AURRIGO

Interim Results Presentation

For the six months to 30 June 2024

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Executive Team

David Keene

CEO & Co-Founder

- 42 years' experience in the automotive industry
- Board member of the UK Automotive Council
- Visiting Professor in Autonomous vehicles at Coventry University
- Fellow – Institute of Engineering and Technology

Ian Grubb

CFO

- Strategic and operational experience in automotive and FMCG
- Focused on balance of investment and profitability
- Joined Aurrigo in early 2022

Lewis Girdwood

Executive Director Aviation Technology

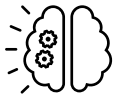
- Former Chief Financial Officer at Esken
- Former Chief Financial Officer at IAG Cargo
- Former Head of Financial Planning and Analysis at easyJet

Grahame Keene

Head of Corporate Development & Co-Founder

- 37 years' experience across management services, production and finance in automotive and manufacturing
- Previous roles include Royal Doulton, West Midlands Fire Service and Hereford Worcestershire City Council

Executive Summary



Technology specialists

- **Aviation:** Fully integrated automated vehicles, systems and software for the aviation industry
- **Automotive:** 30+ year heritage providing innovative products and systems to automotive industry

Strong growth in H1

- 26% revenue growth vs H1'23, in line with expectations
- Expansion in Autonomous with H1 revenue significantly higher than prior full year
- Strong order intake in Automotive from longstanding customers

Accelerating momentum

- Three strategic partnerships providing large market coverage
- Operational readiness to scale including expanded teams at international airports
- Significant pipeline growth in the period

Revenue and Pipeline growth

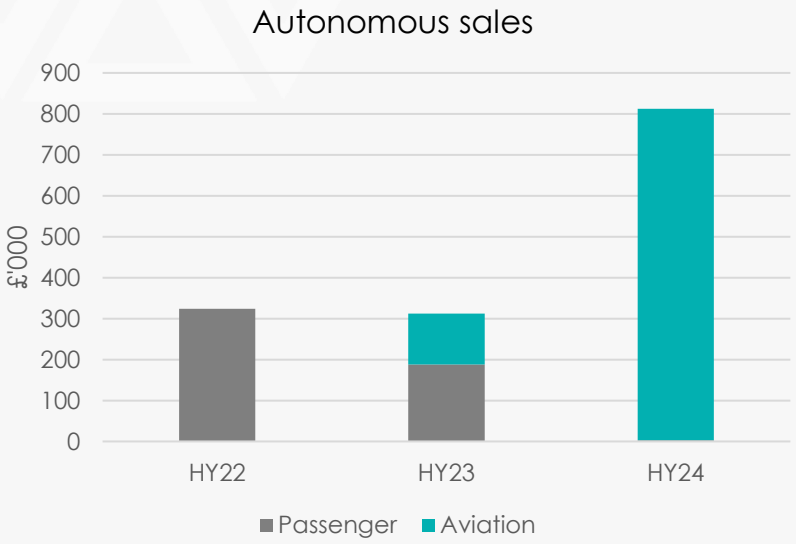
- Confident in successful year
- Major aviation contract deliverables in H2
- Automotive orderbook provides robust underlying revenue and cash flow visibility

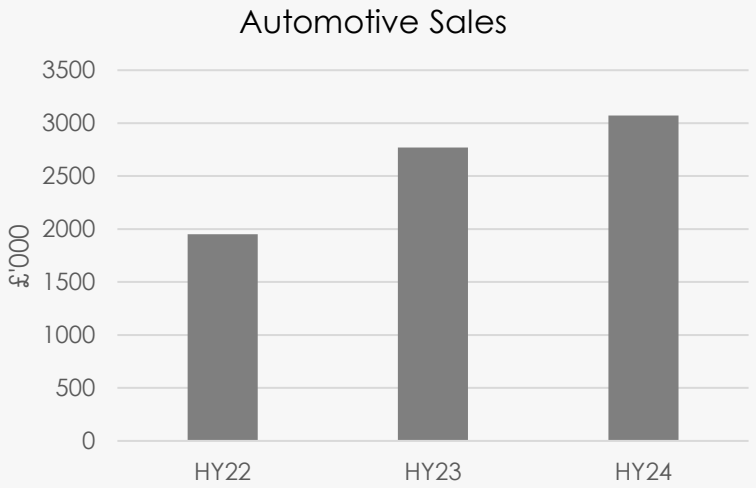
Global customers & partners

CHANGI airport singapore · CAAS Civil Aviation Authority of Singapore · CVG · BRITISH AIRWAYS · UPS · STUTTGART AIRPORT · JAGUAR · ASTON MARTIN · Schiphol Amsterdam Airport · LAND ROVER

Interim Results

In line with expectations: 26% increase in H1 revenue from prior year





- Strategic focus in autonomous team has moved to the aviation market for all autonomous and simulation products in past 2 years
- Autonomous revenue has increased by 160% compared to HY 23. 100% of Autonomous revenue in HY 24 relates to the Aviation market, an increase of 552% on HY 23
- Automotive revenue has increased by 10.8% on HY 23. HY 22 revenue was 40.6% of FY 22 revenue. HY 23 revenue was 45.6% of FY 23 revenue

Interim Results

Income Statement	Unaudited 6 months ended 30-Jun-24 £'000	Unaudited 6 months ended 30-Jun-23 £'000	Audited Year ended 31-Dec-23 £'000
Revenue	3,883	3,083	6,628
Gross Profit	1,358	686	1,476
EBITDA	-1,211	-1,575	-3,223
Net Profit	-1,590	-1,983	-3,910

- 25.9% increase in revenue from HY 23 to HY 24
- Gross Profit Margin improved from 22.3% HY 23 to 35.0% HY 24
- EBITDA improved by 23.1%
- Net loss for the period improved by 19.8% compared to HY 23

Balance Sheet	30-Jun-24 £'000	30-Jun-23 £'000	31-Dec-23 £'000
Gross Assets	13,322	12,383	14,725
Net Assets	7,350	6,802	8,864
Cash	1,785	2,797	3,462

- R&D Capitalisation in period £206k. NBV £5,893k.
- Related deferred revenue at period end was £3,444k
- Stock of £2,185k includes five ADT vehicles at varying stages of completion
- Cash generated by Automotive £1,220k
- Cash generated from Autonomous £889k

Interim Results

Full year outlook

- Automotive revenues broadly tracking to expectations
- Autonomous revenues
  - Changi Airport Group Phase 2b milestones expected to fall into H1 2025.
  - Four new customers with single vehicle deployments engaged due to enhanced vehicle functionality and interest in Auto-Sim growing due to additional modules.
  - Pipeline of new consultancy agreements provide additional revenue opportunities.
  - Autonomous revenue expected to be c. £3m (450% increase on 2023).
  - Group overhead costs are being managed and tracking better than budget, thus resulting in improved margins and with EBITDA for the full year expected to be broadly in line with expectations.

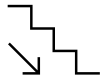
Near term objectives

- Continued deployments in existing 4 airports
- Lead customer Stage 4 deployment with 4 vehicles operating in H1 2025
  - Key milestones and demonstrations as vehicles are deployed
- Single vehicle deployments in other 3 airports meet their milestones in H2
- Development of Auto-Sim for 2025 whilst completing 2024 projects
- Future distribution partnerships being evaluated
- Multiple new single vehicle deployments and Auto-Sim consultancy being negotiated for 2025
- Grow Automotive contracts (existing and new customers)

The Problem

AKE 34368 R7
unilode
TARE 65 KG
DQF 34277R7
unilode
AKE 61097 LA

The Problem



Capacity constraints

- Widespread staff shortages e.g. Heathrow press quote regarding cap on departing customer numbers as *"demand had started to exceed the capacity of airline ground handlers."*
- Industrial action causes huge operational issues and are extremely expensive for airports and airlines

Rising costs

- Current approach is very labour intensive and expensive e.g. 8.3% pay rises at major UK airport announced
- Increasing workforce health & safety regulation e.g. first-ever regulation proposed to regulate ground handling across European Union airports
- Annual cost of ground damage could double to nearly $10 billion by 2035 (IATA)

Poor efficiency

- Slow turnaround times and delayed baggage arrival from inefficient system with multiple potential points of failure

Environmental pressures

- Emissions from existing fleets are significant, with airports predominantly using diesel-powered vehicles

Solution

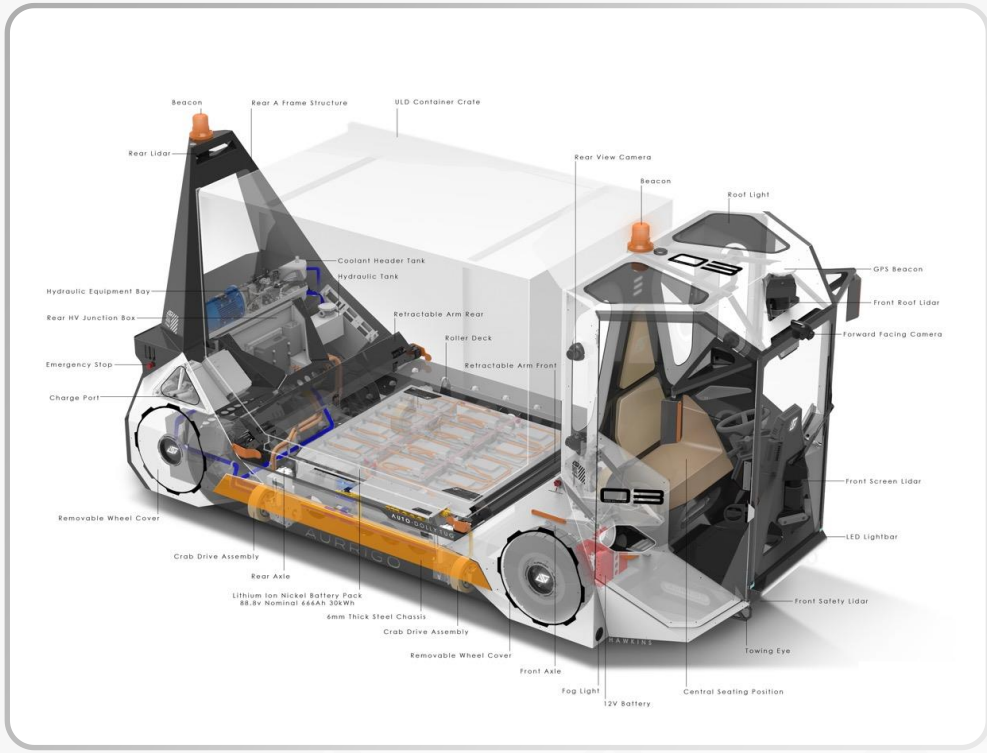
Photo source "Fraunhofer IML, Vinzenz Neugebauer", and the project "Digital Testbed Air Cargo (DTAC), funded by the German Federal Ministry for Digital and Transport

Aurrigo's Solution

A fully integrated autonomous vehicle solution, supported by proprietary software, to replace outdated operations

Specialised for low speed, highly defined and regulated operational environments

Automotive & Aviation expertise + **Autonomous vehicle IP** + **First mover advantage** = **Market-leading position**



Aurrigo's Solution

Our solution solves problems for airports and airlines:

1. **Capacity** ▶ Reliable, predictable operation of Auto-DollyTugs supplementing existing workforce to scale operations
2. **Cost** ▶ Operating costs comparatively significantly reduced after initial investment
3. **Efficiency** ▶ Streamlined operations and improved manoeuvrability reduces turnaround time
4. **Environmental** ▶ Significantly reduced emissions for electric AVs compared to existing diesel tugs

Products

Hardware

Auto-DollyTug

- Autonomous vehicle for transporting a single unit load device (ULD) while towing four dollies
- In-house developed software system ensures faultless repeated operations
- Deployed in 5 Airports, currently in operation in 4 on 3 continents

Other demand-led products

- **Auto-Cargo** – heavier Cargo loads, developed with UPS
- **Auto-Shuttle** – 10-seat airside passenger vehicle
- **Auto-Pod** – 4-seat passenger or goods airside vehicle

Software

Auto-SIM

- Airport Simulation and 3D visualisation software tool
- Models all vehicles at an airport including baggage and cargo

Auto-Connect

- Cyber-secure and resilient vehicle manager platform, developed in-house with recurring licence revenue model

Collective value of patented software and hardware portfolio **£16m** (September 2022)

Value Proposition

Existing luggage transport

Typical 40m+ airport terminal – c.350 diesel tugs tow c.800 dollies and require c.800 employees*

Aurrigo Auto-DollyTug solution

c.360 Auto-Dollies, no tugs, no manual dollies and requiring c.70 employees*

Compelling Investment Case

- Increased Technology Vehicle costs are fully recovered providing a **ROI in under 3 years** against rolling capital replacement with no return
- Very **low labour risk** and increased efficiency
- **c.72%** reduction in tug carbon emissions

*Estimated using Aurrigo's Airport 500 model based on IATA 2019 data and for illustrative purposes only

1 - photo source "Fraunhofer IML, Vinzenz Neugebauer", and the project "Digital Testbed Air Cargo (DTAC), funded by the German Federal Ministry for Digital and Transport

Competitive differentiation

Aurrigo vehicle design and software stack is bespoke to low speed, strictly defined and highly regulated operational domain, which makes us an ideal partner for airport environments

Aurrigo is differentiated against other solutions by the following:

Fully Automated

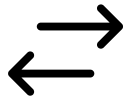
Driverless operation from the baggage hall right up to the aircraft

Agility

Moves sideways, forwards, backwards, rotates 360°

Load size

Tows four trailers and carries a ULD container on its body



Adaptability

Loads and unloads on both sides with integrated robotic arms

All weather

Operates in rain to 50mm/hr and snow to 10mm/hr

Sales Cycle

Customer Journey

Stage 1

Early-stage engagement:

Safety case development, route planning, stakeholder engagement, operational requirements, test location and facilities required at the airport

Stage 2

Simulation agreed using Auto-SIM to map out efficiency potential

Consultancy model revenue

Stage 3

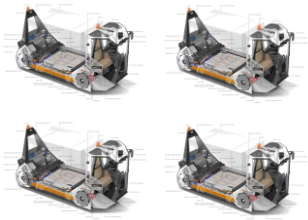
Proof of concept demonstrator deployed

ADT milestone revenue

Stage 4

Small vehicle fleet operating live with Auto-Connect

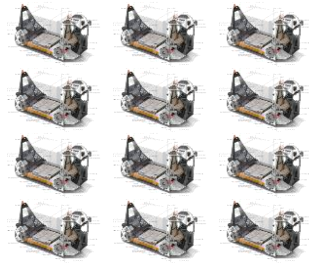
ADT delivery revenue



Stage 5

Scale up to full deployment and SaaS model with Auto-Connect

ADT, licence & usage revenues



Increasing revenue generation

Pipeline

Stage 1

Early-stage engagement:

- 34 major airports
- 18 major airlines

Stage 2

Simulation agreed using Auto-SIM to map out efficiency potential

- CAAS Singapore
- CAG Singapore
- Major UK airport
- Gerald R. Ford International
- Cincinnati
- Schiphol
- Inverness
- Stuttgart

Stage 3

Proof of concept demonstrator deployed

- CAG Singapore
- Cincinnati
- Major UK airport
- Stuttgart
- Schiphol

Stage 4

Small vehicle fleet operating live with Auto-Connect

- CAG Singapore (commissioned under the Phase 2b contract)

Stage 5

Scale up to full deployment and SaaS model with Auto-Connect

Lead generation entirely in-bound

Embedding Auto-SIM validates progression to next stage

Validation of airport integrations will help accelerate customers through pipeline

Strategic partners provide market access

3 major strategic partnerships signed to date:

Schiphol Group

80+ airports*

CHANGI airport group

130+ airports*

IAG INTERNATIONALS AIRLINES GROUP

(Aer Lingus, BA, Iberia, Vueling, LEVEL)

250+ Airports*

- Partnerships ensure some of the world's leading airports and airlines are actively promoting Aurrigo's products
- Demonstration site for Auto-DollyTug and Auto-Sim now at Changi airport – further reference sites soon to commence at Schiphol, Gatwick and Cincinnati
- Airports promote Aurrigo products alongside their other technology solutions – co-presenting products to potential customers, other airports, civil aviation groups and ministries of transport, amongst others

Existing pipeline and partnership network provides access to **460+ airports** equating to a revenue opportunity of **over £2bn**

*Number of airports dealt with (owned/managed/consulted for)

Changi Airport – Leading the way

Stage 1

Nov 2019

Changi Airport Group sought to enhance its baggage handling efficiency and turned to Aurrigo for a solution

Stage 2

Feb 2020

Consultancy simulation contract agreed using Auto-SIM to map out efficiency potential

Stage 3

October 2022

Contract awarded for extensive 6-month trials of Auto-DollyTug in all weather conditions

Stage 4

May 2024 – March 2025

c.£2.5m Phase 2b contract awarded for 4 vehicle fleet communication trials using Auto-Connect platform

Stage 5

Scale up of operations and roll out of additional vehicles with a potential for tugs over next 10 years of c.600 including T5

Strategy

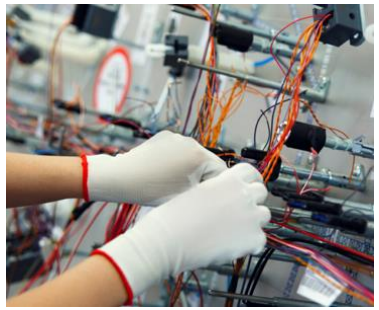
Photo source "Fraunhofer IML, Vinzenz Neugebauer", and the project "Digital Testbed Air Cargo (DTAC), funded by the German Federal Ministry for Digital and Transport

Automotive Strategy

An established developer and supplier of a range of highly advanced, innovative products and safety-critical system solutions to the automotive industry.

- **Enables cross fertilisation** of deep industry experience and capabilities into Aviation
- **Track record:** 30+ years supplying premium vehicle OEM's and International Tier 1s
- **Experience:** Demonstrated ability to penetrate a challenging, highly regulated market, where safety and standards are critical
- **Expertise:** Products designed, developed and manufactured in-house
- **Innovation:** Products include electronic control units, embedded software, wiring harness systems, safety critical systems, and complete vehicle engineering
- **Skills:** Highly successful apprenticeship scheme and strong connections to the local universities
- **Robust financials:** Majority contributor to historic revenues with stable, good margin division of the group

Product Types

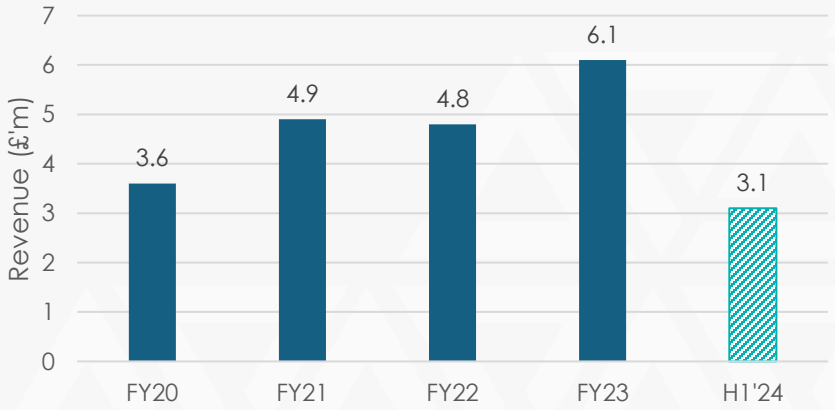


Wiring Harnesses

Electronics & Software

Customers

Revenue Contribution



Aviation Strategy

Drive growth in pipeline

- Leverage partner networks
- Promote through industry groups at national & international level
- Direct sales team effort following each validation
- Maximise brand awareness through events and media with on-site vehicles

Accelerate customers through pipeline stages

- Efficient deployment of solution
- Clear pathways to prove technology at each stage with continued sales engagement throughout pipeline
- Leverage Changi story to reduce risk perception for new customers

Leverage automotive expertise to grow sales

- Experience of complex and challenging projects
- Cross fertilisation of automotive knowhow into Aviation

Financial strategy

Steady automotive growth	Scaling automotive division to generate cash for group
Drive aviation sales	Target material annual growth over next 3-4 years
Grow hardware margin	Margin to grow as build cost declines and sales price rises
Manage down costs	Cost inefficiencies removed in pursuit of profitability
Improve cash profile of ADT sale	Target upfront payments on sales to protect cash position
Focus on cash-flow breakeven	Clear focus on being cash-flow positive as soon as practical

Conclusion

Conclusion

Strong revenue growth in H1 2024 (+26% vs H2'23), driven by growth in aviation automous sales

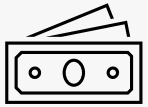
Healthy automotive orderbook provides visibility and cash generation for the group

Market leading position established for Auto DollyTug solution, solving a clear problem for customers

Strategic partnerships providing global exposure and validity to Aurrigo

Significant pipeline growth in past 6 months, all from in-bound approaches

Major aviation deliverables in pipeline and revenues from Phase 2b of Changi contract expected to fall in H1 FY2025 due to previously flagged design upgrades



Established revenue model and commercial strategy to drive long-term growth