



NASDAQ: EMBK
Q3 2022 Earnings
November 8, 2022



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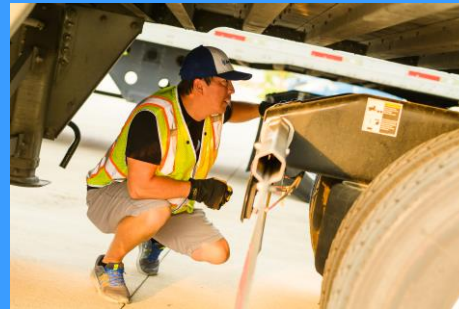
Embark believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about Embark. Embark's management uses forward looking non-GAAP measures to evaluate Embark's projected financial and operating performance. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore Embark's non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

CELEBRATING TRUCK TEAM APPRECIATION WEEK

Truck Team Appreciation Highlights

- At Embark, we celebrate Truck Team Appreciation Week recognizing the 24/7 contributions of our Safety Driver & AV Operator teams
- Our safety drivers are highly experienced, with an average of over 20 years of driving experience and an average of over a million safe miles driven
- Safety drivers play an integral role in Embark's industry-leading safety record, with zero NHTSA- or FMCSA-reportable crashes or safety incidents
- Follow us on [LinkedIn](#), [Twitter](#), and [Instagram](#) to meet some of our Safety Drivers and Operators and hear their tales from the road!
- [Truck Driver Appreciation Week Medium Blog](#)

Safety Drivers In Action



Driver Spotlights



LEADERSHIP IN AV TRUCKING IN 2022



Deliver the First Truck into the Fleets of Carrier Customers

Accomplish Two of the Remaining Five Capabilities in Our Technological Roadmap

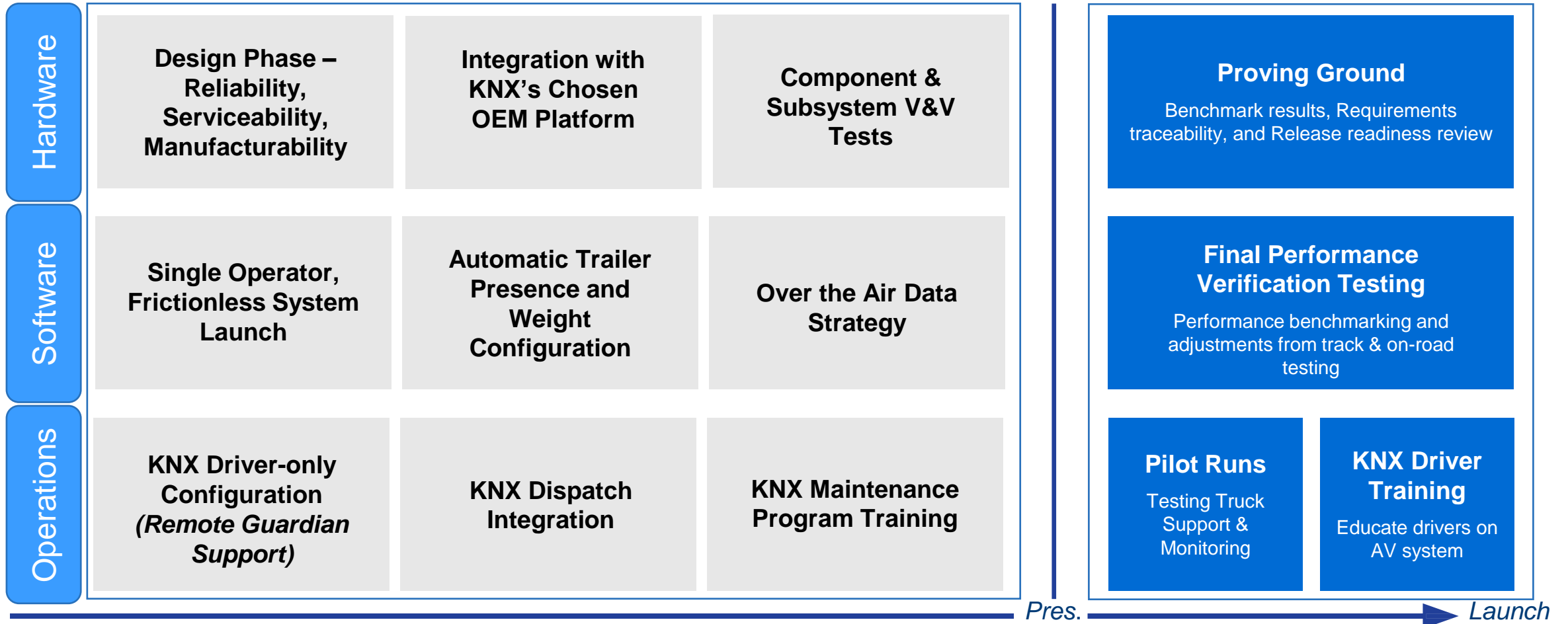
Launch the Backbone of the Embark Coverage Map Across the Sunbelt Region

TTP ON TRACK FOR YEAR END DELIVERY

Embark has completed key hardware, software, and operational pre-launch goals in advance of handing over the TTP trucks to Knight-Swift. With the remaining goals, Embark remains on track to meeting year end milestones.

Completed

Remaining Prior to Launch

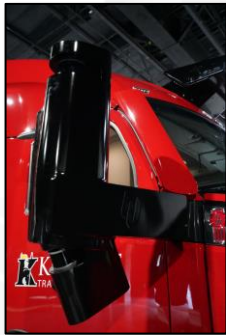


TTP TRUCK BUILD DEEP DIVE

Reliability, Serviceability, Manufacturability

Improved Independent Sensor Pods

- Highly durable design to withstand a commercial duty cycle
- Designed to resist harsh environmental conditions at both the sensor & module level



Side-Sensor Pods

- Upgraded lidar sensors to enhance performance
- No compromises on original OEM functionality
- Easily installable single assembly module

Upgraded Autonomous Domain Controller

- Improved durability and reliability
- Military grade ruggedized assembly
- Secure system monitoring & control
- Dedicated cooling technology



Front Bumper Sensor Integration

Integrated design retains serviceability of OEM components while providing easy-access to Embark sensors

Reliability Testing

Component and Subsystem Level

Hardware components and sub-assemblies are run through a rigorous series of tests including shaker testing, power thermal cycling, humidity testing, water and dust ingress, and thermal degradation.

System Level

Embark has put a TTP prototype through on-road durability testing at TRC Ohio to ensure system level reliability.



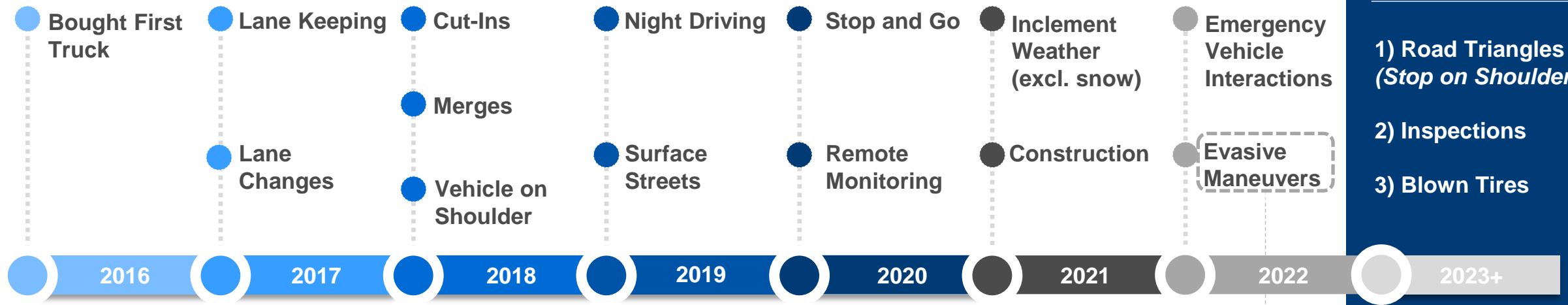
Thermal Testing



Track Testing

EMBARC'S TECHNOLOGY ROADMAP PROVIDES VISIBILITY TO COMMERCIALIZATION WITH SAFETY AT THE FOREFRONT

Past Technology Milestones and Accomplishments



Future Technology Milestones to Accomplish

- 1) Road Triangles (Stop on Shoulder)
- 2) Inspections
- 3) Blown Tires

To Be Completed by End of 2022

Embark has identified 16 core capabilities that are required to safely commercialize its technology

By the end of 2022, Embark will have developed 13 of the 16 capabilities, leaving 3 remaining capabilities required to safely commercialize its technology

TECHNOLOGY CAPABILITY ROADMAP: INSPECTIONS

Truck Safety Today⁽¹⁾

23.8%

Trucks had out-of-service (OOS) safety violations

6.2%

Drivers had OOS violations such as driving over HoS⁽²⁾ limits

36.9%

Trucks with OOS violations found to have unsafe brakes



Embarc and the AV trucking industry collaborated with CVSA to develop an enhanced CMV inspection standard & training course:

- CVSA enhanced commercial motor vehicle inspection standard
- Training course for motor carrier technicians to perform inspections

CVSA adopted a new enhanced CMV inspection standard for AVs; Embark is piloting the standard in Texas

	Traditional Roadside Inspections	Enhanced CMV Inspection Standard for AVs
Percentage of trucks inspected	<p>Small percentage of trucks</p> <p>Over 20% of CMVs inspected had safety violations during a 3-day CVSA roadcheck⁽¹⁾</p>	<p>100% of AV trucks</p> <p>Ensures any safety critical risks are detected and mitigated before trucks hit the road</p>
Frequency of inspections	<p>Occasional</p> <p>Level 1 inspection of truck and driver; at discretion of weigh station personnel</p>	<p>Daily</p> <p>Enhanced pre-trip inspection of truck; mandatory at least once every 24 hours</p>
Stop at weigh stations required?	<p>Yes</p> <p>Unless granted bypass by law enforcement</p>	<p>No</p> <p>Pre-inspected trucks will be granted 100% bypass</p>

THE EMBARK COVERAGE MAP – LAUNCH OF COAST-TO-COAST AUTONOMOUS TRUCKING NETWORK

Coast-to-Coast Coverage Map Highlights

- Completion of 9-site network creating coast-to-coast backbone of Embark Coverage Map
- Strategically expanded network opens crucial shipping lanes for our partners covering 9.5B miles⁽¹⁾
- 41% of shipping miles, representing 3.3M loads annually⁽²⁾, in the expanded network are on lanes that are impacted by Hours of Service regulations making AV adoption highly valuable
- Multiple pilots ongoing with PDP partners
- Can expand rapidly within Coverage Map due to Vision Map Fusion



Partner in securing optimal real estate sites for AV trucking



Partner in providing AV truck support services at transfer points

Embark Coverage Map: Core Coast-to-Coast Network



EMBARK BY THE NUMBERS

~\$4.8M driven by timing of prepaid expenditures and new building expenses

\$191.0M

Q3 Cash Balance

\$29.4M

Q3 Free Cash Flow Spend⁽¹⁾

\$35.4M

Q3 Net Loss

\$100 – 115M

(Reaffirming)

2022E Free Cash Flow Spend⁽¹⁾

\$74.1M

YTD Free Cash Flow Spend⁽¹⁾

\$24.7M

Q3 Adj EBITDA Loss⁽²⁾

1) As defined in non-GAAP reconciliations on slide 15.

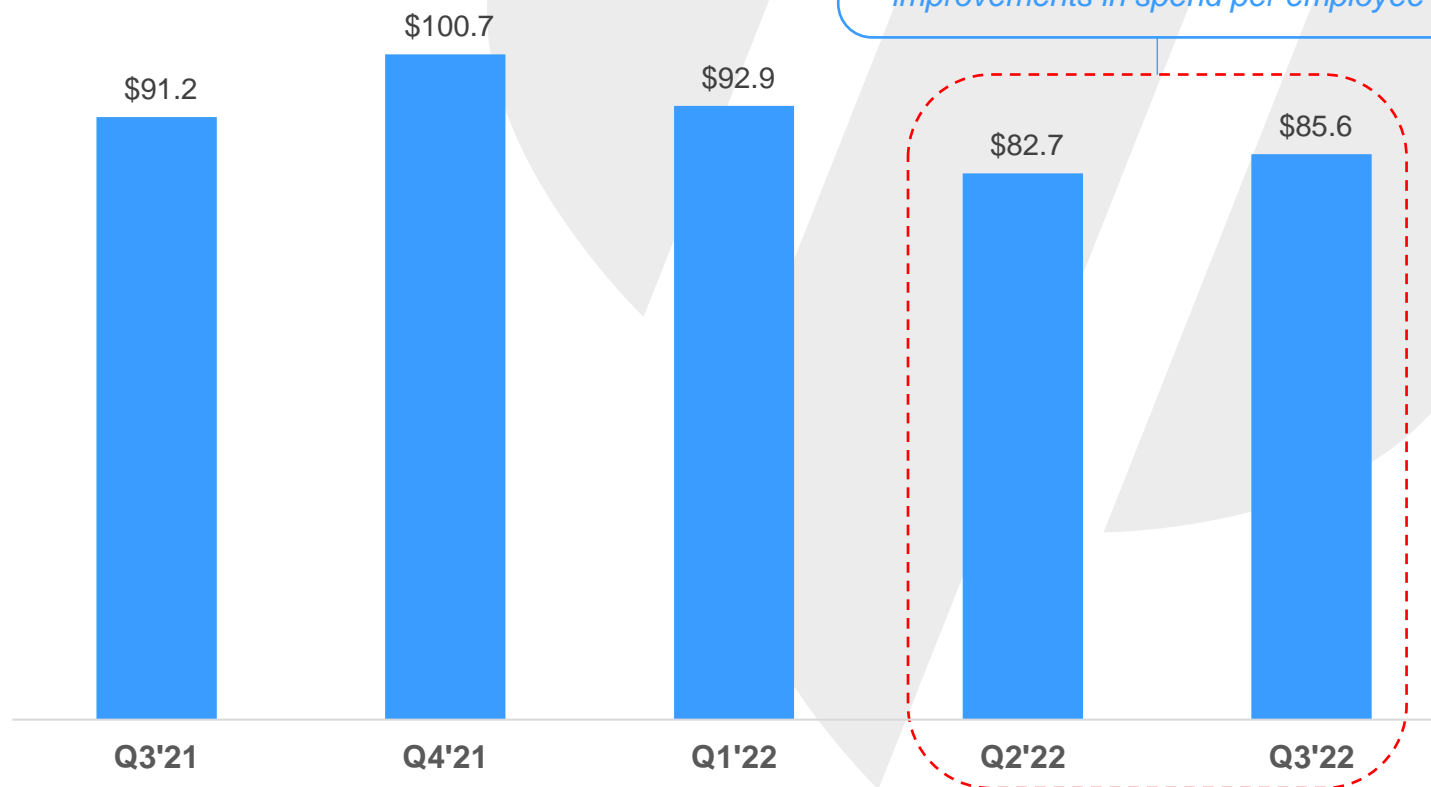
2) As defined in non-GAAP reconciliations on slide 16.

CONSISTENT, FOCUSED AND DISCIPLINED BALANCE SHEET MANAGEMENT

Financial Highlights

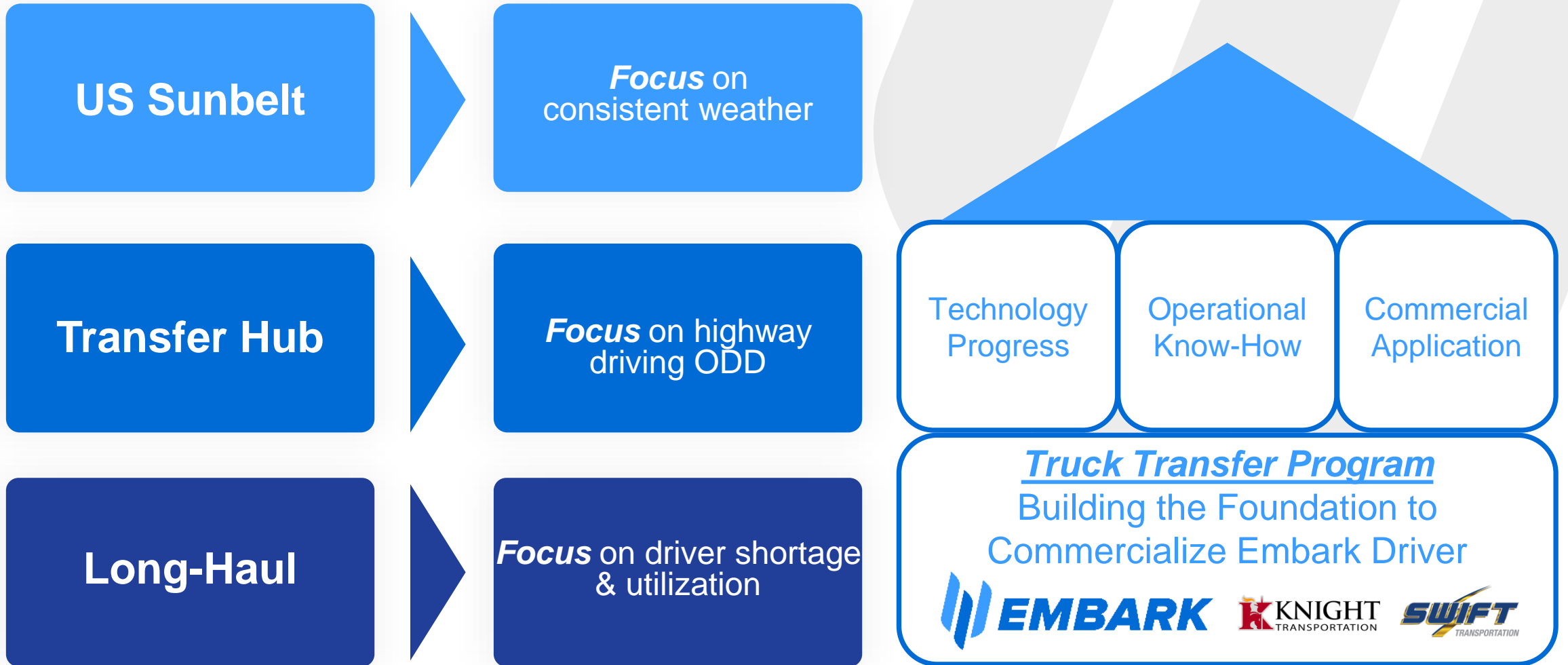
- **Asset-lite model** enables Embark to flex and focus the spend without compromising commercialization plans
- **Efficient spend has been consistent**, in both good and challenging market conditions
- **Focusing** resources towards an economically viable commercial product remains a key differentiator
- Team in place today to execute the plan to **commercialize in 2024**

Adjusted Quarterly EBITDA⁽¹⁾ less Capital Expenditures⁽²⁾ per Employee⁽³⁾ (Represented in \$000s)



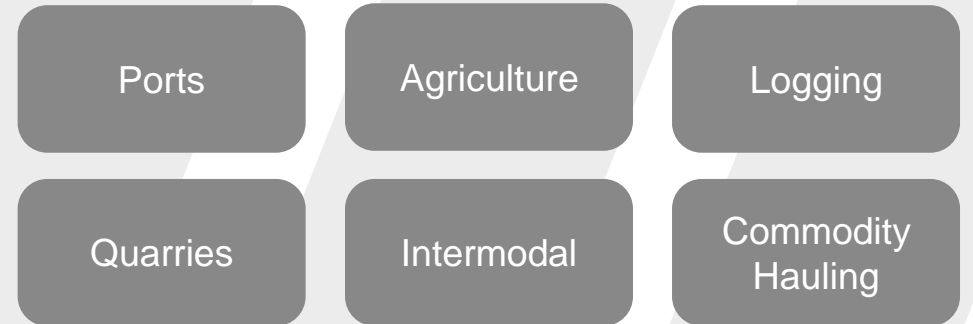
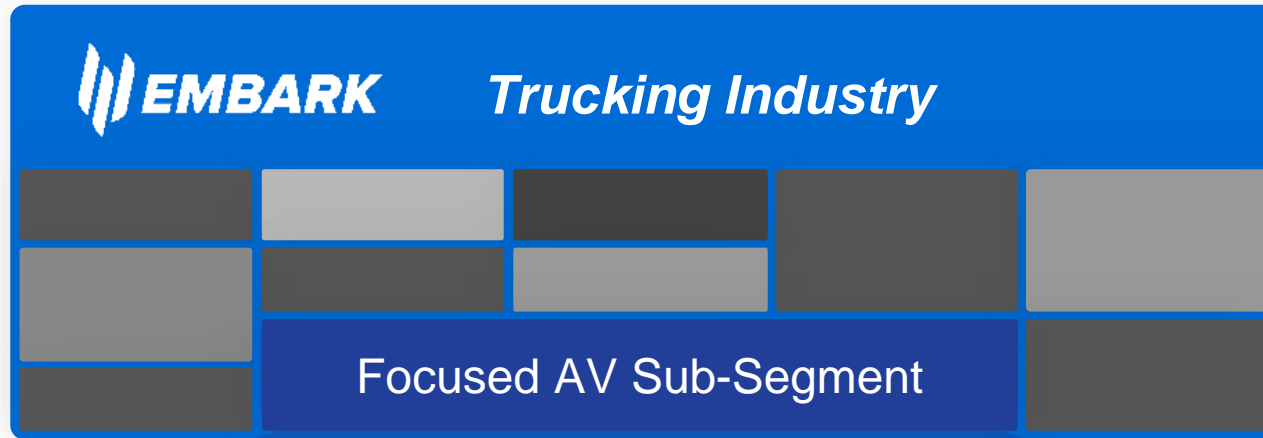
SIMPLIFYING THE PROBLEM IS PART OF OUR DNA

In 2016, Embark focused on self-driving trucks due to the higher value and lower complexity while most of the AV industry was obsessed with passenger vehicles.



DOUBLING DOWN ON SIMPLIFYING THE PROBLEM

Embark is evaluating all sub-segments of the trucking market to further simplify the problem and accelerate our path to the commercialization of the Embark Driver.



Evaluating all sub-segments of the Trucking Market

Identifying a specific trucking use-case **that could be achieved by 2024** with i) regular commercial deliveries, ii) driver-out operations, and iii) compelling financial metrics





EMBARK

Appendix



NON-GAAP RECONCILIATION: FREE CASH FLOW SPEND

Embark Technology, Inc.
Free Cash Flow
(in thousands)
(unaudited)

	Three Months Ended			
	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Net cash used in operating activities (GAAP)	\$ (26,004)	\$ (22,041)	\$ (18,225)	\$ (33,191)
Capital expenditures including truck deposits, net of returns and proceeds from sale	(3,399)	(2,686)	(1,717)	(973)
Free cash flow (Non GAAP)	\$ (29,403)	\$ (24,727)	\$ (19,942)	\$ (34,164)

NON-GAAP RECONCILIATION: ADJUSTED EBITDA

Embark Technology, Inc.
Reconciliation of Adjusted EBITDA
(in thousands)
(unaudited)

Three Months Ended

	<u>9/30/2022</u>	<u>6/30/2022</u>	<u>3/31/2022</u>	<u>12/31/2021</u>	<u>9/30/2021</u>
Net Loss	\$ (35,412)	\$ (14,324)	\$ (18,447)	\$ (76,388)	\$ (19,117)
Interest income and expense, net	(758)	151	(8)	4,413	2,045
Depreciation and amortization	604	451	383	318	282
Amortization of right-of-use assets - operating leases	837	516	488	—	—
EBITDA	<u>(34,729)</u>	<u>(13,206)</u>	<u>(17,584)</u>	<u>(71,657)</u>	<u>(16,790)</u>
Stock-based compensation expense ⁽¹⁾	10,919	12,421	16,602	44,171	562
Change in fair value of warrant liability ⁽²⁾	(1,390)	(24,253)	(22,156)	8,206	—
One time adjustment ⁽³⁾	480	434	—	(1,047)	2,010
Upfront CEF commitment fee (noncash) ⁽⁴⁾	—	666	—	—	—
Adjusted EBITDA	<u>\$ (24,720)</u>	<u>\$ (23,938)</u>	<u>\$ (23,138)</u>	<u>\$ (20,327)</u>	<u>\$ (14,218)</u>

1) Reflects, for the periods presented, stock-based compensation expense related to the issuance of stock options, Restricted Stock Units (RSUs) including performance-based restricted stock units (PSUs) and Common Stock Units (CSUs) to Embark employees and non-employees.

2) Reflects the decrease in the fair values of Embark's warrants.

3) Professional service fees and other expenses incurred in connection with business combination in 2021 and equity financing in 2022.

4) Upfront commitment fee incurred in connection with committed equity facility ("CEF") in 2022. This fee settled by issuing Embark class A common stock.

NON-GAAP RECONCILIATION: ADJUSTED EBITDA LESS CAPITAL EXPENDITURES PER EMPLOYEE

Embark Technology, Inc.
Reconciliation of Adjusted EBITDA less Capital Expenditures per Employee
(in thousands)
(unaudited)

	Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Adjusted EBITDA	\$ (24,720)	\$ (23,938)	\$ (23,138)	\$ (20,327)	\$ (14,218)
Capital expenditures including truck deposits, net of returns and proceeds from sale	(3,399)	(2,686)	(1,717)	(973)	(833)
Adjusted EBITDA less Capital Expenditures	(28,119)	(26,624)	(24,855)	(21,300)	(15,051)
Average Number of Employees ⁽¹⁾	329	322	268	212	165
Quarterly Adjusted EBITDA less Capital Expenditures Per Employee (\$K)	85.6	82.7	92.9	100.7	91.2

1) Excludes contractors.

EMBARK SHARE DETAIL

Share Type	Amount	Description
Class A ⁽¹⁾	19,067,925	Common stock – 1 vote per share
Class B ⁽¹⁾	4,353,948	Common stock – 10 votes per share
Basic Shares Outstanding	23,421,873	
<u>Other Securities</u>		
Exercised / Vested, Not Issued Class A	56,176	Class A shares exercised or vested, but not yet issued as of 9/30/22
Private Warrants ⁽²⁾	434,333	Exercisable at \$11.50 per share for 1/20 th of a Class A common stock per warrant
Public Warrants ⁽³⁾	723,330	Exercisable at \$11.50 per share for 1/20 th of a Class A common stock per warrant
Options Outstanding ⁽⁴⁾	774,553	Weighted average exercise price of \$4.74
RSU Outstanding	1,218,236	Vests over four years
Performance Stock Units Outstanding	2,235,780	Performance based RSUs vesting with EMBK trading at greater than \$400 per share ⁽⁵⁾
Common Stock Units Outstanding	54,071	Related to exercised warrants
Total Shares	28,918,352	

Note: All data as of 9/30/22 unless otherwise noted.

(1) As of November 2, 2022.

(2) Includes 2,000,000 Issuance of warrants upon conversion of convertible note. Following the Reverse Stock Split on August 16, 2022, warrants were impacted by the same ratio upon exercise. Each whole warrant is now exercisable for 1/20th share of Class A common stock at an exercise price of \$11.50 per share. **Figures shown in table above reflect 1/20th ratio upon exercise.**

(3) Includes 666,663 forward purchase agreements warrants. Following the Reverse Stock Split on August 16, 2022, warrants were impacted by the same ratio upon exercise. Each whole warrant is now exercisable for 1/20th share of Class A common stock at an exercise price of \$11.50 per share. **Figures shown in table above reflect 1/20th ratio upon exercise.**

(4) Of this amount, 587,942 are vested and exercisable at \$3.20 as of 9/30/22.

(5) PSUs do not begin to vest until Embark's share price is at least \$400.00, with a vesting schedule comprised of six price-based increments up to \$2,000 per share.

 **EMBARK**
Thank You

