

**WE CARE, WE PERFORM, WE DELIVER!**



# Investors - Site Visit

Pedaso, 7 & 8 April 2022



# Today's presenters



22+ years  
experience

**Andrea Pizzarulli**

Co-founder and  
Chief Executive Officer

- Experienced Technology Chief Executive Officer
- Former positions in opto-electronics, chip design, satellite technology and inertial navigation, holds 9 patents
- Worked in the industry in Italy and USA



13+ years  
experience

**Letizia Galletti**

Chief Financial Officer

- Qualified Chartered Accountant
- Qualified Public Auditor
- Previously senior manager at



# Introducing Civitanavi Systems' inertial systems

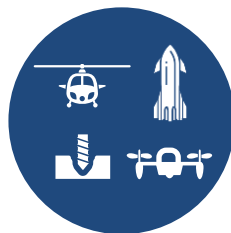
***Our Vision: Civitanavi Systems' vision is to be the technology powerhouse for inertial stabilisation and navigation solutions, enabling the future of mobility***



**Navigation**  
*relative position and orientation*



**Stabilisation**  
*automatic stabilisation for safety and function*



**Multiplatform-friendly**  
*appropriate for aerospace & defense or industrial purposes*

# Civitanavi Systems at a glance

## Highlight 2021

**25.1M€**  **+31% YoY**  
Revenue

**c. 31%**  **+55% YoY**  
EBITDA

**29.8M€**  **+65% YoY**  
Booking

## Unique capabilities



High performance



Avionics certified



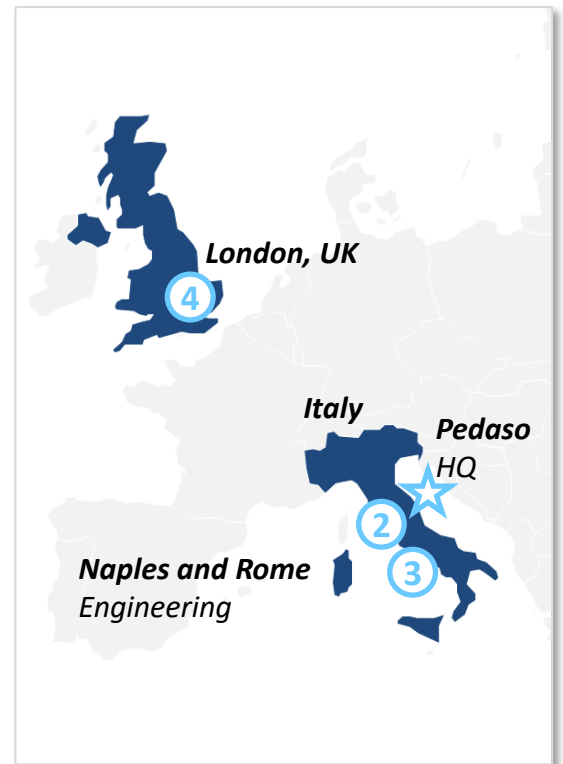
ITAR-free<sup>(1)</sup>



## Serving a globally diversified customer base...



## ...growing presence, starting from Italy and the UK



# Civitanavi Systems continuing a profitable growth since inception

## Revenue development 2012-2021<sup>(1)</sup> (€m)

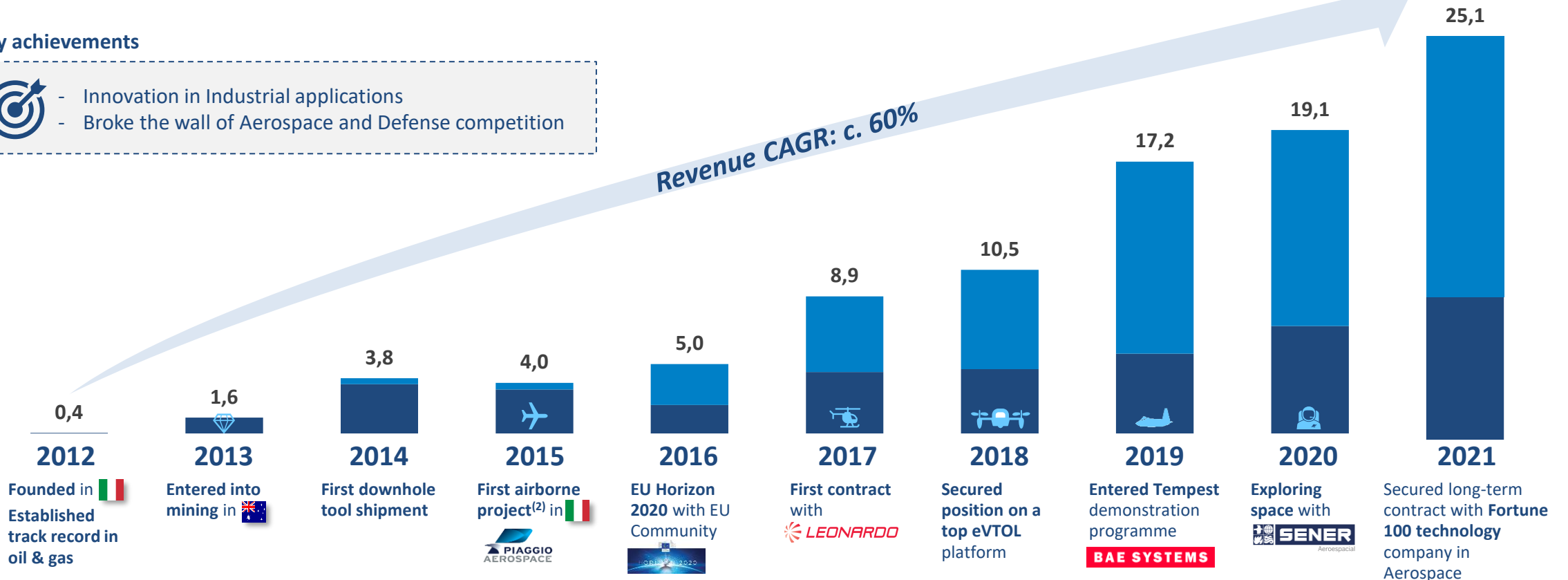
■ Industrial revenue ■ Aerospace and defence revenue ■ Other revenue □ EBITDA Margin ▲ Margin increase



## Key achievements

- Innovation in Industrial applications
- Broke the wall of Aerospace and Defense competition

Revenue CAGR: c. 60%



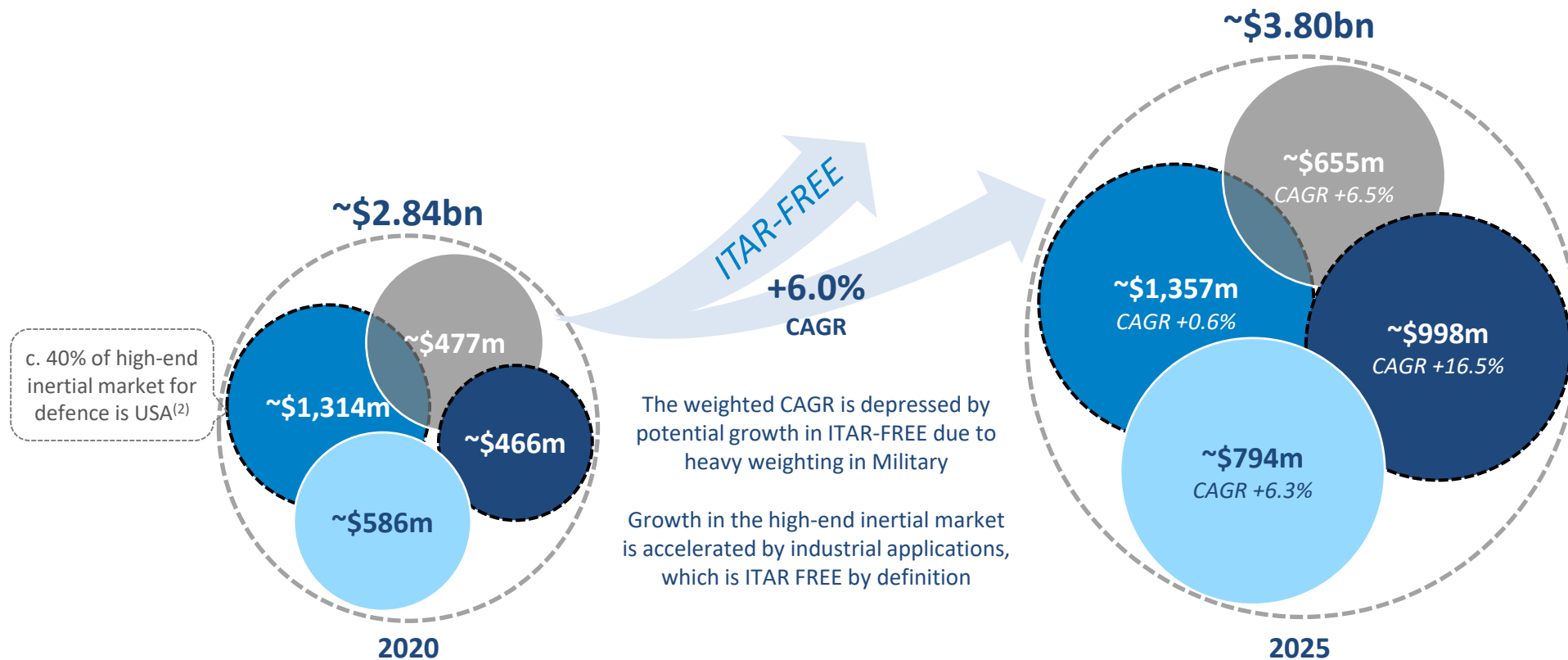
Notes(s): Figures rounded; (1) 2018-2021 figures audited and compliant with IFRS. Revenues before 2018 are based on Italian GAAP and unaudited; (2) 2015 marks the first safety-critical airborne project for Civitanavi Systems. The first airborne project of any kind was carried out in 2014



# Civitanavi Systems is growing faster than the reference market (ITAR-FREE)

## High-end inertial market segment forecast

- Total high-end inertial industry
- Civitanavi Systems' definition of aerospace and defence
- Defence / Military
- Commercial naval
- Commercial aerospace
- Industrial applications



# Platform-agnostic technology with variety of end markets

## Aerospace and defence

### Space

Launch systems



### Land

Military vehicles



### Aeronautics

Jets, Helicopters, & eVTOLs<sup>(1)</sup>



### Other

Naval surface, subsea, and guidance



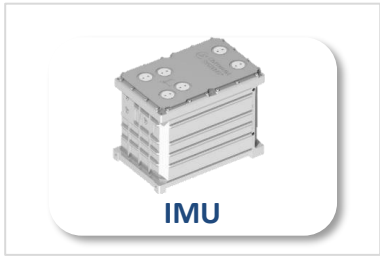
## Industrial

### Mining, Oil & Gas

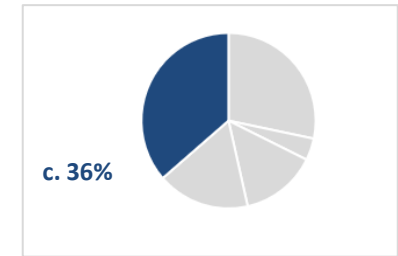
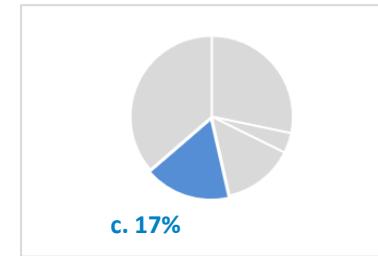
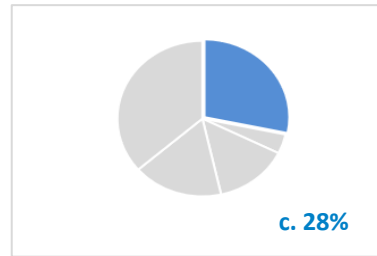
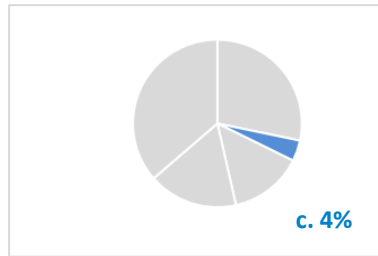
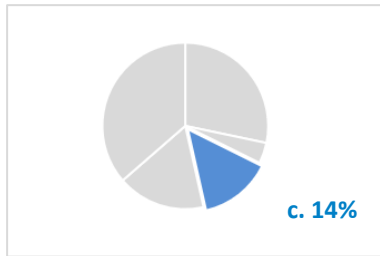
Drills, Subsea equipment



Product



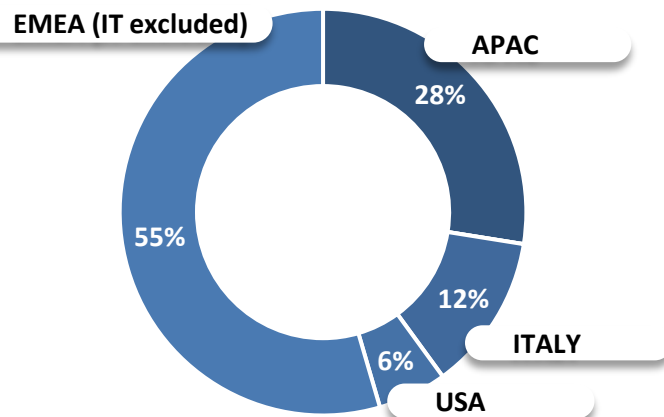
Share of revenues (2021)



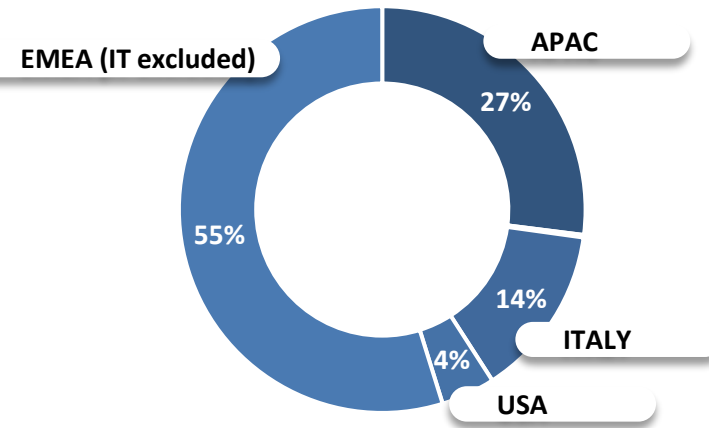
Note(s): Residual amount equal to 1% is related to raw materials sold to suppliers for processing as semi-finish goods (1) Electric Vertical Takeoff and Landing (eVTOL) aircraft

# Diverse revenue exposure by geography

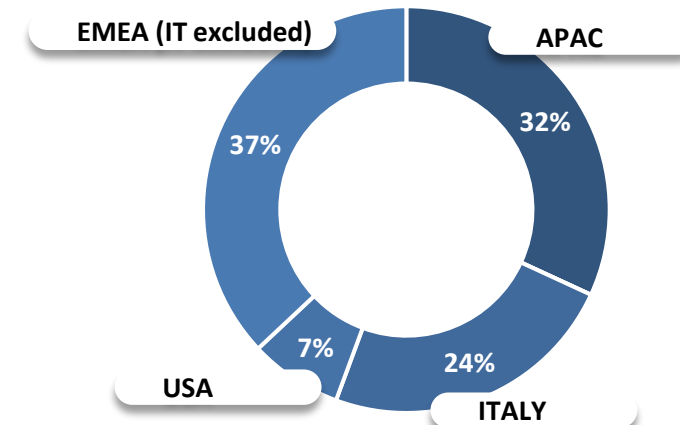
Revenue concentration 2019



Revenue concentration 2020



Revenue concentration 2021



Revenue stream driven by programmes Civitanavi Systems wins, but not geared to government defence budgets



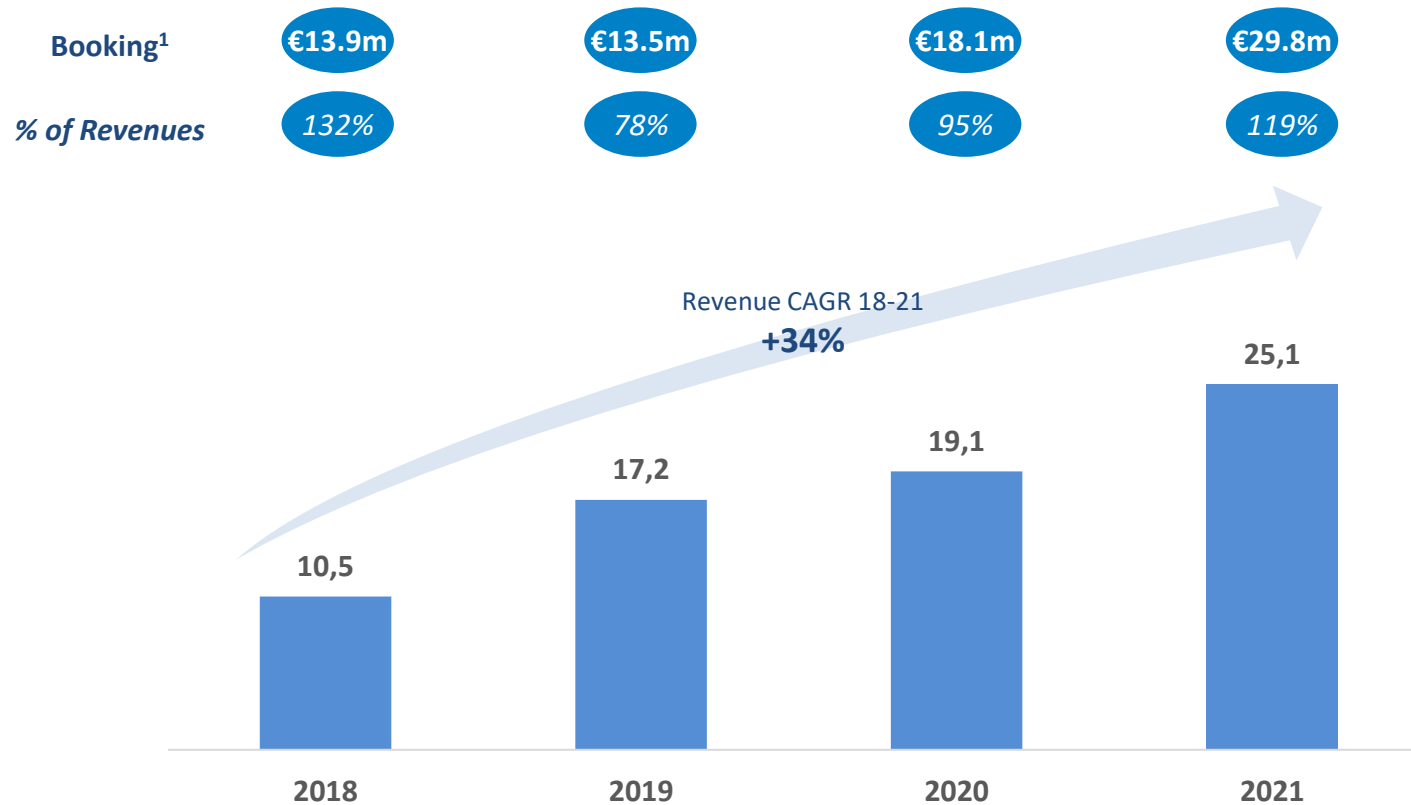
Well diversified portfolio revenue spread across different regions





# Strong revenue growth

Total revenues  
(€m)

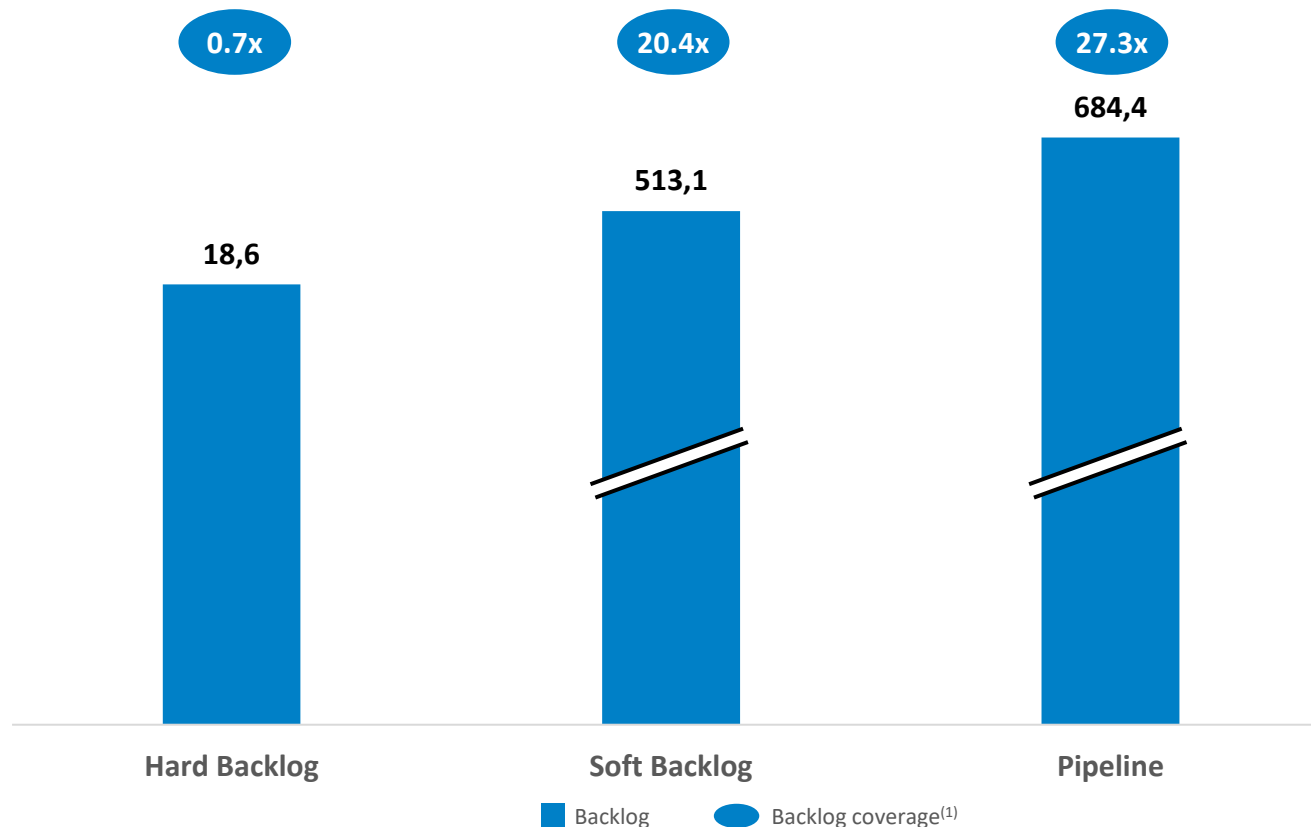


## Key Comments

- Revenues in 2020 up c.11% YOY despite the impact of Covid-19 that prevented the company from development of new business
- Revenues in 2021 up c.31% YOY and a good proxy of the company growth trend is the 2018-20 CAGR of c. 34%
- €25.1m 2021 revenue is driven by programs for which the Company is already qualified (~92% of estimated Total revenues) and the launch of new programs
- Strong growth in 2021 booking, driven by the Company's ability to turn opportunities included in the soft backlog into actual bookings (+65% YoY)
- Total booking 18-21 / total revenues 18-21 = 105%

# Approx. 1y backlog and soft backlog and pipeline within 2030 (as of 31 Dec 2021)

(€m)

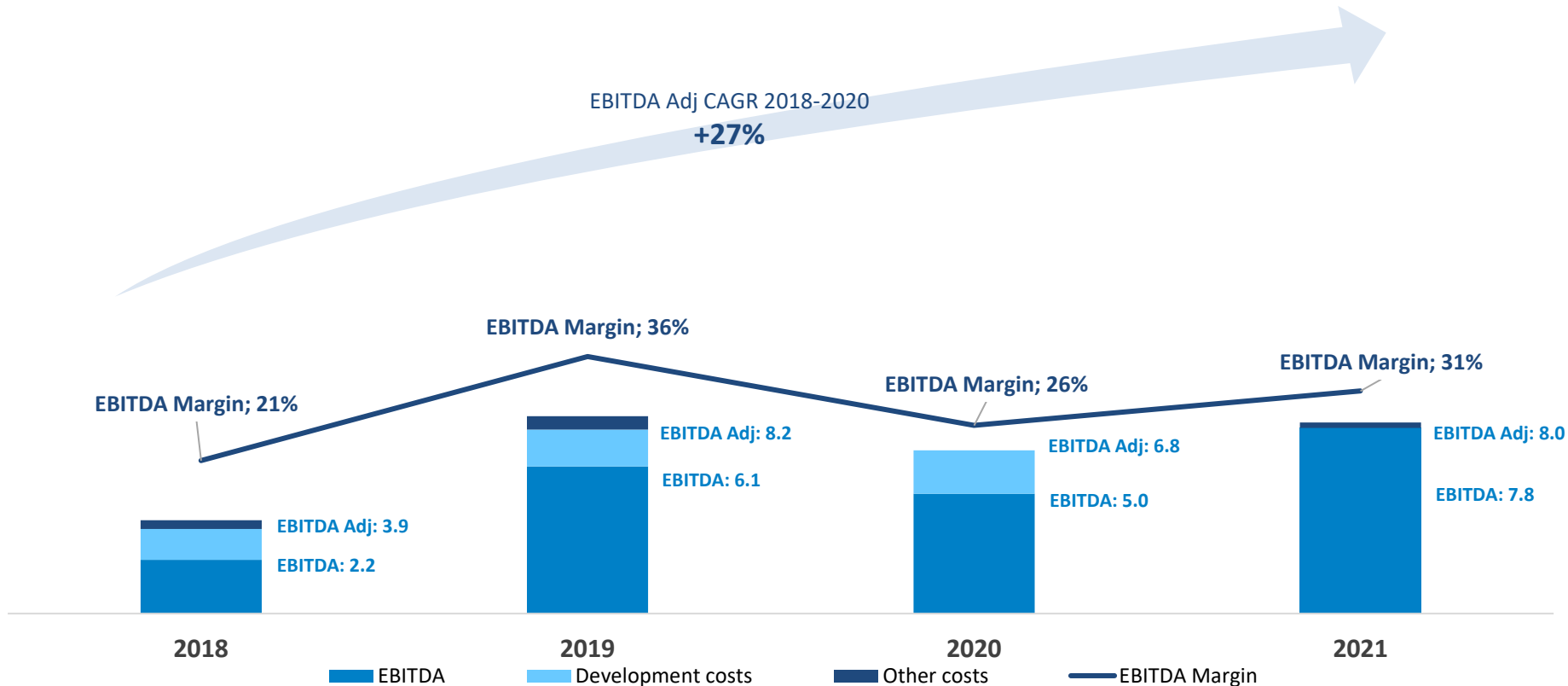


## Key Comments

- **Hard Backlog:** it comprises **signed framework contracts** and related order indications for which Company assigns a P-Tot equal to 100%
- **Soft Backlog:** it comprises signed follow-on and options attached to existing contracts, as well as unsigned contracts that are more likely than not to both take place and be rewarded to the Company within 2030, which Company assigns a **P-Tot greater than or equal to 50%. The soft backlog is mainly related to A&D space.**
- **Pipeline:** it comprises contracts that are less likely than likely to take place and be rewarded to the Company within 2030, to which the Company assigns a **P-Tot minor to 50%.**
- For the purpose of the above, P-Tot is the total success probability for a single opportunity, calculated by the Company as follows<sup>(2)</sup>:  
**P-Tot<sup>(3)</sup>:** P-Go\* P-Win where: (i) **P-Go:** is the Company's assessment on the probability that the project will be funded, or the customer will finalize the order, (ii) **P-Win:** is the company's assessment on the probability of winning an opportunity compared to its competitors

# Highly attractive margin profile

EBITDA, EBITDA Adjusted and EBITDA margin  
(€m)

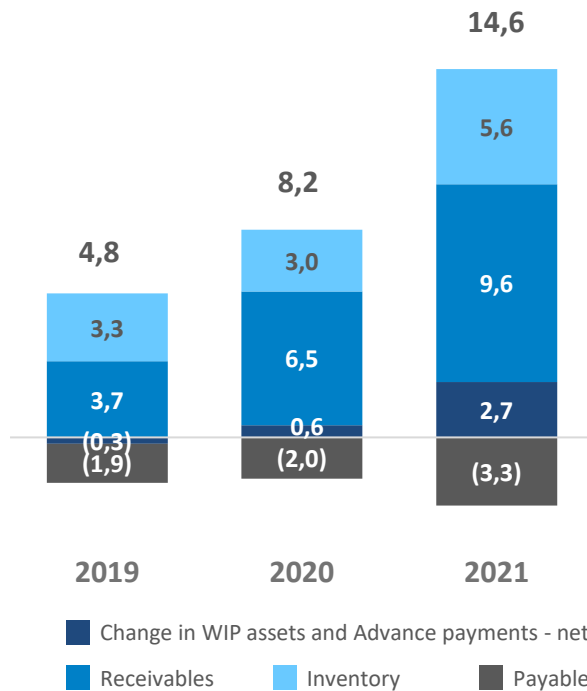


## Key Comments

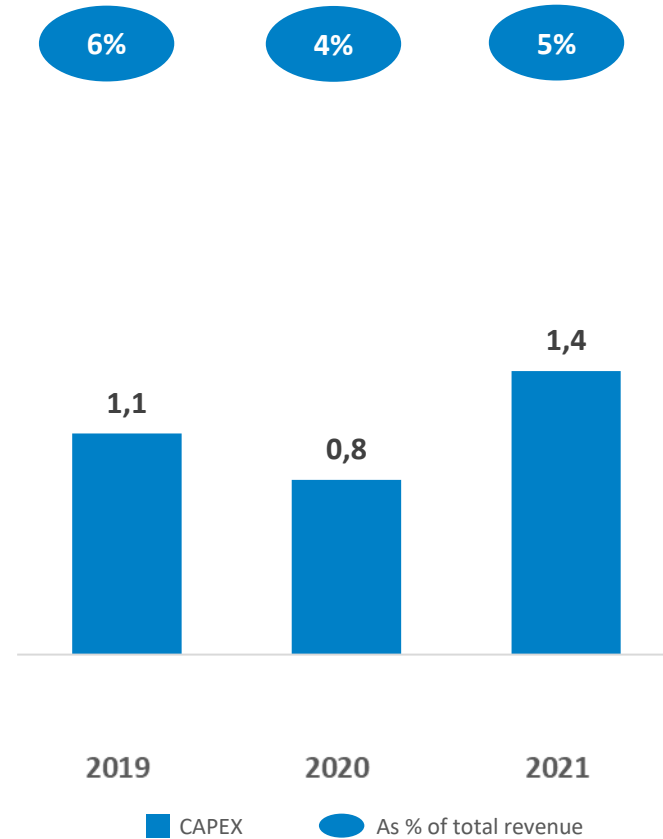
- In 2020, the Company sold **some components and semi-finished products at cost price** in order to **receive from year 2022 onwards, royalties** associated with the sale
- 2019 EBITDA is explained by the same **pluriannual contract** as above, which provided a peak of activity in 2019
- The decrease in the EBITDA margin between 2019 and 2020 is mainly due to the **higher incidence of raw material costs** by ~6 % as well as of **personnel expenses** by ~3 %
- EBITDA margin 2021 shows a **strong increase from 2020** despite a larger amount of products sold at production cost for the same contract abovementioned

# Solid balance sheet with low leverage

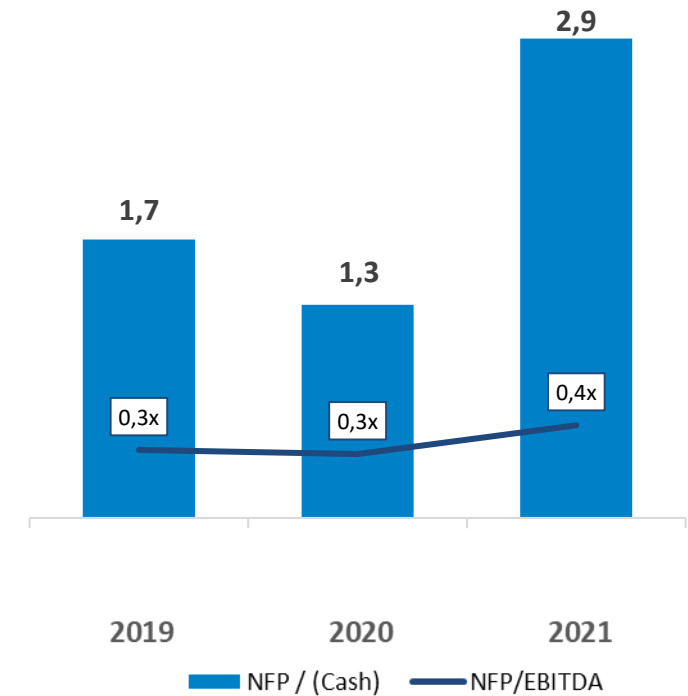
Net Working Capital (€m)<sup>(1)</sup>



CAPEX (€m)<sup>(2)</sup>



Net Financial Position (€m)



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## CONTACTS

[Investorrelations@civitanavi.com](mailto:Investorrelations@civitanavi.com)



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Civitanavi Systems SpA  
Via del Progresso 5  
63827 Pedaso (FM)  
Italy  
Internet: <https://www.civitanavi.com/>

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Via del Progresso 5  
63827 Pedaso (FM)  
Italy  
Internet: <https://www.civitanavi.com/>

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**The Company's backlog data included in this Presentation, have been estimated and calculated by the Company as follows:**

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**P-Tot: P-Go\* P-Win**

where: (i) **P-Go:** is the Company's assessment on the probability that the project will be funded, or the customer will finalize the order, (ii) **P-Win:** is the company's assessment on the probability of winning an opportunity compared to its competitors  
The value of each single opportunity included in the Soft Backlog or in the Pipeline is weighted by the P-Tot assigned to it by the Company's management (e.g., opportunity value equal to 100, relevant P-Tot equal to 65%, value in Soft Backlog 65).

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