

## **PROPOSED PLAN OF ALLOCATION**

1. The Proposed Plan of Allocation (the “Plan of Allocation” or “Plan”) set forth below is the plan for the distribution of the Net Settlement Fund that is being proposed by Plaintiffs and Lead Counsel to the Court for approval.<sup>1</sup> The Court may approve this Plan of Allocation or modify it without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted on the Settlement website at [www.RomeoPowerSecuritiesSettlement.com](http://www.RomeoPowerSecuritiesSettlement.com).

2. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

3. Based on the formulas set forth below, a “Recognized Loss Amount” shall be calculated by the Claims Administrator for each purchase or acquisition of a Romeo Security during the Settlement Class Period that is listed in the Claim Form and for which adequate documentation is provided.<sup>2</sup>

4. Recognized Loss Amounts are based primarily on the price declines quantified by Plaintiffs’ consulting damages expert over the period which Plaintiffs allege corrective information was entering the market place. In the Action, Plaintiffs allege that the Individual Defendants made false statements and omitted material facts during the Settlement Class Period (*i.e.*, October 5,

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<sup>1</sup> All capitalized terms that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated December 7, 2023 (the “Stipulation”), which is available at [www.RomeoPowerSecuritiesSettlement.com](http://www.RomeoPowerSecuritiesSettlement.com).

<sup>2</sup> Prior to the December 29, 2020 business combination between RMG Acquisition Corp. and Romeo Power, Inc. (the “Business Combination”), RMG’s Class A common stock, warrants and units were listed on the New York Stock Exchange (the “NYSE”) under the symbols RMG, RMG.WT, and RMG.UT, respectively. Upon the closing of the Business Combination, the Company’s common stock and warrants were listed on the NYSE under the symbols RMO and RMO.WT, respectively. All then-issued and outstanding RMG Units automatically separated into their component securities. The Company did not have publicly traded units followingly the Business Combination.

On April 5, 2021, all outstanding publicly traded Romeo Warrants were redeemed. The Romeo Warrants could be exercised until April 5, 2021 to purchase shares of Romeo Common Stock, at the exercise price of \$11.50 per share. After 5:00 pm on April 5, 2021, any publicly trade Romeo Warrants that remained unexercised were void and no longer exercisable, and holders of Romeo Warrants received the redemption price of \$0.01 per warrant.

After the Settlement Class Period, on October 14, 2022, Nikola completed its acquisition of Romeo, and the Company’s common stock ceased trading and was no longer listed on the NYSE.

2020 through August 16, 2021, both dates inclusive), which had the effect of allegedly artificially inflating the prices of the Romeo Securities. The estimated alleged artificial inflation in the price of Romeo Common Stock and Romeo Warrants during the Settlement Class Period is reflected in Table 1 below.

5. In order to have recoverable damages, disclosure of the alleged misrepresentations must be the cause of the decline in the price of the Romeo Security. Alleged corrective disclosures removed the alleged artificial inflation from the prices of the Romeo Securities on March 31, 2021 and August 17, 2021 (the “Corrective Disclosure Dates”). Accordingly, in order to have a Recognized Loss Amount, Romeo Securities must have been purchased or otherwise acquired during the Settlement Class Period and held at the opening of trading on at least one of the alleged Corrective Disclosure Dates.

6. To the extent a Claimant does not satisfy the conditions set forth in the preceding paragraph, his, her, or its Recognized Loss Amount for those transactions will be zero.

<b>Table 1</b>			
<b>Artificial Inflation in Romeo Common Stock and Romeo Warrants</b>			
<b>From</b>	<b>To</b>	<b>Common Stock</b>	<b>Warrants</b>
October 5, 2020	March 30, 2021	\$3.63	\$0.24
March 31, 2021	August 16, 2021	\$0.95	\$0.00
August 17, 2021	Thereafter	\$0.00	\$0.00

7. The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (“PSLRA”) is incorporated into the calculation of Recognized Loss Amounts. This limitation provides that the Recognized Loss Amount for Romeo Common Stock purchased or otherwise acquired during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for such stock and the average closing price of Romeo Common Stock during the 90-Day Lookback Period. The Recognized Loss Amount for Romeo Common Stock purchased during the Settlement Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and the rolling average closing price of Romeo Common Stock during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

8. In the calculations below, all purchase and sale prices shall exclude any fees, taxes, and commissions. If a Recognized Loss Amount is calculated to be a negative number, that Recognized Loss Amount shall be set to zero. Any transactions in Romeo Securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

**CALCULATION OF PER-SECURITY RECOGNIZED LOSS AMOUNTS**

**Romeo Common Stock**

9. Based on the formula set forth below, a Recognized Loss Amount shall be calculated under the Exchange Act for each purchase or acquisition of publicly traded Romeo Common Stock during the Settlement Class Period that is listed in the Claim Form and for which adequate documentation is provided

- i. For each share that was sold or redeemed prior to March 31, 2021, the Recognized Loss Amount is \$0.00.
- ii. For each share that was purchased during the Settlement Class Period and subsequently sold during the period March 31, 2021 through August 16, 2021, both dates inclusive, the Recognized Loss Amount is *the lesser of*:
  - a. the price inflation on the date of purchase as provided in Table 1 above *minus* the price inflation on the date of sale as provided in Table 1 above; or
  - b. the purchase price *minus* the sale price.
- iii. For each share that was purchased during the Settlement Class Period and subsequently sold during the period August 17, 2021 through November 12, 2021, both dates inclusive (*i.e.*, sold during the 90-Day Lookback Period), the Recognized Loss Amount is *the least of*:
  - a. the price inflation on the date of purchase as provided in Table 1 above; or
  - b. the purchase price *minus* the sale price; or
  - c. the purchase price *minus* the “90-Day Lookback Value” on the date of sale as appears in Table 2 below.
- iv. For each share that was purchased during the Settlement Class Period and still held as of the close of trading on November 12, 2021, the Recognized Loss Amount is *the lesser of*:
  - a. the price inflation on the date of purchase as provided in Table 1 above; or
  - b. the purchase price *minus* the average closing price for Romeo Common Stock during the 90-Day Lookback Period, which is \$4.77.

<b>Table 2</b>					
<b>Romeo Common Stock 90-Day Lookback Values</b>					
<b>Sale/Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale/Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale/Disposition Date</b>	<b>90-Day Lookback Value</b>
8/17/2021	\$4.76	9/16/2021	\$4.85	10/15/2021	\$4.87
8/18/2021	\$4.78	9/17/2021	\$4.86	10/18/2021	\$4.87
8/19/2021	\$4.58	9/20/2021	\$4.85	10/19/2021	\$4.87
8/20/2021	\$4.51	9/21/2021	\$4.85	10/20/2021	\$4.87
8/23/2021	\$4.62	9/22/2021	\$4.86	10/21/2021	\$4.87
8/24/2021	\$4.68	9/23/2021	\$4.88	10/22/2021	\$4.86
8/25/2021	\$4.73	9/24/2021	\$4.89	10/25/2021	\$4.86
8/26/2021	\$4.77	9/27/2021	\$4.92	10/26/2021	\$4.84
8/27/2021	\$4.78	9/28/2021	\$4.92	10/27/2021	\$4.83
8/30/2021	\$4.81	9/29/2021	\$4.92	10/28/2021	\$4.82
8/31/2021	\$4.81	9/30/2021	\$4.92	10/29/2021	\$4.81
9/1/2021	\$4.82	10/1/2021	\$4.92	11/1/2021	\$4.80
9/2/2021	\$4.84	10/4/2021	\$4.91	11/2/2021	\$4.80

9/3/2021	\$4.85	10/5/2021	\$4.90	11/3/2021	\$4.79
9/7/2021	\$4.88	10/6/2021	\$4.90	11/4/2021	\$4.79
9/8/2021	\$4.87	10/7/2021	\$4.89	11/5/2021	\$4.78
9/9/2021	\$4.87	10/8/2021	\$4.88	11/8/2021	\$4.78
9/10/2021	\$4.86	10/11/2021	\$4.88	11/9/2021	\$4.78
9/13/2021	\$4.85	10/12/2021	\$4.87	11/10/2021	\$4.77
9/14/2021	\$4.84	10/13/2021	\$4.88	11/11/2021	\$4.77
9/15/2021	\$4.84	10/14/2021	\$4.88	11/12/2021	\$4.77

### **Romeo Warrants**

10. Based on the formula set forth below, a Recognized Loss Amount shall be calculated under the Exchange Act for each purchase or acquisition of publicly traded Romeo Warrants during the Settlement Class Period that is listed in the Claim Form and for which adequate documentation is provided.

- i. For each warrant that was sold, redeemed, or exercised prior to March 31, 2021, the Recognized Loss Amount is \$0.00.
- ii. For each warrant that was purchased during the Settlement Class Period and subsequently sold, redeemed or exercised during the period March 31, 2021 through April 5, 2021, both dates inclusive, the Recognized Loss Amount is *the lesser of*:
  - a. the price inflation on the date of purchase as provided in Table 1 above *minus* the price inflation on the date of disposition as provided in Table 1 above; or
  - b. the purchase price *minus* the sale price if sold, or the redemption price if redeemed, or the closing price of the Romeo Warrants on the date of exercise if exercised.

### **ADDITIONAL PROVISIONS**

11. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 23 below) is \$10.00 or greater.

12. **FIFO Matching:** If a Settlement Class Member has more than one purchase/acquisition or sale of Romeo Securities, all purchases/acquisitions and sales shall be matched on a First In, First Out (“FIFO”) basis. Sales of Romeo Securities will be matched first against any holdings of like securities at the beginning of the Settlement Class Period, and then against purchases/acquisitions of like securities in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period.

13. **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her or its Recognized Loss Amounts for all Romeo Securities.

14. **“Purchase/Sale” Dates:** Purchases or acquisitions and sales of Romeo Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of Romeo Securities during the Settlement Class Period shall not be deemed a purchase, acquisition, or sale of Romeo Securities for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any

Romeo Security unless (i) the donor or decedent purchased or otherwise acquired such Romeo Security during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Romeo Security; and (iii) it is specifically so provided in the instrument of gift or assignment.

15. **Short Sales:** The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Romeo Security. The date of a “short sale” is deemed to be the date of sale of the Romeo Security. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in a Romeo Security, the earliest Settlement Class Period purchases or acquisitions shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

16. **Option Contracts:** Option contracts are not securities eligible to participate in the Settlement. With respect to Romeo Common Stock purchased through the exercise of an option, the purchase date of the Romeo Common Stock shall be the exercise date of the option, and the purchase price of the Romeo Common Stock shall be the option’s exercise price. Any Recognized Loss Amount arising from purchases of Romeo Common Stock acquired during the Settlement Class Period through the exercise of options on Romeo Common Stock shall be computed as provided for other purchases of Romeo Common Stock in the Plan of Allocation.

17. **Common Stock Acquired Through Exercised Warrants:** With respect to Romeo Common Stock purchased through the exercise of a Romeo Warrant, the purchase date of the Romeo Common Stock shall be the exercise date of the Romeo Warrant, and the purchase price of the Romeo Common Stock shall be \$11.50 per share (*i.e.*, exercise price of the Romeo Warrant). Any Recognized Loss Amount arising from purchases of Romeo Common Stock acquired during the Settlement Class Period through the exercise of Romeo Warrants shall be computed as provided for other purchases of Romeo Common Stock in the Plan of Allocation.

18. **Separated RMG Units:** RMG Units purchased during the Settlement Class Period that were subsequently separated into their component securities prior to or in connection with the Business Combination (*i.e.*, separated into one share of Romeo Common Stock and one-third of a Romeo Warrant per RMG Unit), shall be treated as (i) a sale of such RMG Units on the date of separation at a per-unit sale price equal to the closing price of the RMG Units on the date of separation, plus (ii) a purchase of the component securities received upon the separation of such RMG Units at a per-security purchase price equal to the closing price of each component security received on the date of separation. Any Recognized Loss Amount arising from the acquisition of Romeo Common Stock and/or Romeo Warrants during the Settlement Class Period through the separation of a RMG Unit purchased during the Settlement Class Period shall be computed as provided for other purchases of Romeo Common Stock and Romeo Warrants in the Plan of Allocation.<sup>3</sup>

19. **Common Stock Acquired Through PIPE Subscription Agreements:** Shares of Romeo Common Stock issued and sold pursuant to the PIPE Subscription Agreements entered into on

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<sup>3</sup> In connection with the consummation of the Business Combination, all then-issued and outstanding RMG Units automatically separated into their component securities. Component securities received during the Settlement Class Period upon the separation of RMG Units that were purchased prior to the Settlement Class Period are not eligible for a recovery from the Settlement.

October 5, 2020 in connection with the Business Combination are not securities eligible to participate in the Settlement.

20. **Common Stock Issued to Legacy Romeo Security Holders:** Shares of Romeo Common Stock issued to legacy Romeo security holders upon the consummation of the Business Combination are not securities eligible to participate in the Settlement.

21. **Market Gains and Losses:** To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Romeo Securities during the Settlement Class Period, the value of the Claimant's Recognized Claim shall be zero. Such Claimants shall in any event be bound by the Settlement. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Romeo Securities during the Settlement Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant's Recognized Claim shall be limited to the amount of the actual market loss.

22. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in Romeo Securities during the Settlement Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>4</sup> and (ii) the sum of the Total Sales Proceeds<sup>5</sup> and the Total Holding Value.<sup>6</sup> If the Claimant's Total Purchase Amount *minus* the sum of the Total Sales Proceeds and the Total Holding Value is a positive number, that number will be the Claimant's market loss on such securities; if the number is a negative number or zero, that number will be the Claimant's market gain on such securities.

23. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant. Any Distribution Amounts of less than \$10.00 will be included in the pool distributed to those Settlement Class Members whose Distribution Amounts are \$10.00 or greater.

24. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall

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<sup>4</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for all Romeo Securities purchased or acquired during the Settlement Class Period.

<sup>5</sup> The Claims Administrator shall match any sales of Romeo Securities during the Settlement Class Period, first against the Claimant's opening position in like Romeo Securities (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of Romeo Securities sold during the Settlement Class Period shall be the "Total Sales Proceeds."

<sup>6</sup> The Claims Administrator shall ascribe a "Holding Value" to Romeo Common Stock purchased or acquired during the Settlement Class Period and still held as of the close of trading on August 16, 2021, which shall be \$4.76 per share. The sum of the Claimant's Holding Values for all shares of Romeo Common Stock shall be the Claimant's "Total Holding Value."

make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund at least nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining, after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants, who have cashed their prior checks and who would receive at least \$10.00 in such additional re-distributions, may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

25. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Plaintiffs' consulting damages expert, the Individual Defendants, Individual Defendants' Counsel, or any of the other Released Parties, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Plaintiffs, the Individual Defendants and their respective counsel, and all other Released Defendant Parties, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund, or any losses incurred in connection therewith.