



WE CARE, WE PERFORM, WE DELIVER!



European Midcap Event

Paris, 23 June 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

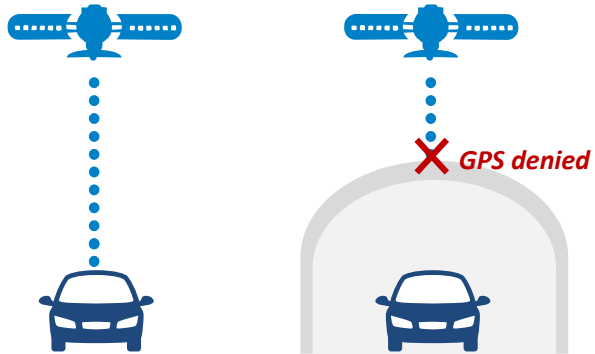


Multiplatform-friendly
appropriate for aerospace & defense or industrial purposes



Why GPS simply isn't enough

Navigation and positioning reliability



GPS⁽¹⁾



Relies on a clear signal from a satellite to establish navigation and position

INS



Does not require external sensors and provides uninterrupted navigation

Stabilisation under harsh environments



GPS



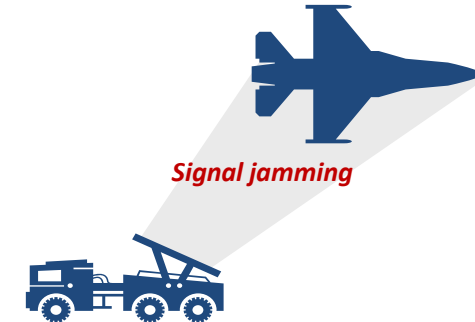
Cannot produce any gyro data to offer automatic stabilisation of vehicle

INS



Automatic stabilisation for efficient functioning of antennas and equipment

Immune to jamming / spoofing



GPS



GNSS equipment are highly prone to jamming and/or spoofing

INS

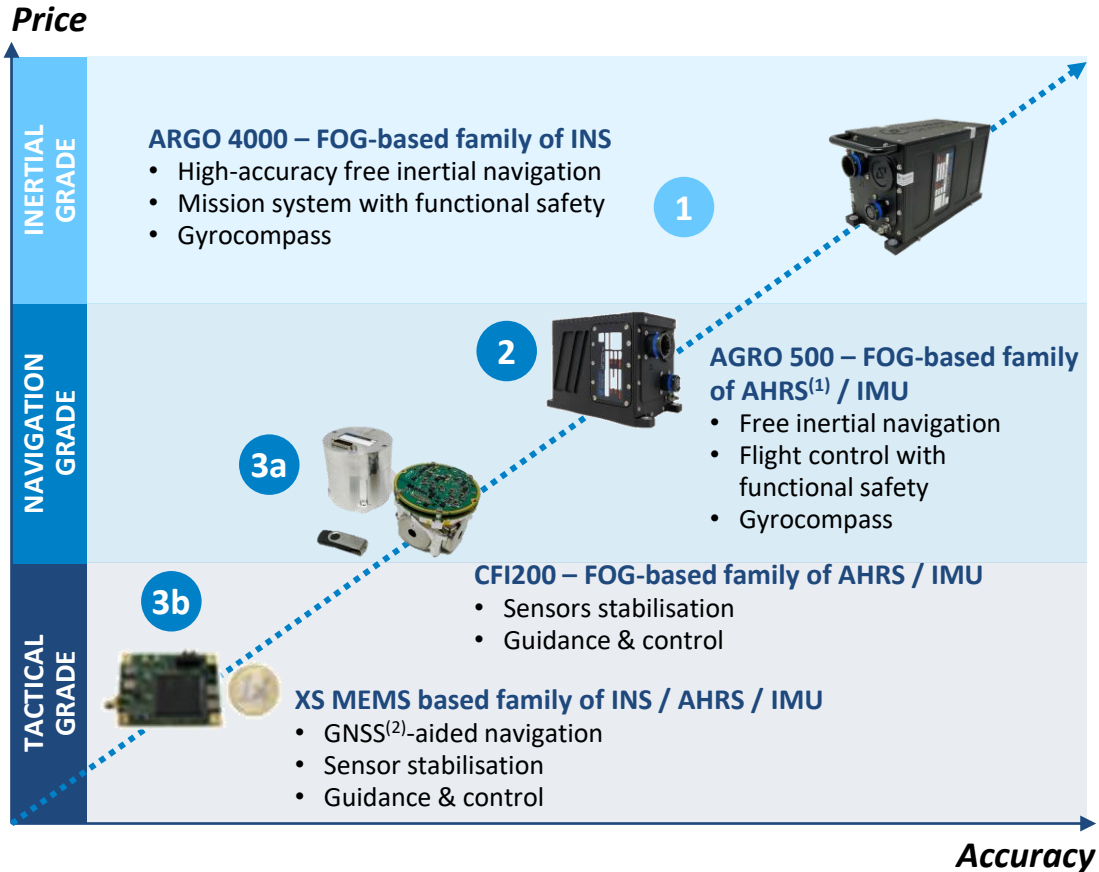


Resistance to jamming and spoofing allows stable navigation and positioning

Input – aircraft has attitude, heading, and position

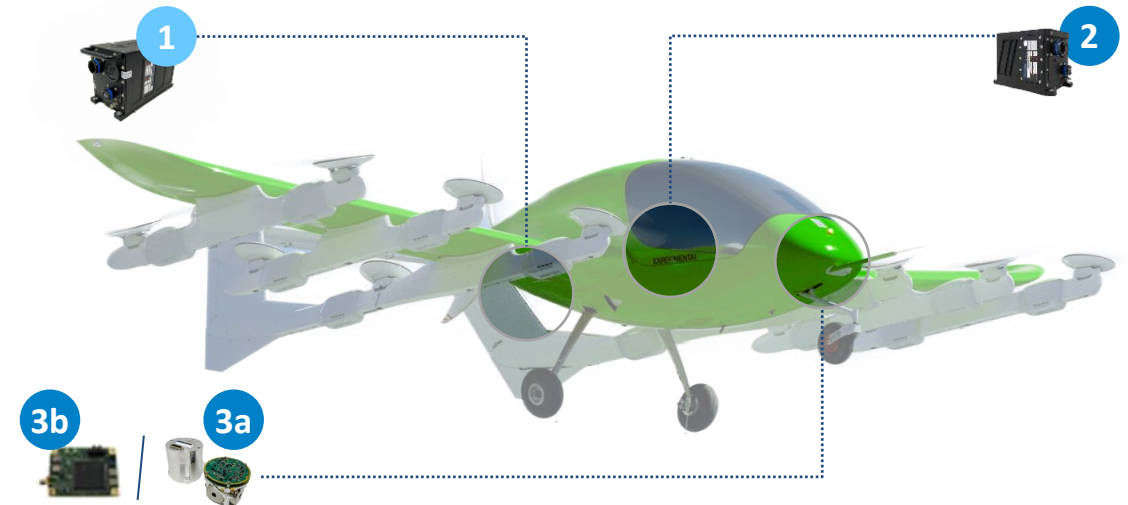
Solutions at every price

Various grades and accuracy levels at different price points



Two key functions of an inertial system

Stabilisation and navigation



Navigation	Stabilisation
The INS precisely calculates speed and direction of the aircraft under adverse conditions without external data	The IMU provides fundamental measures to the flight control system that drives the various aircraft surfaces



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



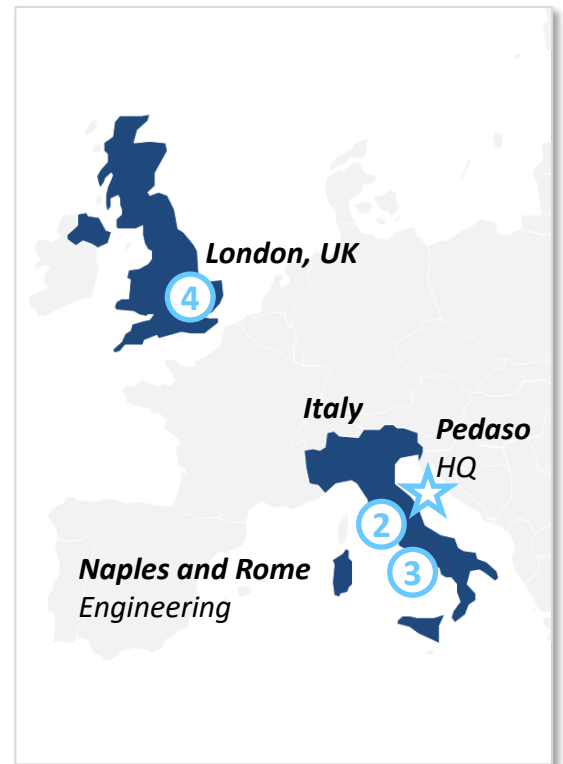
ITAR-free⁽¹⁾



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⁽¹⁾ (€m)

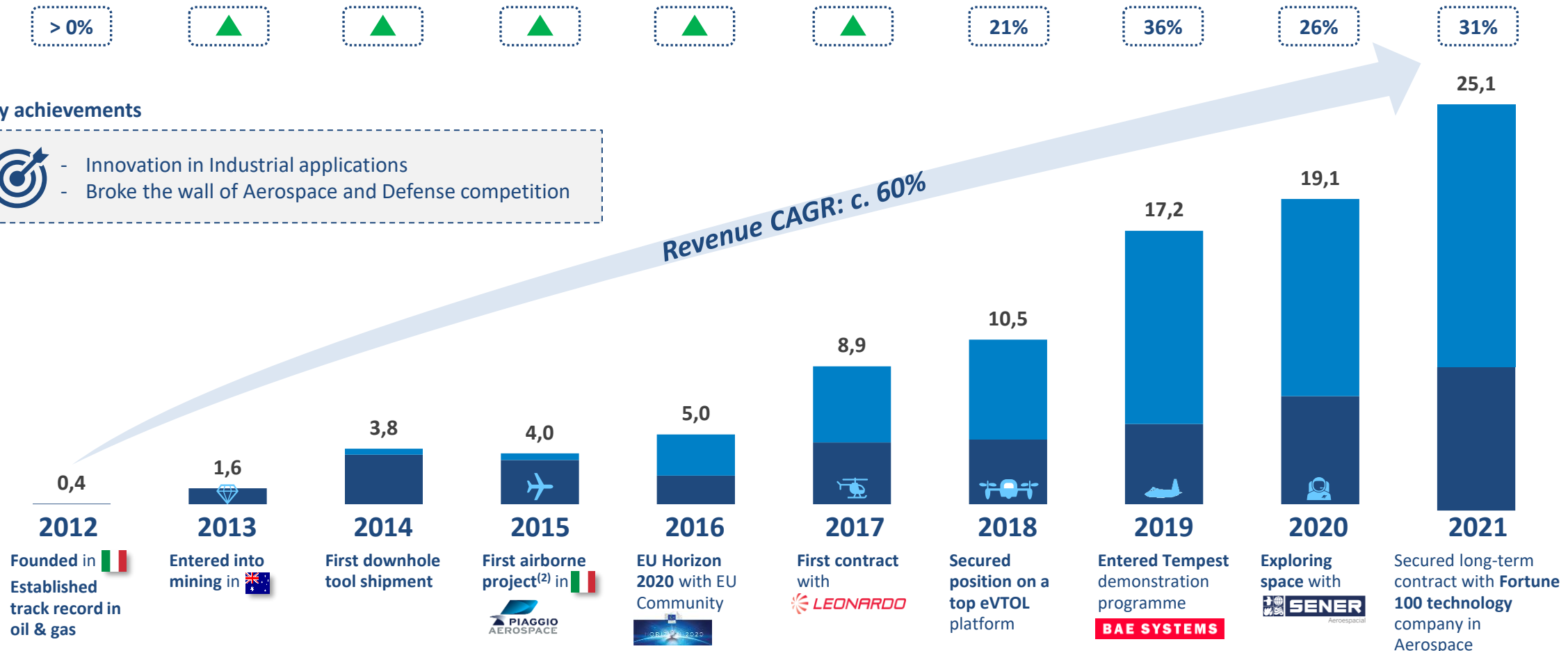
■ Industrial revenue ■ Aerospace and defence revenue ■ Other revenue □ EBITDA Margin ▲ Margin increase



Key achievements

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

Revenue CAGR: c. 60%



2012
Founded in Established track record in oil & gas

2013
Entered into mining in

2014
First downhole tool shipment

2015
First airborne project⁽²⁾ in

2016
EU Horizon 2020 with EU Community

2017
First contract with

2018
Secured position on a top eVTOL platform

2019
Entered Tempest demonstration programme

2020
Exploring space with

2021
Secured long-term contract with Fortune 100 technology company in Aerospace

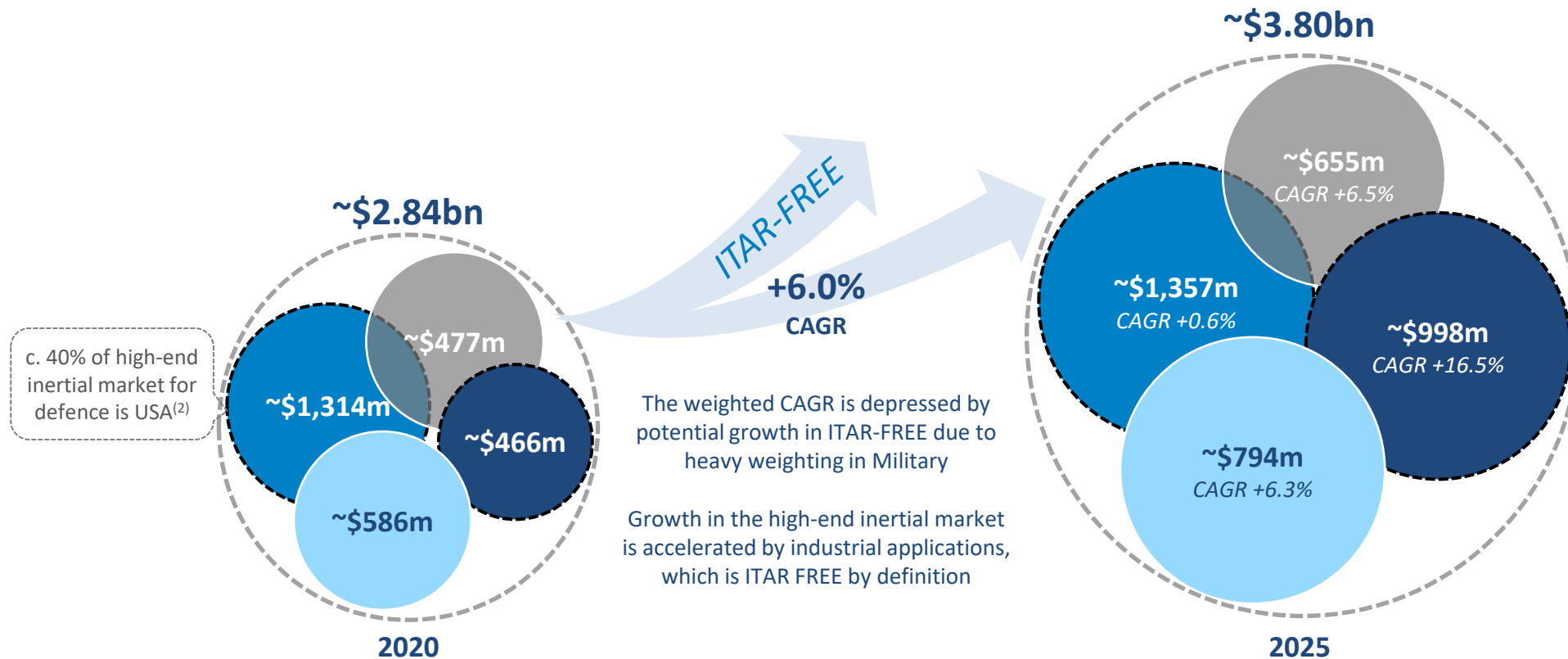
Notes(s): Figures rounded; (1) 2018-2021 figures audited and compliant with IFRS. Revenues before 2018 are based on Italian GAAP and unaudited; (2) 2015 marks the first safety-critical airborne project for Civitanavi Systems. The first airborne project of any kind was carried out in 2014



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

High-end inertial market segment forecast

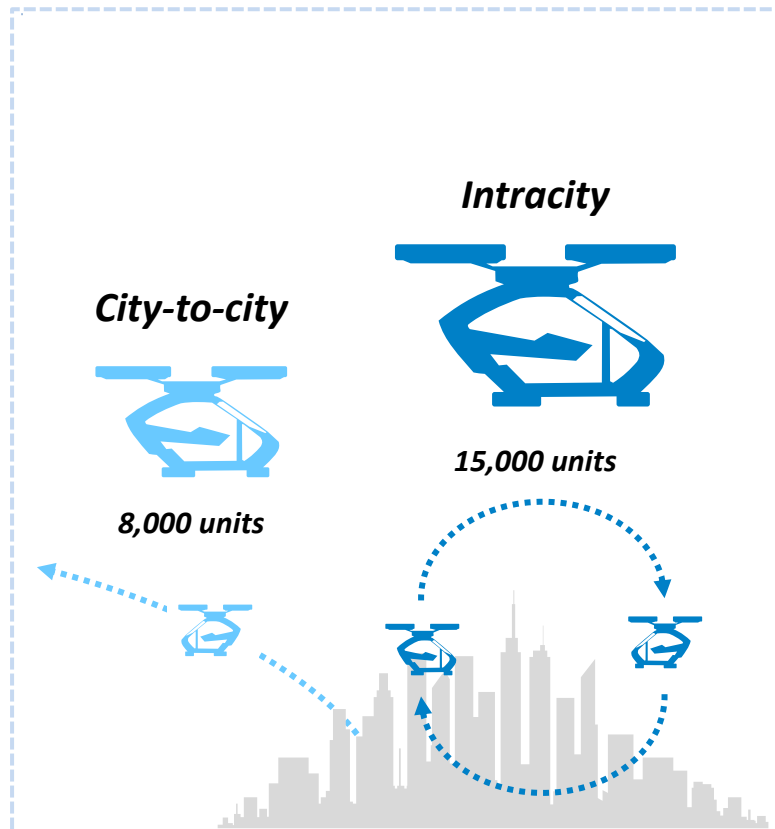
- Total high-end inertial industry
- Civitanavi Systems' definition of aerospace and defence
- Defence / Military
- Commercial naval
- Commercial aerospace
- Industrial applications



Assessment of TAM⁽¹⁾ for urban air mobility

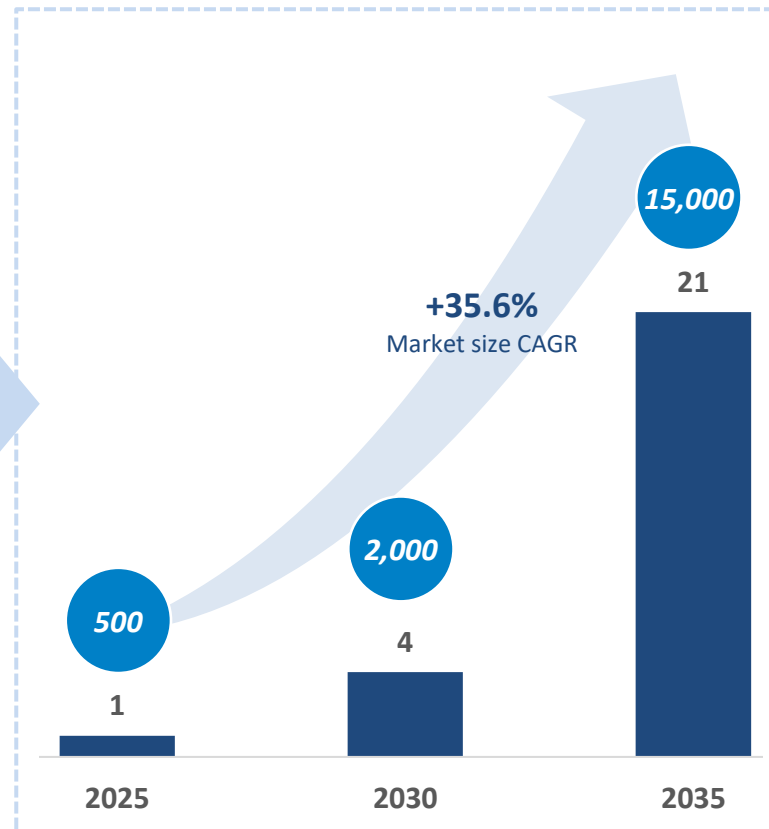
Snapshot of eVTOL⁽²⁾ market in 2035⁽³⁾

Visualising high volume commercialisation



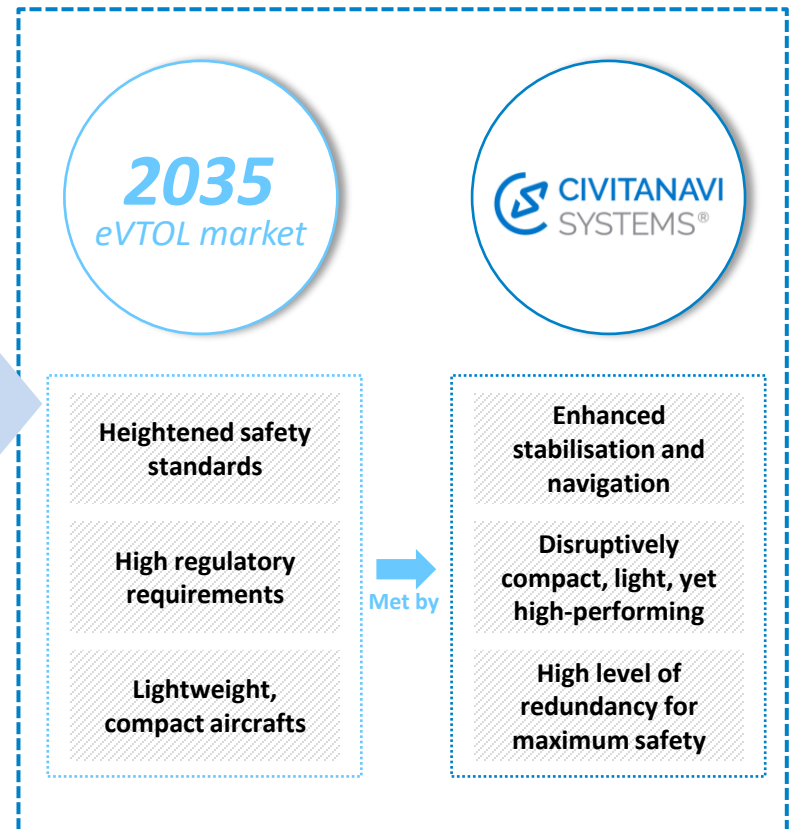
Forecasted intracity eVTOL market growth⁽²⁾

■ Market size in \$bn ● Number of eVTOL aircrafts



Civitanavi Systems' capturing forecasted growth

By introducing integrated, redundant, and customisable products



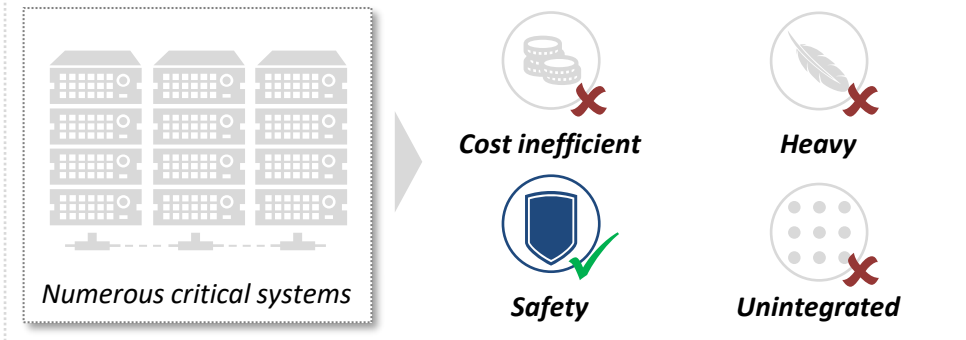
Prepared for the coming eVTOL demand

Conventional installation of critical systems for flight

Commercial aircraft



Overview of critical systems⁽¹⁾

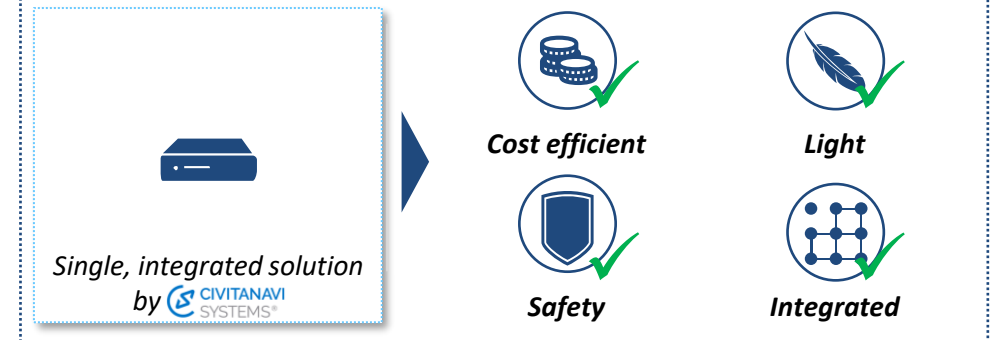


Overcoming requirements with a single, highly-integrated solution

eVTOL



Overview of next-generation critical systems⁽¹⁾



Platform-agnostic technology with variety of end markets

Aerospace and defence

Space

Launch systems



Land

Military vehicles



Aeronautics

Jets, Helicopters, & eVTOLs⁽¹⁾



Other

Naval surface, subsea, and guidance



Industrial

Mining, Oil & Gas

Drills, Subsea equipment



Product



IMU



PETRA



ARGO



NAUTILUS



Rig aligner Downhole

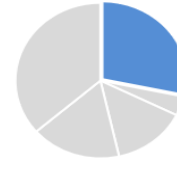
Share of revenues (2021)



c. 14%



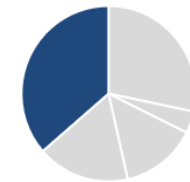
c. 4%



c. 28%



c. 17%



c. 36%

Unique position serving an unserved segment of the market

	Market share ⁽¹⁾ <i>Direct competitors of Civitanavi Systems</i>	ITAR-free / US content free <i>Exempt from strict export controls</i>	True solid state for safety-critical applications <i>High-performance, non-mechanical gyros</i>	Stabilisation suitability <i>Technology suitable for both stabilisation and navigation</i>
	Leading	X	X	X
	Leading	X	✓	✓
	Leading	✓	X	✓
	Niche	✓	X	X
	Niche	✓	X	✓
	Niche	✓	X	✓
	Niche	X	X	✓
	Niche	X	X	✓
		✓	✓	✓



Protected by an impenetrable moat made up of layers of value

Software

Proprietary software developed in-house, which translates algorithm into embedded code of the processor

Algorithm

An INS is formed by inertial sensor assembly and a complex navigation algorithm, which is developed by Civitanavi Systems' in-house team of PhD mathematicians and implemented into software and firmware designed according to safety-critical standards

IMU Calibration

Assembled inertial sensors are calibrated with a sophisticated algorithm and state-of-the-art motion simulators

Development & Assembly

Civitanavi Systems is the assembler and developer of the product with further improvement costs

Gyro Fiber Coils

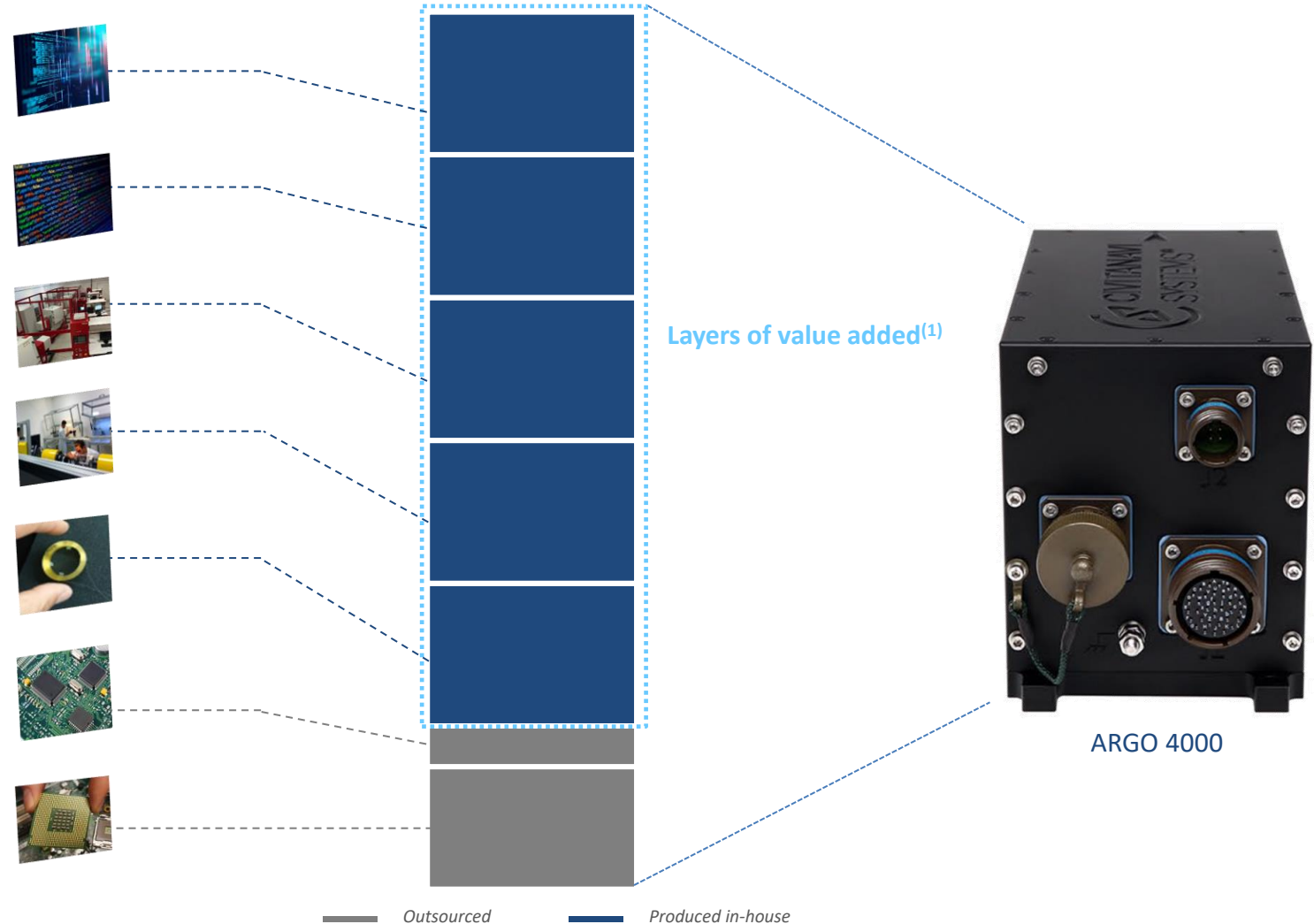
The fiber coil is the heart of the gyroscope sensor and represents a technological advantage in the manufacturing process and scalability

Contract Manufacturing

Outsourcing of custom-made mechanical parts and electronics cards, all designed in-house. Outsourcing includes PCB (Printed Circuit Boards) and its surface mounting devices (SMD) assembly

Industrial / Telecom / Automotive "COTS"

Most of the electronics and opto-electronics components used in the inertial systems are COTS (Commercially Available Off-the-Shelf) from large-scale industries like automotive, consumer electronics or telecom

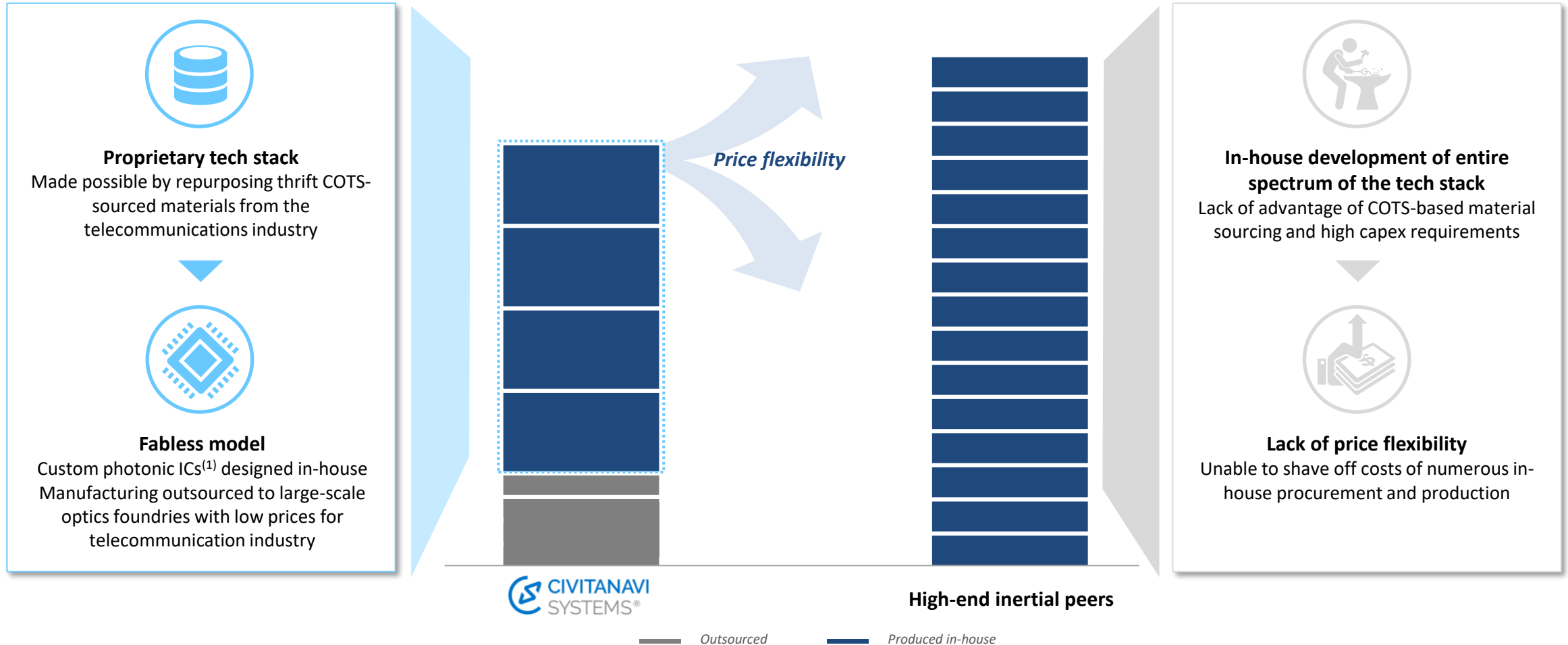


— Outsourced — Produced in-house

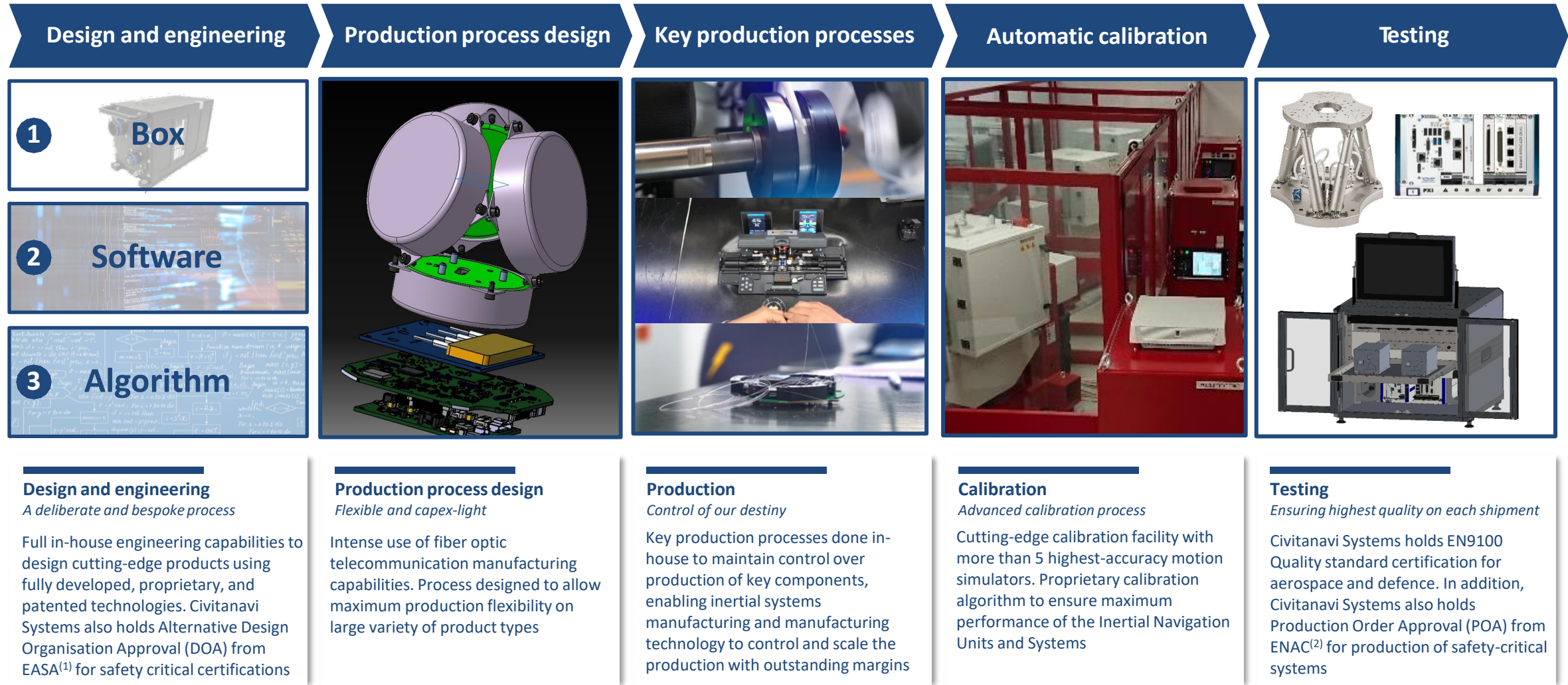


Leveraging COTS-based sourcing to achieve price flexibility

Comparison of value add-on capabilities

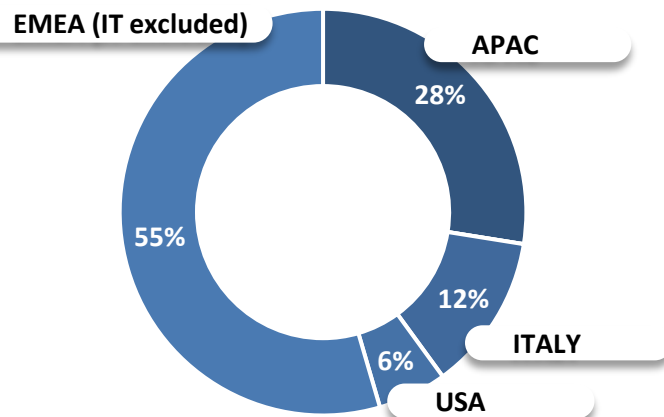


Gold standard design and vertically integrated production

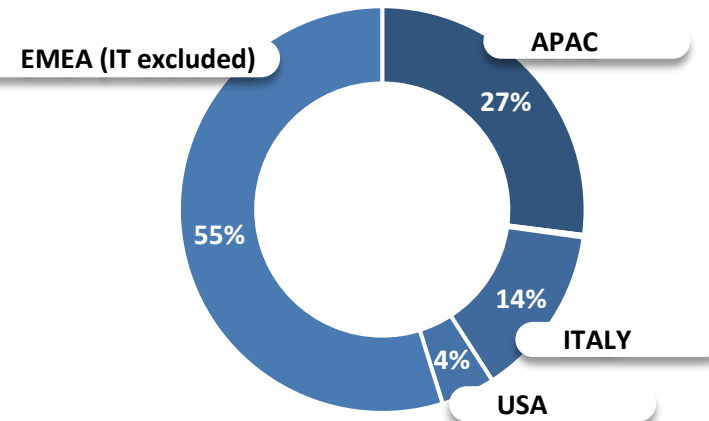


Diverse revenue exposure by geography

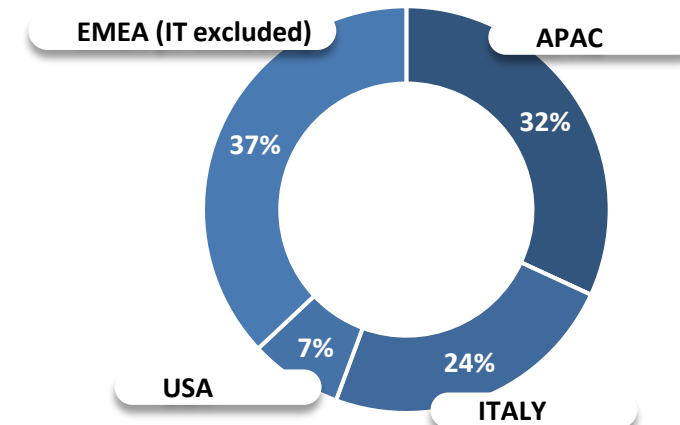
Revenue concentration 2019



Revenue concentration 2020



Revenue concentration 2021



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

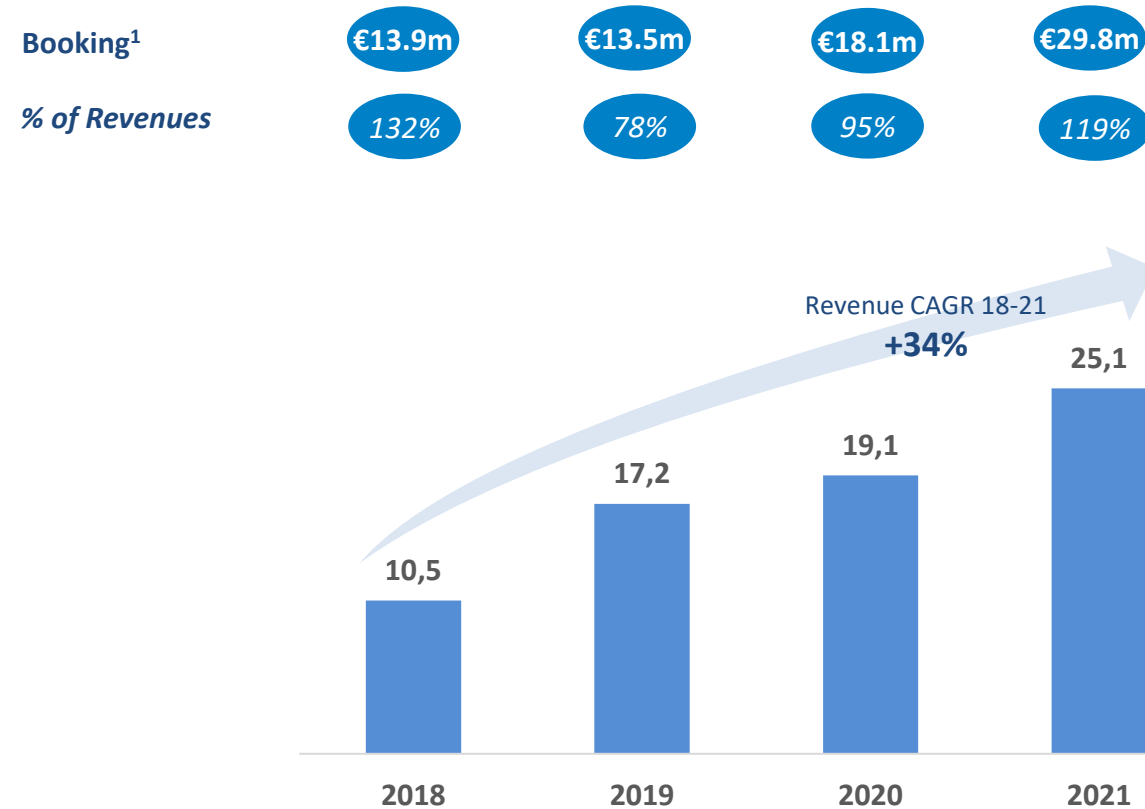


Well diversified portfolio revenue spread across different regions



Strong revenue growth

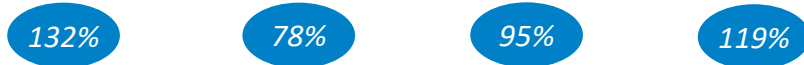
Total revenue
(€m)



Booking¹



% of Revenues



Key Comments 2018 – 2021

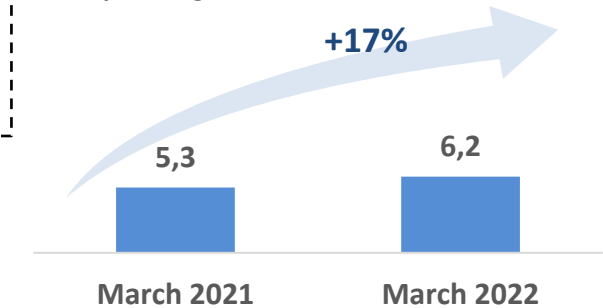
- Revenues in 2020 up c.11% YOY despite the impact of Covid-19 that prevented the company from development of new business
- Revenues in 2021 up c.31% YOY** and a good proxy of the company growth trend is the **2018-21 CAGR of c. 34%**
- €25.1m 2021 revenue is driven by programs for which the Company 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%**

Key Comments Q1 2022

- At the date of press release, **29 April 2022**, **Booking 2022 amount to EUR 11,9m€**

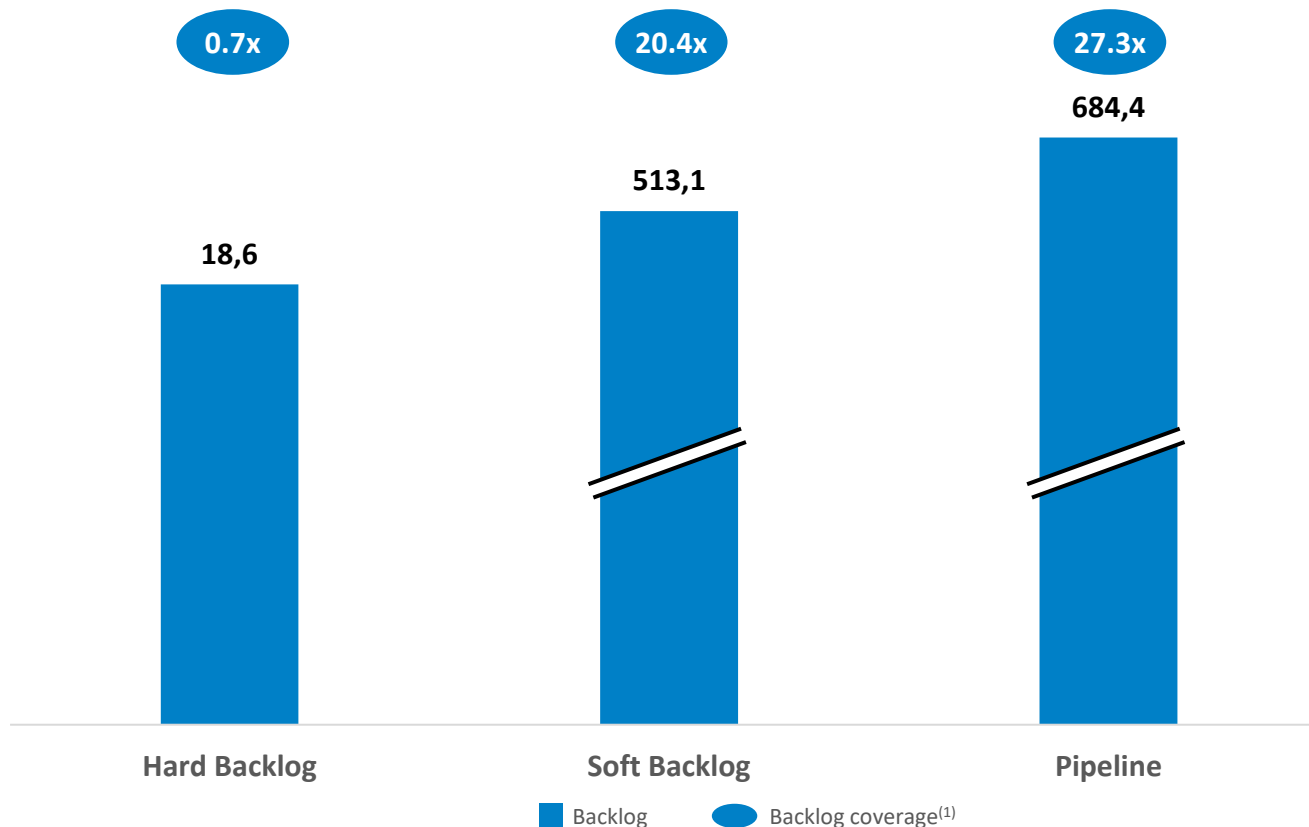
Guidance Total Revenue:
FY22E is in a range: 34.8m€ – 38.7m€
FY23E in a range: 61.6m€ – 68.4m€

Operating Revenue Q1 2021 vs Q1 2022



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

(€m)



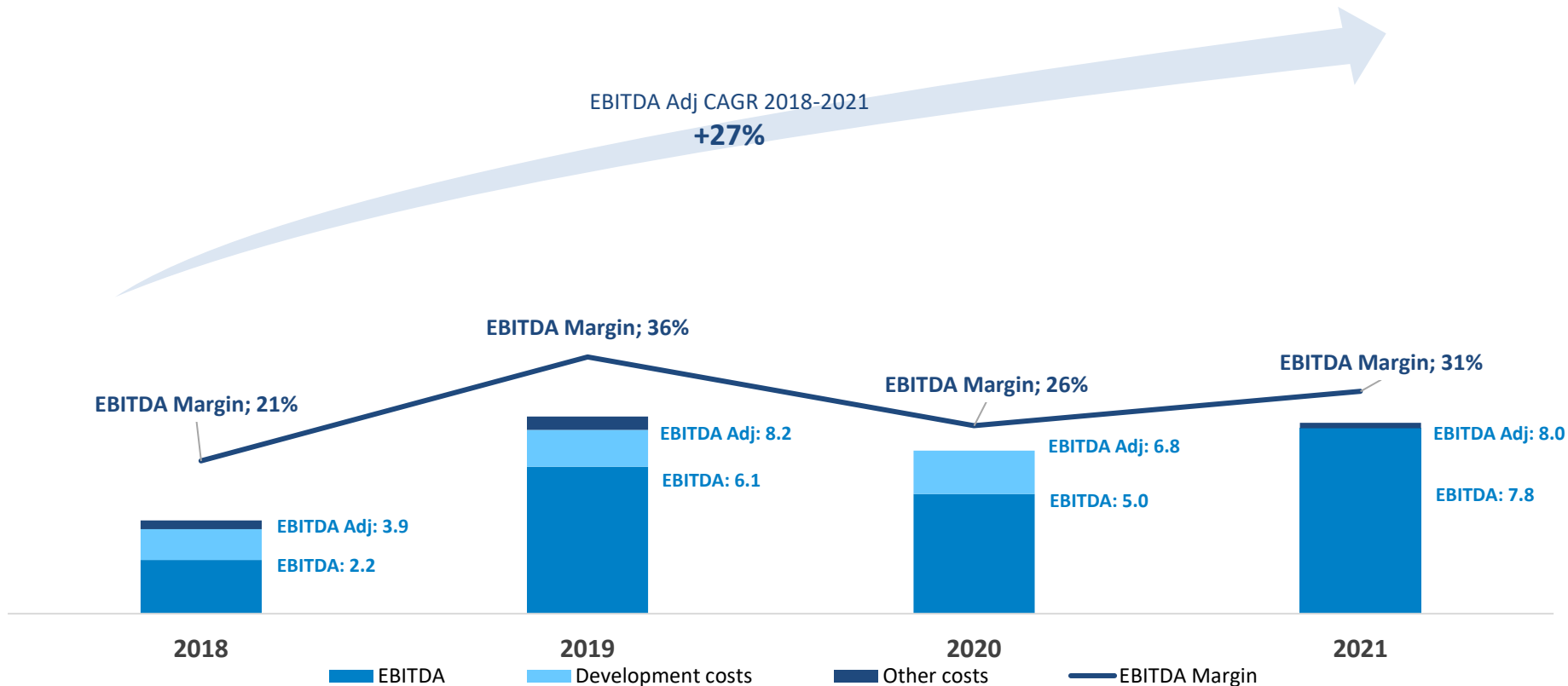
Key Comments

- **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⁽²⁾:
P-Tot⁽³⁾: 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)



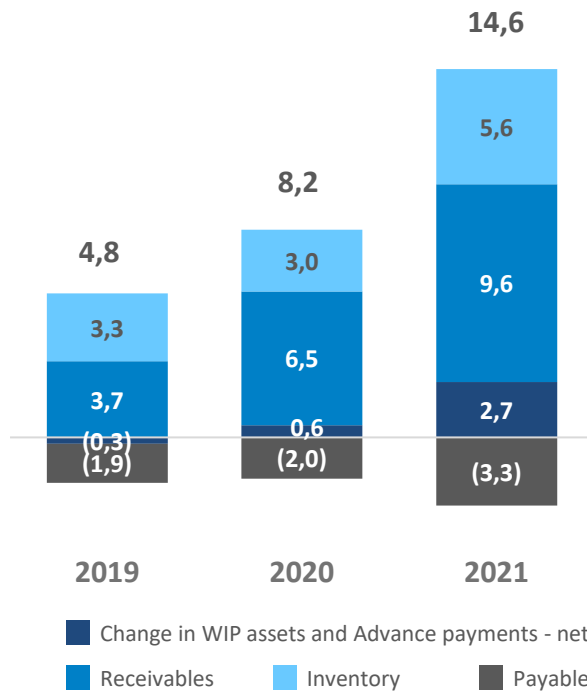
Key Comments

- 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

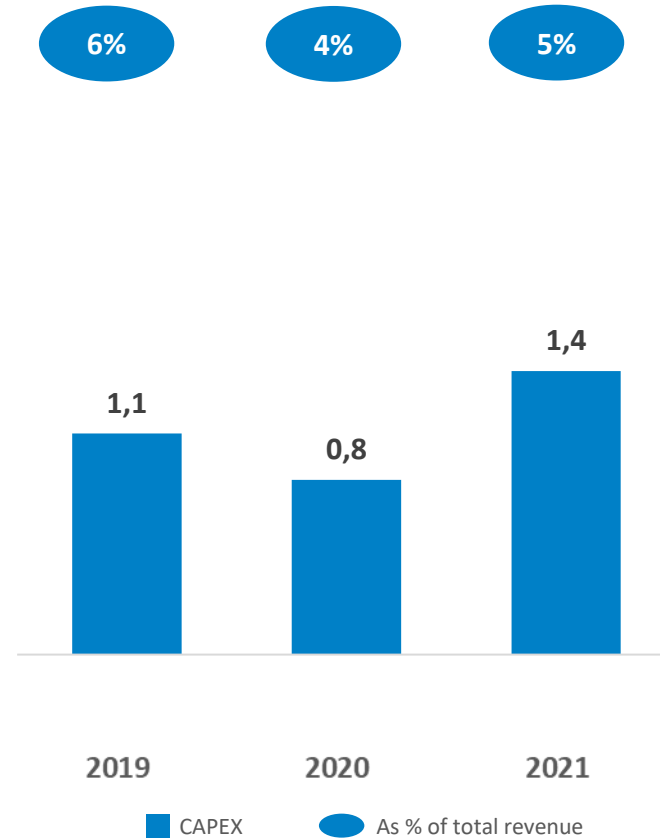
Guidance EBITDA Adjusted margin:
FY22E and FY23E will be in line or not lower
than FY21

Solid balance sheet with low leverage

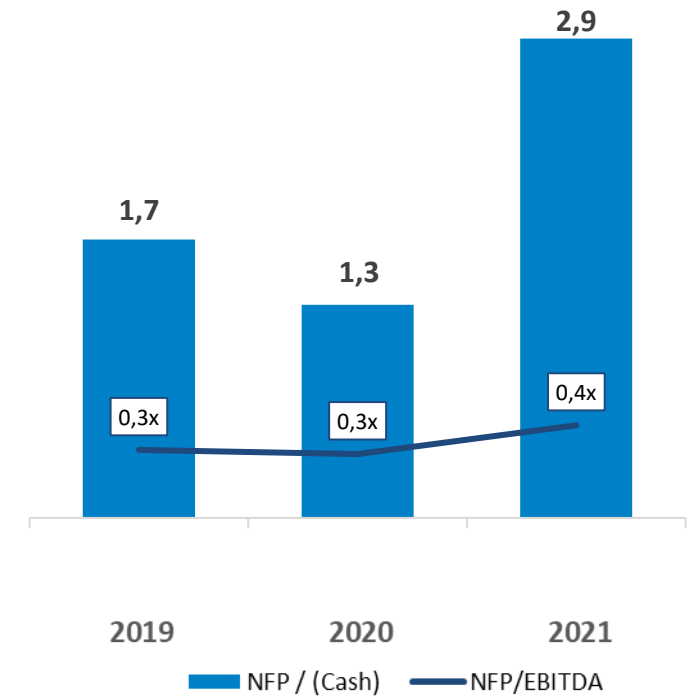
Net Working Capital (€m)⁽¹⁾



CAPEX (€m)⁽²⁾



Net Financial Position (€m)



Platform-agnostic technology with strong and continuous growth



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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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For the purpose of the above, P-Tot is the total success probability for a single opportunity, calculated by the Company as follows:

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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