



## NAVYA reports its first-half 2019 results

- H1 2019 revenues of €6.1 million, strong growth of +31% in Services activity
- 141% increase in R&D investments
- Cash position of €19.7 million at June 30, 2019, excluding the issuance of €20 million of convertible bonds to ESMO Corporation
- Successful initial trials for the deployment of NAVYA's technology on the AUTONOM Tract developed with Charlatte Manutention

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Villeurbanne, France, September 26, 2019 – 5:45 pm CEST – NAVYA (FR0013018041- NAVYA), a leading company in autonomous driving systems, announces its results for the first half of 2019.

**Etienne Hermite, Chief Executive Officer of NAVYA**, says: "Autonomous mobility represents the future of goods and passengers transport. NAVYA is aiming to become the leading player in the supplying of level 4 autonomous driving systems for vehicles specialized in the transport of goods and people. In accordance with the strategic orientations announced in July, we are focusing our investments on developing our technology, and have hence almost tripled our R&D investments compared with last year.

Our operational objectives are the following:

- Undertake, from the first half of 2020, the first "Full Autonom Level 4" tests (no safety driver onboard the vehicle);
- Initiate, in 2020, the deployment of our autonomous driving technological solutions on 1 or 2 additional platforms.

I am already delighted with the success of the first road trials with AUTONOM Tract, on which we have deployed – in partnership with Charlatte Manutention – our sensor architecture and driving software. This illustrates the flexibility of NAVYA's technological solutions developed over recent years on our shuttle.

We achieved a new record in the first half, with 47 shuttle deployments around the world, and have significantly structured the client support team, with Services activity now accounting for almost 20% of our revenues".

In € thousands	H1 2019	H1 2018
<b>Sales</b>	<b>6,150</b>	<b>8,980</b>
Production costs	(7,021)	(7,246)
<b>Gross margin</b>	<b>(870)</b>	<b>1,734</b>
R&D	(4,214)	(1,751)
Sales & Marketing expenses	(2,824)	(2,383)
General & Admin. expenses	(4,616)	(3,176)
Recurring EBIT	(12,524)	(5,576)
<b>Operating profit / loss</b>	<b>(13,183)</b>	<b>(7,001)</b>
Financial result	(631)	41
<b>Net profit / loss</b>	<b>(13,813)</b>	<b>(6,960)</b>
<b>Cash position</b>	<b>19,668</b>	<b>6,213</b>



## Sales activity and financial results for the first half of 2019

In H1 2019, NAVYA sold 18 AUTONOM® SHUTTLE vehicles and recorded revenues of €6.1 million, down 32% on the first half of 2018 during which NAVYA had benefited from an exceptional order for 10 shuttles from AVENUE, a European consortium.

Services revenues continued to grow and totaled €1.2 million in H1 2019 (+31%), thus accounting for 19.0% of total revenues compared with 9.9% in H1 2018. This ramping up is in line with NAVYA's strategy of developing a range of services associated with autonomous vehicles.

The decrease in the gross margin was due to the fall in sales volumes, resulting in lower activity and a lesser absorption of fixed production costs, and to the decision to structure the client support teams (maintenance, deployment, supervision), in order to assist the implementation of software updates and the growth in deployments.

Operating costs – comprising R&D, Sales & Marketing and General & Administrative expenses – hence increased by 59% to €11.7 million. This increase was notably a result of the Company's desire to accelerate its investments in the development of its technology as demonstrated by the increase in R&D investments (+141%); this has led to higher personnel costs (66% of total expenses) associated with the increase in the number of staff. Indeed, the Company's workforce totaled 288 people at June 30, 2019 compared with 215 a year earlier. The increase was also a result of higher IT investments and structural costs (legal, finance, sourcing, HR).

The contraction in the Operating loss and Net loss to -€13.2 million and -€13.8 million respectively, vs. -€5.6 million and -€7.0 million for the same period of 2018, was a consequence of the fall in revenues and the investment phase that NAVYA is currently in.

At June 30, 2019, the Company had a cash position of €19.7 million, excluding the issuance of €20 million of convertible bonds to ESMO Corporation.

## H1 2019 highlights and events since the end of June

On March 7, 2019, NAVYA underwent a change in its governance with the appointment of Etienne Hermite as Chief Executive Officer.

On the financial front, the Company strengthened its capital during the first half of the year by drawing the first €15 million tranche of the financing agreement with the European Investment Bank. NAVYA also signed a memorandum of understanding with ESMO Corporation within the framework of a strategic partnership to address the North-East Asia market, and notably South Korea, Japan and China. Alongside this agreement, NAVYA agreed a private placement in the form of bonds repayable in cash and/or new/existing shares fully subscribed by ESMO Corporation for a total amount of €20 million. Post-conversion of the bonds, ESMO Corporation would become NAVYA's second-largest shareholder with a stake of approximately 20%.

The first half of 2019 also saw major operational progress achieved.

Over the half, NAVYA shuttles traveled 70,000 km, 91% of this distance in autonomous mode. These figures are up compared to last year's data: in H1 2018, the shuttles traveled 40,000 km, 85% in autonomous mode.

With 47 deployments worldwide, compared with 45 in H1 2018, the Company has set a new record. Furthermore, it has obtained 5 new approvals to use its vehicles on open roads (Japan, Monaco, Norway, South Africa and Abu Dhabi), taking the total number to 19.

Moreover, the first half of 2019 saw major breakthroughs for NAVYA's solutions, with the launch of two new software versions and a number of upgrades notably incorporating:

- Improvements in tracking systems with 3D localization and mapping;
- Intelligent and gradual adjustment of speed according to traffic conditions;
- Intuitive management of priority zones (merger lanes, intersections and pedestrian crossings);
- New user interface providing a real-time visualization of obstacles;
- Improvement in the quality, diagnosis and safety of operations without a safety operative.



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On July 5, 2019, NAVYA also announced that it had signed a memorandum of understanding with ESMO Corporation and SK Telecom within the framework of a partnership aimed at developing autonomous driving features using 5G technologies. Thanks to their respective expertise, the three players' complementary nature will be a source of substantial synergies that will benefit the wide-scale deployment of autonomous vehicles in North-East Asia.

Lastly, the first Tract AT135 autonomous vehicle was completed in July and underwent its first trials on a private industrial site in August, traveling almost 150 km. Transporting an average of 7 tons in autonomous mode at a maximum speed of 15 Km/h, the success of these trials paves the way for more wide-scale trials to be prepared.

## Outlook

From an operational perspective, NAVYA will continue the trials initiated in August 2019 on its AUTONOM Tract vehicle developed in collaboration with Charlotte Manutention for goods transport.

The Company also intends to undertake, from the first half of 2020, the first "Full Autonom Level 4" (no safety driver onboard the vehicle) tests on its shuttle and Tract vehicle.

At the same time, NAVYA wants to initiate the deployment of its technology on 1 or 2 additional platforms in 2020.

## **Next financial communication: annual sales, on January, 2020, 5:45 pm CET.**

First-half 2019 consolidated accounts and H1 2019 financial report have been approved by the Board of Directors, and were reviewed by the Supervisory Board on September 24, 2019.

The H1 2019 financial report is available at [www.navya-corp.com/fr/investisseurs/information-reglementee/documentation](http://www.navya-corp.com/fr/investisseurs/information-reglementee/documentation)

This report includes:

- H1 2019 activity report;
- Summarized H1 consolidated accounts to June 30, 2019;
- Auditors' report on H1 2019 financial information;
- Statement from the certifying officer regarding the H1 financial report.

## **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](http://www.navya.tech/en)





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