



NAVYA presents its new strategic orientations and announces its half-year revenues

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The slideshow presentation will be available in the [Investors](#) section of NAVYA's website.

Villeurbanne, France, July 25, 2019 – 8:00 am CEST – NAVYA (FR0013018041 - NAVYA), a leading company in autonomous driving systems, presents its new strategic orientations and announces its revenues for the first half of 2019.

• H1 2019 highlights

- New Governance with the appointment of Étienne Hermite as CEO
- Drawing of the €15 million tranche A of the financing agreement signed with the European Investment Bank
- Signing of a Memorandum of Understanding with ESMO Corporation to address the North-East Asia market and commitment to subscribe to bonds repayable in cash and/or into new and/or existing shares (ORNANE bonds) for a total consideration of €20 million
- Signing of a Memorandum of Understanding with ESMO Corporation and SK Telecom to jointly develop an autonomous driving technology notably via a 5G network

• A more targeted market whose take-off will be longer than initially anticipated

- NAVYA considers that the autonomous shuttle market will remain an experimentation market for the next 24 months before a take-off linked to the removal of the safety driver
- Level 4¹ autonomous driving systems for the first and last mile in a geo-fenced area at low speed should be the first to be rolled-out for passenger transport, as well as for vehicles for logistics and industrial use
- Autonomous driving systems remain strongly supported by the many public initiatives promoting new mobility solutions and by significant public and private funding

• New strategic orientations

- Validation of the positioning of NAVYA's Autonom Shuttle, which provides a level 4 autonomous driving solution for the first and last mile in a geo-fenced environment at low speed
- Integration of this autonomous driving solution, comprising NAVYA Drive software and NAVYA sensor architecture, on third-party platforms, such as the Autonom Tract developed with Charlatte
- Development of technological, industrial, distribution and local support partnerships for some services (low-level maintenance, supervision, commissioning)
- Reduction of sales and marketing costs excluding these partnerships
- Maintain shuttle production during this transition phase

• In a market that is still in an experimentation phase, NAVYA is not maintaining its 2019-2021 financial targets announced during its IPO and focuses on the following operational objectives:

- Test of Autonom TRACT, developed with Charlatte, in H2 2019
- "Full autonom" Shuttle and TRACT tests in H1 and H2 2020
- Roll-out of NAVYA's technology on 1 to 2 additional third-party platforms in 2020

• H1 2019 revenues

- Revenues of €6.1 million in H1 2019 (vs. €9.0 million in H1 2018), of which €1.2 million for Services (+31% vs. H1 2018)

¹ Level 4 is the penultimate level before completely autonomous driving. Within a limited context and pre-defined situation, the car is able to move without its owner.

Etienne Hermite, Chief Executive Officer of NAVYA, states: "I firmly believe that the autonomous mobility sector represents the future of goods and passengers transport, as illustrated by the increasing intensification of our ecosystem. Its wide-scale implementation is, however, taking longer than anticipated at the time of our IPO. The market is still in an experimentation phase, as complete autonomy has not yet been achieved, the regulatory framework has yet to be uniformly established and economic models are continuing to evolve. We have decided to adapt our business model: thus, we will now provide our technology to industrials who want to make their vehicles autonomous (goods and passengers transport). Thanks to this new orientation, I am convinced that the teams' commitment and our technological leadership will be decisive assets that will enable us to seize market opportunities and make NAVYA a world leader in autonomous driving systems".

H1 2019 revenues

	H1 2019	H1 2018	Change (%)
Number of Vehicles sold	18	36	-50%
Vehicle sales (€k)	4,983	8,090	-38%
Services sales (€k)	1,168	891	+31%
Total sales (€ thousands)	6,150	8,981	-32%

(1) o/w €194k of rental services sales in H1 2019 and €188k in H1 2018.

In the first half of 2019, NAVYA recorded revenues of €6.1 million, down 32% compared to the first half of 2018. 18 AUTONOM® SHUTTLE vehicles were sold over the half, compared with 36 in the first half of 2018.

It should be remembered that in the second quarter of 2018, within the context of the Horizon 2020 project, NAVYA had benefited from an order for 10 shuttles by AVENUE, a European consortium.

Services revenues recorded buoyant growth of 31% in H1 2019, with sales totaling €1.2 million and accounting for 19.0% of total revenues, versus 9.9% in the first half of 2018. This ramping up is in line with NAVYA's strategy of developing a full set of services associated with autonomous vehicles.

The first half of 2019 also gave the Company an opportunity to expand its activity with 47 commissionings and to obtain 5 new approvals to demonstrate its vehicles on open roads in Japan, Monaco, Norway, South Africa and Abu Dhabi, taking the total number to 19. Moreover, during the last half, NAVYA shuttles traveled some 70,000 kilometers, 91% of this distance in autonomous mode at an average speed of 9.7 km/h – for comparison purposes, Paris buses have an average speed of 10.8 km/h.

H1 2019 highlights

Change in the management structure, with Étienne Hermite appointed as Chief Executive Officer

Drawing of the €15 million tranche A of the financing agreement with the European Investment Bank

NAVYA has drawn the first €15 million Tranche of the financing agreed with the European Investment Bank (EIB) that is made of two tranches (A and B) of €15 million each with a 5-year maturity from the date of each drawing.

These additional financial resources will allow NAVYA to continue its investment strategy intended to:

- strengthen its R&D teams;
- improve client support and market analysis;
- extend the development of autonomous tractor solutions for transporting goods around industrial sites and airports, as part of the subsidiary created with Charlotte Manutention.

Signing of a Memorandum of Understanding with ESMO Corporation to address the North-East Asia market and commitment to subscribe to bonds repayable in cash and/or into new and/or existing shares (ORNANE bonds) for a total consideration of €20 million

NAVYA and ESMO Corporation, a South Korean company specializing in the manufacturing of wiring harnesses for electric vehicles, have signed a Memorandum of Understanding for:

- the operational support and distribution of NAVYA products in exclusivity for South Korea and in some Asian countries, notably Japan and China,
- the joint development of R&D activities, and
- an industrial partnership to optimize production costs.

Concurrently with this Memorandum of Understanding, NAVYA has agreed a private placement, in the form of bonds repayable in cash and/or new and/or existing shares (ORNANE bonds) to be fully subscribed by ESMO Corporation, for a total consideration of €20 million.

These bonds will bear an annual interest rate of 3% and have a 5-year maturity.

Signing of a Memorandum of Understanding with ESMO Corporation and SK Telecom to jointly develop an autonomous driving technology notably via a 5G network

NAVYA, ESMO Corporation and SK Telecom have signed a Memorandum of Understanding in the context of a partnership aiming at developing autonomous driving features using the 5G Technologies already deployed in South Korea. This technological and commercial partnership will be a source of substantial synergies that will enable NAVYA'S technology to be further developed.

New strategic orientations

The significant investments made in the autonomous vehicle market, the numerous partnerships created between industrials and startups and the support of public authorities confirm that autonomous driving will be a key pillar of tomorrow's urban mobility. However, the wide-scale roll-out of autonomous vehicles will only happen when the latter are able to travel in full autonomy, including in complex and high-speed environments without safety driver. Until then, the complete autonomy of vehicles will gradually be deployed, starting with closed sites where travel constraints are often less complex.

As it is the case for the other players, the experimentation phase NAVYA finds itself in is taking longer than initially anticipated at the time of the Company's Initial Public Offering. A true pioneer and historically positioned throughout the value chain (software, design, production and deployment of vehicles), the Company is today recognized as a leader on its market thanks to the expertise it has accumulated.

NAVYA initial vision with regard to transporting people in level 4 vehicles that travel at limited speed on short journeys (first mile / last mile) in a familiar environment therefore appears to be the appropriate response today. Moreover, until complete autonomy in complex conditions arrives, transporting goods also has substantial potential and fewer major security restrictions. As for passenger transport, this type of travel can be addressed through the intermediary of level 4 autonomous vehicles that meet a real need with a pertinent economic model. Nevertheless, on these two segments, the market is not expecting any significant developments over the next 24 months.

NAVYA therefore adapts its strategy and is now aiming to be the leading player in supplying level 4 autonomous driving systems that the Company will incorporate in passenger and goods transport vehicles. As a consequence, NAVYA is initiating a transition of its activities, moving from an integrated player to a player specializing in the supplying of software and sensor architecture to third-party vehicles. NAVYA thus intends to establish technological, industrial, distribution and local support partnerships for some services.

The Company's revenues will thus come from a number of sources: engineering costs associated with the integration of NAVYA's system (software and sensors) in third-party vehicles, sales of its sensor architecture, system licenses, training and the maintenance of fleets of vehicles. This transformation of its business model has already begun with the partnership established with Charlotte Manutention, and will further intensify in the coming months.

NAVYA will keep producing shuttles until the integration of its technologies on third-party platforms is operational for its clients.

In a market that is still in an experimentation phase, NAVYA wants to focus on the operational roll-out of its technology, and is no longer maintaining its 2019-2021 targets established at the time of its IPO

In a market that is still developing, and given the lack of visibility, NAVYA has decided not to maintain the financial targets it announced at the time of its Initial Public Offering. Indeed, NAVYA wants to focus on the operational roll-out of its technology and vehicles.

NAVYA hence intends to launch, during the second half of 2019, a trial of its TRACT autonomous vehicle developed in collaboration with Charlotte Manutention for goods transport. By 2020, the Company is also planning a full autonomy test of its shuttle and TRACT vehicle.

At the same time, NAVYA intends to deploy its technology on 1 or 2 additional platforms in 2020.

Next financial press release: September 26, 2019 (5:45 pm CEST): H1 2019 results.

About NAVYA

NAVYA is a leading French name in the autonomous driving systems. With more than 290 employees in France (Paris and Lyon) and in the United States (Michigan), NAVYA aims at becoming the leading player for the supply of autonomous driving systems for passenger and goods transport. Since 2015, NAVYA has been the first to market and put into service autonomous mobility solutions. The AUTONOM® SHUTTLE, main development axis, was launched in September 2015 and more than 130 units have been sold as of 30 June 2019, notably in the United States, France, Germany, Switzerland, Japan and Australia. The AUTONOM® TRACT, whose first road tests will start shortly, is dedicated to goods transport. Created in 2014 with the support of Robolution Capital, investment fund managed by 360 Capital Partners, his reference shareholder, NAVYA's shareholders also include the Gravitation fund and Paris Region Venture Fund (Région Île-de-France) managed by Cap Decisif Management as well as Valeo and Keolis groups.

NAVYA is listed on the Euronext regulated market in Paris (ISIN code: FR0013018041- NAVYA).

For more information visit: www.navya.tech/en



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