

\$14B (Now ~\$15B) & Growing

*The Funding Behind Civil Aerospace Startups and
What to Expect Ahead*



Introduction



AVASCENT

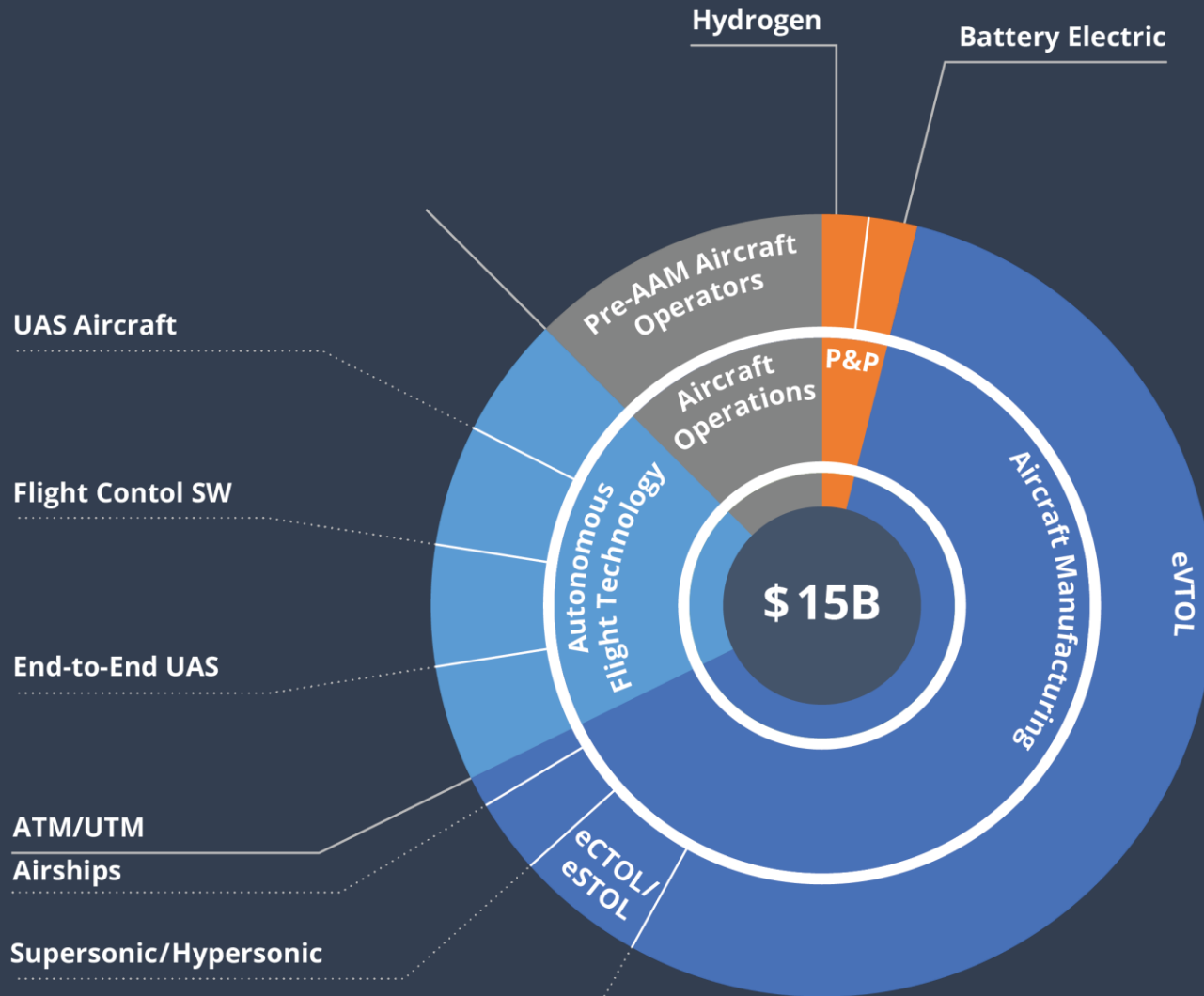
- Largest independent management consultancy focused on A&D
- Strategy development for every major aerospace OEM, plus startups
- ~150 employees across six offices
 - Washington, DC (HQ)
 - London, UK
 - Paris, France
 - Berlin, Germany
 - Ottawa, Canada
 - Tokyo, Japan

Agenda

- How much money is funding the civil aero startup ecosystem?
- How did we get here?
- Who is involved and why?
- What lies ahead?

Civil Aerospace Startup Landscape

Funding by Technology Area: 2012-2022 YTD



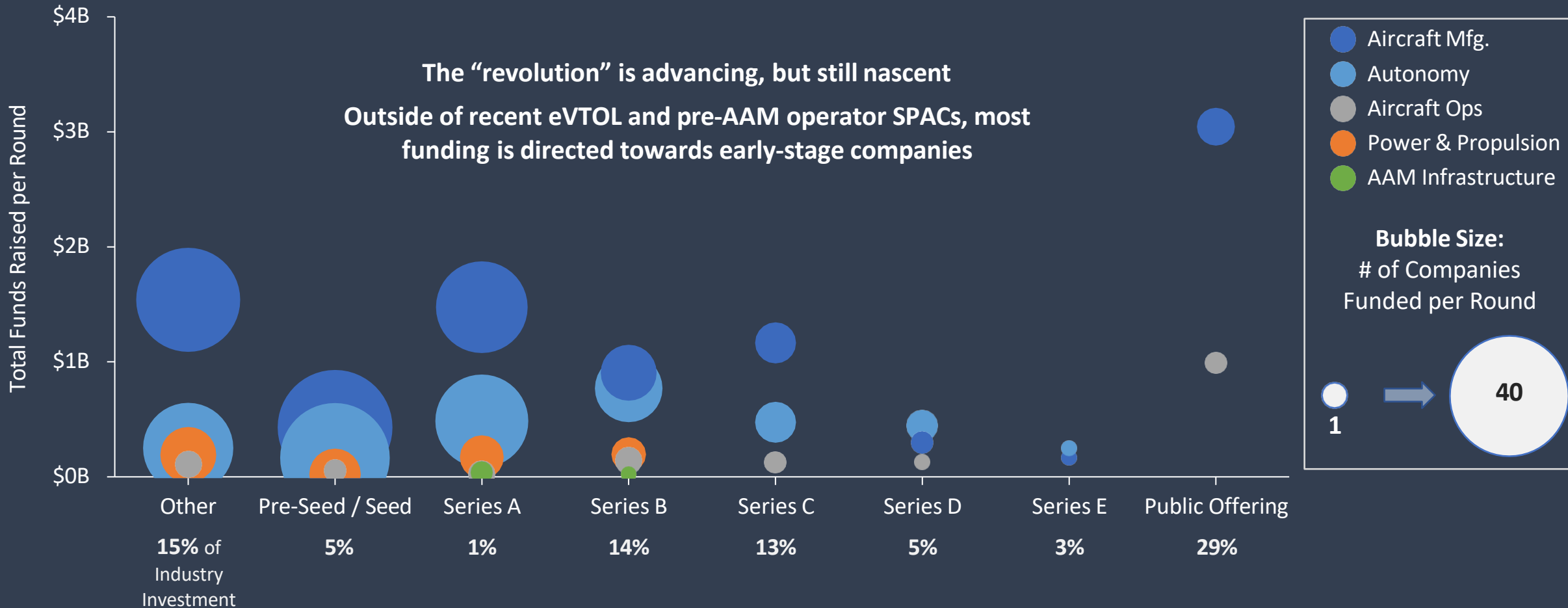
- **Startup aircraft OEMs** have raised over \$9B, with 90% directed to 17 companies
- 60+ **autonomous flight tech. companies** have raised over \$3B
- Six disruptive **aircraft operators** prepared to help usher in AAM activity have received ~\$2B
- ~\$600M has been directed to disruptive **power & propulsion technologies**

Logos are *representative, non-exhaustive* examples of companies with largest total funding per technology area
 Data is based on publicly available funding round information; Sector and company categorization based on company's stated core market and technology focus; companies included are based on best-effort identification

Source: CBI, SEC public filings, Avascent analysis; Data as of Sep. 1, 2022

Early-stage Focus (with SPAC exceptions)

Total Investment and Number of Companies Funded, by Round (2012-22 YTD)



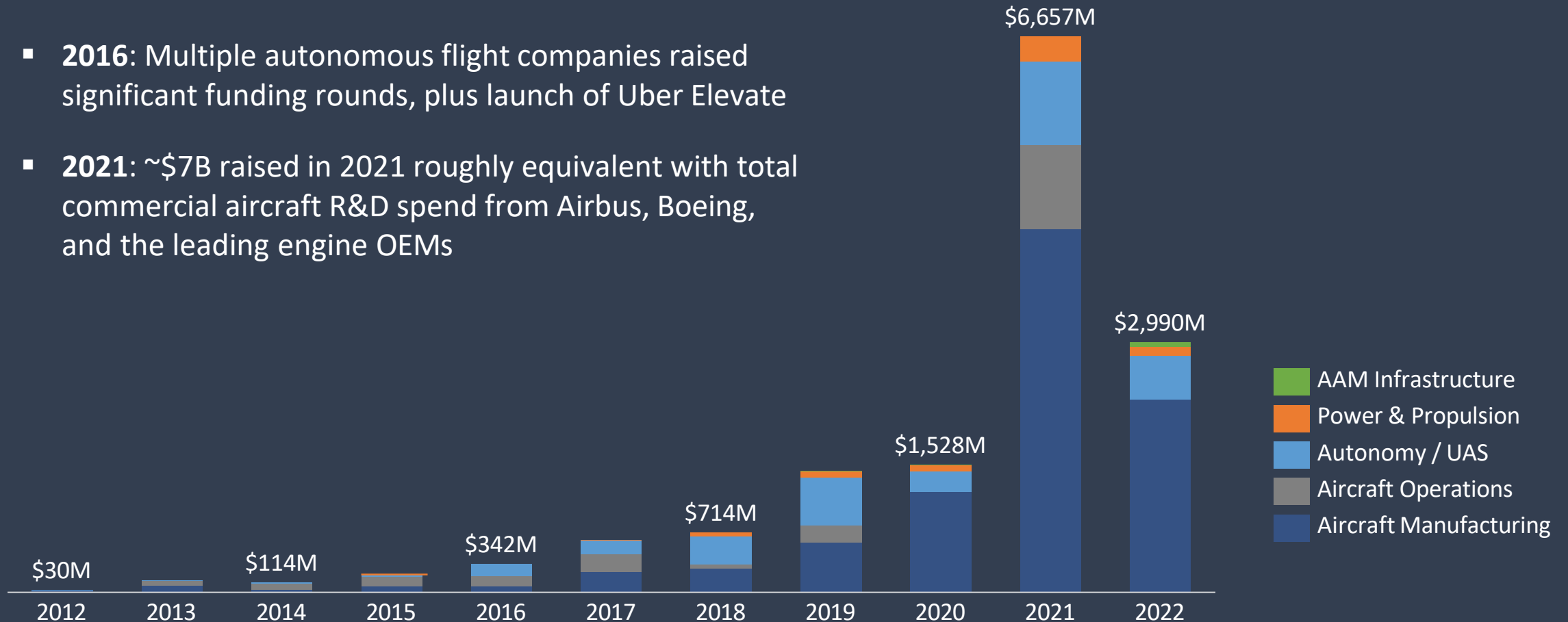
"Other" includes convertible notes, corporate minority stakes, grants, and unattributed venture rounds

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How Did We Get Here: 2016 Tipping Point

Annual Investment by Technology Area

- **2016:** Multiple autonomous flight companies raised significant funding rounds, plus launch of Uber Elevate
- **2021:** ~\$7B raised in 2021 roughly equivalent with total commercial aircraft R&D spend from Airbus, Boeing, and the leading engine OEMs

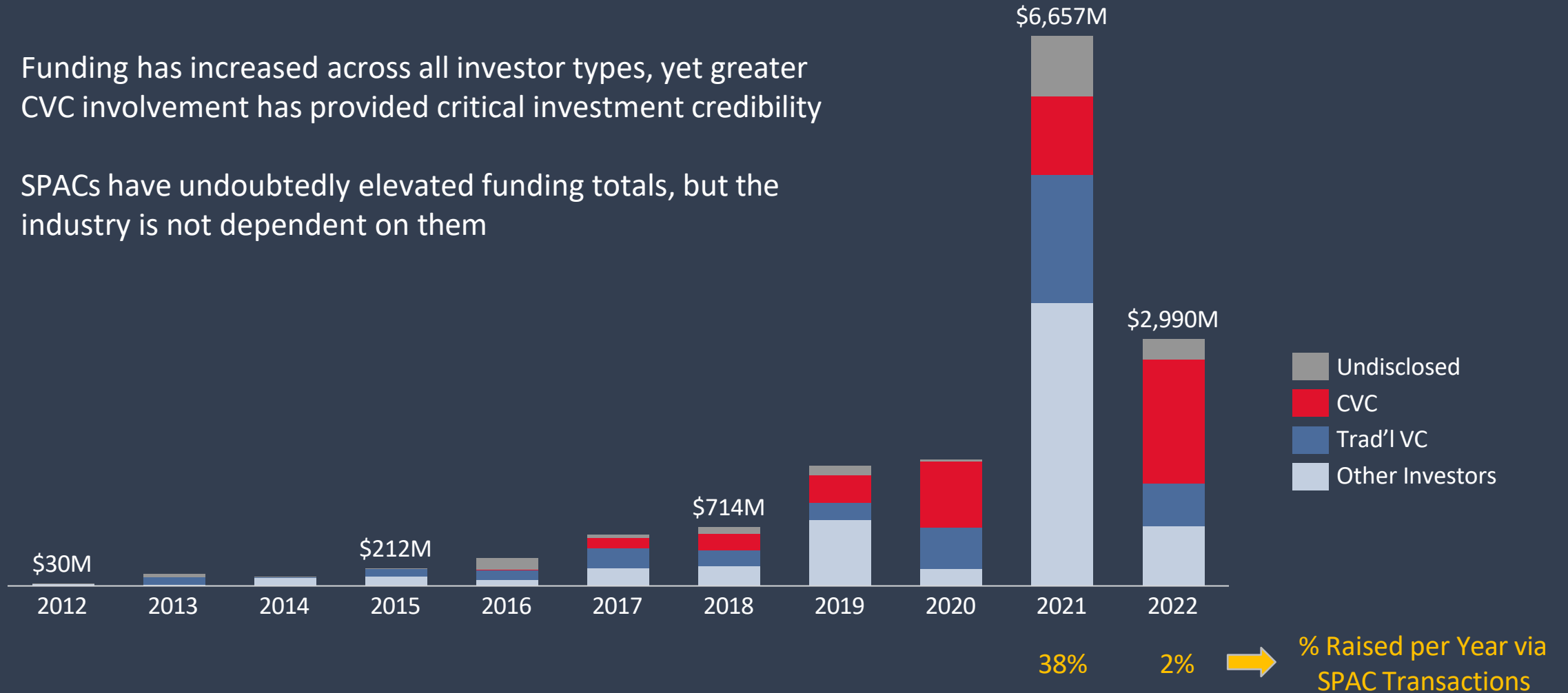


How Did We Get Here: CVCs (and SPACs)

Annual Investment by Investor Category

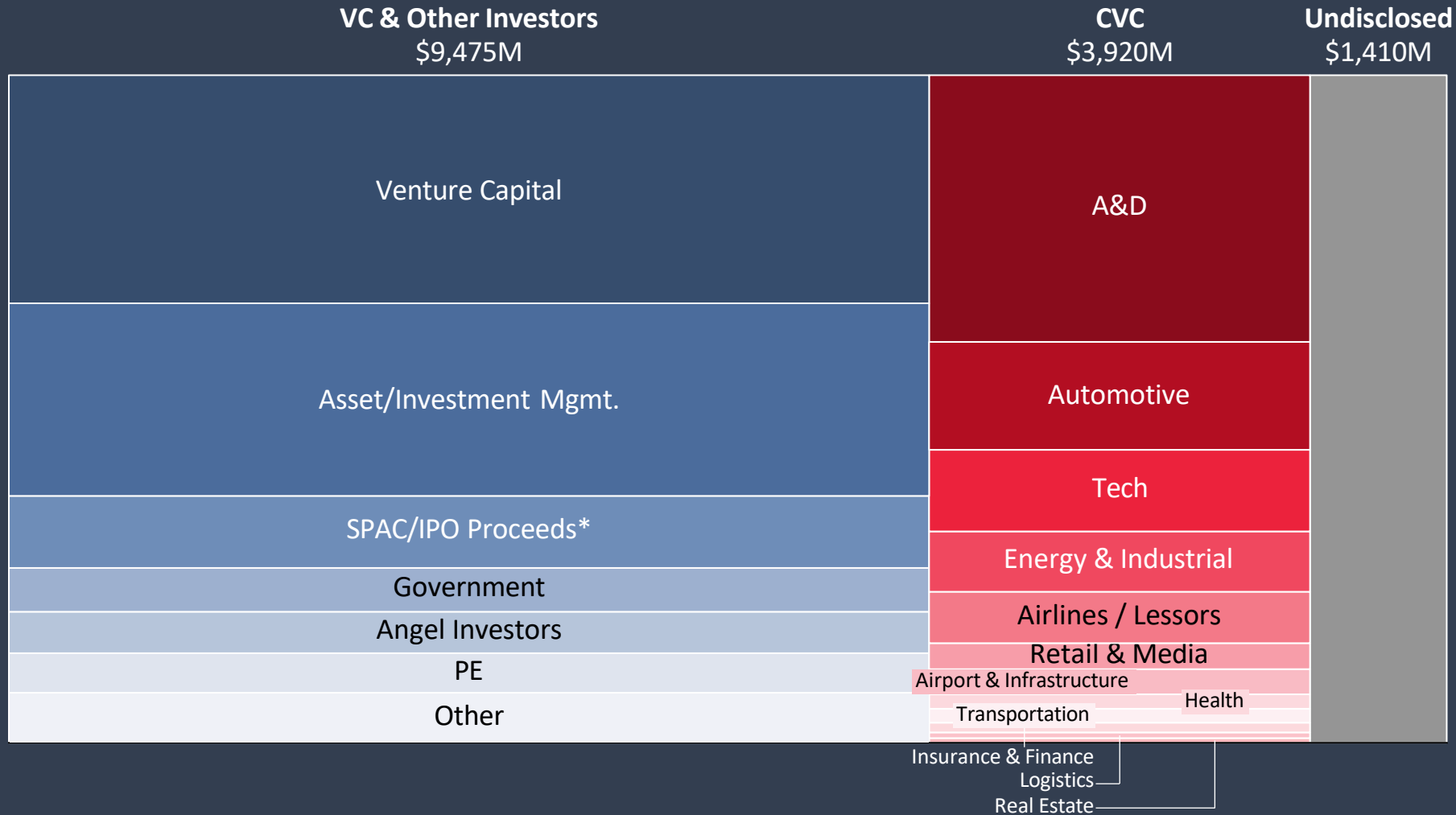
Funding has increased across all investor types, yet greater CVC involvement has provided critical investment credibility

SPACs have undoubtedly elevated funding totals, but the industry is not dependent on them



Diverse Investor Base

Total Funding by Investor Category (2012-22)



- **Investor breadth enabled by:**
 - Macro economic tailwinds
 - Sustainability movement (esp. from government)
 - Transformative market opportunity (customers, suppliers, partners)

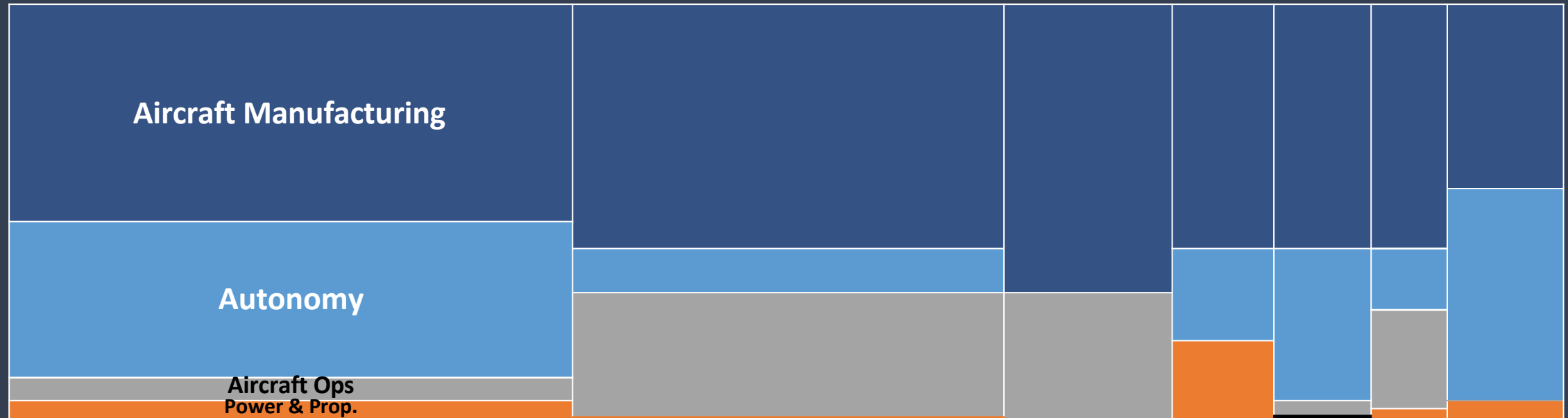
NOTES:
SPAC/IPO only includes SPAC cash in trust / IPO proceeds; PIPE funds allocated to various investor types

Government includes sovereign wealth funds

VCs and Other Investors

Funding by Investor Type and Technology Area

Traditional VC and Other Investor Funding (2012-22 YTD): \$9.5B



Leading Representative Investors (by \$):

VC (36%): RISE CLIMATE, TEAM CLIMATE, GGV CAPITAL, atomico, b to v, SEQUOIA
Asset/Investment Mgmt. (28%): Fidelity, T.RowePrice, BAILLIE GIFFORD, BlackRock, MUDRICK CAPITAL
SPAC/IPO (11%): Public Investors
Gov. (7%): MUBADALA CAPITAL, TEMASEK, GOV.UK
Angel (6%): Various Investors
PE (5%): CLERMONT, lightrock

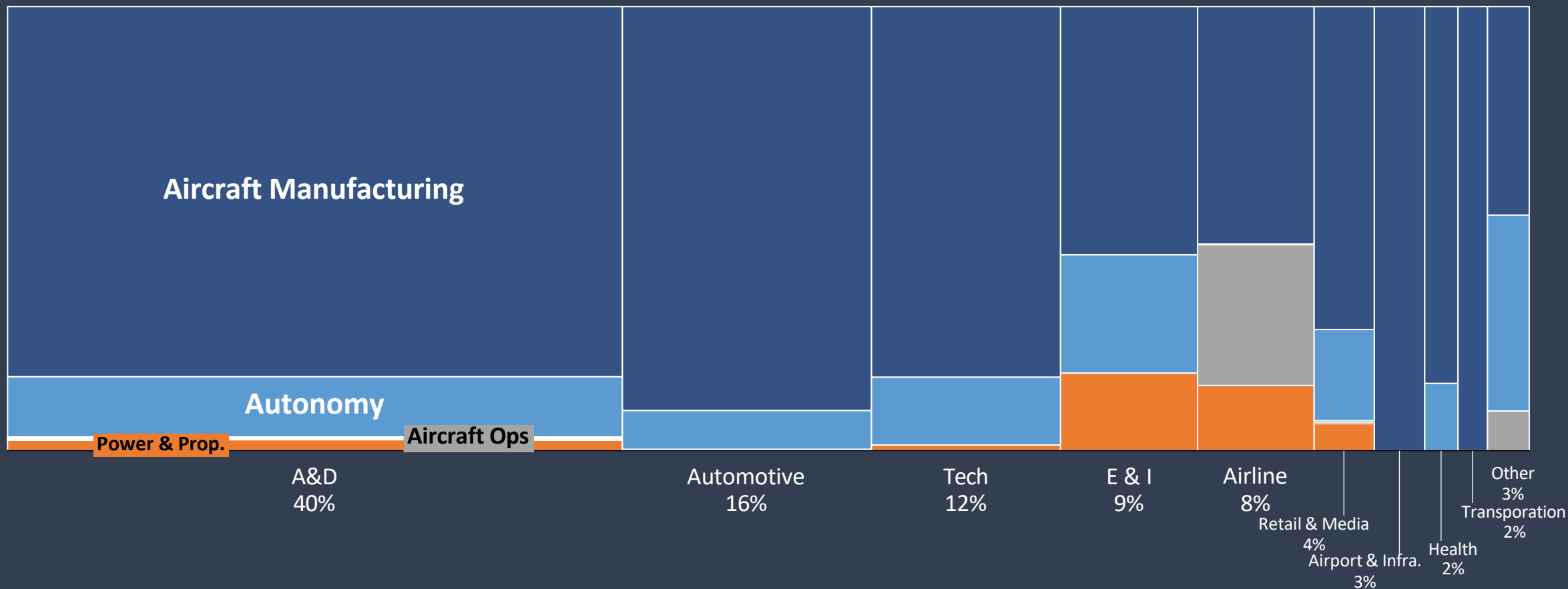
Newer "tourist" investors align more towards better known tech (e.g., aircraft mfg., ops)

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The Rise of CVC

Funding by Investor Type and Technology Area

CVC Total Funding (2012-22 YTD): \$3.9B



~80% of CVC funding has been directed to aircraft OEMs, compared to ~55% for non-CVC investors

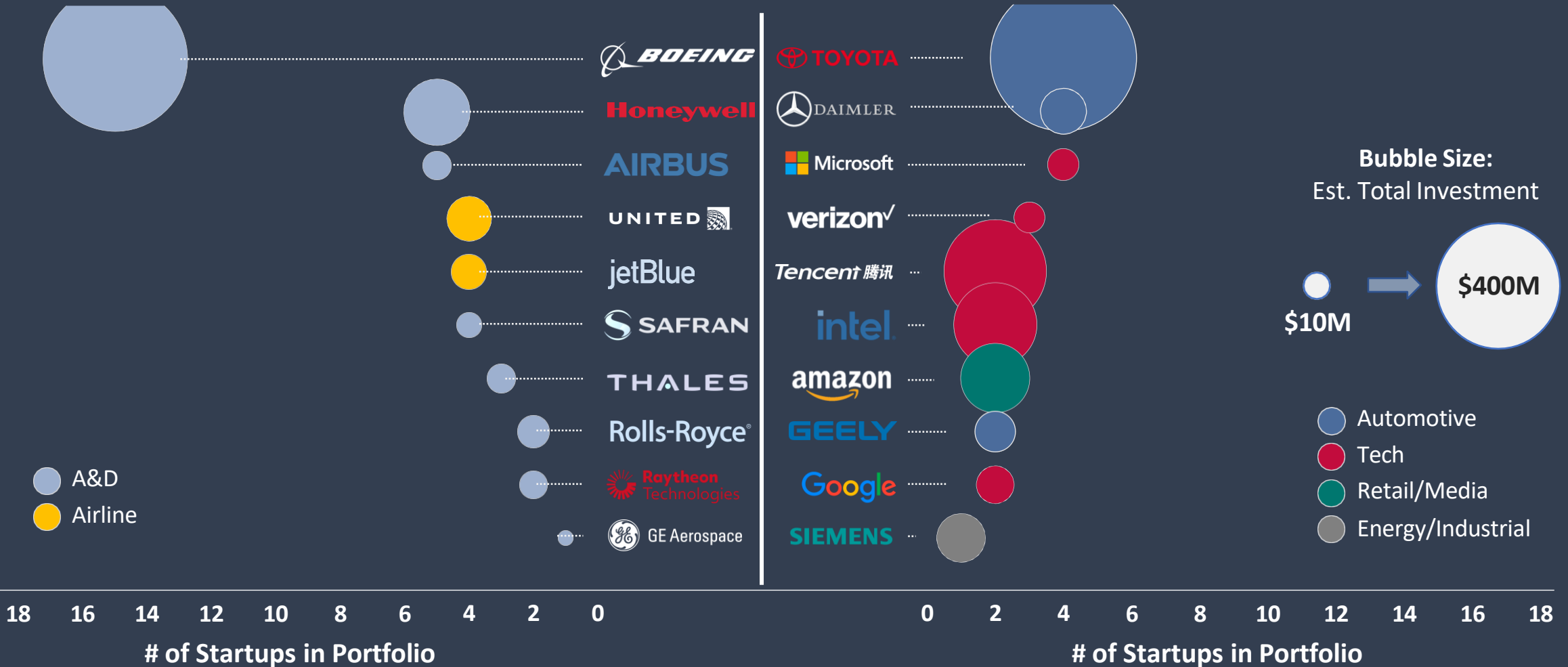
CVC Strategy: Depth vs. Breadth

Leading Example CVC Investors, by Industry

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A&D and Airlines

Other Industries

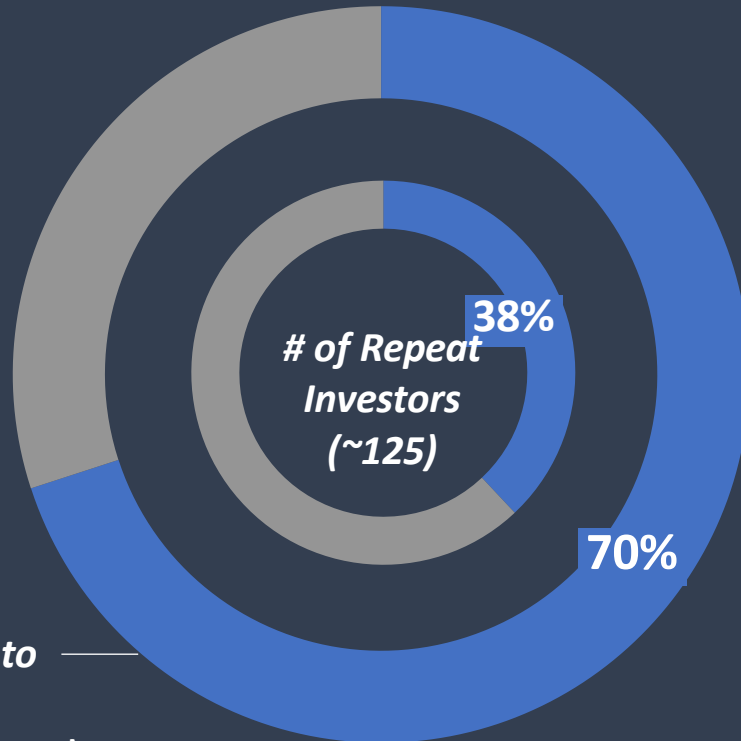


New Chapter Ahead

There is a strong base of committed investors that can promote the strongest companies

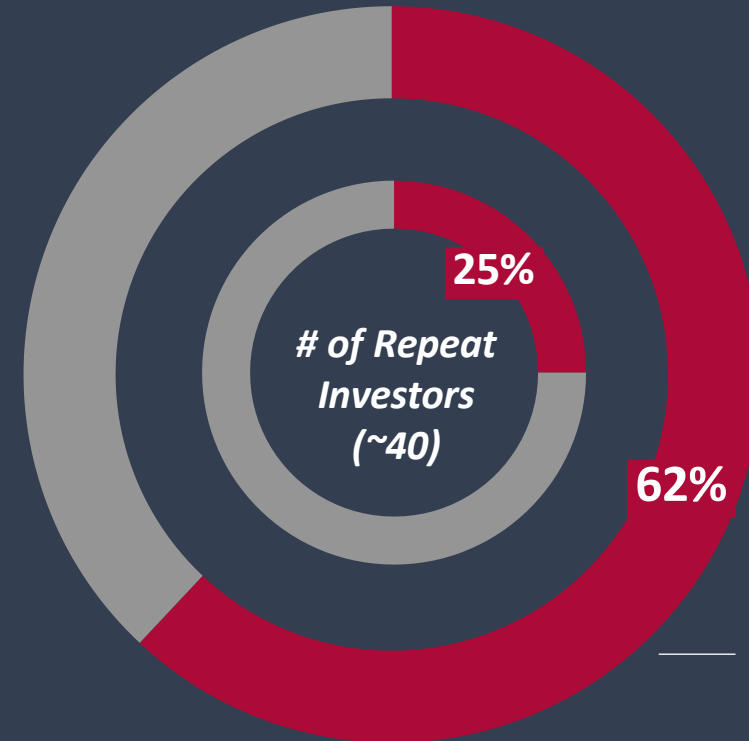
“Repeat Investor” Share (2012-22YTD)

Traditional VC Investor Base



Funding Tied to Repeat VC Investors (~\$2.2B)

CVC Investor Base



Funding Tied to Repeat CVC Investors (~\$2.4B)

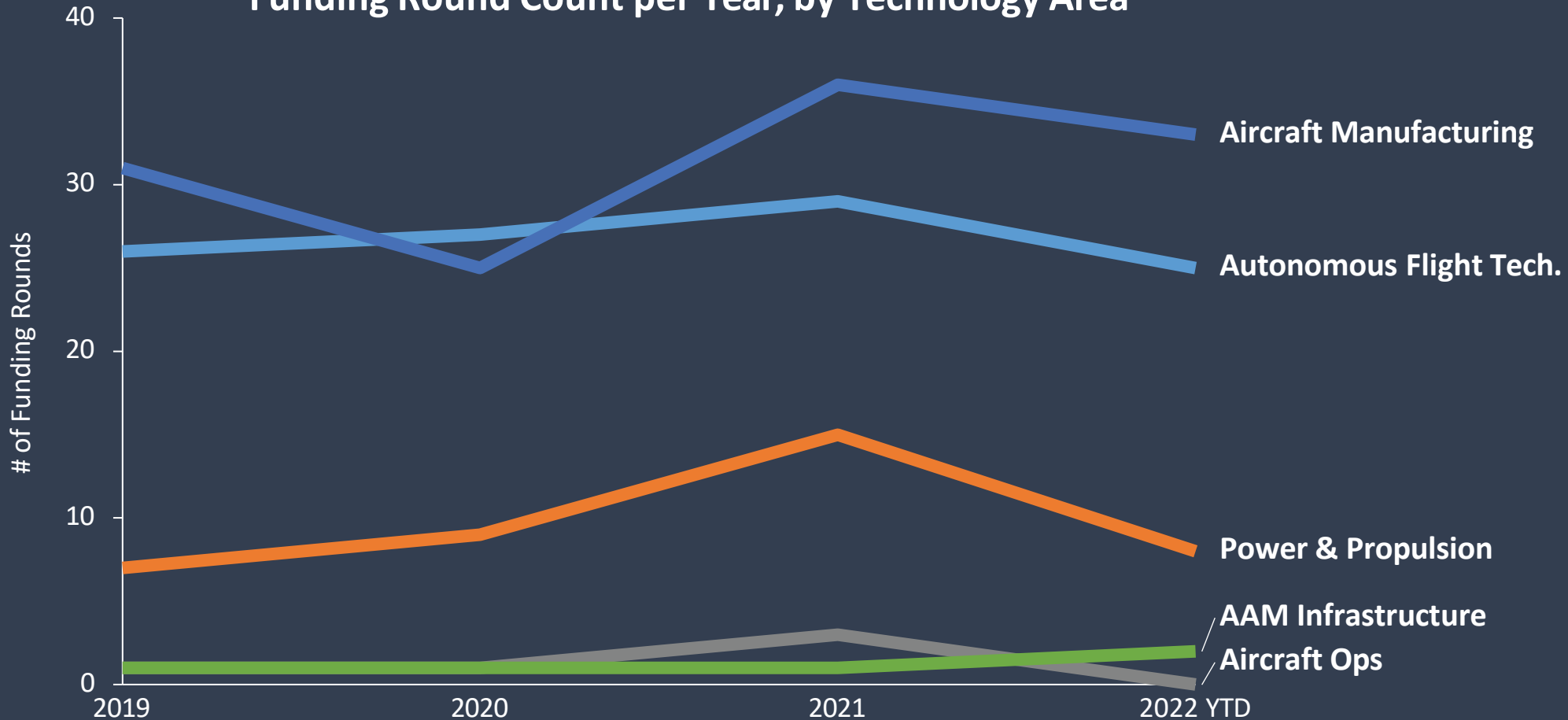
Repeat investors includes entities participating in multiple funding rounds

Strong 2022 YTD Activity

Even as the "SPAC dust" settles and macro economic conditions deteriorate

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Funding Round Count per Year, by Technology Area



Closing Thoughts

- The “gold rush” period has been undoubtedly beneficial in kickstarting the revolution
- A new, more measured “recalibration” period can be even more valuable for the success of AAM
- Greater engagement between startups & industry is mutually beneficial (and increasingly necessary)
- Aircraft OEMs will remain investment priorities, but enabling technology funding set to expand