



SARCOS[®]

**THE PREMIER HIGH-GROWTH, PURE PLAY
INDUSTRIAL ROBOTICS INVESTMENT**

24th Annual Needham Growth Conference

Ben Wolff – Executive Chairman

January 11, 2022

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HOW DOES WORK GET DONE WHEN THERE AREN'T ENOUGH WORKERS TO GO AROUND?

BARRON'S

ECONOMY & POLICY

Where a Labor Shortage Is Most Acute: Manufacturing, Retail, and Transportation.

By Matthew C. Klein Updated June 9, 2021 11:47 am ET / Original June 9, 2021 10:03 am ET



IndustryWeek
TALENT
The Skilled Labor Shortage
Manufacturing's Full Reco



United States Census Bureau
Business and Economy
Manufacturing Faces a Labor Shortage as Workforce Ages

Connecticut Case Study: Attracting Skilled Manufacturing Workers a Challenge as Aging Baby Boomers Retire

EARLENE K.P. DOWELL | NOVEMBER 17, 2020

CNN BUSINESS Markets Tech Media Success Perspectives Videos LIVE TV Edition

American factories are desperate for workers. It's a \$1 trillion problem

By Matt Egan, CNN Business
Updated 3:31 PM ET, Tue May 4, 2021



CNN BUSINESS Markets Tech Media Success Perspectives Videos LIVE TV Edition

America desperately needs 1 million more construction workers

By Vanessa Yurkevich, CNN Business
Updated 6:36 PM ET, Sun July 11, 2021



THE ANSWER: A FLEET OF INDUSTRIAL ROBOTS THAT AUGMENT INSTEAD OF AUTOMATE FOR NON-REPETITIVE JOBS

Guardian® XT™ Avatar Robot

Guardian® XO® Exoskeleton Robot



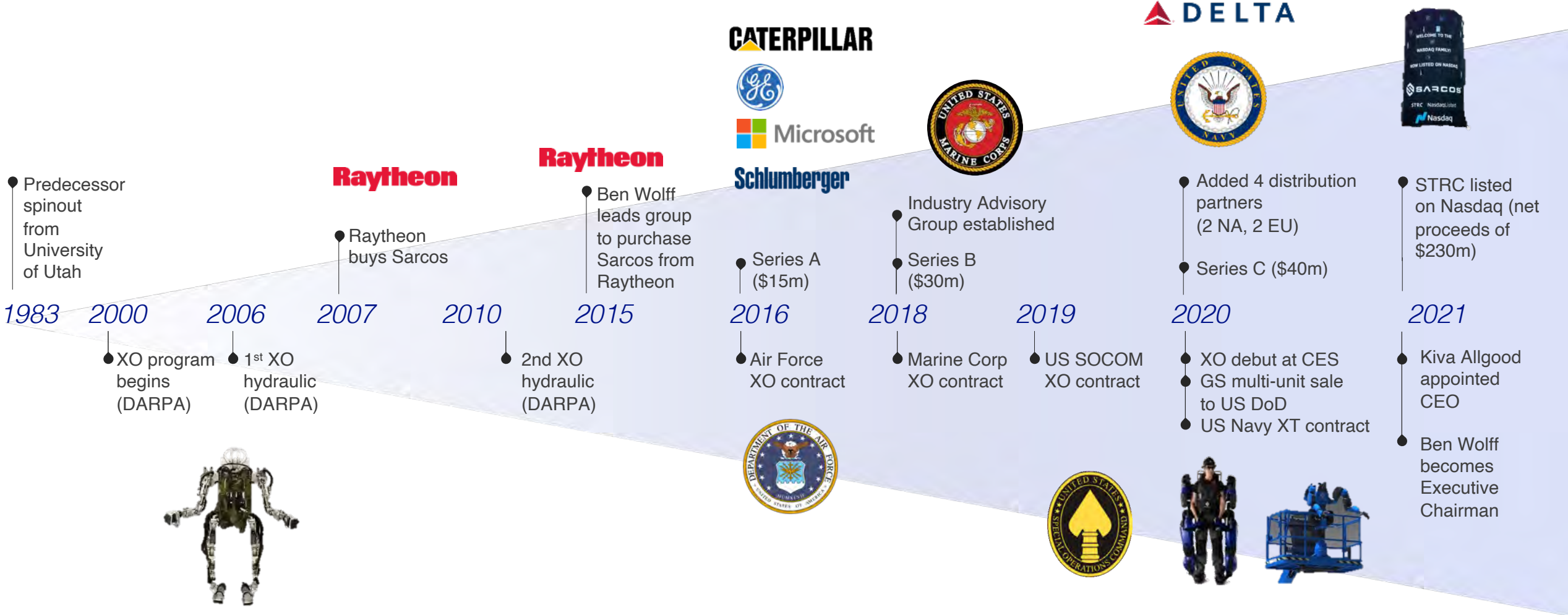
Sarcos is developing a fleet of highly dexterous mobile industrial robots, that it will own and manage, to deliver multiples of productivity and enhanced safety across a wide range of industries for the annual cost of a single FTE



The Robot-as-a-Service offering is expected to provide next generation, scalable labor force multiplier with an immediate ROI for industrial and military customers

30+ YEARS OF DEVELOPMENT

SARCOS EVOLUTION

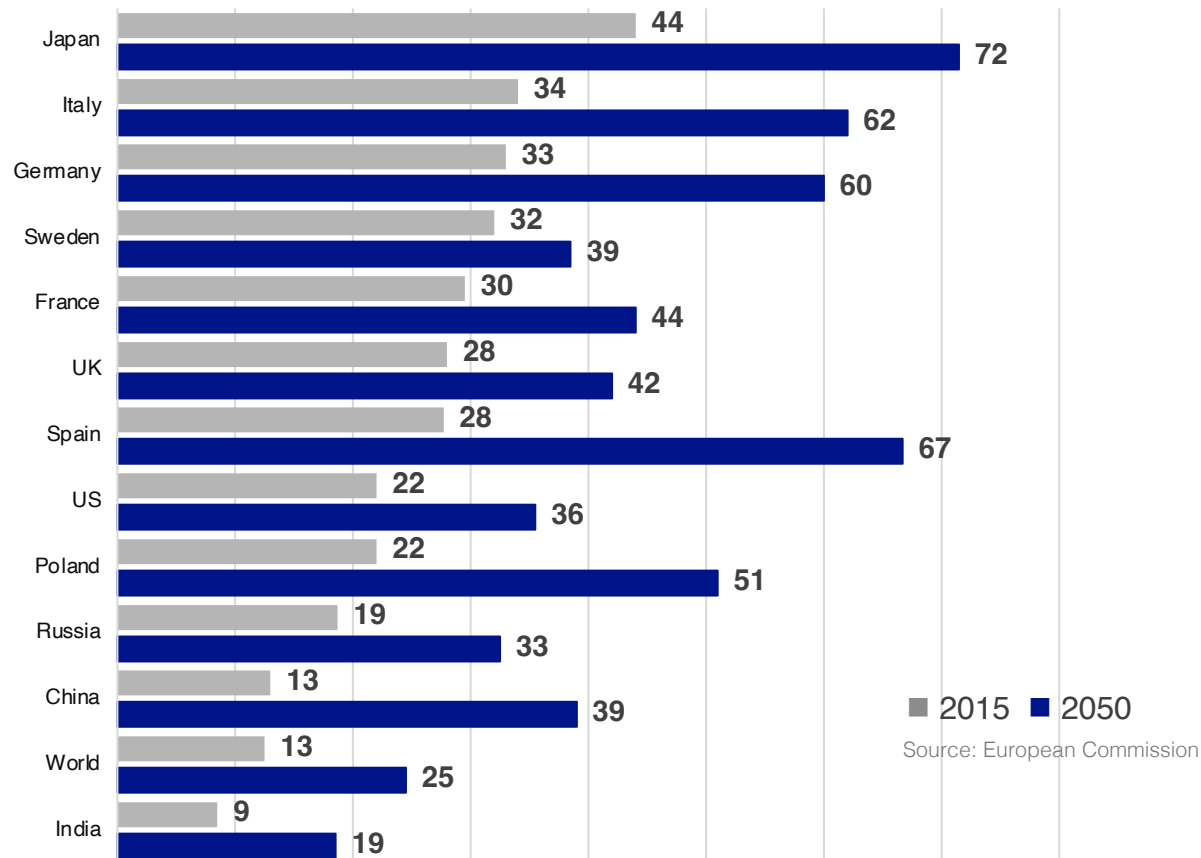


GLOBAL NEED DRIVES DEMAND

WORKER SHORTAGE, INJURY, AND FATIGUE = KEY DRIVERS OF OPPORTUNITY

OLD AGE DEPENDENCY RATIO (%)

of people 65+ as % of labor force (15-64), forecasts



\$2.5 trillion negative impact on U.S. economy

Industry Source

2.4 million U.S. worker shortage in manufacturing by 2028

Industry Source

\$1.6 trillion global impact in the construction industry

Industry Source

Over the past two decades, there has been **~1% annual growth** in construction productivity

Industry Source

\$100 billion spent annually on back injuries in the U.S.

Spine Research Institute & OSHA

\$136 billion annual costs in lost production due to fatigue

OSHA, 2007

Falls from height #4 most disabling & costly injury after overexertion and falling from the same level

2019 Liberty Mutual Workplace Safety Index

\$4.98 billion direct compensation cost for injuries from falling to a lower level¹

U.S. Office of Personnel Management

AUTOMATION VS. HUMAN AUGMENTATION

AUTOMATION ROBOTS AND HUMAN AUGMENTATION ROBOTS ARE DESIGNED TO OPERATE IN DIFFERENT ENVIRONMENTS

AUTOMATION ROBOTS



HUMAN AUGMENTED ROBOTS

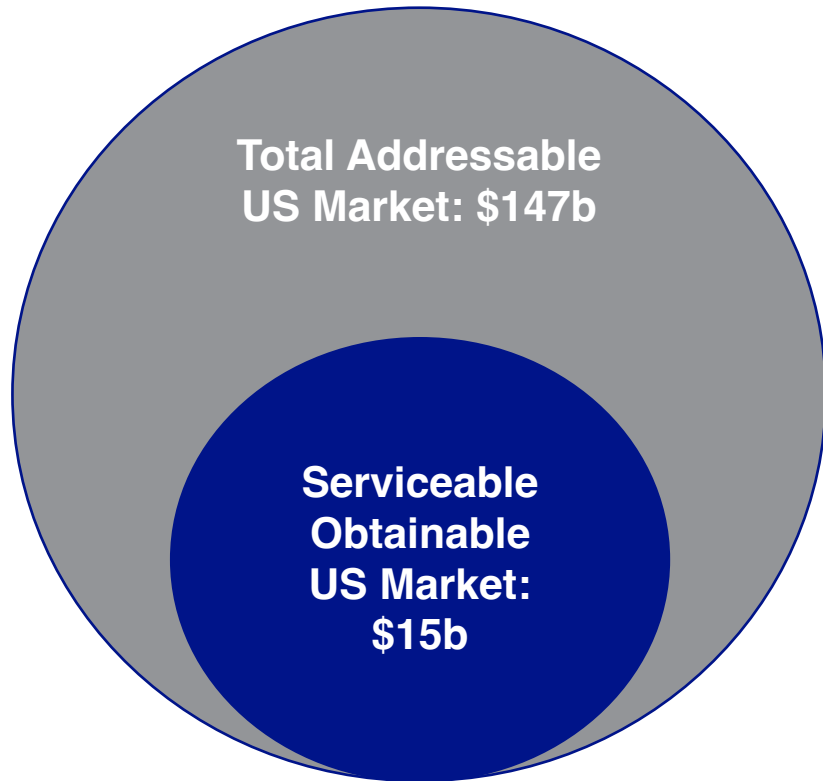


\$147 BILLION ANNUAL TARGET MARKET IN THE US ALONE

SCALE & EFFICIENCY TRANSCEND INDUSTRIES & APPLICATIONS, OFFERING NEW MARKET OPPORTUNITY

LARGE ADDRESSABLE MARKET¹

>16 million people employed in the U.S. alone in jobs that can benefit from robotic augmentation



END MARKETS & APPLICATIONS



AEROSPACE

- Maintenance & repair
- Assembly support



AUTOMOTIVE

- Ship / receive
- Assemble



LOGISTICS

- Non-cons
- Heavy duty



DEFENSE

- Logistics
- Maintenance & repair



OIL & GAS

- Maintenance & diagnostics
- Construct / deconstruct



POWER & UTILITIES

- Line and transformer maintenance
- Infrastructure inspection



CONSTRUCTION

- Build & repair
- Material transport



MANUFACTURING

- Move & manipulate
- Assemble

INNOVATION, EXPERIENCE, AND IP ENABLE A TRUE “BLUE OCEAN” OPPORTUNITY

PROPRIETARY INNOVATIONS

Kinematic equivalency



Modelled after human movement; designed to human body ratio

Intuitive controls with integrated feedback

Teleoperation (XT)



High fidelity force feedback for precision work

Platform-agnostic design for diverse environments

Human-like dexterity



Captures human ability to operate in unstructured environments

Augments humans with robotic strength, stamina, precision and speed

Energetic Autonomy



Reduced power from 6,800 to 500 watts

Optimized power utilization – elastic recovery

AI / ML robotics platform



Success-based teaching

Extensible object recognition and task files

Safety



Advanced controls

Comprehensive recovery

COMPETITIVE STRENGTHS

Highly experienced robotics team with **~500 years** cumulative robotics experience

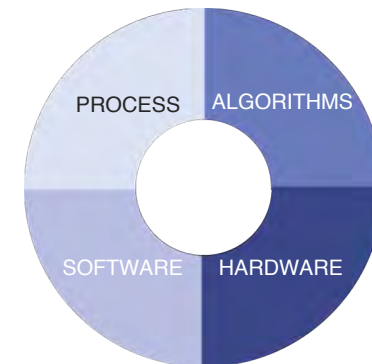
30-years and **~\$300m** in R&D investments

140 patents issued relevant to core technologies with an additional **94 patents** pending (as of January 2021)

DEEP ROBOTICS PATENT PORTFOLIO COVERING FOUNDATIONAL TECHNOLOGIES

94
Pending

140
Issued



GUARDIAN® XO®: AN INDUSTRY 4.0 WORKFORCE MULTIPLIER WITH REDUCED RISKS OF INJURY

EXPONENTIAL PRODUCTIVITY FOR THE FULLY-BURDENED COST OF A SINGLE EMPLOYEE

CHALLENGES



Need many specific lift assists



2+ people to lift heavy objects



Injury and disability



Asset damage



Opportunity cost of limited resources

FEATURES

- Up to 200 lb lift capacity
- Hot-swap batteries, near-continuous operation
- Capable of up to 100% load relief
- < 30 seconds to don or doff
- Pricing of ~\$9K / month

BENEFITS

- Force multiplier: safely enable workers to do more
- Mitigate risk of injury and fatigue
- Equalize workforce and extend careers

Companies prepared to pay \$100,000 - \$150,000 per year for an exoskeleton capable of lifting 100-200 lb¹

Provide capabilities of 3 or more human workers

Based on initial alpha unit testing customer feedback

Sarcos is at a commercial inflection point after 20 years of development



GUARDIAN[®] XO[®]: AN EXOSKELETON IN A CLASS OF ITS OWN

INDUSTRIAL PARTIAL
BODY UNPOWERED



EKSZero G

REHABILITATION



REWALK



EKSZero BIONICS

INDUSTRIAL PARTIAL
BODY POWERED



PANASONIC

FULL-BODY
POWERED



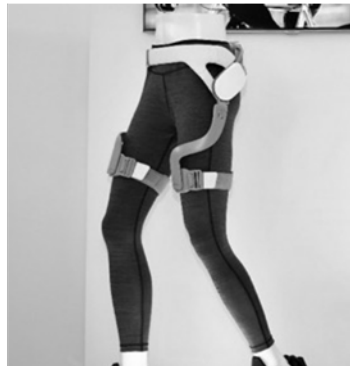
FORTIS



HONDA



CYBERDYNE



SAMSUNG

GUARDIAN® XO® : EXAMPLE USE CASE



AVIATION

INSPECTION & MAINTENANCE

AIRCRAFT MAINTENANCE

CHALLENGES

Heavy components handling: Frontline maintenance crews handle heavy tools and parts that can lead to fatigue and strain

Injuries & downtime: 25.9 million+ workers lost an average of 7.2 days of work due to backpain¹

Shoulder-related injuries: Employees are out of work for 27 days²

RESULTS



Prevent fatigue-related downtime



Reduce the risk of back, neck, and shoulder injuries



Equalize the workforce



Extend frontline workers' career span



GUARDIAN® XO® : EXAMPLE USE CASE



LOGISTICS





LAST-MILE DELIVERY

HEAVY PARCEL BAG HANDLING

CHALLENGES

Heavy, ergonomically challenging tasks: Distribution center workers repeatedly lift heavy parcel bags off shelves to load into vans for last-mile delivery. Over time, these tasks can cause fatigue, strain, and back, shoulder, and neck injuries

RESULTS

-  Prevent fatigue-related downtime
-  Reduce the risk of back, neck, and shoulder injuries
-  Equalize the workforce
-  Extend frontline workers' career span



GUARDIAN[®] XT[™]: HIGHLY DEXTEROUS ROBOTIC AVATAR

CHALLENGES



More support required



Cost of equipment



High insurance cost



Worker fatigue & injury



Hazardous conditions

FEATURES

- Lift and manipulate up to 200 lb
- HD immersive experience
- Force feedback to control precision
- Mount to many mobile and telescoping bases
- Indoor and outdoor use
- Pricing of \$5K / month

BENEFITS

- Optimize productivity for precise tasks in dangerous environments
- Reduce at-height and overhead fatigue,
- Reduce injury & exposure to hazardous conditions
- Mitigate risks and associated costs
- Reduce insurance premiums & hazard pay



Ability to reduce standard crew by **50%** and complete jobs **20%** faster

Based on initial alpha unit testing customer feedback

2010

● GT Prototype

2020

● Alpha v1

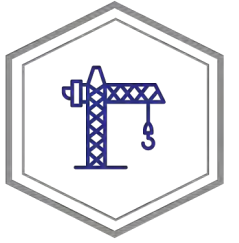
2021

● Beta v1 assembled

2022

● Commercial production

GUARDIAN® XT™: EXAMPLE USE CASE



CONSTRUCTION

REPAIR AND MAINTENANCE

AT-HEIGHT & OVERHEAD TOOL WORK

CHALLENGES

Skilled labor shortage: Construction is aging out their skilled workers with 21% over age 55¹

Worker fatigue: Construction work involves heavy materials, tools, and difficult conditions

Potentially life-altering injuries and events: Falls from height are the leading cause of death for construction workers (33.5% of fatalities)²

RESULTS



Reduce idle and downtime due to worker fatigue



Eliminate humans doing elevated and at-height work



Eliminate worker exposure to hazmat (welding fuel gas, silica, cement dust, etc.)



Reduce safety equipment and infrastructure costs for at-height work



GUARDIAN® XT™: EXAMPLE USE CASE



POWER UTILITY

INSPECTION & MAINTENANCE

OVERHEAD, HIGH VOLTAGE POWER LINE¹




CHALLENGES

Hazardous conditions: High voltage power line work at-height and in all-weather conditions

Potentially life-altering injuries and events: High risk of electrocutions, burns, and falls from height

Human cost and downtime: The average cost for electrocution is more than \$550,000 with the median number of days off for electrical injuries is 4 days²

RESULTS

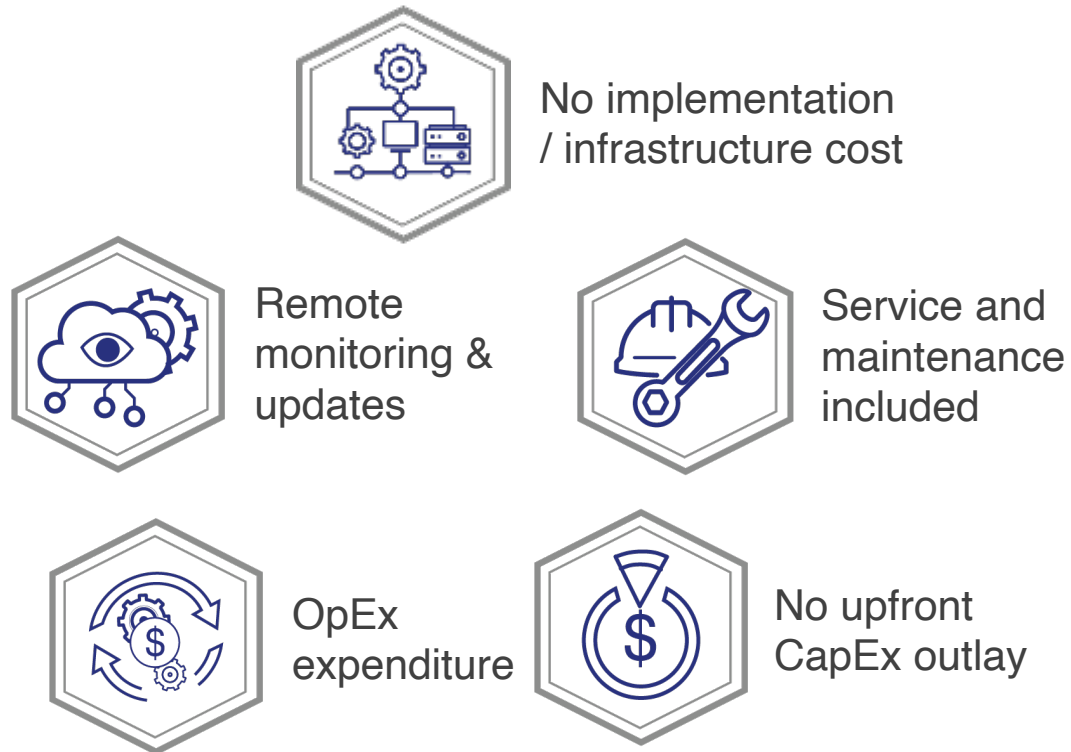
-  Reduce occurrence and costs for fatalities & injuries
-  Improve frequency and coverage of power line inspection and maintenance.
-  Eliminate humans doing elevated and at-height work.



ROBOT-AS-A-SERVICE (RAAS) MODEL EXPECTED TO ACCELERATE ADOPTION AND DELIVER RECURRING REVENUES

RAAS INTENDED TO OFFER ECONOMIC ADVANTAGES AND A UNIQUE VALUE PROPOSITION

BENEFITS OF RAAS



RAAS VS. BUY

- ✓ Maintenance and servicing covered by Sarcos
- ✓ Lowers barriers to deployment due to no CapEx outlay
- ✓ Simple implementation with no infrastructure modifications required
- ✓ Cost equivalent to fully-burdened \$25 / hour full-time employee
- ✓ Immediate customer ROI due to multiples of productivity
- ✓ Eliminates technology obsolescence risk and software updates included as part of the overall service agreement

Scalable next-gen labor force anticipated to enable flexibility with relevance in both strong and weak economies

TARGET INDUSTRIES AND CUSTOMERS

LEAD PROSPECTIVE CUSTOMERS HAVE IDENTIFIED INITIAL NEEDS RANGING FROM 100-TO-3,000 UNITS PER CUSTOMER

REPRESENTATIVE TARGET CUSTOMERS

<p>INDUSTRIAL</p>	<p>LOGISTICS</p>	<p>E-COMMERCE</p> <p>FOOD SERVICES</p> <p>DOD / GOVERNMENT</p>
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“We owe it to the best airline employees on the planet to explore how emerging technology can make their jobs safer and easier... That’s why we sought out a partnership with Sarcos” – Gareth Joice, Delta Senior Vice President – Airport Customer Service and Cargo

6 Months
Average expected sales cycle

36 Months
Expected standard contract term contract length

EXPECTED CUSTOMER JOURNEY AND TIMING



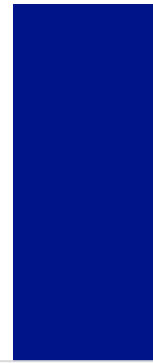
ILLUSTRATIVE PER UNIT ECONOMICS (6-YEAR SERVICE LIFE, AS OF 2026)

XO



REVENUE

(\$ in thousands)
\$600



Cumulative

REVENUE

COST

■ Setup ■ Repair ■ Amortization

\$175



Cumulative

COST

CASH FLOW

Cash flow margin

71%

\$425



Cumulative

CASH FLOW

PAYBACK PERIOD

~8 MONTHS

DX / XT



REVENUE

\$360



Cumulative

COST

■ Setup ■ Repair ■ Amortization

\$90



Cumulative

CASH FLOW

Cash flow margin

75%

\$270



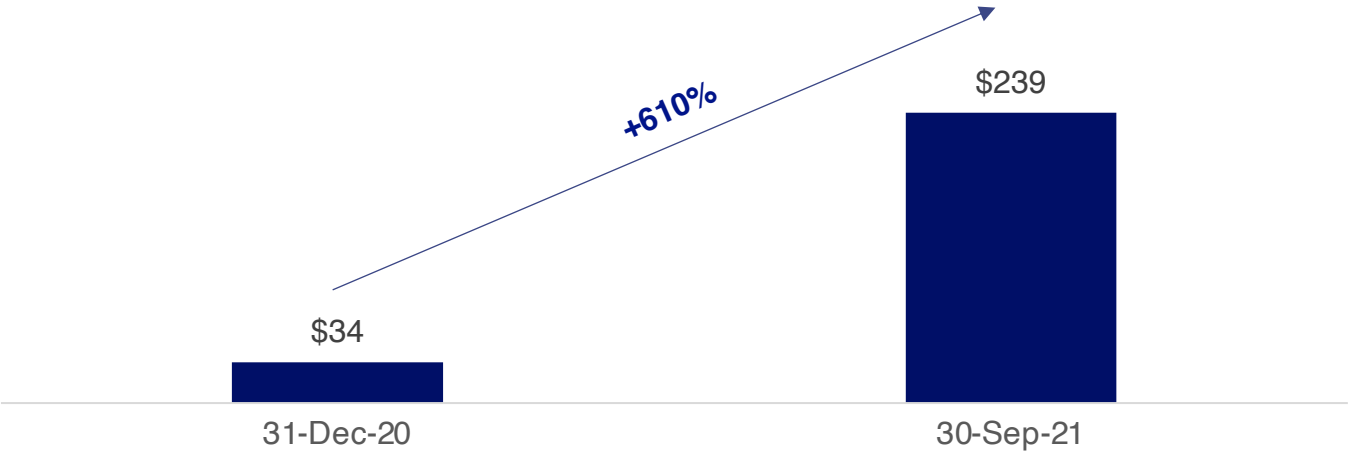
Cumulative

PAYBACK PERIOD

~8 MONTHS

SUFFICIENT LIQUIDITY FOR PATH TO COMMERCIALIZATION

Unrestricted cash and equivalents on balance sheet
(\$ millions)



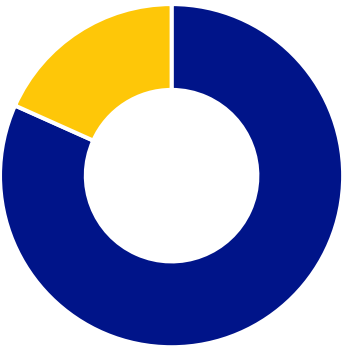
STRONG LIQUIDITY POSITION DUE TO BUSINESS COMBINATION

Net proceeds from business combination and PIPE financing of \$230 million

We estimate the transaction will fully fund Sarcos' XO/XT initial rollout plan

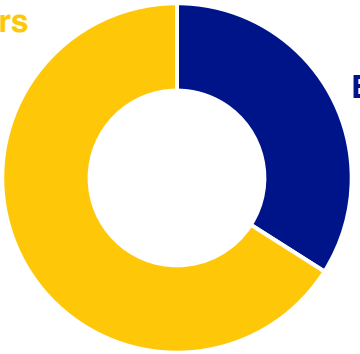
SHARES SUBJECT TO LOCKUP

Shares not subject to lockup
18.3%



Shares subject to lockup
81.7%

Equity Held by Other stockholders
66.0%



Equity held by Old Sarcos Insiders
34.0%

LOCKUPS

- Sarcos current outstanding share count is 142.8 million. Owners include former Rotor investors, PIPE investors and old Sarcos stockholders
- 81.7% of the outstanding shares are subject to some form of lockup restriction preventing their immediate sale

INTERESTS ALIGNED

- Over a third of the fully-diluted equity of Sarcos is held by current employees of Sarcos
- Approximately 34% of the current Sarcos equity (stock, options, RSUs, RSAs) is subject to lock-up restrictions where 80% of these shares cannot be sold until the earlier to occur of Sarcos shipping its first 20 Guardian XO / Guardian XT units or the second anniversary of the business combination
- We believe the lock-up restrictions align the interests of our employees and investors





SARCOS®

Q&A