

PRESS RELEASE

CIVITANAVI SYSTEMS INVESTS IN PV-LABS AND INCREASES THE TECHNOLOGICAL KNOW-HOW IN ADVANCED IMAGING SYSTEMS

Pedaso (FM), & Burlington (ON), January 30 2023 – Civitanavi Systems S.p.A. (EURONEXT MILAN, CNS) leading Italian manufacturers of inertial navigation, georeferencing and stabilization systems and PV-Labs Ltd, a privately held company based in Canada and a leader in the design and manufacture gyro-stabilized gimbals and advanced ISR&T (Intelligence Surveillance Reconnaissance and Targeting) imaging systems, have announced today the signing of a binding agreement for CNS to purchase a 30% minority ownership in PV-Labs Ltd for 2.5 million USD. The agreement provides CNS with a call option to purchase the remaining 70% ownership which can be exercised in 5 years. The two companies will start to cooperate and strengthen their combined technological and product development knowhow. The transaction is expected to close within 90 days after approval of Investment Canada Act (“ICA”) application (equivalent of Italian “Golden Power”).

PV-Labs is a SME (Small and Medium-sized Enterprises) and was founded by Mark Chamberlain (former founder and CEO of WESCAM Inc, now L3Harris WESCAM) and has designed a unique line of Airborne ISR&T products, based on PV-Labs’ patented new stabilization technique for gimbals, called “Fifth-generation Advanced Stabilization Technology”, or “FAST” to address the growing demand for high performance ISR&T products worldwide, organically and by licensing to other ISR&T players to meet localization and other market needs.

The key enabling components of the PV-Labs FAST technology are the inertial sensors, which will now be supplied by CNS to deliver a family of scalable ISR&T products with the highest performance, smallest size, lowest weight and lowest cost in their class. The investment by CNS significantly reduces the time to market of the product range and the companies will be able to leverage CNS’ established manufacturing capacity. Going forward, the technology synergy between the companies will lead to even tighter integration of the inertial sensors with new generation camera payloads to ensure the most advanced stabilized imaging and future navigation capabilities even in GNSS denied environments.

CNS’ investment into PV-Labs enlarges CNS’s addressable market for its products from 4.5B USD of Inertial Systems in 2027 (source: **High-End Inertial Sensing 2022, Yole Intelligence**, June 2022) to one exceeding 25.8B USD (source: **Global Electro-Optical/Infrared (EO/IR) Systems Market Outlook, Expert Market Research**), growing with a double-digit CAGR.

“Civitanavi Systems is thrilled to announce our merger with PV-Labs and the synergies between the two companies will allow us to develop the most advanced imaging system on the planet for a given size. This will be an enabler capability especially for UAS (Uncrewed Aerial Systems) applications that require higher performance capability with less payload complexity” said **Andrea Pizzarulli, CEO and co-founder, Civitanavi Systems**.

“PV-Labs, with the injection of the CNS investment and co-development of higher performance ISR&T products, will ensure our combined products are delivered at a lower cost, with more advanced capability, in a shorter period of time” said **Mark Chamberlain, CEO of PV-Labs.**

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

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 150 employees operating throughout Italy.

About PV-Labs

PV-Labs is an advanced imaging solutions company specializing in the design and development of turnkey aerial imaging systems based on our core technology platforms. PV-Labs expertise is in the development of solutions that require high performance gimbal stabilization, optics and data management that leverage our common software and hardware components. PV-Labs operate in the following market segments: Security and Surveillance, Public Safety, Airborne Geospatial and Entertainment. More information at the website www.pv-labs.com.

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