

“Hyllion: A Glorified Science Project Who Has Continuously Failed To Meet Expectations And Is Now Throwing Around A Meaningless Deal..”

Hyllion Holdings Corp | AMEX: HYLN



Pelican Way Research



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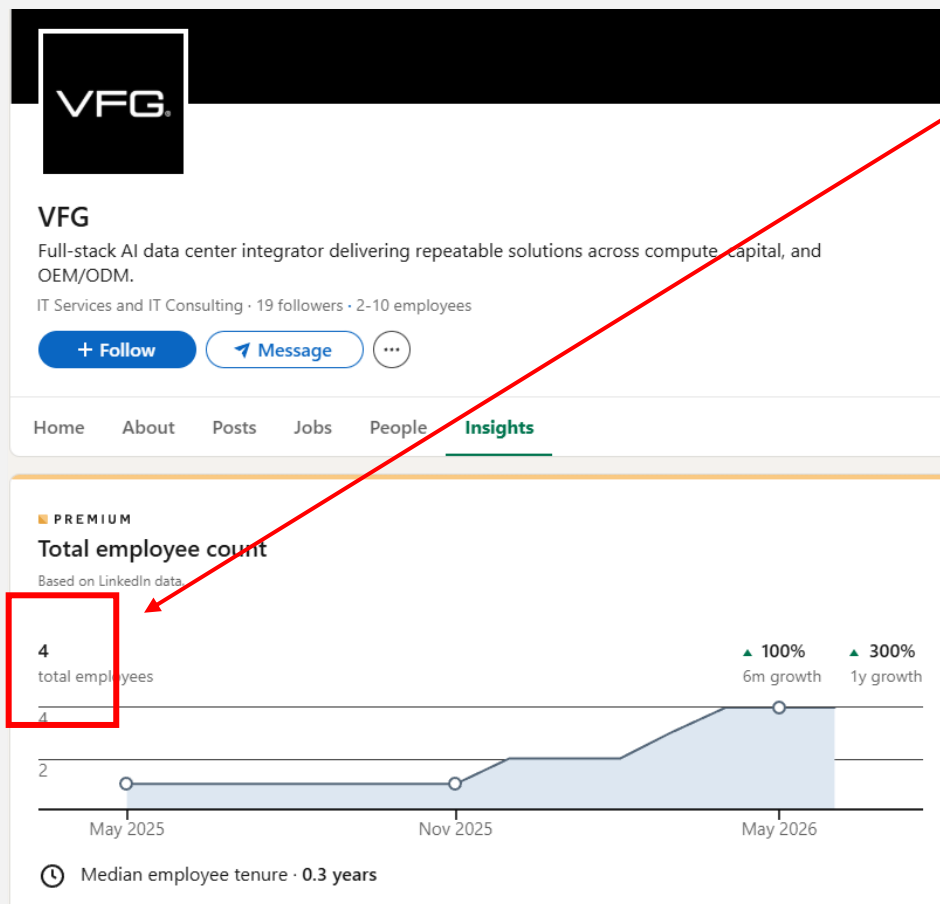
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We Believe Hyliion Is Up ~150% On a Meaningless LOI

- Since the release of the [1Q26 results](#) and the announcement of a 250 KARN0 core (Hyliion’s main product offering) order (~\$133mm worth), shares of Hyliion have risen ~150%+. We believe this LOI is a sham because the counterparty (VFG Holdings, or legally VGF Tech Holdings, LLC) does not appear to have any substance.* The VFG entity was registered just a few months ago in [January 2026](#). The company's website contains just two pages, a [home page](#) and a [contact form](#), with no listed address. The man behind the entity, [Jason Green](#), runs a second company ([Artificial By Design](#)) at the same time. According to the VFG LinkedIn page, it (VFG) has only [4 employees](#).

- Executed an LOI with advanced data center developer VFG Holdings for up to 250 KARN0 Cores, or 50 megawatts, targeted over five years



Source: LinkedIn

VFG TECH HOLDINGS LLC

Company Number 10460806

Incorporation Date 5 January 2026 (5 months ago)

Company Type Domestic Limited Liability Company

Jurisdiction [Delaware \(US\)](#)

Registered Address Kent, DE

Agent Name COGENCY GLOBAL INC

Agent Address 850 NEW BURTON ROAD - SUITE 201 - DOVER DE 19904

Directors / Officers [COGENCY GLOBAL INC, agent](#)

Source: Open Corporates

*The PR says “VFG Holdings” but the VFG [website](#) disclaims that the legal name is VFG Tech Holdings LLC.

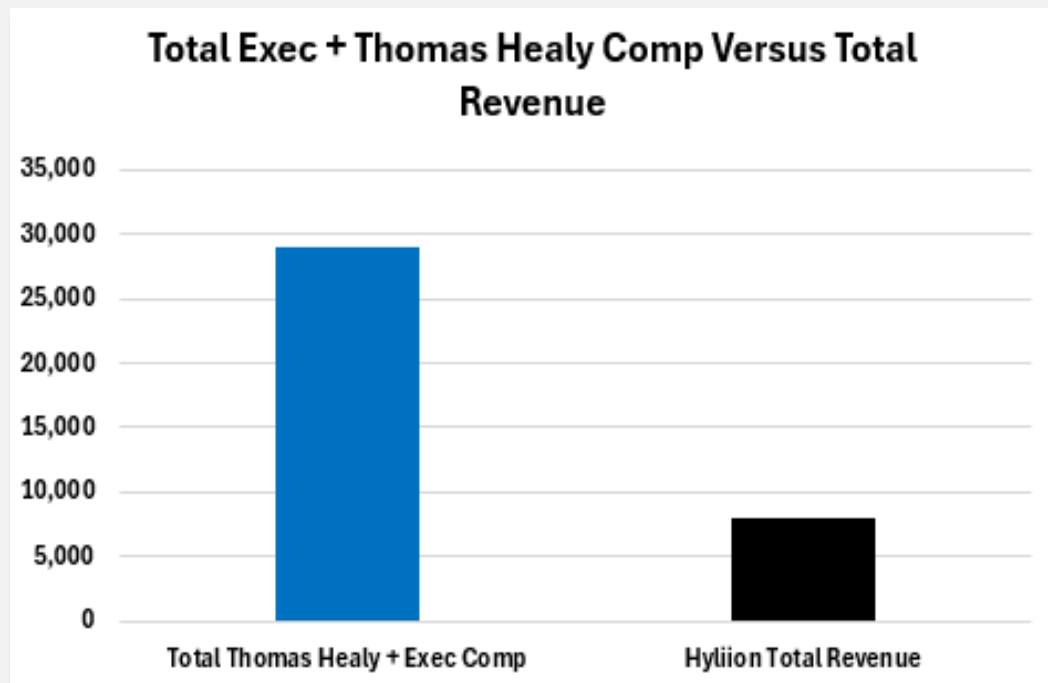


Executive Summary



Introduction To Healy, The CEO Who's Spent ~6 Years Not Executing and Pocketing Millions More Than The Entire Company Made In Revenue

- Hyliion’s founder and CEO [Thomas Healy](#) appears to be a long-time promoter. Healy brought Hyliion public via [SPAC](#) in 2020 as an electric truck (EV) play. The EV version of Hyliion ceased to exist in 2023 following a [strategic review](#), which we believe was an expected demise for a company only managing to generate less than \$1mm in revenues [that same year](#). We think Hyliion’s latest pivot is brought to you by Healy because he is an expert salesman, and in this case, we think he’s selling investors a second pipe dream after they got incinerated on the last deal. In his [own words](#), in order to get investors, you must “create **fear** [in investors] that they might miss out on this deal”. In fact, during their time as an EV story they managed to do tens of millions less revenue than Nikola Motors did AFTER it was exposed by [Hindenburg Research](#) in 2020.
- The commercialization/production has consistently been promised yet never delivered. At first, it was “volume shipments” expected in [2022](#), and then it was production starting in late [2023](#), and then the entire truck venture failed and Hyliion pivoted to [power modules and generation](#). Now, in an effort to capitalize on the latest hype wagon, Hyliion has started venturing into the [AI data center](#) phase of their business.
- During these years of being a salesman, we found that Healy has been paid ~\$15.4mm since 2021 while the entire company has only done ~\$8mm in revenue up until the end of FY25. Healy appears to have not figured out how to run a business other than getting himself paid. On top of that, we calculated that an extra ~\$13.5mm has been paid out over the years to other executives at the company over the same timeframe, entirely paid for with shareholder money.



Source: Hyliion Filings FY21-FY25



Source: Bloomberg



Hyllion Lacks Some Of The Most Critical Pieces Of Being a Datacenter Play

- We believe that Hyllion currently lacks any of the power deals, real customers, etc. which make other datacenter focused companies successful. The market has seen multiple companies that also have not been able to execute properly and have played out in a negative way. We will point investors to the high-profile case of Fermi America. Fermi was published on by Fuzzy Panda Research in an April 2026 [report](#) which alleged that the C-Suite was filled with “yes men”, whose key partners appeared to be dubious, and who lacked a concrete plan & the capital to do so. We have similar concerns with the playbook at Hyllion. Since coming public, shares of Fermi have [fallen](#) ~70%.

Key Piece	Does Hyllion Have It?
Established Customers	No
Power Deals	No
Funding	No

Hyllion Does Not Have The Means To Be A Real Player



Introduction To Hyliion As A Business

- Hyliion is a power generator company which operates through its primary product offering, the KARN0 Power Module. Which according to the company's [10K](#), is a fully integrated power generating solution which is built with the [KARN0 core](#). The modules enable power generation utilizing a “wide range” of fuel sources including both conventional fuels and nonconventional fuels such as renewable hydrogen. The company did ~\$3.5mm in revenues in [FY25](#) and operated on a ~(\$57.2mm) net loss. The company is run by Healy who is also the founder according to his [LinkedIn](#) and was a part of the [2017 Forbes 30 under 30](#), Energy list. The CFO is [Jon Panzer](#) who was previously at Union Pacific Railroad. Hyliion's stock is up on the back of the CEO making a bet on being the next great AI data center play.
- The KARN0 technology was bought from GE in [2022](#) for ~\$37mm, which included \$15mm in cash and \$22mm in Hyliion stock. Even back then the technology was still in the R&D/Non-commercialized phase, which has still yet to be solved, and a former Hyliion employee expressed to us that there was no real interest for the technology outside of Hyliion. After pivoting from their EV truck play, Hyliion has decided to stake its future on the KARN0 technology and a venture into [AI data centers](#). The current stock price is reflective of the recent hype surrounding the company's [supposed](#) ~\$400mm+ backlog, a backlog we believe is at artificially inflated by at least ~33% according to our research.
- We spoke to a former employee about the timeline to commercialize KARN0 who told us that there will need to be “a lot” of testing which is going to happen over a number of years. We came away with the impression that the actual commercializing is years away and that this current run up in the share price is not reflective of reality.

The screenshot shows the 'About Hyliion' page on the company's website. The header includes the Hyliion logo and navigation links for SOLUTIONS, TECHNOLOGY, APPLICATIONS, and MENU. The main heading is 'ENGINEERING THE ELECTRIFIED FUTURE' with a sub-heading 'ABOUT HYLIION'. Below this is a paragraph: 'Hyliion is constantly pushing the boundaries of innovation to pave the way for the future of sustainable electricity production.' The page also features the 'HYLIION IDENTITY' section, which includes the pronunciation '(hi-lee-on)' and the tagline 'Hybrid + Lithium + Ion'. A final paragraph explains the portmanteau name and the company's focus on sustainable energy.



***We Believe The Deal With VFG Holdings
May Be Overstated***



Introduction To The VFG Deal

- On the 1Q26 [earnings report](#), Hyliion announced that they had signed an LOI with “VFG Holdings” for “up to” 250 KARNO Cores, which represents ~\$133.33mm in potential revenue for Hyliion and makes up ~33.33% of the company’s reported \$400mm pipeline.* We believe that this pipeline is a large portion of the [bull thesis](#), and that the largely retail shareholder base may be putting too much faith into the reported pipeline numbers. Since the [1Q26 earnings release](#) on May 13th, 2026, the company’s stock price has surged [~150%+](#), up to a [~\\$1.31B market capitalization](#). In the coming slides, we will explain why we believe the deal may not be what it seems and why we believe our research will likely lead to a rerating of the stock to a considerably lower level. We are skeptical of the rest of the Hyliion pipeline as well, as there is very limited disclosure around its signing of these deals. We attempted to gain clarity through piecing together earnings calls, PRs, and other methods and were unable to come to a satisfactory conclusion. If VFG is the entity that Hyliion chooses to put forward publicly, what does that say about the rest of the pipeline?



1Q26 ER release.

Source: Bloomberg

*The pipeline was reported in bullet 3 of their [1Q26 results PR](#).



VFG Was Incorporated in 2026 And Has Nearly No Public Profile

- Through our diligence, we uncovered that VFG Holdings (or legally, “VFG Tech Holdings, LLC”) is a newly registered company that dates to only January 5th, 2026, according to [Open Corporates](#) data. The only registered address we could find was its registered agent, which was in Dover, Delaware. Through further diligence, we found that the company is run by “Jason Green,” who, according to his [LinkedIn](#), also runs a separate firm called [Artificial by Design](#), which, according to its [website](#), is a “hypervisor” for GPU/CPU AI infrastructure.
- Normally, when we check a private company, we can find some sort of funding round that will give us a sense of what the company can/can’t do financially. Instead, we found no PitchBook data, nor anything else. We were, however, able to find third-party data for Artificial By Design and found that it has no funding and has an estimated \$855k in annual revenues according to [Prospero](#). We find it extremely hard to believe that VFG (which is ran by the same person, seemingly part time, with no address, no funding history, and no history extending beyond January 2026) would have such a drastically different financial profile from their counterpart that they would be able to handle a \$133mm+ order, we are of the opinion that this is largely marketing fluff brought to Hyliion’s CEO who has said that in order to get people to invest you need to instill the “fear” of missing out.*

Key Business Highlights

- Successfully completed non-recurring UL certification testing of the KARN0 Power Module, a key milestone for enabling customer site deliveries
- Executed an LOI with advanced data center developer VFG Holdings for up to 250 KARN0 Cores, or 50 megawatts, targeted over five years
- Nearly 750 KARN0 Cores under non-binding letters of intent, representing more than \$400 million of potential revenue at current pricing

Source: [Fidelity](#)

VFG TECH HOLDINGS LLC

Company Number 10460806

Incorporation Date 5 January 2026 (5 months ago)

Company Type Domestic Limited Liability Company

Jurisdiction [Delaware \(US\)](#)

Registered Address Kent, DE

Agent Name COGENCY GLOBAL INC

Agent Address 850 NEW BURTON ROAD - SUITE 201 - DOVER DE 19904

Directors / Officers [COGENCY GLOBAL INC](#), agent

Source: [Open Corporates](#)

VFG was incorporated in
January 2026.

*We dedicate an entire slide to this, we kid you not, Healy said in an [interview](#): “you got to create **fear** [in investors] that they might miss out on this deal”.



The VFG Deal Is Suspiciously Timed Right As Hyliion's Cash Pile Is Dwindling

- We believe that the deal with VFG Holdings is conveniently timed right as the company's cash reserves is running lower. Currently, Hyliion sits with just ~\$139.3mm in current assets according to their latest [10Q](#). Hyliion currently loses ~\$50mm a year as of their [FY25 10K](#), this means that the company has ~33 months left before they run out of cash, we think they will end up spending more cash as they make an attempt at commercialization. In our experience, we have found that companies seem to like to dilute right around when they have ~18 months of cash left. We think right now, on the back of the dubious LOI which sent shares soaring is the opportune time to dilute shareholders in order to continuously line management's pockets and continue on the never-ending road of being a science project.

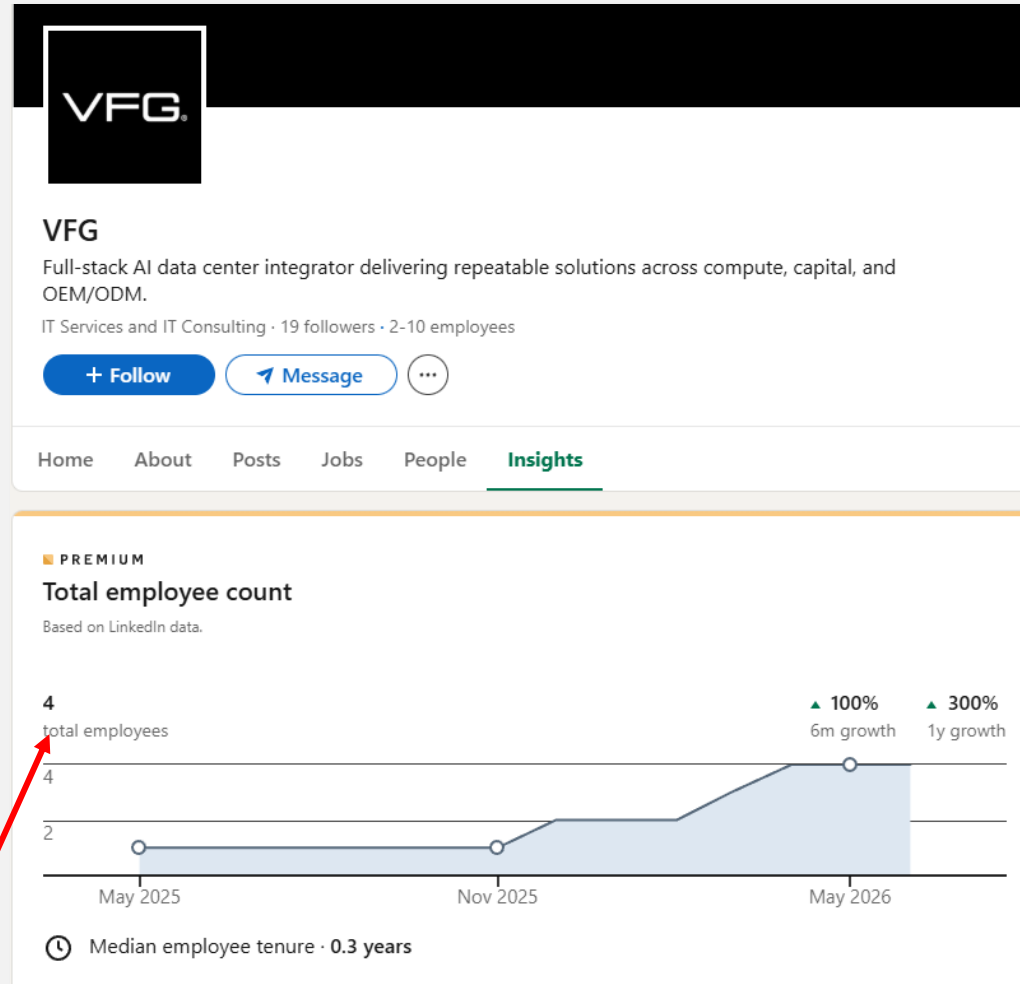
	March 31, 2026
	(Unaudited)
Assets	
Current assets	
Cash and cash equivalents	\$ 20,262
Accounts receivable, net	3,026
Inventory	1,919
Prepaid expenses and other current assets	4,031
Short-term investments	52,208
Assets held for sale	—
Total current assets	81,446
Property and equipment, net	38,494
Operating lease right-of-use assets	2,963
Other assets	990
Long-term investments	66,858
Total assets	\$ 190,751

Hyliion sits on just ~\$139mm in cash while burning ~\$50mm a year and still needing to ramp up spending for supposed commercialization. We believe dilution is imminent.

Source: [Latest 10Q](#)



Case Study: VFG Appears To Have Just Four Employees



VFG appears to have just 4 employees

Source: [VFG LinkedIn](#)

VFG 19 followers · 4w · [No Title]

VFG is proud to be partnered with **Thomas Healy** and the team at **Hyliion**. Truly groundbreaking power technology that we're excited to support for many years to come.

Hyliion 26,127 followers · 4w · [No Title]

Hyliion reported its Q1 2026 financial results, highlighting completion of UL certification testing, demo of multi-fuel switching, and starting to build an 800-kilowatt KARNO™ system. Read the full report here: <https://bit.ly/3RaVFgl> ...more

THOMAS HEALY
Founder and CEO

IQ26 HIGHLIGHTS

"The first quarter delivered tangible progress against the deployment and commercialization plan we outlined for 2026, including completion of UL non-recurring testing on the KARNO Power Module, a new data center partnership with VFG Holdings, demonstrated multi-fuel flexibility, and four times the revenue of the prior quarter. Our focus for the balance of the year remains on execution as we work toward commercialization of the KARNO Power Module by year end."

11 likes · 2 comments · 3 reposts

Source: [VFG LinkedIn Posts](#)

The only VFG post is about Hyliion



Case Study: The Entirety Of The VFG Website

These are the only two pages on the entire VFG website. Perhaps some of that supposed ~\$133mm should be directed toward a barely functioning website?



Source: [VFG Homepage](#)

Where on earth does VFG get ~\$133mm to throw around with just 4 employees and a barely functioning website?!

Source: [VFG Contact Form](#)



Case Study: WhoIs Data Corroborates VFG Is Brand New

VFG's website domain was registered on December 26th.

vfg Holdings.com		Updated 2 days ago
Domain Information		
Domain:	vfg Holdings.com	
Registered On:	2025-12-26	
Expires On:	2026-12-26	
Updated On:	2025-12-26	
Status:	client delete prohibited client transfer prohibited	
Name Servers:	ns-cloud-e1.google Domains.com ns-cloud-e2.google Domains.com ns-cloud-e3.google Domains.com ns-cloud-e4.google Domains.com	

Source: [WhoIs Data](#)



Case Study: Jason Green Profile



Jason Green ✓
 Executive Leader | AI Infrastructure & Data Centers | VFG & Artificial By Design
 Denver, Colorado, United States · [Contact info](#)
 1,667 followers · 500+ connections

[+ Follow](#) [Message](#) [...](#)

Source: [Jason Green LinkedIn](#)

Experience

- VFG** CEO / Co-Founder
 VFG · Full-time
 Dec 2025 - Present · 7 mos
 Denver, CO · Remote
 Full-stack AI data center systems integrator delivering repeatable infrastructure solutions across compute and power... more
- ABD** Co-Founder
 Artificial By Design · Full-time
 Dec 2024 - Present · 1 yr 7 mos
 Denver, CO · Remote
 Artificial by Design develops advanced infrastructure and software platforms designed to improve performance portability across heterogeneous compute... more

Artificial Intelligence (AI), API and +5 skills

Source: [Jason Green LinkedIn](#)

\$ Artificial By Design revenue & valuation

Annual revenue	\$855,550
Revenue per employee	\$86,000
Estimated valuation ?	\$2,800,000
Total funding	No funding

Source: [Third-Party Valuation of Artificial By Design](#)

Jason appears to be running multiple companies at the same time.

Jason's other venture is only worth \$2.8mm, we find it unlikely he could raise the hundreds of millions needed to pay Hylion.









Hyllion's Last Fad Venture Didn't Work



Hyllion Couldn't Make Its Last Fad Venture Work

- Our research indicated that Hyllion has been completely unable to gain real traction and thus has started what we think is a disingenuous foray into becoming an AI data center play. The original business had gone public via [SPAC](#) in 2020. According to their SPAC presentation it was touting electric trucks. One comparison made on slide 9 of the [SPAC deck](#) was their “Hypertruck ERX” against the Nikola Motors Fuel Cell Electric and the Tesla Battery Electric truck. The deck highlighted a significantly 7-year total cost of ownership versus the peers. The ERX was dropped as a product in 2023 following a [strategic review](#). Hyllion was never able to deliver large quantities of vehicles, we estimate (given the ~\$279,996 price point, shown in picture below) against the ~\$8mm made by Hyllion since 2021 that they could have only delivered ~29 trucks in that time.
- Hindsight is 20/20, however we are of the opinion that when a company has previously attempted to capitalize on the hype (EV trucks) and failed, that they will often experience a similar ending in their latest hype play (AI data centers). To make matters worse, Hyllion’s competitor was accused of being a fraud (Nikola) which had been [published](#) on by [Hindenburg Research](#) in September 2020 for being an “intricate fraud”.

FUTURE SOLUTIONS

		
BATTERY-ELECTRIC (BEV)	FUEL-CELL ELECTRIC (FCEV)	HYPERTRUCK ERX
		
2021+	2023+	2021
\$200,000	\$235,000	\$220,000
\$98,000	\$350,000	\$94,776
\$140,000	\$52,500	(\$35,000)
\$438,000	\$637,500	\$279,776
(1%)	(48%)	+35%

CEO appears focused on robotics and trying to make FSD work for a decade behind schedule.

The Nikola CEO (Trevor Milton) was charged with fraud, and the company went bankrupt. The CEO (Trevor Milton) was pardoned by Trump.



Historical LOIs/MOUs Have Not Led to Meaningful Revenues

- Our research indicates that over the years, Hyliion has spun up many agreements that have failed to lead to anything commercially successful. In the coming slides, we will outline the problems that have arisen from each and what we believe to be a historical pattern of hyped PRs with little to no substance. Our first agreement that we'd like to bring to the attention of Hyliion investors is the April 2024 [announcement](#) with Victory Clean Energy for the purchase of 10 KARNO generators, which were each capable of an estimated power output of 200kW, according to the PR. In this case, we raise an issue with the counterparty (Victory Clean Energy). According to [historical data](#), the share price in April was ~\$0.53 per share and was a microcap by our calculations. As of June 2026, Victory Clean Energy is effectively defunct. This was one of the only actual orders; many of the announcements were simply exploratory.
- In [2Q25](#), Hyliion announced that it had signed a “potential” \$1b opportunity. The MOU had allegedly come from being part of a \$600b in commercial deals announced during the current president’s visit. This appears to have never panned out into any meaningful revenue. Also, in [3Q25](#), Hyliion stated that it had nearly 500 units under nonbinding LOIs, meaning that in the following ~6 months, the company has barely moved the needle outside of the meaningless VFG deal.

[View All News](#) →

Hyliion and **Victory** Execute Letter of Intent to Deploy up to 10 KARNO™ Generators to H2 Energy Group

04/29/2024

AUSTIN, Texas--(BUSINESS WIRE)-- **Hyliion Holdings Corp.** (NYSE: HYLN) (“Hyliion”), a developer of sustainable electricity-producing technology, **Victory Clean Energy Inc.** (OTC: VYEV) (“Victory”), a trailblazer in the green hydrogen energy sector, today announced they have entered into a non-binding letter of intent (LOI). Under the terms of the agreement, Victory will purchase up to 10 KARNO generators, to be deployed in the Hydrogen production facilities of their subsidiary, **H2 Energy Group** (H2EG). Specializing in green hydrogen production from renewable biomass, H2EG intends to utilize the KARNO generators to produce electricity using the hydrogen-rich syngas derived from the biomass to power their operations.

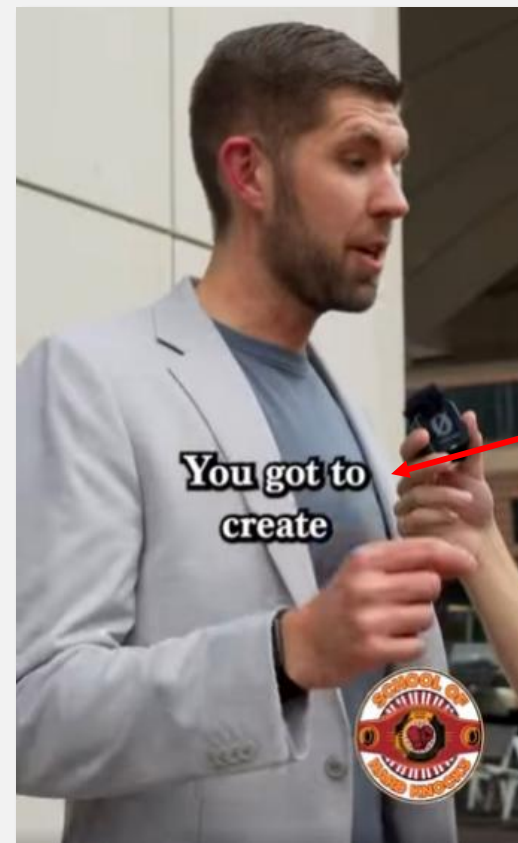


Source: [Hyliion announcement](#) (Top), [CNBC](#) (Bottom)



Hyliion's CEO Was Portrayed Like a Mini-Musk, The Reality Is Much Different

- We believe part of the reason that Hyliion has survived this long is the apparent (in our belief, wrong) portrayal of Healy as “[the next Elon Musk](#)”. While we’d like to acknowledge that Healy has done many things your average man in his early thirties has not, including becoming the worlds youngest self made billionaire according to [Forbes](#), we think that, unlike Musk, Healy has not gained and will not gain true commercial traction and instead relies on, as he [put it](#), “you got to create **fear** [in investors] that they might miss out on this deal”. We are extremely concerned that Healy wishes to incite fear (again, in his own words) into investors hearts in order to make them pile into his company.



This is a totally normal thing to say and not at all terrifying.*

We believe that when someone tells you who they are, investors should listen. Here, Healy is telling you EXACTLY who he is.

Source: [School of Hard Knocks interview](#)



Hyliion Has Already Show They'll Use FOMO Even When Employee Reviews See It As a Science Project

- Healy has already set off on the races attempting to use the fear of missing out to his advantage, in a exclusive [article](#) on Yahoo Finance Healy stated that: "Even just this morning, the CEO of one of the largest players in the data center space emailed us and said, 'Hey, can you be at my office Monday for dinner and Tuesday morning for a meeting next week?' So, I'll be doing that." To us this appears to be pure marketing, and investors have no way of verifying the reality of this statement, although to be fair to Healy, AI companies are in dire need of power, however they need a working product and not a science project.
- We read through the employee's reviews, and it was made quite clear what the opinions of the formers were. One [review](#) stated that the product was a “**scam**” and others on Glassdoor indicated that management could not be trusted.

1.0 ★☆☆☆☆ ✓ Jan 18, 2024 ...

It is just a scam

🔗 Engineer

Former employee, more than 3 years

Recommend CEO approval Business Outlook

Pros
Other than free snacks nothing

Cons
No direction, no skill, no product

Advice to Management
Nobody can save them

Source: [Glassdoor](#)

1.0 ★☆☆☆☆ ✓ Apr 10, 2025 ...

Things were good at first

🔗 Repair technician

Former employee, more than 1 year 📍 Austin, TX

Recommend CEO approval Business Outlook

Pros
Clean shop good people to work with free breakfast every Tuesday.

Cons
Engineers had zero common sense. Some of the crap they come up with just blew my mind. Thomas Healy should not be running this business. He may be smart technical wise, but he's not a businessman. He's been riding over the Coates of everybody else up higher for quite some time. They have burned through so much money and a very short time and had to lay off everybody. To the tune of \$500 million and 3 1/2 years.

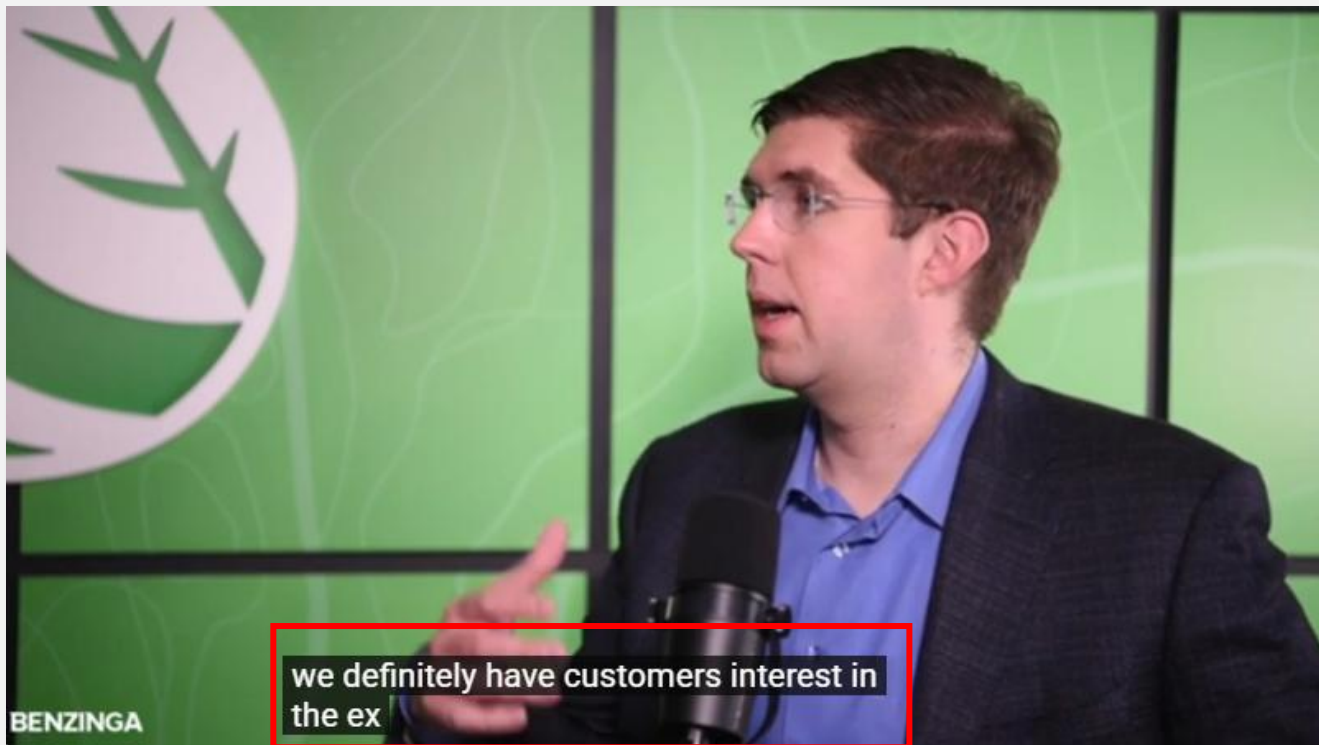
Advice to Management
Get out of management do something else you don't know what the hell you're doing

Source: [Glassdoor](#)

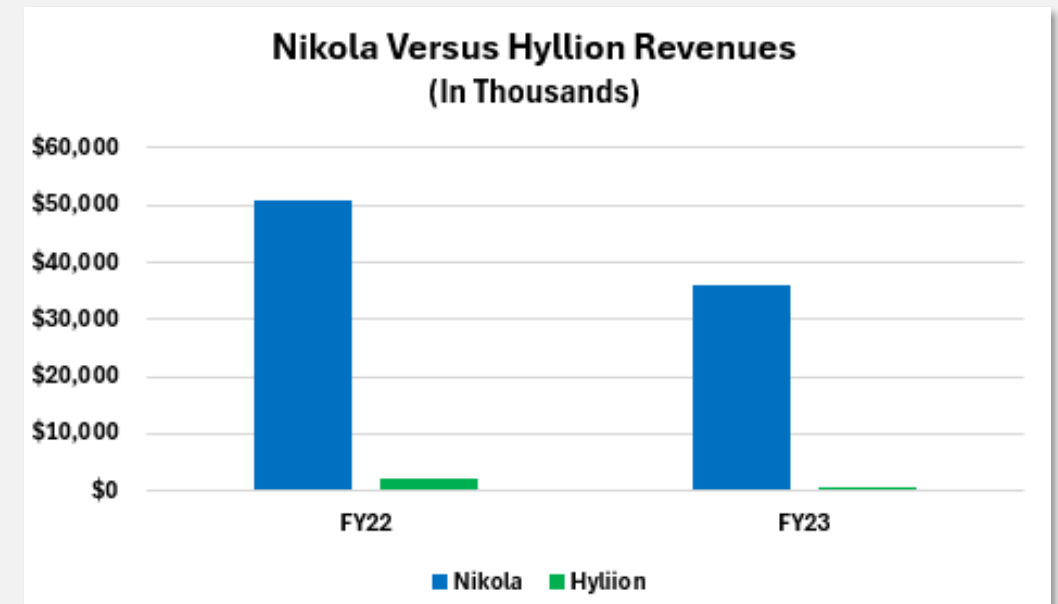


Hyllion Was Overly Promotional About The Trucks and Will Likely Continue The Promotion

- During their (failed) time as an EV trucking company, we found that CEO Healy was overly promotional in interviews, a tactic we believe was and will be utilized again in their AI data center venture, much to investors' detriment. In an April 2022 [interview](#) with [Benzinga](#), Healy had stated that would start delivering in late 2023, instead that was the time they decided to abandon [the trucks](#). When asked about interest in the EX, Healy said they "definitely" had interest. Despite that supposed interest in 2023 the company had ~\$672k in total product sales and other, and ~\$2.11mm in 2022, according to the 2023 [10K](#), which is tens of millions less than the known fraud Nikola Motors did in revenue post being exposed by Hindenburg Research.



Source: [interview](#)



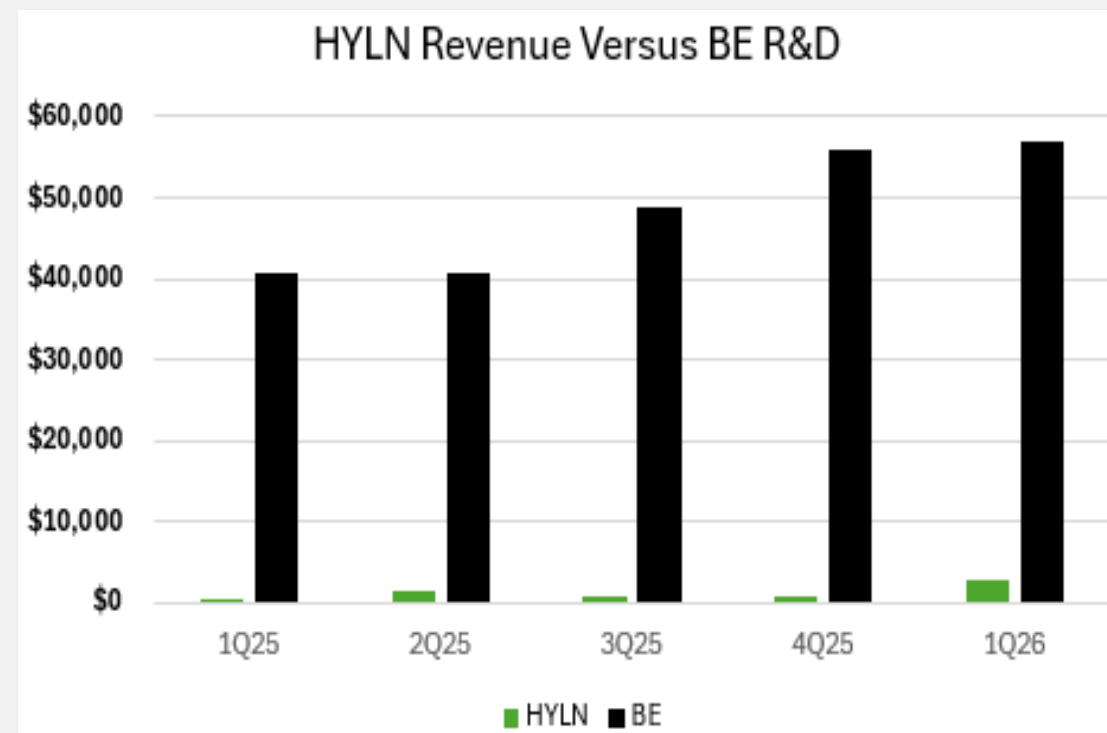
Source: SEC Annual Filings for Nikola and Hyllion

Hyllion garnered less interest than a alleged fraud.



Hyliion Bleeds Cash As It Perpetually Loses Money And The CEO Cashes Out More Than The Company Makes In Revenue

- We found that instead of relying on commercial success to keep their cash reserves up, Hyliion instead perpetually bled their cash position, quarter in and quarter out. Throughout FY25, the cash, cash equivalents, and investments bled down to just ~\$139.3mm, down considerably from their ~\$600mm after coming public. We believe that this deal with VFG and the subsequent share price will serve as the catalyst for Hyliion to slam the ATM.
- It is our understanding that one of the main competitors of Hyliion is Bloom Energy. Unlike Bloom, who boasts large and real clientele like Core Weave, Hyliion has been related to the low-tier league. We compared Hyliion's entire revenue base against just the Bloom R&D expenditures (they not remotely compare; in fact, the gap is quite comedic) and found that the data indicates the discrepancy is so wide it's barely visible on the chart we made (below).
- We also compared the revenues of the two against each other over the same timeframe (1Q25-1Q26) and yet again found the difference to be astonishing, with Bloom coming in at ~\$751mm in 1Q26 versus the ~\$2.8mm of Hyliion (a ~99.6% gap). We don't know how investors can take Hyliion seriously when their revenues and R&D metrics don't even compare to those it is supposed to be competing.
- The data we found within the Hyliion SEC filings show us that Hyliion CEO Healy since FY21 has been paid ~\$15.4mm over the years against a total revenue for the company of ~\$8mm during that period. This does not take into the account the disclosed payments to insiders over the years which total an extra ~\$13.5mm. To make it extremely clear, since 2021, Hyliion insiders have extracted ~\$29mm, which is ~360% more than the company has done in revenue in the same timeframe. We think this is a total and complete misallocation of shareholder money which has been allowed to continue due to the continued and constant huff and puff peddled by Healy. We think investors should flee as fast as they can.



Source: Bloom Energy and Hyliion SEC Filings



Lots Of Agreements, Little Results



We Think Hyliion Is Effectively Subsidized By The Government

- Our research indicates that Hyliion, in its current form, is effectively run on government money, although it appears to only function as a science project for the government and nothing meaningful, as they spend minimal amounts of money in Hyliion. According to Hyliion, it was awarded a ~\$15mm+ contract from the Office of Naval Research (“ONR”) in September 2024. We believe that Hyliion has continued to recognize revenues from that contract all the way up to now (1Q26) and believe that “customer A” (which accounted for 100% of 1Q26 revenues) is likely the ONR and other government entities. Hyliion has only recognized ~\$5mm of the \$15mm relating to the Navy and we believe this signifies the long road which lays ahead. Lately the company has touted a \$40-50mm military pipeline; we believe that these will likely continuously be attempts to demonstrate the feasibility of their technology. On page 8 of their 1Q26 10Q it is stated that their newer government contract was simply a ~\$1.5mm best effort contract that is supposed to “demonstrate the conceptual feasibility of the Phase I effort contract” and to show progress towards successful applications. We think an apt translation is: “we haven’t actually proved the tech yet, but we appreciate the taxpayer money and we will try.” The government has been funding other science experiments for many years, including the latest Quantum fad; meanwhile, they appear to be barely focusing on the Hyliion fairytale.

The “conceptual” contract.

U.S. Government Contracts

In September 2024, the Company was awarded a best effort cost-plus-fixed fee contract up to \$16.0 million by the ONR to research the suitability of its KARN0 Power Module for Navy ships and stationary power generation applications. Under the agreement, the Company will provide R&D services through February 2027, including delivery of up to seven KARN0 Cores and testing of power module systems. The ONR contract represented a significant change in business strategy toward providing R&D activities in the ordinary course of business in addition to developing Power Modules for stationary and mobile applications.

In July 2025, the Company was awarded a Phase II best effort cost-plus-fixed fee contract up to \$1.5 million by the ONR to demonstrate the conceptual feasibility of the Phase I effort contract awarded in July 2024 for up to \$0.2 million and to show development progress towards successful application. Under the Phase II agreement, the Company will provide R&D services through July 2026 with an option to extend through July 2027, including design reviews, simulations, and reporting.

There is a single research and development services performance obligation in each of these contracts that is measured over time as the services are performed. The Company generally invoices monthly, which corresponds directly with the value to the customers of the performance completed to date based on the cost of labor and materials utilized, and recognizes revenue in the amount that it has a right to invoice. Payment is ordinarily due within 90 days of invoice submission. Cost of R&D services revenue includes labor, allocated fringe and overhead, and inventory.

8

All revenue during the three months ended March 31, 2026 and 2025 was recognized over time. The portion of our revenues from significant customers is summarized as follows and is attributable to the U.S.:

	Three Months Ended March 31,	
	2026	2025
Customer A	100 %	46 %
Customer B	—	54
	100 %	100 %

Source: 1Q26 10Q



Revenue Is Consistently Small Despite Announcements And Hyliion Seems To Have Extreme Customer Concentration

- On top of the Victory deal we covered earlier, we would like to point out that many of the deals done by Hyliion in the past have been simply exploratory and have seemingly not converted to meaningful revenues over time. The government has been 100% of its revenue in 1Q26. In 4Q25, Hyliion announced that they started a strategic partnership with ABM Industries (Ticker: ABM). [ABM](#) is a ~\$2.57B company, and the bulls will say that this is a big move as potential acceptance of the Hyliion brand. However, we'd like to point out that this is not an intention of orders and the revenue boost which was shown in the 1Q26 [10Q](#) is all from a singular customer who accounted for a 100% of their revenue on the quarter (~\$2.83mm), which means that seemingly lost their other customers, as that same customer last year was only ~46% of revenue in 1Q25. In very plain terms, the ABM deal has apparently not turned into revenue.

Hyliion's revenue is now extremely concentrated.

Revenues	Three Months Ended March 31,	
	2026	2025
Research and development services	\$ 2,832	\$ 489
Total revenues	2,832	489

	Three Months Ended March 31,	
	2026	2025
Customer A	100 %	46 %
Customer B	—	54
	100 %	100 %

Source: [1Q26 10Q](#)



The CEO Effectively Admitted The Vast Majority Of The LOIs Hyliion Gets Are Pilot Scale

- In the 3Q25 [earnings call](#), Hyliion CEO Healy was asked about the 500 units (of the Karno Core) in LOI, and how many customers that number represents. Healy responded stating that it was across dozens of customers meaning that effectively every order is minuscule in numbers. What we find more odd about this number is that barely any of it seems to be getting converted into revenues. As we said before, it's effectively just the government contracts which have actually been producing, we wonder how many of these are non-binding and think that perhaps many of these orders function largely as a marketing ploy to attract the FOMO that Healy seems so intent on getting investors to feel.



Thomas Healy

Founder, President, CEO & Director

Sure. So just kind of rough numbers, I believe it's in the dozens of customers, not in the hundreds of customers that we signed LOIs with. We are in discussions with even more than that. Not all discussions go to an LOI. Some discussions go to, okay, great. We like the technology. We want to see it in operation at other people's sites before we move forward with making a commitment. So with all that, how has the

The “dozens” of customers who have seemingly not converted to revenues

This is the corporate equivalent of: “you’re a science project, come back when your real”

Source: Quartr Transcripts



Hyllion Has a Long Track Record Of Not Executing



Hyllion Leaves A Long Trail Of Failed Goals

- The Hyllion promotional story has left investors with numerous failed goals and timelines, one of the failed goals which we feel highlights just the kind of company that we are dealing with can be seen in the FY22 [press release](#) on February 23rd, 2023. A remark was made in the “executive commentary” section that Hyllion has “nearly 2,000 reservations in backlog” and that it intended to start production in late 2023 and had planned to have all 200 of these trucks delivered in 2024. Instead of hitting these goals Hyllion ended up [switching](#) to an entirely different business (no more EV trucks) less than a year later, towards the end of FY23.
- Hyllion utterly failed to deliver on their [SPAC deck](#) goals, they had expected ~34.5k total units sold in FY24 and set expectations of ~\$2B in revenues among other seemingly fantasy numbers which they failed to meet. In hindsight we think that the SPAC deck was the first taste investors would get of Healy’s seemingly never-ending quest to get the unsophisticated investor to pile into Hyllion stock while lining his own pockets. A former Hyllion employee said there was “**no way**” that the company could even have done 1,000 as Hyllion had no production capabilities of their own.
- The Commercialization/production has consistently been promised yet never delivered. At first, It was “volume shipments” expected in [2022](#), and then it was production starting in late [2023](#), and then the entire truck venture failed and Hyllion pivoted to [power modules and generation](#). Now, in an effort to capitalize on the latest hype wagon, Hyllion has started venturing into the [AI data center](#) phase of their business.
- Another (more recent) failed goal we’d like to bring to investors attention is the commercialization and revenue guidance goals made in an [8K](#) on May 13th, 2025, for that year. The company stated that expected to revenues of \$10-15mm during FY25 and that they could achieve product commercialization. The reality was vastly different from that, with revenues coming at ~\$3.5mm (a ~65% miss at minimum), and no true commercialization happening. What we find perhaps even funnier about the original guidance is that it was cut in [2Q25](#) to \$5-10mm and they still managed to miss the revised guidance.



The Hyllion Playbook Visualized



GE Gave Up On The Tech



GE Got Rid Of The Tech For Cheap And Now Hyliion Touts It As The Next Big Thing.

- In 2022 Hyliion [acquired](#) the KARNO technology from GE for just ~\$37mm. Hyliion subsequently touted it as “revolutionary” in its own [press releases](#). First, why on earth would GE sell a “revolutionary” technology for just ~\$37mm instead of holding onto it themselves? We think the reality is that Healy and Hyliion saw this as an opportunity to revive what was a dying EV truck business.
- Since buying this “revolutionary” technology, Hyliion has been unable to commercialize it and is now reliant on a dubious deal with VFG to sustain their business and make the appearance of a successful commercialization process.

[View All News](#) →

Hyliion Acquires Revolutionary Hydrogen and Fuel Agnostic Generator Technology From GE

08/25/2022

- Generator to be integrated into Hyliion's Hypertruck powertrain platform to offer a next generation fuel agnostic semi-truck solution
- KARNO generator is expected to be 20%+ more efficient than today's leading generators; achieved by 3D printing of thermal components and innovative fuel to electricity conversion
- Will be capable of operating on over 20 different fuels, including hydrogen, with significant emissions improvements

AUSTIN, Texas--(BUSINESS WIRE)-- [Hyliion Holdings Corp.](#) (NYSE: HYLN) (“Hyliion”), a leader in electrified powertrain solutions for Class 8 semi-trucks, announced today it has entered into a definitive agreement to acquire a new hydrogen and fuel agnostic capable generator (“KARNO”) from GE Additive—part of GE (NYSE: GE) – a world leader in metal additive technologies and manufacturing.

[Hyliion Touts The Product As Revolutionary](#)

Source: [Hyliion PR](#)



The Technology Is Unproven And Unreliable

- Hyliion CEO Healy stated that the KARNO technology is more expensive than diesel but less expensive than a fuel cell. The KARNO Technology operates on a linear heat-generation model, which we think bears resemblance to a Stirling engine, which has been known for having issues surrounding them including mechanical challenges. And having a fuel-to-electrical efficiency that is half of an internal combustion engine (the standard). We believe GE may have taken Hyliion to the proverbial woodshed by managing to get Hyliion to buy a technology that has never been proven.
- We found that the US Government allocated just ~\$50mm in 2023 to support advanced heat engine technology (which included Stirling). Hyliion competitor Mainspring Energy received a ~\$54mm award. Hyliion appears to be the number 2 in the field and barely received much of anything over time, with the USAspending showing just a \$6mm grant outside of their contracts, which stand below \$17mm total. A former Hyliion Employee made it clear there was still numerous approvals needed before Hyliion can head to true commercialization of the KARNO core. As investors are aware the regulatory process is a very long and drawn-out process which takes years, we don't believe this is priced adequately into the stock.

A similar technology
is not as good as the
standard

In contrast, while Stirling engine technology is not new, their commercial launch into off-grid power applications is relatively new. Their fuel to electrical efficiency (10%-12%) is roughly half that of internal combustion engines (22%-25%), meaning that for the same power output they require double the fuel intake. When providing 5.65kW of power, the Stirling engine consumes 112.25m³/d (3,964ft³/d) while the MX Primegen consumes 56.8m³/d (2,006 ft³/d). As the additional energy is lost to heat, it means that Stirling engines can offer more heat output at the same power output of an internal combustion engine, but with double the fuel, so these advantages may be lost for overall site efficiency or fuel use effectiveness. Stirling engines require specialist training for commissioning and service. In some cases, major components cannot be serviced in the field (or uneconomical to service even with the original manufacturer), and a full unit replacement may be necessary if a breakdown occurs. Industry is still assessing the true field reliability of these units, as many end users report failures occurring after approximately two years with little to no warning.

Source: [Globalte](#)



The Response Of “They Have Been Audited” Doesn’t Work Here



We Believe The Bulls Response Will Be Inadequate

- Hyliion chooses to utilize Grant Thornton LLP as the company’s [auditor](#). We believe the Hyliion bulls may attempt to rebut our thesis by making it clear they utilize audited financial statements by a large firm and therefore the deal is somehow vetted and properly attested to. We would like to take this slide to explain why this is a misguided response.
- It is not the auditor's job to verify every single deal and the people behind it, they are simply there to make sure the numbers on the page line up and then give their attestation and collect fees. As the most prominent short seller of our time (Carson Block) [puts it](#) companies always fall back on a “Halo” of being audited.
- We believe that SES AI is an excellent example of auditor failings and how that point made by bulls fall apart. Grant Thornton is the auditor of [SES AI](#). SES was the subject of an activist short [report](#) by renowned short seller [Dan David \(Wolfpack Research\)](#). The report alleged that SES had done “phantom deals” and that their flagship platform, “Molecular Universe,” appeared to be a ChatGPT wrapper, which a former SES Employee had called a “toy”. Since the report, SES is [down ~43%](#). The simple truth is that leaning on being “audited” is a poor way to mask and deflect from the underlying issues which have highlighted in this report.

Report Date: 12/9/2025
 Company: SES AI Corporation
 Ticker: SES US
 Industry: Auto Parts
 Stock Price (USD): \$2.10
 Market Cap (USD, Millions): \$766.7



SES’s Dying Biz Pivoting into Another AI Pipedream? Phantom Deals and a Related Entity Whose Registered Agent Was Allegedly Part of a \$1 Billion Ponzi Scheme

Source: [Wolfpack Research](#)



Source: SES Price Since Report (Bloomberg)



Conclusion



We Believe Hyliion Is A Promotion Built On A Highly Questionable Deal

- Hyliion has jumped ~150% on the back of an announcement of ~\$133mm LOI with VFG Holdings (legally “VFG Tech Holdings, LLC). We found that VFG was incorporated just a few months ago in January 2025, according to Open Corporates data. We also found that according to the LinkedIn, VFG has just 4 employees and what appears to be an almost non-functional website with just a home page and a contact page. We also found that the companies only LinkedIn post is about Hyliion.
- We found that the CEO of VFG, Jason Green, runs a second company (Artificial By Design) at the exact same time, that company has a measly ~\$2.8mm valuation according to third party sources. We found zero funding rounds, address, or anything which could verify that VFG has the capital needed to pay Hyliion the ~\$133mm. We have reached the conclusion that Hyliion is overstating their pipeline by ~33% at minimum.
- We have concerns surrounding the CEO of Hyliion, Thomas Healy. Despite being described as the next Elon Musk we found that apparently wishes to instill “fear” (as in fear of missing out) within his investors. We uncovered an interview with Healy where he stated verbatim: “you got to create **fear** [in investors] that they might miss out on this deal”.
- Prior to switching to an AI data center play Hyliion got its start by being competition to Nikola Motors in the electric trucking space. We found that during the years prior to Nikola being exposed by Hindenburg Research, the CEO was then tried and convicted for fraud, only to be pardoned by Trump. Hyliion managed to do tens of millions less in revenue than the known fraud and was forced to abandon the idea in 2023 following a strategic review.
- We found that instead of relying on real success to top up their cash reserves, Hyliion instead perpetually spent their cash position from the SPAC, quarter in and quarter out. Through FY25 the cash, cash equivalents and investments bled down to just ~\$139.3mm. By the looks of it, the company will continue to spend drastically, and now that they want to enter the AI data center world, we believe spending will ramp up drastically as they attempt to bring forward the product to commercialization.
- During the time of burning through investors money, failing to generate returns for those investors, and going through the motions of a promotion we found that the management team has been themselves more than double what the company did in revenues through the time (FY21-FY25). If we just look at CEO Healy’s compensation was ~\$15.4mm over that timeframe while the company did just ~\$8mm in revenues. It is apparent that the only side of the business which Hyliion has figured out is paying themselves.



We Have Questions Regarding Management's Ability To Execute

- Our research uncovered that Hyliion's competitor, [Bloom Energy](#), has seemingly actually built real revenues while Hyliion has continued to do next to nothing on that front. Unlike Bloom, which boasts large and real clientele like [CoreWeave](#), Hyliion has been related to the low-tier league. We compare Hyliion's entire revenue base versus just the Bloom R&D expenditures and found that the data indicates the discrepancy is so wide that Hyliion can almost not be seen (the chart is visible on slide 18).
- Hyliion is a promotional story defined by abandoned goals, missed timelines, and a business model that shifts with whatever narrative is in vogue. The pattern was set with the [SPAC deck](#), which projected ~34,500 total units sold and ~\$2b in revenue by FY24, figures that turned out to be an utter fantasy, and that the Company never came close to achieving. It continued with the FY22 press release dated February 23, 2023, in which management touted "nearly 2,000 reservations in backlog," guided to production beginning in late 2023. It promised that all 200 trucks would be delivered in 2024. Less than a year later, by the end of FY23, Hyliion had abandoned electric trucks altogether. Commercialization has been perpetually promised and never delivered. First, it was "volume shipments" in 2022, then production in late 2023, then the entire truck venture collapsed, and the Company pivoted to power modules and generation. Now, in our view, chasing the latest hype cycle, Hyliion has repositioned itself once again around the AI data center theme.
- The most recent guidance failure captures exactly the kind of company investors are dealing with, and in our view reveals management's true intentions. In an [8-K](#) dated May 13, 2025, Hyliion guided to FY25 revenue of ~\$10mm to \$15mm and represented that it could achieve product commercialization within the year. The reality proved vastly different. Revenue came in at approximately ~\$3.5mm, a miss of at least 65%, with no genuine commercialization to speak of. What we find even more telling is that management cut the original guidance to ~\$10mm-\$5mm in 2Q25 and still missed the reduced figure. Taken together with the SPAC deck and years of broken commercialization promises, we believe this track record reflects Healy's seemingly never-ending effort to entice unsophisticated investors into Hyliion stock while enriching himself, and we would urge investors to treat the Company's forward-looking claims with extreme skepticism.



Appendix



SPAC Deck Versus Reality

- During our diligence we decided to see what points and goals in the [SPAC deck](#) were completed/not completed (for your sake we are going to make this only one brief slide because we are sure that you all know how this goes). We found that of the key measurements (revenue, gross profit, EBITDA) were met by any remotely close standard.

FINANCIAL OVERVIEW						
SUMMARY FINANCIALS						
(\$ in millions)	2020E	2021E	2022E	2023E	2024E	COMMENTARY
Hybrid Electric Units Sold	20	300	4,100	8,000	15,500	<ul style="list-style-type: none"> Completely funded business plan High margins reflect Hylilon's proprietary patented technology
Hypertruck ERX Units Sold	-	-	2,500	8,500	19,000	
Total Units Sold	20	300	6,600	16,500	34,500	
Revenue	\$1	\$8	\$344	\$1,019	\$2,091	<ul style="list-style-type: none"> No material debt throughout the projection period Current balance sheet preserves flexibility for future growth needs
% Growth	-	1307.1%	4268.4%	196.1%	105.1%	
Cost of Goods Sold	(1)	(6)	(248)	(698)	(1,353)	<ul style="list-style-type: none"> Only reflects 2.2% of \$94+ billion annual addressable market⁽¹⁾
Gross Profit	(\$0)	\$2	\$96	\$321	\$737	
% Margin	NM	21.9%	28.0%	31.5%	35.3%	
EBITDA	(\$56)	(\$135)	\$8	\$214	\$602	
% Margin	NM	NM	2.3%	21.0%	28.8%	

Not met.

Not met.

Not met.

Not met.

Source: [SPAC deck](#) and SEC Filings