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# Cy4Gate

Mid & Small | Milan 2023

November 23, 2023



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# Fast growing and attractive national and european group in cyber security and cyber intelligence...



JV between  
ELETTRONICA GROUP  
Defence | Cyber | Security



2,85x

Shares price since IPO

129%

Revenues CAGR 2022 vs IPO



... thanks to exceptional performance

# 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



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



# Focus on M&A to become an European Cyber Leader Company

## 2021



RCS is a leading Italian player operating in the forensic intelligence & data analysis market, the best target for Cy4Gate's growth ambition - Cy4Gate acquired 100% of the Company. In 2020, RCS recorded revenues for over € 40 million.

## 2022



DIATEAM is a French company operating in the cyber security sector for specialises for Government and corporate customers – Cy4Gate acquired 55% of the Company. In 2021, Diateam recorded revenues for over € 2 million.

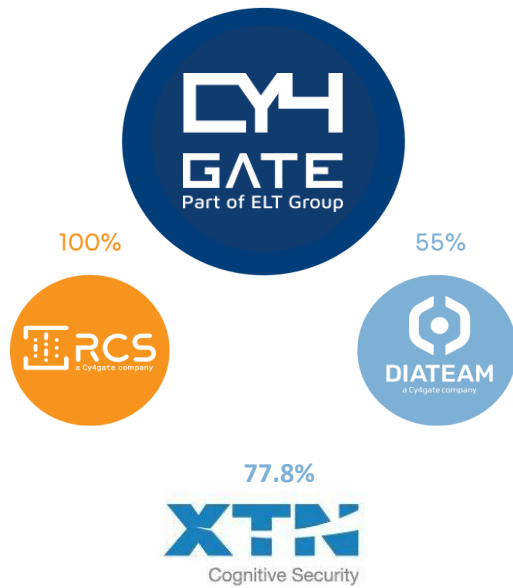
## 2023



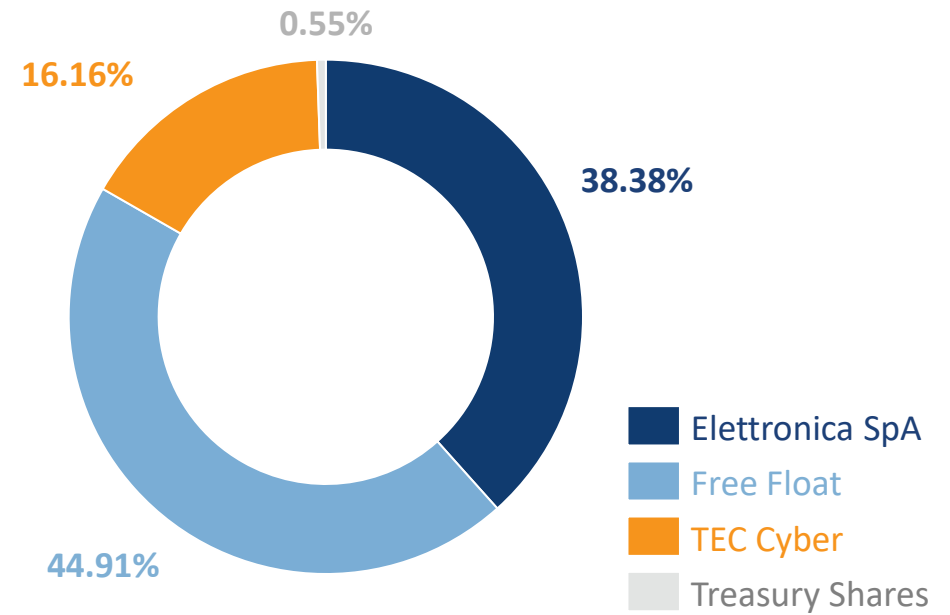
XTN is an Italian company operating in the IT security sector, with solutions aimed at identifying risk behaviour typical of abuse or fraud – Cy4Gate acquired 77.8% of the Company. In 2022, XTN recorded revenues for over € 3 million.

# GROUP & SHAREHOLDERS

## GROUP



## SHAREHOLDERS



# TEAM



**Domitilla Benigni**  
CHAIRMAN



**Emanuele Galtieri**  
CEO & General  
Manager



**Marco Latini**  
CFO & Investor  
Relations Manager

## Board of Directors



<b>Domitilla Benigni</b> Chairman			<b>Emanuele Galtieri</b> CEO & General Manager
<b>Roberto Ferraresi</b> Member			<b>Maria Giovanna Calloni</b> Independent Member
<b>Cinzia Parolini</b> Independent Member			<b>Alessandro Chimenton</b> Member
<b>Alberto Luigi Sangiovanni Vincentelli</b> Member			<b>Paolo Izzo</b> Member
<b>Alessandra Bucci</b> Independent Member			

**Strategic and M&A Committee**



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



# PORTFOLIO OVERVIEW

## CYBER INTELLIGENCE

Decision Intelligence



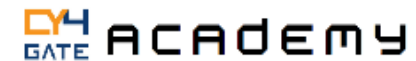
Forensic Intelligence



## CYBER SECURITY



Cybersecurity Products



Cybersecurity Services

# CYBER INTELLIGENCE

Cyber Intelligence solutions collect and analyze information available online and generate added value insight thanks to AI

## Decision Intelligence



QUIPO is complete intelligence platform, based on AI technology, able to mix and match: several data sources, for timely and effective reaction to events

**CONTINUOUS INTELLIGENCE**  
The Right Information, At The Right Time, To The Right People, In The Right Way

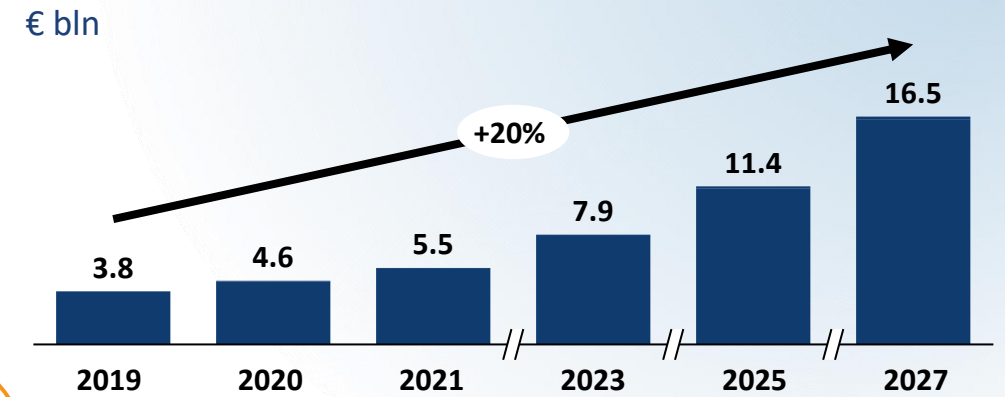
## Forensic Intelligence



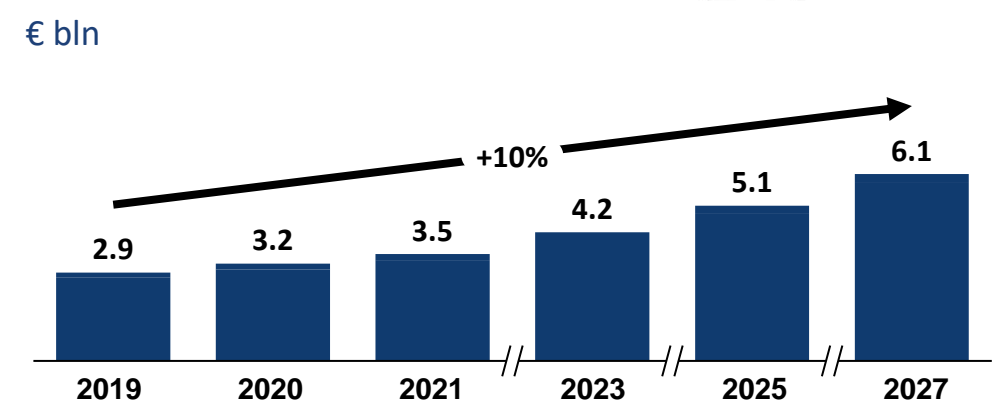
Support law enforcement agencies providing customizable and easy-to-use Forensic Intelligence & data analysis solution



## Global opensource intelligence (Osint) market



## Global forensic intelligence & data analysis



Double digit growth



1. Source: Markets & Markets; industry reports and expert interviews

# CYBER SECURITY

Cyber security solutions protect clients' information systems, enabling the detection of anomalies and generating response actions



Real time analytics (RTA) is a security information and event management (SIEM), advanced cyber security application that enables the analyst to detect cyber security anomalies and creates conditions to rapidly strike back.

## Cybersecurity Products



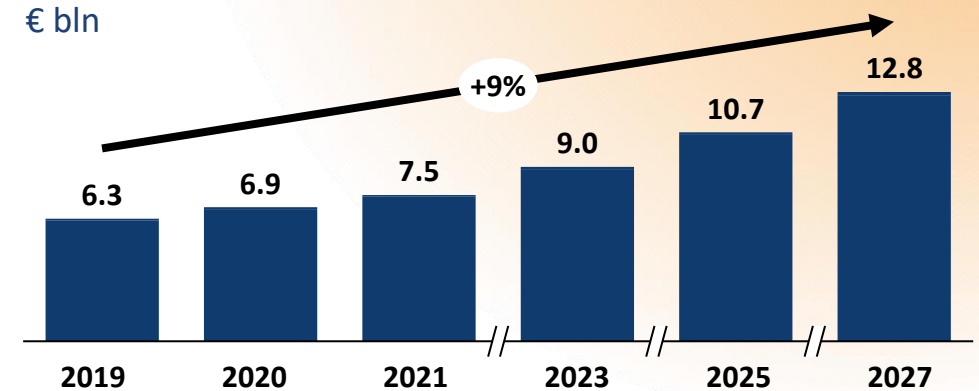
Pool of **Cyber Security services** covering the following topics:

- Red Teaming and Penetration Test
- Compliance Assessment
- Managed Detection & Response
- Incident Response & Malware Analysis
- Hands-on Cyber Training and Security Awareness
- Cyber Resilience Design for Critical Infrastructure

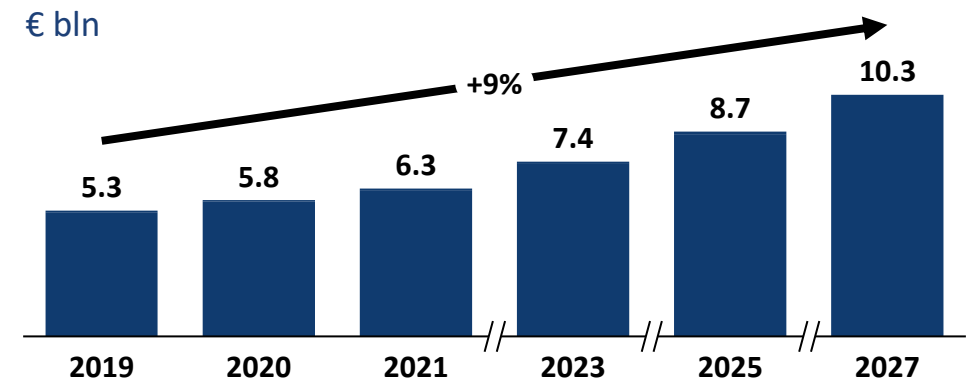
## Cybersecurity Services



## Global Cybersecurity Products<sup>1</sup> Market



## Global Cybersecurity Services<sup>2</sup> Market



Enduring growth



1. Includes Security Operations products such as SIEM, SOAR, UEBA, Threat Intelligence and related products

2. Includes Penetration testing, Vulnerability management and related services

Source: IDC, industry reports and expert interviews

# 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

	2020		2021		2022		9M 2023	
	€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%

Revenues by geographic area

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



# Cyber Security portfolio enrichment: Acquisition of



# Acquisition of XTN

Cognitive Security

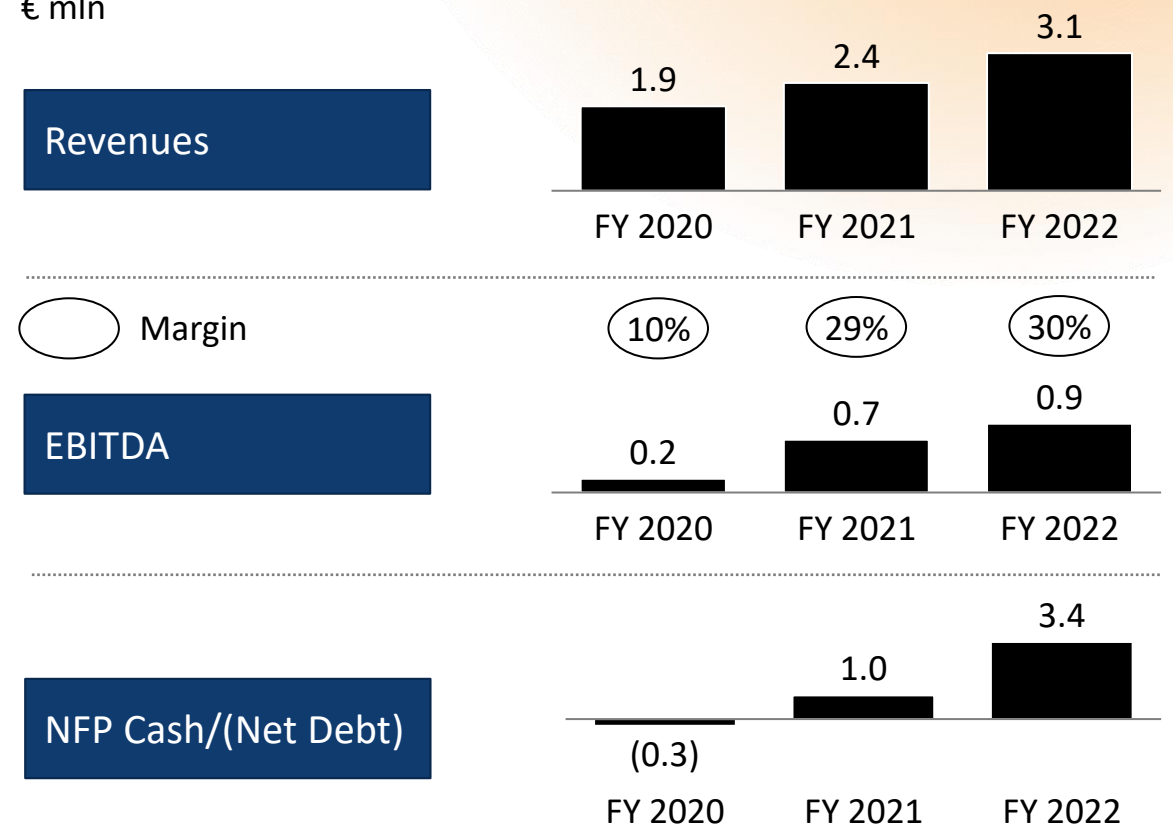
XTN is an Italian company operating in the IT security sector, with a very strong expertise on solutions aimed at identifying risk behavior

## 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**.



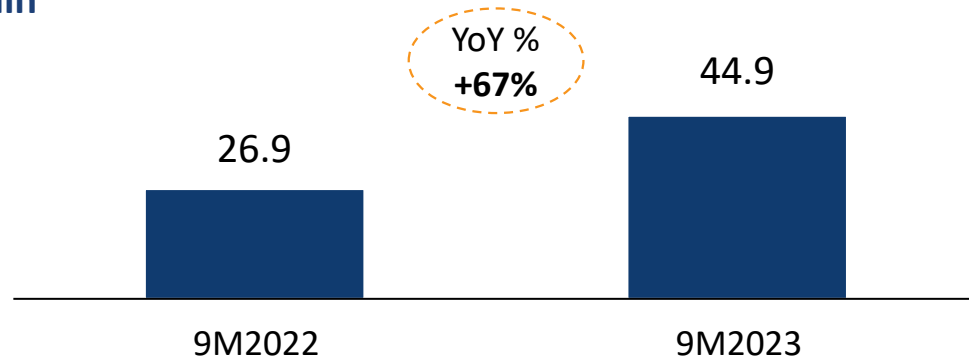
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# 9M 2023 Financial Performance



# 9M 2023 Key Data

Revenues<sup>1</sup>  
€ mln



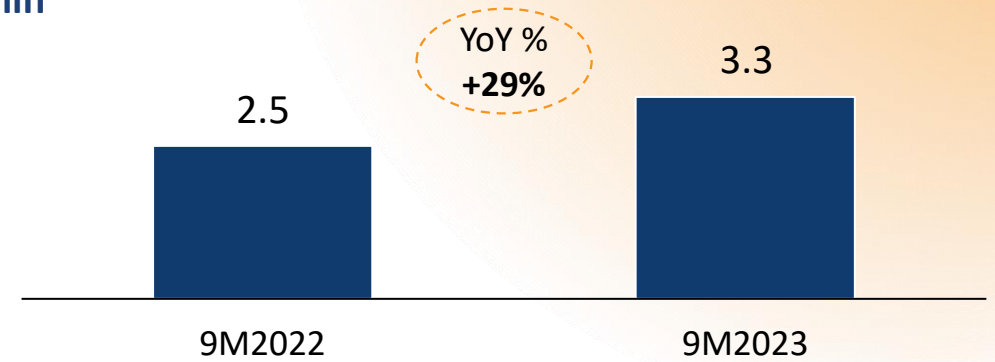
EBITDA  
Margin (%)



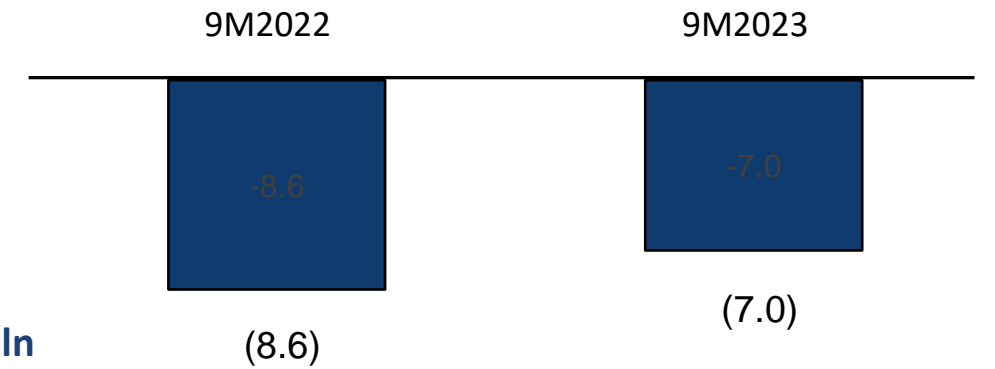
€ mln



R&D  
€ mln



Net profit<sup>2</sup>

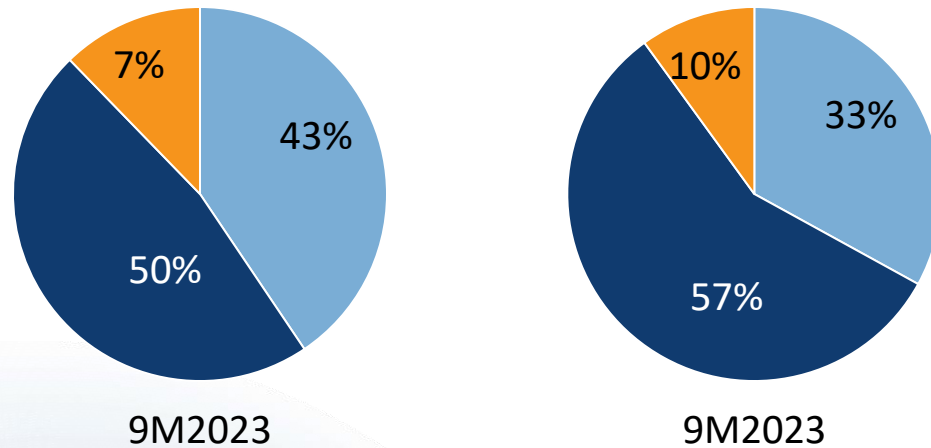


1. Including other operating revenues; comparative 2023 does not include 1Q of RCS Group and DIATEAM  
 2. Negative result (loss for the period) Includes D&A related to Purchase Price Allocation and extraordinary costs

# 9M 2023 Revenues Breakdown

## By business line

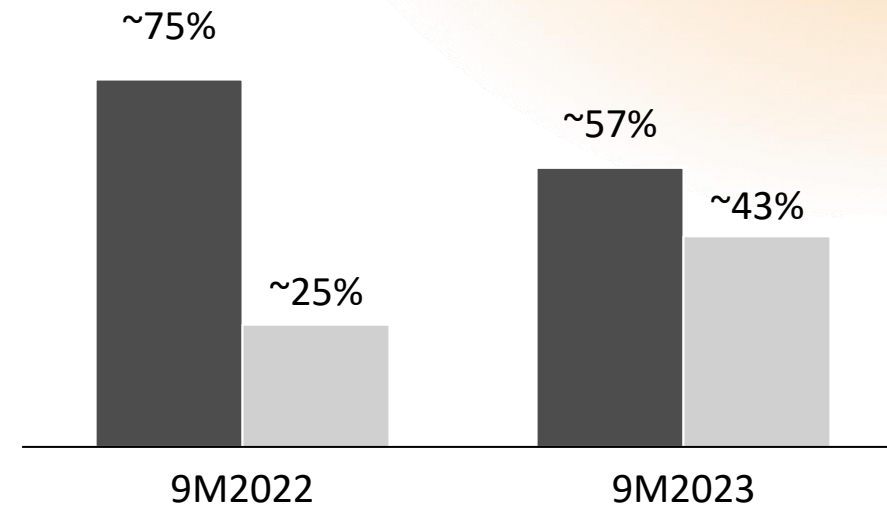
Decision Intelligence   Forensic Intelligence   Cyber Security



Forensic Intelligence maintains a leading role

## By geographical area

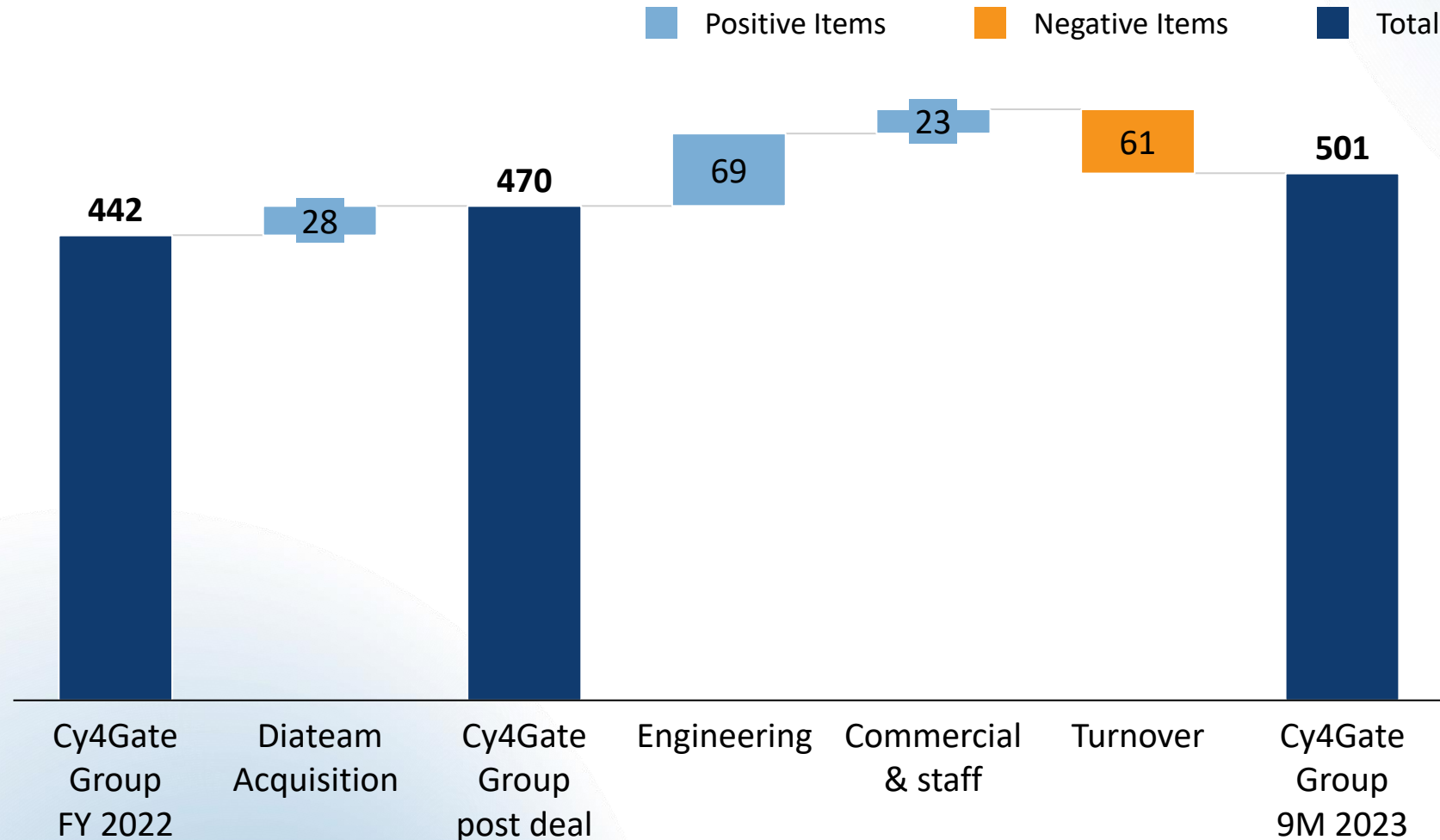
Italy   Export



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

1. Including the consolidation of DIATEAM from 1<sup>st</sup> 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
<b>Fixed assets</b>	<b>81.8</b>	<b>70.1</b>
Inventory	0.7	0.8
Contract assets (liabilities)	2.6	(1.0)
Trade receivables	57.4	64.5
Trade payables	(10.7)	(10.6)
<b>Trade Working Capital</b>	<b>50.0</b>	<b>53.7</b>
Other assets (liabilities)	3.1	(4.4)
<b>Net Working Capital</b>	<b>53.1</b>	<b>49.4</b>
<b>Net Capital Invested</b>	<b>134.9</b>	<b>119.5</b>
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)
<b>Net Financial Position Adjusted</b>	<b>(15.6)</b>	<b>3.1</b>
Adjustments for non rec. events and/or extraordinary transactions	(5.4)	-
<b>Shareholders' Equity</b>	<b>(113.8)</b>	<b>(122.5)</b>
<b>Sources</b>	<b>(134.9)</b>	<b>(119.5)</b>

## 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

# ESG SUSTAINABILITY REPORT



Learn more

# Our commitment for a greater sustainability

EthiFinance issued the first ESG Rating with a score of 64/100

Cy4Gate is placed above the average of the 154 companies subject to the rating belonging to the IT Sector

## UN Global Compact & SDGs

By joining the United Nations Global Compact, CY4GATE shares, supports and applies the fundamental Ten Principles of the Global Compact in its sphere of influence and actively contributes to the achievement of the United Nations Sustainable Development Goals.

CY4GATE has included in 2023-2025 business plan investments to adopt its Social Report structured on the indications contained in the GRI (GRI 200, 300, 400) and GBS standards.

And, we will contribute to the achievement of the following 6 of the 17 goals of the 2030 Agenda for Sustainable Development.



### Goal 4

To ensure **inclusive and equitable quality education and promote lifelong learning opportunities** for all



### Goal 8

To promote **sustained, inclusive and sustainable economic growth**, full and productive employment and decent work for all



### Goal 9

To build resilient infrastructure, and to promote **inclusive and sustainable industrialization and foster innovation**



### Goal 12

To ensure **sustainable production and consumption patterns**



### Goal 16

Relating to **Peace, justice and strong institutions**. Defence is a crucial component of security, and security constitutes the prerequisite for peace, prosperity, international cooperation, economic and social development.



### Goal 5

To **achieve gender equality and empower all women and girls**, for operational efficiency and social inclusiveness, actively promoting the implementation of the Women Empowerment Principles.



# Business ethic and human empowerment

## Governance



- Solid corporate governance
- Sustainability-oriented strategies and policies
- Responsible business conduct
- Information security and privacy
- Transparency of information towards investors
- Prevention to corruption
- Prevention on anticompetitive behaviour



## Environment



- Energy efficiency and emissions reduction
- Use of water resource
- Waste management



## Human rights



- Respect for human rights
  - in the production and sale of products
  - in People management
  - in the gender equality and diversity empowerment
  - in the supply chain management



## Business management



- Leadership in innovation
- Customer relationship management
- Responsible management of the supply chain



## Relationship and working conditions



- People management and care
- People empowerment
- Occupational health and safety
- Equal opportunities and gender equality



## Responsibility towards the community



- Protection and safety of the community
- IT security and critical infrastructure protection





**CFO & IR MANAGER**

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Marco Latini

[investors@cy4gate.com](mailto:investors@cy4gate.com)

**IR ADVISOR**

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