating Activities:</b>                                |                                 |                  |
| Net loss  | \$ (332,909)                    | \$ (42,604)      |
| <b>Reconciliation of net loss to net cash used in operating activities:</b> |                                 |                  |
| Stock-based compensation  | 4,078                           | 334              |
| Depreciation  | 397                             | 26               |
| Amortization of right-of-use asset  | 1,683                           | 101              |
| Accretion of debt issuance costs  | 153                             | 1,091            |
| Change in fair value of derivative liabilities                              | 138,436                         | 29,409           |
| Reclassification of expensed payments to arrangers of convertible security  | —                               | 3,500            |
| Unrealized loss on foreign currency transactions                            | (1,693)                         | 12               |
| <b>Changes in operating assets and liabilities:</b>                         |                                 |                  |
| Prepaid expenses and other assets   | (12,945)                        | (745)            |
| Accounts payable and accrued expenses                                       | 41,891                          | (952)            |
| Customer deposits   | 1,558                           | 1,994            |
| Change in operating lease liability   | (1,026)                         | (107)            |
| Net cash (used in) provided by operating activities                         | (160,377)                       | (7,941)          |
| <b>Cash Flows from Investing Activities:</b>                                |                                 |                  |
| Purchases of property and equipment and intangible asset                    | (81,828)                        | (224)            |
| Net cash used in investing activities                                       | (81,828)                        | (224)            |
| <b>Cash Flows from Financing Activities:</b>                                |                                 |                  |
| Proceeds from the issuance of bridge notes                                  | —                               | 5,371            |
| Proceeds from issuance of convertible notes                                 | 667,500                         | 46,500           |
| Payments for debt issuance costs  | (8,523)                         | —                |
| Payments for capped call option   | (96,788)                        | —                |
| Payments of deferred offering costs   | —                               | (671)            |
| Proceeds from the exercise of warrants                                      | 89,023                          | —                |
| Payments for redemption of unexercised warrants                             | (22)                            | —                |
| Payments to tax authorities for statutory tax withholdings                  | (4,891)                         | —                |
| Proceeds from the exercise of stock options                                 | 5,159                           | 83               |
| Net cash provided by financing activities                                   | 651,458                         | 51,283           |
| Net increase (decrease) in cash and cash equivalents                        | 409,253                         | 43,118           |
| Cash and cash equivalents, beginning of the period                          | 991,158                         | 1,858            |
| <b>Cash and cash equivalents, end of the period</b>                         | <b>\$ 1,400,411</b>             | <b>\$ 44,976</b> |
| <b>Supplemental disclosure of cash flow information</b>                     |                                 |                  |
| Cash paid for interest  | \$ —                            | \$ —             |
| Cash paid for income taxes  | \$ —                            | \$ —             |

The accompanying notes are an integral part of these consolidated financial statements.

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### **Fisker Inc. and Subsidiaries**

#### **Notes to Condensed Consolidated Financial Statements** *(In thousands, except share data)* **(Unaudited)**

## **1. Overview of the Company**

Fisker Inc. (“Fisker” or the “Company”) was originally incorporated in the State of Delaware on October 13, 2017 as a special purpose acquisition company under the name Spartan Energy Acquisition Corp. (“Spartan”) for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar business combination with one or more businesses. Spartan completed its Initial Public Offering in August 2018. On October 29, 2020, Spartan’s wholly-owned subsidiary merged with and into Fisker Holdings Inc. (f/k/a Fisker Inc.), a Delaware corporation (“Legacy Fisker”), with Fisker Holdings Inc. surviving the merger as a wholly-owned subsidiary of Spartan (the “Business Combination”). In connection with the Business Combination, Spartan changed its name to Fisker Inc.

Legacy Fisker was incorporated in the State of Delaware on September 21, 2016. In connection with its formation, the Company entered into stock purchase agreements with the Company’s founders, whereby the founders contributed certain intellectual property (primarily trademarks) and interests in Platinum IPR LLC. Platinum IPR LLC was an entity solely owned by the Company’s founders, which held Fisker trademarks registered in a variety of jurisdictions around the world. The founders’ transfer of its interest in Platinum IPR LLC and the transfer of trademarks was accounted for as a transfer of assets between entities under common control. The carrying amount of the transferred assets is recorded based on the prior carrying value, which was de minimis.

The Company’s common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “FSR”. The Company’s warrants previously traded on the New York Stock Exchange under the symbol “FSR WS” and on April 19, 2021, the NYSE filed a Form 25-NSE with respect to the warrants; the formal delisting of the warrants became effective ten days thereafter (refer to Note 8 for further information).

## **2. Summary of Significant Accounting Policies**

### **Basis of Presentation**

The Company’s condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as determined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) and pursuant to the regulations of the U.S. Securities and Exchange Commission (“SEC”).

### *Unaudited Interim Financial Statements*

The condensed consolidated balance sheet as of September 30, 2021, the condensed consolidated statements of operations and the condensed consolidated statements of changes in temporary equity and stockholders’ equity (deficit) for the three-months and nine-months ended September 30, 2021 and 2020, and the condensed consolidated statements of cash flows for the nine-months ended September 30, 2021 and 2020, as well as other information disclosed in the accompanying notes, are unaudited. The consolidated balance sheet as of December 31, 2020 was derived from the audited consolidated financial statements as of that date. The interim condensed consolidated financial statements and the accompanying notes should be read in conjunction with the annual consolidated financial statements and the accompanying notes contained in our Annual Report on Form 10-K/A for the year ended December 31, 2020 filed with the SEC on May 17, 2021.

Comprehensive loss is not separately presented as the amounts are equal to net loss for the three-months and nine-months ended September 30, 2021 and 2020.

The interim condensed consolidated financial statements and the accompanying notes have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of the results of operations for the periods presented. The condensed consolidated financial statements for any interim period are not necessarily indicative of the results to be expected for the full year or for any other future years or interim periods.

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### *Reverse Recapitalization*

The Business Combination was accounted for as a reverse recapitalization and Spartan was treated as the “acquired” company for accounting purposes. The Business Combination was accounted as the equivalent of Legacy Fisker issuing stock for the net assets of Spartan, accompanied by a recapitalization. Accordingly, all historical financial information presented in these consolidated financial statements represents the accounts of Legacy Fisker and its wholly owned subsidiaries “as if” Legacy Fisker is the predecessor to the Company. The shares and net loss per common share, prior to the Business Combination, have been adjusted as shares reflecting the exchange ratio established in the Business Combination.

### *Going Concern, Liquidity and Capital Resources*

The Company evaluated whether there are any conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern over the next twelve months from the date of filing this report. Since inception, the Company has incurred significant accumulated losses of approximately \$481 million. As of September 30, 2021, the Company had approximately \$1,400 million in cash and cash equivalents. The Company expects to continue to incur significant operating losses for the foreseeable future. Proceeds from the Business Combination, issuance of convertible senior notes, and exercised public warrants and options provide the Company the liquidity and capital resources to fund its operating expenses and capital expenditure requirements for at least the next 12 months from issuance.

### *Supplier Risk*

The Company continued nomination of suppliers with an accelerated phase during the quarter for engineering, development, testing, tooling and production of components for serial production of its vehicles. As of September 30, 2021, these supplier contracts do not represent unconditional purchase obligations with take-or-pay or specified minimum quantities provisions.

### **Use of Estimates**

The preparation of the condensed consolidated financial statements in conformity with GAAP required management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the condensed consolidated financial statements and accompanying notes. The Company bases these estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates.

### **Fair Value Measurements**

The Company follows the accounting guidance in ASC 820, *Fair Value Measurement*, for its fair value measurements of financial assets and liabilities measured at fair value on a recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

The accounting guidance requires fair value measurements be classified and disclosed in one of the following three categories:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

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### **Income Taxes**

Income taxes are recorded in accordance with ASC 740, *Income Taxes* (“ASC 740”), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the condensed consolidated financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the consolidated financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

There are transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. As of September 30, 2021, there were no material changes to either the nature or the amounts of the uncertain tax positions previously determined for the year ended December 31, 2020.

The Company’s income tax provision consists of an estimate for U.S. federal and state income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities, and changes in the tax law. The Company maintains a valuation allowance against the full value of its U.S. and state net deferred tax assets because the Company believes the recoverability of the tax assets is not more likely than not as of September 30, 2021.

### **Debt issuance costs**

Direct and incremental costs, including amounts paid to initial purchasers of the Company’s convertible notes, are directly attributed to efforts to obtain debt financing are debt issuance costs. Upon issuance of debt, the carrying value is the principal amount of debt reduced by any debt issuance costs. Debt issuance costs are attributed to interest expense and accreted over the expected term of the debt using the effective interest rate method.

### **Derivative Liability**

The Company accounts for its public and private warrants as a derivative liability initially measured at its fair values and remeasured in the condensed consolidated statements of operations at the end of each reporting period. When the warrants are exercised, the corresponding derivative liability is de-recognized at the underlying fair value of the Class A common stock that is issued to the warrant holder less any cash paid in accordance with the warrant agreement. Upon either cash or cashless exercise, the derecognized derivative liability results in an increase in additional paid in capital equal to the difference between the fair value of the underlying Class A common stock and its par value. A cashless exercise results in the warrant holder surrendering Class A common stock equal to the stated warrant exercise price based on the contractual terms in the warrant agreement that govern the cashless conversion.

### **Equity Awards**

The grant date for an option or stock award is established when the grantee has a mutual understanding of the key terms and conditions of the option or award, the award is authorized, including all the necessary approvals unless approval is essentially a formality or perfunctory, and the grantee begins to benefit from, or be adversely affected by, underlying changes in the price of the Company’s Class A common shares. An award or option is authorized on the date that all approval requirements are completed (e.g., action by the compensation committee approving the award and the number of options, restricted shares or other equity instruments to be issued to individual employees).

### **Leases**

Current portion of the Company’s lease liability is based on lease payments due within twelve months of the balance sheet date. Variable lease payments are included in lease payments when the contingency upon which the payment is dependent is resolved.

### **Net Loss per Share of Common Stock**

Basic net loss per share of common stock is calculated using the two-class method under which earnings are allocated to both common shares and participating securities. Undistributed net losses are allocated entirely to common shareholders since the participating security has no contractual obligation to share in the losses. Basic net loss per share is calculated by dividing the net loss attributable to common shares by the weighted-average number of shares of common stock outstanding for the period. The diluted net loss per share of common stock is computed by dividing the net loss using the weighted-average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of stock-based compensation awards and warrants to purchase common stock (using the treasury stock method).

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### **Recently adopted accounting pronouncements**

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify various aspects related to accounting for income taxes. ASU No. 2019-12 removes certain exceptions to the general principles in ASC 740 and also clarifies and amends existing guidance to improve consistent application. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. This guidance had no effect on the Company's condensed consolidated financial statements upon adoption in 2021.

In September 2020, the FASB issued ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40)*. This ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The ASU also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. The ASU amends the diluted earnings per share guidance, including the requirement to use if-converted method for all convertible instruments and an update for instruments that can be settled in either cash or shares. We early adopted ASU 2020-06 effective on January 1, 2021 applying the modified retrospective method. Since the Company does not have any financial instruments as of January 1, 2021 within the scope of ASU 2020-06, early adoption had no effect on the Company's condensed consolidated financial statements.

### **Recently issued accounting pronouncements**

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This guidance introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. This ASU also provides updated guidance regarding the impairment of available-for-sale debt securities and includes additional disclosure requirements. The guidance is effective for non-public companies, and public business entities that meet the definition of a Smaller Reporting Company as defined by the Securities and Exchange Commission, for interim and annual periods beginning after December 15, 2022. The Company is currently evaluating the impact of this standard on its condensed consolidated financial statements.

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### **3. Business Combination and Recapitalization**

On October 29, 2020, the Company consummated (the “Closing”) the Business Combination with Legacy Fisker pursuant to the business combination agreement between Legacy Fisker and Spartan (the “Merger Agreement”). Pursuant to ASC 805, for financial accounting and reporting purposes, Legacy Fisker was deemed the accounting acquirer and the Company was treated as the accounting acquiree, and the Business Combination was accounted for as a reverse recapitalization. Accordingly, the Business Combination was treated as the equivalent of the Legacy Fisker issuing stock for the net assets of Spartan, accompanied by a recapitalization. The net assets of Spartan were stated at historical costs, with no goodwill or other intangible assets recorded, and are consolidated with Legacy Fisker’s financial statements on the date of the Closing. The shares and net income (loss) per share available to holders of the Company’s common stock, prior to the Business Combination, have been adjusted as shares reflecting the exchange ratio established in the Merger Agreement.

In connection with the Business Combination, Spartan entered into subscription agreements with certain investors (the “PIPE Investors”), whereby pursuant to which it issued 50,000,000 shares of Class A common stock at \$10.00 per share (the “PIPE Shares”) for an aggregate purchase price of \$500.0 million (the “PIPE Financing”), which closed simultaneously with the consummation of the Business Combination.

The aggregate consideration for the Business Combination and proceeds from the PIPE Financing was approximately \$1.8 billion, consisting of 179,192,713 shares of common stock valued at \$10.00 per share. The common stock consideration consists of (1) 46,838,585 shares of Legacy Fisker Class A common stock, including shares issuable in respect of vested equity awards of the Legacy Fisker and shares issued in respect of the Bridge notes and Convertible Equity Security, plus (2) 132,354,128 shares of Legacy Fisker Class B common stock.

#### *Conversion of Notes and Preferred Stock upon Recapitalization*

Upon the formation of Legacy Fisker in September 2016, HF Holdco LLC, an entity controlled by the Company’s Chief Executive Officer, and founder, and the Company’s Chief Financial Officer and Chief Operating Officer, and founder, advanced the Company \$250,000 in the form of a demand note. In May 2020, in satisfaction of the advances made by HF Holdco LLC, the Company issued a bridge note payable to HF Holdco LLC with the principal sum of \$250,000 and convertible into Class A Common Stock upon completion of the Business Combination and is no longer outstanding as of December 31, 2020.

From July 2019 to September 2020, the Company entered into bridge note agreements with investors. Certain holders of the bridge notes were issued option agreements providing the holder with a non-binding right to receive a base model Fisker Ocean SUV within the first 12 months of production, subject to certain terms and conditions. The proceeds received from these holders were allocated to the bridge notes and option agreements on a relative fair value basis, resulting in an initial discount to the bridge notes.

The automatic exchange feature is the predominant settlement feature and the change of control feature within the bridge notes are embedded contingent put options that, collectively, are required to be bifurcated from the debt host and measured at fair value with changes in fair value recognized in earnings (see Note 4). After bifurcation of the embedded derivative, the initial carrying value of the bridge notes are accreted to their stated principal value over the contractual term of the bridge notes, using the effective interest method. The Company recognized approximately \$0.2 million of accretion of debt discount from the issuance dates of the bridge notes through March 31, 2020, classified as Interest expense in the Condensed Consolidated Statement of Operations. The embedded derivative was eliminated upon the conversion of the bridge notes payable at the close of the Business Combination.

In June 2020, the Company entered into an amendment to the note agreements with holders of the Company’s outstanding bridge notes to provide for amendments to the definition of the Next Equity Financing such that in the event of a Special Purpose Acquisition Company (“SPAC”) Transaction, as defined, prior to repayment or conversion in full of the note, immediately prior to such SPAC Transaction, the outstanding principal and any accrued

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but unpaid interest under the bridge notes would automatically convert into shares of Class A Common Stock of the Company (or, at the election of the Company, directly into proceeds paid to the holders of Class A Common Stock in connection with such SPAC Transaction) at a price per share that is 75% of the price per share of Class A Common Stock paid in such SPAC Transaction. Upon the Closing, the conversion feature upon a business combination was triggered for the bridge notes causing a conversion of the \$10.0 million outstanding principal amount of these bridge notes at a specified price. The noteholders received 1,361,268 shares of Class A Common Stock of the Company as result of the conversion in connection with the Business Combination.

Prior to the Closing, Fisker had shares of \$0.00001 par value Series A, Series B, and Founders Convertible preferred stock outstanding. The shares of Series A and B preferred stock were convertible into shares of Class A Common Stock of Legacy Fisker based on a specified conversion price calculated by dividing the then-original issue price, as adjusted, for such share of preferred stock by the conversion price, as adjusted, in effect on the date the certificate is surrendered for conversion. Shares of Founders preferred stock, classified in equity, were convertible into Class B Common Stock determined by dividing \$0.10, as adjusted, for such share of preferred stock by the conversion price, as adjusted, in effect on the date the certificate is surrendered for conversion. Upon the Closing, the outstanding shares of preferred stock were converted into common stock of the Company at 2.7162, the exchange ratio established in the Business Combination Agreement. Immediately after the Business Combination, Founders Convertible, Series A (pre-combination), and Series B (pre-combination) converted into 27,162,191 Class A Common Stock, 16,983,241 Class A Common Stock, and 3,765,685 Class A Common Stock, respectively.

### **4. Fair value measurements**

The Company's financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used for such measurements were as follows (in thousands):

|  | <b>Fair Value Measured as of September 30, 2021:</b> |                |                 |                    |
|--|--|----------------|-----------------|--------------------|
|  | <u>Level 1</u>                                       | <u>Level 2</u> | <u>Level 3</u>  | <u>Total</u>       |
| <b>Assets included in:</b>                               |  |                |                 |                    |
| Money market funds included in cash and cash equivalents | \$1,394,181  | \$ —           | \$ —            | \$1,394,181        |
| <b>Total fair value</b>                                  | <b>\$1,394,181</b>                                   | <b>\$ —</b>    | <b>\$ —</b>     | <b>\$1,394,181</b> |
| <br><b>Fair Value Measured as of December 31, 2020:</b>  |  |                |                 |                    |
| <b>Assets included in:</b>                               |  |                |                 |                    |
| Money market funds included in cash and cash equivalents | \$ 987,728   | \$ —           | \$ —            | \$ 987,728         |
| <b>Total fair value</b>                                  | <b>\$ 987,728</b>                                    | <b>\$ —</b>    | <b>\$ —</b>     | <b>\$ 987,728</b>  |
| <br><b>Liabilities included in:</b>                      |  |                |                 |                    |
| Warrants liability                                       | \$ 90,487  | \$ —           | \$47,615        | \$ 138,102         |
| <b>Total fair value</b>                                  | <b>\$ 90,487</b>                                     | <b>\$ —</b>    | <b>\$47,615</b> | <b>\$ 138,102</b>  |

The fair value of the Company's money market funds is determined using quoted market prices in active markets for identical assets.

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The carrying amounts included in the Condensed Consolidated Balance Sheets under Current assets approximate fair value because of the short maturity of these instruments.

We carry the convertible senior notes at face value less the unamortized debt issuance costs on our consolidated balance sheets and present that fair value for disclosure purposes only. As of September 30, 2021, the fair value of the 2026 Notes was \$649.1 million. The estimated fair value of the convertible notes, which are classified as Level 2 financial instruments, was determined based on the estimated or actual bid prices of the convertible notes in an over-the-counter market on the last business day of the period.

The Company's derivative liability for its private and public warrants are measured at fair value on a recurring basis. The private warrants fair value is determined based on significant inputs not observable in the market, which causes it to be classified as a Level 3 measurement within the fair value hierarchy. The valuation of the private warrants uses assumptions and estimates the Company believes would be made by a market participant in making the same valuation. The Company assess these assumptions and estimates on an on-going basis as additional data impacting the assumptions and estimates are obtained. The Company uses an option pricing simulation to estimate the fair value of its private warrants, all of which were exercised in March 2021. The public warrants fair value is determined using its publicly traded prices (Level 1). During the three months ended June 30, 2021, the Company completed its redemption of all outstanding public warrants (refer to Note 8). Changes in the fair value of the derivative liability related to updated assumptions and estimates are recognized within the Condensed Consolidated Statements of Operations as a non-operating expense. For the nine-months ended September 30, 2021, the changes in the fair value of the derivative liability resulted from changes in the fair values of the underlying Class A common shares and its associated volatilities upon exercise in March 2021.

The reconciliation of changes in Level 3 during the nine-months ended September 30, 2021 is as follows:

|                                  |           |
|----------------------------------|-----------|
| Balance as of December 31, 2020  | \$ 47,615 |
| Change in fair value             | 63,526    |
| Cashless exercise of warrants    | (111,141) |
| Balance as of September 30, 2021 | \$ —      |

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### 5. Intangible assets

The Company has the following intangible assets (in thousands):

|                                  | As of September 30, 2021   |                        |                     |                   |
|----------------------------------|----------------------------|------------------------|---------------------|-------------------|
|                                  | <u>Amortization Period</u> | Gross                  | Accumulated         | <u>Net</u>        |
|                                  |                            | <u>Carrying Amount</u> | <u>Amortization</u> |                   |
| Capitalized cost - manufacturing | 8 years                    | \$ 200,089             | \$ —                | \$ 200,089        |
|                                  |                            | <u>\$ 200,089</u>      | <u>\$ —</u>         | <u>\$ 200,089</u> |

  

|                                  | As of December 31, 2020    |                        |                     |                  |
|----------------------------------|----------------------------|------------------------|---------------------|------------------|
|                                  | <u>Amortization Period</u> | Gross                  | Accumulated         | <u>Net</u>       |
|                                  |                            | <u>Carrying Amount</u> | <u>Amortization</u> |                  |
| Capitalized cost - manufacturing | 8 years                    | \$ 58,041              | \$ —                | \$ 58,041        |
|                                  |                            | <u>\$ 58,041</u>       | <u>\$ —</u>         | <u>\$ 58,041</u> |

The Company did not amortize the capitalized cost associated with the warrants vested and exercisable by Magna International, Inc. ("Magna") for the year ended December 31, 2020 as amortization will commence on a straight-line basis with the start of production for the Fisker Ocean which is expected to occur in 2022. The Company expects to amortize the intangible asset over eight years but will continually assess the reasonableness of the estimated life. Refer to Note 8 for additional information regarding the capitalization of costs upon issuance of warrants to Magna. Also, the Company capitalized certain costs associated with manufacturing of the Fisker Ocean and production of parts in 2021, including \$19.7 million capitalized and accrued for during the third quarter, which will be amortized on a straight-line basis beginning with the start of production for the Fisker Ocean over eight years.

### 6. Property and Equipment, net

Property and equipment, net, consists of the following (in thousands):

|   | September 30,<br>2021 | December 31,<br>2020 |
|---|-----------------------|----------------------|
| Machinery and equipment                         | \$ 1,094              | \$ 130               |
| Furniture and fixtures                          | 189                   | 67                   |
| IT hardware and software                        | 2,516                 | 820                  |
| Leasehold improvements                          | 20                    | 26                   |
| Construction in progress                        | <u>15,233</u>         | —                    |
| Total property and equipment                    | 19,052                | 1,043                |
| Less: Accumulated depreciation and amortization | <u>(494)</u>          | <u>(98)</u>          |
| Property and equipment, net                     | <u><u>18,558</u></u>  | <u><u>\$ 945</u></u> |

As of September 30, 2021, accounts payable includes acquired property and equipment of \$0.9 million, which is excluded from net cash used in investing activities as reported in the condensed consolidated statement of cash flows for the nine-months ended September 30, 2021.

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### **7. Customer Deposits**

Customer deposits consists of the following (in thousands):

|                                | <b>September 30,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|--------------------------------|-------------------------------|------------------------------|
| Customer reservation deposits  | \$ 4,331                      | \$ 2,773                     |
| Customer SUV option            | 754                           | 754                          |
| <b>Total customer deposits</b> | <b>\$ 5,085</b>               | <b>\$ 3,527</b>              |

### **8. Warrants**

#### *Public and Private Warrants*

Upon the Closing, there were 18,400,000 public and 9,360,000 private warrants outstanding to purchase shares of the Company's common stock that were issued by Spartan prior to the Business Combination. Each whole warrant entitles the registered holder to purchase one whole share of the Company's Class A Common Stock at a price of \$11.50 per share, subject to adjustment as discussed below, 30 days after the Closing, provided that the Company has an effective registration statement under the Securities Act covering the shares of Class A Common Stock issuable upon exercise of the warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of Class A Common Stock. The warrants will expire five years after the completion of the Business Combination, or earlier upon redemption or liquidation. The Private Placement Warrants are identical to the Warrants, except that the Private Placement Warrants and the Class A common stock issuable upon exercise of the Private Placement Warrants will not be transferable, assignable or salable until 30 days after the completion of an Initial Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be non-redeemable so long as they are held by the Sponsor or any of its permitted transferees. If the Private Placement Warrants are held by someone other than the Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Warrants.

On March 19, 2021, the Company announced that it would redeem all of its outstanding warrants (the "Public Warrants") to purchase shares of the Company's Class A common stock, par value \$0.00001 per share (the "Common Stock"), that were issued under the Warrant Agreement, dated August 9, 2018 (the "Warrant Agreement"), by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent (the "Warrant Agent"), as part of the units sold in the Company's initial public offering (the "IPO"), for a redemption price of \$0.01 per Public Warrant (the "Redemption Price"), that remained outstanding at 5:00 p.m. New York City time on April 22, 2021 (the "Redemption Date"). The Private Placement Warrants were not subject to this redemption. In addition, in accordance with the Warrant Agreement, the Company's board of directors elected to require that, upon delivery of the notice of redemption, all Public Warrants were to be exercised only on a "cashless basis." Accordingly, holders could not exercise Public Warrants and receive Common Stock in exchange for payment in cash of the \$11.50 per warrant exercise price. Instead, a holder exercising a Public Warrant was deemed to pay the \$11.50 per warrant exercise price by the surrender of 0.5046 of a share of Common Stock that such holder would have been entitled to receive upon a cash exercise of a Public Warrant. Accordingly, by virtue of the cashless exercise of the Public Warrants, exercising warrant holders received 0.4954 of a share of Common Stock for each Public Warrant surrendered for exercise. For the unexercised 225,906 Public Warrants outstanding at the Redemption Date, the Company paid \$2,259 to redeem the unexercised warrants in the second quarter of 2021. There are no Public Warrants outstanding as of September 30, 2021.

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During March 2021, the 9,360,000 warrants to purchase Common Stock that were originally issued under the Warrant Agreement in a private placement simultaneously with the IPO were exercised by the Company's former sponsor on a cashless basis for 4,907,329 shares of Common Stock (4,452,671 shares of Common Stock surrendered) and are no longer outstanding.

Since January 1, 2021, the Company has received cash proceeds of \$89 million upon the exercise of 7,733,400 Public Warrants immediately prior to the announcement to redeem the Public Warrants.

Public and private warrant exercise activity and underlying Common Stock issued or surrendered for the nine-months ended September 30, 2021, is:

|   | Public<br>warrants | Private<br>warrants | Total        |
|---|--------------------|---------------------|--------------|
| December 31, 2020                         | 18,391,587         | 9,360,000           | 27,751,587   |
| Shares issued for cash exercises          | (7,733,400)        | (7,733,400)         |              |
| Shares issued for cashless exercises      | (5,167,791)        | (4,907,329)         | (10,075,120) |
| Shares surrendered upon cashless exercise | (5,264,490)        | (4,452,671)         | (9,717,161)  |
| Shares redeemed by Company for cash       | (225,906)          |                     | (225,906)    |
| September 30, 2021                        | —                  | —                   | —            |

Cashless exercises of public and private warrants increased additional paid-in capital by \$277 million for the nine-months ended September 30, 2021, respectively.

### *Magna Warrants*

On October 29, 2020, the Company granted Magna up to 19,474,454 warrants, each with an exercise price of \$0.01, to acquire underlying shares of Class A common stock of Fisker, which represented approximately 6% ownership in Fisker on a fully diluted basis as of the grant date. The right to exercise vested warrants expires on October 29, 2030. The warrants are accounted for as an award issued to non-employees measured on October 29, 2020 with three interrelated performance conditions that are separately evaluated for achievement.

The cost upon achievement of each milestone is capitalized when it is probable that a milestone is met. The cost for awards to nonemployees is recognized in the same period and in the same manner as if the Company had paid cash for the goods or services. On June 12, 2021, Fisker Group Inc., a Delaware corporation, a wholly-owned subsidiary of Fisker Inc., entered into a detailed manufacturing agreement with Magna Steyr Fahrzeugtechnik AG & Co KG, a limited liability partnership established and existing under the laws of Austria, an affiliate of Magna, and achieved the second milestone resulting in \$58 million non-cash increases of intangible assets and additional paid-in-capital in the condensed consolidated balance sheet. As of September 30, 2021, Magna satisfied the first and second milestones and the Company capitalized costs of \$116 million as an intangible asset representing the future economic benefit to Fisker, Inc. Magna has 12,969,986 vested and exercisable warrants to acquire underlying Class A common stock of Fisker as of September 30, 2021. The third milestone is start of pre-serial production, which is not probable of being met as of September 30, 2021.

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### **9. Accrued Expenses**

A summary of the components of accrued expenses is as follows (in thousands):

|                               | <b>September 30,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|-------------------------------|-------------------------------|------------------------------|
| Accrued payroll               | \$ 1,086                      | \$ 686                       |
| Accrued professional fees     | 134                           | 468                          |
| Accrued other                 | 2,195                         | 254                          |
| Accrued vendor expenses       | 56,783                        | —                            |
| Accrued legal cost            | —                             | 6,000                        |
| <b>Total accrued expenses</b> | <b>\$ 60,198</b>              | <b>\$ 7,408</b>              |

As of September 30, 2021, accrued expenses include amounts owed to vendors but not yet invoiced in exchange for vendor purchases and research and development services. Vendor expenses and research and development services are invoiced and included in accounts payable as of December 31, 2020. Certain estimates of accrued vendor expenses are based on costs incurred to date.

### **10. Convertible Senior Notes**

#### *2026 Notes*

In August 2021, we issued an aggregate of \$667.5 million principal amount of 2.50% convertible senior notes due in September 2026 (the “2026 Notes”) in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. The 2026 Notes have been designated as green bonds, whose proceeds will be allocated in accordance with the Company’s green bond framework. The 2026 Notes consisted of a \$625 million initial placement and an over-allotment option that provided the initial purchasers of the 2026 Notes with the option to purchase an additional \$100.0 million aggregate principal amount of the 2026 Notes, of which \$42.5 million was exercised. The 2026 Notes were issued pursuant to an indenture dated August 17, 2021. The net proceeds from the issuance of the 2026 Notes were \$562.2 million, net of debt issuance costs and cash used to purchase the capped call transactions (“2026 Capped Call Transactions”) discussed below. The debt issuance costs are amortized to interest expense.

The 2026 Notes are unsecured obligations which bear regular interest at 2.50 % annually and will be payable semiannually in arrears on March 15 and September 15 of each year, beginning on March 15, 2022. The 2026 Notes will mature on September 15, 2026, unless repurchased, redeemed, or converted in accordance with their terms prior to such date. The 2026 Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at our election, at an initial conversion rate of 50.7743 shares of Class A common stock per \$1,000 principal amount of 2026 Notes, which is equivalent to an initial conversion price of approximately \$19.70 per share of our Class A common stock. The conversion rate is subject to customary adjustments for certain events as described in the indenture governing the 2026 Notes. We may redeem for cash all or any portion of the 2026 Notes, at our option, on or after September 20, 2024 if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Holders of the 2026 Notes may convert all or a portion of their 2026 Notes at their option prior to June 15, 2026, in multiples of \$1,000 principal amounts, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on September 30, 2021 (and only during such calendar quarter), if the last reported sale price of the Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five-business day period after any ten consecutive trading day period (the “measurement period”) in which the trading price per \$1,000 principal amount of the 2026 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A common stock and the applicable conversion rate of the 2026 Notes on such trading day;
- if we call such 2026 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the notes called (or deemed called) for redemption; or
- on the occurrence of specified corporate events.

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On or after June 15, 2026, the 2026 Notes are convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Holders of the 2026 Notes who convert the 2026 Notes in connection with a make-whole fundamental change, as defined in the indenture governing the 2026 Notes, or in connection with a redemption may be entitled to an increase in the conversion rate. Additionally, in the event of a fundamental change, holders of the 2026 Notes may require us to repurchase all or a portion of the 2026 Notes at a price equal to 100% of the principal amount of 2026 Notes, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

We accounted for the issuance of the 2026 Notes as a single liability measured at its amortized cost, as no other embedded features require bifurcation and recognition as derivatives.

As of September 30, 2021, the 2026 Notes consisted of the following:

|                                 |                          |
|---------------------------------|--------------------------|
| Principal                       | \$ 667,500               |
| Unamortized debt issuance costs | <u>(8,371)</u>           |
| Net carrying amount             | <u><u>\$ 659,129</u></u> |

Interest expense related to the amortization of debt issuance costs was \$0.2 million for the three and nine months ended September 30, 2021. Contractual interest expense was \$2 million for the three and nine months ended September 30, 2021.

As of September 30, 2021, the if-converted value of the 2026 Notes did not exceed the principal amount. The 2026 Notes were not eligible for conversion as of September 30, 2021. No sinking fund is provided for the 2026 Notes, which means that we are not required to redeem or retire them periodically.

### *Capped Call Transactions*

In connection with the offering of the 2026 Notes, we entered into the 2026 Capped Call Transactions with certain counterparties at a net cost of \$96.8 million. The 2026 Capped Call Transactions are purchased capped call options on 33.9 million shares Class A common stock, that, if exercised, can be net share settled, net cash settled, or settled in a combination of cash or shares consistent with the settlement elections made with respect to the 2026 Notes if converted. The cap price is initially \$32.57 per share of our Class A common stock and subject to certain adjustments under the terms of the 2026 Capped Call Transactions. The strike price is initially \$19.70 per share of Class A common stock, subject to customary anti-dilution adjustments that mirror corresponding adjustments for the 2026 Notes.

The 2026 Capped Call Transactions are intended to reduce potential dilution to holders of our Class A common stock upon conversion of the 2026 Notes and/or offset any cash payments we are required to make in excess of the principal amount, as the case may be, with such reduction or offset subject to a cap. The cost of the Capped Call Transactions was recorded as a reduction of our additional paid-in capital in our consolidated balance sheets. The Capped Call Transactions will not be remeasured as long as they continue to meet the conditions for equity classification.

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### 11. Loss Per Share

The Company computes earnings (loss) per share of Class A Common Stock and Class B Common Stock using the two-class method required for participating securities. Basic and diluted earnings per share was the same for each period presented as the inclusion of all potential Class A Common Stock and Class B Common Stock outstanding would have been anti-dilutive. Basic and diluted earnings per share are the same for each class of common stock because they are entitled to the same liquidation and dividend rights. The following table sets forth the computation of basic and diluted loss per Class A Common Stock and Class B Common Stock:

|   | Three-months Ended September 30, |                    |
|---|----------------------------------|--------------------|
|   | 2021                             | 2020               |
| Numerator:  |                                  |                    |
| Net loss  | \$ (109,844)                     | \$ (39,664)        |
| Denominator:  |                                  |                    |
| Weighted average Class A common shares outstanding  | 163,779,402                      | 357,850            |
| Weighted average Class B common shares outstanding  | <u>132,354,128</u>               | <u>105,191,937</u> |
| Weighted average Class A and Class B common shares outstanding- Basic and Diluted             | <u>296,133,530</u>               | <u>105,549,787</u> |
| Net loss per share attributable to Class A and Class B Common shareholders- Basic and Diluted | \$ (0.37)                        | \$ (0.38)          |
|   | Nine-months Ended September 30,  |                    |
|   | 2021                             | 2020               |
| Numerator:  |                                  |                    |
| Net loss  | \$ (332,909)                     | \$ (42,604)        |
| Denominator:  |                                  |                    |
| Weighted average Class A common shares outstanding  | 158,091,137                      | 284,356            |
| Weighted average Class B common shares outstanding  | <u>132,354,128</u>               | <u>105,191,937</u> |
| Weighted average Class A and Class B common shares outstanding- Basic and Diluted             | <u>290,445,265</u>               | <u>105,476,293</u> |
| Net loss per share attributable to Class A and Class B Common shareholders- Basic and Diluted | \$ (1.15)                        | \$ (0.40)          |

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The following table presents the potential common shares outstanding that were excluded from the computation of diluted net loss per share of common stock as of the periods presented because including them would have been antidilutive:

|                                      | As of September 30, |                   |
|--------------------------------------|---------------------|-------------------|
|                                      | 2021                | 2020              |
| Series A Convertible Preferred Stock | —                   | 16,983,241        |
| Series B Convertible Preferred Stock | —                   | 3,765,685         |
| Founders Convertible Preferred Stock | —                   | 27,162,191        |
| Bridge notes                         | —                   | 5,947,731         |
| Convertible equity security          | —                   | 5,882,352         |
| Convertible senior notes             | 33,891,845          | —                 |
| Stock options and warrants           | <u>31,185,282</u>   | <u>18,920,177</u> |
| Total                                | <u>65,077,127</u>   | <u>78,661,377</u> |

## 12. Stock Based Compensation

Upon completion of the Business Combination, the 2016 Stock Plan renamed the 2020 Equity Incentive Plan (the “Plan”). All outstanding awards under the 2016 Stock Plan are modified to adopt the terms under the 2020 Equity Incentive Plan. The modifications are administrative in nature and have no effect on the valuation inputs, vesting conditions or equity classification of any of the outstanding original awards immediately before and after the close of the Business Combination. The Plan is a stock-based compensation plan which provides for the grants of options and restricted stock to employees and consultants of the Company. Options granted under the Plan may be either incentive options (“ISO”) or nonqualified stock options (“NSO”). The Plan added 24,097,751 shares of Class A Common Stock on October 29, 2020 to increase the maximum aggregate number of shares that may be issued under the Plan to 47,798,209 shares (subject to adjustments upon changes in capitalization, merger or certain other transactions). Also, upon completion of the Business Combination, the Company established a 2020 Employee Stock Purchase Plan (the “ESPP”) under which up to 3,213,034 Class A Common Stock may be issued. As of September 30, 2021, no shares have been issued under the ESPP.

Stock-based compensation expense is as follows (in thousands):

|                                    | Three-months Ended September 30, |            |
|------------------------------------|----------------------------------|------------|
|                                    | 2021                             | 2020       |
| General and administrative expense | \$ 209                           | \$ 140     |
| Research and development           | 834                              | 124        |
| Total                              | <u>1,043</u>                     | <u>264</u> |

  

|                                    | Nine-months Ended September 30, |            |
|------------------------------------|---------------------------------|------------|
|                                    | 2021                            | 2020       |
| General and administrative expense | \$ 816                          | \$ 178     |
| Research and development           | 3,262                           | 156        |
| Total                              | <u>4,078</u>                    | <u>334</u> |

### *Stock options*

Options under the Plan may be granted at prices as determined by the Board of Directors, provided, however, that (i) the exercise price of an ISO and NSO shall not be less than 100% of the estimated fair value of the shares on the date of grant, and (ii) the exercise price of an ISO granted to a 10% shareholder shall not be less than 110% of the estimated fair value of the shares on the date of grant. The fair value of the shares is determined by the Board of Directors on the date of grants. Stock options generally have a contractual life of 10 years. Upon exercise, the Company issues new shares.

In 2016 and 2017, the Company’s founders were granted an aggregate of 15,882,711 options which are fully vested and are not related to performance. Options granted to other employees and consultants become vested and are exercisable over a range of up to six years from the date of grant.

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The following table summarizes option activity under the Plan:

|                                  | <u>Options</u>    | Weighted<br>Average<br>Exercise<br>Price | Weighted<br>Average<br>Contractual<br>Term (in<br>Years) |
|----------------------------------|-------------------|--|--|
| Balance as of January 1, 2021    | 18,724,096        | 0.69                                     | 6.5  |
| Granted                          | 920,443           | 16.00                                    |  |
| Exercised                        | (977,952)         | 0.25                                     |  |
| Forfeited                        | (510,235)         | 7.21                                     |  |
| Balance as of September 30, 2021 | <u>18,156,352</u> | 1.31                                     | 5.8  |

The fair value of each stock option grant under the Plan was estimated on the date of grant using the Black-Scholes option pricing model, with the following range of assumptions:

|                          | Nine-months<br><u>Ended September 30, 2021</u> |
|--------------------------|--|
| Expected term (in years) | 6.3  |
| Volatility               | 94.9% to 97.5%                                 |
| Dividend yield           | 0.0%   |
| Risk-free interest rate  | 0.90% to 1.02%                                 |

The Black-Scholes option pricing model requires various highly subjective assumptions that represent management's best estimates of the fair value of the Company's common stock, volatility, risk-free interest rates, expected term, and dividend yield. As the Company's shares have actively traded for a short period of time subsequent to the Business Combination, volatility is based on a benchmark of comparable companies within the automotive and energy storage industries.

The expected term represents the weighted-average period that options granted are expected to be outstanding giving consideration to vesting schedules. Since the Company does not have an extended history of actual exercises, the Company has estimated the expected term using a simplified method which calculates the expected term as the average of the time-to-vesting and the contractual life of the awards. The Company has never declared or paid cash dividends and does not plan to pay cash dividends in the foreseeable future; therefore, the Company used an expected dividend yield of zero. The risk-free interest rate is based on U.S. Treasury rates in effect during the expected term of the grant. The expected volatility is based on historical volatility of publicly-traded peer companies.

### *Restricted stock awards*

During the nine months ended September 30, 2021, the Company granted employees, who rendered services during the year ended December 31, 2020 and were employees of the Company on the grant date, a restricted stock unit ("RSU") award based in proportion to the service period beginning from the employee's hire date to the end of 2020. The restricted stock unit awards vested on the grant date which resulted in the release of 36,025 shares of Class A common stock, net of 20,232 shares withheld to pay for statutory withholding taxes, equal to stock-based compensation expense of \$0.7 million recognized in the nine-months ended September 30, 2021. The Company's founders declined to receive an award related to performance in 2020. In accordance with the Company's Outside Director Compensation Policy, each outside Board of Directors member received an annual RSU equal to \$200,000 granted on June 8, 2021 (the date of the Company's annual shareholders' meeting) or 15,723 shares of Class A common stock which vests in 25% increments at the end of each calendar quarter. Each Outside Director may elect to convert all or a portion of his or her annual Board of Directors retainer, excluding any annual retainer that an Outside Director may receive for serving as Lead Director and any annual retainers for committee service, into RSUs in lieu of the applicable cash retainer payment ("RSU Election").

The number of Class A common shares granted to Outside Directors annually are based on the 30-day average closing trading price of Class A common stock on the day preceding the grant date ("RSU Value"). When an Outside Director exercises his or her RSU Election, the number of Class A common shares equal the amount of cash subject to such RSU Election divided by the applicable RSU Value and are fully vested.

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### *Performance-based restricted stock awards*

In the third quarter of 2021, the Company's compensation committee ratified and approved performance-based restricted stock units ("PRSU") to all employees ("Grantee") the value of which is determined based on the Grantee's level within the Company ("PRSU Value"). Each PRSU is equal to one underlying share of Class A common stock. Also, PRSUs will be awarded to any new employee hired in the fourth quarter of 2021 and during 2022 on a pro-rata basis based on a reduction in time of service. The number of shares subject to a Grantee's PRSU award equals the Grantee's PRSU Value divided by the closing price per Class A common share on the service inception date, or if the service inception date is not a trading day, the closing price per Share on the closest trading day immediately prior to the service inception date; in each case rounded down to the nearest whole number. Each PRSU award shall vest as to 50% of the PRSU Value upon the Committee's determination, in its sole discretion, and certification of the occurrence of the Ocean Start of Production and shall vest as to 50% of the PRSUs upon the first anniversary of the Ocean Start of Production, in each case, subject to (i) the Grantee's continuous service through the applicable vesting date, (ii) the Grantee's not committing any action or omission that would constitute Cause for termination through the applicable vesting date, as determined in the sole discretion of the Company, and (iii) the Ocean Start of Production occurring on or before December 31, 2022. The compensation committee has discretion to reduce or eliminate the number of PRSUs that shall vest pursuant to each PRSU award upon the certification of the occurrence of the Ocean Start of Production and/or upon the first anniversary of the Ocean Start of Production, after considering, any factors that it deems relevant, which could include but are not limited to (i) Company performance against key performance indicators, and (ii) departmental performance against goals. The service inception date precedes the grant dates for both performance conditions. The grant date for each of the performance conditions is the date Grantees have a mutual understanding of the key terms and conditions of the PRSU, which will occur when each performance conditions is achieved, and the compensation committee has determined whether it will exercise its discretion to adjust the PRSU award. As of September 30, 2021, the Company has approved and authorized PRSUs equal to 2,009,967 shares of Class A common stock with a PRSU value of \$27.8 million. Recognition of stock-based compensation occurs when the grant date is determined, and performance conditions are probable of achievement. Measurement of stock-based compensation attributed to the PRSU awards will be based on the fair value of the underlying Class A common stock once the grant date is determined (e.g., variable accounting).

### **13. Related Party Transactions**

In July 2019 and in June 2020, the Company entered into bridge note payables with Roderick K. Randall, a member of the Company's Board of Directors, and The Randall Group Fisker Series C, for which Mr. Randall is the Managing Director, for the principal sum of \$100,000 and \$220,000, respectively. In addition, Legacy Fisker sold 1,236,610 shares of Series A preferred stock to Mr. Randall and Series Fisker, a separate series of The Randall Group, LLC, for which Mr. Randall is the Series Manager, for \$924,984. The bridge notes and Series A preferred stock were converted into 3,402,528 shares of Class A Common Stock at an exchange ratio of 2.7162 upon completion of the Business Combination. The Company also had a consulting agreement with Mr. Randall dated May 1, 2017. In connection with the consulting agreement, he received an option grant to purchase 159,769 shares (post business combination) of our Class A common stock. Also, Mr. Randall received option grants to purchase 67,905 and 13,581 shares (post business combination) of our Class A common stock on June 22, 2020 and an annual Board of Directors restricted stock unit award for 15,723 shares of Class A common stock vesting quarterly over twelve months from the date of our annual shareholders' meeting on June 8, 2021.

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In 2018, Legacy Fisker sold 135,000 shares of Series A preferred stock to the Nadine I. Watt Jameson Family Trust, a trust controlled by Mrs. Watt, a member of the Company's Board of Directors, and her spouse, G. Andrew Jameson, for \$100,980. The Series A preferred stock were converted into 366,690 shares of Class A Common Stock at an exchange ratio of 2.7162 upon completion of the Business Combination. Mrs. Watt received an option grant to purchase 13,581 shares (post business combination) of our Class A common stock on June 22, 2020 and Mr. Jameson received an option grant to purchase 14,939 shares (post business combination) of our Class A common stock on September 21, 2020 in exchange for providing consulting services. Under the Company's Outside Director Compensation Policy, Mrs. Watt received an annual Board of Directors restricted stock unit award for 15,723 shares of Class A common stock vesting quarterly over twelve months from the date of our annual shareholders' meeting on June 8, 2021.

On March 8, 2021, the Company appointed Mitchell Zuklie to its Board of Directors and granted him a restricted stock unit representing 2,711 shares of Class A common stock, which vested on the date of the Company's annual meeting held on June 8, 2021. Mr. Zuklie is the chairman of the law firm of Orrick, Herrington & Sutcliff LLP ("Orrick"), which provides various legal services to the Company. During the three-months ended June 30, 2021 and 2020, the Company incurred expenses for legal services rendered by Orrick totaling approximately \$0.3 million and \$0.1 million, respectively, and \$0.4 million and \$0.2 million for the six-months ended June 30, 2021 and 2020. Mr. Zuklie also held 54,461 shares of Class A Common Stock at the time of his appointment to the Board of Directors. Under the Company's Outside Director Compensation Policy, Mr. Zuklie received an annual Board of Directors restricted stock unit award for 15,723 shares of Class A common stock vesting quarterly over twelve months from the date of the Company's annual shareholders' meeting on June 8, 2021.

## **14. Commitments and Contingencies**

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened material claims. From time to time however, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

### *Inception Lease*

February 2021, the Company entered into a First Amendment to Lease Agreement (the "Amendment") with Continental 830 Nash LLC and Continental Rosecrans Aviation L.P., as tenants in common (together, "Continental"). Continental is the lessor of the Company's corporate headquarters in Manhattan Beach, California (Inception). The Amendment provides for, among other things, (a) an increase in the rentable square feet from approximately 72,000 square feet to approximately 78,500 square feet, (b) a modification to the term of the lease to be 69 months from February 1, 2021, with no option to extend, and (c) an adjustment to the base rental amounts payable by the Company to Continental during the term of the lease. The Company substantially completed its construction of improvements to the property that are owned by Continental in May 2021 at which time the lease commenced. The Company recorded a non-cash transaction to recognize a lease liability of \$17.9 million and right-of-use asset of \$18.3 million. We assumed an incremental borrowing rate of 5.25% and a lease term equal to the remaining lease term of 66 months from the commencement of the lease. Contractual lease payments for Inception total \$0.9 million for the remainder of 2021, \$3.8 million for 2022, and \$16 million for 2023 and thereafter.

### *Foxconn Arrangement*

In May 2021, the Company entered into framework agreements with Hon Hai Technology Group ("Foxconn") supporting the joint development and manufacturing of project 'PEAR' (Personal Electric Automotive Revolution), a project to develop a new electric vehicle. Under the agreements, the Company and Foxconn will jointly invest into Project PEAR, with each company taking proceeds from the successful delivery of the program. Following an extensive review of manufacturing sites, the two companies will make significant efforts to develop and execute a manufacturing plan capable of supporting the planned start of production.

### *Magna Contracts*

In June 2021, the Company and Magna entered into a long-term manufacturing agreement (the "Detailed Manufacturing Agreement") and confirmed that production of the Fisker Ocean SUV is projected to occur in Europe. The Detailed Manufacturing Agreement specifies planned volumes, manufacturing costs and quality metrics over the Ocean program's lifecycle through 2029. It covers all stages, including the critical planning and launch phases. The Company also has contracts with Magna International and its various subsidiaries and affiliates to produce certain components for the Ocean.

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### *Allego Commitment*

On July 28, 2021, the Company made a \$10 million commitment for a private investment in public equity (PIPE) supporting the planned merger of leading European EV charging network, Allego B.V. (“Allego”) with Spartan Acquisition Corp. III (NYSE: SPAQ), a publicly-listed special purpose acquisition company. The planned merger is expected to close in the fourth quarter of 2021 or first quarter of 2022 which will trigger our investment commitment. Fisker is the exclusive electric vehicle automaker in the PIPE and, in parallel, has agreed to terms on a strategic partnership to deliver a range of charging options for its customers in Europe. The Company is evaluating the accounting effects of the investment and partnership.

### **15. Subsequent Events**

The Company has completed an evaluation of all subsequent events through the filing of this report to ensure that these condensed consolidated financial statements include appropriate disclosure of events both recognized in the condensed consolidated financial statements and events which occurred but were not recognized in the condensed consolidated financial statements. Except as described below, the Company has concluded that no subsequent event has occurred that requires disclosure.

On November 2, 2021, the Company and Contemporary Amperex Technology Co Ltd (“CATL”) executed an agreement securing battery capacity for the Fisker Ocean SUV. Under the terms of the agreement, CATL will supply two different battery solutions for the Fisker Ocean SUV, with an initial battery capacity of over 5 gigawatt-hours annually, from 2023 through 2025. The primary high-capacity pack uses a lithium nickel manganese cobalt cell chemistry with the second high-value pack offering CATL’s latest cells based on lithium-ion phosphate chemistry.

### **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

#### **Overview**

*The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and the related notes included elsewhere in this report.*

### **OVERVIEW**

Fisker is building a technology-enabled, asset-light automotive business model that it believes will be among the first of its kind and aligned with the future state of the automotive industry. This involves a focus on vehicle development, customer experience, sales and service intended to change the personal mobility experience through technological innovation, ease of use and flexibility. The Company combines the legendary design and engineering expertise of Henrik Fisker to develop high quality electric vehicles with strong emotional appeal. Central to Fisker’s business model is the Fisker Flexible Platform Agnostic Design (“FF-PAD”),

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a proprietary process that allows the development and design of a vehicle to be adapted to any given electric vehicle (“EV”) platform in the specific segment size. The process focuses on selecting industry leading vehicle specifications and adapting the design to crucial hard points on a third-party supplied EV platform and outsourced manufacturing to reduce development cost and time to market. The first example of this is Fisker’s work to adapt the Fisker Ocean design to a base vehicle platform developed by Magna Steyr Fahrzeugtechnik AG & Co KG, a limited liability partnership established and existing under the laws of Austria (“Magna Steyr”), an affiliate of Magna International, Inc. (“Magna”). This development with Magna Steyr began in September 2020 and passed the first and second engineering gateways in November 2020 and March 2021, respectively. Fisker believes it is well-positioned through its global premium EV brand, its renowned design capabilities, its sustainability focus, and its asset-light and low overhead, direct to consumer business model which enables products like the Fisker Ocean to be priced roughly equivalent to internal combustion engine-powered SUV’s from premium brand competitors.

The Fisker Ocean is targeting a large and rapidly expanding “premium with volume” segment (meaning a premium automaker producing more than 100,000 units of a single model such as the BMW X3 Series or Tesla Model Y) of the electric SUV market. Fisker expects to begin production of the Ocean in the fourth quarter of 2022.

The Fisker Ocean, a five-passenger electric SUV, will be differentiated in the marketplace by its innovative, timeless design and true SUV shape (compared to primarily hatchback EV competitors), advanced powertrain technology (estimated range of up to 250 miles for base version and approximately 300 to 350 miles for higher trim levels, final EPA test results to be verified and may vary), state of the art advanced driver assistance system (“ADAS”) capabilities, a re-imagined customer experience delivered through an advanced software-based user interface, compelling price as compared to EV competitors, sustainability focus beyond simply zero emission driving, and Fisker-unique optional features such as California Mode (patent pending) and a solar photovoltaic roof. The Fisker Ocean is designed for a high degree of sustainability, with an eco-suede interior trim made from recycled polyester, and carpeting from fishing nets and plastic bottles recycled from ocean waste, among many other sustainable features. Some of these differentiating factors resulted in the Fisker Ocean prototype being the most awarded new automobile at CES 2020 by Time, Newsweek, Business Insider, CNET and others.

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Fisker believes its innovative business model, including E-Mobility-as-a-Service (“EMaaS”), will revolutionize how consumers view personal transportation and car ownership. Over time, Fisker plans to combine a customer-focused experience with flexible leasing options, affordable monthly payments and no fixed lease terms, in addition to direct-to-consumer sales. Through an innovative platform sharing partnership strategy, Fisker believes that it will be able to significantly reduce the capital intensity and development time typically associated with developing and manufacturing vehicles, while maintaining flexibility and optionality in component sourcing and manufacturing due to Fisker’s FF-PAD proprietary process. Through Fisker’s FF-PAD proprietary process, Fisker is currently working with Magna Steyr to develop a proprietary electric vehicle platform called FM29 that will underpin Fisker Ocean and at least one additional nameplate. Fisker is currently also working with Foxconn and its subsidiaries to develop an additional proprietary electric vehicle platform that will underpin Fisker PEAR. Fisker may cooperate with one or more additional industry-leading original equipment manufacturers (“OEMs”), technology companies, and/or tier-one automotive suppliers for platform sharing and access to procurement networks, while focusing on key differentiators in innovative design, software and user interface. Multiple platform-sharing partners is intended to accelerate growth in Fisker’s portfolio of electric vehicle offerings and support a portfolio of four vehicles by 2025. Fisker envisions a go-to-market strategy with both web- and app-based digital sales, loan financing approvals, leasing, and service management, with limited reliance on traditional brick-and-mortar “sales-and-service” dealer networks. Fisker believes that this customer-focused approach will drive revenue, user satisfaction and higher margins than competitors.

### **The Business Combination**

Fisker was originally incorporated in the State of Delaware in October 13, 2017 as a special purpose acquisition company under the name Spartan Energy Acquisition Corp. (“Spartan”), formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar business combination with one or more businesses. Spartan completed its IPO in August 2018. In October 2020, Spartan’s wholly-owned subsidiary merged with and into Fisker Holdings, Inc. (f/k/a Fisker Inc.) a Delaware corporation (“Legacy Fisker”), with Legacy Fisker surviving the merger as a wholly-owned subsidiary of Spartan (the “Business Combination”). In connection with the consummation of the Business Combination (the “Closing”), Spartan changed its name to Fisker Inc.

The Business Combination was accounted for as a reverse recapitalization, in accordance with GAAP. Under this method of accounting, Spartan was treated as the “acquired” company for financial reporting purposes. Accordingly, the Business Combination was treated as the equivalent of Legacy Fisker issuing stock for the net assets of Spartan, accompanied by a recapitalization, whereby no goodwill or other intangible assets was recorded. Operations prior to the Business Combination are those of Legacy Fisker.

### **Key Trends, Opportunities and Uncertainties**

Fisker is a pre-revenue company and believes that its future performance and success depends to a substantial extent on the ability to capitalize on the following opportunities, which in turn is subject to significant risks and challenges, including those discussed below and in the section of our Annual Report on Form 10-K/A for the year ended December 31, 2020 filed with the SEC on May 17, 2021 titled “*Risk Factors*.”

#### *Partnering with Industry-Leading OEMs and/or Tier-One Automotive Suppliers*

##### Magna Steyr / FM29 Platform (Fisker Ocean)

On October 14, 2020, Fisker and Spartan entered into a Cooperation Agreement with Magna setting forth certain terms for the development of a full electric vehicle (the “Cooperation Agreement”). That Cooperation Agreement sets out the main terms and conditions of operational phase agreements (the “Operational Phase Agreements”) that were subsequently entered into by and between Fisker and Magna (or its affiliates). On December 17, 2020, Fisker entered into the platform-sharing and initial manufacturing Operational Phase Agreements referenced in the Cooperation Agreement. On June 12, 2021, Fisker entered into the detailed manufacturing agreement referenced in the Cooperation Agreement.

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### Hon Hai Technology Group (Fisker Pear)

On May 13, 2021, the Company announced it signed framework agreements with Hon Hai Technology Group (Foxconn) supporting the joint development and manufacturing of project ‘PEAR’ (Personal Electric Automotive Revolution), a project to develop a new breakthrough electric vehicle. Under the agreements, the Company and Foxconn will jointly invest into Project PEAR, with each company taking proceeds from the successful delivery of the program. Following an extensive review of manufacturing sites, the two companies will make significant efforts to develop and execute a manufacturing plan capable of supporting the planned start of production.



These co-operations allow Fisker to focus on vehicle design, supply chain / procurement, vehicle integration, strong brand affiliation and a differentiated customer experience. Fisker intends to leverage multiple EV platforms and Fisker intellectual property to accelerate its time to market, rapidly expand its product portfolio, reduce vehicle development costs and gain access to an established global supply chain of batteries and other components.

Fisker believes that its business model will reduce the considerable execution risk typically associated with new car companies. Through such platform sharing, component sourcing and manufacturing partnerships, Fisker believes it will be able to accelerate its time to market and reduce vehicle development costs. Fisker remains on-track for Fisker Ocean start-of-production on November 17, 2022 and intends to meet timing, cost and quality expectations while optimally matching its cost structure with its projected production ramp by leveraging such partnerships and trained workforces. Remaining hardware agnostic allows for selection of partners, components, and manufacturing decisions to be based on both timeline and cost advantages and enables Fisker to focus on delivering truly innovative design features, a superior customer experience, and a leading user interface that leverages sophisticated software and other technology advancements.

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Fisker has entered into agreements covering the Magna base platform, development and engineering services, and manufacturing, among others. Extended negotiation of the specific project-related agreements, the sourcing of components or labor at higher than anticipated cost, or any delays in sourcing suppliers of sustainable parts may delay Fisker's commercialization plans or require it to change the anticipated pricing of its vehicles. Such delays could be caused by a variety of factors, some of which may be out of Fisker's control. For example, the outbreak of the COVID-19 pandemic severely restricted international travel in recent months, which may make it more difficult for Fisker to conclude agreements with partners outside the United States. See "Risk Factors—Risks Related to Fisker—Fisker faces risks related to health epidemics, including the recent COVID-19 pandemic, which could have a material adverse effect on its business and results of operations." Unanticipated events, delays in negotiations by third parties and any required changes in Fisker's current business plans could materially and adversely affect its business, margins and cash flows.

### *Market Trends and Competition*

Fisker anticipates robust demand for the Fisker Ocean, based on its award-winning design, its unique sustainability features, the management team's experience and know-how and, in particular, the growing acceptance of and demand for EVs as a substitute for gasoline-fueled vehicles. Many independent forecasts are assuming that EV's as percentage of global auto sales will grow from less than 3% in 2020 to more than 20% in 2030. One such report from RBC, published in October 2020, assumes sales of EV's to grow from less than 2.0 million units globally (less than 3% of total volume) to 25 million units in 2030 (approximately 25% of total volume), a 29% CAGR. The EV market is highly competitive, but Fisker believes will remain less competitive than the ICE market for some time. For example, there are 79 nameplates sold in the US market within the compact and midsize SUV category currently while most observers expect no more than 10-20 EV's in those segments at the time Fisker launches, most of which are expected to be priced well-above Fisker Ocean. Fisker believes the market will be broken down into three primary consumer segments: the white space segment, the value segment, and the conservative premium segment. See "*Information About Fisker—Sales – Go to Market Strategy* ." Fisker expects to sell approximately 50% of its vehicles within the white space segment, appealing to customers who want to be part of the new EV movement and value sustainability and environmental, social, and governance ("ESG") initiatives. This is supported by a survey of Fisker's current reservation-holders which found that over 50% currently own non-premium branded vehicles and over 50% currently own non-SUV's (i.e. cars, hatchbacks, minivans, etc.). Fisker believes that it will be well positioned to be the primary alternative to Tesla in this segment with the Ocean priced around the base price of the Model 3 and below the base price of the Model Y. While Fisker will compete with other EV startups, many of them are moving into the higher luxury priced segments due to the lack of volume pricing of components that Fisker expects to obtain through platform sharing partnerships with industry-leading OEMs and/or tier-one automotive suppliers. To expand market share and attract customers from competitors, Fisker must continue to innovate and convert successful research and development efforts into differentiated products, including new EV models.

Fisker is also working to quantify the sustainability advancements and claims that the Fisker brand would produce the most sustainable vehicles in the world, which it believes will be an increasingly important differentiator among a growing subset of consumers. To this end, an internal analysis resulted in an announcement in June 2021 that Fisker aims to produce a 100% climate-neutral vehicle, without the use of purchased carbon offsets, in 2027. In Fisker's pursuit of these objectives, it will be in competition with substantially larger and better capitalized vehicle manufacturers. While Fisker believes that the low-capital-intensity platform sharing partnership strategy, together with direct-to-customer commercialization, provides the Company with an advantage relative to traditional and other established auto manufacturers, Fisker's better capitalized competitors may seek to undercut the pricing or compete directly with Fisker's designs by replicating their features. In addition, while Fisker believes that its strong management team forms the necessary backbone to execute on its strategy, the Company expects to compete for talent, as Fisker's future growth will depend on hiring qualified and experienced personnel to operate all aspects of the business as it prepares to launch commercial operations.

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### *Commercialization*

Fisker currently anticipates commencing production of the Fisker Ocean in the fourth quarter of 2022, with initial customer deliveries in late 2022 at the earliest.

As of November 2, 2021, we are over 18,600 retail reservations and 1,400 fleet reservations. This is after accounting for about 2,000 retail customers who have canceled over time. Since we first opened our reservation system for the Ocean, we have offered prospective customers the opportunity to make a reservation with the flexibility to cancel at any time. Our retail reservation system is driven through our app and website, with each vehicle reservation requiring a \$250 deposit and limited to one reservation per registered cellphone number. In the event that someone wishes to cancel, there is a 10% charge (\$25) to cover third party and administrative costs for processing the refunds in a timely and secure manner. The retail reservations and cancellations are enabled by our mobile and web Fisker Flexee app, and our potential customers make their reservation and cancellation directly on these automated platforms. A second type of reservation are those made by corporations and fleet operators. We devote significant time and resources to our fleet customers, ensuring the Ocean is the right choice for their business and completing an MOU. As we make more details of the Ocean available and our brand profile increases, we would expect both retail and fleet reservations to organically increase. Further, as we get closer to launch, we will be working with our prospective customers to transition their reservation into a contracted order. This would include the detailed vehicle specification (model series, color etc.) and delivery date. We will continue to share our reservation and contracted order data transparently through frequent updates to the market.

Fisker plans to initially market its vehicles through its direct-to-consumer sales model, leveraging its proprietary Flexee app, which will serve as a one-stop-shop for all components of its EMaaS business model. Over time, Fisker plans to develop Fisker Experience Centers in select cities in North America and Europe, which will enable prospective customers to experience Fisker vehicles through test drives and virtual and augmented reality. Fisker also intends to enter, in each launch market, into third-party service partnerships with credible vehicle service organizations with established service facilities, operations and technicians. These companies' services will be integrated into and booked via the Flexee app in order to create a hassle-free, app-based service experience for Fisker's customers delivered at home, at work, or with a pick-up and delivery service booked online. For North America and United Kingdom, as examples, Fisker has entered into non-exclusive Memorandum of Understandings with divisions of Cox Automotive related to fleet management services. Fisker will continue to seek opportunities to build the service partnership model.

Over time, Fisker aims to transform the EV sales model through the flexible lease model, under which customers will be able to utilize a vehicle on a month-to-month basis at an anticipated cost of \$379 per month for the base model, with the ability to terminate the lease or upgrade their vehicle at any time. Development of a fleet of high value, sustainable EVs will allow Fisker to offer these flexible lease options to capture more customers. Fisker intends to require a non-refundable up-front payment of \$3,000 under the flexible lease model, which the Company believes will reduce its cash flow risk and incentivize customers to keep their vehicles for a period of time. Fisker anticipates that, over time, it will acquire a substantial fleet of used EVs available for sale or further flexible lease by Fisker, which it believes will enhance its ability to maintain its premium brand and pricing.

Fisker believes its digital, direct-to-consumer sales model reflects today's changing consumer preferences and is less capital intensive and expensive than the traditional automotive sales models. Fisker's commercialization strategy is, however, relatively novel for the car industry, which has historically relied on extensive advertising and marketing, as well as relationships with physical car dealership networks. Should Fisker's assumptions about the

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commercialization of its vehicles prove overly optimistic or if the Company is unable to develop, obtain or maintain the direct-to-consumer marketing or service technology upon which its prospective customer base would rely, Fisker may incur delays to its ability to commercialize the Fisker Ocean. This may also lead Fisker to make changes in its commercialization plans, which could result in unanticipated marketing delays or cost overruns, which could in turn adversely impact margins and cash flows or require Fisker to change its pricing. Further, to the extent that Fisker doesn't generate the margins it expects upon commercialization of the Fisker Ocean, Fisker may be required to raise additional debt or equity capital, which may not be available or may only be available on terms that are onerous to Fisker and its stockholders.

### *Regulatory Landscape*

Fisker operates in an industry that is subject to and benefits from environmental regulations, which have generally become more stringent over time, particularly across developed markets. Regulations in Fisker's target markets include economic incentives to purchasers of EVs, tax credits for EV manufacturers, and economic penalties that may apply to a car manufacturer based on its fleet-wide emissions ratings. See "*Information about Fisker—Government Regulation and Credits*." For example, a federal tax credit of \$7,500 may be available to U.S. purchasers of Fisker vehicles, which would bring the effective estimated purchase price of the base Fisker Ocean model to approximately \$30,000. On August 5, 2021, President Biden announced an executive order aimed at making half of all new vehicles sold in 2030 electric. Fisker recently issued a call to action to implement a program called "75 And More For 55 And Less", which would include a point-of-sale rebate (as opposed to the current tax credit) of \$7,500 plus \$10 for every mile of EPA-certified driving range, for any EV priced at \$55,000 and less. Fisker believes this type of program would focus EV purchase support towards consumers that most require an incentive and would also incentivize all OEM's to focus development efforts on affordable EV's, as Fisker has done. Further, the registration and sale of Zero Emission Vehicles ("ZEVs") in California will earn Fisker ZEV credits, which it may be able to sell to other OEMs or tier-one automotive suppliers seeking to access the state's market. Several other U.S. states have adopted similar standards. In the European Union, where European car manufacturers are penalized for excessive fleet-wide emissions on the one hand and incentivized to produce low emission vehicles on the other, Fisker believes it will have the opportunity to monetize the ZEV technology through fleet emissions pooling arrangements with car manufacturers that may not otherwise meet their CO2 emissions targets. While Fisker expects environmental regulations to provide a tailwind to its growth, it is possible for certain regulations to result in margin pressures. For example, regulations that effectively impose EV production quotas on auto manufacturers may lead to an oversupply of EVs, which in turn could promote price decreases. As a pure play EV company, Fisker's margins could be particularly and adversely impacted by such regulatory developments. Trade restrictions and tariffs, while historically minimal between the European Union and the United States where most of Fisker's production and sales are expected, are subject to unknown and unpredictable change that could impact Fisker's ability to meet projected sales or margins.

### **Basis of Presentation**

Fisker currently conducts its business through one operating segment. As a company with no commercial operations and limited revenues derived from merchandise sales, which is not core to our ongoing business, Fisker's activities to date have been limited and were conducted primarily in the United States and its historical results are reported under U.S. GAAP and in U.S. dollars. Upon commencement of commercial operations, Fisker expects to expand its global operations substantially, including in the USA and the European Union, and as a result Fisker expects its future results to be sensitive to foreign currency transaction and translation risks and other financial risks that are not reflected in its historical financial statements. As a result, Fisker expects that the financial results it reports for periods after it begins commercial operations will not be comparable to the financial results included in this report or Fisker's Annual Report on Form 10-K/A for the year ended December 31, 2020 filed with the SEC on May 17, 2021.

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### **Components of Results of Operations**

Fisker is an early stage company and its historical results may not be indicative of its future results for reasons that may be difficult to anticipate. Accordingly, the drivers of Fisker's future financial results, as well as the components of such results, may not be comparable to Fisker's historical or projected results of operations.

#### *Revenues*

Fisker has not begun its primary commercial operations, which will focus on the production and sale of its vehicles. Once Fisker commences production and commercialization of its vehicles, it expects that the significant majority of its revenue will be initially derived from direct sales of Fisker Ocean SUVs and, subsequently, from flexible leases of its vehicles. In 2021, Fisker launched its merchandise "Fisker Edition" where it sells direct to consumers Fisker branded apparel and goods. While merchandise sales are not intended to be significant portion of Fisker's results once production of vehicles begins, Fisker generated revenue from such sales during 2021.

#### *Cost of Goods Sold*

To date, Fisker has not recorded cost of goods sold from its vehicle sales, as it has not recorded commercial revenues from the sales of its vehicles. Once Fisker commences the commercial production and sale of its vehicles, it expects cost of goods sold to include mainly vehicle components and parts, including batteries, direct labor costs, amortized tooling costs and capitalized costs associated with the Magna warrants, and reserves for estimated warranty expenses. Fisker realized cost of goods sold in 2021 related to the 2021 launch of "Fisker Edition" apparel and goods.

#### *General and Administrative Expense*

General and administrative expenses consist mainly of personnel-related expenses for Fisker's executive and other administrative functions and expenses for outside professional services, including legal, accounting and other advisory services.

Fisker is rapidly expanding its personnel headcount, in anticipation of the start of production of its vehicles. Accordingly, Fisker expects its general and administrative expenses to increase significantly in the near term and for the foreseeable future. For example, the company expects general and administrative expenses, excluding stock-based compensation expenses, in the year ended December 31, 2021, to be in the range of \$45-\$50 million as compared to \$22.3 million in the year ended December 31, 2020, as we plan for expenses related to the commencement of commercial operations such as facilities, marketing and advertising costs.

#### *Research and Development Expense*

To date, Fisker's research and development expenses have consisted primarily of external engineering services in connection with the design of the Fisker Ocean model and development of the first prototype. As Fisker ramps up for commercial operations, it anticipates that research and development expenses will increase for the foreseeable future as the Company expands its hiring of engineers and designers and continues to invest in new vehicle model design and development of technology. For example, the company expects research and development expenses, excluding stock-based compensation expenses, in the year ended December 31, 2021, to be in the range of \$280 - \$290 million as compared to \$21.1 million in the year ended December 31, 2020.

#### *Interest Expense*

Interest expense consists primarily of interest expense associated with the convertible senior notes.

#### *Income Taxes*

Fisker's income tax provision consists of an estimate for U.S. federal and state income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities, and changes in the tax law. Fisker maintains a valuation allowance against the full value of its U.S. and state net deferred tax assets because Fisker believes the recoverability of the tax assets is not more likely than not.

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### Results of Operations

#### *Comparison of the Three-Months Ended September 30, 2021 to the Three-Months Ended September 30, 2020*

The following table sets forth Fisker's historical operating results for the periods indicated:

|                                      | Three-Months<br>Ended September 30, |                        | \$ Change              | % Change           |
|--------------------------------------|-------------------------------------|------------------------|------------------------|--------------------|
|                                      | 2021                                | 2020                   |                        |                    |
|                                      | (dollar amounts in thousands)       |                        |                        |                    |
| <b>Revenue</b>                       | \$ 15                               | —                      | \$ 15                  | n.m.               |
| <b>Cost of goods sold</b>            | 16                                  | —                      | 16                     | n.m.               |
| <b>Gross Margin</b>                  | (1)                                 | —                      | (1)                    | n.m.               |
| <b>Operating costs and expenses:</b> |                                     |                        |                        |                    |
| General and administrative           | 10,273                              | 6,521                  | 3,752                  | n.m.               |
| Research and development             | 99,291                              | 3,402                  | 95,889                 | n.m.               |
| Total operating costs and expenses   | 109,564                             | 9,923                  | 99,641                 | n.m.               |
| Loss from operations                 | (109,565)                           | (9,923)                | (99,642)               | n.m.               |
| <b>Other income (expense):</b>       |                                     |                        |                        |                    |
| Other income (expense)               | (84)                                | 6                      | (90)                   | n.m.               |
| Interest income                      | 155                                 | 8                      | 147                    | n.m.               |
| Interest expense                     | (2,147)                             | (765)                  | (1,382)                | n.m.               |
| Change in fair value of derivatives  | —                                   | (29,149)               | 29,149                 | n.m.               |
| Foreign currency gain (loss)         | 1,797                               | 159                    | 1,638                  | n.m.               |
| Total other income (expense)         | (279)                               | (29,741)               | 29,462                 | n.m.               |
| <b>Net Loss</b>                      | <u><u>\$109,844</u></u>             | <u><u>(39,664)</u></u> | <u><u>(70,181)</u></u> | <u><u>n.m.</u></u> |

n.m. = not meaningful.

#### *Revenue and cost of goods sold*

During the three-months ended September 30, 2021, Fisker launched its merchandise “Fisker Edition” where it sells direct to consumers Fisker branded apparel and goods. Sales of branded apparel and goods totaled \$15,000 with related costs of goods sold of \$16,000 resulting in a gross loss of \$1,000 during the three-month period. Merchandise sales are ancillary revenues that will continue in the future but are not expected to constitute a significant portion of operations once Fisker commences production and commercialization of its vehicles.

#### *General and Administrative*

General and administrative expenses increased by \$3.8 million from \$6.5 million during the three-months ended September 30, 2020 to \$10.3 million during the three-months ended September 30, 2021, primarily due to increased salaried employee headcount, improved benefits in line with our human capital and ESG goals designed to offer potential employees competitive compensation packages, and stock based compensation. General and administrative expenses includes stock-based compensation expense of \$209,000 and \$140,000 for the three months ended September 30, 2021 and 2020, respectively. General and administrative expenses will increase in the fourth quarter of 2021 as the Company continues to increase its workforce, engage with advisors to establish global strategies for direct and indirect taxes, and planning for entity-wide changes in its IT systems. Overall, total headcount for the Company increased to over 300 employees as of November 2, 2021, compared to 101 employees as of December 31, 2020 and 81 employees as of October 29, 2020, the date of the closing of our reverse merger.

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### *Research and Development*

Research and development expenses increased by \$95.9 million from \$3.4 million during the three-months ended September 30, 2020, to \$99.3 million during the three-months ended September 30, 2021. The increase primarily relates to an increase in headcount of full-time employees as of September 30, 2021, research and development efforts associated with the Ocean and PEAR vehicle programs, and payments to suppliers indicating progress on serial design and development of unique components. Research and development expenses includes stock-based compensation expense of \$834,000 and \$124,000 for the three-months ended September 30, 2021, and 2020, respectively.

### *Interest Expense*

Interest expense increased by \$1.3 million from \$0.8 million during the three-months ended September 30, 2020, to \$2.1 million during the three-months ended September 30, 2021, due to the sale, in August, of \$667.5 million principal amount of 2.50% convertible senior notes compared to interest expense from bridge note financing in the third quarter of 2020 leading up to the completion of the Business Combination. Interest expense in the fourth quarter of 2021 and subsequent three-month periods throughout calendar year 2022 will approximate \$4.5 million, including accretion of debt issuance costs.

### *Change in Fair Value of Derivatives and Convertible Security*

The change in fair value of embedded derivatives amounted to a non-cash loss of \$29.1 million during the three-months ended September 30, 2020. No gain or loss recognized during the three-months ended September 30, 2021.

### *Foreign Currency Gain (Loss)*

Fisker recorded foreign currency gains of \$1.8 million during the three-months ended September 30, 2021, compared to gains of \$0.2 million during the three-months ended September 30, 2020, due to weakening Euro currency rates. For the remainder of 2021, Fisker expects its EUR denominated transactions associated with our foreign operations and services provided by suppliers will increase and will subject Fisker to greater fluctuation in realized gain and losses from foreign currencies.

### *Net Loss*

Net loss was \$109.8 million during the three-months ended September 30, 2021, an increase of \$70.2 million from a net loss of \$39.6 million during the three-months ended September 30, 2020, for the reasons discussed above.

### *Comparison of the Nine-Months Ended September 30, 2021 to the Nine-Months Ended September 30, 2020*

The following table sets forth Fisker's historical operating results for the periods indicated:

|                                      | Nine-Months<br>Ended September 30, |                 | \$ Change        | % Change    |
|--------------------------------------|------------------------------------|-----------------|------------------|-------------|
|                                      | 2021                               | 2020            |                  |             |
| <b>Revenue</b>                       | \$ 65                              | —               | \$ 65            | n.m.        |
| <b>Cost of goods sold</b>            | 47                                 | —               | 47               | n.m.        |
| <b>Gross Margin</b>                  | 18                                 | —               | 18               | n.m.        |
| <b>Operating costs and expenses:</b> |                                    |                 |                  |             |
| General and administrative           | 24,012                             | 8,056           | 15,956           | n.m.        |
| Research and development             | 171,807                            | 3,963           | 167,844          | n.m.        |
| Total operating costs and expenses   | 195,819                            | 12,019          | 183,800          | n.m.        |
| Loss from operations                 | (195,801)                          | (12,019)        | (183,782)        | n.m.        |
| <b>Other income (expense):</b>       |                                    |                 |                  |             |
| Other income (expense)               | (98)                               | 15              | (113)            | n.m.        |
| Interest income                      | 415                                | 13              | 402              | n.m.        |
| Interest expense                     | (2,147)                            | (1,326)         | (821)            | n.m.        |
| Change in fair value of derivatives  | (138,436)                          | (29,409)        | (109,027)        | n.m.        |
| Foreign currency gain (loss)         | 3,158                              | 122             | 3,036            | n.m.        |
| Total other income (expense)         | (137,108)                          | (30,585)        | (106,523)        | n.m.        |
| <b>Net Loss</b>                      | <u>\$ (332,909)</u>                | <u>(42,604)</u> | <u>(290,305)</u> | <u>n.m.</u> |

n.m. = not meaningful.

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### *Revenue and cost of goods sold*

During the nine-months ended September 30, 2021, Fisker launched its merchandise “Fisker Edition” where it sells direct to consumers Fisker branded apparel and goods. Sales of branded apparel and goods totaled \$65,000 with related costs of goods sold of \$47,000 resulting in a gross margin of \$18,000 during the nine-month period. Merchandise sales are ancillary revenues that will continue in the future but are not expected to constitute a significant portion of operations once Fisker commences production and commercialization of its vehicles.

### *General and Administrative*

General and administrative expenses increased by \$15.9 million from \$8.1 million during the nine-months ended September 30, 2020 to \$24 million during the nine-months ended September 30, 2021, primarily due to increased salaried employee headcount, improved benefits in line with our human capital and ESG goals designed to offer potential employees competitive compensation packages, and stock based compensation, which includes restricted stock unit awards granted to employees relating to the 2020 performance year. General and administrative expenses includes stock-based compensation expense of \$816,000 and \$178,000 for the nine-months ended September 30, 2021 and 2020, respectively.

On March 18, 2021, the Board of Directors of Fisker, approved, effective as of March 15, 2021, at the request of Dr. Geeta Gupta, the Company’s Chief Financial Officer, an 82% decrease in Dr. Gupta’s annual base salary from \$325,000 to \$58,240 which is California’s minimum annual wage.

### *Research and Development*

Research and development expenses increased by \$167.8 million from \$4 million during the nine-months ended September 30, 2020, to \$171.8 million during the nine-months ended September 30, 2021. The increase primarily relates to an increase in headcount of full-time employees as of September 30, 2021, research and development efforts associated with the Ocean and PEAR vehicle programs, and payments to suppliers indicating progress on serial design and development of unique components. Research and development expenses includes stock-based compensation expense of \$3.3 million and \$156,000 for the nine-months ended September 30, 2021, and 2020, respectively.

### *Interest Expense*

Interest expense increased by \$0.8 million from \$1.3 million during the nine-months ended September 30, 2020, to \$2.1 million during the nine-months ended September 30, 2021, due to the sale, in August, of \$667.5 million principal amount of 2.50% convertible senior notes compared to interest expense from bridge note financing leading up to the completion of the Business Combination. Interest expense in the fourth quarter of 2021 and subsequent three-month periods throughout calendar year 2022 will approximate \$4.5 million or \$18 million for the year ended December 31, 2022, including accretion of debt issuance costs.

### *Change in Fair Value of Derivatives and Convertible Security*

The change in fair value of embedded derivatives amounted to a non-cash loss of \$138.4 million during the nine-months ended September 30, 2021, compared to a \$29.4 million loss during the nine-months ended September 30, 2020. In July 2020, the Company issued a convertible equity security, which was adjusted to fair value as of September 30, 2020, and then subsequently converted into shares of Class A common stock upon closing the Business Combination in the fourth quarter of 2020. During 2021, the Company’s public and private warrants were outstanding resulting in fair value adjustments during the nine-months ended September 30, 2020. The public and private warrants were exercised or redeemed and no longer outstanding by the end of the second quarter of 2021.

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### *Foreign Currency Gain (Loss)*

Fisker recorded foreign currency gains of \$3.2 million during the nine-months ended September 30, 2021 compared to a \$0.1 million gain during the nine-months ended September 30, 2020 due to weakening Euro currency rates which resulted in favorable currency gains upon settlement of our Euro-denominated liabilities in 2021. For the remainder of 2021, Fisker expects its EUR denominated transactions associated with our foreign operations and services provided by suppliers will increase and will subject Fisker to greater fluctuation in realized gain and losses from foreign currencies.

### *Net Loss*

Net loss was \$332.9 million during the nine-months ended September 30, 2021, an increase of \$290.3 million from a net loss of \$42.6 million during the nine-months ended September 30, 2020, for the reasons discussed above.

### **Liquidity and Capital Resources**

As of the date of this Form 10-Q, Fisker has yet to generate any revenue from its core business operations. To date, Fisker has funded its capital expenditures and working capital requirements through equity and convertible notes, as further discussed below. Fisker's ability to successfully commence its primary commercial operations and expand its business will depend on many factors, including its working capital needs, the availability of equity or debt financing and, over time, its ability to generate cash flows from operations.

As of September 30, 2021, Fisker's cash and cash equivalents amounted to \$1,400 million.

In August 2021, we entered into a purchase agreement for the sale of an aggregate of \$667.5 million principal amount of convertible senior notes due in 2026. The net proceeds from the issuance of the 2026 Notes were \$562.2 million, net of debt issuance costs and the 2027 Capped Call Transactions discussed further in Note 10. The 2026 Notes mature on September 15, 2026, unless repurchased, redeemed, or converted in accordance with their terms prior to such date. The 2026 Notes were not convertible as of September 30, 2021.

Fisker expects its capital expenditures and working capital requirements to increase substantially in 2021, as it progresses toward production of the Fisker Ocean EV model, develop its customer support and marketing infrastructure and expand its research and development efforts. Fisker believes that its cash on hand following the consummation of the Business Combination and issuance of the convertible senior notes will be sufficient to meet its working capital and capital expenditure requirements for a period of at least twelve months from the date of this Form 10-Q and sufficient to fund its operations until it commences production of the Fisker Ocean. Fisker may, however, need additional cash resources due to changed business conditions or other developments, including unanticipated delays in negotiations with OEMs and tier-one automotive suppliers or other suppliers, supply chain challenges, disruptions due to COVID-19, competitive pressures, and regulatory developments, among other developments such as the collaboration on "Project PEAR" with Foxconn announced in February 2021. To the extent that Fisker's current resources are insufficient to satisfy its cash requirements, Fisker may need to seek additional equity or debt financing. If the financing is not available, or if the terms of financing are less desirable than Fisker expects, Fisker may be forced to decrease its level of investment in product development or scale back its operations, which could have an adverse impact on its business and financial prospects.

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### *Cash Flows*

The following table provides a summary of Fisker's cash flow data for the periods indicated:

|   | Nine-Months Ended September 30, |         |
|---|---------------------------------|---------|
|   | 2021                            | 2020    |
|   | (dollar amounts in thousands)   |         |
| Net cash used in operating activities     | (160,377)                       | (7,941) |
| Net cash used in investing activities     | (81,828)                        | (224)   |
| Net cash provided by financing activities | 651,458                         | 51,283  |

### *Cash Flows used in Operating Activities*

Fisker's net cash flows used in operating activities to date have been primarily comprised of costs related to research and development, payroll and other general and administrative activities. As Fisker continues to accelerate hiring in line with development and production of the Ocean, Fisker expects its cash used in operating activities to increase significantly before it starts to generate any material cash flows from its business. Operating lease commitments as of September 30, 2021, will result in cash payments of \$0.6 million for the remainder of 2021 and \$4.6 million for 2022, and \$17.6 million for 2023 and thereafter. Fisker's new headquarters, Inception, located in Manhattan Beach, California, commenced in May 2021 resulting incremental operating lease commitments of \$0.5 million for the remainder of 2021, \$3.8 million for 2022, and \$16 million for 2023 and thereafter. It is expected that Fisker will commence new leases for experience centers in the U.S. and Europe during either the fourth quarter of 2021 or first quarter of 2022. In total, Fisker is projecting to use cash in excess of \$325 million for combined SG&A and R&D activities during 2021.

Net cash used in operating activities increased by \$152.4 million from \$7.9 million during the nine-months ended September 30, 2020 to \$160.3 million during the nine-months ended September 30, 2021.

### *Cash Flows used in Investing Activities*

Fisker's cash flows used in investing activities, historically, have been comprised mainly of purchases of property and equipment. During the nine-months ended September 30, 2021, the Company acquired intangible assets related to development of the Fisker Ocean and production of its parts, and capitalized certain expenditures associated with R&D capital assets that benefit our vehicle program development in future periods that totaled \$81.8 million. Fisker continues to expect 2021 capital expenditures for manufacturing and development, testing and validation, tooling, manufacturing equipment, software licenses, and IT infrastructure to range between \$165 million and \$190 million of which we expect at least 50% is denominated in foreign currencies, as serial production tooling and equipment begins to be installed at both vehicle assembly and supplier facilities over the remainder of 2021.

Fisker used cash of \$81.8 million for investing activities during the nine-months ended September 30, 2021, compared to \$0.2 million during the corresponding nine-month period ended September 30, 2020.

On July 28, 2021, the Company made a \$10 million commitment for a private investment in public equity (PIPE) supporting the planned merger of leading European EV charging network, Allego B.V. ("Allego") with Spartan Acquisition Corp. III (NYSE: SPAQ), a publicly-listed special purpose acquisition company. The planned merger is expected to close in the fourth quarter of 2021 or first quarter of 2022 which will trigger our investment commitment. Fisker is the exclusive electric vehicle automaker in the PIPE and, in parallel, has agreed to terms on a strategic partnership to deliver a range of charging options for its customers in Europe.

### *Cash Flows from Financing Activities*

Through September 30, 2021, Fisker has financed its operations primarily through the sale of equity securities and convertible senior notes.

Net cash from financing activities was \$651.4 million during the nine-months ended September 30, 2021, reflecting the proceeds of \$89 million from public warrant holders who exercised 7,733,400 warrants to acquire a corresponding equal number of Class A common stock and proceeds of \$667.5 million from the sale of convertible senior notes due in 2026, before payments for debt issuance costs of \$8.5 million and \$96.8 million for the purchase of a capped call option. Net cash from financing activities was \$51.3 million during the nine-months ended September 30, 2020 primarily derived from proceeds received for the issuance of bridge notes and a convertible equity security.

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### **Off-Balance Sheet Arrangements**

Fisker is not a party to any off-balance sheet arrangements, as defined under SEC rules.

### **Non-GAAP Financial Measure**

The accompanying table references non-GAAP adjusted loss from operations. This non-GAAP financial measure differs from the directly comparable GAAP financial measure due to adjustments made to exclude stock-based compensation expense. This non-GAAP financial measure is not a substitute for or superior to measures of financial performance prepared in accordance with generally accepted accounting principles in the United States (GAAP) and should not be considered as an alternative to any other performance measures derived in accordance with GAAP. The Company believes that presenting this non-GAAP financial measure provides useful supplemental information to investors about the Company in understanding and evaluating its operating results, enhancing the overall understanding of its past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by its management in financial and operational-decision making. However, there are a number of limitations related to the use of a non-GAAP measure and its nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore any non-GAAP measures the Company uses may not be directly comparable to similarly titled measures of other companies. Therefore, both GAAP financial measures of Fisker's financial performance and the respective non-GAAP measures should be considered together. Please see the reconciliation of non-GAAP financial measure to the most directly comparable GAAP measure in the tables below.

|   | <b>Three-Months Ended September 30,</b> |                   |
|---|---|-------------------|
|   | <b>2021</b>                             | <b>2020</b>       |
| GAAP Loss from operations                     | \$ (109,565)                            | \$ (9,923)        |
| Add: stock based compensation                 | 1,043                                   | 264               |
| <b>Non-GAAP Adjusted loss from operations</b> | <b>\$ (108,522)</b>                     | <b>\$ (9,659)</b> |

  

|   | <b>Nine-Months Ended September 30,</b> |                    |
|---|--|--------------------|
|   | <b>2021</b>                            | <b>2020</b>        |
| GAAP Loss from operations                     | \$ (195,801)                           | \$ (12,019)        |
| Add: stock based compensation                 | 4,078                                  | 334                |
| <b>Non-GAAP Adjusted loss from operations</b> | <b>\$ (191,723)</b>                    | <b>\$ (11,685)</b> |

### **Critical Accounting Policies and Estimates**

Fisker's financial statements have been prepared in accordance with GAAP. In the preparation of these financial statements, Fisker is required to use judgment in making estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported expenses incurred during the reporting periods. Fisker considers an accounting judgment, estimate or assumption to be critical when (1) the estimate or assumption is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates and assumptions could have a material impact on the condensed consolidated financial statements.

For a description of our critical accounting policies and estimates, refer to Part II, Item 7, Critical Accounting Policies and Estimates in our Annual Report on Form 10-K/A for the year ended December 31, 2020 filed with the SEC on May 17, 2021. There have been no material changes to our critical accounting policies and estimates since our Annual Report on Form 10-K/A for the year ended December 31, 2020 filed with the SEC on May 17, 2021.

### **Emerging Growth Company Status**

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 ("JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable.

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Fisker is an “emerging growth company” as defined in Section 2(a) of the Securities Act of 1933, as amended, and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. Fisker expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare Fisker’s financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

### **Recent Accounting Pronouncements**

See Note 2 to the condensed consolidated financial statements included elsewhere in this Form 10-Q for more information about recent accounting pronouncements, the timing of their adoption, and Fisker’s assessment, to the extent it has made one, of their potential impact on Fisker’s financial condition and its results of operations and cash flows.

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### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Fisker has not, to date, been exposed to material market risks given its early stage of operations. Upon commencing commercial operations, Fisker expects to be exposed to foreign currency translation and transaction risks and potentially other market risks, including those related to interest rates or valuation of financial instruments, among others.

#### **Foreign Currency Risk**

Fisker's functional currency is the U.S. dollar, while certain of Fisker's current and future subsidiaries are expected to have functional currencies in Euro, British Pound Sterling, Indian Rupee, and Chinese Yuan Renminbi reflecting their principal operating markets. Once Fisker commences commercial operations, it expects to be exposed to both currency transaction and translation risk. For example, Fisker expects its contracts with OEMs and/or tier-one automotive suppliers to be transacted in Euro or other foreign currencies. In addition, Fisker expects that certain of its subsidiaries will have functional currencies other than the U.S. dollar, meaning that such subsidiaries' results of operations will be periodically translated into U.S. dollars in Fisker's condensed consolidated financial statements, which may result in revenue and earnings volatility from period to period in response to exchange rates fluctuations. To date, Fisker has not had material exposure to foreign currency fluctuations and has not hedged such exposure, although it may do so in the future.

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### **Item 4. Controls and Procedures.**

#### *Evaluation of Disclosure Controls and Procedures*

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act, is recorded, communicated to our management to allow timely decisions regarding required disclosure, summarized and reported within the time periods specified in the SEC's rules and forms.

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required under Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of September 30, 2021. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were not effective as of September 30, 2021 due to the material weakness in internal control over financial reporting described below.

As of September 30, 2021, we have not experienced any significant impact to our internal control over financial reporting despite the fact that most of our employees who are involved in our financial reporting processes and controls are working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact on their design and operating effectiveness.

#### *Limitations on the Effectiveness of Controls*

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements and projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### *Changes in Internal Control over Financial Reporting*

Management has concluded that there was a material weakness in our internal control over financial reporting as of December 31, 2020 as a result of a control related to the evaluation of accounting for complex transactions with potential derivative accounting implications that did not operate effectively in the instance of evaluating potential tender offer scenarios and valuation models associated with the repricing of warrant instruments. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. This material weakness resulted in the Restatement of our consolidated financial statements as of and for the year ended December 31, 2020. During the third quarter of 2021, we have implemented improvements to internal control, including significant contract reviews and hired additional technical accounting personnel. Other improvements in our monitoring controls are in process of being designed and will be implemented in the fourth quarter of 2021. Collectively, we expect these internal control changes will remediate the previously reported material weakness.

We implemented the financial reporting modules of an ERP system during the three-months ended September 30, 2021, that has materially affected, or is reasonably likely to affect, our internal control over financial reporting.

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## **PART II—OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

For a description of our material pending legal proceedings, please see Note 13, Commitments and Contingencies, to the unaudited condensed consolidated financial statements included elsewhere in this report.

From time to time, we may become involved in legal proceedings arising in the ordinary course of business. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, negative publicity and reputational harm and other factors.

### **Item 1A. Risk Factors**

In addition to the information set forth below and other information contained elsewhere in this report, you should carefully consider the factors discussed in Part I, Item 1A, *Risk Factors* in our most recent Annual Report filed on Form 10-K/A for the year ended December 31, 2020 filed with the SEC on May 17, 2021, which could materially affect our business, financial condition or future results.

***We face risks related to health epidemics, including the recent COVID-19 pandemic, which could have a material adverse effect on our business and results of operations.***

We face various risks related to public health issues, including epidemics, pandemics, and other outbreaks, including the recent pandemic of respiratory illness caused by a novel coronavirus known as COVID-19. The impact of COVID-19, including changes in consumer and business behavior, pandemic fears and market downturns, and restrictions on business and individual activities, has created significant volatility in the global economy and led to reduced economic activity. The spread of COVID-19 has also created a disruption in the manufacturing, delivery and overall supply chain of vehicle manufacturers and suppliers, and has led to a global decrease in vehicle sales in markets around the world.

The pandemic has resulted in government authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, stay-at-home or shelter-in-place orders, and business shutdowns. These measures may adversely impact our employees and operations and the operations of its customers, suppliers, vendors and business partners, and may negatively impact our sales and marketing activities. In addition, various aspects of our business cannot be conducted remotely. These measures by government authorities may remain in place in certain areas for a significant period of time and they may continue to adversely affect our manufacturing plans, sales and marketing activities, business and results of operations.

The spread of COVID-19 caused us to modify our business practices (including employee travel, recommending that all non-essential personnel work from home and cancellation or reduction of physical participation in sales activities, meetings, events and conferences). There is no certainty that such actions will be sufficient to mitigate the risks posed by the virus or otherwise be satisfactory to government authorities. If significant portions of our workforce are unable to work effectively, including due to illness, quarantines, social distancing, government actions, challenges relating to the return to an office environment, or due to restrictions in connection with the COVID-19 pandemic, our operations will be impacted.

The full extent to which the COVID-19 pandemic impacts our business, prospects and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including the duration and spread of the pandemic, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating activities can resume. Even after the COVID-19 pandemic has substantially subsided, we may continue to experience an adverse impact to its business as a result of its global economic impact, including any recession that has occurred or may occur in the future.

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Specifically, difficult macroeconomic conditions, such as decreases in per capita income and level of disposable income, increased and prolonged unemployment, or a decline in consumer confidence as a result of the COVID-19 pandemic could have a material adverse effect on the demand for our vehicles. Under difficult economic conditions, potential customers may seek to reduce spending by forgoing our vehicles for other traditional options or may choose to keep their existing vehicles and cancel reservations.

There are no comparable recent events that may provide guidance as to the effect of the spread of COVID-19 and a pandemic, and, as a result, the ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain.

***We are dependent on our suppliers, a significant number of which are single or limited source suppliers, and the inability of these suppliers to deliver necessary components of our vehicles in a timely manner and at prices and volumes acceptable to us could have a material adverse effect on its business, prospects and operating results.***

While we plan to obtain components from multiple sources whenever possible, many of the components used in our vehicles will be purchased by us from a single source. While we believe that we may be able to establish alternate supply relationships and can obtain or engineer replacement components for our single source components, we may be unable to do so in the short term (or at all) at prices or quality levels that are acceptable to us. In addition, we could experience delays if our suppliers do not meet agreed upon timelines or experience capacity constraints.

Any disruption in the supply of components, including chip shortages, whether or not from a single source supplier, could temporarily disrupt production of our vehicles until an alternative supplier is able to supply the required material. Changes in business conditions, unforeseen circumstances, governmental changes, and other factors beyond our control or which we do not presently anticipate, could also affect our suppliers' ability to deliver components to us on a timely basis. Any of the foregoing could materially and adversely affect our results of operations, financial condition and prospects.

***The issuance of shares of our Class A Common Stock upon exercise of our outstanding Magna Warrants would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.***

As of November 12, 2021, the Magna Warrants to purchase an aggregate of approximately 12,969,986 million shares of our Class A Common Stock were outstanding and exercisable. The exercise price of these warrants are \$0.01 per share. To the extent such warrants are exercised, additional shares of Class A Common Stock will be issued, which will result in dilution to holders of our Class A Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our Class A Common Stock.

## Risks Related to Our Convertible Senior Notes

***The Notes are effectively subordinated to our existing and future secured indebtedness and structurally subordinated to the liabilities of our subsidiaries.***

In August 2021, we entered into a purchase agreement with certain counterparties for the sale of an aggregate of \$667.5 million principal amount of 2.50% convertible senior notes due in September 2026 (the "2026 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. The 2026 Notes have been designated as green bonds, whose proceeds will be allocated in accordance with the Company's green bond framework. The 2026 Notes consisted of a \$625 million initial placement and an over-allotment option that provided the initial purchasers of the 2026 Notes with the option to purchase an additional \$100.0 million aggregate principal amount of the 2026 Notes, of which \$42.5 million was exercised. The 2026 Notes were issued pursuant to an indenture dated August 17, 2021. The net proceeds from the issuance of the 2026 Notes were \$562.2 million, net of debt issuance costs and cash used to purchase the capped call transactions ("2026 Capped Call Transactions") discussed below. The debt issuance costs are amortized to interest expense using the effective interest rate method.

The 2026 Notes are unsecured obligations which bear regular interest at 2.50% annually and will be payable semiannually in arrears on March 15 and September 15 of each year, beginning on March 15, 2022. The 2026 Notes will mature on September 15, 2026, unless repurchased, redeemed, or converted in accordance with their terms prior to such date. The 2026 Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at our election, at an initial conversion rate of 50.7743 shares of Class A common stock per \$1,000 principal amount of 2026 Notes, which is equivalent to an initial conversion price of approximately \$19.70 per share of our Class A common stock. The conversion rate is subject to customary adjustments for certain events as described in the indenture governing the 2026 Notes. We may redeem for cash all or any portion of the 2026 Notes, at our option, on or after September 20, 2024 if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The 2026 Notes are our senior, unsecured obligations and rank equal in right of payment with our existing and future senior, unsecured indebtedness, senior in right of payment to our existing and future indebtedness that is expressly subordinated to the Notes and effectively subordinated to our existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness.

In addition, because none of our subsidiaries guarantee the 2026 Notes, the 2026 Notes are structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent we are not a holder thereof) preferred equity, if any, of our subsidiaries. As of September 30, 2021, we had approximately \$667.5 million in total indebtedness. Our subsidiaries had no outstanding indebtedness as of September 30, 2021. The Indenture governing the 2026 Notes does not prohibit us or our subsidiaries from incurring additional indebtedness, including senior or secured indebtedness, in the future.

If a bankruptcy, liquidation, dissolution, reorganization, or similar proceeding occurs with respect to us, then the holders of any of our secured

indebtedness may proceed directly against the assets securing that indebtedness. Accordingly, those assets will not be available to satisfy any outstanding amounts under our unsecured indebtedness, including the 2026 Notes, unless the secured indebtedness is first paid in full. The remaining assets, if any, would then be allocated pro rata among the holders of our senior, unsecured indebtedness, including the 2026 Notes. There may be insufficient assets to pay all amounts then due.

If a bankruptcy, liquidation, dissolution, reorganization, or similar proceeding occurs with respect to any of our subsidiaries, then we, as a direct or indirect common equity owner of that subsidiary (and, accordingly, holders of our indebtedness, including the 2026 Notes), will be subject to the prior claims of that subsidiary's creditors, including trade creditors and preferred equity holders, if any. We may never receive any amounts from that subsidiary to satisfy amounts due under the 2026 Notes.

***We may be unable to raise the funds necessary to repurchase the 2026 Notes for cash following a fundamental change (as defined in the Indenture) or to pay any cash amounts due upon conversion, and our other indebtedness limits our ability to repurchase the 2026 Notes or pay cash upon their conversion.***

Noteholders may require us to repurchase their 2026 Notes following a fundamental change (as defined in the Indenture) at a cash repurchase price generally equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid special interest, if any. In addition, upon conversion, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our Class A common stock. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the 2026 Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness may restrict our ability to repurchase the Notes or pay the cash amounts due upon conversion. Our failure to repurchase 2026 Notes or to pay the cash amounts due upon conversion when required will constitute a default under the Indenture.

A default under the Indenture or a fundamental change (as defined in the Indenture) itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the 2026 Notes.

***Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition, and results of operations and impair our ability to satisfy our obligations under the Notes.***

As of September 30, 2021, we had \$667.5 million indebtedness. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our stockholders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing stockholders as a result of issuing shares of our Class A common stock upon conversion of the Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Notes, and our cash needs may increase in the future.

***The accounting method for the 2026 Notes could adversely affect our reported financial condition and results.***

In August 2020, the Financial Accounting Standards Board published an Accounting Standards Update, which we refer to as ASU 2020-06, which amends the accounting standards for convertible debt instruments that may be settled entirely or partially in cash upon conversion. ASU 2020-06 eliminates requirements to separately account for liability and equity components of such convertible debt instruments and eliminates the ability to use the treasury stock method for calculating diluted earnings per share for convertible instruments whose principal amount may be settled using shares. Instead, ASU 2020-06 requires (i) the entire amount of the security to be presented as a liability on the balance sheet and (ii) application of the "if-converted" method for calculating diluted earnings per share. Under the "if-converted" method, diluted earnings per share will generally be calculated assuming that all the 2026 Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive, which could adversely affect our diluted earnings per share. However, if the principal amount of the convertible debt security being converted is required to be paid in cash and only the excess is permitted to be settled in shares, the if-converted method will produce a similar result as the "treasury stock" method prior to the adoption of ASU 2020-06 for such convertible debt security.

We early adopted ASU 2020-06 as of January 1, 2021 and as such we did not bifurcate the liability and equity components of the 2026 Notes on our balance sheet and used the if-converted method of calculating diluted earnings per share. In order to qualify for the alternative treatment of calculating diluted earnings per share under the if-converted method, we would have to irrevocably fix the settlement method for conversions to combination settlement with a specified dollar amount of at least \$1,000, which would impair our flexibility to settle conversions of notes, require us to settle conversions in cash in an amount equal to the principal amount of notes converted and could adversely affect our liquidity.

Furthermore, if any of the conditions to the convertibility of the 2026 Notes are satisfied, then, under certain conditions, we may be required under applicable accounting standards to reclassify the liability carrying value of the Notes as a current, rather than a noncurrent, liability. This reclassification could be required even if no noteholders convert their Notes and could materially reduce our reported working capital.

***The Capped Call transactions may affect the value of the 2026 Notes and our common stock.***

In connection with the 2026 Notes, we entered into Capped Call transactions with certain financial institutions, which we refer to as the option counterparties. The Capped Call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of the 2026 Notes and/or offset any potential cash payments we are required to make in excess of the principal amount upon conversion of any 2026 Notes, with such reduction and/or offset subject to a cap.

In connection with establishing their initial hedges of the Capped Call transactions, the option counterparties and/or their respective affiliates purchased shares of our common stock and/or entered into various derivative transactions with respect to our Class A common stock. This activity could have increased (or reduced the size of any decrease in) the market price of our Class A common stock or the 2026 Notes at that time.

In addition, the option counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock in secondary market transactions (and are likely to do so following any conversion of 2026 Notes, any repurchase of the 2026 Notes by us on any fundamental change (as defined in the indenture governing the 2026 Notes) repurchase date, any redemption date, or any other date on which the 2026 Notes are retired by us). This activity could also cause or avoid an increase or a decrease in the market price of our Class A common stock or the 2026 Notes.

The potential effect, if any, of these transactions and activities on the market price of our common stock or the 2026 Notes will depend in part on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of our Class A common stock.

***We are subject to counterparty risk with respect to the Capped Call transactions, and the Capped Calls may not operate as planned.***

The option counterparties are financial institutions, and we will be subject to the risk that they might default under the Capped Call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Global economic conditions have from time to time resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with that option counterparty. Our exposure will depend on many factors, but, generally, the increase in our exposure will be correlated with increases in the market price or the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our Class A common stock. We can provide no assurances as to the financial stability or viability of any option counterparty.

In addition, the Capped Call transactions are complex and they may not operate as planned. For example, the terms of the Capped Call transactions may be subject to adjustment, modification, or, in some cases, renegotiation if certain corporate or other transactions occur. Accordingly, these transactions may not operate as we intend if we are required to adjust their terms as a result of transactions in the future or upon unanticipated developments that may adversely affect the functioning of the Capped Call transactions.

***The issuance or sale of shares of our common stock, or rights to acquire shares of our common stock, could depress the trading price of our common stock and our notes.***

We may conduct future offerings of our common stock, preferred stock or other securities that are convertible into or exercisable for our common stock to finance our operations or fund acquisitions, or for other purposes. If we issue additional shares of our common stock or rights to acquire shares of our common stock, if any of our existing stockholders sells a substantial amount of our common stock, or if the market perceives that such issuances or sales may occur, then the trading price of our common stock, and, accordingly, our 2026 Notes may significantly decline. In addition, our issuance of additional shares of common stock will dilute the ownership interests of our existing common stockholders, including noteholders who have received shares of our common stock upon conversion of their 2026 Notes.

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### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

In August 2021, we entered into a purchase agreement with certain counterparties for the sale of an aggregate of \$667.5 million principal amount of 2.50% convertible senior notes due in September 2026 (the “2026 Notes”) in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. The 2026 Notes have been designated as green bonds, whose proceeds will be allocated in accordance with the Company’s green bond framework. The 2026 Notes consisted of a \$625 million initial placement and an over-allotment option that provided the initial purchasers of the 2026 Notes with the option to purchase an additional \$100.0 million aggregate principal amount of the 2026 Notes, of which \$42.5 million was exercised. The 2026 Notes were issued pursuant to an indenture dated August 17, 2021. The net proceeds from the issuance of the 2026 Notes were \$562.2 million, net of debt issuance costs and cash used to purchase the capped call transactions (“2026 Capped Call Transactions”) discussed below. The debt issuance costs are amortized to interest expense using the effective interest rate method.

The 2026 Notes are unsecured obligations which bear regular interest at 2.50% annually and will be payable semiannually in arrears on March 15 and September 15 of each year, beginning on March 15, 2022. The 2026 Notes will mature on September 15, 2026, unless repurchased, redeemed, or converted in accordance with their terms prior to such date. The 2026 Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at our election, at an initial conversion rate of 50.7743 shares of Class A common stock per \$1,000 principal amount of 2026 Notes, which is equivalent to an initial conversion price of approximately \$19.70 per share of our Class A common stock. The conversion rate is subject to customary adjustments for certain events as described in the indenture governing the 2026 Notes. We may redeem for cash all or any portion of the 2026 Notes, at our option, on or after September 20, 2024 if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Holders of the 2026 Notes may convert all or a portion of their 2026 Notes at their option prior to June 15, 2026, in multiples of \$1,000 principal amounts, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on September 30, 2021 (and only during such calendar quarter), if the last reported sale price of the Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five-business day period after any ten consecutive trading day period (the “measurement period”) in which the trading price per \$1,000 principal amount of the 2026 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A common stock and the applicable conversion rate of the 2026 Notes on such trading day;
- if we call such 2026 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the notes called (or deemed called) for redemption; or
- on the occurrence of specified corporate events.

On or after June 15, 2026, the 2026 Notes are convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Holders of the 2026 Notes who convert the 2026 Notes in connection with a make-whole fundamental change, as defined in the indenture governing the 2026 Notes, or in connection with a redemption may be entitled to an increase in the conversion rate. Additionally, in the event of a fundamental change, holders of the 2026 Notes may require us to repurchase all or a portion of the 2026 Notes at a price equal to 100% of the principal amount of 2026 Notes, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

### **Item 3. Defaults Upon Senior Securities.**

Not applicable

### **Item 4. Mine Safety Disclosures**

Not applicable

### **Item 5. Other Information.**

Not applicable

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**Item 6. Exhibits.**

| <u>Exhibit No.</u> | <u>Exhibit Title</u>   | <u>Incorporated by Reference</u> |                 |                    |                    | <u>Filed or<br/>Furnished<br/>Herewith</u> |
|--------------------|--|----------------------------------|-----------------|--------------------|--------------------|--|
|                    |  | <u>Form</u>                      | <u>File No.</u> | <u>Exhibit No.</u> | <u>Filing Date</u> |  |
| 4.1                | <a href="#">Indenture, dated as of August 17, 2021 between Fisker Inc., as issuer, and U.S. Bank National Association, as trustee</a>  | 8-K                              | 001-38625       | 10.1               | 8/12/21            | X  |
| 31.1               | <a href="#">Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act</a>   |                                  |                 |                    |                    | X  |
| 31.2               | <a href="#">Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act</a>   |                                  |                 |                    |                    | X  |
| 32.1               | <a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> |                                  |                 |                    |                    | X  |
| 32.2               | <a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> |                                  |                 |                    |                    | X  |
| 101.INS            | XBRL Instance Document.  |                                  |                 |                    |                    | X  |
| 101.SCH            | XBRL Taxonomy Extension Schema Document.   |                                  |                 |                    |                    | X  |
| 101.CAL            | XBRL Taxonomy Extension Calculation Linkbase Document.   |                                  |                 |                    |                    | X  |
| 101.DEF            | XBRL Taxonomy Extension Definition Linkbase Document.  |                                  |                 |                    |                    | X  |
| 101.LAB            | XBRL Taxonomy Extension Label Linkbase Document.   |                                  |                 |                    |                    | X  |
| 101.PRE            | XBRL Taxonomy Extension Presentation Linkbase Document.  |                                  |                 |                    |                    | X  |
| 104                | Coverpage Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)  |                                  |                 |                    |                    | X  |

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on November 15, 2021.

**FISKER INC.**

By: /s/ Dr. Geeta Gupta-Fisker  
Name: Dr. Geeta Gupta-Fisker  
Title: Chief Financial Officer and Chief Operating Officer

**CERTIFICATION PURSUANT TO  
RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Henrik Fisker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fisker Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 15, 2021

/s/ Henrik Fisker

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Henrik Fisker  
Chairman, President and Chief Executive Officer  
(*Principal Executive Officer*)

**CERTIFICATION PURSUANT TO  
RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dr. Geeta Gupta-Fisker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fisker Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 15, 2021

/s/ Dr. Geeta Gupta-Fisker

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Dr. Geeta Gupta-Fisker  
Chief Financial Officer & Chief Operating Officer  
*(Principal Financial Officer)*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Fisker Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Henrik Fisker, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 15, 2021

/s/ Henrik Fisker

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Henrik Fisker  
Chairman, President & Chief Executive Officer  
*(Principal Executive Officer)*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Fisker Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dr. Geeta Gupta-Fisker, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 15, 2021

/s/ Dr. Geeta Gupta-Fisker

Dr. Geeta Gupta-Fisker  
Chief Financial Officer & Chief Operating Officer  
*(Principal Financial Officer)*