

Electric truck startup Nikola postpones December event

September 30 2020



Beleagured electric truck company Nikola postponed a December launch event but released a timetable for completing a new factory and starting production

Electric truck startup Nikola said Wednesday it was postponing a December launch event due to Covid-19 as it seeks to reset expectations following recent controversies.

The Arizona-based company said the "Nikola World" event, which had

been billed a potential launch of new vehicles and technology on December 3, would be rescheduled to a time when "we can bring the Nikola community together safely."

The company, which has been beset by questions over its business viability and its former chairman, also put out a timetable with targets for completing a US factory, finishing vehicle prototypes and commencing production, according to a [press release](#) that boosted shares.

Citing recent policy actions by the European Union and California on the hydrogen economy and phasing out gasoline-fueled cars, Nikola is developing environmental trucks, fueling stations and recreational vehicles to meet "the need for green transport solutions."

Key targets include completion of the first phase of a Coolidge, Arizona manufacturing facility in the [fourth quarter](#) of 2021 and the rollout of truck prototypes from a German factory later this year, leading into a production phase in the second half of 2021.

Nikola shares have been under pressure the last three weeks in the aftermath of controversies since it on September 8 announced a manufacturing partnership with General Motors.

A September 10 report from Hindenburg Research called the company an "intricate fraud." The company rejected most of the charges, but its founder and chairman Trevor Milton abruptly resigned September 21.

Earlier this week, Milton was accused by two women of sexual assault. A Milton spokesman said the accusations were baseless.

GM, which had previously announced the Nikola transaction would close by September 30, said Wednesday "our transaction with Nikola has not

closed."

"We are in discussions with current Nikola management and will provide further updates when appropriate or required," GM said. "In light of recent allegations regarding the personal behavior of Nikola's former Executive Chairman, Trevor Milton, we want to emphasize that GM strongly condemns sexual harassment and abuse of any kind."

A note from JPMorgan Chase Wednesday said GM might take advantage of Nikola's travails to renegotiate terms, perhaps taking a stake of 25 percent instead of 11 percent as in the original deal.

"We see GM walking away entirely from the transaction as relatively less likely, and the current transaction going through as proposed as the least likely scenario," the JPMorgan note said.

Nikola shares surged 11.3 percent to \$19.90 in afternoon trading.

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