



EMBARK

NASDAQ: EMBK



MC # 000056
US DOT # 2952363
CA # 497651

Embark Trucks Inc.

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EMBARK SNAPSHOT: FOCUSED, PRAGMATIC, CONSISTENT AND DISCIPLINED

SUMMARY OVERVIEW OF EMBARK

- ▮ Embarc is America's [longest running self-driving truck program](#)⁽¹⁾
- ▮ Embarc is an [Autonomous Vehicle SaaS Company](#) focused on trucking
- ▮ Embarc's [sole focus on trucking](#), from day one, has enabled the development of a differentiated technology stack and go-to-market strategy
- ▮ Embarc [partners with carriers](#) (and private fleets), who will pay a [per-mile subscription fee](#) for Embarc's software – eliminating channel conflict with carriers and in close coordination with shippers
- ▮ Carriers will deploy trucks autonomously between highway-adjacent points on the [Embarc Coverage Map](#), a portfolio of Transfer Points and Shipper Facilities
- ▮ Proprietary [Vision Map Fusion](#) technology updates the map in real-time⁽²⁾ allowing the Embarc Driver software to detect and respond to [new situations where the map may be outdated](#), improving safety and enhancing the expansion of Embarc's ODD⁽³⁾
- ▮ [Embarc Universal Interface \(EUI\)](#) technology allows for Embarc's software to be platform and OEM agnostic
- ▮ [Asset-Light](#) strategy focused on partnering across the ecosystem in a manner that complements the existing value chain: suppliers, real estate providers, carriers, shippers

1) Based on regular road-testing of self-driving truck technology on public roads in the United States.

2) Vision Map Fusion leverages Embarc's cutting-edge non-linear-optimization techniques to update the map in real-time using detailed road geometry data from Embarc's LiDAR and Camera sensors.

3) Operational design domain.

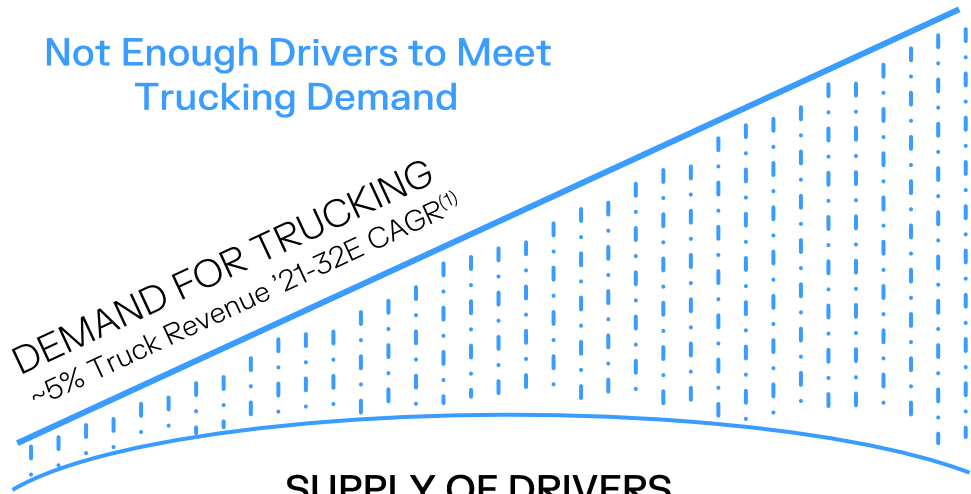
THE ECONOMY IS READY FOR OUR TECHNOLOGY

\$730+ Billion 2020 Trucking Market Expected to Grow to \$1.2+ Trillion by 2032⁽¹⁾

The Problem

Not Enough Drivers to Meet
Trucking Demand

DEMAND FOR TRUCKING
~5% Truck Revenue '21-32E CAGR⁽¹⁾



SUPPLY OF DRIVERS



Lifestyle



Retention



Demographics

Current truck driver shortage of 80,000
Expected to grow to 160,000 by 2030⁽²⁾

The Opportunity

- ▮ Address causes of supply chain crisis
- ▮ Dramatically improve unit economics for carriers
- ▮ Enhance speed and consistency – 1 in 5 loads rejected by carriers today⁽³⁾
- ▮ Improve safety and fuel efficiency
- ▮ Expedite a 3,000 mile cross-country trip by up to 2 days⁽⁴⁾ by removing federal driver hours of service limits
- ▮ Increase net employment of drivers, through creation of more desirable first-mile/last-mile jobs⁽⁵⁾

1) [American Trucking Association, U.S. Freight Transportation Forecast to 2032](#)

2) [American Trucking Association, Driver Shortage Report 2021](#)

3) [Carriers Reject 1 in 5 Loads... Signaling Who has the Upper Hand in Pricing](#)

4) Based on 60 MPH Human Driver, 10 Hour Daily Service Break. 55 MPH Embark Driver.

5) [Department of Transportation, Macroeconomic Impacts of Automated Driving Systems in Long-Haul Trucking](#)

KEY BUSINESS UPDATES



Commercial and Operations

Industry-leading 14,200 Truck Reservations

Truck Transfer Program  

Expanded Operations into Texas 

New PDP Partnerships 



Embark Coverage Map

Partnered with Alterra to open Transfer Points and accelerate the rollout of Embark Coverage Map



Technology

Snow testing & validation leveraging Vision Map Fusion underway with plans to share results in the coming month



Leadership

Stephen Houghton, Promoted to COO

Jean-Baptiste Passot, Head of Software

Sam Loesche, Federal Policy

Mike Schmidt, Head of Technical Operations

Sam Abidi, Promoted to CCO



Community

CEO Alex Rodrigues commits to donating 2022 salary to support early STEM education and youth robotics projects

DELIVERED AMBITIOUS PLAN IN 2021

Technology Development

Past Technology Milestones and Accomplishments

2016	Bought First Truck
2017	Lane Keeping and Lane Changes
2018	Cut-ins, Merges, and Vehicles on Shoulder
2019	Night Driving and Surface Streets
2020	Stop and Go and Remote Monitoring
2021	Inclement Weather (excluding Snow) and Construction

5 Remaining Technology Milestones to Accomplish

2022	<ul style="list-style-type: none"> Emergency Vehicle Interactions Evasive Maneuvers
2023	<ul style="list-style-type: none"> Blown Tires Road Triangles (Stop on Shoulder) Inspections

Commercial Progress

Partner Development Program Expansion

Demonstrating Demand – Industry-leading 14,200 truck reservations



What to Expect in 2022?

- New partnerships with leading carriers & shippers who have a unique ability to scale quickly
- Demonstrated progress through the integration process with key partners

Manufacturing Partners to Enable Embark Universal Interface (EUI) as an Option

Partnering to integrate Embark technology so that carriers can order EUI-compatible trucks



What to Expect in 2022?

- Continued build-out of key manufacturing partnerships to enable EUI
- Alignment of partner portfolio against phased manufacturing strategy

Embark Coverage Map Expansion

Developing safe, efficient and repeatable onsite Transfer Point processes, while securing new sites across the Southwest



What to Expect in 2022?

- Begin Transfer Point operations on-site with partners
- Expand Embark Coverage Map into key Sunbelt freight markets



LEADERSHIP IN AV TRUCKING IN 2022







Deliver the First Trucks into the Fleets of Carrier Customers

Accomplish Two of the Remaining Five Capabilities in our Technological Roadmap

Launch the Backbone of the Embark Coverage Map Across the Sunbelt Region

MEASURE OUR PROGRESS: TECHNOLOGY

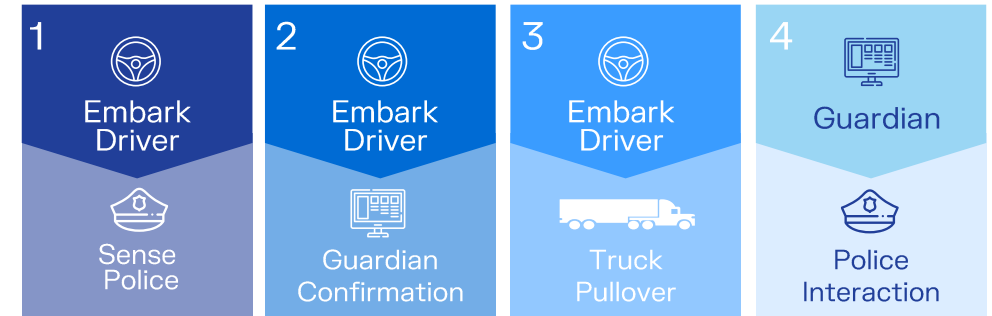
Milestone (Est. Completion)	Milestone Overview	Key Benefits
Emergency Vehicle Interactions (Q2 2022)	 <ul style="list-style-type: none"> • Overview: Multi-step process of Embark Driver sensing it is being pulled over, responding by pulling over and interacting with an officer • Supported by multi-year relationships with law enforcement agencies • Seamless coordination between operational and technical capabilities 	<ul style="list-style-type: none"> • <i>Enhances Safety</i> • <i>Promotes Positive Law Enforcement Relationship</i> • <i>Minimizes Operational Disruption</i>
Evasive Maneuvers (2022)	 <ul style="list-style-type: none"> • Overview: Safely execute maneuvers such as hard braking and rapid lane change to better understand limits of system • Required to better respond to erratic driving behavior of other vehicles • Plan to utilize test tracks at Crows Landing⁽¹⁾ & RELLIS⁽²⁾ for testing 	<ul style="list-style-type: none"> • <i>Enhances Safety</i> • <i>Reduces Reliance on Overly Cautious Maneuvers thus Improving Efficiency</i>
Blown Tires (2023)	 <ul style="list-style-type: none"> • Overview: Multi-step process of detecting low tire pressure or blown tire and safely pulling over to the side of the road followed by utilization of Guardian to assess and coordinate appropriate maintenance • Plan to utilize test tracks at Crows Landing⁽¹⁾ & RELLIS⁽²⁾ for testing 	<ul style="list-style-type: none"> • <i>Enhances Safety</i> • <i>Minimizes Operational Disruption</i>
Road Triangles (Stop on Shoulder) (2023)	 <ul style="list-style-type: none"> • Overview: Detect / receive signal to pull over to shoulder, safely pull over to shoulder, deploy road triangles, and resume operations • Utilized in cases of disruption to ODD (i.e. weather) • Requires coordination with FMCSA⁽³⁾ to demonstrate an autonomous solution that complies with regulations 	<ul style="list-style-type: none"> • <i>Enhances Safety</i> • <i>Minimizes Operational Disruption (Truck to Remain Autonomous During ODD Disruption)</i>
Inspections (2023)	 <ul style="list-style-type: none"> • Overview: Enhancement of pre-departure inspections with reduction in human-centric inspections throughout the route • Work with CVSA⁽⁴⁾ to develop industry standard inspection approach for autonomous trucks 	<ul style="list-style-type: none"> • <i>Standardizes AV Inspection Process</i> • <i>Improved Efficiency</i>

DEEP DIVE: EMERGENCY VEHICLE INTERACTIONS

Emergency Vehicle Interactions Highlights

- Focuses on appropriately pulling over to the side of the road when indicated by an emergency vehicle as required by law
- Achieved through multi-step process with seamless coordination between technology and operations
 1. Perception: Sense being signaled by emergency vehicle
 2. Guardian Interaction: Confirm via Guardian the need to pull over
 3. Planning: Safely pull over to an appropriate area on the side of the road
 4. Interaction: Officer interacts with Guardian and retrieves required documentation and any other information regarding truck status or operations
- Embark has built longstanding multi-year relationships with state law enforcement agencies to support commercialization, including safely managing autonomous truck – emergency vehicle interactions
- Key Challenges To Overcome
 - Truck requires multiple actions across technology & operational dimensions
 - Requires collaboration and interaction with third-party law enforcement
- Successful navigation of Emergency Vehicles Interactions is a key legal compliance capability for commercialization and supports positive ongoing relationship with law enforcement

Multi-Step, Coordinated Process



MEASURE OUR PROGRESS: COMMERCIAL

1

Truck Transfer Program

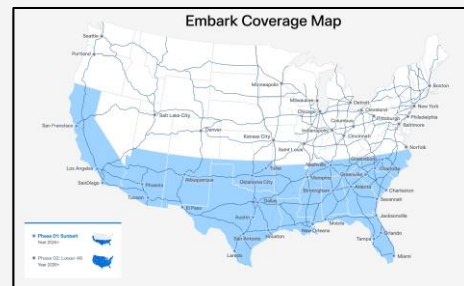
- ✓ Development of Scalable Process Flows (Pre-inspection, remote monitoring, etc.)
- ✓ Establishment of Integrated Ops, IT and Maintenance
- ✓ Complete Knight-Swift Team Training and Establish Embark Support
- ✓ Delivery of Trucks to Knight Swift



2

Embark Coverage Map

- ✓ Expansion of the Embark Coverage Map
- ✓ Operationalization the backbone of our Coverage Map in the Sunbelt
- ✓ Growth of Ryder Site Operator Partnership
- ✓ Addition of Real Estate Partners
- ✓ Maturation of Shipper Real Estate Strategy



3

Manufacturing

- ✓ Formation and Deepening of EUJ Component Partnerships
- ✓ Alignment of Partnerships to Phased Manufacturing Strategy



4

PDP Expansion

- ✓ Addition of Key Carrier Partners with Unique Ability to Scale
- ✓ Development of Integrated Fleet Management Process (Guardian)
- ✓ Formulation of Facility AV Readiness Plan for Carriers/Shippers
- ✓ Refinement of Ancillary Service Support (Transfer Point, Fuel, Rescue, etc.)



DEEP DIVE: INDUSTRY-FIRST TRUCK TRANSFER PROGRAM

Industry-first deployment of an autonomous truck within existing carrier fleets operations, moving away from industry standard configuration of AV player owning and operating the truck.

Truck Transfer Program Configuration



Carrier staff maintaining the truck at carrier facilities

Carrier staff dispatching the trucks using existing carrier systems

Carrier drivers behind the wheel monitoring and providing feedback

Carrier drivers pre-inspecting the trucks

Carrier facilities being used as a launching and resting place for the trucks

Truck Transfer Program Benefits

- Scalable pre-inspection procedures
- Coordinated maintenance procedures
- Highly-integrated dispatching procedures
- Monitoring processes and infrastructure
- Actionable driver feedback on performance
- Insight into use case applicability

EMBARK BY THE NUMBERS

Corporate

Q4 '21

2021

2022E

Employees

Testing

\$245M

Raised in Business
Combination⁽¹⁾

\$20M

Q4 Adj. EBITDA
Loss⁽²⁾

\$54M

2021 Adj. EBITDA
Loss⁽²⁾

**\$125 –
140M**

2022E Free Cash
Flow Spend⁽³⁾

236

Employees⁽⁵⁾

18

Testing Truck
Fleet

450M

Basic Shares
Outstanding⁽⁴⁾

\$34M

Q4 Free Cash
Flow Spend⁽³⁾

\$69M

2021 Free Cash
Flow Spend⁽³⁾

**\$70 –
\$75M**

2022E Share
Based
Compensation

172

R&D Employees

0

DOT Reportable
Incidents &
Inspection Failures

1) \$245 million reflects net proceeds for all redemptions, fees and expenses.

2) As defined in non-GAAP reconciliation as Free Cash Flow on slide 16.

3) Defined as Free Cash Flow in non-GAAP reconciliations on slide 17. The fourth quarter free cash flow spend includes approximately \$12.5 million of prepaid expenses and other working capital adjustments. Fourth quarter free cash flow spend excluding prepaid expenses and other working capital impacts was \$21.7 million.

4) As of March 7, 2022. More detail on EMBK shares included on slide 18.

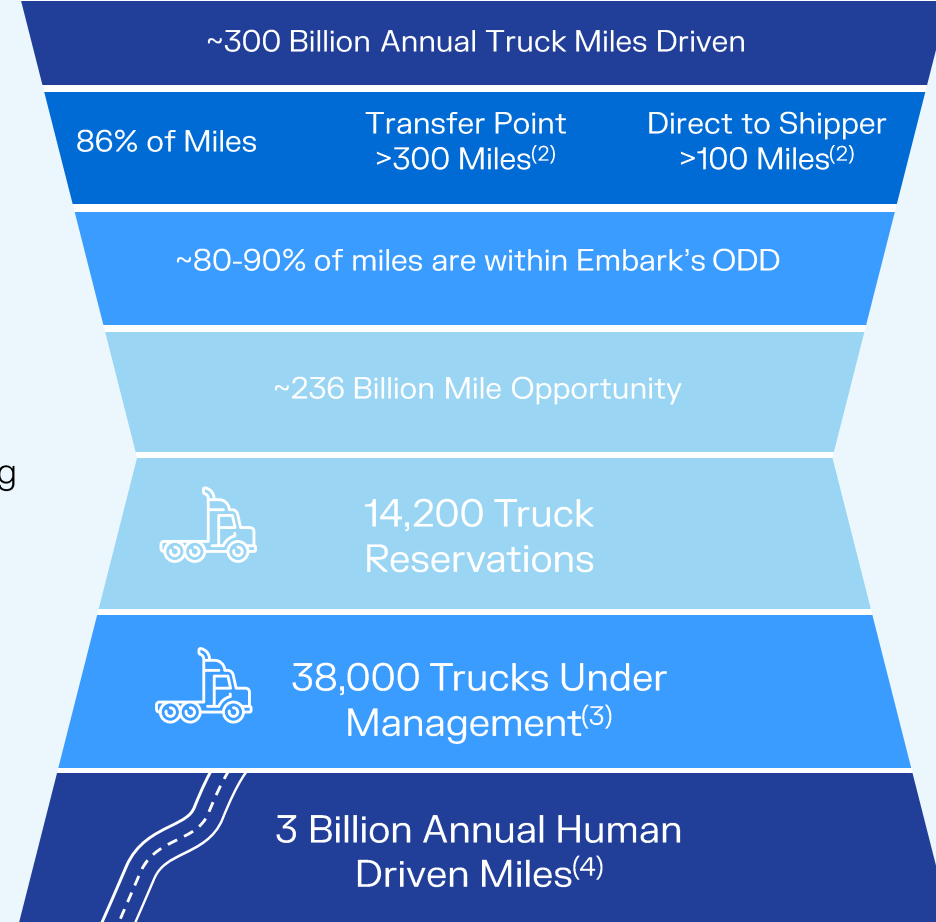
5) Include 5 contractors.

FINANCIAL FRAMEWORK

Top-Down Approach

- ✓ The total addressable market for Embark's technology is large, even at small adoption levels
- ✓ We are already analyzing the opportunity with partners, evaluating where autonomous trucking is economical, and working together to refine the plan to operationalize and commercialize our technology at scale
- ✓ The need for Embark's technology is clear and present

Top-Down Approach - TAM



Bottom-Up Approach

- ✓ 14,200 Truck Reservations Represent 10 Billion⁽⁵⁾ Lifetime Embark Revenue Generating Miles
- ✓ PDP Partners Spend ~\$1.4 Billion Annually on New Trucks Representing ~9,500 Trucks⁽⁶⁾
- ✓ Top 100 Carriers Spend ~\$15 Billion Annually on New Trucks Representing ~110,000 Trucks⁽⁶⁾
- ✓ Industry-wide Class 8 Truck Sales of ~222,000 in 2021⁽⁷⁾

Bottoms-Up Approach – PDP Program

1) Analysis based on the [Freight Analysis Framework](#), produced in partnership with the Bureau of Transportation Statistics and the Federal Highway Administration and additional data from the Bureau of Transportation Statistics Link

2) 100-300 mile trips only economical in Direct to Shipper model (i.e. origin/destination within operating domain).

3) Reflects number of total trucks in aggregate fleets of all PDP partners. Fleet size sourced from [FreightWaves](#) and [Transport Topics](#).

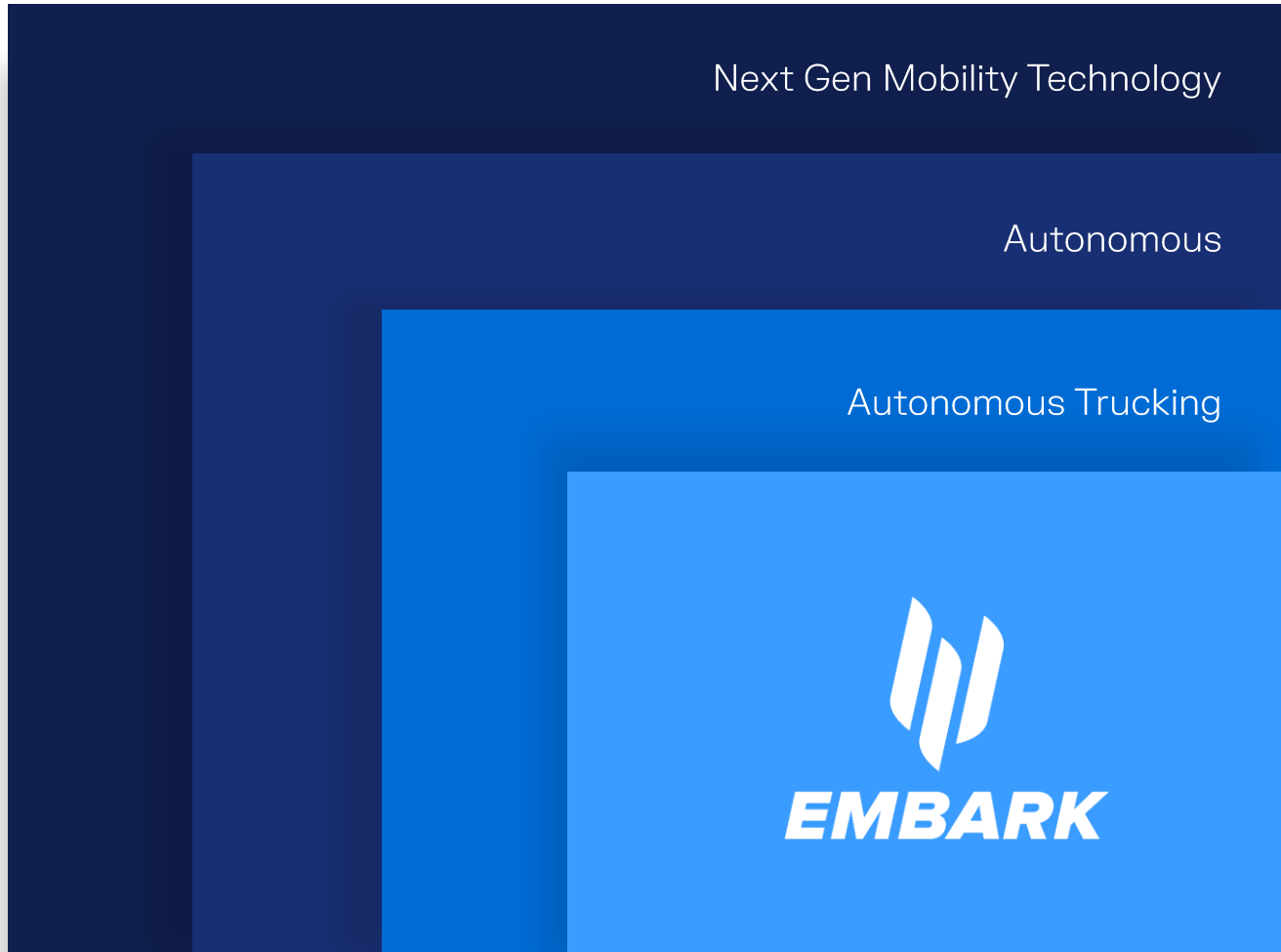
4) 90,000 Annual Miles Driven per Human Truck.

5) Based on 720,000 truck lifetime miles.

6) 25% Annual Fleet Turnover for major fleets and \$150,000 truck purchasing cost. Top 100 Carriers total ~450,000 tractors in 2021 per [Transport Topics](#).

7) [American Truck Dealers Truck Beat](#), December '21


SUMMARIZING EMBARK'S OPPORTUNITY



Clear and Present
Market Opportunity
Today

Limited Players
Focused on Trucking

Attractive Financial
Profile

 **EMBARK** is an industry leader and
the longest running self-driving truck program

EMBARK
Appendix



NON-GAAP RECONCILIATION: ADJUSTED EBITDA

Embark Trucks, Inc.
Reconciliation of Adjusted EBITDA
(in thousands, except share and per share data)

	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
Net loss	\$ (76,388)	\$ (6,544)	\$ (124,213)	\$ (21,531)
Interest income and expense, net	4,413	(124)	8,065	(788)
Depreciation and amortization	318	262	1,074	822
EBITDA	(71,657)	(6,406)	(115,074)	(21,497)
Stock-based compensation expense ⁽¹⁾	44,171	272	47,607	842
Change in fair value of warrant liabilities ⁽²⁾	8,206	—	8,206	—
Change in fair value of derivative liability ⁽³⁾	(1,460)	—	4,323	—
One time transaction related cost ⁽⁴⁾	413	—	1,413	—
Adjusted EBITDA	\$ (20,327)	\$ (6,134)	\$ (53,525)	\$ (20,655)

(1) Reflects, for the years ended December 31, 2021 and 2020, stock-based compensation expense related to the issuance of equity awards to certain Embark employees, the issuance of our Class B shares to the Embark Founders, and issuance of equity awards for non-employee services.

(2) Reflects the increase in the fair values of the Company's private, public, FPA and working capital warrants.

(3) Reflects the change in the fair value of the embedded conversion and redemption features, which are presented as a derivative liability, related to the convertible note payable.

(4) Represents one time transaction related costs, which are not expected to recur in the future

NON-GAAP RECONCILIATION: FREE CASH FLOW SPEND

Embark Trucks, Inc.
Free Cash Flow
(in thousands, except share and per share data)

	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
Net cash used in operating activities (GAAP)	\$ (33,191)	\$ (6,826)	\$ (66,049)	\$ (19,130)
Capital expenditures	(973)	(722)	(3,353)	(2,181)
Truck deposits, net of returns	—	(10)	(353)	768
One time transaction related cost ⁽¹⁾	—	—	1,000	—
Free cash flow (Non GAAP)	\$ (34,164)	\$ (7,558)	\$ (68,755)	\$ (20,543)

(1) Represents one time transaction related costs, which are not expected to recur in the future.

EMBARK SHARE DETAIL

Share Type	Amount	Description	10K Reference
Class A ⁽¹⁾	362,873,244	Common stock – 1 vote per share	Item 12 (Beneficial Ownership of Securities)
Class B ⁽¹⁾	87,078,981	Common stock – 10 votes per share	Item 12 (Beneficial Ownership of Securities)
Basic Shares Outstanding	449,952,225		
<u>Other Securities</u>			
Private Warrants ⁽²⁾	8,686,667	Exercisable at \$11.50 per share for Class A shares	Item 8 (6 Warrants)
Public Warrants ⁽³⁾	14,466,599	Exercisable at \$11.50 per share for Class A shares	Item 8 (6 Warrants)
Options Outstanding ⁽⁴⁾	25,358,426	Weighted average exercise price of \$0.20	Item 8 (7 Stock-Based Compensation Expense)
RSU Outstanding	9,614,026	Vests over four years	Item 8 (7 Stock-Based Compensation Expense)
Performance Stock Units Outstanding	44,715,756	Performance based RSUs which begin to vest with EMBK trading at greater than \$20 per share ⁽⁵⁾	Item 8 (7 Stock-Based Compensation Expense)
Common Stock Units Outstanding	1,481,065	Issued in related to exercised warrants	Item 8 (7 Stock-Based Compensation Expense)
Total Shares	554,274,764		

(1) As of March 7, 2022.

(2) Includes 2,000,000 Issuance of warrants upon conversion of convertible note.

(3) Includes 666,663 forward purchase agreements warrants.

(4) Of this amount, 17.7 million are vested and exercisable as of 12/31/21.

(5) PSUs do not begin to vest until Embark's share price is at least \$20.00, with a vesting schedule comprised of six price-based increments up to \$100 per share.

 **EMBARK**
Thank You

