

March 25, 2024



Canoo Acquires Additional Advanced Manufacturing Assets at Deep Discounts

Strategy of acquiring new and unused equipment at pennies on the dollar (80%+ discount), reduces capital expenditures by tens of millions of dollars, enhancing equity value

Justin, TX, March 25, 2024 (GLOBE NEWSWIRE) -- [Canoo Inc.](#) (NASDAQ: [GOEV](#)), a leading high-tech advanced mobility company, today announced that it completed the acquisition of a substantial portion of the advanced manufacturing assets that were previously owned by Arrival Automotive UK Limited. The purchased assets will be collected into more than 20 containers and shipped by sea to Canoo's manufacturing facilities in Oklahoma. As [announced in January 2024](#), Canoo previously acquired substantially all of the new and like-new assets owned by Arrival Automotive USA, Inc. These assets were transported from Arrival's North Carolina facility and received at Canoo's Oklahoma facility where commissioning is underway.

Canoo has the necessary manufacturing equipment to deliver 2024 production and this acquisition expands its capabilities to deliver its 2025 production at significantly lower costs. The assets purchased in this opportunistic transaction will accelerate Canoo's transition to automated processes by shortening purchase lead times by over 40%, reducing capital expenditures by 20%, and eventually lowering unit costs. Canoo's strategy in the near term is to improve its processes and product quality while it is producing at low volumes, allowing for simultaneous completion of supply chain harmonization and implementation of customer feedback before entering high-volume production. By prioritizing deployment of capital to its highest and best use, the company will ultimately achieve the fastest path to achieving positive unit margins.

"Our current strategy will save our shareholders tens of millions of dollars, which today, is not properly reflected in the value of our company. We remain focused on capital discipline and the smartest way to invest and create value," said Tony Aquila, Investor, Executive Chairman, and CEO of Canoo.

The advanced manufacturing assets include equipment supporting cabin production processes such as robots, dispensing systems, advance control equipment, PLC controllers and equipment supporting general assembly capacity expansion such as advanced safety equipment, manipulators, high-tech dynamic vehicle testing equipment and other spare equipment parts. These assets enable the company to increase its general assembly and vehicle cabin build capacity and provide redundancy in the event of equipment malfunction, thereby increasing efficiency and productivity. These assets were all purchased at a discounted price of over 80 percent of the estimated value and are new and like-new assets

that were carefully reviewed, inspected and selected by Canoo's team on multiple on-site visits conducted over several months.

Canoo expects to continue to pursue opportunistic investments and the purchase of advanced manufacturing equipment as it becomes available using a disciplined approach. Canoo may also utilize its [recently approved Foreign Trade Zone](#) to facilitate the purchase.

About Canoo

Canoo Inc.'s (NASDAQ: [GOEV](#)) mission is to bring EVs to Everyone. The company has developed breakthrough electric vehicles that are reinventing the automotive landscape with their pioneering technologies, unique design, and business model that spans multiple owners across the full lifecycle of the vehicle. Canoo designed a modular electric platform that is purpose-built to maximize the vehicle interior space and is customizable for all owners in the vehicle lifecycle, to support a wide range of business and consumer applications. Canoo has teams in California, Texas, Oklahoma, and Michigan. For more information, visit www.canoo.com and investors.canoo.com.

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Forward-Looking Statements

The information in this press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "estimate," "plan," "project," "forecast," "intend," "will," "expect," "anticipate," "believe," "seek," "target" or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements about our plans, expectations and objectives with respect to the results and timing of the reverse stock split and the effect the reverse stock split will have on the Company's ability to regain compliance with the Nasdaq Listing standards. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of Canoo's management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Canoo. These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political and legal conditions; Canoo's ability to access future capital, via debt or equity markets, or other sources; the rollout of Canoo's business and the timing of expected business milestones and commercial launch; future market adoption of Canoo's offerings; risks related to Canoo's go-

to-market strategy and manufacturing strategy; the effects of competition on Canoo's future business, and those factors discussed under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Canoo's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission (the "SEC") on March 30, 2023, as well as its past and future Quarterly Reports on Form 10-Q and other filings with the SEC, copies of which may be obtained by visiting Canoo's Investors Relations website at investors.canoo.com or the SEC's website at www.sec.gov. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Canoo does not presently know or that Canoo currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Canoo's expectations, plans or forecasts of future events and views as of the date of this press release. Canoo anticipates that subsequent events and developments will cause Canoo's assessments to change.

However, while Canoo may elect to update these forward-looking statements at some point in the future, Canoo specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Canoo's assessments as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.



Source: Canoo Inc.