

PRESS RELEASE

CIVITANAVI SYSTEMS S.P.A. BOARD OF DIRECTORS APPROVES 3Q2022 OPERATING REVENUES

AEROSPACE AND DEFENCE SECTORS DRIVE REVENUES, UP 20% RECORD IN BOOKING AT EUR 30.4 MILLION

2022 GUIDANCE TOTAL REVENUE EQUAL TO ABOUT €32 MILLION

Pedaso (FM) – October 28th, 2022 - Civitanavi Systems S.p.A. (EURONEXT MILAN, CNS.MI), a company active in the design, development and production of inertial navigation and stabilisation systems, announces that the Board of Directors, which met today, approved its Operating Revenues as of September 30th 2022.

Andrea Pizzarulli, CEO of Civitanavi Systems, commented, "I am proud to present another quarter of positive and steadily growing results. We are focused on achieving our goals and executing our strategy and despite the complex macroeconomic environment, we made significant progress across our main business lines recording a 20% year-on-year increase in revenues, driven by the Aerospace and Defence segment, a sector that saw the launch of important partnerships during the quarter. We will continue to assess opportunities with devotion, for the development of new projects with the main players in the sector, looking above all at innovative mobility solutions and expanding markets, in order to further consolidate our growth trajectory".

OPERATING REVENUES AS OF SEPTEMBER 30th 2022

Operating Revenues as of September 30th, 2022, stood at EUR 19.8 million, up (+20%) compared to EUR 16.5 million recorded in the first nine months of 2021.

Operating revenue net of change in inventories of finished and semi-finished goods increased by 31% in the first nine months of 2022 compared to the same period in 2021.

The results achieved during the quarter are characterised by a solid and stable growth and consolidate Civitanavi Systems' position in the inertial stabilisation and navigation systems sector globally.

To correctly assess the results, we should remember that Civitanavi is subject to seasonal phenomena and traditionally records peaks in the second half of the reference year, mainly in the last quarter.



BOOKING 2022 – ORDERS RECEIVED

As of September 30th 2022, Booking amounted to EUR 28.9 million with a book to bill of 1.46. Booking represents an indicator of the growth of Civitanavi Systems and shows the evolution recorded by the orders acquired within the period, whether or not they were fulfilled within the same (so-called "Booking").

As of October 28th 2022, orders received amounted to EUR 30.4 million, exceeding the results achieved in the 12 months of the previous year, confirming the company's growth trend.

The Company remains confident about long-term demand trends in its target market due to Civitanavi's specific competitive characteristics.

OPERATING REVENUES BY BUSINESS AREA

During the first nine months of the year 2022, Civitanavi Systems achieved a solid performance in all business divisions, confirming significant growth in the **Aerospace and Defence** sector.

<i>in Eur thousands</i>	As of September 30 th 2022	% of the 2022 total	As of September 30 th 2021	% of the 2021 total	Changes %
Aeronautics	4,800	26%	2,158	15%	122%
Land defence	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%
Total Aerospace and Defence	13,337	72%	7,815	55%	71%
Industrial	4,624	25%	6,325	44%	(27%)
Other	645	3%	87	1%	645%
Total Operating revenues net of the change in FP/SFP inventories	18,606	100%	14,227	100%	31%
Change in FP and SFP inventories	1,222		2,269		(46%)
Total Operating revenues	19,828		16,495		20%

The Company confirms growth in all its core business segments, except for the Industrial division, which shows a temporary drop due to import and re-export rules in the country of the reference customer, which is causing revenues to be postponed to the following year.

Civitanavi considers that these dynamics will lead to the achievement of Total Revenues for the year 2022 of about EUR 32 million, up 27% compared to the close of 2021. We confirm, to date, our expectations in terms of margin (adjusted EBITDA margin) of about 31% of total revenues, despite the increases/shortages in the semiconductor sector and external production due to the increase in the cost of raw materials and energy.

Civitanavi Systems S.p.A.

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REVENUES BY GEOGRAPHICAL AREA

<i>in Eur thousands</i>	As of September 30 th 2022	% of the 2022 total	As of September 30 th 2021	% of the 2021 total	Changes %
Italy	2,482	13%	1,868	13%	33%
EMEA (except Italy)	11,267	61%	5,495	39%	105%
APAC	3,601	19%	5,599	39%	(36%)
USA	1,256	7%	1,264	9%	(1%)
Rest of the World	0	0%	0	0%	0%
Total Operating revenues net of the change in inventories	18,606	100%	14,227	100%	31%
Change in FP and SFP inventories	1,222		2,269		(46%)
Total Operating revenues	19,828		16,495		20%

As of September 30th, 2022, revenues generated in **Italy** amounted to EUR 2.5 million compared to EUR 1.9 million in the same period of the previous year. The company considers it strategic to maintain a portion of its business in the domestic market, with the international market remaining its reference market.

In the **EMEA** region (excluding Italy), revenues amounted to EUR 11.3 million as of September 30th 2022, compared to EUR 5.5 million in the same period of 2021. The increase is mainly attributable to the commercial contract recently signed by the Aerospace and Defence division, which will lead to an expansion of the EMEA region.

Regarding the **APAC** region, revenues of EUR 3.6 million were recorded for September 30th, 2022, compared to EUR 5.6 million for the same interval in 2021. The decrease was attributable to the industrial sector.

Finally, the **US** market generated operating revenue of EUR 1.3 million, slightly down from the first nine months of 2021.

Declaration of the Manager in charge of drawing up the corporate accounting documents

Letizia Galletti, as the manager in charge of drawing up the corporate accounting documents, hereby declares - pursuant to paragraph 2, article 154-bis of Legislative Decree no. 58/1998 ("Consolidated Law on Finance") - that the accounting information contained in this press release corresponds to the documented results, books and accounting records

The press release is available in the Investors section of the Company website <https://www.civitanavi.com/investors/comunicati-stampa/>

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***Civitanavi Systems**, born as a start-up in 2012, is one of the main players in the design, development and production of inertial navigation and stabilization systems used in the aerospace and defense sectors in space, terrestrial, aeronautical, naval and industrial, mining and oil & gas. The Company vertically provides high accuracy systems, designed and manufactured with methods, techniques and algorithms based on FOG (Fiber Optic Gyroscope) and MEMS (Micro Electro Mechanical Systems) technology, also integrated with devices for satellite navigation. Today it carries out its activities in Pedaso (FM) and in two other locations, in Ardea (RM) and in Casoria (NA), counting on a staff of 141 employees operating throughout Italy.*

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