

Press Release

**THE BOARD OF DIRECTORS OF CY4GATE APPROVED
CONSOLIDATED FIGURES AS AT MARCH 31, 2024**

RECURRING REVENUES GROWING AND IN LINE WITH EXPECTATIONS

**THE BUSINESS DEVELOPMENT ACTIVITY CONTINUES, WHICH WILL ENRICH THE GROUP'S PIPELINE, CONFIRMING
THE SOUNDNESS OF THE BUSINESS MODEL**

INCREASED ORDER INTAKE, UP +111% COMPARED TO Q1 2023

2024 GUIDANCE CONFIRMED WITH REVENUES EXPECTED IN THE RANGE OF €84 TO 90 MILLION

- **Value of production:** € 14.7 million (€ 14.3 million)¹ +2.4%;
- **Revenues:** € 14.4 million (€ 14.1 million) +2.2%;
- **EBITDA²:** positive for € 0.04 million (negative for € 0.3 million);
- **NFP³:** negative cash of € 17.3 million (negative of € 7.9 million).

Rome, 14 May 2024 – The Board of Directors of **CY4GATE** (CY4.MI), a national and European player in cyber security and cyber intelligence, meeting today under the chairmanship of Domitilla Benigni, approved the Consolidated Interim Report as at 31 March 2024.

Emanuele Galtieri, CEO & General Manager of Cy4Gate Group commented: *"The first quarter was marked by revenues in line with expectations, but even more so by an important milestone in terms of order intake, amounting to € 13.9 million (+111% compared to the same quarter in 2023). This is a fact worthy of note as it is the result of prolonged business development activities successfully launched since last year and confirming that the market approach defined in the strategy is bringing results. The defence and law enforcement sectors are the two traditional areas of activity on which Cy4Gate has created a track record of results, to which we have added the corporate market for cyber security, on which we are confident we will be able to create new value in the coming months, being able to count on cutting-edge technologies and qualified partners that will give a strong boost to the business initiative. We are keeping faith with the strategy and business model we have presented to the market".*

MAIN CONSOLIDATED ECONOMIC-FINANCIAL DATA AS OF MARCH 31, 2024

The **value of production** amounted to € 14.7 million, an increase of about 2.4% compared to 31 March 2023 (€ 14.3 million). Revenues amounted to € 14.4 million (€ 14.1 million), an increase of 2.2%. The recurring revenues

¹ Figures in brackets refer to the economic and financial data as at 31 March 2023 and 31 December 2023.

² EBITDA: is calculated by adjusting the result for the year to exclude the effect of taxes, net financial income (expenses), depreciation, amortisation, write-downs and value adjustments of financial assets, as well as charges deemed by the Group to be non-recurring and extraordinary, mainly related to M&A activities.

³ The NFP does not include the provision for contingent financial liabilities related to the put/call for the acquisition of the remaining 45% of Diateam in the amount of €5.7 million, and instead includes, in accordance with IFRS 16, leasing and rent in the amount of €3.6 million.

is growing strongly, thanks to the contribution of XTN Cognitive Security, controlled and acquired at the beginning of the year.

The first quarter still remains for the Group a period strongly impacted by seasonality, resulting in lower revenues than expected in the remaining quarters.

Total costs amounted to € 14.6 million, in line with Q1 2023 despite the inclusion of XTN Cognitive Security. Net of the acquired company, costs decreased by about 3% YoY.

EBITDA returned to positive at € 0.04 million (negative € 0.3 million), mainly due to the effect of the consolidation of XTN Cognitive Security.

The **Net Financial Position** is *cash negative* by € 17.3 million - it does not include the provision for contingent financial liabilities related to the put/call for the acquisition of the remaining 45% of Diateam for € 5.7 million, while it includes, in application of IFRS 16, leases and rents for € 3.6 million. The increase compared to the net financial debt recorded as of 31 December 2023 (€ 7.9 million) of approximately € 9.3 million is mainly due to the effect of capital absorption to finance the acquisition of XTN, as well as capex for the period, in addition to the share buyback started in 2023 and concluded in February 2024.

MAIN SIGNIFICANT EVENTS THAT OCCURRED DURING THE FIRST 3 MONTHS OF 2024

- On **16 January 2024**, Cy4Gate signed, in partnership with Alfa Group, the closing for the purchase of 97.8% XTN Cognitive Security S.r.l. (formerly IKS TN), an Italian cyber security company, operating in the IT security sector and leader in the fight against fraud digital with a significant footprint in banking and also present in the automotive market.
- On **12 February 2024**, Cy4Gate and ATTIVA EVOLUTION, a division of ATTIVA S.p.A and one of the main players in tech distribution operating in the Italian market, announce that they have signed a strategic agreement which sees ATTIVA as distributor for Cy4Gate solutions on the corporate Italian market both in the CyberSecurity and Decision Intelligence fields.
- On **27 February 2024**, the company XTN Cognitive Security®, part of the Cy4Gate Group since January 2024, was quoted in the Gartner report Emerging Tech: “5 Elements to Prevent Digital Commerce Fraud”, a recognition that testifies to XTN's excellence and innovation in the fields of Transaction Monitoring, Behavioral Analytics and Monetics.
- On **11 March 2024**, Cy4Gate signed two contracts for a total value of over € 600,000 for the execution of two research and innovation projects in the cyber security field with a primary Italian high-tech company, operating both in Italy and abroad, for a period of 12 months.
- On **13 March 2024**, Cy4Gate signed a contract with a foreign institutional client for carrying out evolutionary activities on proprietary "Decision Intelligence" systems already previously acquired by the client. The value of the contract acquired amounts to approximately € 850,000, for a duration of 12 months.
- On **28 March 2024**, Cy4Gate announced that S&P Global, after completing the assessment for the IT

sector, issued the ESG rating for Cy4Gate with a score of 26/100, higher than the sector average, which stands at 19/100.

MAIN SIGNIFICANT EVENTS AFTER THE FIRST 3 MONTHS OF 2024

- On **03 April 2024** Cy4Gate announced that it signed a contract for a total value of over €6.5 million for the execution of a series of projects in the Defense sector with ELT Group, a leading company in Europe in Electronic Defense for over 70 years and reference shareholder of Cy4Gate.
- On **23 April 2024** Cy4Gate signed some contracts with leading Italian companies operating in the financial services sector, for the acquisition and functional extension of the Cognitive Security Platform®, a platform produced by XTN Cognitive Security® and a recognized national and international player European Union in the field of detection and response to fraud and digital threats.
- On **09 May 2024** Cy4Gate and Innovery, a multinational company that offers specialized consultancy services for innovative solutions in the field of Information and Communications Technology, announced that they have signed a strategic agreement which sees INNOVERY as a Partner for Cy4Gate solutions on the Italian Corporate market both in the CyberSecurity and Decision Intelligence fields.
- On **13 May 2024** Cy4Gate signed a contract worth a total of approximately €1 million with a leading Italian high-tech company operating on the domestic and foreign market for cyber security solutions.

OUTLOOK

The Group will continue along the growth path undertaken, aiming at robust consolidation, efficiency improvement and creation of synergies on the acquired companies, always favoring the maintenance of technological excellence and enhancing the broad product portfolio which today can count on cutting-edge cyber solutions capable to support the most challenging needs of customers and allows us to confirm the 2024 guidance:

- a conversion of the commercial pipeline in the range between €32-35 million;
- a backlog and recurring contracts in the range between €52-55 million;
- Total revenues in the range between €84-90 million.

FILING OF DOCUMENTATION

A copy of the Consolidated Financial Report as at 31 March 2024 will be made available to the public within the terms of the law at the registered office in Rome, as well as through publication on the institutional website www.cy4gate.com "Investor Relations/Financial Statements/Year 2024" section and on the mechanism of authorized storage www.1info.it

The manager in charge of preparing the company's accounting documents - Marco Latini - declares, pursuant to paragraph 2 of article 154 bis of the TUF, that the accounting information contained herein is consistent with the underlying accounting documents, books and records.

It should also be noted that this press release contains forward-looking data and forward-looking statements regarding strategic objectives established as part of corporate planning. Readers of this release should not place undue reliance on such forward-looking statements as actual results could differ significantly from those contained in such forecasts as a consequence of multiple factors, most of which are beyond the Group's control.

CY4Gate Group's results for the first three months of 2024 will be presented to the financial community on May 15, 2024 during a conference call at 10:00 AM (CET) 9:00 AM (UK).

For information, please contact the contacts at the bottom of this press release.

This press release is available on the "1info" storage mechanism (www.1info.it) and on the Company's website www.cy4gate.com

About CY4Gate S.p.A.

The Company was founded in 2014 to meet an unconventional demand for cyber security. Listed on Euronext Growth Milan in June 2020, CY4Gate S.p.A. has also been listed on the Euronext Milan Star segment since June 2023. CY4Gate S.p.A. was conceived to design, develop and manufacture technologies and products, systems and services that meet the most stringent and modern "Cyber Intelligence & Cyber Security" requirements expressed by Law Enforcement Agencies, Armed Forces, Institutions and Companies, both at home and abroad. Representing a unique Italian industrial project, CY4Gate S.p.A. operates in all facets of the cyber market, with proprietary products that meet both information collection and analysis and security needs: QUIPO and AMICO in the world of Cyber Intelligence along with RTA, Diateam, CTI and Pronto Cyber in the world of Cyber Security

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REA RM-1426295

www.cy4gate.com – www.elettronicagroup.com

Attached are the Reclassified Consolidated Income Statement and Consolidated Balance Sheet as at March 31st, 2024

RECLASSIFIED INCOME STATEMENT

Reclassified Income Statement (in million euro)	Financial year closed at	
	31/03/2024	31/03/2023
Operating Revenues	14.4	14.1
Other operating revenues	0.2	0.2
Revenue	14.7	14.3
Purchase, services and other operative costs	6.6	7.2
Personnel costs	8.0	7.4
Costs	14.6	14.6
EBITDA Adjusted	0.04	(0.3)
EBITDA Adjusted Margin	0.3%	-2%
Amortisation, depreciation, write-downs and value adjustments of financial assets	(3.3)	(2.8)
EBIT Adjusted	(3.3)	(3.1)
Amortisation/depreciation (connected to the PPA)	(1.1)	(1.0)
EBIT	(4.4)	(4.1)
Financial Income (Charges)	(0.6)	(0.3)
Extraordinary costs (one off)	(0.1)	(0.7)
Taxes	(0.2)	0.3
Profit (loss)	(5.4)	(4.8)
of which third-party profit (loss)	0.5	0.2

RECLASSIFIED BALANCE SHEET

Reclassified Balance Sheet (in million euro)	Financial year closed at	
	31/03/2024	31/12/2023
Fixed Asset	96.2	87.9
Inventories	0.7	0.8
Assets (liabilities) arising from contracts	3.6	3.1
Commercial credits	52.8	53.7
Commercial dues	(12.1)	(14.4)
OWC	45.0	43.1
Other assets (liabilities)	(13.3)	(6.3)
NWC	31.7	36.8
NIC	127.9	124.8
Liquid assets	26.9	17.6
Financial activities	1.5	1.4
Financial liabilities	(47.8)	(28.8)
Lease liabilities	(3.6)	(3.8)
NFP	(23.0)	(13.6)
Diateam put option liability	(5.7)	(5.7)
NFP Adjusted	(17.3)	(7.9)
Shareholders' Equity	(104.8)	(111.1)
Total sources	(127.9)	(124.8)