

WE CARE, WE PERFORM, WE DELIVER!



Annual Conference in Paris, 11th of May 2023



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

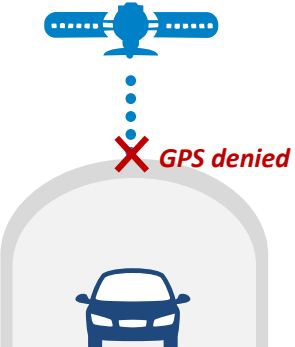



Multiplatform-friendly
appropriate for aerospace & defense or industrial purposes




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



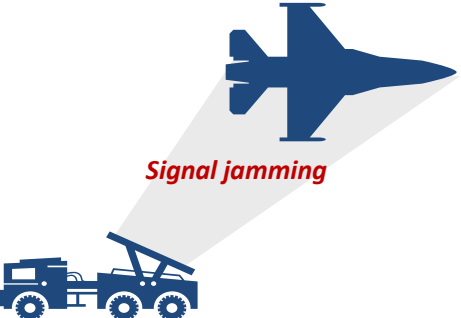
Cannot produce any gyro data to offer automatic stabilisation of vehicle

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



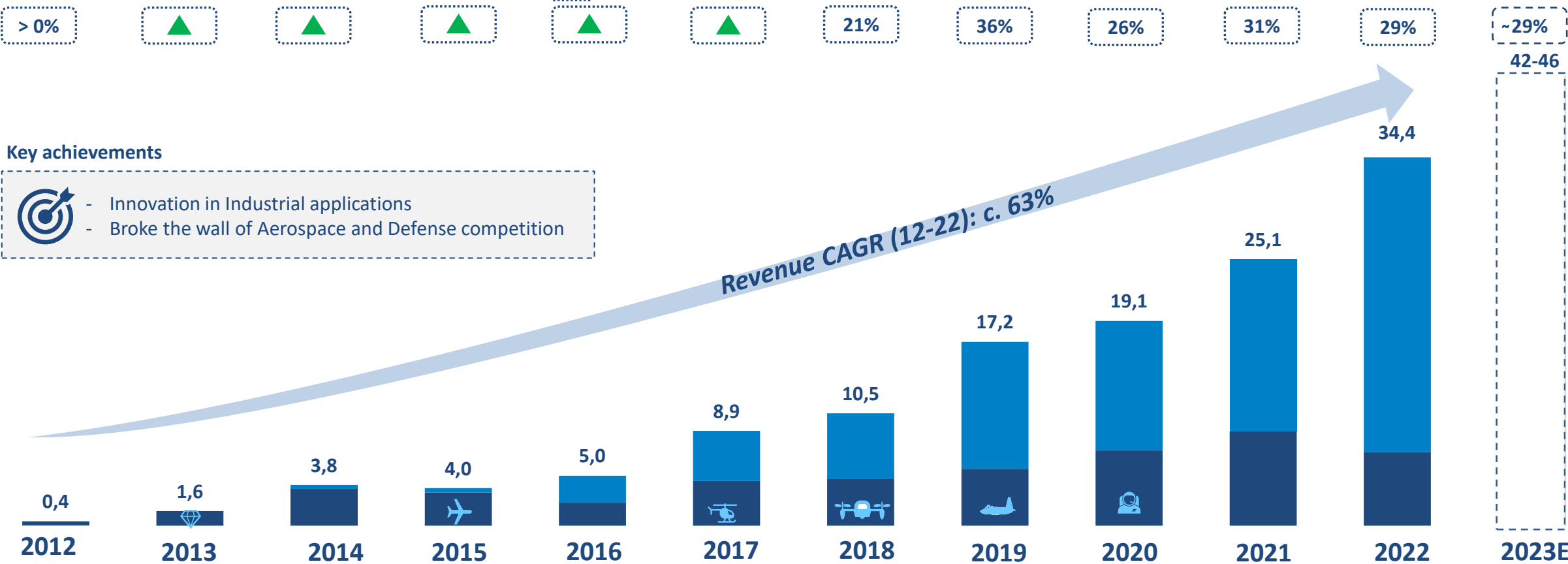
Resistance to jamming and spoofing allows stable navigation and positioning



Civitanavi Systems continuing a profitable growth since inception

Revenue development 2012-2022⁽¹⁾ (€m)

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



Key achievements

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

Revenue CAGR (12-22): c. 63%

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

2022
IPO EURONEXT MILAN (CNS)

2023E

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

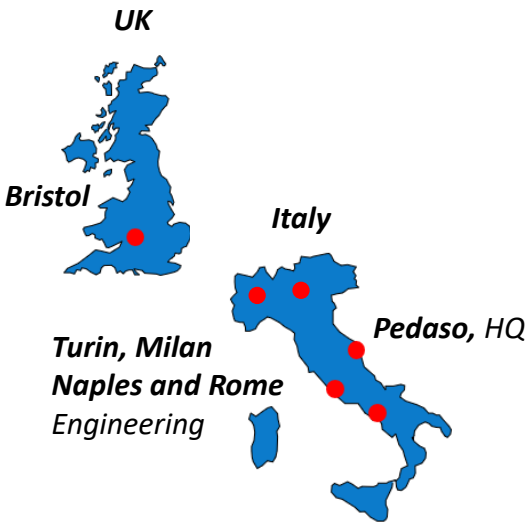
Unique capabilities





















Serving a globally diversified customer base...



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



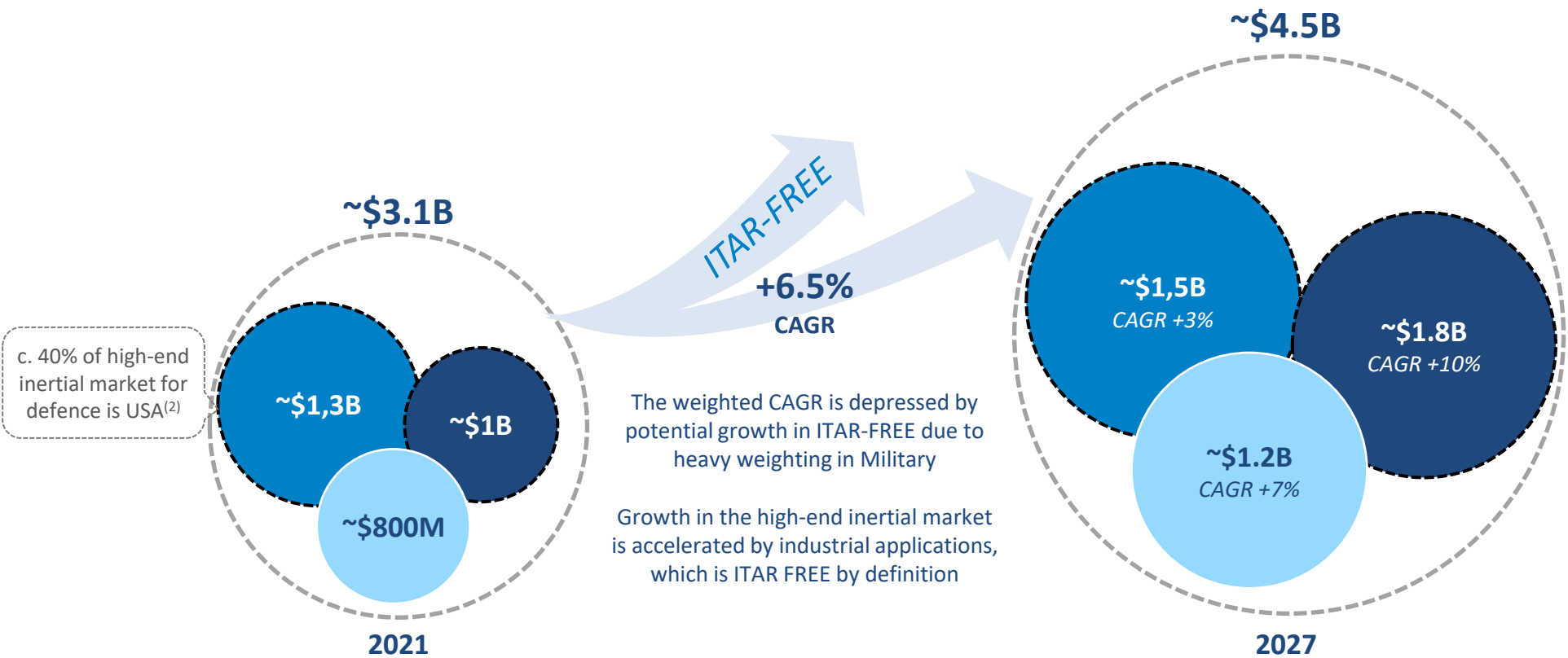
Unique position serving an unserved segment of the market

	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>
 	Leading	✗	✗	✗
 	Leading	✗	✓	✓
 	Leading	✓	✗	✓
 	Niche	✓	✗	✗
 	Niche	✓	✗	✓
 	Niche	✓	✗	✓
 	Niche	✗	✗	✓
 	Niche	✗	✗	✓
 		✓	✓	✓

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

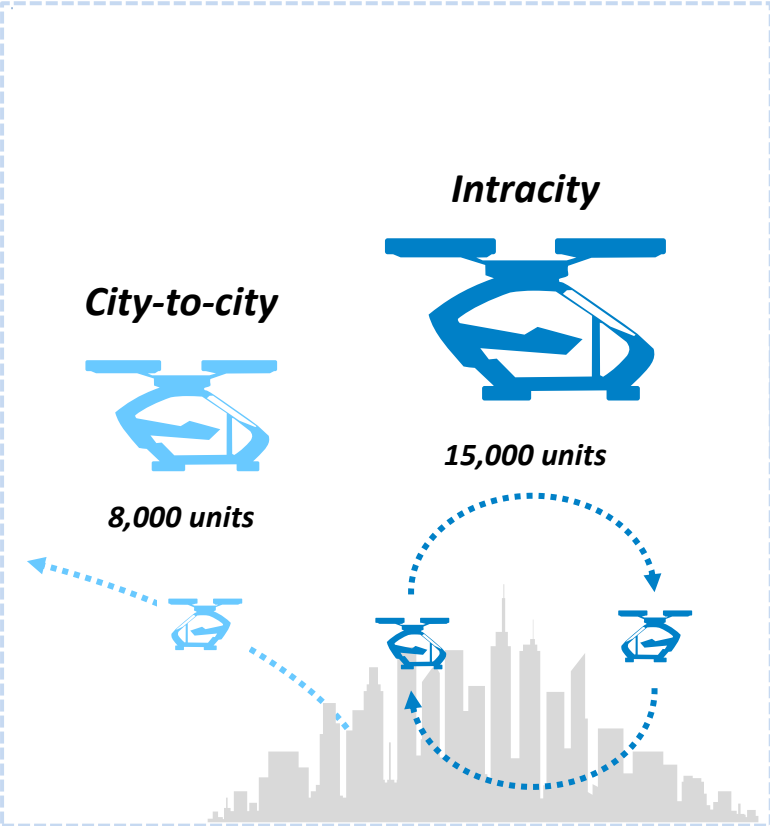
High-end inertial market segment forecast

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

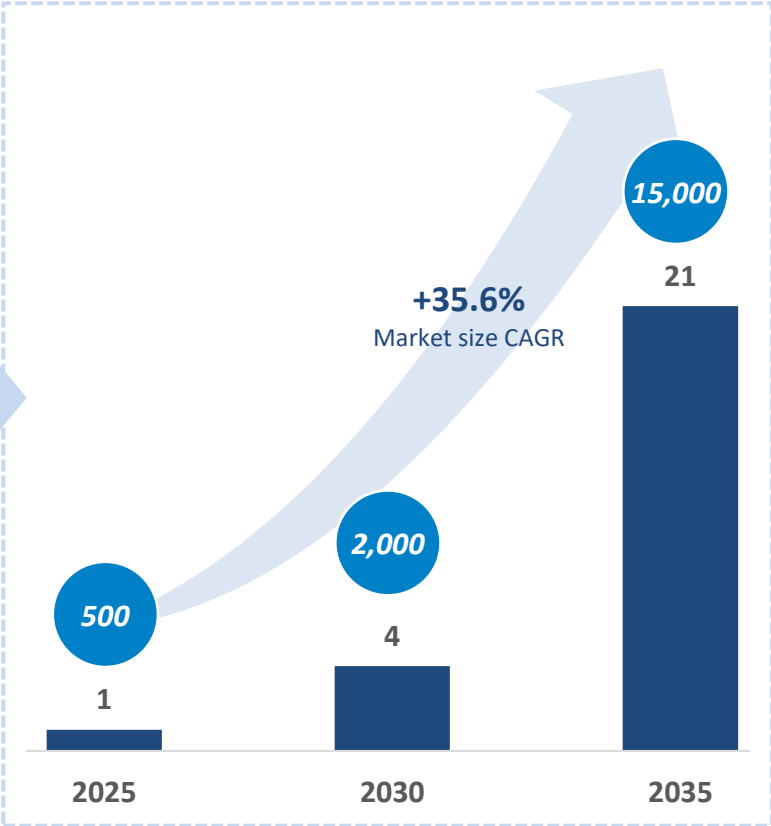


Assessment of TAM⁽¹⁾ for urban air mobility

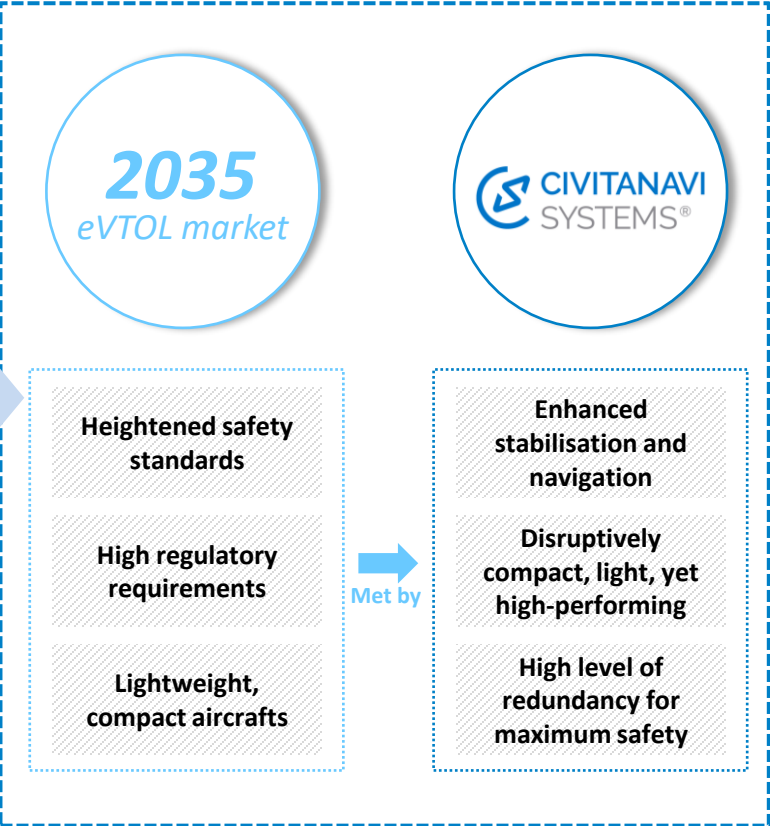
Snapshot of eVTOL⁽²⁾ market in 2035⁽³⁾
Visualising high volume commercialisation



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



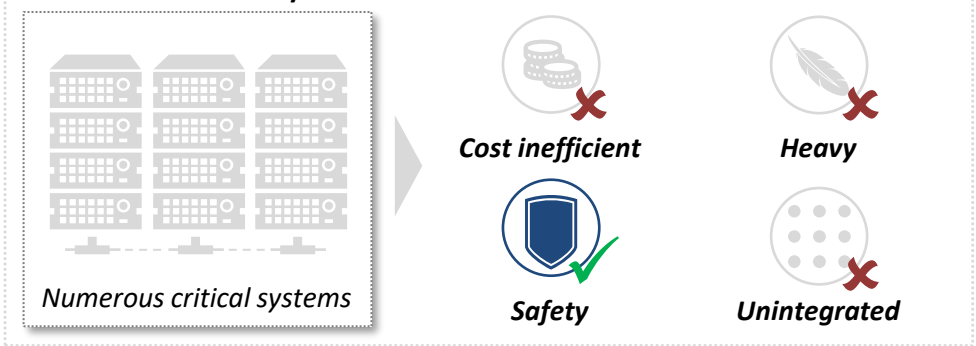
Prepared for the coming eVTOL demand

Conventional installation of critical systems for flight

Commercial aircraft



Overview of critical systems⁽¹⁾

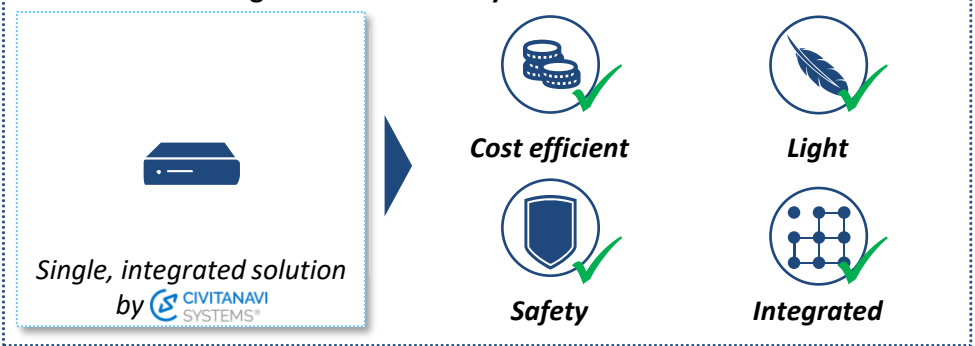


Overcoming requirements with a single, highly-integrated solution

eVTOL



Overview of next-generation critical systems⁽¹⁾



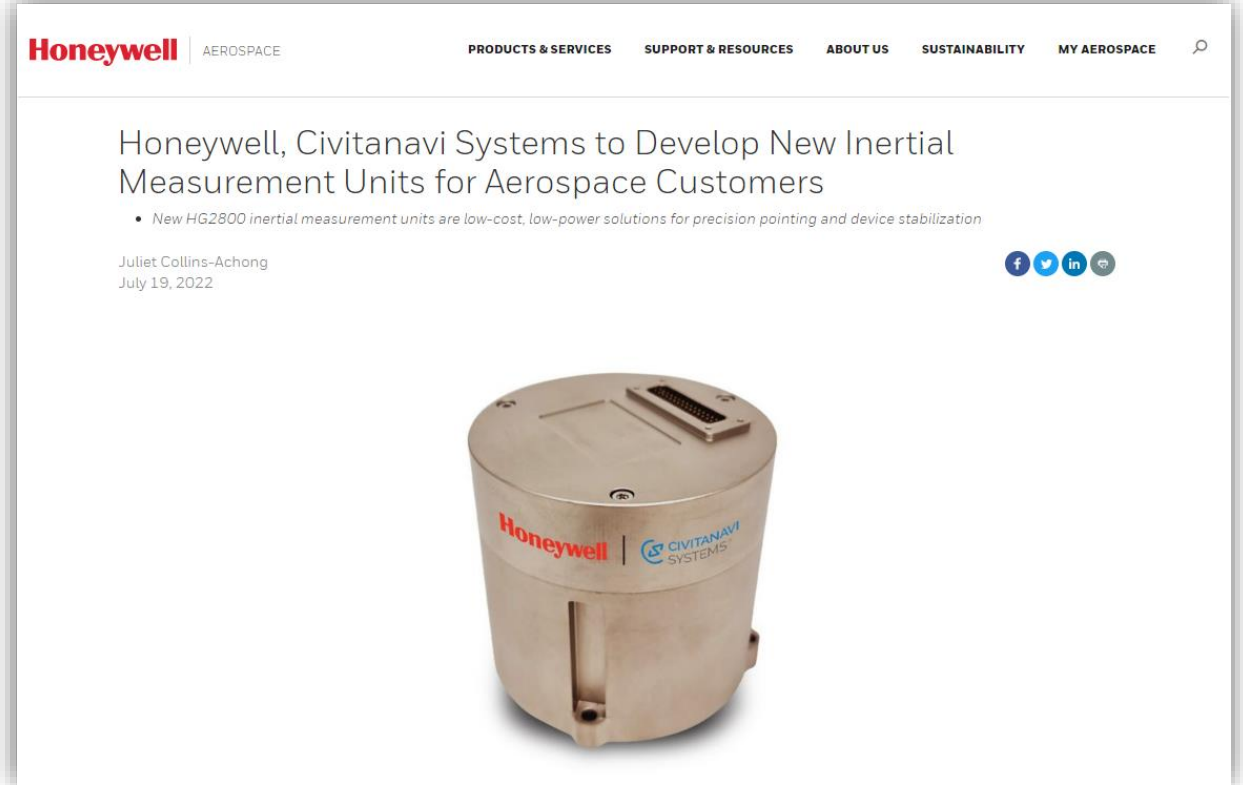
Important strategic progresses

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



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.



Important strategic progresses – A new market opportunity for Civitanavi



PRESS RELEASE

CIVITANAVI SYSTEMS FINALIZES AGREEMENT TO INVEST IN THE CAPITAL OF PV-LABS, A LEADER IN ADVANCED IMAGING SYSTEMS

Pedaso (FM), 5th May 2023 – Civitanavi Systems S.p.A. (EURONEXT MILAN, CNS), leading Italian manufacturers of inertial navigation, georeferencing and stabilization systems, announced today finalization of the agreement for CNS to purchase a minority stake of 30 percent in PV-Labs Ltd for 2.5 million USD. The agreement includes a call option to purchase the remaining 70 percent ownership which can be exercised in 5 years. The contract is in line with the terms of the binding letter announced in a press release dated Jan. 30, 2023.

PV-Labs is an SME founded by Mark Chamberlain (former founder and CEO of WESCAM Inc, now L3Harris WESCAM) who designed a unique line of Airborne ISR&T products, based on PV-Labs' new patented stabilization technique for gimbals, called "Fifth-generation Advanced Stabilization Technology," or "FAST," to meet the growing demand for high-performance ISR&T products worldwide, organically and through licensing to other players in ISR&T to meet localization and other market demands.

The key components of PV-Labs FAST technology are the inertial sensors, now produced by CNS. This enables the production of a scalable ISR+T product family with the highest performance, smallest size, weight and lowest cost in its class.



What is needed for a modern aircraft to fly and do surveillance?



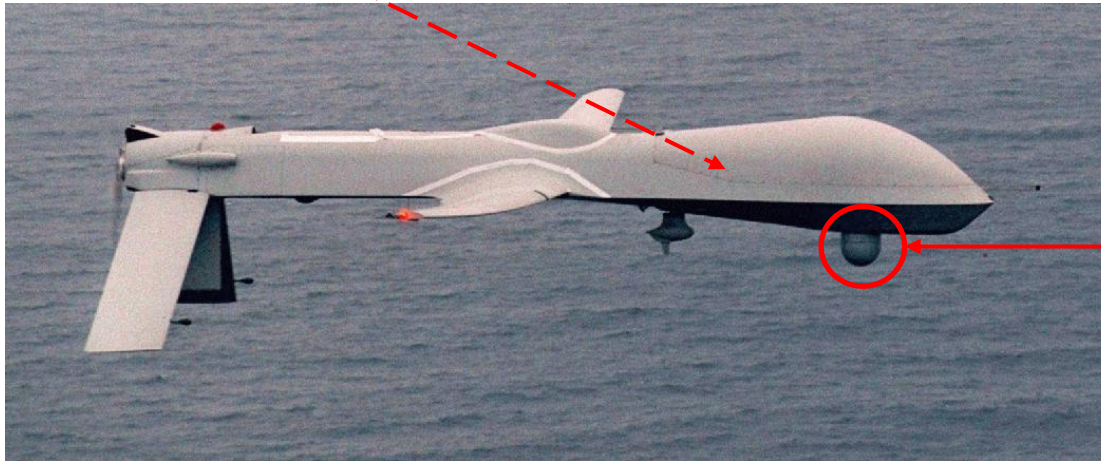
ONEBOX

- **VMS:** Vehicle Management System
- **FCC:** Flight Control Computer
- **A-PNT:** Assured Position, Navigation and Timing with or without GPS.



INERTIALS SENSORS

- **IMU:** Inertial Measurement Unit. Inertial sensor block for gimbals stabilization



- **Gimbal:** 2 axis electromechanical movements
- **ISR (Intelligence, Surveillance and Reconnaissance):** payload in the gimbal to host sensors for imaging and targeting
- **Stabilization:** in order to have a good imaging such payload needs to be stabilized with inertial sensors (gyroscopes)
- **Targeting:** in order to understand the target position, navigation (position and true heading) is necessary



Civitanavi and PV-Labs can supply near to 100% avionics

Large and growing TAM⁽¹⁾ exposed to a diversified set of key end markets

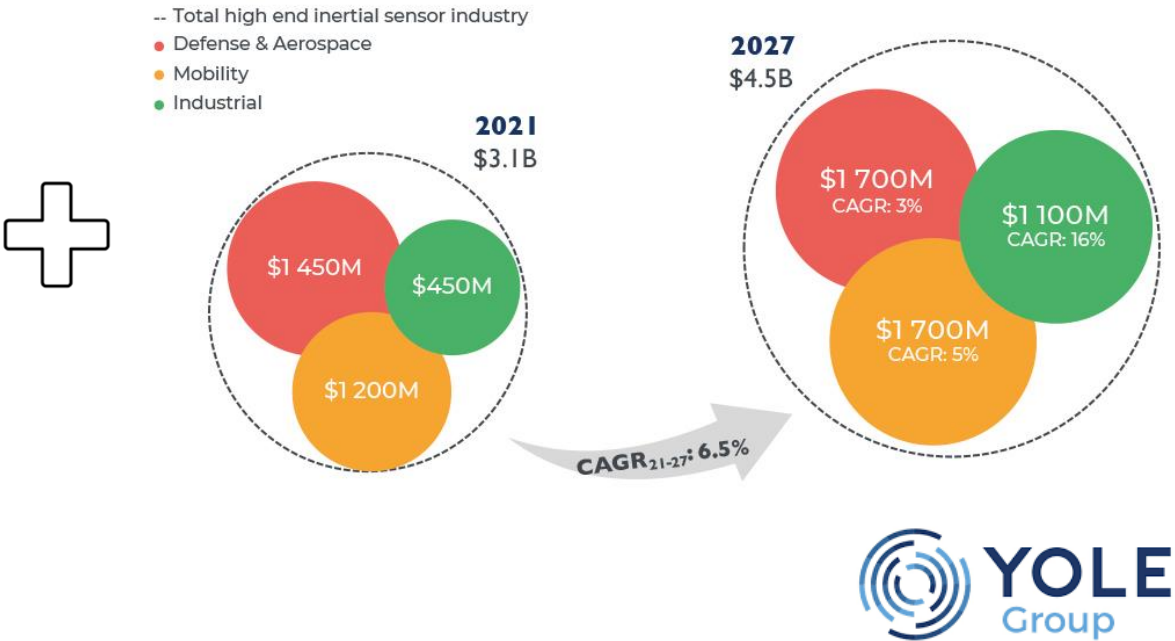
Global Electro-Optical/Infrared (EO/IR) Systems Market Outlook

“ The global electro-optical/infrared (EO/IR) systems market size reached a value of USD 15.35 billion in 2021. During the forecast period of between 2023 and 2028, the market is expected to grow at a CAGR of 5.60% to reach USD 21.29 billion in 2027.



2021-2027 high-end inertial sensor market forecast

(Source: High-End Inertial Sensing 2022, Yole Intelligence, June 2022)



...to address a \$25.8B market!



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

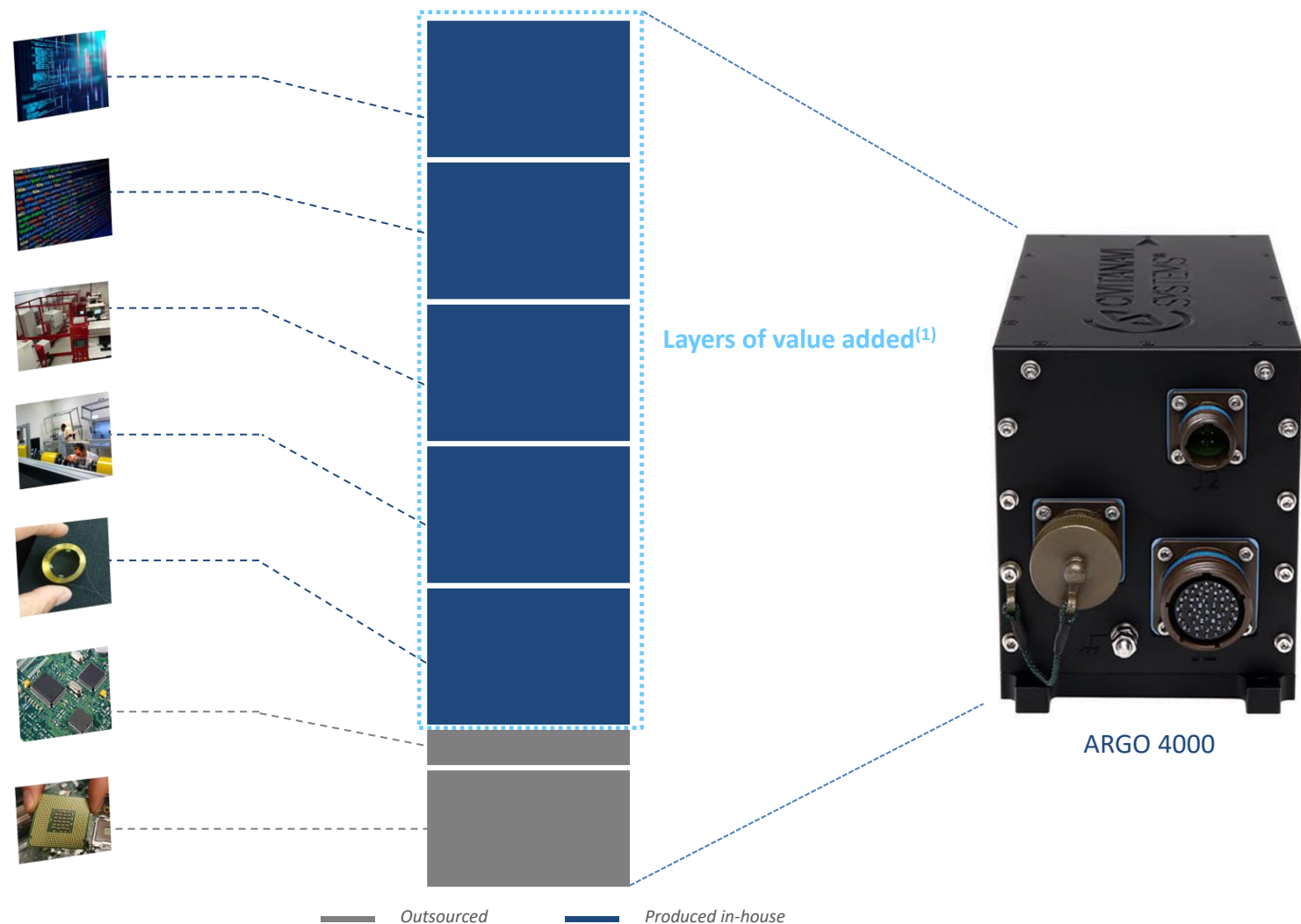
The fiber coil is the heart of the gyroscope sensor and represents a technological advantage in the manufacturing process and scalability

Contract Manufacturing

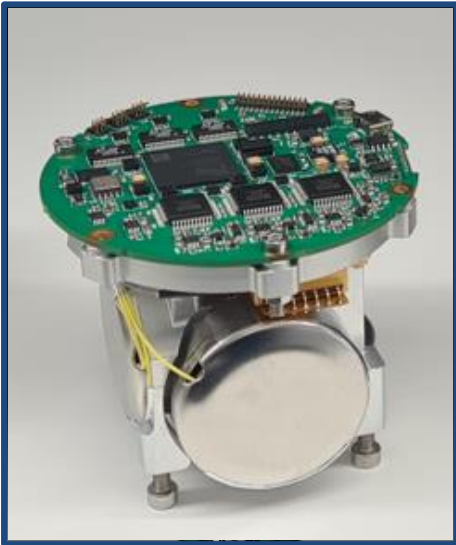
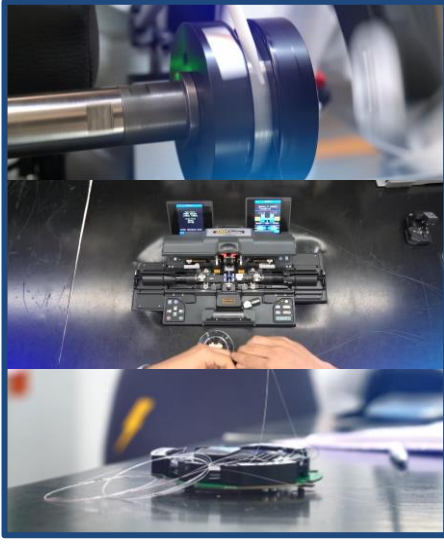

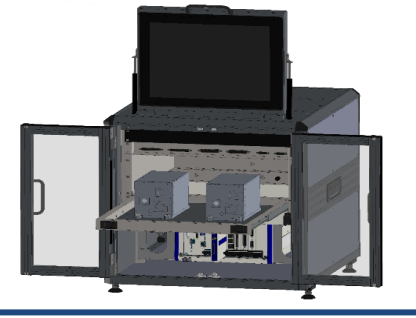

Outsourcing of custom-made mechanical parts and electronics cards, all designed in-house. Outsourcing includes PCB (Printed Circuit Boards) and its surface mounting devices (SMD) assembly

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

Design and engineering	Production process design	Key production processes	Automatic calibration	Testing
<div><div>1</div><div>Box</div></div> <div><div>2</div><div>Software</div></div> <div><div>3</div><div>Algorithm</div></div>				<div></div>
<div><div>Design and engineering</div><div>A deliberate and bespoke process</div><div>Full in-house engineering capabilities to design cutting-edge products using fully developed, proprietary, and patented technologies. Civitanavi Systems also holds Alternative Design Organisation Approval (DOA) from EASA⁽¹⁾ for safety critical certifications</div></div>	<div><div>Production process design</div><div>Flexible and capex-light</div><div>Intense use of fiber optic telecommunication manufacturing capabilities. Process designed to allow maximum production flexibility on large variety of product types</div></div>	<div><div>Production</div><div>Control of our destiny</div><div>Key production processes done in-house to maintain control over production of key components, enabling inertial systems manufacturing and manufacturing technology to control and scale the production with outstanding margins</div></div>	<div><div>Calibration</div><div>Advanced calibration process</div><div>Cutting-edge calibration facility with more than 5 highest-accuracy motion simulators. Proprietary calibration algorithm to ensure maximum performance of the Inertial Navigation Units and Systems</div></div>	<div><div>Testing</div><div>Ensuring highest quality on each shipment</div><div>Civitanavi Systems holds EN9100 Quality standard certification for aerospace and defence. In addition, Civitanavi Systems also holds Production Order Approval (POA) from ENAC⁽²⁾ for production of safety-critical systems</div></div>



FY 2022 at a glance

Highlights FY2022

34.4M€  **+37% YoY**
Total Revenue

41.0M€  **+38% 21YE**
Booking FY22 [29.8M€ at Dec 31, 2021]

24.3M€  **+31% 21YE**
Hard Backlog FY22 [18.6M€ at Dec 31, 2021]

10.0M€ | 29%  **+25% YoY**
EBITDA Adj¹

7.0M€  **+43% YoY**
Net Result

6.1M€  **+483% YoY**
FCF net to AUCAP

Highlight 1Q2023

8M€  **+29% YoY**
Operating Revenue

20.4M€  **+72% YoY**
Booking 9th of May 2023

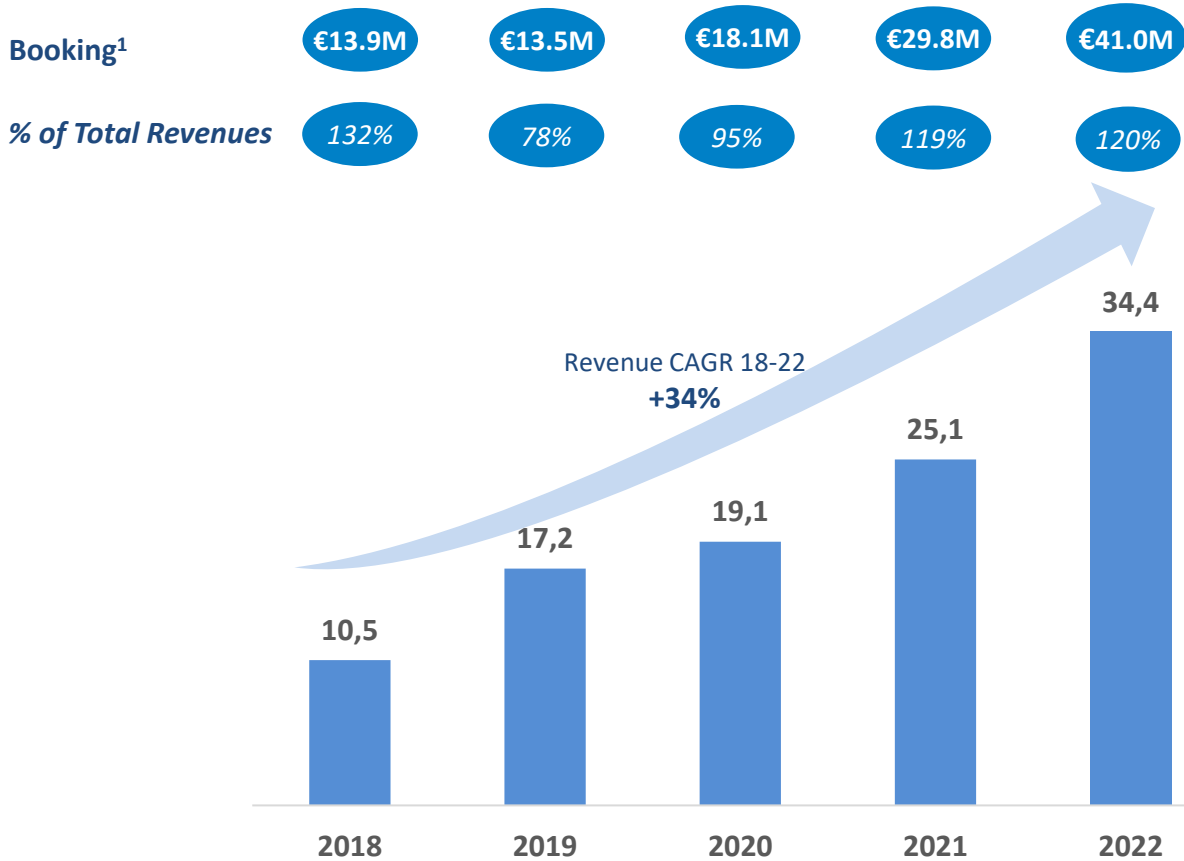
- **FY2022** approved **dividend** for **4M€** of **0.13 p.s.**
- **ESG progresses** with “Sustainability Report” and decarbonisation plan

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.



Strong revenue growth

Total revenue
(€m)



Key Comments 2022

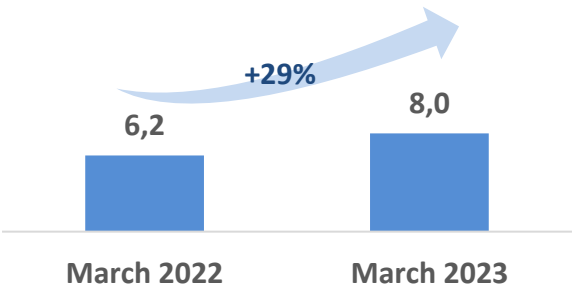
- Revenues in 2022 up c.37% YOY and a good proxy of the company growth trend is the 2018-22 CAGR of c. 34%
- Strong growth in 2022 booking, driven by the Company’s ability to turn opportunities into actual revenues.
- Booking 2022 amount to 41.0M€ - book to bill 1.2
- Total booking 18-22 / total revenues 18-22 = 109%
- Updated 2022 Total Revenue Guidance in Q3 due to decrease in Industrial Sector, but it was offset by some A&D sales initially planned in 2023 and moved to 2022 based on request of the customer.
- Updated Guidance 2023 in December 2022 and it is confirmed up today

Key Comments Q1 2023

- At the date of press release, **9 May 2023**, Booking 2023 amount to EUR 20.4m€ +72%

Updated Guidance
 2023E Total Revenue:
 range: 42m€ – 46m€

Operating Revenue Q1 2022 vs Q1 2023



Note(s): (1) The booking represents the orders from customers acquired during the year



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

24 %



PETRA

4 %



ARGO

20 %



NAUTILUS

32 %



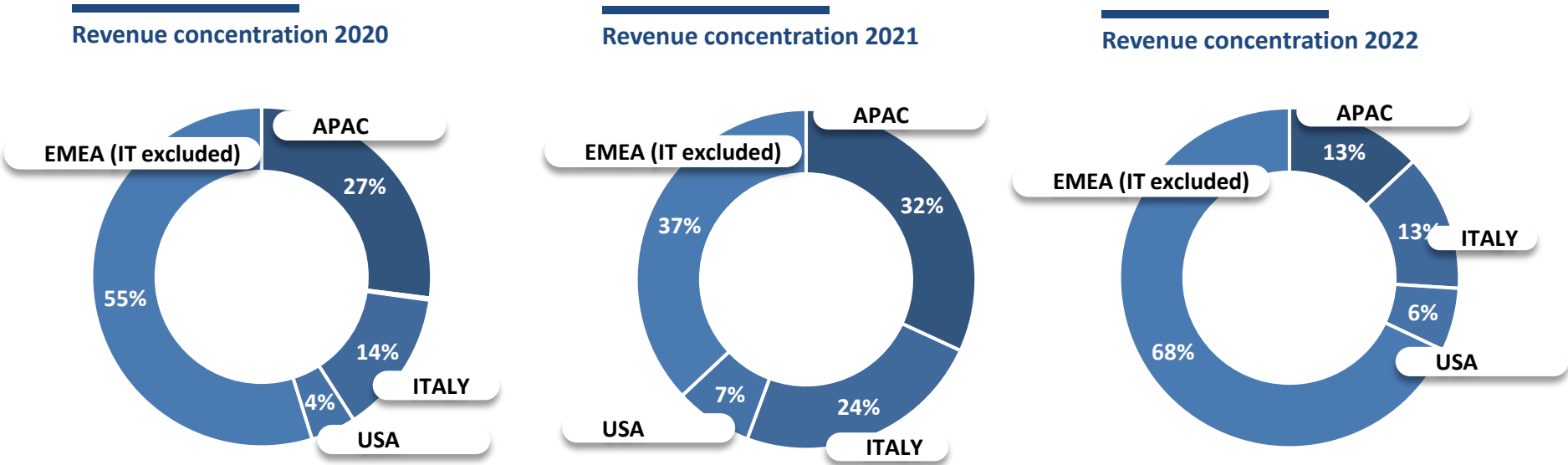
RIG ALIGNER - DOWNHOLE

18 %

in EUR thousands	FY2022	%	FY2021	%	Var % YoY
Aeronautics	6.598	20%	6.781	28%	(3%)
Land	1.342	4%	1.052	4%	28%
Space	7.743	24%	3.411	14%	127%
Other (Naval, Submarine, Guidance)	10.632	32%	4.048	17%	163%
Total Aerospace and Defence	26.315	80%	15.292	64%	72%
Industrial	5.953	18%	8.572	36%	(31%)
Other	758	2%	147	1%	416%
Total Operating revenues net of the change in FP/SFP inventories	33.027	100%	24.011	100%	38%
Change in FP and SFP inventories	1.105		987		23%
Total Operating revenues	34.132		24.998		37%

- Solid performance in all business divisions, confirming a significant portion of the A&D sector.
- Confirmed the growth in all core sectors of its business, except the industrial division that shows a drop due to import and re-export rules in the Country of the customers of reference (Australian market).

Diverse revenue exposure by geography



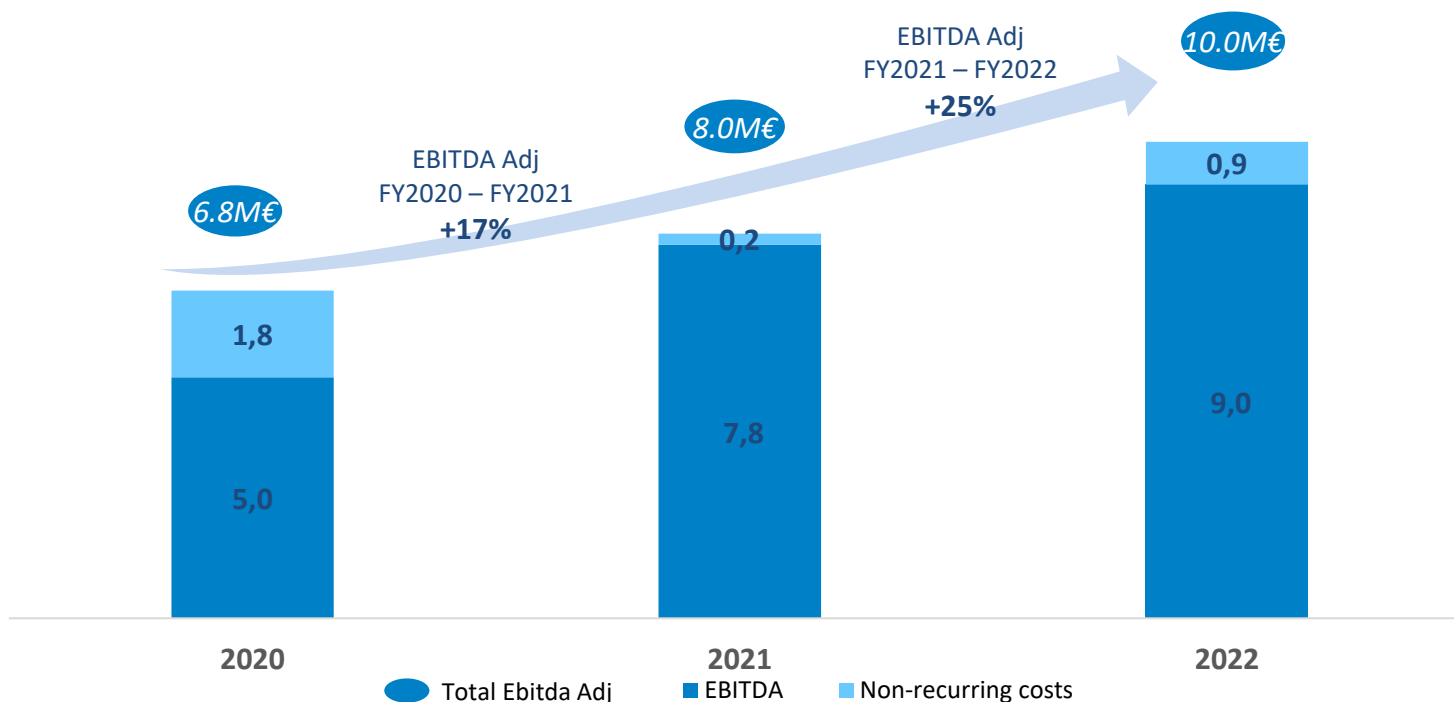
in EUR thousands	FY2022	%	FY2021	%	Var % YoY
APAC	4.251	13%	7.656	32%	(44%)
EMEA (Italy excluded)	22.604	68%	8.881	37%	155%
Italy	4.355	13%	5.701	24%	(24%)
USA	1.816	6%	1.774	7%	2%
Rest of the world	0	0%	0	0%	0%
Total Operating revenues net of the change in FP/SFP inventories	33.027	100%	24.011	100%	38%
Change in FP and SFP inventories	1.105		987		0%
Total Operating revenues	34.132		24.998		37%

- Well diversified portfolio revenue spread across different regions
- The EMEA area recorded a significant increase also due to new stipulated contract communicated in the 1Q2022
- The decrease of the APAC market is due to the Industrial division
- There is not any commercial relationship with the Russian Federation and Ukraine



Highly attractive margin profile

EBITDA, EBITDA Adjusted and EBITDA margin
(€m)



Key Comments

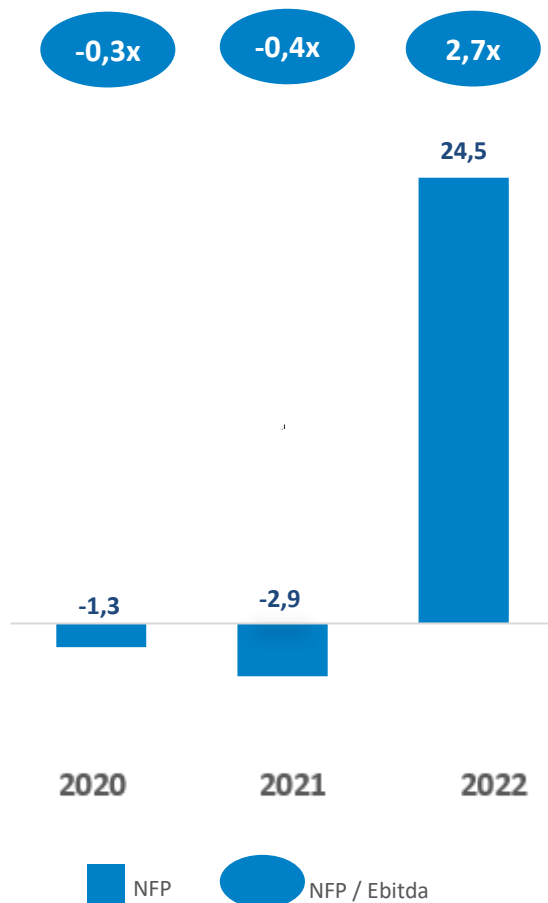
- The excellent **EBITDA ADJ** in absolute value achieved in 2022 is supported by the significant increase in business volume.
- **EBITDA margin adjusted FY2022** shows a decrease in percentage terms is due to the changed scenario of energy costs, inflationary rates and the continued shortage, of the electronics component. In order to preserve margins, the company managed the "shortage" by providing also for the "re-design" of the product, replacing the electronic components with those more available on the market, in this way it managed, in part, the price increases and avoid production stops
- **Updated Guidance 2023** in December 2022 and it is **confirmed** up today
- Non-recurring costs amounts to:
 - FY2022: 0.9M€ of which: 0.6M€ related to the listing costs on the Euronext Milan market, 0.3M€ mainly related to consulting costs for Patent Box and M&A;
 - FY2021: 0.2M€ non-recurring costs

Updated Guidance
2023E: ~29%

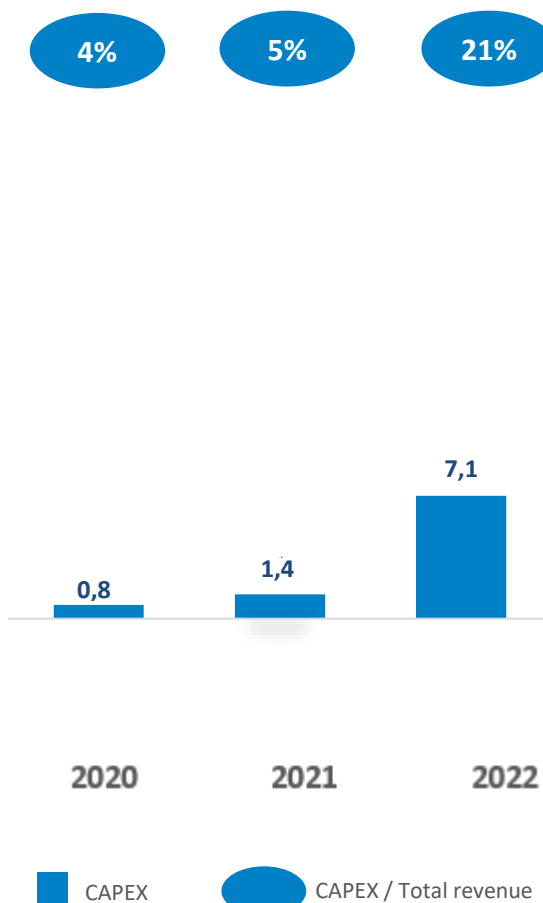


Solid balance sheet and strong cash generation

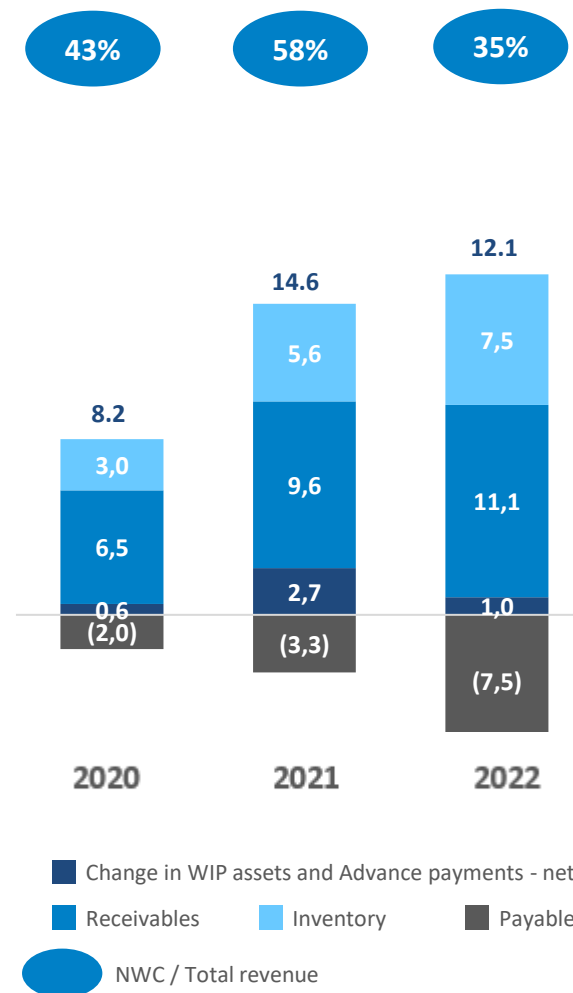
Net Financial Position (€m)



CAPEX (€m)



Net Trade Working Capital (€m)



Key Comments 2022

- **Strong liquidity position** thanks to cash generation of the period and capital injection. The Free cash flow net to changes in Net equity, is +6,1M€ compared to -1,6M€ of FY2021 also due to excellent performance of NTWC;
- **Capex:** *Tangible fixed assets* of 5.4M€, mainly related the purchase of a new building and purchases of machineries and equipments for increasing the Company's production capacity. *Intangible assets* of 1,7M€ are mainly related to the development internal activities;
- **NTWC:** Excellent performance of NTWC on Total revenue for 35%, such result is mainly due to:
 - I. Increase of trade receivables, less than proportional than the increase of billing in Q4 2022 thanks to more favorable terms condition of collection.
 - II. Positive variation of "Change in Assets for work in progress on order net to Advance payments on wip" thanks to the high level of cashed downpayments based on new signed contracts.
 - III. Increase of trade payables to face the production needs



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