



# Company Overview

November 2023  
CONFIDENTIAL



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ARRIVAL

Arrival at a glance

# Visionary leadership team with deep domain and execution expertise



**Igor Torgov**

**Chief Executive Officer**

- Previously held numerous COO, CEO, and leadership positions in the technology sector
- Holds an MBA in Strategic Management from California State University in Hayward, California



**John Wozniak**

**Chief Financial Officer**

- Over 25 years of experience in financial operations and public accounting
- 18 year tenure at Motorola Solutions, most recently in capacity as Corporate Vice President
- Worked within both the National Office and Audit Practice at Arthur Anderson



**Mike Ableson**

**CEO North America & Automotive**

- Held various senior roles in automotive industry with over 35 years of experience
- Vehicle Chief Engineer across a range of vehicle programs
- MsC in mechanical engineering from the University of California, Berkeley
- BsC mechanical engineering from the University of Michigan, Ann Arbor



# Introducing Arrival 2.0

## Arrival 1.0



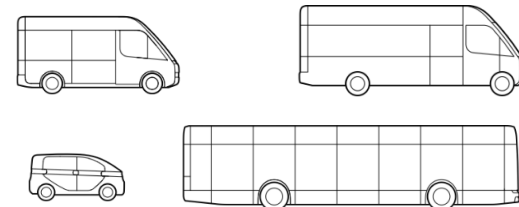
Employees  
**2,800**



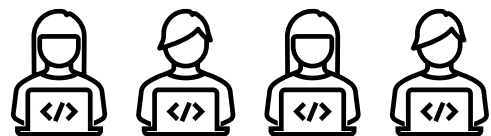
No. locations  
**45+**



Microfactories



Balancing multiple  
product lines



Multiple software  
products



Investment to  
support broad R&D

Realigned strategic product roadmap

Focused on operational  
and capital efficiency

Optimized manufacturing approach

Rationalize global footprint

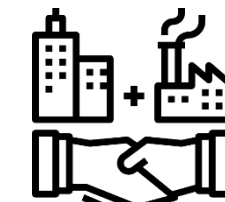
## Arrival 2.0



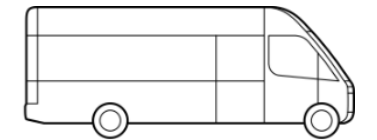
Employees  
**<400**



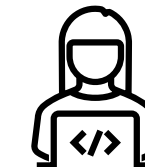
No. locations  
**4**



Outsourced  
manufacturing



Laser-focused on  
shipping XL Vans



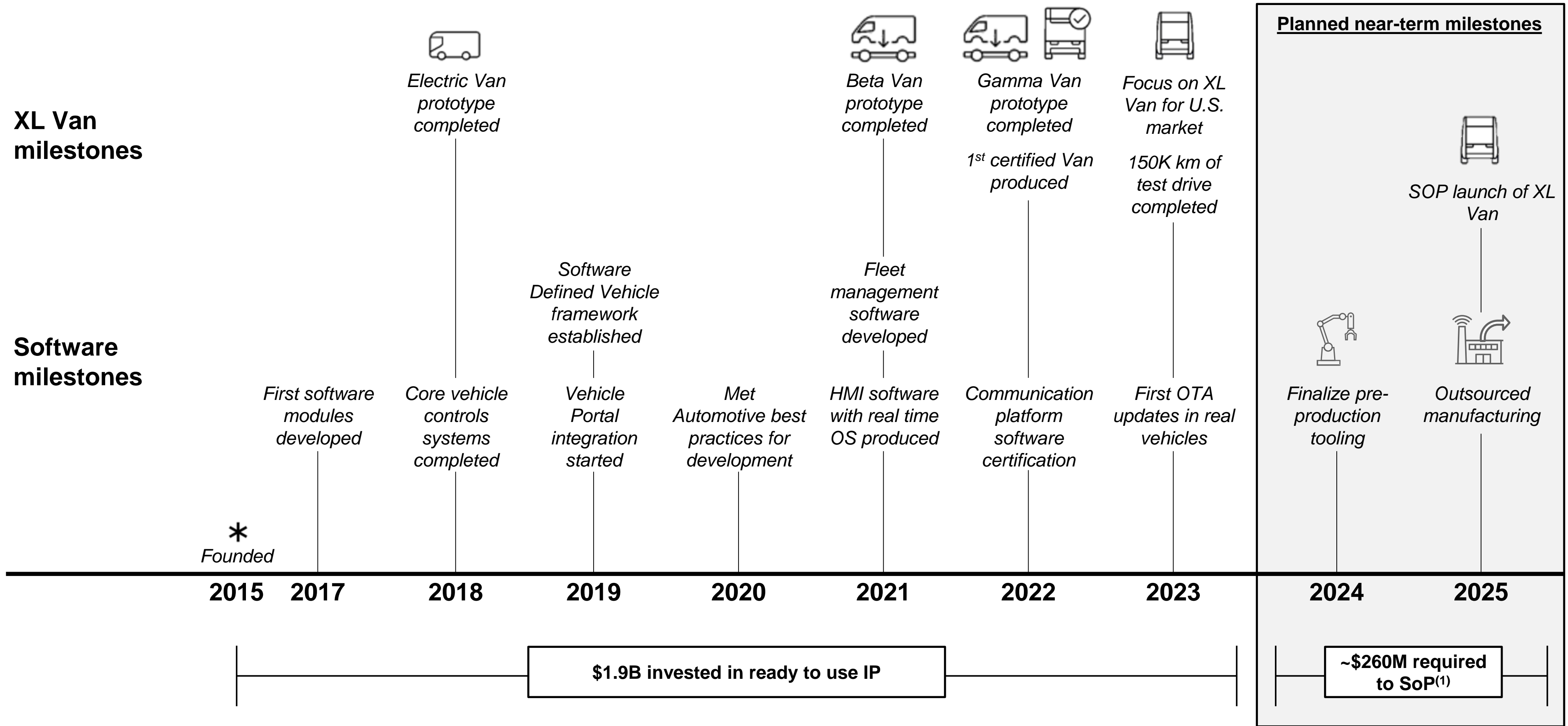
Solely vehicle  
software



Cash conservative  
approach

Arrival 2.0 is streamlined, capital efficient and poised to execute on a new strategic playbook

# The stage is set for Arrival to turn revolutionary technology to a commercial reality



<sup>1</sup> Includes operating cash flow and incremental cash investment (CapEx).

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Value proposition

# Arrival 2.0 – Value proposition

## Unique, targeted business model focused on path to profitability

Purpose-built commercial electric vehicles in segments that are underserved by large scale OEMs, targeting **higher ASPs and margins while requiring lower up front investment**

## Proprietary software-enabled design method, reducing capex

**Design method developed from the ground up**, specifically focused on **reducing overall capex required per program**, eliminating the largest legacy investments required and **reducing time to achieve simple payback**



## Highly tailored production strategy, positioned for strategic scalability

Production **methodology designed from end to end to tackle legacy production inefficiencies**, reduce capex required per vehicle, and optimize assembly in a nimble, asset light contract manufacturing model which can be rapidly deployed in key markets

## Proprietary software & services stack

Highly customized solutions **designed specifically to support our purpose-built vehicles**, enhancing vehicle value proposition and increasing barriers to entry

## Existing customer demand to fully support business plan

**Robust industry demand** including large orders from **key logistics providers**, sufficient to fully support plan through profitability

## Large and expanding US electrification market, supported by record government incentives

**Over \$48B in subsidies** for domestic commercial electric vehicle production have dramatically accelerated adoption in the Light & Medium Duty vehicle market, growing at a **31% CAGR through 2028<sup>1</sup>** further propelled by **double-digit growth<sup>2</sup> in the \$350B+ last mile delivery market**

<sup>1</sup> Source: The Insight Partners, North America Electric Trucks Market Forecast to 2028, September 2021.

<sup>2</sup> Source: Insight Analytic Partners, Last Mile Delivery Market Report, 2023-2031.



# Arrival is defining the last-mile electric vehicle category

Arrival – creating an entirely new category – “Software-defined, last-mile electric vehicles”



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## The moat has already been dug

Modular next-gen software & hardware + patented production processes + thoughtful design = **High-margin, purpose-built EV for the last-mile delivery market**



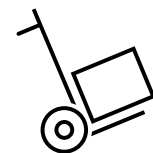
✓ Over The Air software updates



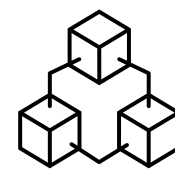
✓ Easy and efficient charging / servicing



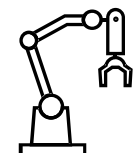
✓ Elevated driver experience and ergonomics



✓ Leading cargo and payload capacity



✓ Seamless integrations with 3<sup>rd</sup> party software



✓ Lower BOM cost

Attractive dynamics in the last-mile delivery market

### Regulatory tailwinds

Favorable regulatory focus driven by \$48B+(<sup>1</sup>) in government incentives for commercial vehicle electrification

### Limited competition

Advantageous market dynamics for new EV challengers with limited competition from traditional OEMs

### Lower capital requirements

High capital efficiency enables lower break-even volumes

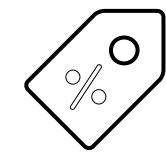
### Higher margins

Attractive ASP in last-mile segment and Arrival's low BOM cost drive higher margin profile

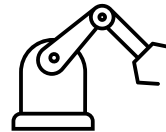
<sup>1</sup> Atlas EV Hub, The Inflation Reduction Act: EV Provision, September 2022.

# Patented, software-enabled design method sets the stage for profitability

Thoughtful, upfront heavy-lifting leads to positive long-term results



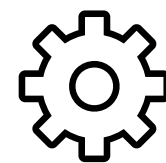
Reduces overall capital expenditures required per program



Eliminates largest legacy investments related to vehicle assembly



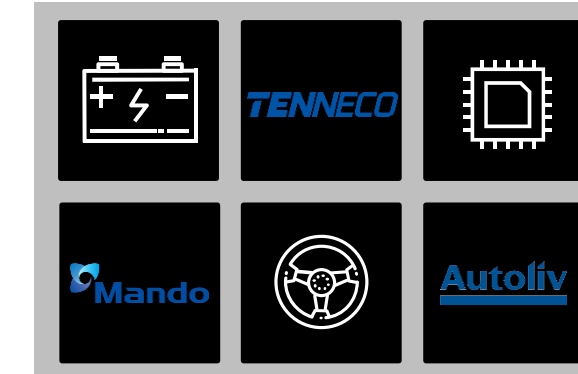
Reduces R&D costs for future designs



Enables flexible hardware architecture and production design

Plug-and-play modular design

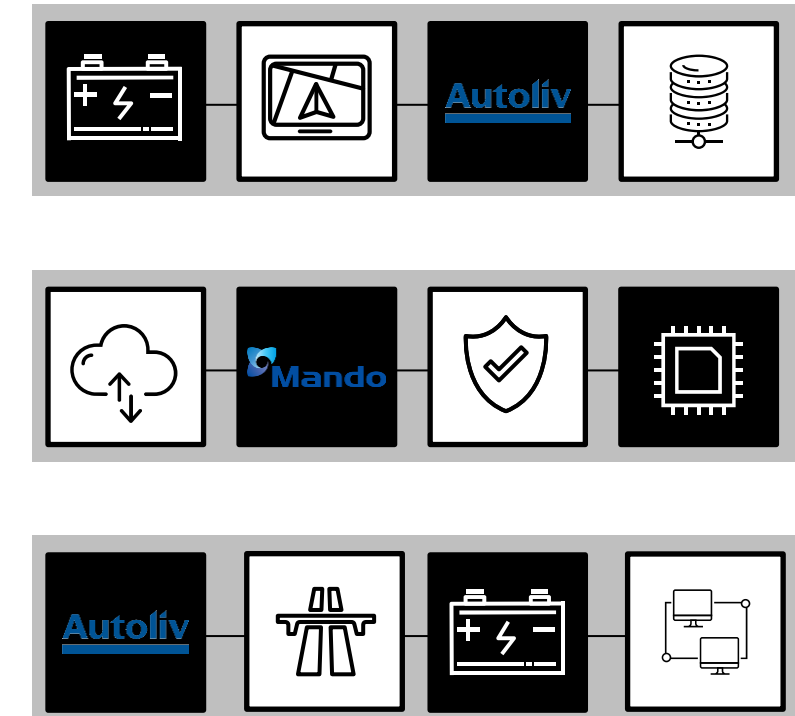
Modular / off the shelf hardware



Modular software



Final vehicle configuration



# Proprietary production methodology with opportunity for flexible deployment

Our vehicles were designed to be produced in a capital efficient environment

## Key design benefits



**Improved cash flow**

*Arrival vehicles are designed to be assembled with relatively low capex spend. This reduces capital outlay and lowers break-even volumes*



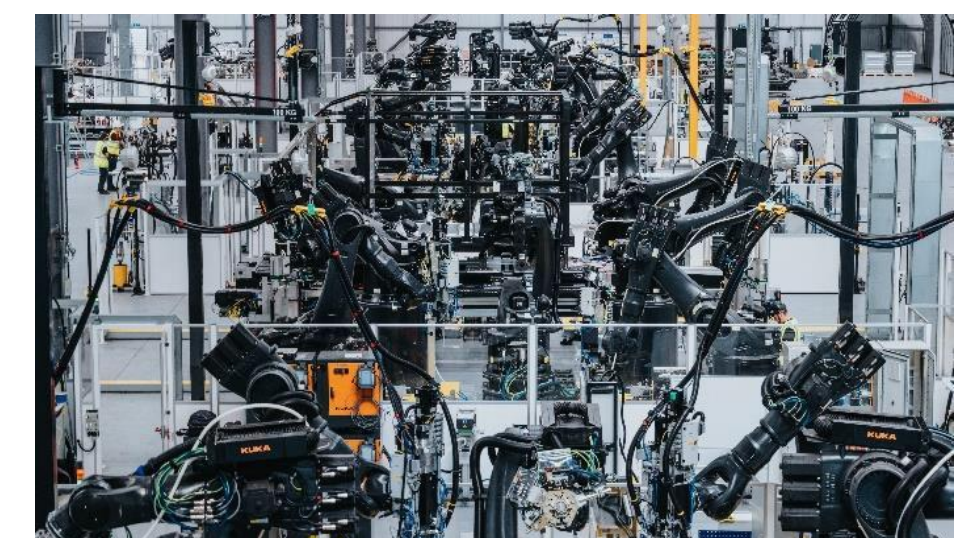
**Flexible manufacturing**

*Modular product design assembly is flexible based on contract manufacturers processes*



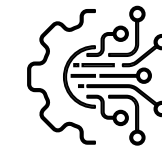
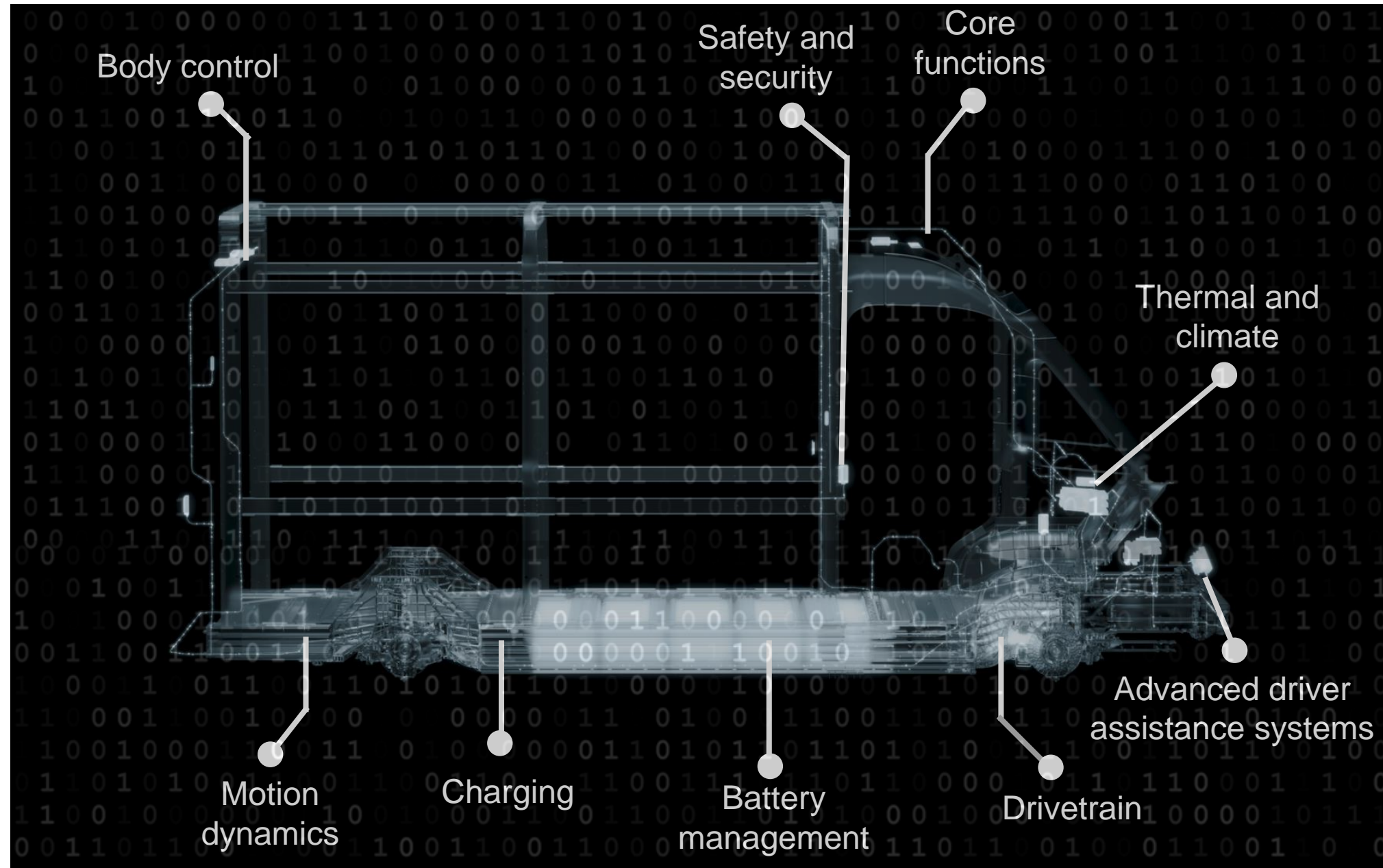
**Reduced time to market**

*Requires significantly less retooling and shortens window from vehicle design to production-readiness*



# Software defined vehicles powered by an advanced technology stack and digital tools

## Full range of proprietary next-gen vehicle software



Feature driven, vertically-integrated software development facilitates continuous and flexible improvement with complete control over the entire tech stack



Software features tailored for fleet operators, such as remote vehicle diagnostics, monitoring and configuration



Cloud-based, CI/CD pipeline designed for efficiency, flexibility and scalability enables rapid OTA maintenance / upgrades and potential incremental revenue streams post-sale

### Software-enabled design methodology

Digital Electric Vehicle Assembler	Device Studio	Software Components Library
<i>Supports the end-to-end vehicle lifecycle</i>	<i>Enables Software Defined Vehicle development via hardware-agnostic end-to-end coverage</i>	<i>Comprehensive repository supporting Software Defined Vehicles</i>

5<sup>th</sup> generation vehicle architecture, years ahead of the industry

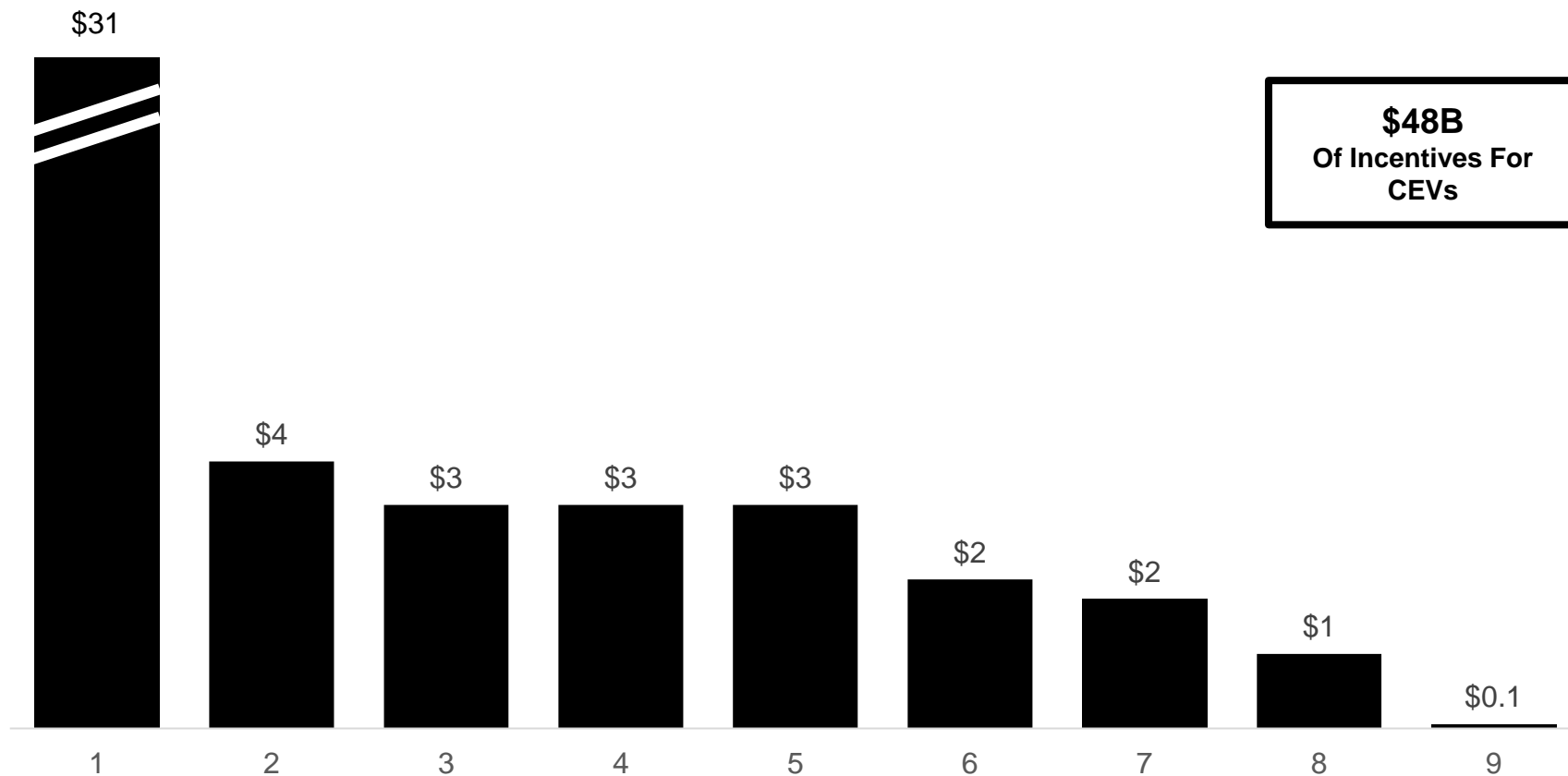
# Regulatory incentives and requirements fostering robust industry demand

In light of regulatory tailwinds, major logistics providers are investing heavily in electrifying their commercial vehicle fleets



## Inflation Reduction Act (IRA)

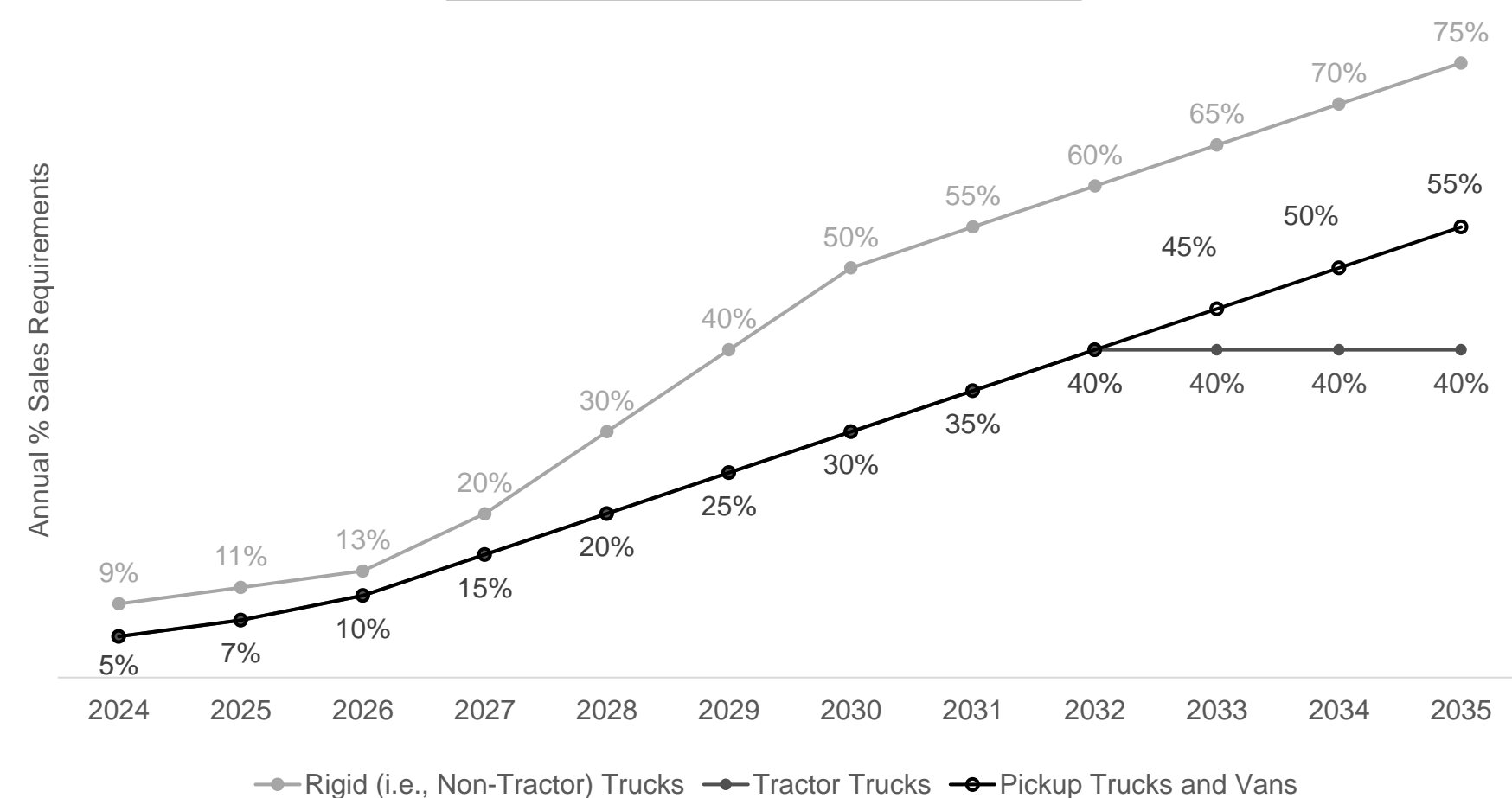
Allocation of IRA subsidies for commercial EV's<sup>(1)</sup>



- |  |   |
|--|---|
| 1. Advanced manufacturing production credit  | 6. Domestic manufacturing conversion grants   |
| 2. Qualified commercial clean vehicles       | 7. Alternative fuel refueling property credit |
| 3. Advanced technology vehicle manufacturing | 8. Clean heavy-duty vehicles                  |
| 4. Grants to reduce air pollution at ports   | 9. Diesel emissions reductions                |
| 5. United states postal service clean fleets |   |

## Advanced Clean Truck (ACT) Rule

Zero-Emission sales % schedule<sup>(2)</sup>



- The Advanced Clean Truck rule sets requirements for OEMs of commercial vehicles to sell zero-emissions vehicles as an increasing percentage of annual sales from 2024 to 2035
- The ACT rule was originally formulated in California in 2020, but has also been adopted in Oregon, Washington, Massachusetts, Vermont, New York, New Jersey and Colorado

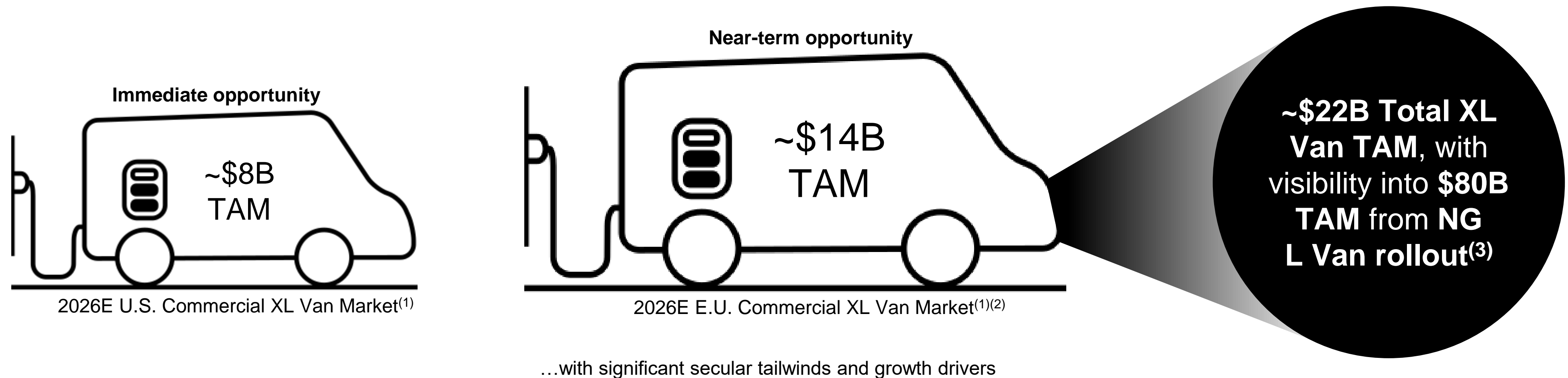
Source: Company websites; BloombergNEF, Automotive Fleet 500, US DoT FMCSA.

<sup>1</sup> Atlas EV Hub, The Inflation Reduction Act: EV Provision, September 2022.

<sup>2</sup> Rocky Mountain Institute, June 2023.

# Hyper-focused on a massive opportunity with significant runway

The commercial XL electric Van market is a greenfield opportunity...



**\$40K**

Buyer tax credits per zero-emission commercial vehicle

**\$20B**

Loans designated to build clean vehicle manufacturing facilities

**~60%**

Of fleet operators have announced decarbonization targets

**10%**

Last mile delivery market 2023-2031 CAGR<sup>(4)</sup>

<sup>1</sup> Represents the 2026 class 3-6 commercial vehicle market and 20% of the class 1-2 market per BloombergNEF. Assumes \$100K ASP.

<sup>2</sup> EU TAM reflects rollout of XL Van in EU. TAM subject to change based on approach and could be larger inclusive of a smaller vehicle.

<sup>3</sup> Represents 80% of the U.S. and E.U. 2026 class 1-2 commercial vehicle market. Assumes \$100K ASP.

<sup>4</sup> Insight Analytic Partners, Last Mile Delivery Market Report, 2023-2031.

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# Product overview

# Purpose-built class 4 electric vans offer an attractive alternative to incumbent ICE vans

XL 1000



XL 700



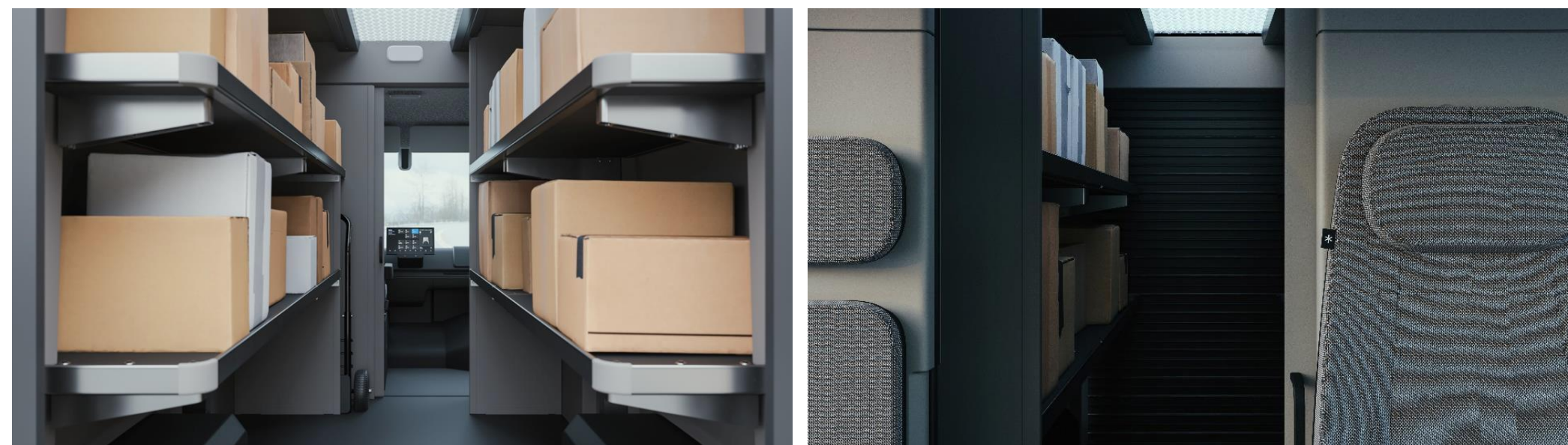
XL Chassis



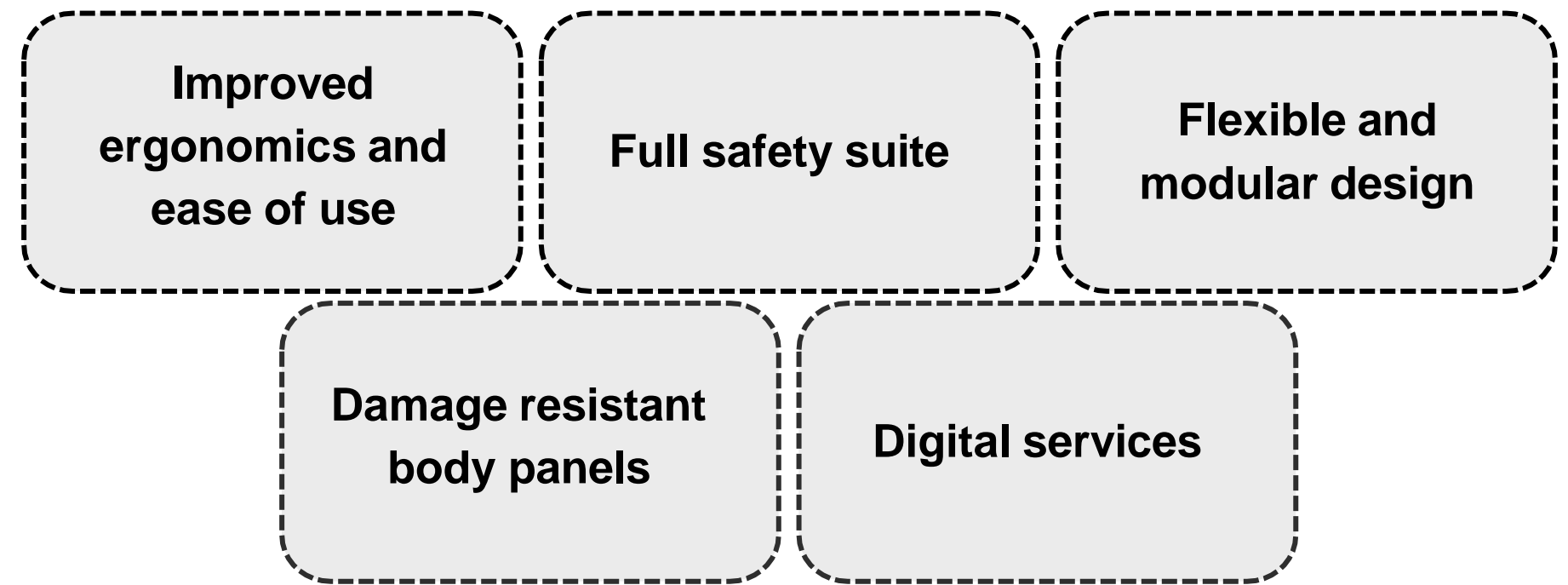
<b>Classification</b>	Class 4	Class 4	Class 4
<b>Gross weight</b>	15,400 lb	15,400 lb	15,400 lb
<b>Cargo volume</b>	1000 ft <sup>3</sup>	700 ft <sup>3</sup>	N/A
<b>Payload</b>	Up to 6,000 lbs	Up to 6,500 lbs	
<b>Wheelbase</b>	198 in.	168 in.	
<b>Length</b>	27.0 ft	21.7 ft	
<b>Height</b>	10 ft	10 ft	10 ft
<b>Width</b>	7.4 ft	7.4 ft	7.4 ft
<b>Target ASP</b>	>\$110k	>\$100k	>\$90k



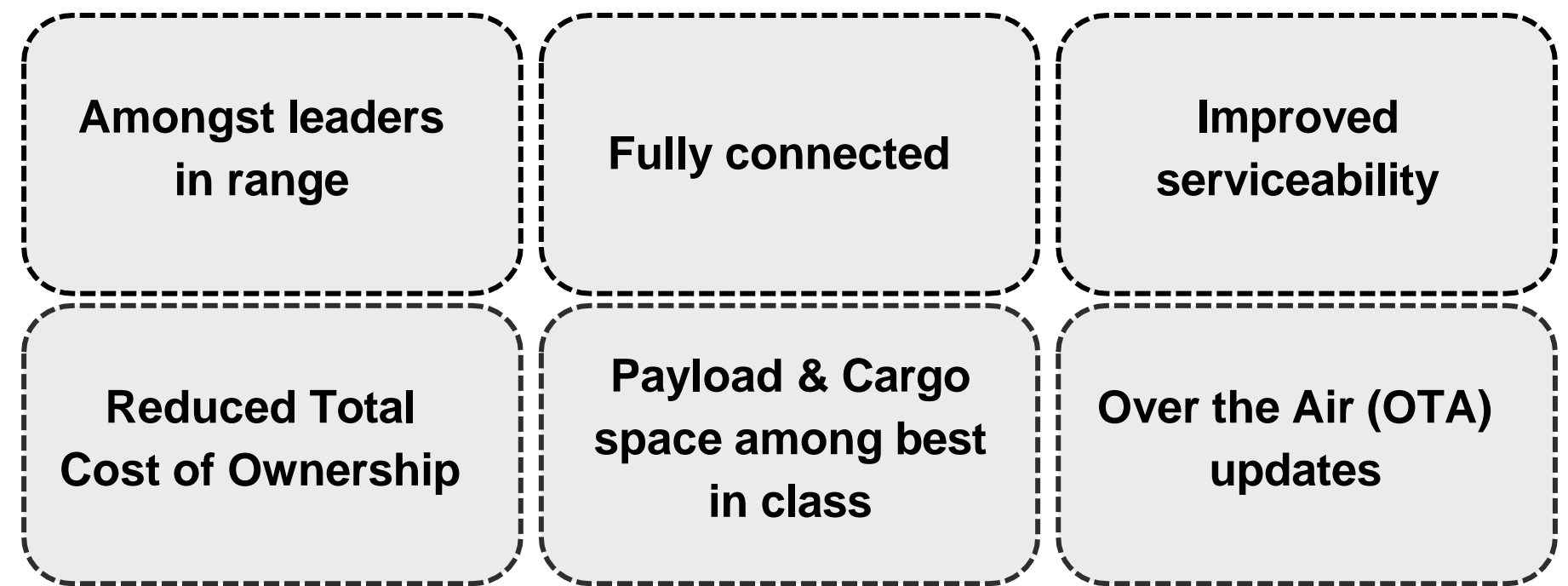
# Key benefits setting the XL van apart



## User benefits



## Fleet operator benefits



# Strategically priced to win in an uncrowded market

## Few EV players are attacking the XL Van segment

### Class 3 – 6 Competitors



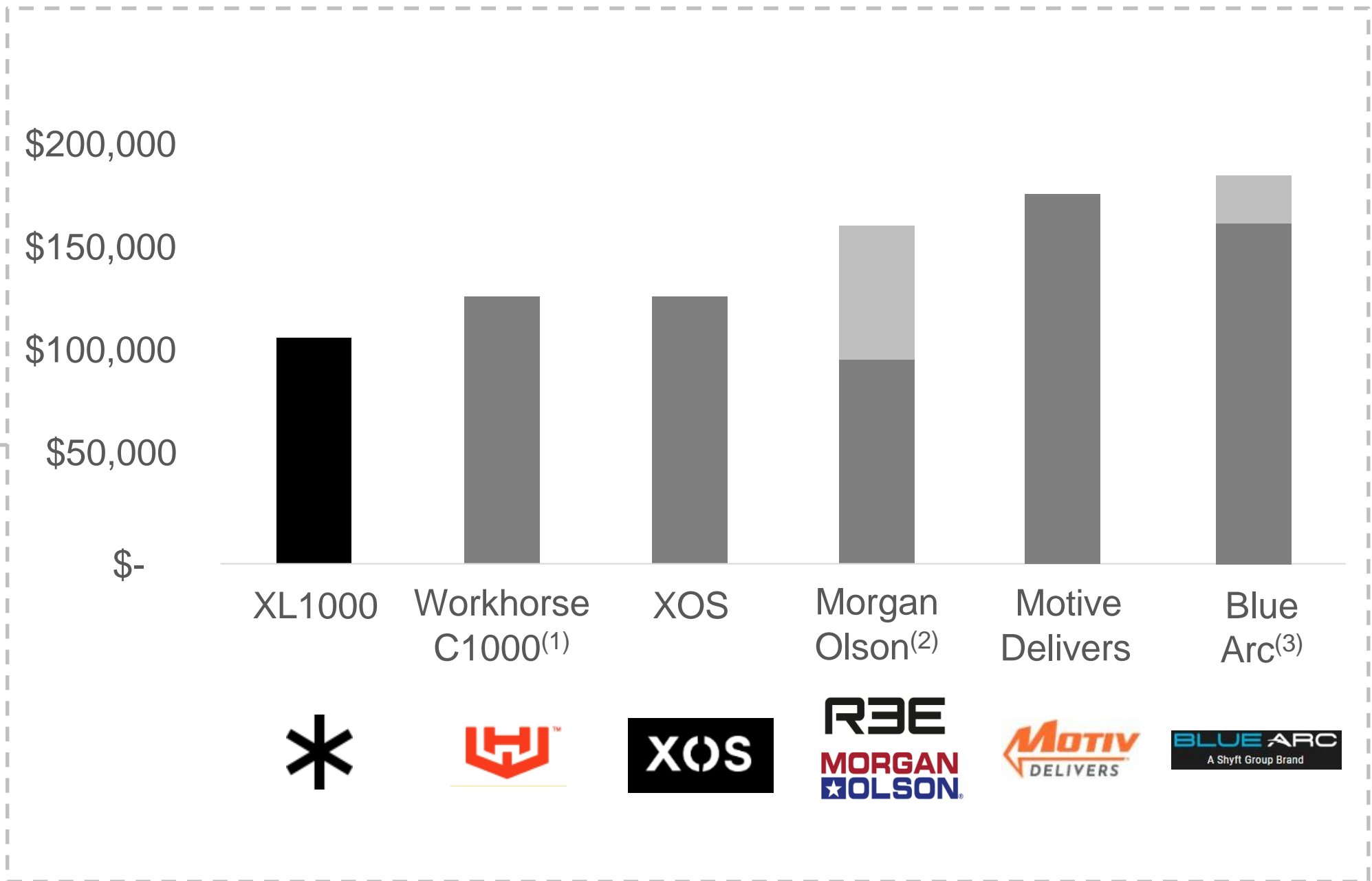
No definitive launch date

### Class 2 Competitors



RIVIAN

## Competitively priced with room to grow



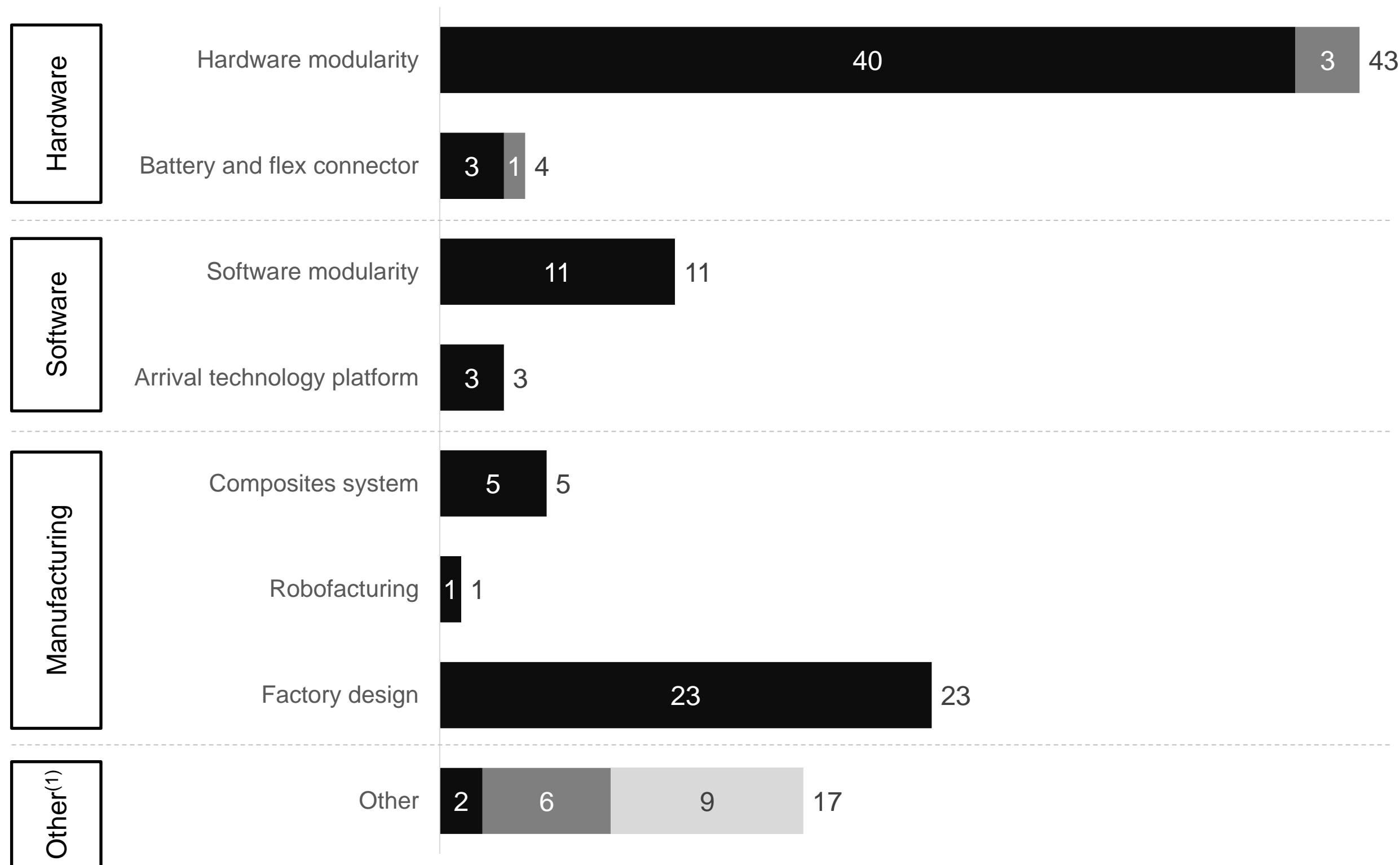
Note: Data based on Arrival internal research of publicly available data at time of research.

<sup>1</sup> Workhorse C1000 has been withdrawn from the market in December 2022.

<sup>2</sup> Morgan Olson price range is \$100,000 - \$165,000.

<sup>3</sup> Blue Arc price range of \$165,000 - \$185,000 per Motor Trend, 2023.

# Differentiated IP portfolio provides coverage across the entire value chain



- Key highlights
- Arrival has accumulated a comparable number of patents across a broader range of applications, in less time than peers
  - Key differentiators center around modularity and manufacturing
  - Provides greater reliability, serviceability and upgradability for fleet operators
  - One of the only EV startups or scaleups that own patents in adhesives and thermal management

88 Patent families
 + 
 10 Designs
 + 
 9 Trademarks
 = 
 107 Total IP rights


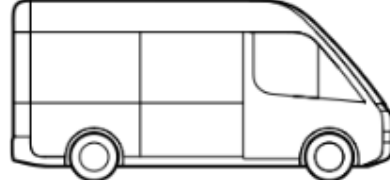

Note: Includes both published and non-published IP rights.

<sup>1</sup> Includes patent families, designs and trademarks of Arrival's name and logos, and complete Van, Bus and Car products.

ARRIVAL

Go forward business plan

# Arrival 2.0 business plan overview

	Existing business plan		Illustrative future upside initiative
	Stage 1 – N.A. (XL Van)	Stage 2 – NG L Van	Optional XL Van E.U. rollout <sup>(1)</sup>
<b>Product</b>			
<b>Class<sup>(2)</sup></b>	IV – V	II – III / N1	N2
<b>Incremental cash investment</b>	\$150M	\$308M	~\$85M
<b>Max project sales per annum</b>	\$1,398M	\$3,785M	~\$960M
<b>Average gross margin</b>	19%	18%	19%
<b>Max project cash flow per annum</b>	\$295M	\$752M	~\$185M
<b>TAM unlocks</b>	\$8B <sup>(3)</sup>	Up to ~\$175B <sup>(4)</sup>	\$14B <sup>(3)</sup>
<b>MOIC on incremental capital<sup>(5)</sup></b>	9.3x	9.8x	~12.0x

High capital return projects – modularity return options for ownership

<sup>1</sup> EU TAM reflects rollout of XL Van in EU. TAM subject to change based on approach and could be larger inclusive of a smaller vehicle.

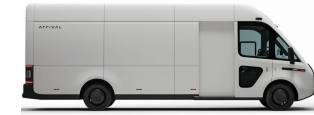
<sup>2</sup> Weight classifications per BloombergNEF. Class IV-V represents vehicles between 4.5 and 12.0 tons. Class II-III represents vehicles <4.5 tons. Class N2 represents vehicles < 3.5 tons; Class N1 represents vehicles between 3.5 and 12.0 tons.

<sup>3</sup> Represents the 2026 class 3-6 commercial vehicle market and 20% of the class 1-2 market per BloombergNEF. Assumes \$100k ASP.

<sup>4</sup> Represents global L Van, US and EU XL Van 2026 TAM. Assumes 80% of US / EU L Van market captured in XL Van TAM. Assumes \$100k ASP.

<sup>5</sup> Calculated as total project operating CF of \$1,389M, \$2,721, and ~\$990M across stages 1, 2 and 3, respectively, divided by incremental investment.

# Stage 1 – XL Van rollout in NA



**Laser-focused strategic priority for Arrival 2.0**

**Design largely complete - XL Van trials Q1 2025, SoP Q3 2025**

**High visibility into \$150M incremental investment requirements needed to get XL Vans on the road**

**Production to take place leveraging outsourced manufacturing; North American contract manufacturing site TBD**

## The North American XL Van market

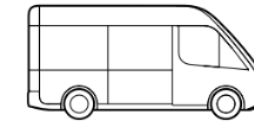
- ✓ \$8B<sup>(1)</sup> untapped opportunity
- ✓ Low competition from traditional OEMs
- ✓ Substantial government incentives / growth drivers



**Low upfront investment and high visibility to cash flow, able to fund future stages**

<sup>1</sup> Represents the 2026 class 3-6 commercial vehicle market and 20% of the class 1-2 market per BloombergNEF. Assumes \$100k ASP.

# Stage 2 – Global NG L Van deployment



Enables Arrival to address all last-mile delivery needs

Ability to hit ground running with established brand name and industry leading product offerings in existing geographies

Modular, software-enabled vehicle design allows for nimble integration of NG L Vans with XL Van production

Able to deploy value added software services, test driven on XL, onto a wide roll-out of NG L Vans

## Global market for NG L Van

- ✓ Largest market for last-mile delivery vehicles
- ✓ Differentiated product relative to existing players
- ✓ Design and production methods give NG L Vans market-leading margins



Realize full potential of Arrival 2.0, serving entire market for last-mile delivery

# Optional XL Van rollout in EU



**Rapidly expands TAM by ~\$14B<sup>(1)</sup>, bringing total to ~\$22B**

**Cash flow from Stage 1 and 2 lowers incremental new money investment required to launch EU rollout**

**Ability to run same playbook as U.S. market for rapid deployment**

**Option to leverage locally sourced contract manufacturing to reduce time to market**

## The European XL Van market

- ✓ \$14B<sup>(1)</sup> incremental market opportunity
- ✓ Low competition from traditional OEMs
- ✓ Comparable near-term EV Van adoption rates forecasted for US and EU



**Rollout existing XL Van in EU market, expanding TAM and generating additional cash flow**

Note: EU TAM reflects rollout of XL Van in EU. TAM subject to change based on approach and could be larger inclusive of a smaller vehicle.

<sup>1</sup> Represents the 2026 class 3-6 commercial vehicle market and 20% of the class 1-2 market per BloombergNEF. Assumes \$100k ASP.



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Appendix

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