

RJ/RIVIAN
Hello Everyone,

Earlier this week, we announced pricing increases that broke the trust we have worked to build with you. Since originally setting our pricing structure, and most especially in recent months, a lot has changed. The costs of the components and materials that go into building our vehicles have risen considerably. Everything from semiconductors to sheet metal to seats has become more expensive and with this we have seen average new vehicle pricing across the U.S. rise more than 30% since 2018. Given our build lead up times, we need to plan production costs not only for today, but also for the future.

As we worked to update pricing to reflect these cost increases, we wrongly decided to make these changes apply to all future deliveries, including pre-existing configured preorders. We failed to appreciate how you viewed your configuration as price locked, and we wrongly assumed the announced Dual-Motor and Standard battery pack would provide configurations that would deliver price points similar to your original configuration. While this was the logic, it was wrong and we broke your trust in Rivian.

We also didn't manage communications well. We didn't give you enough insight into what was driving these decisions. The most important aspect of what we are building is our relationship with all of you. As we demonstrated earlier this week, trust is hard to build and easy to break. In speaking with many of you over the last two days, I fully realize and acknowledge how upset many of you felt. I have made a lot of mistakes since starting Rivian more than 12 years ago, but this one has been the most painful. I am truly sorry and committed to rebuilding your trust.

One of the things we talk about a lot internally is that we will make mistakes – it's part of building something complex. The key is to learn from them and address them when they are made. It is how we grow. We made a mistake in how we approached our pricing changes, and what is important now is that we fix it.

For anyone with a Rivian preorder as of the March 1 pricing announcement, your original configured price will be honored. If you canceled your preorder on or after March 1 and would like to reinstate it, we will restore your original configuration, pricing and delivery timing. Our team will be sending an email in the next few days with more details.

Regarding our updated pricing for future preorders, the introduction of our Dual-Motor configuration and Standard battery pack has been designed to enable us to maintain lower starting prices while adjusting the pricing of the Quad-Motor and larger battery packs to reflect rising costs. Building a durable business is core to the continued impact we can deliver as a company. We are focused on building a brand and products that will continue to scale to different vehicle sizes, use cases, price points and markets – this growth will only be possible with your support and continued feedback.

Thank you for the personal notes and discussions I had with so many of you. Your feedback makes us better.

RJ