

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



Roadshow Madrid

17<sup>th</sup> November 2022



# Today's presenters

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**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*

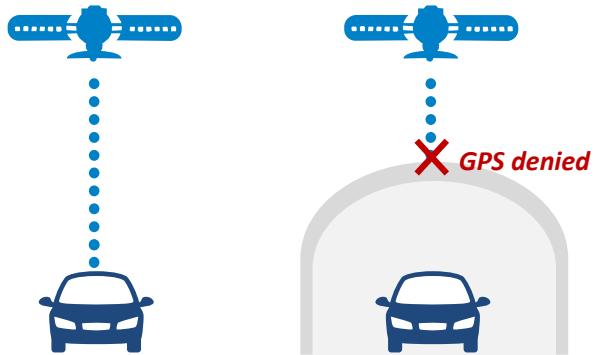


**Multiplatform-friendly**  
*appropriate for aerospace & defense or industrial purposes*



# Why GPS simply isn't enough

## Navigation and positioning reliability



GPS<sup>(1)</sup>



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



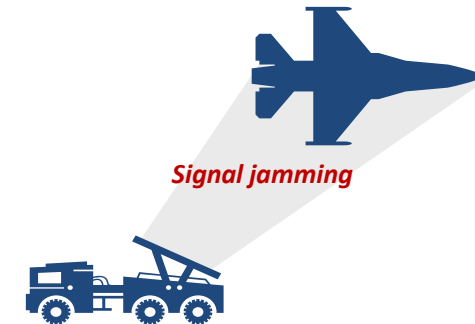
Cannot produce any gyro data to offer automatic stabilisation of vehicle

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

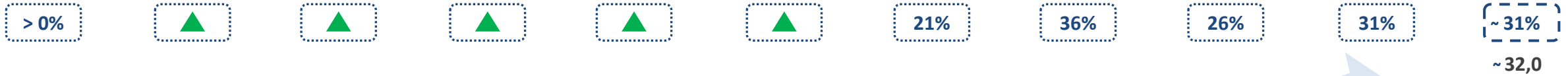


Resistance to jamming and spoofing allows stable navigation and positioning

# Civitanavi Systems continuing a profitable growth since inception

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

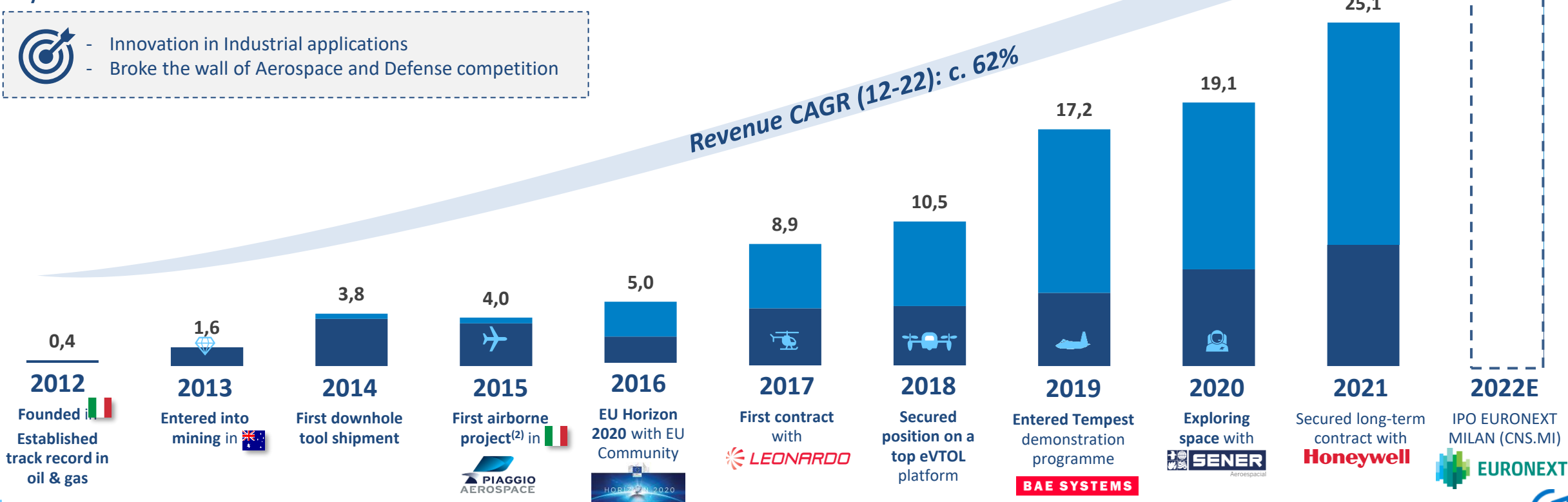
■ Industrial revenue ■ Aerospace and defence revenue ■ Other revenue □ EBITDA Margin ▲ Margin increase



## Key achievements



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




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 at a glance

## Unique capabilities




High performance



Avionics certified



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



## Serving a globally diversified customer base...







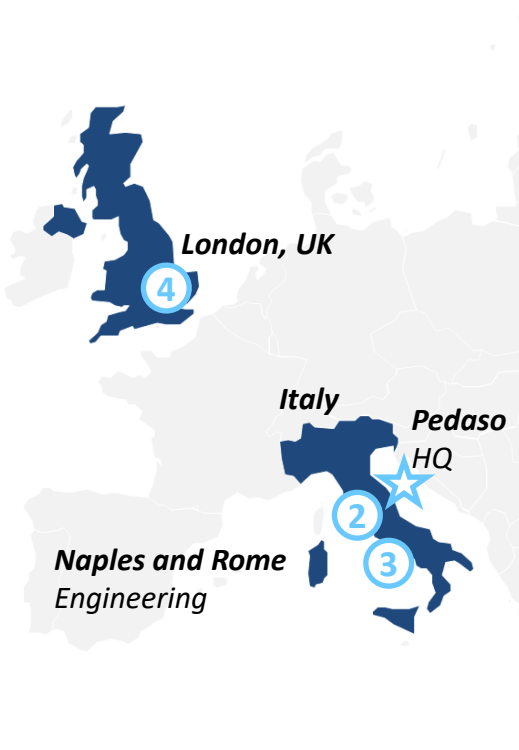








## ...growing presence, starting from Italy and the UK



London, UK (4)

Italy (2)

Pedaso HQ (3)

Naples and Rome Engineering

# Unique position serving an unserved segment of the market

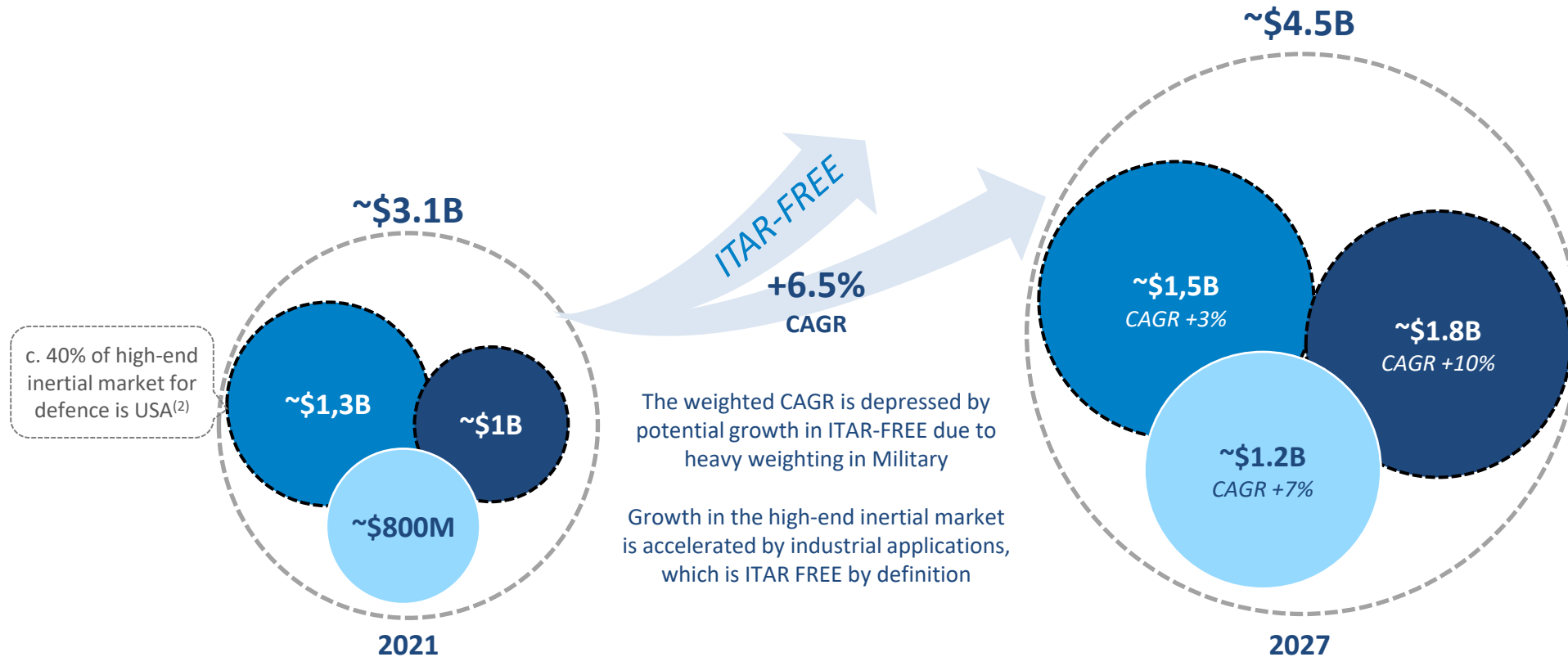
	Market share <i>Direct competitors of Civitanavi Systems</i>	ITAR-free / US content free <i>Exempt from strict export controls</i>	True solid state for safety-critical applications <i>High-performance, non-mechanical gyros</i>	Stabilisation suitability <i>Technology suitable for both stabilisation and navigation</i>
 <b>Honeywell</b>	Leading	✗	✗	✗
 <b>NORTHROP GRUMMAN</b>	Leading	✗	✓	✓
 <b>SAFRAN</b> <small>AEROSPACE · DEFENCE · SECURITY</small>	Leading	✓	✗	✓
 <b>THALES</b>	Niche	✓	✗	✗
 <b>IAI</b>	Niche	✓	✗	✓
 <b>iXblue</b>	Niche	✓	✗	✓
 <b>KVHI</b>	Niche	✗	✗	✓
 <b>emcore</b>	Niche	✗	✗	✓
 <b>CIVITANAVI SYSTEMS</b>		✓	✓	✓



# 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 aerospace
- Industrial/Commercial applications

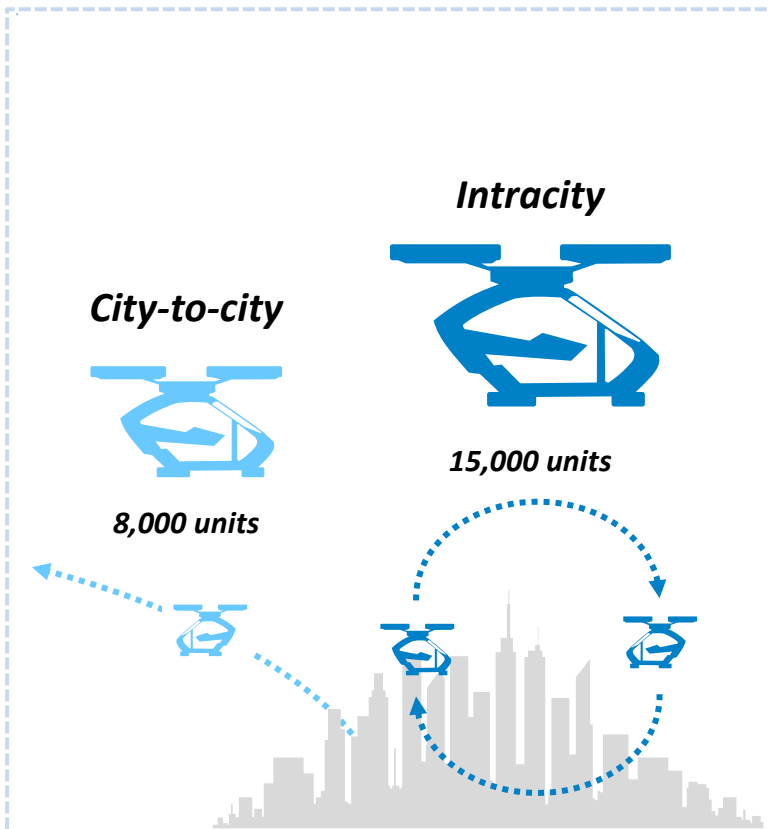




# Assessment of TAM<sup>(1)</sup> for urban air mobility

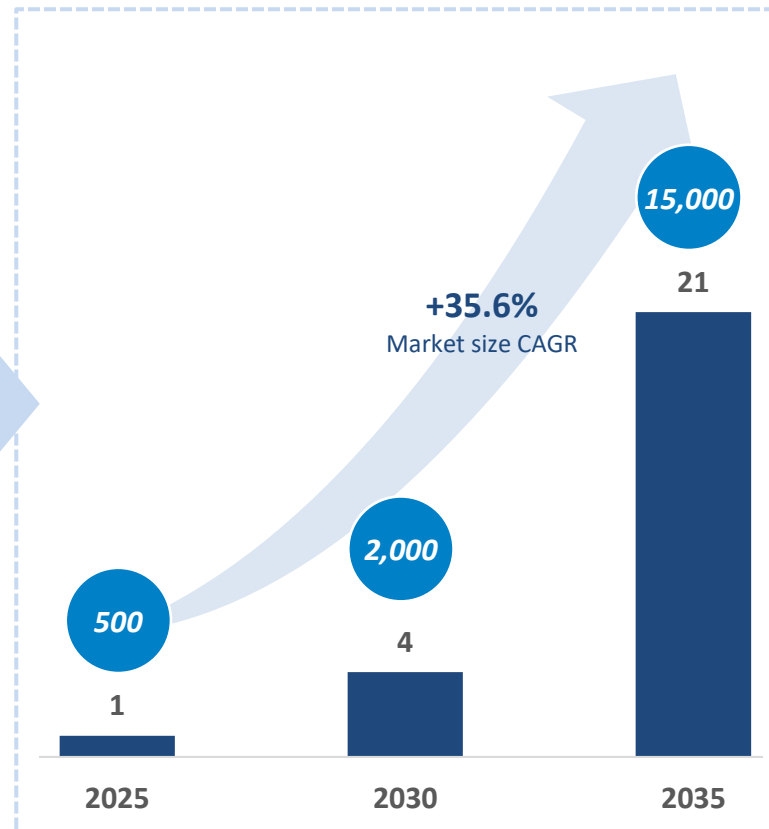
## Snapshot of eVTOL<sup>(2)</sup> market in 2035<sup>(3)</sup>

Visualising high volume commercialisation



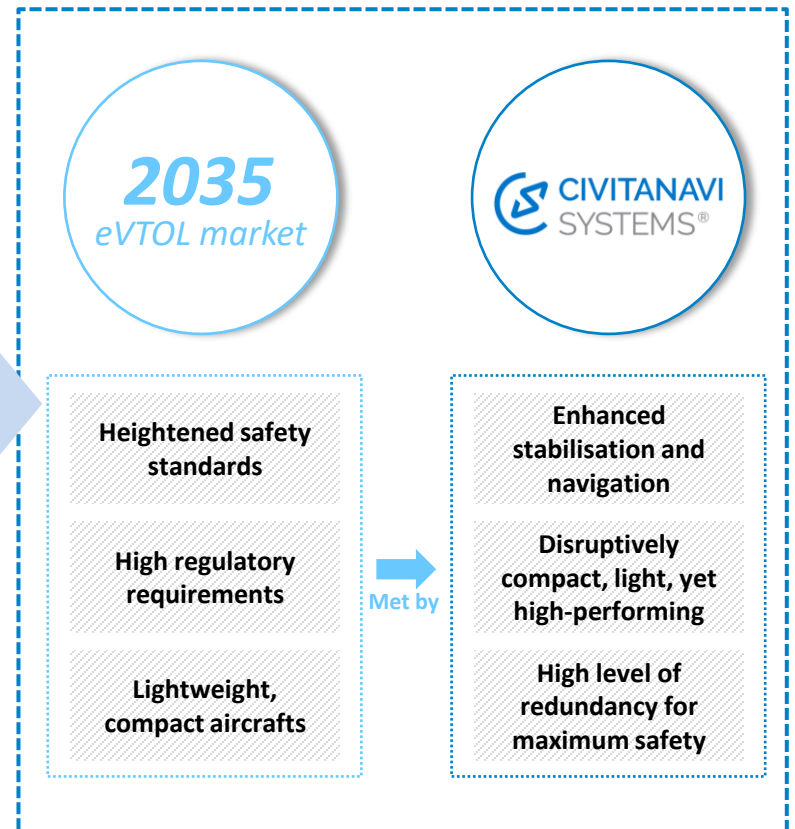
## Forecasted intracity eVTOL market growth<sup>(2)</sup>

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



## Civitanavi Systems' capturing forecasted growth

By introducing integrated, redundant, and customisable products



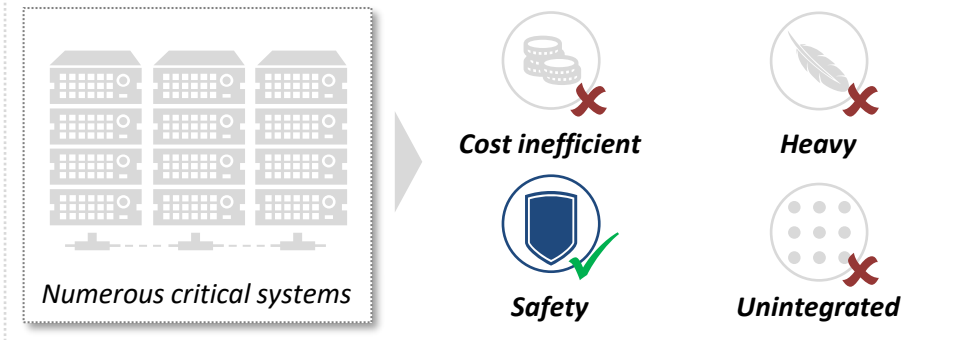
# Prepared for the coming eVTOL demand

## Conventional installation of critical systems for flight

Commercial aircraft



### Overview of critical systems<sup>(1)</sup>

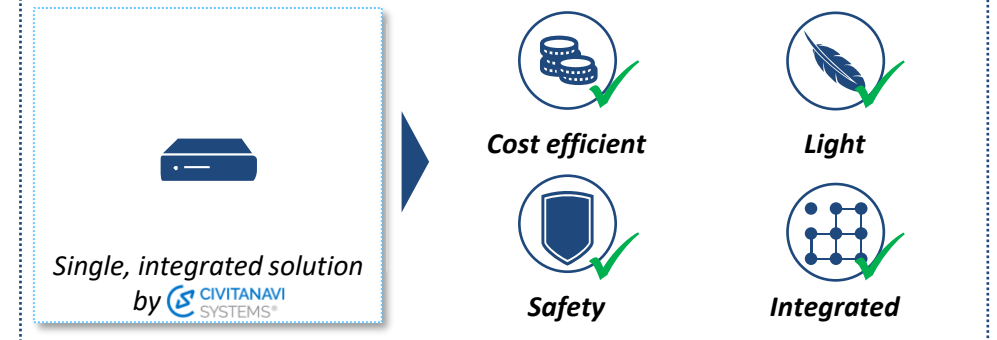


## Overcoming requirements with a single, highly-integrated solution

eVTOL



### Overview of next-generation critical systems<sup>(1)</sup>



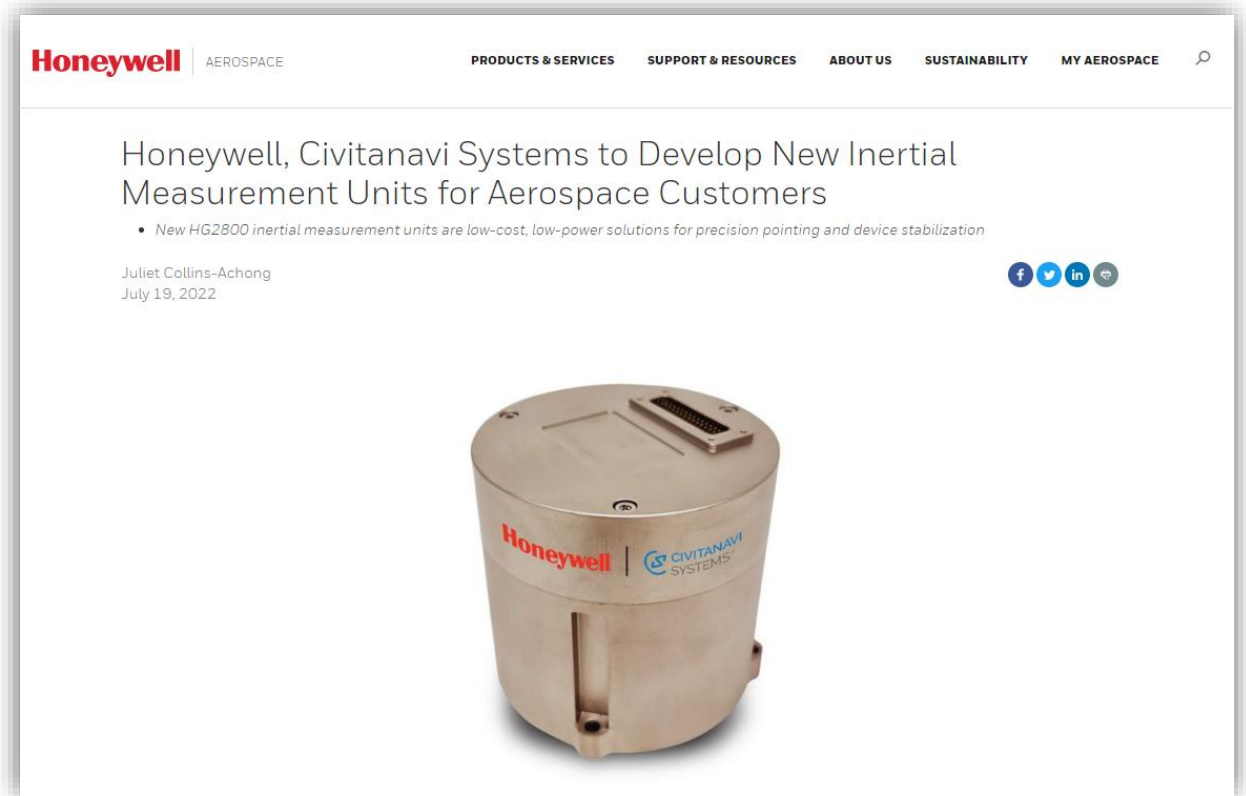
# Important strategic progresses

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



# Important strategic progresses for USA market growth

- **Honeywell** and **Civitanavi Systems** signed an agreement to develop new Inertial Measurement Unit for the customers of the aerospace customers.





# 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

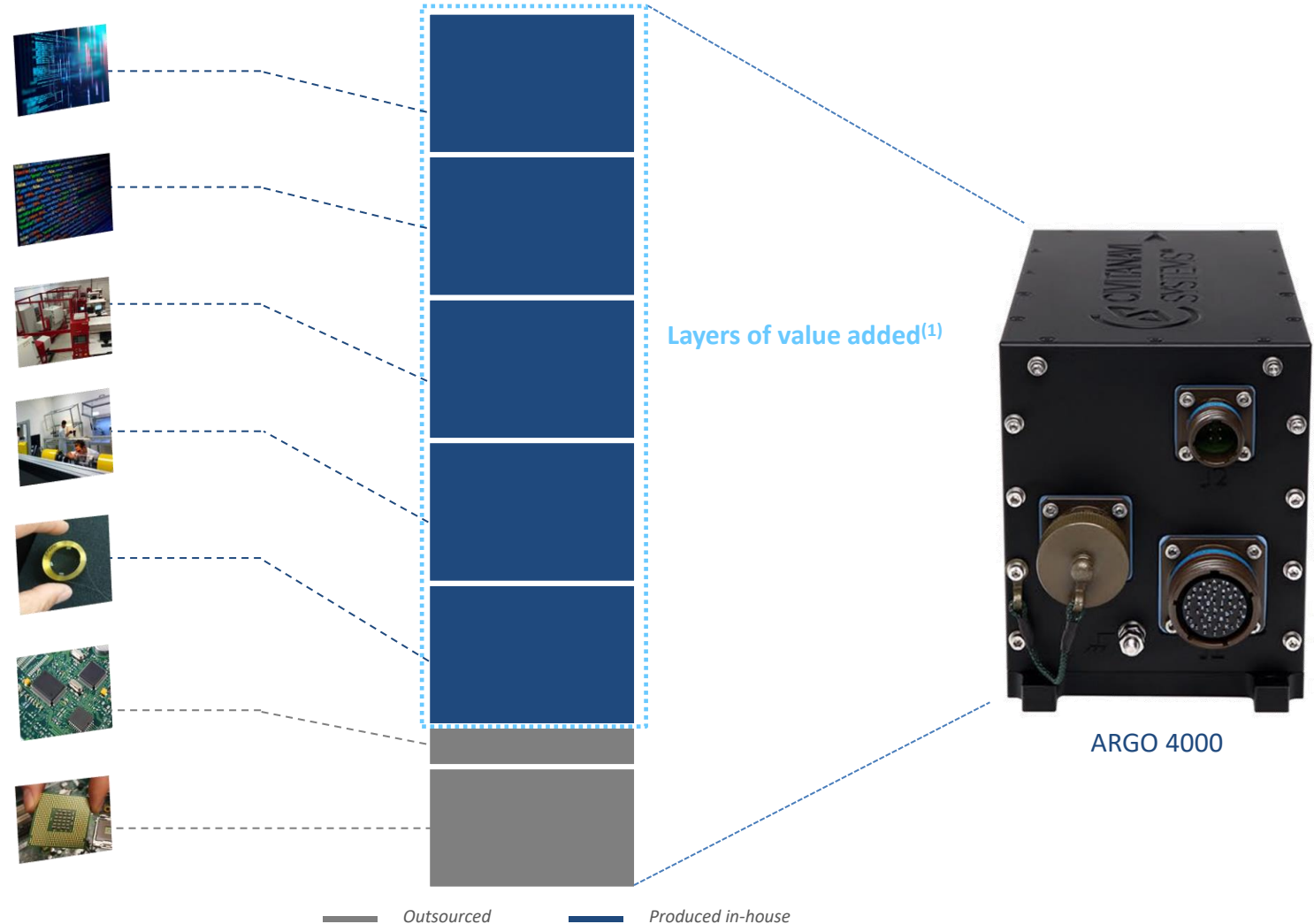
The fiber coil is the heart of the gyroscope sensor and represents a technological advantage in the manufacturing process and scalability

## Contract Manufacturing

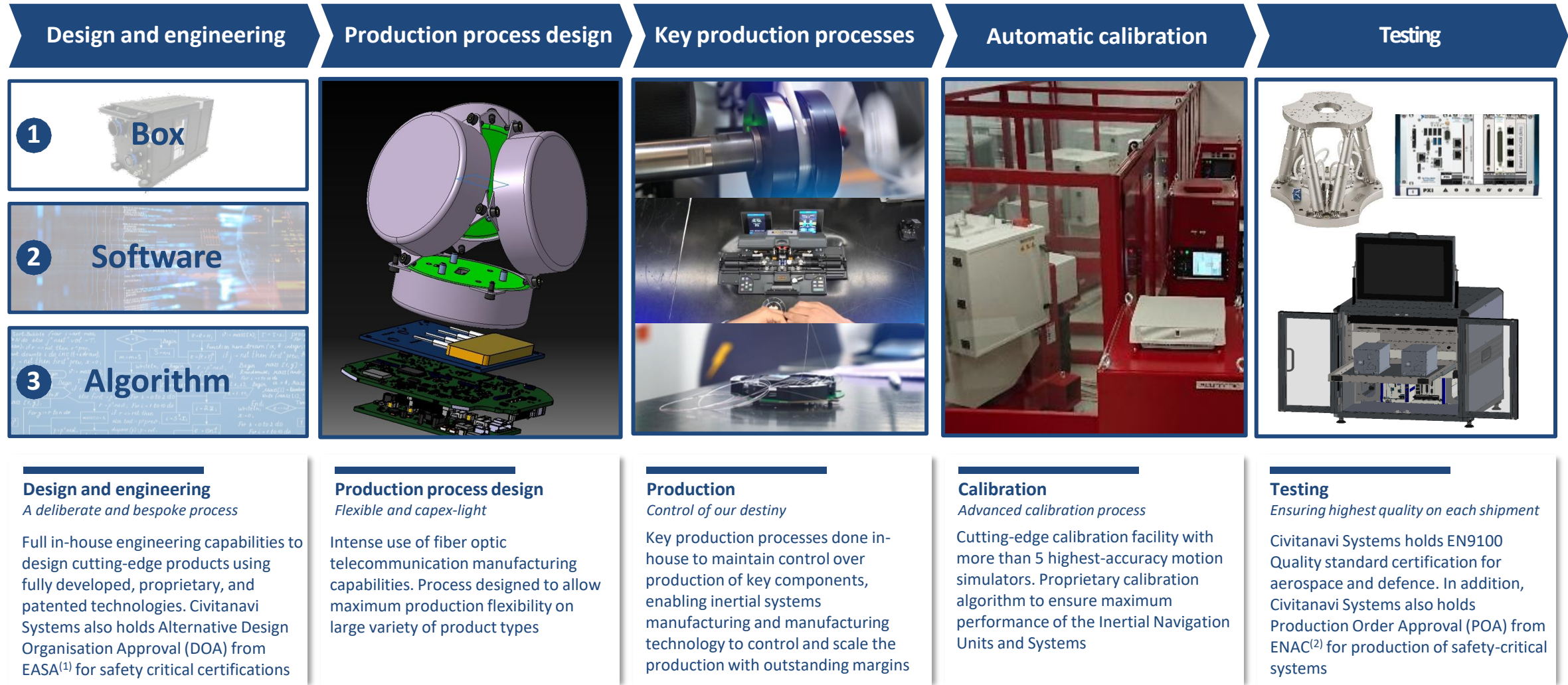
Outsourcing of custom-made mechanical parts and electronics cards, all designed in-house. Outsourcing includes PCB (Printed Circuit Boards) and its surface mounting devices (SMD) assembly

## 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

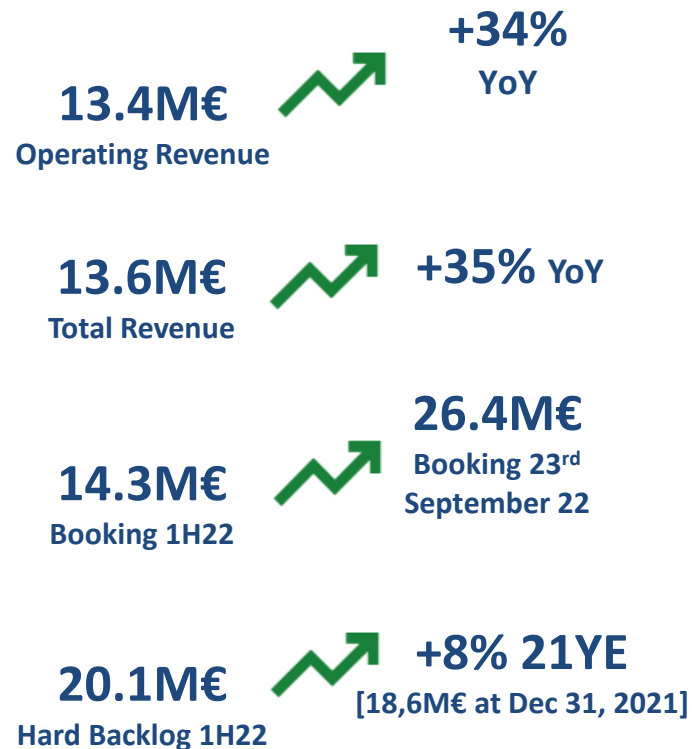


# Gold standard design and vertically integrated production

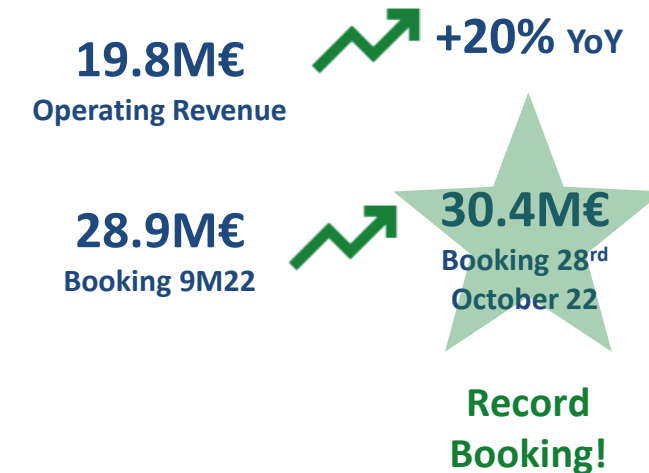


# Good results, delivering strong performance

## Highlight 6M2022



## Highlight 9M2022



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<sup>(1)</sup>



### Other

Naval surface, subsea, and guidance



## Industrial

### Mining, Oil & Gas

Drills, Subsea equipment



Product



IMU

16%



PETRA

6%



ARGO

26%



NAUTILUS

24%



RIG ALIGNER - DOWNHOLE

25%

Operating  
Revenue  
9M2022

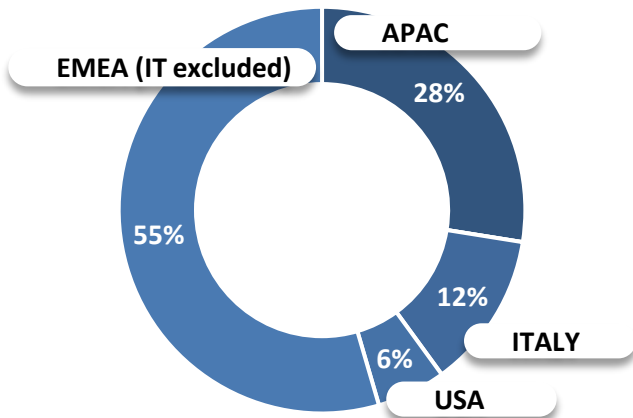
in EUR thousands	9M2022	%	9M2021	%	Var % YoY
Aeronautics	4.800	26%	2.158	15%	122%
Land	1.123	6%	938	7%	20%
Space	2.909	16%	2.005	14%	45%
Other (Naval, Submarine, Guidance)	4.505	24%	2.714	19%	66%
<b>Total Aerospace and Defence</b>	<b>13.337</b>	<b>72%</b>	<b>7.815</b>	<b>55%</b>	<b>71%</b>
<b>Industrial</b>	<b>4.624</b>	<b>25%</b>	<b>6.325</b>	<b>44%</b>	<b>(27%)</b>
<b>Other</b>	<b>645</b>	<b>3%</b>	<b>87</b>	<b>1%</b>	<b>645%</b>
<b>Total Operating revenues net of the change in FP/SFP inventories</b>	<b>18.606</b>	<b>100%</b>	<b>14.227</b>	<b>100%</b>	<b>31%</b>
Change in FP and SFP inventories	1.222		2.269		(46%)
<b>Total Operating revenues</b>	<b>19.828</b>		<b>16.495</b>		<b>20%</b>

- 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.

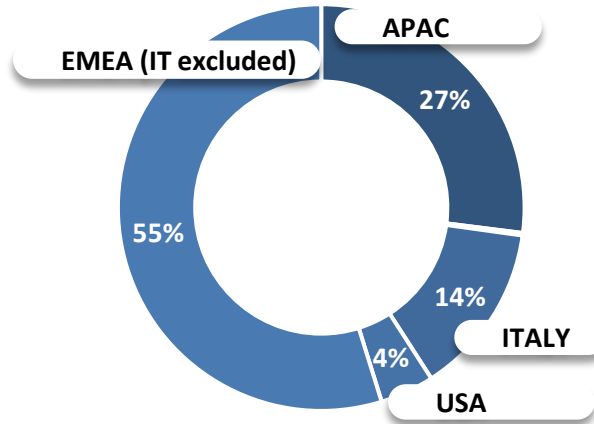


# Diverse revenue exposure by geography

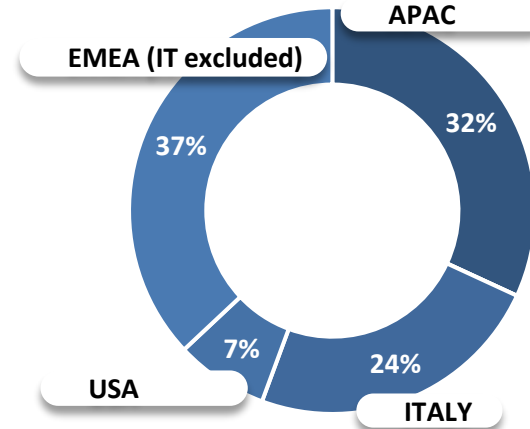
Revenue concentration 2019



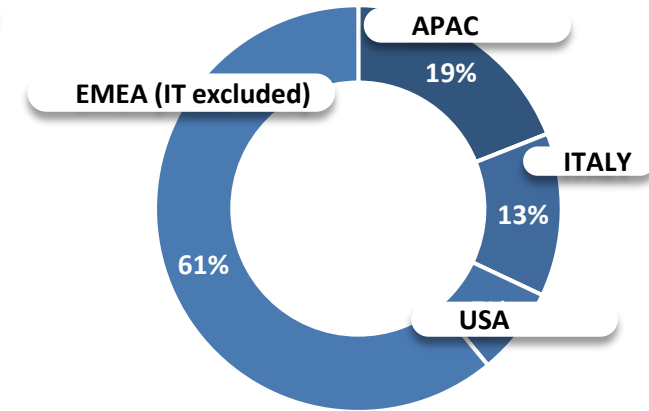
Revenue concentration 2020



Revenue concentration 2021



Revenue concentration 9M2022

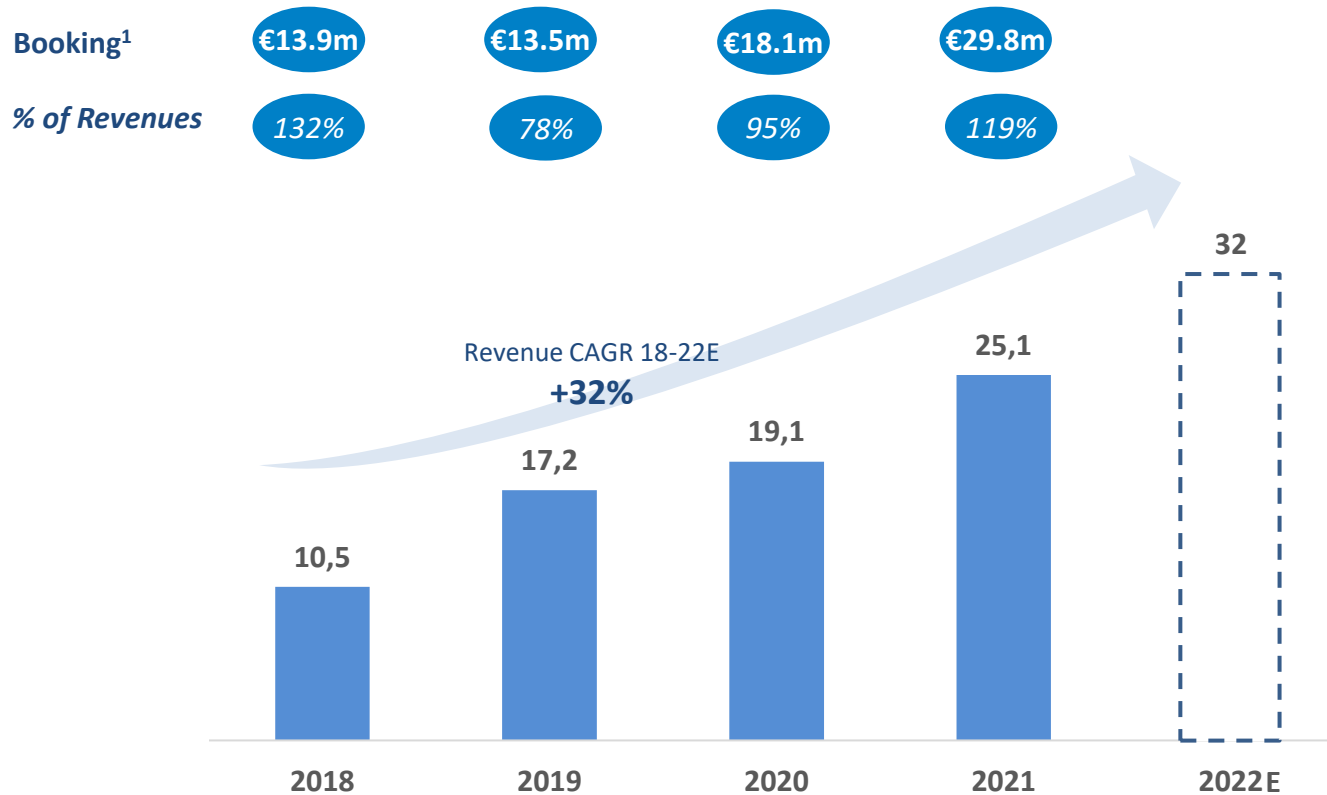


in EUR thousands	9M2022	%	9M2021	%	Var % YoY
APAC	3.601	19%	5.599	39%	(36%)
EMEA (Italy excluded)	11.267	61%	5.495	39%	105%
Italy	2.482	13%	1.868	13%	33%
USA	1.256	7%	1.264	9%	(1%)
Rest of the world	0	0%	0	0%	0%
<b>Total Operating revenues net of the change in FP/SFP inventories</b>	<b>18.606</b>	<b>100%</b>	<b>14.227</b>	<b>100%</b>	<b>31%</b>
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- 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)



Booking<sup>1</sup>

€13.9m

€13.5m

€18.1m

€29.8m

% of Revenues

132%

78%

95%

119%

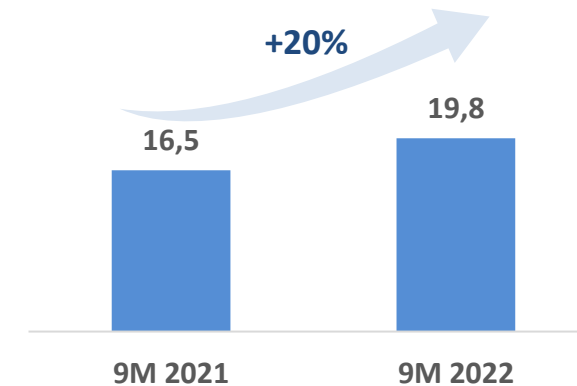
## Key Comments 2018 – 2021

- 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

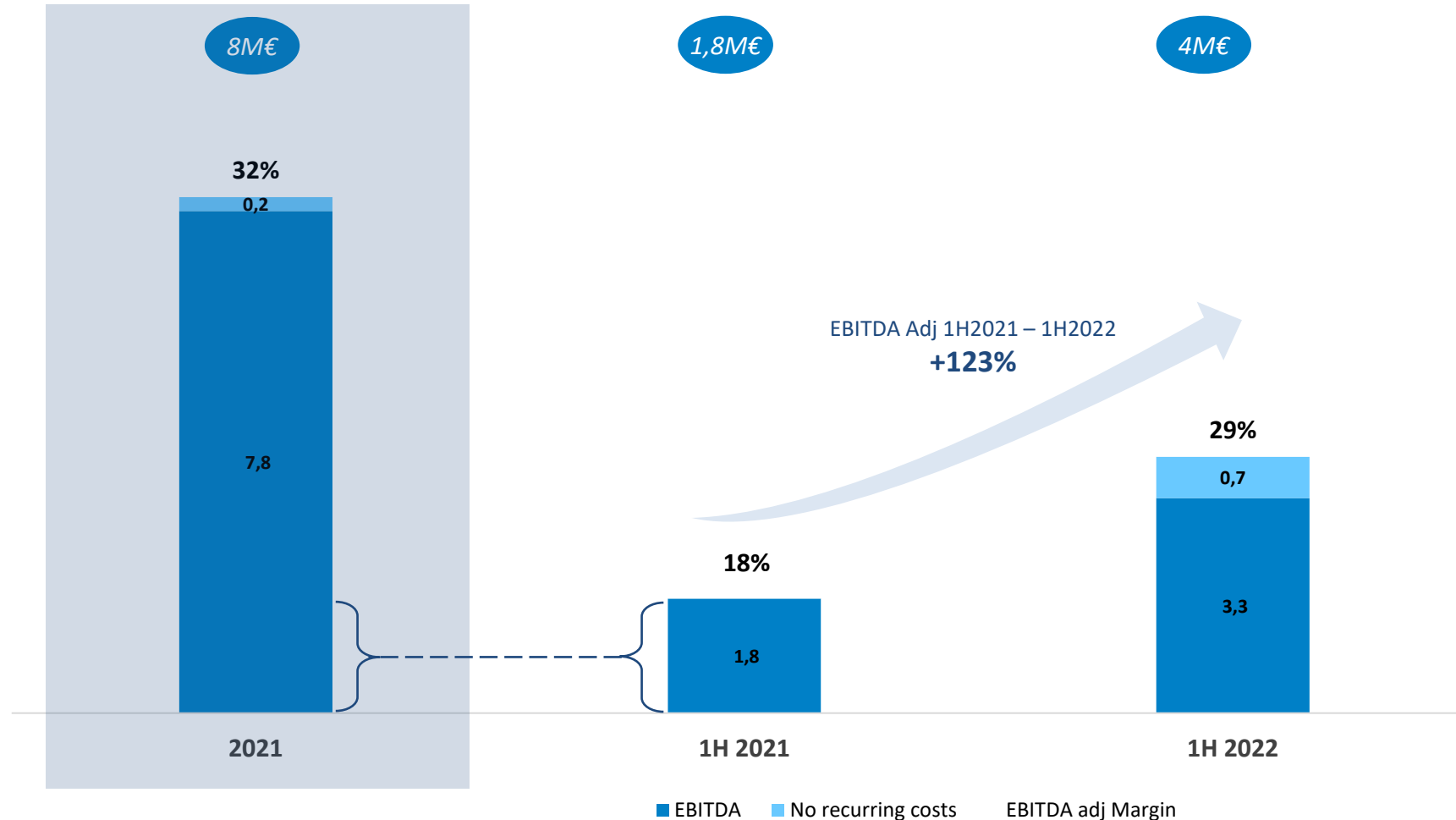
- Operating revenue 9M2022 19,8M€ +20% of 9M2021 which was 16,5M€
- Booking 9M2022 amount to EUR 28,9m€ - book to bill 1,46
- Booking at 28<sup>th</sup> October 2022 amount to EUR 30,4m€ (record Booking)
- 2022 Guidance Total revenue equal to about 32M€

## Operating Revenue 9M2021 vs 9M2022



# Highly attractive margin profile (updated at June 2022)

EBITDA, EBITDA Adjusted and EBITDA margin (€m)

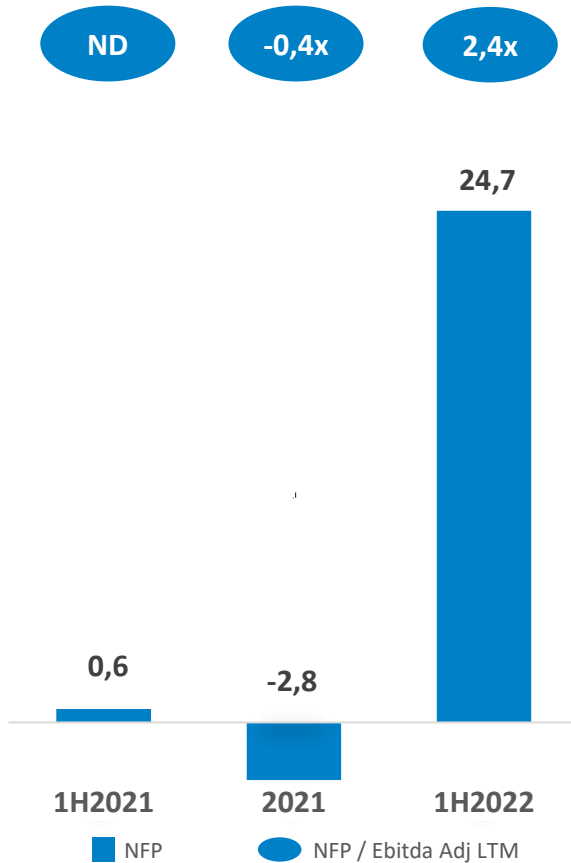


## Key Comments

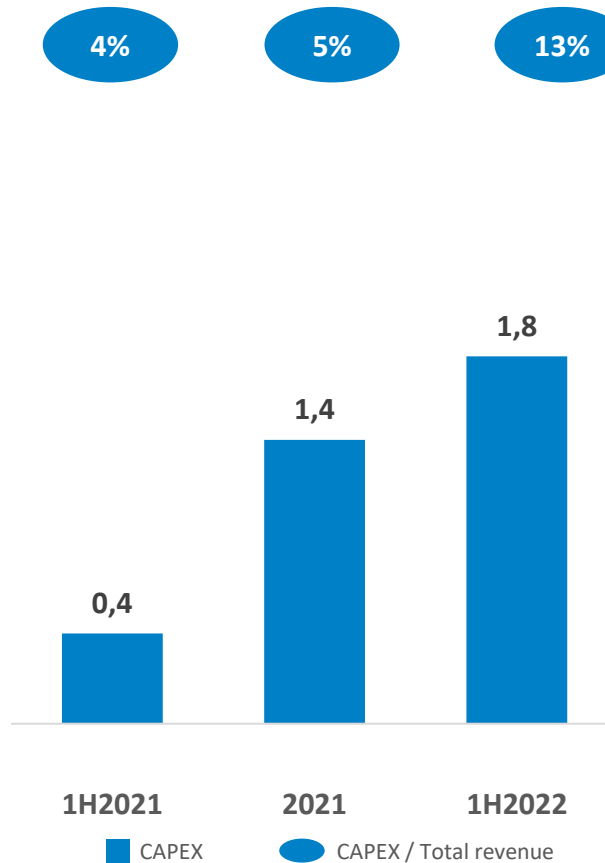
- EBITDA margin adjusted 1H2022 shows a strong increase from 1H2021 confirming the 2022 guidance in terms of marginality.
- The excellent result achieved in the first half of 2022 is supported by the significant increase in business volume and at the same time by the ability of the Company to optimize 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 (updated at June 2022)

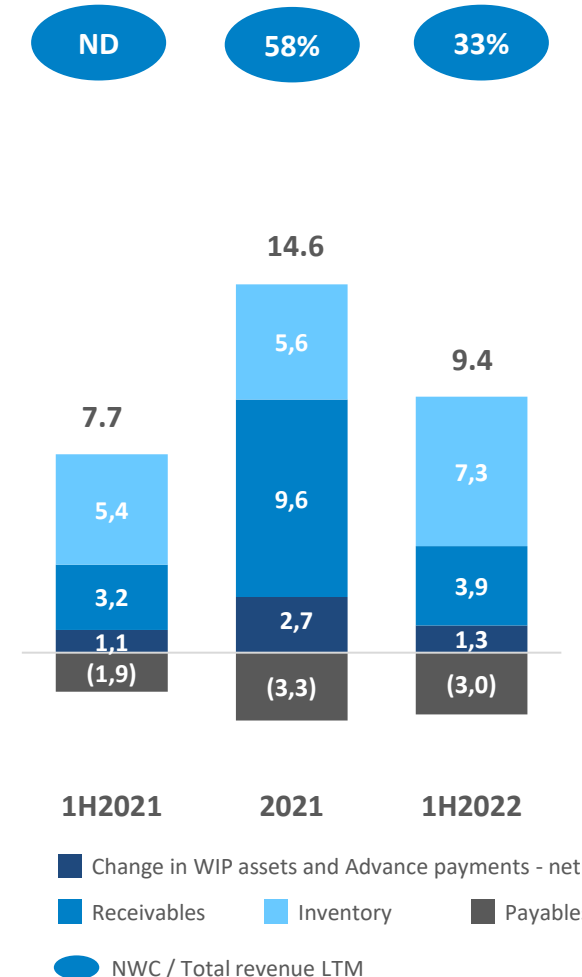
## Net Financial Position (€m)



## 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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