ARRIVAL
Q4 AND FY 21
PRELIMINARY
FINANCIAL
RESULTS
Arrival Management Team

Today’s Speakers

Denis Sverdlov
Founder & CEO

Avinash Rugoobur
President

Mike Ableson
CEO Automotive

John Wozniak
CFO
Disclaimer: Safe Harbour statement

Before we begin, I’d like to remind everyone that certain statements made on this call today are forward-looking statements. These statements are subject to various risks and uncertainties, and reflect our current expectations based on our beliefs, assumptions and the information currently available to us.

Although we believe these expectations are reasonable, we undertake no obligation to revise any statements to reflect changes that occur after this call. Descriptions of these factors and other risks that could cause actual results to differ materially from these forward-looking statements are discussed in more detail in our filings with the SEC and our Fourth Quarter 2021 preliminary earnings release issued today on the 2nd of March.

During the call, we also refer to certain non-IFRS financial measures. This should be considered in addition to and not as a substitute for or in isolation from our IFRS results.

For further information please refer to our investor relations website at investors.arrival.com
ARRIVAL IS ON A MISSION TO MAKE AIR CLEAN BY REPLACING ALL VEHICLES WITH AFFORDABLE ELECTRIC SOLUTIONS PRODUCED BY LOCAL MICROFACTORIES
Arrival targeted benefits

- Large and expanding TAM
- Huge demand for fleet electrification
- Targeting 100 Microfactories over time equating to 1 million vehicles¹

¹ Illustrative calculation assuming each factory produces 10,000 vehicles
Arrival targeted benefits

- Best in class product attributes and TCO
- Our commercial focus on fleets drives us to be
  - #1 in TCO
  - #1 in vehicle uptime
Arrival targeted benefits

- Software-defined factories
- Microfactories are enabled by hardware, software, materials and next gen robotics
- We are proving our New Method now, which is a difficult process for competitors to copy
Arrival targeted benefits

- Upgradeable software and hardware
- Significantly increases the life of vehicle and revenue potential
Arrival targeted benefits

- Platforms we have developed help to accelerate time to market for new models and variants
2021 achievements

- Progressed enabling technologies: Microfactories, Vehicle Platforms, Materials, Components, Software, Robotics
- Became a public company and we have raised a total of $648m¹
- Started proving ground testing and validation for Bus and Van
- Advanced relationships with global companies
- Set up our service network in the US, Europe and UK

¹ Total approximate proceeds through a $338 million secondary offering of the company's shares and the issuance of $310 million in convertible green bonds, after deducting the initial purchasers' discount but before offering expenses
Globally recognized customers and partners

**CUSTOMERS**

- UPS
- LeasePlan
- First
- ATN

**STRATEGIC PARTNERS**

- Microsoft
- Uber
- HYUNDAI
- HITACHI
- life.augmented
- Ambarella

**SERVICE NETWORK PARTNERS**

- Amerit
- ZF
- KwikFit
- Bridgestone
- RIVUS
- ABC Europe Group
- Euro Auto Parts
- Valvoline

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1 Example customers who have signed non-binding LOIs and orders. All orders/LOIs are subject to cancellation and modification at any time.
Our priority this year is production of Bus and Van
The market continues to support a rapid shift to EVs

- US Bipartisan Infrastructure Bill brings $4bn for zero emission transit buses
- President Biden’s Executive Order committing the US to Net Zero by 2050 with 100% new vehicles to be EVs by 2035
- UK’s Bus Back Better program includes £3bn of funding
- Global shift presents unique opportunity for Arrival to enter new markets rapidly with Microfactory method
Demand for our vehicles continues to accelerate; LOIs have doubled to c.134k

**NON-BINDING LOIS AND ORDERS**

**ARRIVAL LOIS BY VEHICLE TYPE**

- **CAR:** 2%
- **BUS:** 4%
- **VAN:** 92%

**ARRIVAL VAN, BUS AND CAR COMBINED LOIS BY REGION**

- **AMERICAS:** 64%
- **EUROPE:** 31%
- **REST OF WORLD:** 5%

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1) **SOURCE:** COMPANY ESTIMATES AS OF MARCH 2022: TOTAL LOIS / ORDERS INCLUDES UPS 18K ORDER AND OPTION FOR ADDITIONAL 18K VEHICLES. VAN VOLUMES INCLUDE LARGE VAN. ALL REFERENCES TO ORDERS AND LOIS ARE NON-BINDING AND SUBJECT TO CANCELLATION AND MODIFICATION AT ANY TIME. BREAKDOWN OF LOIS BY REGION ASSUMES UPS ADDITIONAL 18K OPTION TO HAVE SAME REGIONAL BREAKDOWN AS ORIGINAL ORDER.
First Bus has submitted ZEBRA\textsuperscript{1} funding applications, which would potentially introduce up to 193 of Arrival’s new electric buses to their fleet.

As part of our commitment to support First Bus’ goal of a zero emission fleet by 2035, we have decided to produce vehicles in the UK.
Feedback from First Bus

“Over the past five years First Bus and Arrival have been on a journey together to perfect an innovative product that seizes the opportunities of the advancement in zero emission technology. We are delighted that this partnership is beginning to bear fruit to deliver an innovative solution that will benefit our customers and employees. It is very encouraging to see what this progressive partnership can deliver as we move towards having a zero-emission fleet by 2035”

Janette Bell, First Bus MD
Supply Chain & Logistics Update

- Unfortunately, we’ve started to see some delays in parts and equipment delivery
- While these delays have not yet affected our SoP timing, we will watch these areas closely in the coming months
Arrival’s software ecosystem

Software is woven into everything we do

We develop the majority of vehicle components as well as all vehicle control software, turning our vehicles into smart devices on wheels
Extensive telemetry coupled with machine learning intelligence

- Deep insights
- New feature development
- Improved uptime
- Reduced Total Cost of Ownership
Our in-house software ecosystem has 4 key objectives

- Deliver best-in-class digital services and data to our customers
- Continuously improve our existing products
- Tools to rapidly bring new products to market
- Optimize our production process to generate efficiency gains
Best in class digital services for customers include a mobile app, in-vehicle touchscreen controls and extensive vehicle telemetry available in the cloud.
Commercial vehicles are high utilization vehicles

- Considerably more miles than passenger vehicles
- More data collected per vehicle
- Control over hardware and software for continuous improvements
- Significant revenue upside
Supply chain and logistics update

- Delays in selected parts and equipment delivery
- While these delays have not yet affected our SOP timing, we will watch these areas closely in the coming months
## Updated target milestones

<table>
<thead>
<tr>
<th>BUS MILESTONES</th>
<th>EXPECTED TIMING</th>
<th>VAN MILESTONES</th>
<th>EXPECTED TIMING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Trial Bus production</td>
<td>Achieved</td>
<td>1. Public road trials</td>
<td>Q1 2022</td>
</tr>
<tr>
<td>2. Proving ground trials</td>
<td>Achieved</td>
<td>2. Final prototype Van build</td>
<td>Q1 2022</td>
</tr>
<tr>
<td>4. Public road trials</td>
<td>Q1 2022</td>
<td>4. Full product certification</td>
<td>Q2 2022</td>
</tr>
<tr>
<td>5. UK production of saleable Buses</td>
<td>H2 2022</td>
<td>5. Bicester/Charlotte Van SOP</td>
<td>Q3/Q4 2022</td>
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Started building final prototype versions of Bus and Van which are used for trials, testing and certification prior to production.
3 Buses in testing with 2 at IDIADA\(^1\) in Spain and 1 in the UK with further 6 being built in Banbury

Target completing Bus Certification in Q1 2022
20 prototype Vans in initial testing and demonstration to customers

Completed first pre-production Van for European certification testing with another 11 planned for use in the UK, EU and US with a focus on achieving our target of certification in Q2 2022
In summary we continue to deploy our capital and manufacturing capacity to those regions and products where we see the strongest customer demand.
c.$42-52m
€37-46m
Q4 2021
LOSS

c.$40m
€34m
Q4 2020
LOSS

SOURCE: ARRIVAL PRELIMINARY FINANCIALS
EXCHANGE RATE FOR THE QUARTERS ENDED DECEMBER 2021 AND DECEMBER 2020 BASED ON AVERAGE DAILY EUR/USD OF 0.8745 FROM
OCTOBER 1, 2021 TO DECEMBER 31, 2021 AND 0.8547 FROM OCTOBER 1, 2020 TO DECEMBER 31, 2020 RESPECTIVELY.
c.$56-66m

€49-58m

Q4 2021
ADJUSTED EBITDA LOSS

Q4 2020
ADJUSTED EBITDA LOSS

SOURCE: ARRIVAL PRELIMINARY FINANCIALS
EXCHANGE RATE FOR THE QUARTERS ENDED DECEMBER 2021 AND DECEMBER 2020 BASED ON AVERAGE DAILY EUR/USD OF 0.8745 FROM OCTOBER 1, 2021 TO DECEMBER 31, 2021 AND 0.8347 FROM OCTOBER 1, 2020 TO DECEMBER 31, 2020 RESPECTIVELY.
637 million shares outstanding as of December 31, 2021

Weighted average shares outstanding for Q4 2021 of 612 million

SOURCE: ARRIVAL PRELIMINARY FINANCIALS
c.$90-100m
€79-88m
Q4 2021
CAPEX

Source: Arrival preliminary financials
Exchange rate for the quarters ended December 2021 and December 2020 based on average daily EUR/USD of 0.8745 from October 1, 2021 to December 31, 2021 and 0.8387 from October 1, 2020 to December 31, 2020 respectively.
Raised c.$648m of financing
CASH AND CASH EQUIVALENTS 2021 (€796m)
31 DECEMBER, 2021

C. $905m

SOURCE: ARRIVAL PRELIMINARY FINANCIALS
EXCHANGE RATE AS OF DECEMBER 31, 2021 BASED ON EUR/USD OF 0.8793 ON DECEMBER 31, 2021.
FY 2021 LOSS

C.$1.3bn

€1.1bn

FY 2020 LOSS

C.$95m

€83m

Source: Arrival preliminary financials
Exchange rate for the years ended December 2021 and December 2020 based on average daily EUR/USD 0.6454 from January 1, 2021 to December 31, 2021 and 0.6774 from January 1, 2020 to December 31, 2020 respectively.
c.$178–188m
€150–159m
FY 2021
ADJUSTED EBITDA LOSS

c.$93m
€81m
FY 2020
ADJUSTED EBITDA LOSS

SOURCE: ARRIVAL PRELIMINARY FINANCIALS
EXCHANGE RATE FOR THE YEARS ENDED DECEMBER 2021 AND DECEMBER 2020 BASED ON AVERAGE DAILY EUR/USD 0.6458 FROM JANUARY 1, 2021 TO DECEMBER 31, 2021 AND 0.6774 FROM JANUARY 1, 2020 TO DECEMBER 31, 2020 RESPECTIVELY.
c.$315–325m
FY 2021
CAPEX

€267–275m
FY 2021
CAPEX

c.$122m
FY 2020
CAPEX

€107m
FY 2020
CAPEX

Source: Arrival preliminary financials
Exchange rate for the years ended December 2021 and December 2020 based on average daily EUR/USD 0.8458 from January 1, 2021 to December 31, 2021 and 0.8774 from January 1, 2020 to December 31, 2020 respectively.
Full financial statements to be released on April 8th, 2022
2022 Outlook

- Expect adjusted EBITDA loss of $185-225 million and Capex of $380-420 million for 2022
- Targeting end of 2022 cash balance of $150-250 million
- Continue to expect Van production to begin in Bicester in Q3 and in Charlotte in Q4 and expect to produce and sell 400-600 vans
- For Bus we will be building saleable buses in the UK and expect the majority of these will be used in trials in 2022
- Priority is completing vehicle certification, starting production with our unique method and ensuring the highest possible quality for our first vehicles
Targeted Microfactory Unit Economics

- Low capex relative to industry
- 6 months from site readiness to production

Production volume = 10,000 vehicles x # of Microfactories
Production investment = $50M² x # of Microfactories

ILLUSTRATIVE UNIT ECONOMICS FOR VAN MICROFACTORY

- Production Capacity: 10,000 vans
- Capex Required: $50m
- Gross Margin per Microfactory / year: $100m

50% of all Arrival employees’ long term compensation tied to gross margin targets

1 Representative Van factory for initial target markets (Western Europe / North America)
2 Target Capex
3 Gross margin including Microfactory Opex. Excludes maintenance and warranties
Arrival is an attractive business

- We see large growing demand as we start production this year and will deliver the first vehicles to our customers
- We have significant revenue upside from data and digital services
- Our microfactory approach allows us to scale rapidly to 100s of microfactories with the flexibility to produce many vehicle types
- We are very well positioned for accelerated growth as we ramp production and scale our microfactories
Conclusion

1. Large addressable market supported by accelerated tailwinds
2. Demand accelerated as LOIs doubled to c.134k
3. Initial bus production in UK to support potential demand from one of the largest UK bus operators
4. Van will start production in Q3 in Bicester and Charlotte in Q4
5. Software ecosystem is pervasive, generates revenue and lowers TCO
6. This year we will produce vehicles from our Microfactories and deliver to customers