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Le Eccellenze del made in Italy

 Intermonte

Roma, 30 Settembre 2022



Today's presenters



Andrea Pizzarulli

Co-founder and
Chief Executive Officer



Letizia Galletti

Chief Financial Officer
Investor Relation Director

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

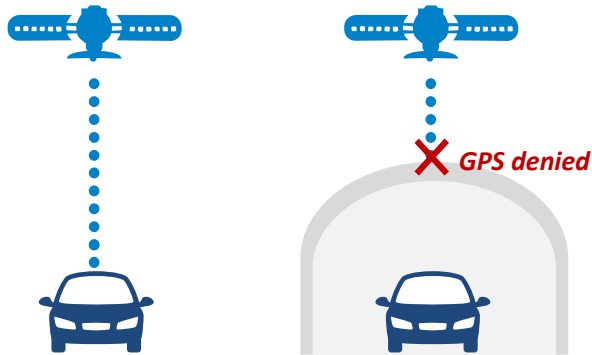


Multiplatform-friendly
appropriate for aerospace & defense or industrial purposes



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



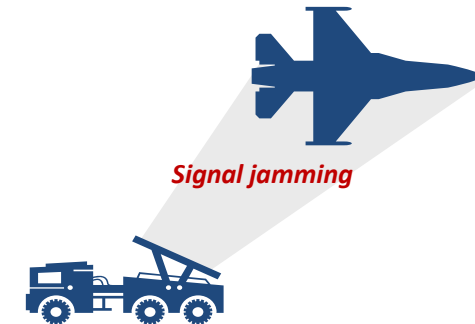
Cannot produce any gyro data to offer automatic stabilisation of vehicle

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

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

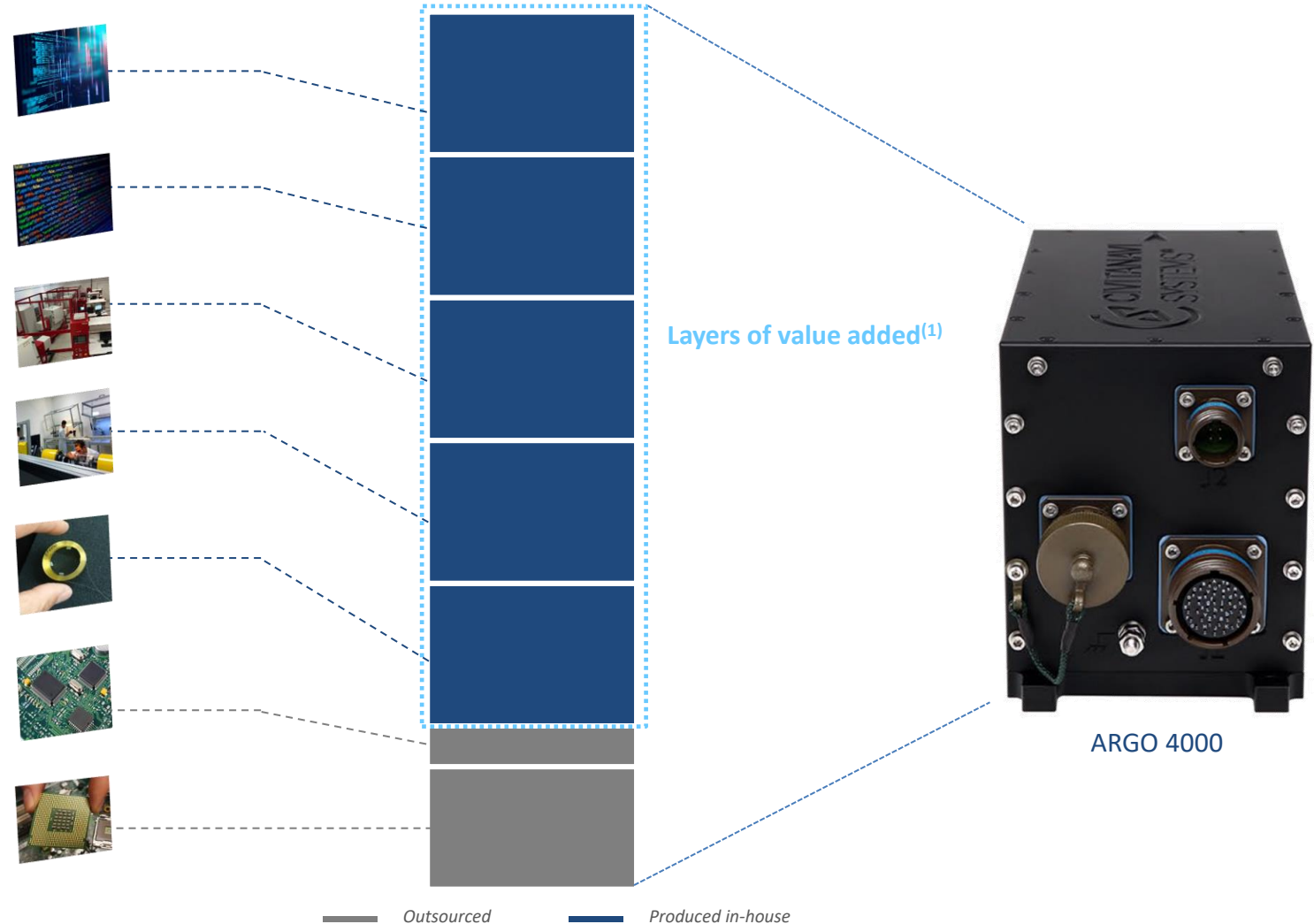
The fiber coil is the heart of the gyroscope sensor and represents a technological advantage in the manufacturing process and scalability

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"

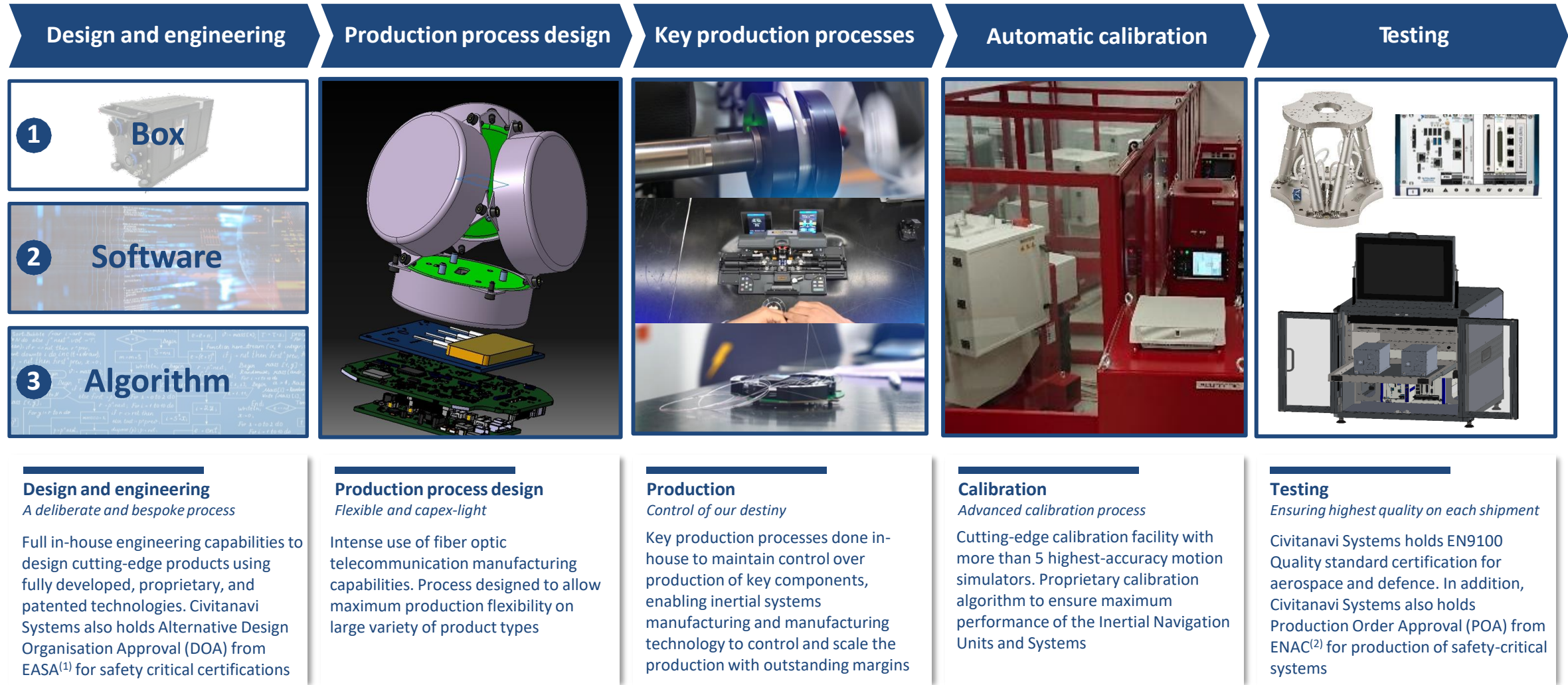
Most of the electronics and opto-electronics components used in the inertial systems are COTS (Commercially Available Off-the-Shelf) from large-scale industries like automotive, consumer electronics or telecom



— Outsourced — Produced in-house



Gold standard design and vertically integrated production



Civitanavi Systems at a glance

Unique capabilities

High performance Avionics certified ITAR-free⁽¹⁾

Serving a globally diversified customer base...

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

London, UK (4)

Italy (2)

Pedaso HQ

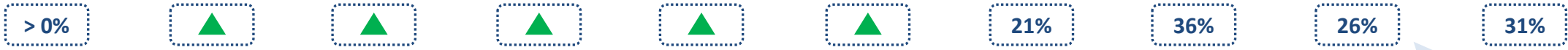
Naples and Rome Engineering (3)



Civitanavi Systems continuing a profitable growth since inception

Revenue development 2012-2021⁽¹⁾ (€m)

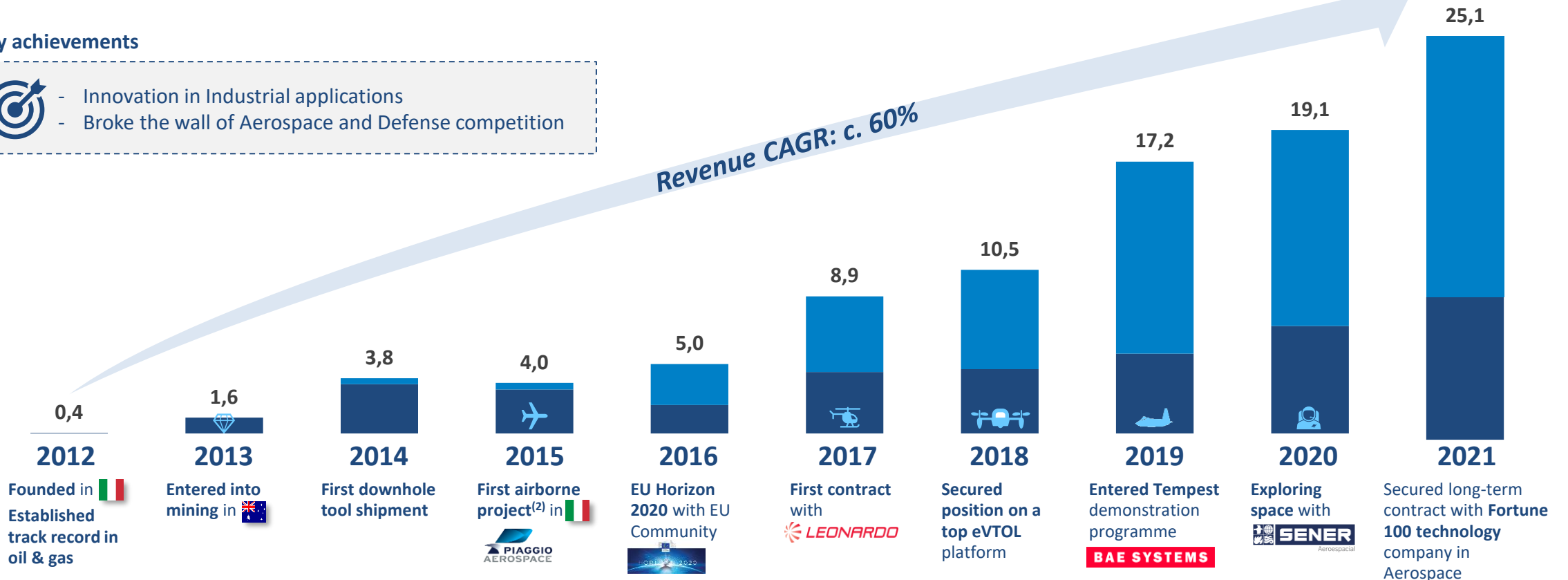
■ Industrial revenue ■ Aerospace and defence revenue ■ Other revenue □ EBITDA Margin ▲ Margin increase



Key achievements

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

Revenue CAGR: c. 60%



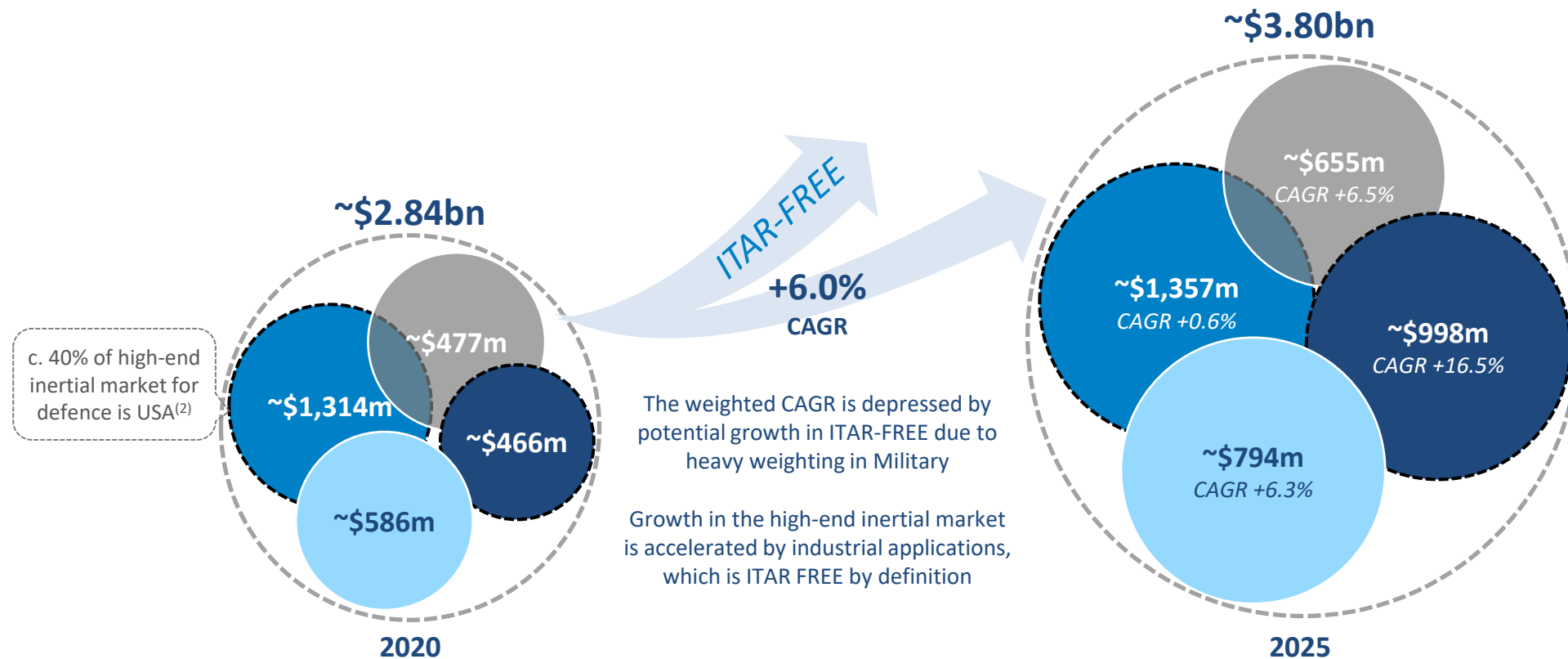
Notes(s): Figures rounded; (1) 2018-2021 figures audited and compliant with IFRS. Revenues before 2018 are based on Italian GAAP and unaudited; (2) 2015 marks the first safety-critical airborne project for Civitanavi Systems. The first airborne project of any kind was carried out in 2014



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

High-end inertial market segment forecast

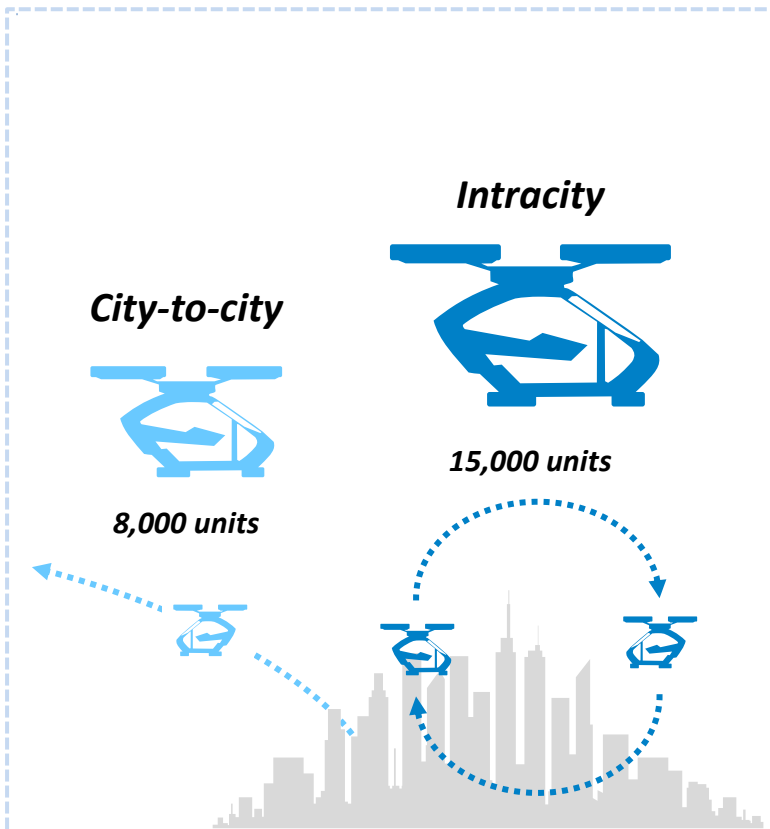
- Total high-end inertial industry
- Civitanavi Systems' definition of aerospace and defence
- Defence / Military
- Commercial naval
- Commercial aerospace
- Industrial applications



Assessment of TAM⁽¹⁾ for urban air mobility

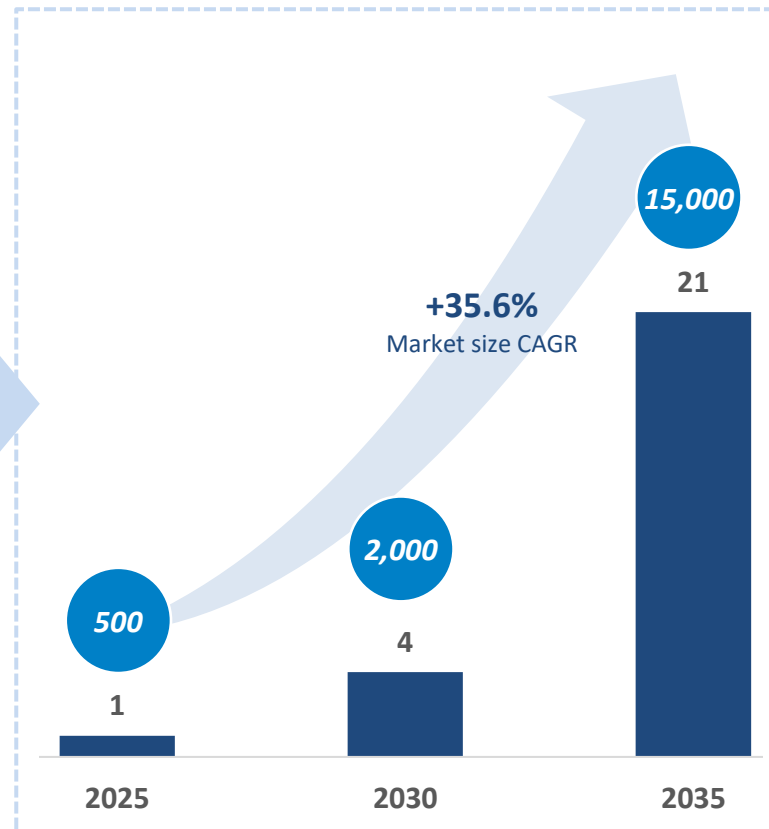
Snapshot of eVTOL⁽²⁾ market in 2035⁽³⁾

Visualising high volume commercialisation



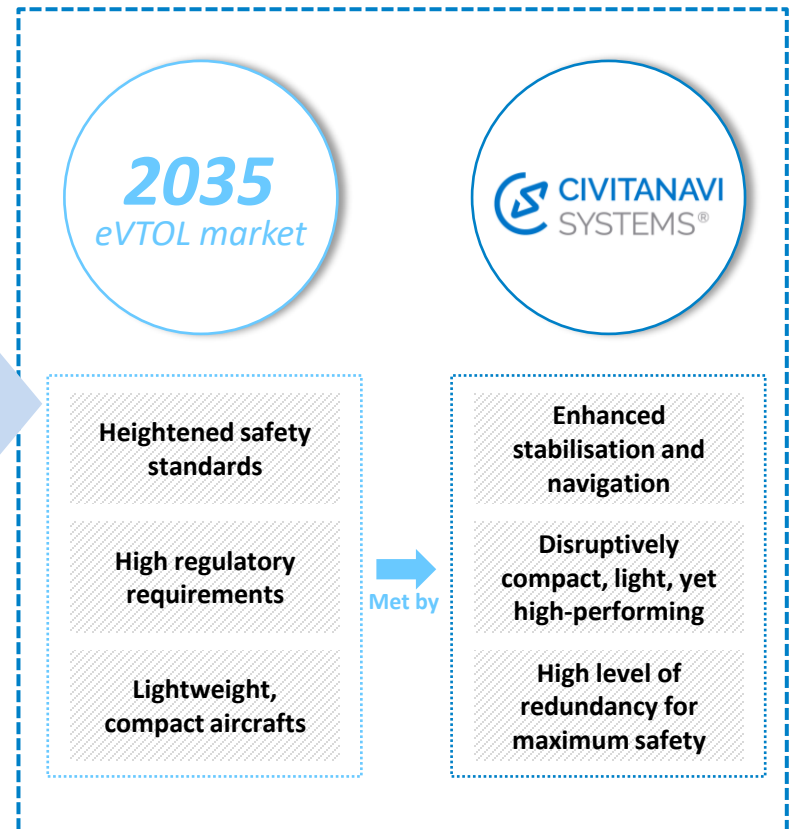
Forecasted intracity eVTOL market growth⁽²⁾

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



Civitanavi Systems' capturing forecasted growth

By introducing integrated, redundant, and customisable products



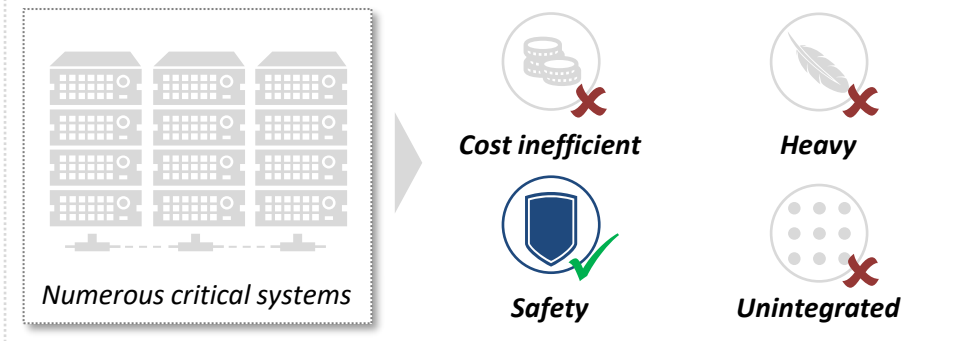
Prepared for the coming eVTOL demand

Conventional installation of critical systems for flight

Commercial aircraft



Overview of critical systems⁽¹⁾

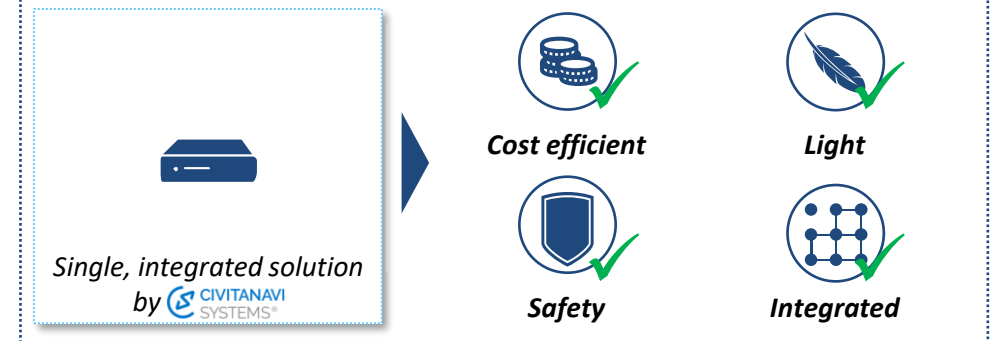


Overcoming requirements with a single, highly-integrated solution

eVTOL



Overview of next-generation critical systems⁽¹⁾

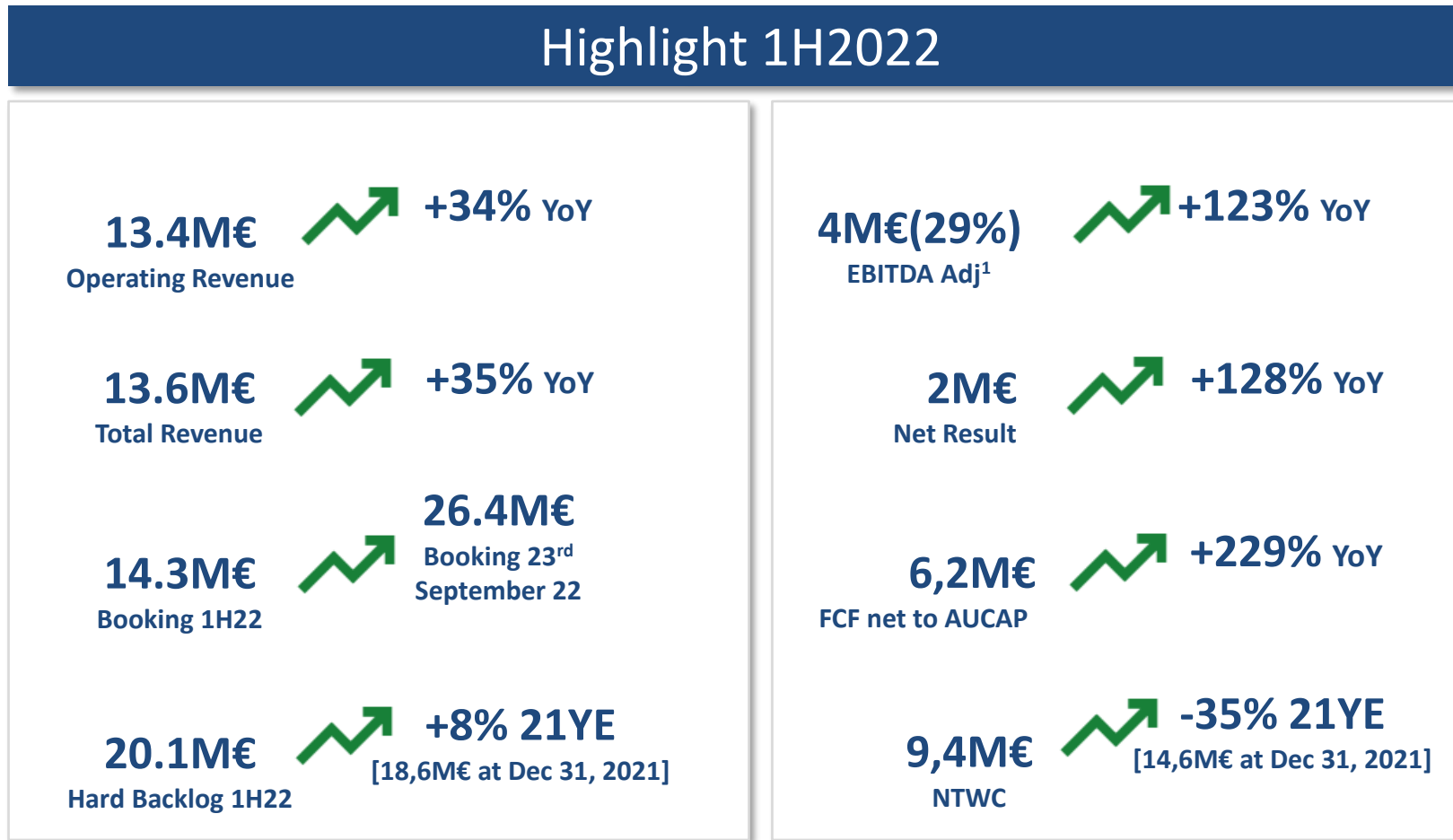


Important strategic progresses

- Civitanavi Systems signs an agreement with **IEROM LTD** to expand its offer in the **sector of urban air mobility**.



Good 1H2022 results, delivering strong performance



1) EBITDA Adjusted is calculated as a profit or loss for the financial year/period, gross of income taxes, revenues and financial expenses, amortisation and depreciation, write-downs and write-downs of net financial assets, foreign currency gains or losses, the effects of non-recurring transactions and the effects of certain events and operations that the Management believes are not related to the Company's operational performance. It is consistent with the definition reported in the Prospectus during IPO.



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

15%



PETRA

6%



ARGO

27%



NAUTILUS

25%



RIG ALIGNER - DOWNHOLE

23%

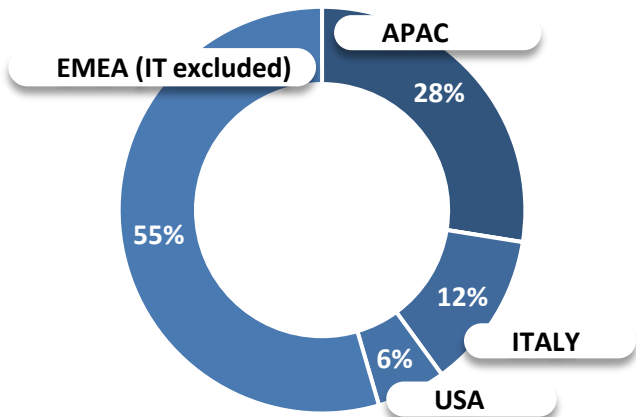
Operating
Revenue
1H2022

in EUR thousands	1H2022	%	1H2021	%	Var % YoY
Aeronautics	3.286	27%	1.067	13%	208%
Land	794	7%	544	7%	46%
Space	1.904	15%	1.149	14%	66%
Other (Naval, Submarine, Guidance)	3.139	25%	1.388	17%	126%
Total Aerospace and Defence	9.123	74%	4.148	51%	120%
Industrial	2.814	23%	3.805	48%	(26%)
Other	422	3%	78	1%	441%
Total Operating revenues net of the change in FP/SFP inventories	12.359	100%	8.031	100%	54%
Change in FP and SFP inventories	1.046		1.937		(46%)
Total Operating revenues	13.404		9.968		34%

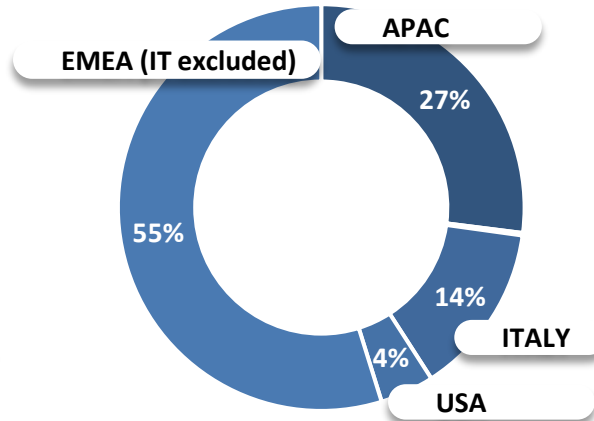
- Solid performance in all business divisions, confirming a significant portion of the A&D sector and a constant presence in the Industrial division.
- Confirmed the growth in all core sectors of its business, including the industrial divisions that shows a temporary decrease attributable to import and re-export rules in the Country of the customers of reference, which will be resolved in the current year.

Diverse revenue exposure by geography

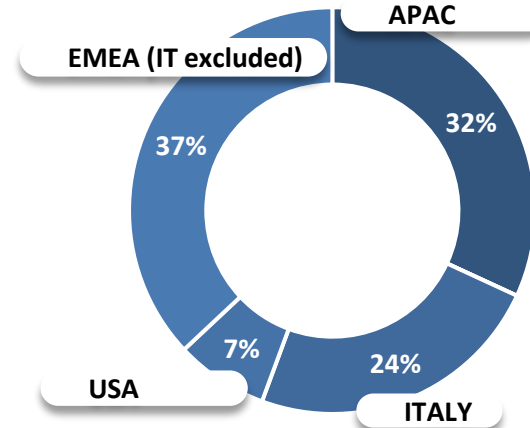
Revenue concentration 2019



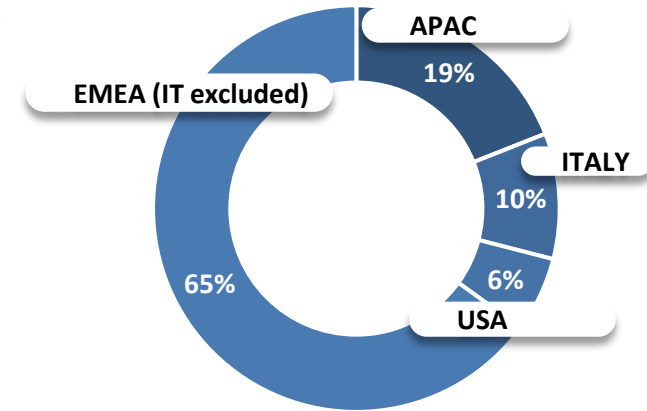
Revenue concentration 2020



Revenue concentration 2021



Revenue concentration 1H2022



in EUR thousands	1H2022	%	1H2021	%	Var % YoY
APAC	2.287	19%	3.451	43%	(34%)
EMEA (Italy excluded)	8.096	65%	2.944	37%	175%
Italy	1.211	10%	1.079	13%	12%
USA	764	6%	556	7%	37%
Rest of the world	-	0%	-	0%	0%
Total Operating revenues net of the change in FP/SFP inventories	12.359	100%	8.031	100%	54%
Change in FP and SFP inventories	1.046		1.937		(46%)
Total Operating revenues	13.404		9.968		34%

- Well diversified portfolio revenue spread across different regions
- The EMEA area recorded a significant increase thanks to the recently stipulated contract communicated in the 1Q2022
- the decrease of the APAC market is attributable to the Industrial divisions
- there is not any commercial relationship with the Russian Federation and Ukraine

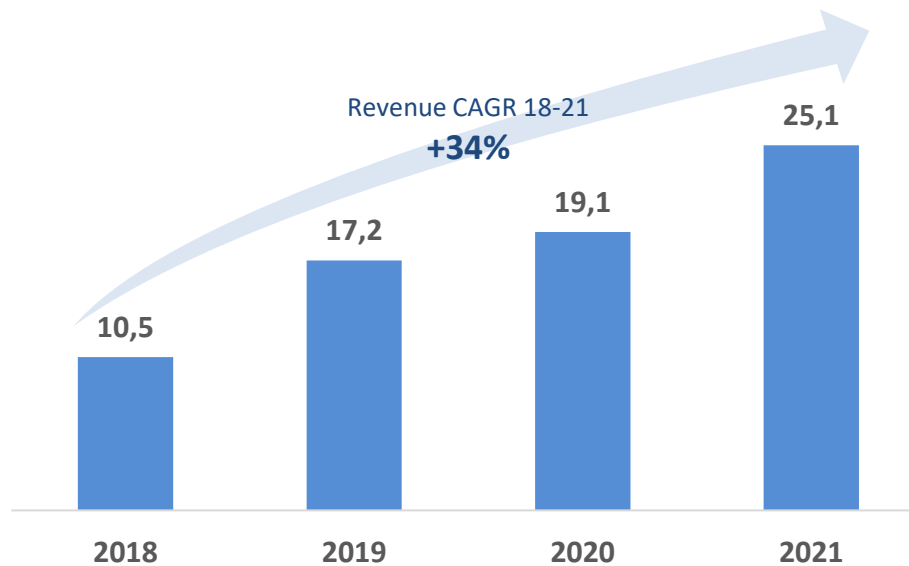


Strong revenue growth

Total revenue
(€m)

Booking¹

% of Revenues



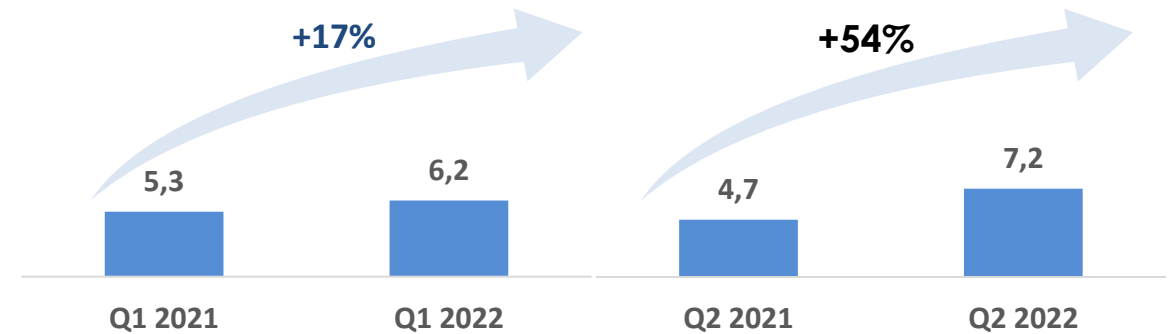
Key Comments 2018 – 2021

- Revenues in 2021 up c.31% YOY and a good proxy of the company growth trend is the 2018-21 CAGR of c. 34%
- 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 2022

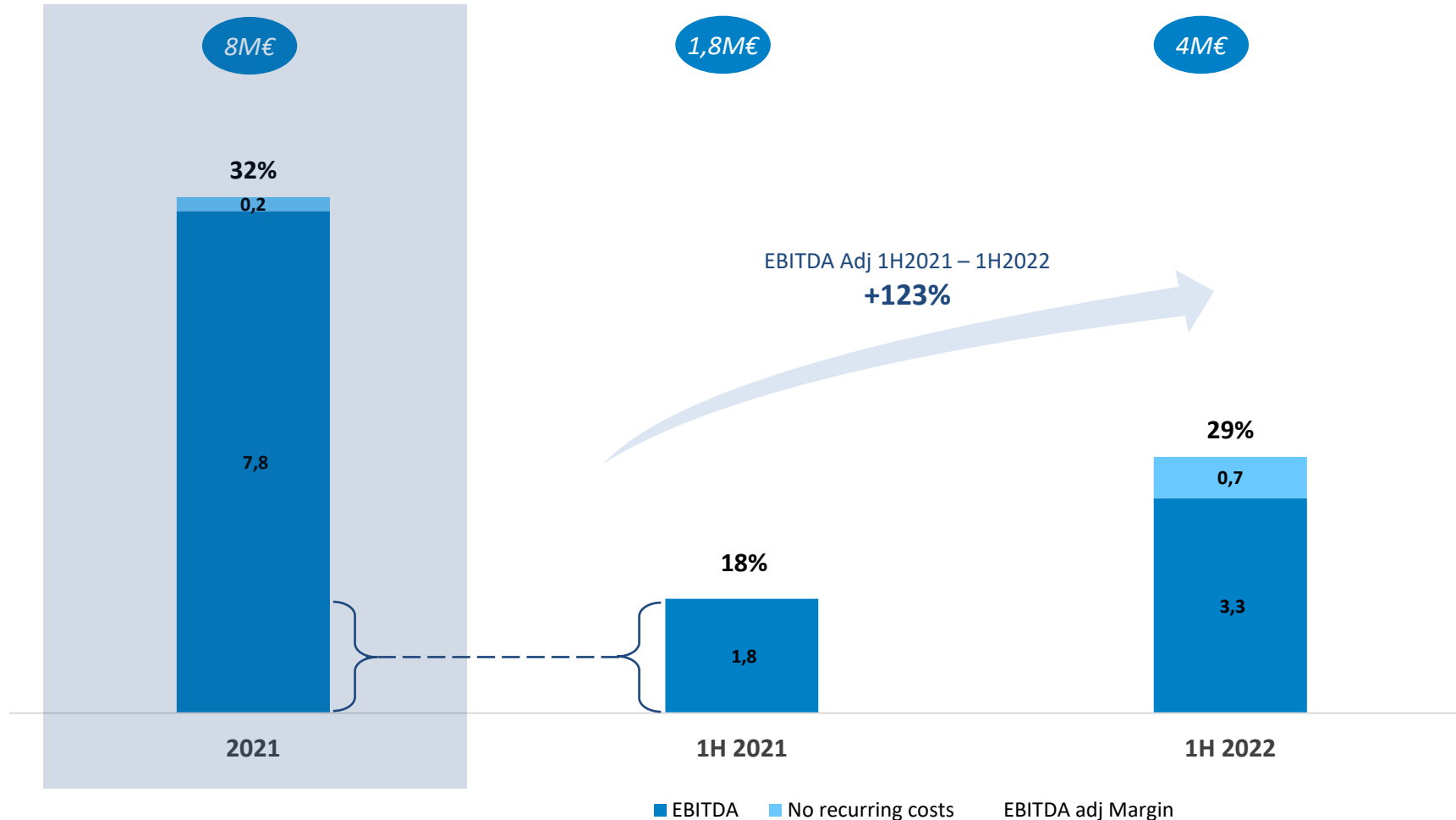
- Operating revenue 1H2022 13,4M€ +34% of 1H2021 which was 10M€
- Booking 1H2022 amount to EUR 14,3m€ - book to bill 1,07
- Booking at 23rd September 2022 amount to EUR 26,4m€

Operating Revenue Q12021 vs Q12022 Operating Revenue Q22021 vs Q22022



Highly attractive margin profile

EBITDA, EBITDA Adjusted and EBITDA margin
(€m)



Key Comments

- EBITDA margin adjusted 1H2022 shows a strong increase from 1H2021 confirming the 2022 guidance in terms of marginality.
- The excellent result achieved in the first half of 2022 is supported by the significant increase in business volume and at the same time by the ability of the Company to optimize the cost structure.
- The guidance in terms of margin is to achieve a margin equal or higher than the expected margin of 2021 (equal to 31%).
- No recurring costs are related to:
 - 1H2022: 653K€ of which relating to part of the costs incurred for the listing on the Euronext Milan market for Eur 628K€ and 25K€ other residual costs;
 - 1H2021, the Company did not have non-recurring items;

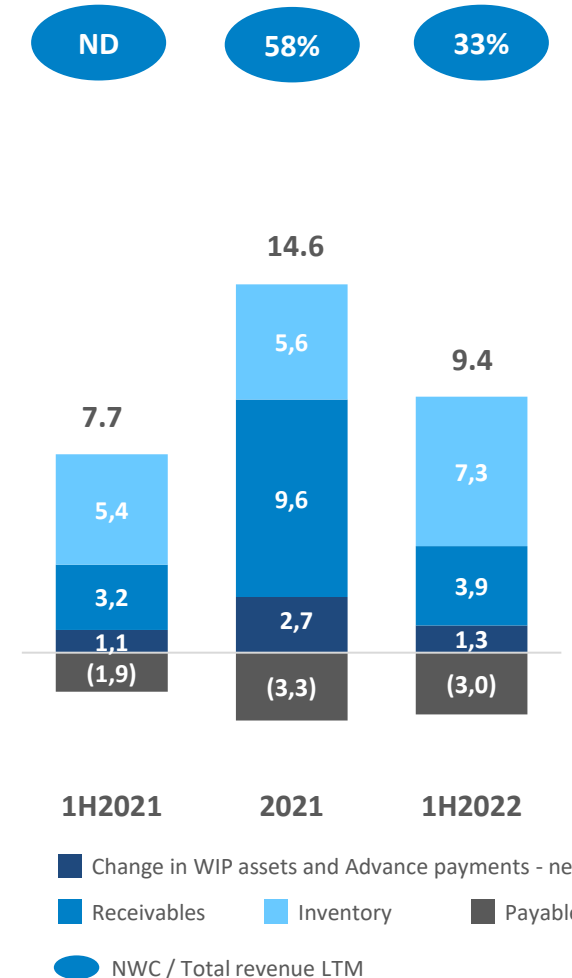
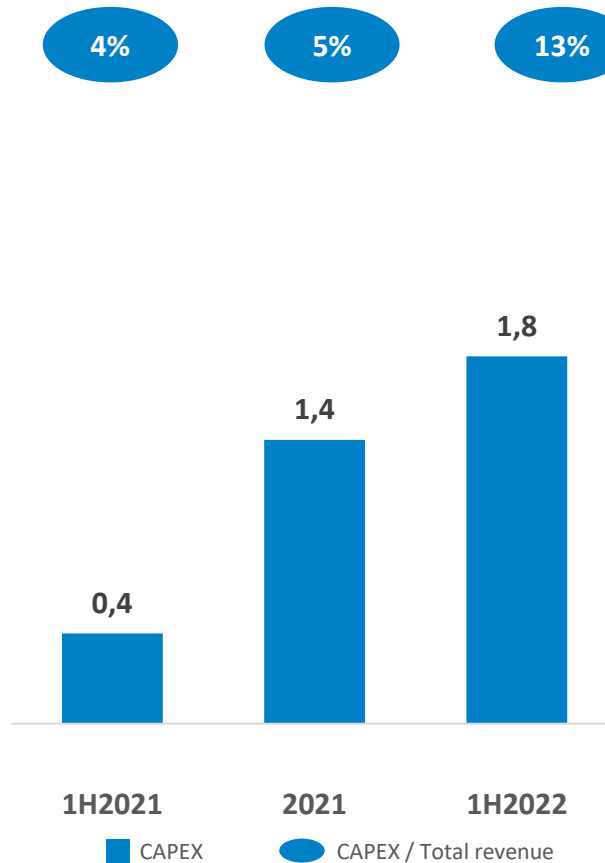
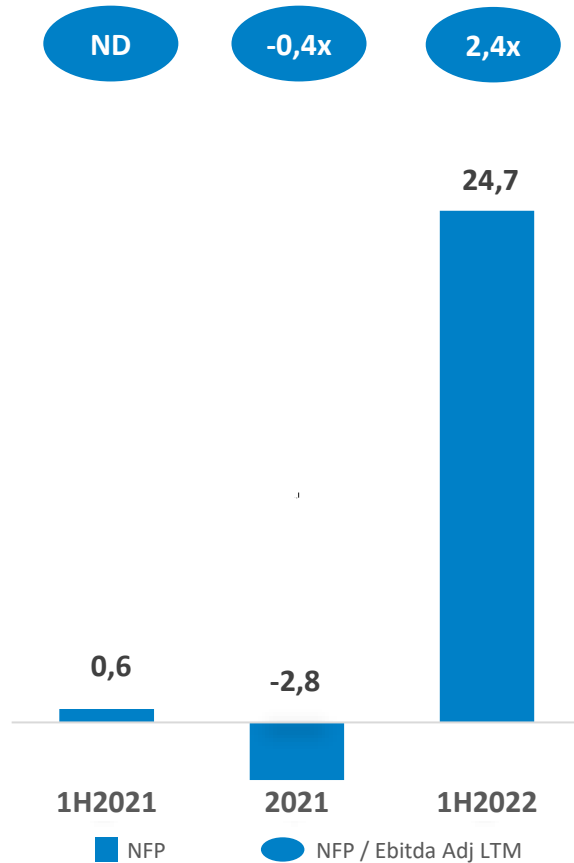
Solid balance sheet and strong cash generation

Net Financial Position (€m)

CAPEX (€m)

Net Trade Working Capital (€m)

Key Comments



- **Strong liquidity position** thanks to cash generation of the period and capital injection. The Free cash flow of 1H2022 is +27,6M€ and the FCF net to IPO cash collected, is +6,3M€ compared to +1,9M€ of 1H2022;
- **Capex:** *Tangible fixed assets* for 1H2022 amounting to 1M€, mainly related to the purchase of machinery for production and instruments for expanding the production area. Such investments aimed at increasing the Company's production capacity. *Intangible assets*, amounting to 0,8M€, are mainly related to the development internal activities;
- **NTWC** of 1H2022 has generated cash for +5,2M€ mainly related to (i) decrease of trade receivables [it usually increases at year end due to the growth of deliveries and it normalizes in the interim period] (ii) the decrease of the Assets for work in progress on order net to advance payments (iii) the increase in warehouse inventories attributable to the increase in stocks to deal with production needs;



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