

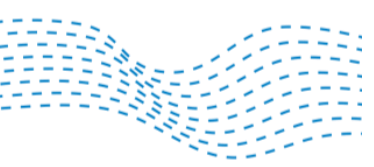


# CONFERENCE CALL

Presentation of 2019 H1 sales

*July 25<sup>th</sup>, 2019*





# TODAY'S SPEAKERS



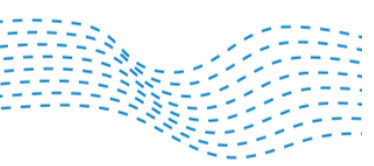
**Etienne Hermite**

CEO



**Frank Maccary**

CFO



# NAVYA IN H1 2019

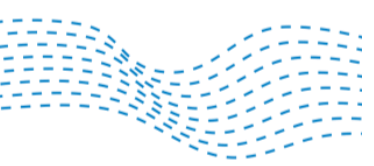
<b>Innovation</b>	<ul style="list-style-type: none"><li>● Inauguration of NAVYA LAB, NAVYA's new R&amp;D center in La Défense, one of the most important R&amp;D centers in France <b>totally dedicated to autonomous vehicles</b></li><li>● <b>Significant improvement of NAVYA Drive software</b></li><li>● Strengthening of the <b>R&amp;D, test &amp; safety team</b>: +17 people vs. H1 2018 (+20%)</li></ul>
<b>Product development</b>	<ul style="list-style-type: none"><li>● <b>Acceleration of NAVYA shuttle development in H1 2019</b>: 70,000 km covered, 47 commissionings, average speed of 9.7 km/h<sup>(1)</sup></li><li>● 19 approvals for <b>open road demonstrations, o/w 5 obtained in H1 2019</b> (Japan, Monaco, Norway, South Africa and Abu Dhabi)</li></ul>
<b>Partnerships</b>	<ul style="list-style-type: none"><li>● Partnership with <b>ESMO Corporation</b> (development in South Korea, Japan, China, joint R&amp;D, optimization of production costs)</li><li>● Partnership with <b>ESMO Corporation and SK Telecom</b> for the joint development of autonomous driving features using the 5G technologies already deployed in South Korea</li><li>● <b>Distribution partnership with BEEP named as NAVYA's exclusive dealer</b> in Florida</li><li>● Autonom TRACT (partnership with Charlatte): <b>first experimentation on private site</b></li></ul>
<b>Governance</b>	<ul style="list-style-type: none"><li>● <b>Appointment of Etienne Hermite as CEO</b></li></ul>
<b>Financing</b>	<ul style="list-style-type: none"><li>● <b>Drawing of Tranche A of EIB financing (€15m)</b></li><li>● <b>Commitment by ESMO Corporation to subscribe to ORNANE for €20m</b></li></ul>

Note: (1) Compared to an average speed of 10.8 km/h for buses in Paris – Source: Le Parisien (April 2019)

# FOCUS ON PARTNERSHIP WITH ESMO CORPORATION

- In June 2019, NAVYA signed a MoU with ESMO Corporation for:
  - The operational support and distribution of NAVYA products in exclusivity for South Korea and in some Asian countries, namely Japan and China
  - The joint development of R&D activities
  - An industrial partnership to optimize production costs
- Commitment by ESMO Corporation to subscribe to ORNANE for €20m
  - Issuance of 20 bonds repayable in cash and/or new/existing shares for a total of €20m
  - Maturity: 5 years
  - Conversion ratio for the bonds set at €2.75
  - Upon conversion, ESMO Corporation will hold c. 20% of NAVYA's share capital
- A partnership that confirms the added value of NAVYA's mobility solutions on a high-potential market
- Transaction subject to:
  - EIB waiver
  - Shareholders meeting approval





# FOCUS ON PARTNERSHIP WITH ESMO CORPORATION AND SK TELECOM

NAVYA signed a Memorandum of Understanding with ESMO Corporation and SK Telecom for the **joint development of autonomous driving features** using the **5G technologies** already deployed in South Korea



- Provide **autonomous driving technology** and **R&D expertise** to incorporate features associated with 5G networks, supervision and cloud computing

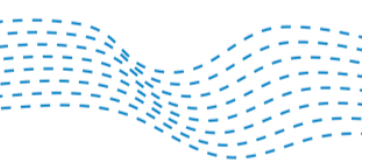


- **Marketing of products and services** (B2B and B2G<sup>(1)</sup>)
- Setting up of a **vehicle assembly line** in the longer term
- **Design and localization of the components**
- Implementation of a **supervision platform**



- Provide **technological solutions** (ex: connectivity)
- Accompanying the **marketing of the products**
- Providing a **5G autonomous driving infrastructure**

Note: (1) Business to Government



# NAVYA'S POSITION ON AD MARKET DEVELOPMENT

## Market development

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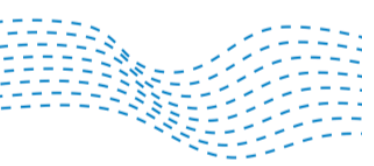
- AD<sup>(1)</sup> roll-out is more complex than initially expected
  - Regulation in progress
  - Safety & homologation
  - Public acceptance
  - “Level 4”<sup>(2)</sup> is the appropriate response for the next 24 months before the emergence of “Level 5”
- AD<sup>(1)</sup> will be a key pillar of urban mobility
  - Strong support from public authorities: many initiatives and funds allocated
  - Numerous partnerships and M&A operations between start-ups and manufacturers
- Market take off will happen when safety driver is removed
  - Two addressable markets: Passengers and Goods & Logistics
  - Gradual implementation
  - NAVYA's initial vision, “Level 4” with low speed, geo-fenced, more valid than ever

## NAVYA's position

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- Rapid development that brings NAVYA at the forefront of AD<sup>(1)</sup> market
  - NAVYA, one of the only players to serve real customers in many countries, with real passengers under real conditions
  - Continuous improvement of systems
- NAVYA has been positioned on 3 segments of the value chain
  - Development of the Autonomous Driving software & sensor architecture
  - Design and manufacturing of vehicles
  - Roll-out, maintenance and supervision services
- This broad value chain enabled to create and value NAVYA's expertise
  - Agility in R&D and in shuttle customization according to clients' requirements & feedback
  - Capability to easily deploy NAVYA'S AD system on 3<sup>rd</sup> party vehicles (Charlatte)

Notes: (1) Autonomous Driving / (2) Level 4 is the penultimate level before fully autonomous driving Level 5. In a limited context, and a pre-defined situation, the car is able to move without a driver.



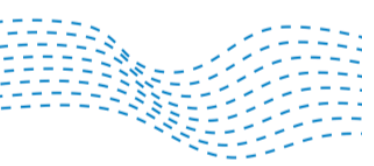
# NAVYA'S MARKETS

## "Passengers" market

- **Level 4 low speed geo-fenced first mile last mile:** real needs with evidence of relevant business model
- **Segment that will emerge before Level 5**
- **Level 4 will ramp up progressively**
  - First in private roads, then public roads
  - From simple to more complex Operations Domain Designs (ODD)
- **Strong experience of NAVYA: ability to scale when market is ready to take off**

## "Goods and logistics" market

- **A high potential segment**
- **Safety requirements are more straight forward than in passengers market segment**
- **Targeted markets:** harbors, agriculture, logistics, manufacturers
- **Shorter decision-making process** (no public authorities involved / private financing)
- **Addition of small segments which need to autonomise their businesses**



# STRATEGIC ORIENTATIONS

## Mission

- NAVYA's ambition is to be the leading player in the supply of autonomous level 4 driving technologies
  - We engage a transition from being an integrated player to specializing supplying software and sensor architecture
  - We integrate our systems in third party platforms & vehicles
  - Our systems will interact with customer's autonomous fleet management systems

## Business model

- Revenues will be constituted by:
  - Engineering services related to the integration of NAVYA's AD system (software and sensors)
  - Sale of the sensor architecture and AD system Licenses
  - High value services (training, supervision, teleoperations, maintenance)

## Execution

- Development of technological, industrial, distribution and local support partnerships for part of the services (low-level maintenance, supervision, commissioning)
- Reduction of Sales and Marketing costs excluding these partnerships
- In this transition phase NAVYA will maintain the production of shuttles and other vehicle prototypes



In a market still in experimentation, NAVYA does not maintain its 2019-2021 financial guidance established during its IPO due to lack of visibility

## 18-month operational targets

- Autonom TRACT test in H2 2019
- Full autonom SHUTTLE and TRACT test in H1 2020 and H2 2020
- Roll-out of NAVYA's technology on 1 to 2 additional third-party platforms in 2020

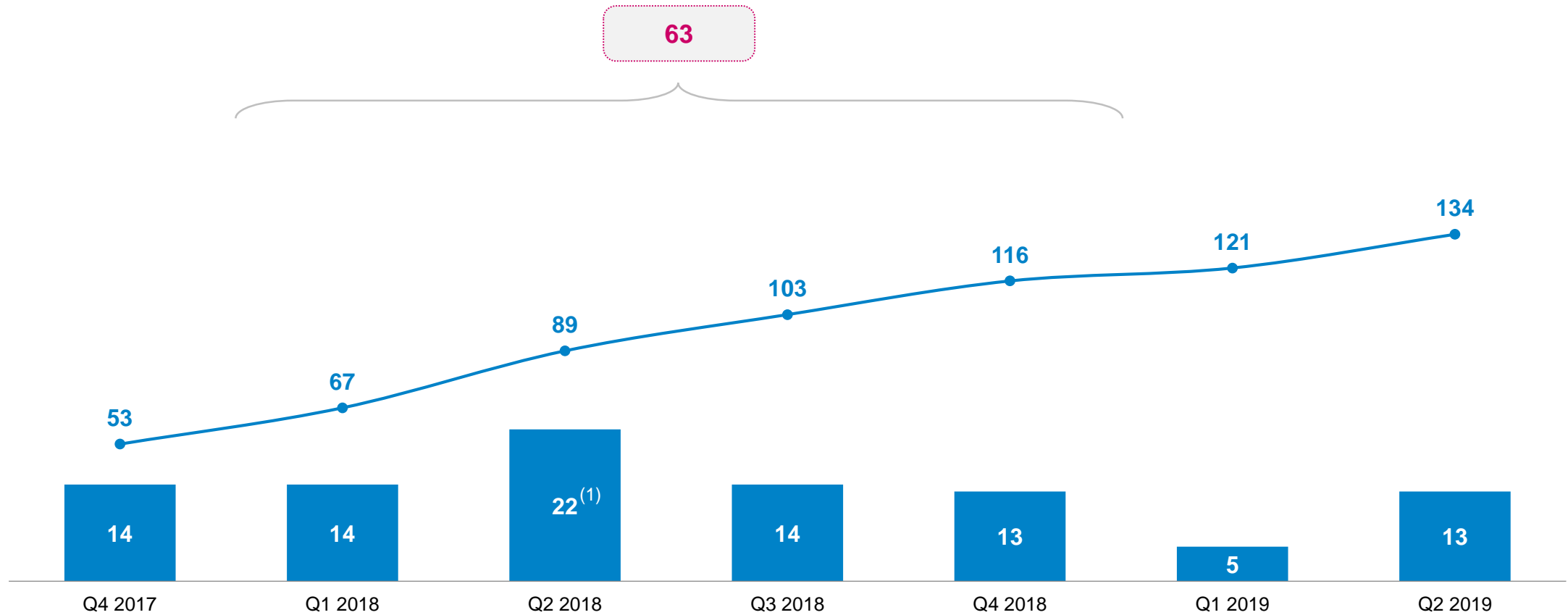
Autonom Tract AT135



# AUTONOM SHUTTLE SOLD EVOLUTION

## Autonom Shuttle sold evolution (Q/Q, Cumulative)

In # of units

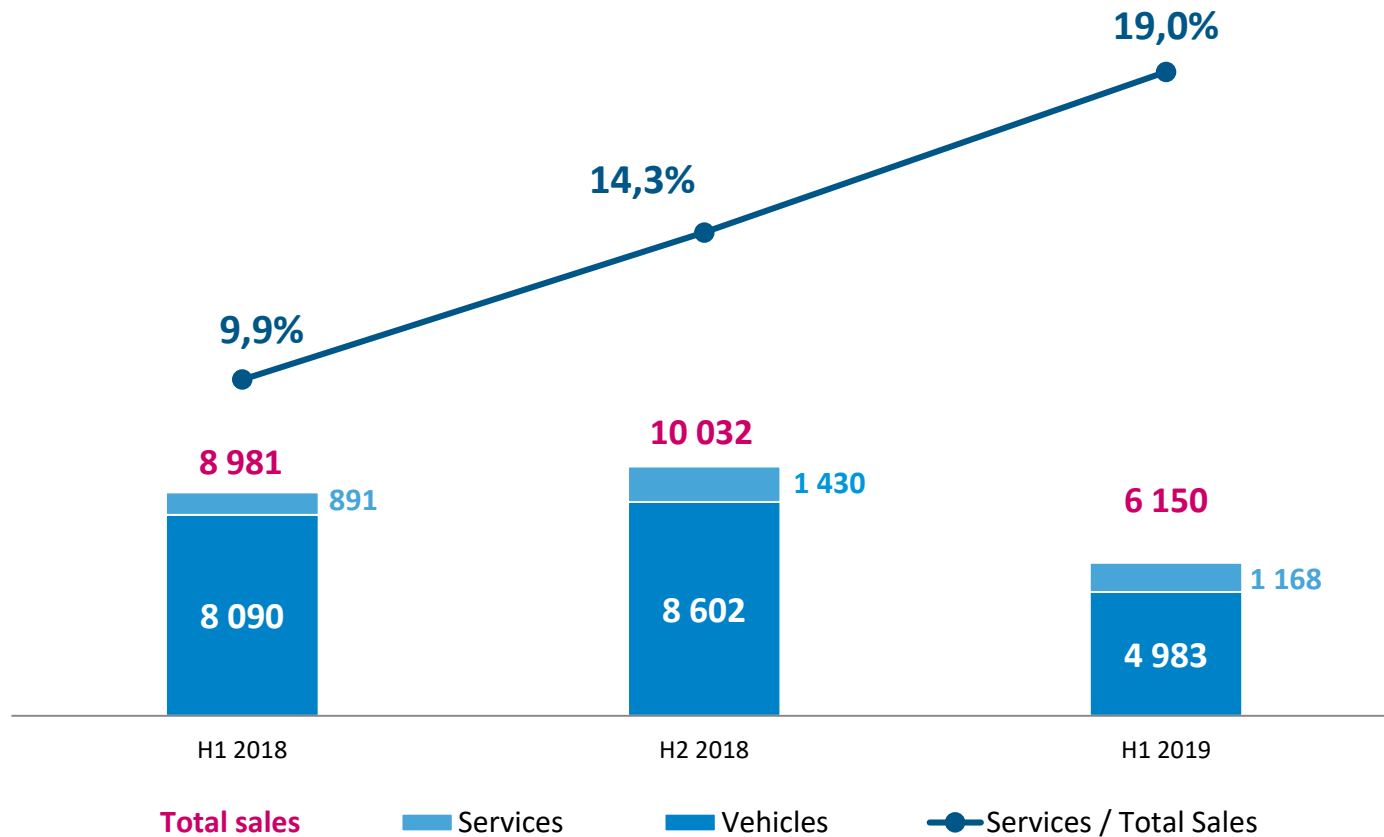


Source: Company / Note: (1) H1 2018 benefited from 10 shuttles sold under H2020 European Project

# H1 2019: STRONG INCREASE IN SERVICES REVENUES

## Half-year sales evolution including services

In K€



### ● Vehicles

- A market in experimentation
- Fleet orders expected at the end of 2018 have not yet fully materialized
- H1 2018 benefited from 10 shuttles sold under H2020 European Project

### ● Services

- Strong increase in Services revenues (+31%) in line with NAVYA's strategy to provide the sale of a full set of services along with the sale of shuttles

Source: Company