

PRESS RELEASE

CIVITANAVI SYSTEMS S.P.A.: OPERATING REVENUES IN STRONG GROWTH +29% ORDERS IN TAKE +72% Treasury shares buyback programme approved

- **Operating revenue:** EUR 8 million, up 29% compared to EUR 6.2 million as of March 31, 2022;
- **Booking 2023** (orders acquired from customers): EUR 20.4 million to the current date, up 72% compared to EUR 11.9 million in the same period of previous financial year.

Pedaso (FM), 9th May 2023 - The Board of Directors of **Civitanavi Systems S.p.A. (EURONEXT MILAN, CNS)**, leading Italian manufacturers of inertial navigation, georeferencing and stabilization systems (“**Civitanavi**” or the “**Company**”), which met today, announces that it has approved the selected information on the performance of the operating revenues for the first quarter of 2023 (Revenue, Booking).

Andrea Pizzarulli, CEO of Civitanavi Systems, commented: *"A year after the listing, the results is more than satisfactory. The first quarter of 2023 was also characterized by a positive trend, with a significant growth in revenue in all business areas, and in particular from the recovery of the Industrial division. Since the beginning of the year, we have signed important agreements that will allow us to consolidate our position in key markets in our sector, seizing further development opportunities."*

OPERATING REVENUE AS OF MARCH 31, 2023

As of March 31, 2023, Civitanavi recorded operating revenues of EUR 8.0 million, an increase, up 29% ,compared to the EUR 6.2 million of the same period last year. The operating revenue, net of the change in finished and semi-finished product inventories, grew 20% compared to the previous year. Except for revenues from royalties, all other revenue types showed significant growth compared to the previous period.

<i>in Eur thousands</i>	As of 31 March, 2023	As of 31 March, 2022	Changes %
Revenues from product sales	5,929	3,178	87%
Revenues from services	1,050	241	336%
Revenues from royalties	57	273	(79%)
Changes in Assets for work in progress on order	(398)	1,856	(121%)
Operating revenues net of the change in FP/SFP inventories	6,638	5,547	20%
Change in inventories of finished and semi-finished products	1,365	650	110%
Total Operating revenues	8,003	6,198	29%

The results obtained in the first quarter of the year demonstrate a solid and steady growth, which strengthen the Company's position in the global inertial navigation and stabilization systems sector.

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Furthermore, it is important to remember that the company's activity is subject to seasonality and traditionally registers peaks in the second half of the year, mainly in the last quarter.

BOOKING 2023 – ORDERS IN TAKE

An important indication of the Company's growth is given by the evolution of orders, which as of May 9, 2023, amount to EUR 20.4 million, an increase of 72% compared to the EUR 11.9 million recorded in the same period last year, confirming the Company's growth trend.

Based on the current scenario, market indicators and the distinctive competitive characteristics of Civitanavi, the long-term demand trends in the reference sector are confirmed.

REVENUES BY BUSINESS AREA

As of March 31, 2023, Civitanavi has achieved an excellent performance in all its operating divisions, confirming significant development in various sectors of its business and a recovery of the Industrial division, which increased by 32% compared to last year.

<i>in Eur thousands</i>	As of 31 March 2023	% of the 2023 total	As of 31 March 2022	% of the 2022 total	Changes %
Aeronautics	946	14%	790	14%	20%
Land defence	22	0%	546	10%	(96%)
Space	2,690	41%	747	13%	260%
Other (Naval, Submarine, Guidance)	1,042	16%	2,137	39%	(51%)
Total Aerospace and Defence	4,701	71%	4,220	76%	11%
Industrial	1,557	23%	1,178	21%	32%
Other	379	6%	149	3%	154%
Operating revenues net of the change in FP/SFP inventories	6,638	100%	5,547	100%	20%
Change in inventories of finished and semi-finished products	1,365		650		110%
Total Operating revenues	8,003		6,198		29%

REVENUES BY GEOGRAPHICAL AREA

The Company's strategy aims to develop and consolidate its presence in the main international markets and ensure adequate geographic diversification of its customer portfolio, although Civitanavi considers it strategic to maintain a significant portion of its business in the domestic market.

In this context, during the quarter, revenues generated in the Italian market showed excellent performance, up 88% compared to the previous year (EUR 0.6 million as of March 31, 2023, compared to EUR 0.3 million recorded last year).

The EMEA area (excluding Italy) continues to show a positive trend with revenues of EUR 5.8 million, up 46% compared to EUR 4.0 million in the same period in 2022. The increase concerns both the Aerospace and Defense and the Industrial division.

However, there was a slight contraction in the APAC area (EUR 0.5 million in 1Q2023 compared to EUR 0.9 million in the same period in 2022) and in the US market (EUR -0.2 million as of March 31, 2023, compared to EUR 0.4 million in the same period last year). With regards to the results of the latter,

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the decrease is mainly due to the sharing of development costs for the product made for Honeywell, as the company has recently signed a co-investment contract for profit and cost sharing in connection with the future commercialization of this product and similar products in defined markets. Therefore, the revenue was adjusted in light of the reconciliation of expenses incurred as of the contract signing date. The further agreement with Honeywell represents an important growth opportunity at the strategic level, aimed at collaboration in the reference markets.

As of today's date, Civitanavi confirms that it has no commercial relationships with the Russian Federation, Belarus, and Ukraine.

TREASURY SHARES BUYBACK PROGRAMME

Today, the Company's Board of Directors resolved to launch the treasury share buyback programme (the "Programme"), to implement and comply with the authorisation to buyback and dispose of treasury shares approved by the April 27, 2023 Shareholders' Meeting (the "2023 Resolution").

Programme purposes

The Programme has the following objectives (i) the purposes covered by Article 5 of Regulation (EU) no. 596/2014 (Market Abuse Regulation, hereinafter "MAR"), including the purpose of "fulfilling obligations under share option programs or other grants of shares to employees or members of the issuer's management or supervisory bodies," (ii) the purpose of stabilization, liquidity support and market efficiency, (iii) the purpose of obtaining the availability of a securities portfolio (c.so-called "securities warehouse") to be used as consideration in extraordinary transactions, including in the form of exchange of shareholdings, with other parties, including the allocation to the service of bonds convertible into shares of the Company or bonds with warrants, dividends in shares, all of the above under the terms, purposes and in the manner that may be resolved by the competent corporate bodies; as well as (iv) any other purpose contemplated by the market practices from time to time permitted by the supervisory authority pursuant to Art. 13 MAR, in compliance with the provisions of Resolution 2023 and current legislation.

Maximum number of shares to be purchased and maximum value

Purchases during the 18-month period starting on April 27, 2023 may be made, also in several tranches, for a maximum revolving (i.e. the maximum amount of treasury shares held in the portfolio from time to time) of shares which, taking into account the Company's (treasury) shares held in the portfolio from time to time by the Company itself and by its subsidiaries, if any, does not exceed 20% of the Company's total share capital. This is within the legal limits and the authorisation under the 2023 Resolution. The maximum countervalue of the ordinary shares of the Company that may be purchased under this Programme has been set at Euro 24,000,000.

Programme duration

The Programme will last 18 months after the April 27, 2023 resolution date unless there is an early interruption which will be reported to the market in accordance with the law. It is understood that the

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disposal in one or more solutions of treasury shares is without time limits on Euronext Milan of Borsa Italiana S.p.A. or outside of said system.

Minimum and maximum prices and volumes

Purchases under the Programme will be made on the market where the Company's shares are listed at a price not higher than the highest price between the last independent transaction and the price of the highest current independent offer on that market or a different price under MAR. The unit price, as provided for in the 2023 Resolution, may not be more than 15% lower or higher than the official stock exchange price of the shares recorded by Borsa Italiana S.p.A. in the session preceding each transaction. Following the 2023 Resolution, no volume exceeding 25 per cent of the average daily volume of shares traded on the relevant market each trading day may be purchased during the 20 trading days before each purchase date or at a different volume under Art. 3 of Delegated Regulation (EU) 2016/1052 which supplements MAR.

Purchasing methods

Purchases of treasury shares will be made through an appointed intermediary, in accordance with the procedures established by the regulations applicable from time to time and, in particular, by Article 132 of Legislative Decree No. 58/1998 - with particular reference to the principle of equal treatment of shareholders - and related implementing provisions set forth in the Regulation adopted by Consob Resolution No. 11971/1999.

Authorised intermediary

The buyback programme will be coordinated by an authorised intermediary that will carry out the buyback independently and in compliance with the constraints deriving from applicable regulations and within the limits of the resolutions passed by the corporate bodies.

Treasury shares currently held

As of today, the Company does not hold any treasury shares.

Any subsequent amendments to the buyback programme will be promptly reported by the Company to the public, according to legal methods and time limits. The transactions carried out will be reported to the market under the terms and conditions set out in legislation and regulations.

Declaration of the Manager responsible for preparing the Company's financial reports

Letizia Galletti, as the manager responsible for preparing the Company's financial reports, 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 document results, books and accounting records.

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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 159 employees operating throughout Italy.

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