Avio Interim Financials Q1 2019

Rome, 13 May 2019
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Q1 2019 highlights

- **Net Revenues: €82.6M (up 10% vs Q1 2018)**
  - Increase mainly in Vega development activities

- **Reported EBITDA: €7.0M (up 15% vs Q1 2018)** - **Reported EBIT: €3.1M (up 11% vs Q1 2018)**
  - Lower impact of fixed costs on higher revenues
  - Low non-recurring expenses in line with Q1 2018

- **Net Financial Position: €48.7M**
  - €6.0 M improvement vs 31 December 2018 on a like-for-like basis

- **Most relevant business facts occured in Q1 2019**
  - 1 Vega successful launch (VV14)
  - 1 Ariane 5 successful launch (VA247)
  - Development milestones and accomplishments:
    - Z40 successful firing test on 7th May
    - P120 successful firing test in January
  - Completion of the SSMS module to fly on Vega in September 2019

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(1) R&D tax benefit in Q1 2019, in line with Q1 2018, recognized only on tax credit matured in 2017 and 2018. Potential benefit of 2019 tax credit to be assessed at year end according to actual R&D eligible costs incurred.
(2) 31 March 2019 NFP includes €-6.4M negative effect from the application of IFRS16.
Most relevant business activities in Q1 2019

### Flight & Production activity

- **5 February**
  - VA247
  - 102th consecutive successful flight

- **21 March**
  - VV14
  - 14th consecutive successful flight

### Development & complementary activity

- Development milestones and accomplishments:
  - P120 successful firing test in January
  - Z40 successful firing test in May
- Completion of the assembly of the SSMS module expected to fly on Vega in September 2019
- Closed additional funding from European Investment Bank for €10M at favorable economic conditions
- First Ariane 6 production batch for 14 launchers expected in the next few months (production contract between Ariane Group and Arianespace signed on the 6th of May 2019)

#### 2019 flight schedule – upcoming flights:
- Vega VV15 carrying FalconEye1 satellite
- Ariane 5 VA248 carrying 2 satellites
Latest industrial and development accomplishments

P120 Static Firing Test (January)

Z40 Static Firing Test (May)

SSMS Assembly
Commercial updates

1st Japanese customer - Vega 2020 flight

Mini-SAR of Japanese constellation providing geospatial information for urban development, economic activity, land/infrastructure monitoring and disaster management

1st Vega SSMS rideshare flight - fully booked

Spire
Internet of things

GHGSAT
Measure greenhouse emissions

SSMS

Synspective

First Japanese customer - Vega 2020 flight

1st Vega SSMS rideshare flight - fully booked
### Q1 2019 economic and financial highlights

<table>
<thead>
<tr>
<th>Q1 2018 ACTUAL</th>
<th>MAIN ECONOMICS/FINANCIALS</th>
<th>Q1 2019 ACTUAL</th>
<th>DELTA</th>
<th>DELTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ - M</td>
<td></td>
<td>€ - M</td>
<td>€ - M</td>
<td>%</td>
</tr>
<tr>
<td>75,4</td>
<td>NET REVENUES</td>
<td>82,6</td>
<td>7,2</td>
<td>10%</td>
</tr>
<tr>
<td>6,1</td>
<td>EBITDA REPORTED</td>
<td>7,0</td>
<td>0,9</td>
<td>15%</td>
</tr>
<tr>
<td>8,1%</td>
<td>% on net revenues</td>
<td>8,5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6,3</td>
<td>EBITDA ADJUSTED</td>
<td>7,1</td>
<td>0,8</td>
<td>13%</td>
</tr>
<tr>
<td>8,4%</td>
<td>% on net revenues</td>
<td>8,6%</td>
<td></td>
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<tr>
<td>2,8</td>
<td>EBIT REPORTED</td>
<td>3,1</td>
<td>0,3</td>
<td>11%</td>
</tr>
<tr>
<td>3,7%</td>
<td>% on net revenues</td>
<td>3,8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,0</td>
<td>EBIT ADJUSTED</td>
<td>3,2</td>
<td>0,2</td>
<td>7%</td>
</tr>
<tr>
<td>4,0%</td>
<td>% on net revenues</td>
<td>3,9%</td>
<td></td>
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</tbody>
</table>

### Comments

- Growth mainly for Vega C development activities
- Q1 19 results include €1.0 M of R&D Tax Credit in line with Q1 2018
- Negligible non recurring costs

### 31 Dec 2018 ACTUAL vs. 31 Mar 2019 ACTUAL

<table>
<thead>
<tr>
<th></th>
<th>31 DEC 2018 ACTUAL</th>
<th>31 MAR 2019 ACTUAL</th>
<th>DELTA</th>
<th>DELTA</th>
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</thead>
<tbody>
<tr>
<td>€ - M</td>
<td>€ - M</td>
<td>€ - M</td>
<td>€ - M</td>
<td>%</td>
</tr>
<tr>
<td>49,1</td>
<td>NET FINANCIAL POSITION</td>
<td>48,7</td>
<td>(0,4)</td>
<td>-1%</td>
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</table>

- 31 March 2019 NFP includes €-6.4M negative effect from the application of IFRS16 (€+6.0M and +14% on a like-for-like basis)
Next steps – key 2019 milestones

• **Upcoming Vega flight activity**
  • VV15 - Falcon Eye 1
  • VV16 - SSMS
  • VV17 - Falcon Eye 2
  • Beginning of Vega C launch campaign

• **Backlog**
  • Ariane 6 production batch expected to be signed in the next few months
  • ESA Ministerial Conference in November

• **Development**
  • August- September: M10 (LOX-CH upper stage engine) full scale test
  • October: Vega C fairing acoustic test
  • November-December: P120 QM2 test (third and last static firing test for Ariane 6)

• **Economic-financial results**
  • September 12th: H1
  • November 7th: Q3