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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Sarcos announces material information to the public through a variety of means, including filings with the SEC, public conference calls, Sarcos’ website (www.sarcos.com), its investor relations website (https://www.sarcos.com/investor-relations/), and its news site (https://www.sarcos.com/company/news#press-releases). Sarcos uses these channels, as well as its social media, including its Twitter (@Sarcos_Robotics) and LinkedIn accounts (https://www.linkedin.com/company/sarcos/), to communicate with investors and the public news and developments about Sarcos, its products and other matters. Therefore, Sarcos encourages investors, the media, and others interested in the company to review the information it makes public in these locations, as such information could be deemed to be material information.
HOW DOES WORK GET DONE WHEN THERE AREN’T ENOUGH WORKERS TO GO AROUND?
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

- 1983: Predecessor spinout from University of Utah
- 2000: XO program begins (DARPA)
- 2006: 1st XO hydraulic (DARPA)
- 2007: Raytheon buys Sarcos
- 2010: 2nd XO hydraulic (DARPA)
- 2015: Ben Wolff leads group to purchase Sarcos from Raytheon
- 2016: Series A ($15m)
- 2018: Air Force XO contract
- 2019: Marine Corp XO contract
- 2020: US SOCOM XO contract
- 2021: Added 4 distribution partners (2 NA, 2 EU)
  Series C ($40m)
- 2021: Kiva Allgood appointed CEO
- 2021: Ben Wolff becomes Executive Chairman

STRC listed on Nasdaq (net proceeds of $230m)
GLOBAL NEED DRIVES DEMAND

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

### OLD AGE DEPENDENCY RATIO (%)

<table>
<thead>
<tr>
<th>Country</th>
<th># of people 65+ as % of labor force (15-64), forecasts</th>
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<tbody>
<tr>
<td>Japan</td>
<td>44</td>
</tr>
<tr>
<td>Italy</td>
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<td>India</td>
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</tbody>
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Source: European Commission

### Cost Breakdown

- **$2.5 trillion** negative impact on U.S. economy
  - Industry Source
  - Spine Research Institute & OSHA

- **$1.6 trillion** global impact in the construction industry
  - Industry Source

- **$136 billion** annual costs in lost production due to fatigue
  - OSHA, 2007

- **$100 billion** spent annually on back injuries in the U.S.
  - Spine Research Institute & OSHA

- **2.4 million** U.S. worker shortage in manufacturing by 2028
  - Industry Source

- **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 level
  - 1) Excludes indirect costs and OSHA fines
  - U.S. Office of Personnel Management

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

>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

Total Addressable US Market: $147b
Serviceable Obtainable US Market: $15b

Source: Bureau of Labor Statistics Occupational Employment Statistics Survey; 1) TAM includes jobs identified from US BLS employment data that would benefit from Sarcos’ product offerings, with an assumed XO / XT utilization rate at a blended annual cost of service. Assumes 10% initial market adoption for SOM. Does not include jobs outside of the US.
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

Human-like dexterity
- Captures human ability to operate in unstructured environments
- Augments humans with robotic strength, stamina, precision and speed

AI / ML robotics platform
- Success-based teaching
- Extensible object recognition and task files

Teleoperation (XT)
- High fidelity force feedback for precision work
- Platform-agnostic design for diverse environments

Energetic Autonomy
- Reduced power from 6,800 to 500 watts
- Optimized power utilization – elastic recovery

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

140 Issued

94 Pending
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 lb

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

Timeline based on current expectations and subject to change

1) Independent blind study, commissioned by Sarcos, 2019. 46 companies across 20 industries, respondents not prompted; 2) Based on initial alpha unit testing customer feedback.
GUARDIAN® XO®: AN EXOSKELETON IN A CLASS OF ITS OWN

INDUSTRIAL PARTIAL BODY UNPOWERED

REHABILITATION

INDUSTRIAL PARTIAL BODY POWERED

FULL-BODY POWERED

EKSO ZERO G

REWALK

EKSO BIONICS

PANASONIC

FORTIS

HONDA

CYBERDYNE

SAMSUNG

HONDA

REHABILITATION

INDUSTRIAL PARTIAL BODY POWERED

FULL-BODY POWERED

HONDA

REHABILITATION

INDUSTRIAL PARTIAL BODY POWERED

FULL-BODY POWERED

HONDA

REHABILITATION

INDUSTRIAL PARTIAL BODY POWERED

FULL-BODY POWERED

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 backpain

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

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

Timeline based on current expectations and subject to change
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 55

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)

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

INSPECTION & MAINTENANCE
OVERHEAD, HIGH VOLTAGE POWER LINE

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 days

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.

1) The Guardian XT mobile robot is designed to enable remote distribution power line work only; it is not ideal for high voltage transmission line work; 2) U.S. Bureau of Labor Statistics and the U.S. Census Bureau, 2018
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**

- No implementation / infrastructure cost
- Remote monitoring & updates
- Service and maintenance included
- No upfront CapEx outlay
- OpEx expenditure

**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

INDUSTRIAL: BECHTEL, Boeing, CATERPILLAR, DELOITE & TOUCHE, Delta, Dow, Ford, Hunter, INGERSOLL RAND, MANITOWOC, NUCOR, Schlumberger.

LOGISTICS: C.H. ROBINSON, DHL, FedEx, Lineage, Penske Logistics, UPS.

E-COMMERCE: Amazon, Walmart.

FOOD SERVICES: AMERICOLD, Tyson, mia, Unit Logistics Australia.

DOD / GOVERNMENT: LOGISTICS: Amazon, Walmart.

“\[quote\]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\[quote\] – 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

Beta Unit Trials
(2-4 weeks)
Mid-2022

Low Volume Commercial Pilots
(2-6 units)
Late 2022 / Early 2023

Scale Deployments
Mid-2023
ILLUSTRATIVE PER UNIT ECONOMICS (6-YEAR SERVICE LIFE, AS OF 2026)

**REVENUE**
- **$600**
- **$360**

**COST**
- **$175**
- **$90**

**CASH FLOW**
- **$425**
- **$270**

**PAYBACK PERIOD**
- **~8 MONTHS**

**Cash flow margin**
- **71%**
- **75%**

*($ in thousands)*
We estimate the transaction will fully fund Sarcos’ XO/XT initial rollout plan.

Unrestricted cash and equivalents on balance sheet ($ millions)

31-Dec-20: $34
30-Sep-21: $239 (610% increase)

SUFFICIENT LIQUIDITY FOR PATH TO COMMERCIALIZATION

STRONG LIQUIDITY POSITION DUE TO BUSINESS COMBINATION

Net proceeds from business combination and PIPE financing of $230 million.
**SHARES SUBJECT TO LOCKUP**

- **Shares not subject to lockup**: 18.3%
- **Shares subject to lockup**: 81.7%

**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

NOTE: All data as of September 30, 2021, based on issued share count of 142,718,497.