



# Robotic Last Mile Delivery

May 2024



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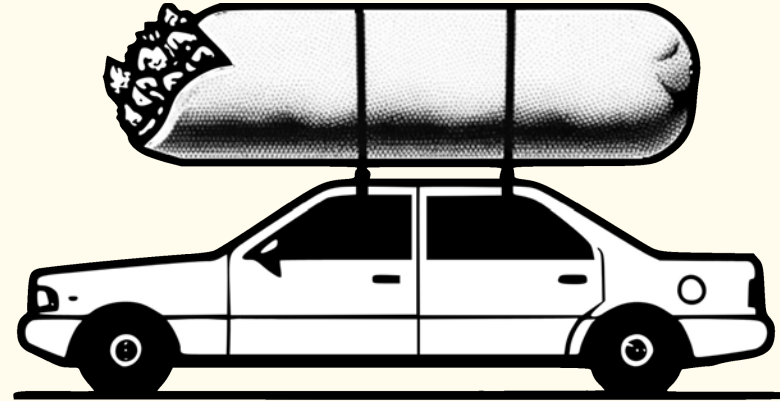
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# Why move 2 lb burritos... in 2 ton cars?

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**Rapid progress in robotics and artificial intelligence (AI) can help reduce our reliance on cars**



- U.S. drivers killed 20 pedestrians each day in 2021<sup>1</sup>
- Private cars & vans caused ~10% of global energy-related CO<sub>2</sub> emissions in 2022<sup>2</sup>
- Tailwinds accelerating robot adoption include: advances in AI, faster & cheaper compute, cheaper sensors and ubiquitous data connectivity, as well as labor shortages, wage inflation & new worker classification laws

1. "Share the Road: It's Everyone's Responsibility" (NHTSA, 2023)

2. "Cars and Vans" (IEA, 2022)

# \$450B by 2030: The untapped market for robotic & drone delivery<sup>1</sup>

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Delivery is in hyper-growth, but costs prevent profits:

- **+200%** – DoorDash revenue growth (2020 to 2023)
- **+235%** – DoorDash cost of revenue increase (2020 to 2023)

AI-powered robots are on a mission to  
make last mile delivery profitable:

- **2.5 miles** – Median distance of food deliveries in the United States<sup>2</sup>
- **\$1.00** – Expected average cost of last mile delivery by Serve robots with increased autonomy and adoption<sup>3</sup>

1. TAM calculation sourced from ARK ([Big Ideas 2024](#)) and Company estimates

2. Internal historical delivery data

3. Internal financial projections model



# Veterans in AI, robotics, last mile



**Ali Kashani, Ph.D.**  
CEO

- VP at Postmates. Co-founder/CTO at Neurio (acq. Generac)
- Ph.D. in Robotics (UBC)
- 15 patents



**Touraj Parang**  
President & COO

- VP Corp Dev at GoDaddy. Serial entrepreneur: UpCounsel (acq. LinkedIn), Webs (acq. Vistaprint), Jaxtr
- Graduate of Yale Law & Stanford



**Brian Read**  
CFO

- Controller at Appronik Inc.
- Global Controller at REE Automotive; Asst. Global Controller at Coherent
- Certified Public Accountant (CPA)



**MJ Burk Chun**  
Product

- Director, Postmates. Head of Product, Anki. BigCommerce Lead, EA
- 17+ years leading product in, robotics, marketplaces, video games



**Dmitry Demeshchuk**  
Software

- Director at Postmates
- Staff engineer at Postmates
- Founding engineer at Postmates X



**Euan Abraham**  
Hardware

- SVP Hardware at Latch. VP Hardware at GoPro. Lead engineer at Apple.
- BS in Engineering (U of Sheffield)



**Rajesh Radhakrishnan**  
Autonomy

- Director at Ghost Autonomy; Head of ML at John Deere. Founding engineer at Blue River (acq. John Deere)
- MS in Computer Science (UT Arlington)

# Investments by...

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Uber

Largest shareholder & commercial partner.



nVIDIA

Technical partner since 2018.

*Delivery  
Hero*

German food delivery platform in EU & Asia.

7-ELEVEN

First convenience store partner (13,000 stores in US/Canada).

# Recent highlights

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## \$40 million new capital

Uplisted to Nasdaq with concurrent \$40M equity offering, including participation from Uber (NYSE: UBER) subsidiary Postmates LLC

## Magna partnership

Signed agreement for licensing and manufacturing partnership

## Revenue growth

Q1 2024 revenue of \$0.95 million, including 124% sequential growth in delivery and branding revenue, and \$0.85 million in software service revenue related to our Magna agreement

# Phase 1 completed: **1 market, 300 restaurants**

## 25% MoM growth

24 months of rapid increase in deliveries since early 2022

## Up to 99.94% reliability

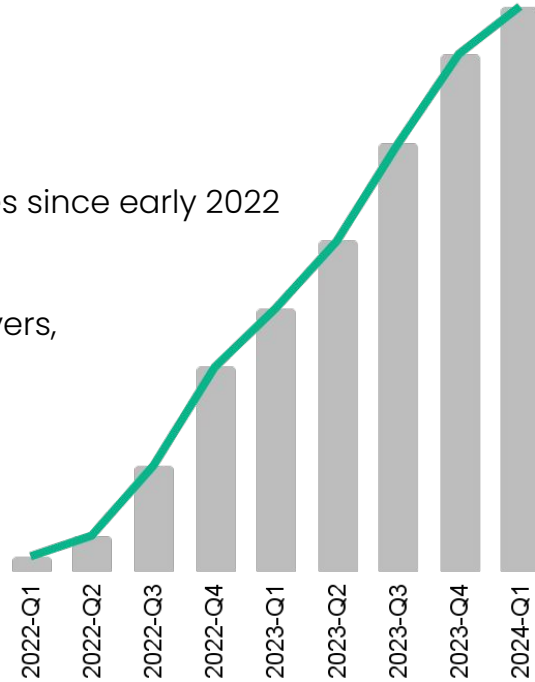
delivery completion **10x** better than drivers, with roughly 0.5 failed delivery per 1,000

## Over 50,000

deliveries in L.A.

## 100 robots

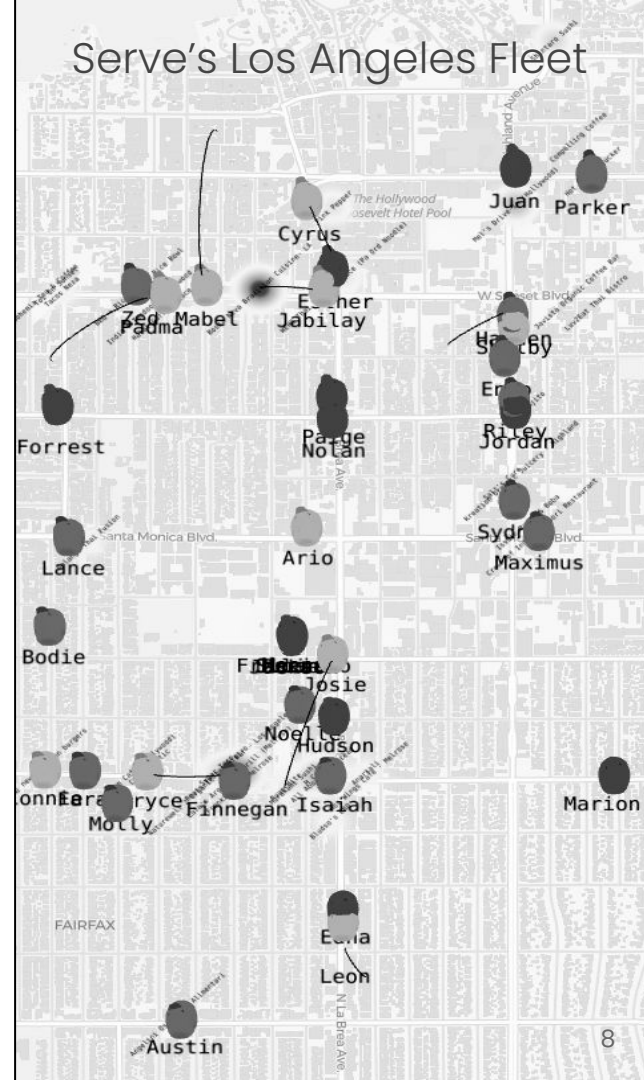
for deliveries & R&D



Serve's delivery volume in Los Angeles<sup>1</sup>

1. All figures based on internal historical delivery data

## Serve's Los Angeles Fleet





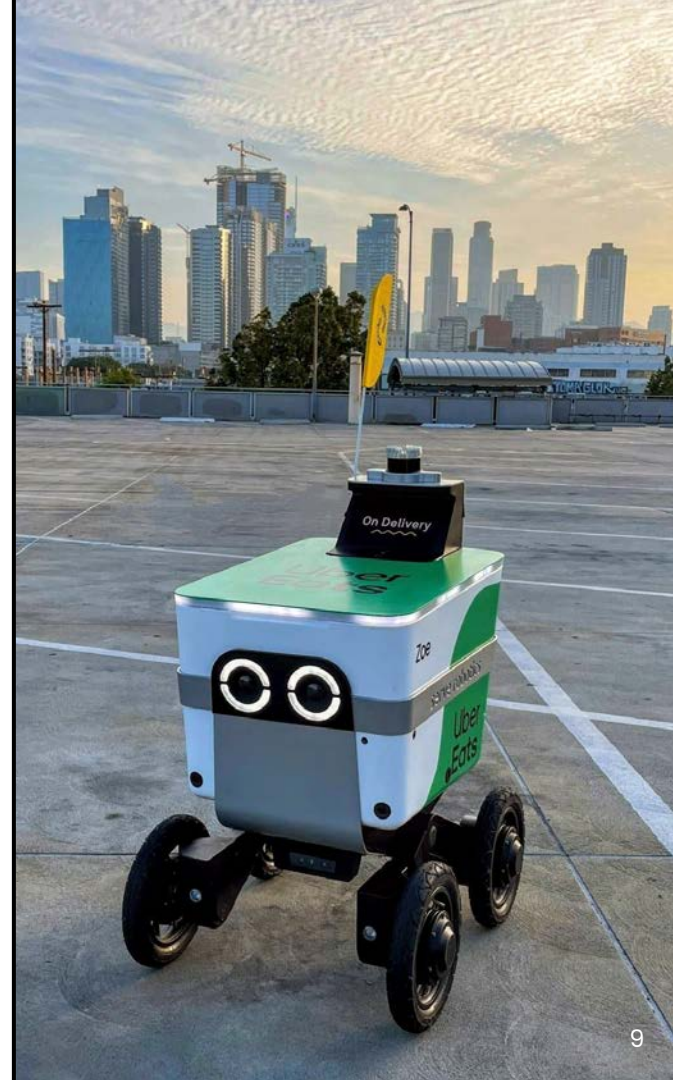
# Next phase: **2000 robots under contract with Uber Eats**

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**We have signed one of the largest contracts in the AV industry with Uber Eats.**

Full 2,000-robot deployment is expected in **2025**. Our fleet is already integrated into Uber, helping grow to new markets more efficiently and achieve high levels of robot utilization. Beyond L.A., expansion markets under consideration include:




- Los Angeles (coverage expansion)
- San Diego (new deployment)
- Dallas (new deployment)
- Vancouver, BC (new deployment)



# Delivery robots target a large market segment with clear path to scale

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Delivery is multi-modal:

	 <b>Autonomous Urban Robots</b>	 <b>Autonomous Vehicles</b>	 <b>Drones</b>
Range	Short Distance	Medium Distance	Long Distance
Safety Risk	Low	High	High
Regulations	Permitted	Restricted	Restricted
Commercialization	Launched	R&D	R&D

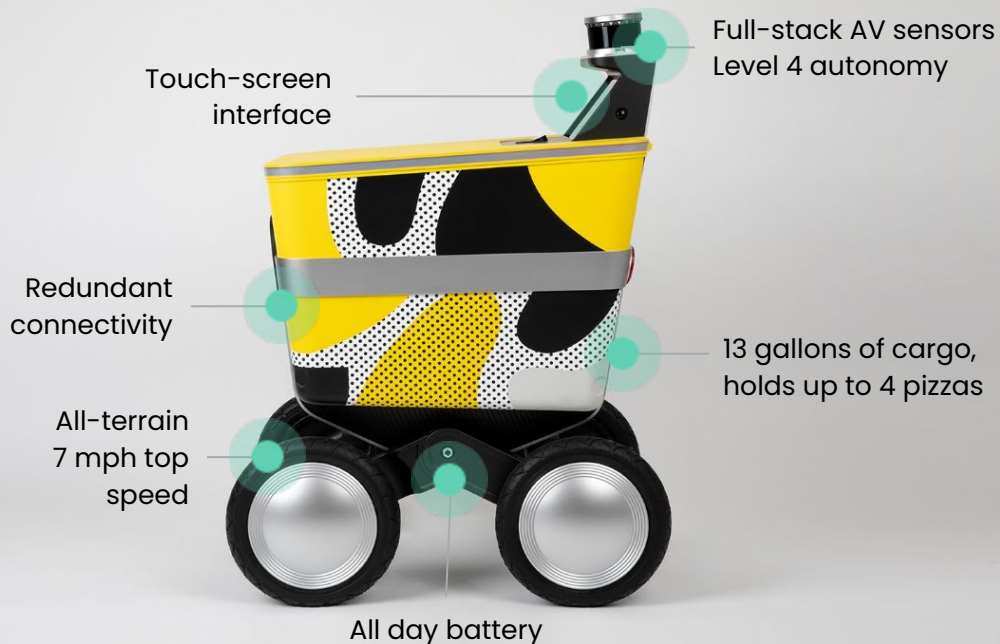
# We know delivery

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With unique insights from inception inside a delivery platform, we believe we have:

- **Unique** AI-powered robots
- **Unique** fleet operations
- **Unique** go-to-market strategy

## Built for Urban Delivery Using Proprietary Data (Postmates X)



# We believe we are market leaders in urban robotic delivery

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Our AI-powered robots are on a mission to make urban delivery profitable:

## High Autonomy

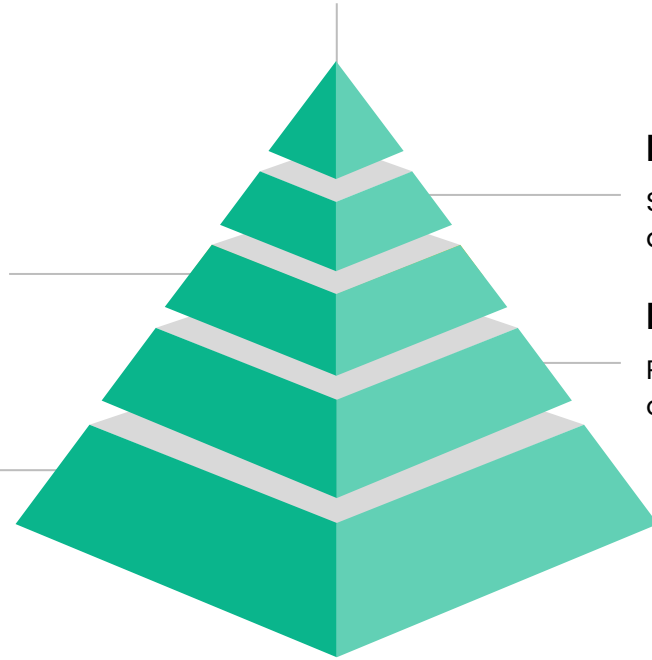
Level 4-capable fleet

## High Safety & Reliability

Low rate of failure thanks to advanced hardware & software, and redundant sensing & AI

## Superior Economics

Lower delivery cost due to underlying forces



## High Utilization

Scaling on a major delivery platform

## High Efficiency

Purpose-built for operation at scale

# Level 4 autonomy commercialized

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We are among the first AV companies to bring Level 4 delivery robots to market

## Level 2 & 3 – R.C. Robots

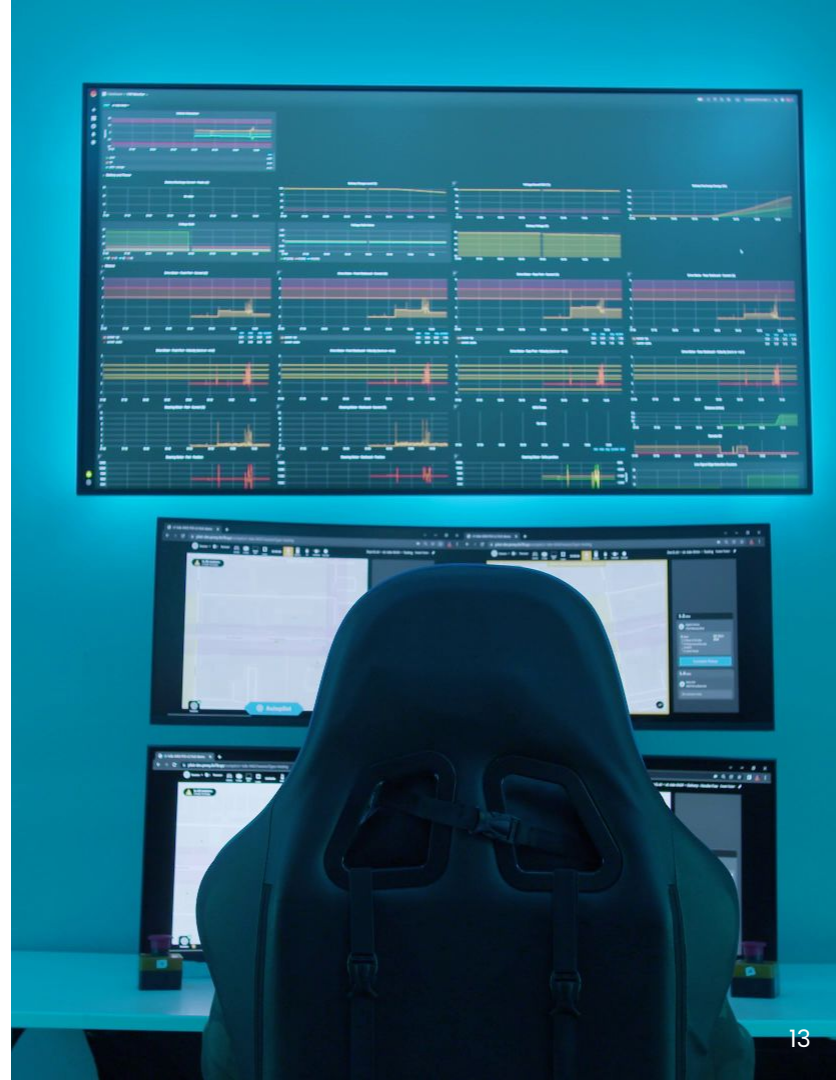
- Humans always in the loop to maintain safe operation
- Safety risk due to reliance on data networks and human drivers
- Poor economics, hard to scale, and low barrier to entry

## Level 4 – Serve Robots

- No human in the loop for safety, within designated Operational Design Domain (ODD)
- Safety via redundancy
- Compelling economics, and strong moat through deep tech
- Regulatory tailwinds

## Level 5 – 100% Self-Driving

- No human in the loop at any time
- Not commercially viable today
- Strong regulatory headwinds
- Capital intensive





# Robots have more diverse revenue opportunities than couriers

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Out-of-home (“OOH”) ads have supplemented our delivery revenue.

Monetizing unique robot capabilities such as ads & data, as well as licensing the underlying technology, make robots more profitable than couriers.



# We have a playbook for capital-efficient growth

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We have a proven model to finance building large fleets without high capex:

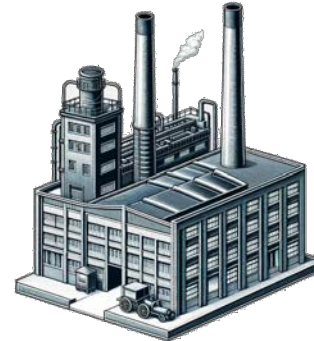
## 1. Financial partner

The financial partner, as lessor, provides upfront capital for robots



## 2. Contract manufacturer

Magna Int'l (tier 1 auto supplier) is Serve's exclusive contract manufacturer



# The **unbundling** of cars

After the invention of automobiles, the U.S. went from 25 million horses (1920s) to 283 million cars (2020s), or >11 vehicles replacing each horse, according to some reports<sup>1</sup>. We believe the development of specialized, efficient robots in the future has the potential to lead to similar proliferation of robots for every car.



1. 25m horses in the U.S. in 1920 ([USDA](#)) versus 283m vehicles in 2022 ([US FHWA](#))



# Serve as a platform

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**Magna International** has licensed our technology to accelerate development of its new robotic products



As a leading urban robotic delivery company, we believe we are well-positioned to become a platform of choice for companies building new non-competing robots and services for complex public spaces. We believe this provides us with an additional monetization opportunity.

# Robots could reduce global emissions by

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**~2%**  
**Annually**<sup>1</sup>

With global adoption, we believe delivery robots could reduce CO2 emissions by approximately 762 Mt annually, while also providing more convenience to consumers.

Relative Energy Consumption Per Km<sup>2</sup>:

100%



Gas Vehicle

20%



Electric Vehicle

**2.5%**



1. Estimated using internal data and 2022 global emissions from the Global Carbon Project

2. Transportation Research Part D: Transport and Environment ([Vol 85, 2020](#))

# Financial Update

## Public Market Debut

- **Completed uplisting to Nasdaq Capital Market**, commenced trading under ticker “SERV” on April 18
- **Public equity offering generated \$40.0 million** in gross proceeds

## Q1 2024 Financial Results

- **Q1 revenue:**
  - **\$0.95 million**, including \$0.85 million of software service revenue derived from agreement with Magna.
  - Remaining \$0.35 million of Magna software service revenue expected to be recognized in Q2.
- **Cash and cash equivalents:**
  - **\$0.43 million as of March 31**
  - **\$34.2 million as of April 30**, after proceeds from April public offering
- **Common stock:**
  - **24.6 million shares outstanding as of March 31**
  - **37.1 million shares outstanding as of May 13** (and 42.2 million shares outstanding on a fully diluted basis), following share issuance from April public offering

**Thank you!**

