

PRESS RELEASE

**CIVITANAVI SYSTEMS:
BOARD OF DIRECTORS EXAMINES OPERATING REVENUES FOR 1Q2022.
GROWTH OF +17% YoY**

The expansive trend of Order Book continues: a sales contract has been finalised with an international player in the EMEA area, active in the aerospace and defence sector

Pedaso (FM), April 29th 2022 - The Board of Directors of **Civitanavi Systems S.p.A.** (the "**Company**"), which met today, announces the Operating Revenues as of March 31st 2022.

*"The first months of the year have seen us engaged in the IPO process and I am particularly proud of how we are approaching the expansion of our business. The results achieved in the first quarter of 2022, confirm a solid and stable growth, strengthening our position in the inertial stabilization and navigation systems sector at global level" - commented **Andrea Pizzarulli, CEO of Civitanavi Systems** - "We are glad to have signed an agreement with an important international player in the aerospace and defense sector, which will contribute to the growth of our company and consolidates our long term presence in this sector where we are already active with the main Italian and international reference players. The choice of our solutions confirms, once again, the strategic nature of our products and the growth potential of a sector in full evolution" continues **Andrea Pizzarulli, CEO of Civitanavi Systems** - "This agreement well represents the growing presence and appreciation of Civitanavi in a dynamic, competitive and extremely challenging market".*

OPERATING REVENUES AS OF MARCH 31st 2022

Operating Revenues as of March 31st 2022 amounted to EUR 6.2 million, up 17% on the EUR 5.3 million recorded in the same period of the previous year.

In the first quarter of 2022, Operating Revenues net of the change in inventories of finished and semi-finished products grew by 32% compared to the same period of 2021, while there is an increase of semi-finished products and finished products lower than that of the previous period, equal to 39%, thus showing operating revenues at 31 March 2022 up 17% compared to the same period of the previous year.

The results achieved in the first three months of the year confirm solid and stable growth, strengthening our position in the inertial stabilization and navigation systems sector globally. The increase in operating revenues compared to the same period of 2021, allow us to confirm what was indicated to the market during the IPO process.

The results take on even greater value if we consider that the company is subject to seasonal phenomena, mainly with reference to the component generated by sales in the industrial sector (mining destination) which traditionally has peaked in the last two quarters of each financial year.

In addition, it should be noted that a sales agreement (valued at 1.5 million USD) signed in 2021, which had been planned to be executed in the first quarter of 2022, was delayed due to the issue of the export license; the related shipment of the goods took place in April 2022 and was therefore not included in operating revenues as of March 31st 2022.

Civitanavi Systems S.p.A.

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BOOKING 2022 - ORDERS BOOKED

An important indication of the growth of the Company's activities is given by the evolution recorded by the orders acquired within a fiscal year, whether they have been fulfilled within the same (so-called "Booking"). During the last years 2018-2021, the Company's Booking increased by EUR 13.9 million, EUR 13.5 million, EUR 18.1 million and EUR 29.8 million, respectively; the latter represented a record in terms of orders acquired during an annual period.

The orders received until today amount to EUR 11.9 million.

With reference to the performance of 2022, the significant number of orders acquired to date is mainly attributable to the signing of a commercial sales contract with an international player in the EMEA area active in the aerospace and defence sector, for a total amount of USD 11.2 million (approximately EUR 9.1 million at the figurative exchange rate 1.24). The contract is expected to be executed in the current year until 2025. The same contract also provides for a framework agreement to regulate business relations after 2025 until 2035 based on agreements to be subsequently negotiated between the parties.

REVENUES BY BUSINESS AREA

During the first quarter of fiscal year 2022 the Company achieved a solid performance in all divisions, confirming a significant growth in the **Aerospace and Defence** sector and at the same time a significant presence in the **Industrial** division.

The table below shows the results by business area achieved in the first quarter of 2022 compared to the same period of the previous year.

<i>in EUR thousands</i>	As of 31 March 2022	% of the 2022 total	As of 31 March 2021	% of the 2021 total	Change %
Aeronautics	790	14%	527	12%	+50%
Land defence	546	10%	283	7%	+93%
Space	747	39%	648	15%	+15%
Other (Naval, Submarine, Guidance)	2,137	14%	868	21%	+146%
Total Aerospace and Defence	4,220	77%	2,326	55%	+81%
Industrial	1,178	20%	1,851	44%	-36%
Other	149	3%	40	1%	+270%
Total Operating revenues net of the change in FP/SFP inventories	5,547	100%	4,217	100%	+31%
Change in FP and SFP inventories	650		1,064		-39%
Total Operating revenues	6,198		5,281		+17%

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REVENUES BY GEOGRAPHICAL AREA

The company guarantees its presence in the main international markets with an adequate geographical diversification of the customer portfolio.

The following table shows the results by geographical area achieved in the first quarter of 2022 compared with the same period of the previous year.

<i>in EUR thousands</i>	As of 31 March 2022	% of the 2022 total	As of 31 March 2021	% of the 2021 total	Change %
Italy	325	6%	627	15%	-48%
EMEA (except Italy)	3,956	71%	1,681	40%	+135%
APAC	905	16%	1,644	39%	-45%
USA	361	7%	265	6%	+36%
Rest of the World	0	0%	0	0%	0%
Total Operating revenues net of the change in inventories	5,547	100%	4,217	100%	+32%
Change in FP and SFP inventories	650		1,064		-39%
Total Operating revenues	6,198		5,281		+17%

As of March 31st 2022, revenues generated in Italy amounted to EUR 0.33 million, down 48% compared to EUR 0.63 million in the same period of 2021. This trend is mainly due to the non-linear dynamics of the orders.

In the EMEA area (excluding Italy), revenues amounted to EUR 4.0 million as of March 31st 2022, compared to EUR 1.7 million in the same period of 2021, recording significant growth attributable also to a major contract in the Aerospace and Defence sector signed during 2022 that will lead to a more marked expansion of the EMEA area compared to the others.

With reference to the APAC area, revenues of EUR 0.9 million were recorded as of March 31st 2022 compared to EUR 1.6 million in the same period of 2021. In particular, the decrease relates to the Industrial division; this decrease is attributable to import and re-export rules of the country of the reference customer, which will be resolved by the middle of the current year recovering this decrease during 2022.

The U.S. market reported operating revenues of EUR 0.36 million, up 36% from EUR 0.27 million in the same period of 2021.

Impact of the Russian-Ukrainian conflict

With regard to the tensions affecting Russia, Belarus and Ukraine, Civitanavi Systems specifies that it has no relations of a commercial nature with the Russian Federation, Belarus and Ukraine.

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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 figures included in this press release are not subject to audit.

The press release is available in the Investors section of the Company's 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 131 employees operating throughout Italy.

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