

**CY4GATE SIGNS A PRELIMINARY AGREEMENT FOR THE ACQUISITION OF ABOUT 55% OF DIATEAM A
FRENCH CYBER SECURITY COMPANY**

TOTAL VALUE OF THE TRANSACTION APPROXIMATELY 10 MILLIONS EURO

**A FURTHER STEP TOWARDS INTERNATIONALIZATION AND THE CREATION OF AN EUROPEAN
COMPETENCE CENTRE FOR CYBER SECURITY TECHNOLOGIES AND PRODUCTS**

Rome, 20 October 2022 – **CY4GATE** (EGM: CY4), a company that operates at 360 on the cyber security market offering a range of different proprietary technologies, has signed a preliminary agreement to acquire about 55% of **DIATEAM**, a French company specialising in the design, development, and production of advanced testing, validation, and training systems in the world of cyber security for government and corporate customers. The total value of the transaction would amount to approximately 10 million euros.

The finalization of the agreement is subject to specific conditions – including the positive authorisation from French authorities (as the company is subject to a form of control similar to Golden Power) – and is expected by the end of 2022.

Emanuele Galtieri, CEO of Cy4Gate Group said: *“DIATEAM is a technology boutique with 20 years of experience in the cyber security market. The company has developed a virtual platform – cyber digital twin – that can replicate the IT networks of its customers to assess their cyber resilience and allows to train the excellent and unique resources able to protect them from cyberattacks. The initiative follows in the tracks of the existing government collaboration and research agreements between Italy and France in strategic sectors, including Cyber Defence. The aim is to enrich the customer value proposition of the Group with advanced cyber security technology and continue the process of creating a European competence centre for cyber security, consolidating its presence in France”.*

Guillaume Prigent, Chairman of DIATEAM, said: *“Among the potential partners we have met in recent months, Cy4Gate has the most interesting industrial project for our development. We share the same ambition to build an European leadership. The combination of our skills, experiences and products will allow the entire Group to meet the needs of a rapidly evolving market, which will experience significant growth in the coming years”.*

*“The conclusion of the preliminary agreement between CY4GATE and DIATEAM adds a further, important step to the numerous industrial collaborations between Italy and France,” said **the Ambassador of Italy in France, Emanuela D’Alessandro**. “This collaboration, which concerns a strategic sector such as cyber security, represents further evidence of the dynamism of Italian companies in terms of direct investments in France. Moreover, it is part of a very promising trend, that of the development of exchanges between innovative companies on both sides of the Alps, which sees the institutions of the two countries engaged in an active support action ”.*

Christian Masset, Ambassador of France in Italy, commented: *"I am delighted that this preliminary agreement has been signed; France is very open to Italian investments and thus strengthens its attractiveness strategy, particularly in a field as decisive as that of cybersecurity, which represents an essential area for our sovereignty as Europeans. It is by combining our talents, and by combining French and Italian cutting-edge know-how, that we can be stronger together and weigh internationally in this very important sector that is cyber, today and in the future. "*

THE DEAL STRATEGY

The DIATEAM investment aims mainly to expand the Cy4Gate offering in the cyber security segment, in line with the Group's vision to operate at 360° as a cyber software house and consolidate its position as a European competence centre in the sector. A partnership with a solid French company such as DIATEAM also allows the Group to consolidate its position outside the Italian market, thanks to the upselling and cross-selling opportunities offered by its portfolio of customers. DIATEAM's technology and professionalism allows to create precious synergies between complementary areas of expertise that will enrich the know-how on both sides, to the benefit of their countries.

The extraordinary operation allows Cy4Gate to integrate and enrich its range of cyber security products, in particular thanks to:

- the state-of-the-art "Hybrid Cyber Digital Twin", a hybrid simulator easy to configure with "Operations Technologies" (e.g.: Scada systems) to support the testing and validation activities and make the advanced training of cyber specialists more effective; the product also has a mobile configuration in modular racks that allows great tactical flexibility;
- a varied portfolio of advanced hands-on and immersive cyber modules, including the use of the proprietary cyber digital twin and "Capture the Flag" cyber contests, which are entirely designed in house. These innovative training solutions will integrate and complete the existing didactic offering of the Cy4Gate cyber academy, aiming to satisfy a very felt need which is to create training methods on new skills that are effectively effective and not only at a theoretical level but also and above all at an experiential level and on real systems;
- an incident response team formed by experts able to integrate and expand the existing operational capabilities of the Group in a segment that is growing fast but struggles to find the skills it requires.

The deal also creates significant synergies in terms of R&D that will help consolidate and strengthen the technology of its products and its top-of-the-range and added value services in the cyber security sector, a segment that in Europe grows at a rate of 15% per year.

Cy4Gate is preparing for the new challenges of the cyber security market with a structure enriched in terms of size, competencies, and customer offerings.

DIATEAM S.A.S.

DIATEAM, a French company with head offices in Brest, was founded in 2002 and today has 25 employees, 75% of which work in engineering. The company specialises in designing and developing technologies applied to cyber security for Government and corporate customers. Its star product, the hybrid cyber digital twin, is a platform able to replicate the ICT and OT structures of its customers (for example, industrial or critical infrastructures) to test and validate their cyber resilience and for advanced training purposes. The company also offers a structured training plan that includes different specific cyber security modules and the effectiveness and expertise of its internal incident response team.

The company achieves approximately 50% of revenues in the Defense sector in France (in 2021 approximately 56% in France and approximately 44% abroad); and 70% of revenues from the sale of its products. The main financial indicators on 31 December 2021 are listed below.

- Proceeds: approx. €2.2 million (increase of about 18% compared to FY20)
- EBITDA: approx. €0.6 million (increase of about 40% compared to FY20)
- EBITDA margin: approx. 27% (increase of about 10% compared to FY20)
- NFP: - €1 million (cash positive)

This press release is available on the website www.cy4gate.com in the “Investors” section and on the authorised storage mechanism www.1info.it

About CY4GATE GROUP

The Company was founded in 2014 to meet an unconventional demand for cyber security. Listed on Euronext Growth Milan since June 2020, CY4GATE was conceived to design, develop, and produce technologies, products, systems, and services able to meet the most stringent and modern “Cyber Intelligence & Cyber Security” requirements from Law Enforcement Agencies, Armed Forces, Public Institutions and Private Companies, across the country and on the foreign market. A Unique Italian industrial project, CY4GATE operates in the cyber market at 360°, with proprietary products that meet the needs for information collection and analysis and for security.

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