



Cy4Gate

9M 2023 Financial Results

November 15, 2023



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Fast growing and attractive group...

2,85x

Shares price since IPO



JV between

ELETTRONICA GROUP
Defence | Cyber | Security



2014

Start up



2019

Growth and acquisition of market share

2020 IPO

Listing on FTSE Italia
Growth



2022

Capital Increase of
90 Millions for M&A



2023

Listing on **EURONEXT**
STAR Milan



... thanks to exceptional performance

129%

Revenues CAGR
2022 vs IPO



Delivery on track on all Strategic pillars

Strategic pillars



360° Cyber vendor
"Made in Europe"



Tailormade solutions
for **Global Cyber Defence**



Superior **ethics & talent**
development



Partnerships and
M&A for **tech leadership**

Target



ESG



“ *To protect and empower people through reliable and leading edge solutions* ”

Cy4Gate's Markets

GEOGRAPHICAL PRESENCE AND MARKETS SERVED

The company mainly operates in Italy, is also active in Spain and is increasing its presence in Germany and France. It also has a global presence, with clients in the Middle East, South East Asia, and Latin America.



REVENUES BY GEOGRAPHIC AREA

Revenues by geographic area	2020 CY4GATE S.p.A		2021 CY4GATE S.p.A		2022 CY4GATE Group		9M 2023 CY4GATE Group	
	€M	%	€M	%	€M	%	€M	%
ITALY	10.7	86%	14.4	85%	41.2	63%	25.0	57%
EXPORT	1.8	14%	2.6	15%	24.2	37%	18.6	43%
TOTAL	12.5	100%	17.0	100%	65.4	100%	43.6	100%

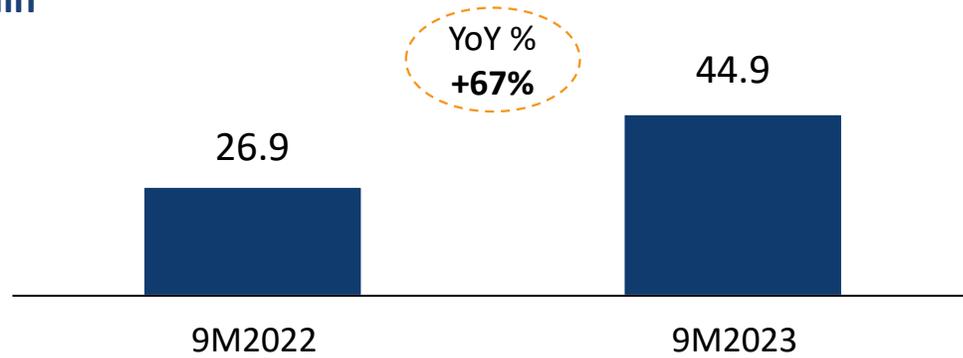
Note: Calculated on operating revenues, Cy4Gate 2022 pro-forma full year



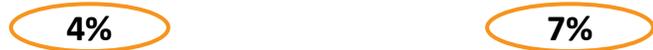
9M 2023 Financial Performance

9M 2023 Key Data

Revenues¹
€ mln



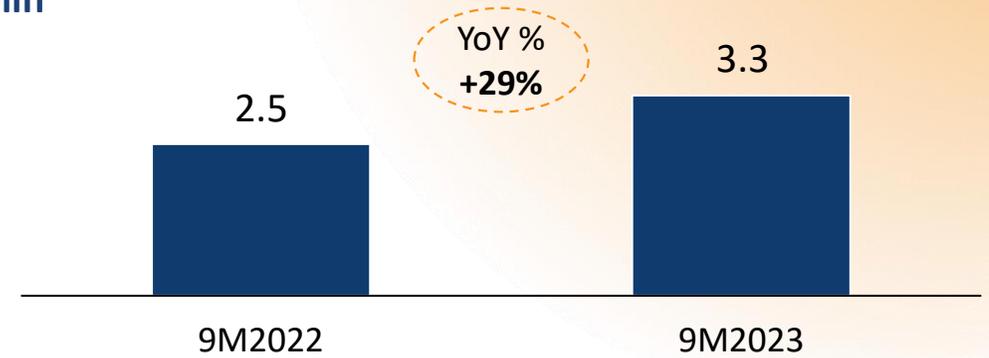
EBITDA
Margin (%)



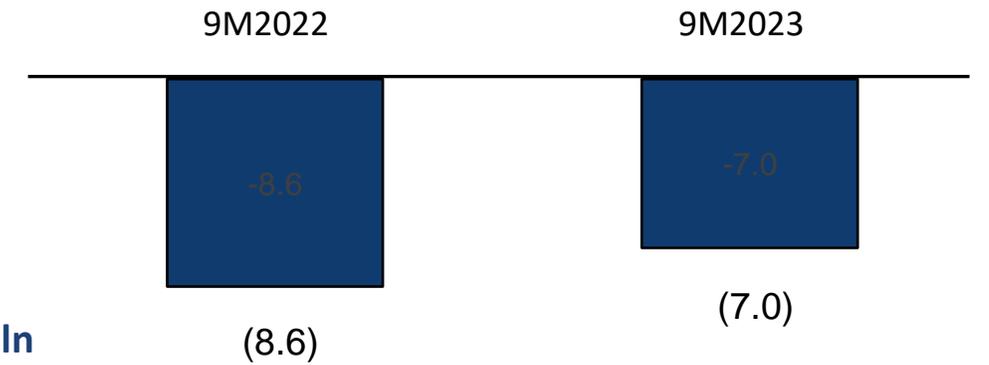
€ mln



R&D
€ mln



Net profit²

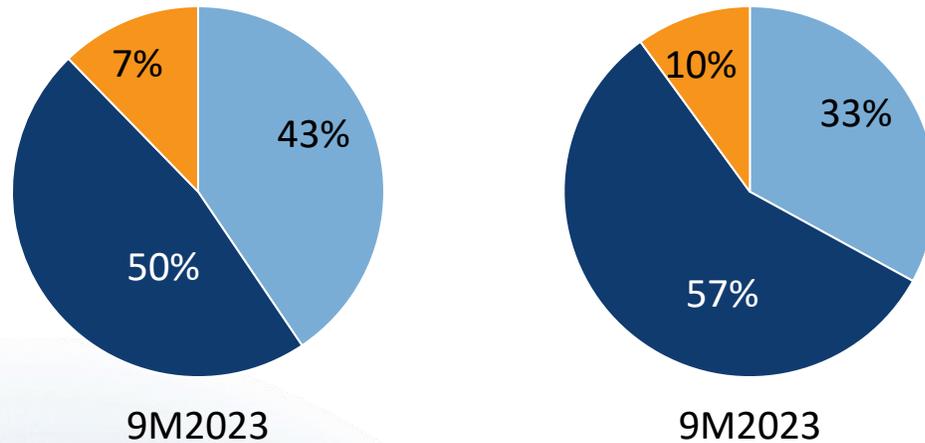


1. Including other operating revenues; comparative 2023 does not include 1Q of RCS Group and DIATEAM
2. Negative result (loss for the period) Includes D&A related to Purchase Price Allocation and extraordinary costs

9M 2023 Revenues Breakdown

By business line

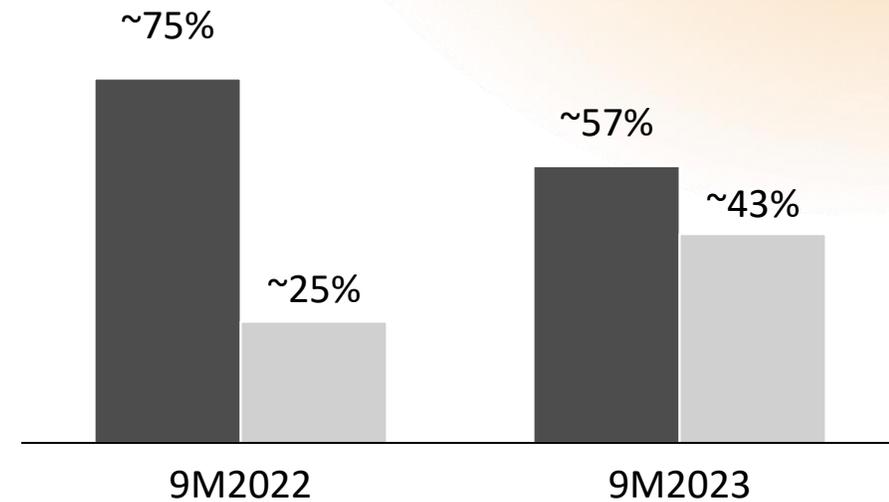
Decision Intelligence Forensic Intelligence Cyber Security



Forensic Intelligence maintains a leading role

By geographical area

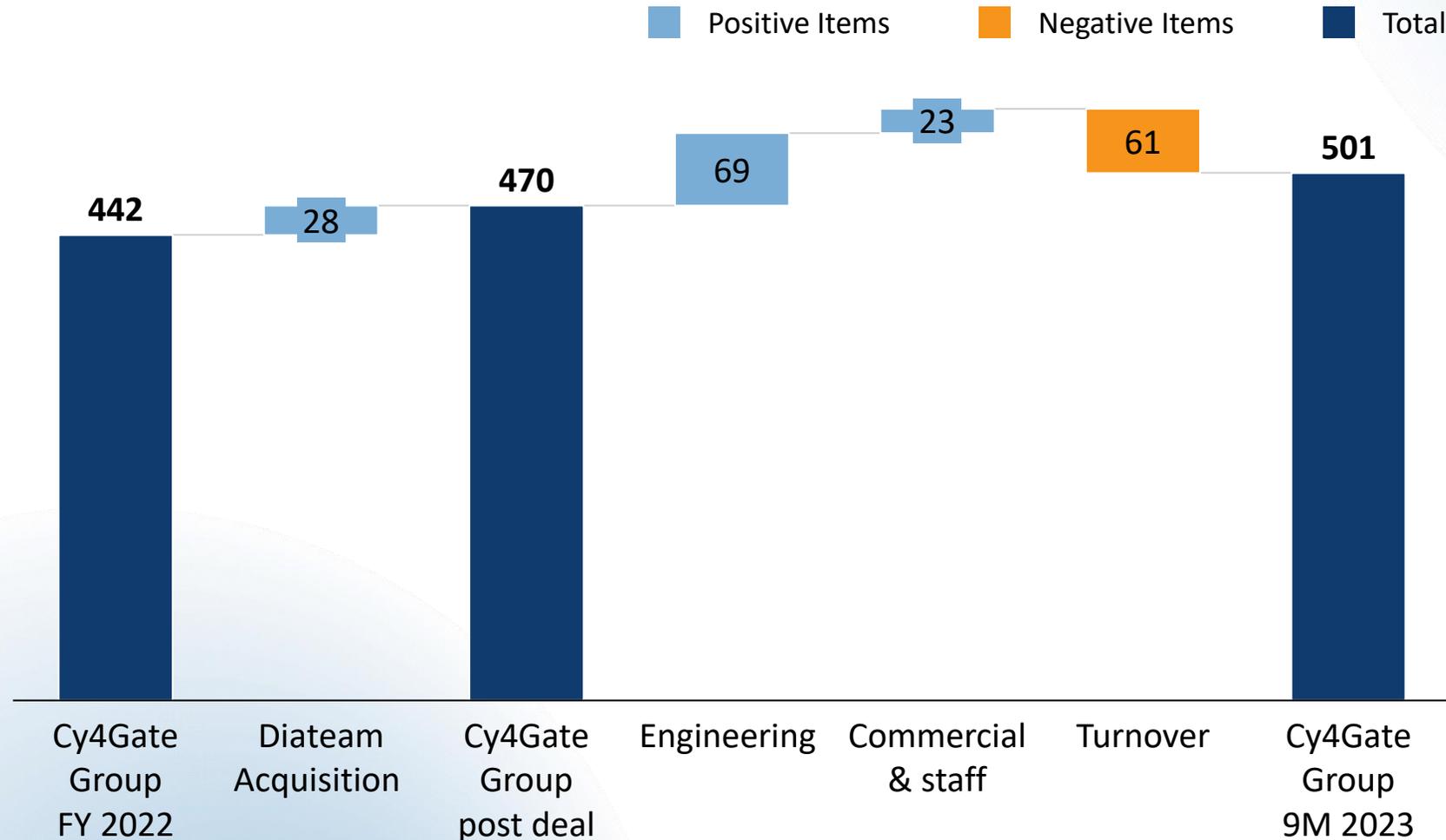
Italy Export



Improved international presence

Note: Cy4gate Group results as of 30.09.2022 include 9 months of Cy4Gate + 6 months of RCS
Note: Cy4gate Group results as of 30.09.2023 include the consolidation of DIATEAM for the entire period
Note: Calculated on operating revenues

9M 2023 People Investment



Total personnel increased in 9M23 by a total of 59 resources:

- Increase related to the DIATEAM acquisition, which allowed the Group to acquire specialized resources and technical skills to strengthen the cyber-security business line
- Increase of 31 resources preparatory to the achievement of plan objectives (recruitment in the sales and engineering functions).

9M 2023 Profit & Loss

€ mln	9M 2023 ¹	9M 2022 Restated ²
Operating Revenues	43.6	26.0
Other Operating Revenues	1.3	0.9
Total Revenues	44.9	26.9
Services, Procurement & other operating costs	20.8	14.0
Personnel Costs	24.2	14.4
R&D Investments	(3.3)	(2.5)
Costs	41.7	25.9
EBITDA	3.2	1.0
EBITDA Margin	7%	4%
D&A [including leasing costs]	9.6	6.5
EBIT Adjusted	(6.3)	(5.5)
One off costs	2.4	2.9
D&A [related to PPA]	3.1	2.0
EBIT	(11.8)	(10.4)
Financial Income (Expenses)	(1.0)	(0.4)
Income Taxes	5.8	2.2
Net result	(7.0)	(8.6)

1. Including the consolidation of DIATEAM from 1st January 2023

2. Comparative 9M 2022 includes the redetermination of the effects of the purchase price allocation

Executive summary:

Revenues +68% compared to 9M 2022, thanks to organic growth (+17%) and consolidation of subsidiaries. The seasonality of the business is still high, revenues concentrated in the last quarter of the year.

Costs are in line with the Group's growth objectives and distributed linearly over the year.

EBITDA increase compared to 9M 2022, with significant investments, especially in qualified personnel, but it always suffers from the combined effect of seasonality of revenues and linearity of costs.

Net result recorded a loss of € 7.0 million, mainly due to extraordinary costs (translisting and integration costs) and D&A costs (PPA and amortization), but a clear improvement compared to the same period of the last year (a loss of €8.6 million)

9M 2023 Asset & Liabilities

€/000	9M 2023	FY 2022
Fixed assets	81.8	70.1
Inventory	0.7	0.8
Contract assets (liabilities)	2.6	(1.0)
Trade receivables	57.4	64.5
Trade payables	(10.7)	(10.6)
Trade Working Capital	50.0	53.7
Other assets (liabilities)	3.1	(4.4)
Net Working Capital	53.1	49.4
Net Capital Invested	134.9	119.5
Cash and cash equivalents	6.5	19.9
Financial assets	1.7	1.8
Financial Liabilities	(20.1)	(15.4)
Lease liabilities	(3.7)	(3.3)
Net Financial Position Adjusted	(15.6)	3.1
Adjustments for non rec. events and/or extraordinary transactions	(5.4)	-
Shareholders' Equity	(113.8)	(122.5)
Sources	(134.9)	(119.5)

Executive Summary:

Fixed Asset increase mainly due to the effects of goodwill linked to DIATEAM acquisition

Net Working Capital increase mainly to contract assets and other assets compared to the same period of the last year. TWC decreased thanks to the decline in trade receivables mainly due to improvement in collection times.

Net Financial Position is negative because of DIATEAM acquisition IFRS impact

Shareholders' Equity stood at 113.8 million compared to 122.5 million at December 31, 2022



Cyber Security portfolio enrichment: Acquisition of



Acquisition of XTN

Cognitive Security

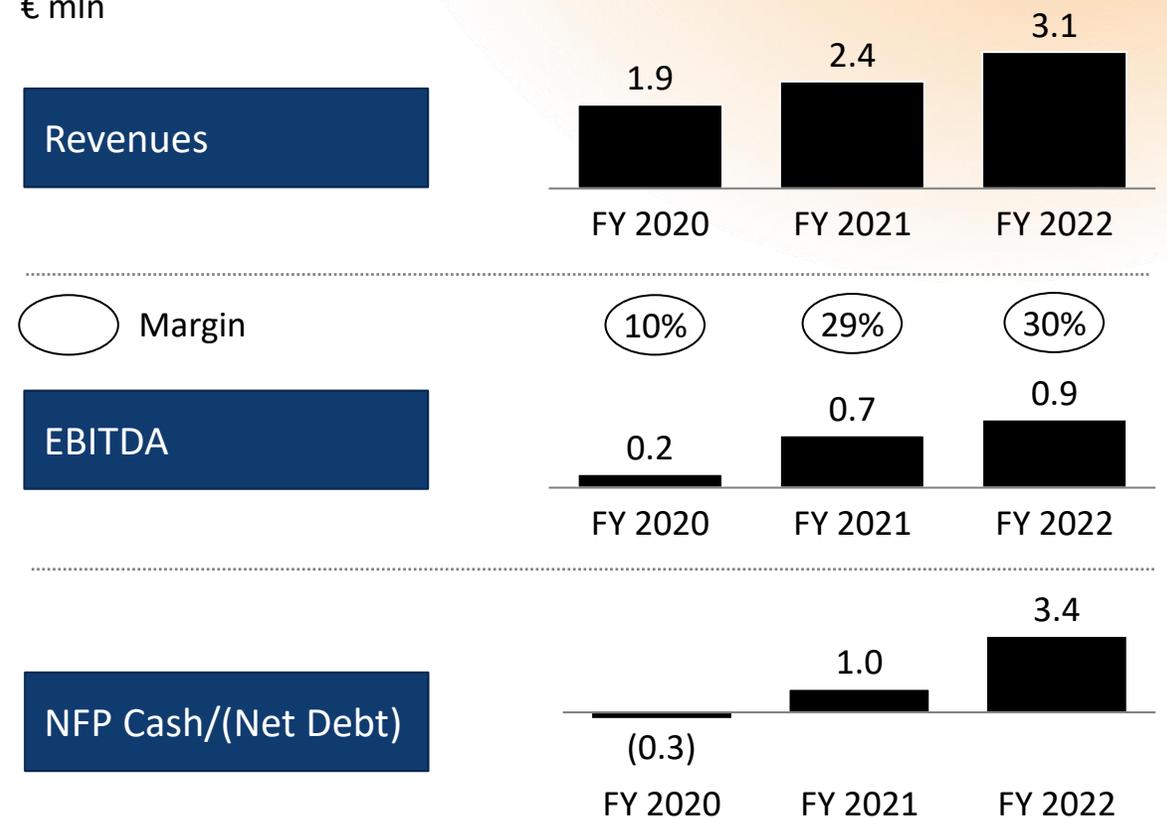
XTN is an Italian company operating in the IT security sector, with a very strong expertise on solutions aimed at identifying risk behavior

Key Highlights

- XTN's proprietary platform, is able to protect critical digital-based processes and avoid impacting the user experience through the use of AI algorithms, combined with profiling of observed activities
- The **strength** of the Platform is to "*authenticate*" the user according to different points of view and validate its behavioral by applying multiple approaches.
- XTN's products have been highlighted as **emerging technologies** globally by Gartner
- Cy4Gate purchases a **77.8% IKS TN share capital stake**
- **EV** of the company is **€10 million**

Main figures

€ mln



Strong industrial rationales:



-  1. **Enrichment of Cy4Gate's portfolio offering** in the cybersecurity sector
-  2. Reach more effectively, the **banking market**, in Italy and abroad where a trend of fusion among cybersecurity and anti-fraud is emerging globally
-  3. **Access to two further markets:** automotive and gambling, in which XTN is already present.
-  4. **Increase** the recurring business and corporate presence of **Cy4Gate group**.

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CY4Gate Portfolio in two main markets: Cyber Intelligence & Cyber Security

PORTFOLIO OVERVIEW

CYBER INTELLIGENCE

Decision Intelligence



Forensic Intelligence



CYBER SECURITY



Cybersecurity Products



Cybersecurity Services

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