



September 23, 2021

1H 2021 RESULTS

AGENDA

INVESTOR PRESENTATION

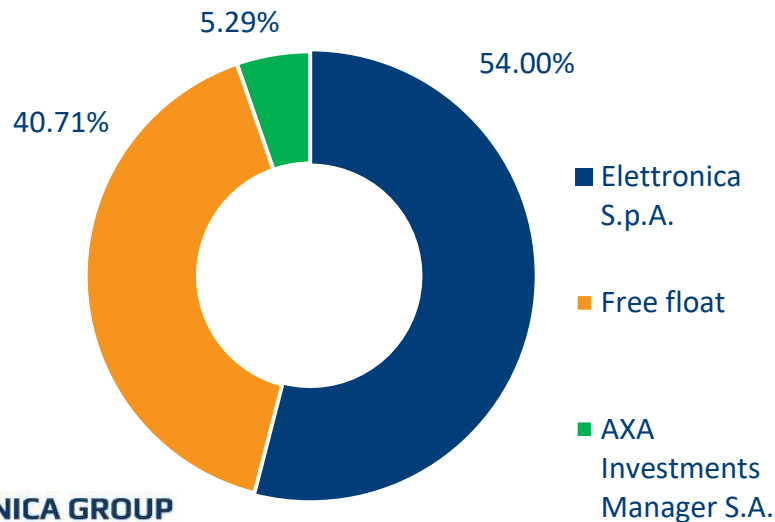
- ❖ CY4GATE AT A GLANCE
- ❖ 1H 2021 RESULTS
- ❖ MARKETS & PRODUCTS
- ❖ STRATEGY & OUTLOOK
- ❖ APPENDIX

CY4GATE at a Glance

INVESTOR PRESENTATION

CY4GATE a listed company at AIM Italia operating in the 360° cyber market, was founded in 2014 by Elettronica S.p.A (which has been a leader for more than 60 years in the field of Electronic Countermeasures and which is nowadays the majority partner owing about 54% of the shares)

CY4GATE design, develop and produce I-Techs, goods and services which are able to satisfy even the most particular and peculiar “Cyber Intelligence & Cyber Security” needs moved by the Armed forces, Law Enforcement Agencies (LEA’s) and Enterprises within or outside the national borders and markets. The covered fields and offered services are for example: QUIPO, HYDRA, EPEIUS, Gens.AI, Igea, when it comes to Cyber Intelligence; RTA, in the world of Cyber Security.



TOP MANAGEMENT

Domitilla Benigni

CHAIRMAN



Emanuele Galtieri

CEO & General Manager



Marco Latini

CFO & Investor Relations Manager

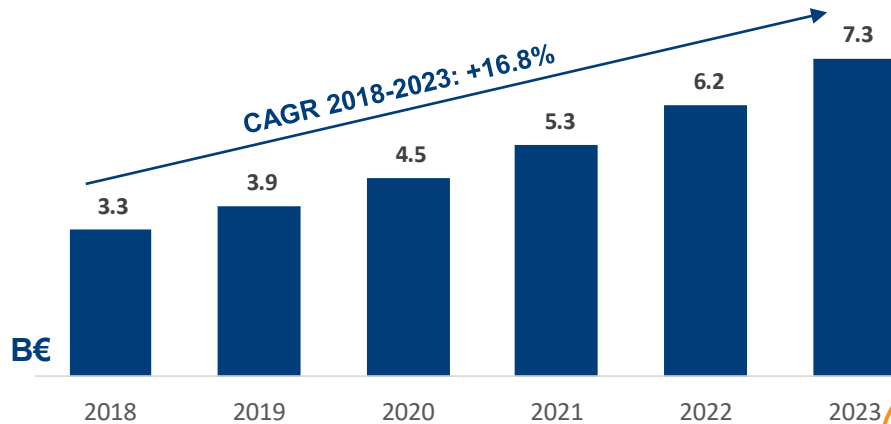




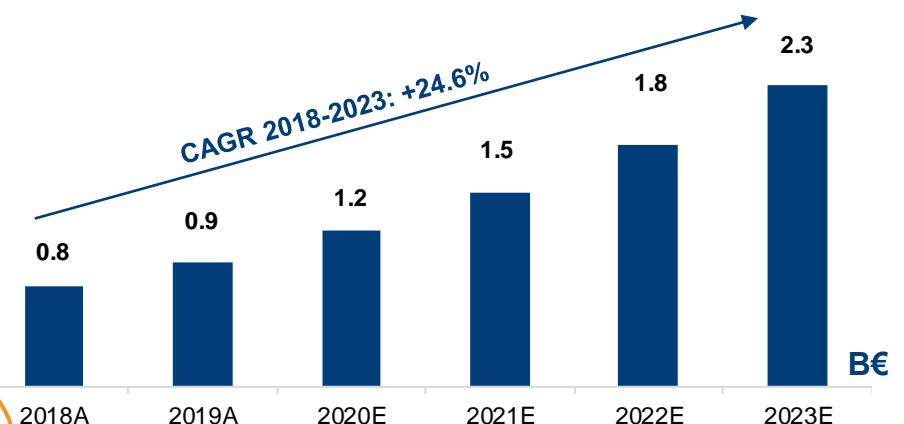
Markets

INVESTOR PRESENTATION

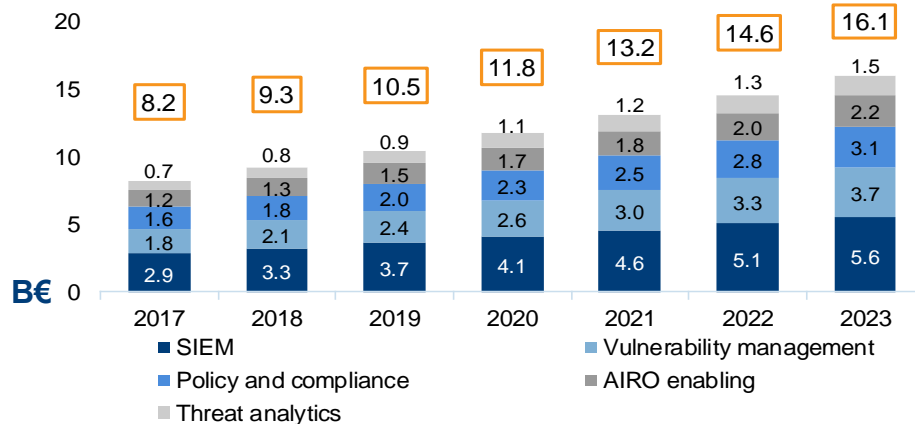
GLOBAL OPENSOURCE INTELLIGENCE (OSINT) MARKET



GLOBAL LAWFUL INTERCEPTION MARKET



CYBERSECURITY ANALYTICS, INTELLIGENCE, RESPONSE AND ORCHESTRATION ("AIRO") WORLDWIDE



- 3 fast growing markets
- CAGR > 15%
- High level of diversification

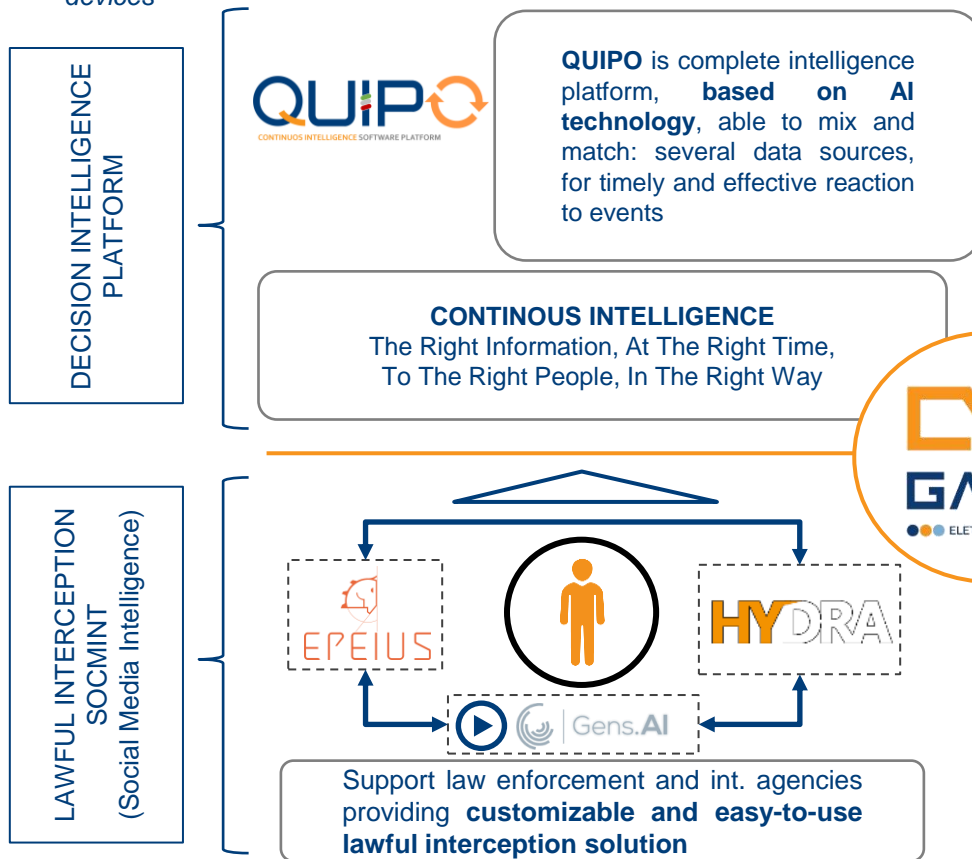
One-Stop-Shop Approach with a Wide Range of Proprietary Products

INVESTOR PRESENTATION

A unique, defensive and offensive platform of integrated HW and SW proprietary modules to gather, collect, analyze, protect or disrupt data and networks, and to extract and disseminate operational meaningful information

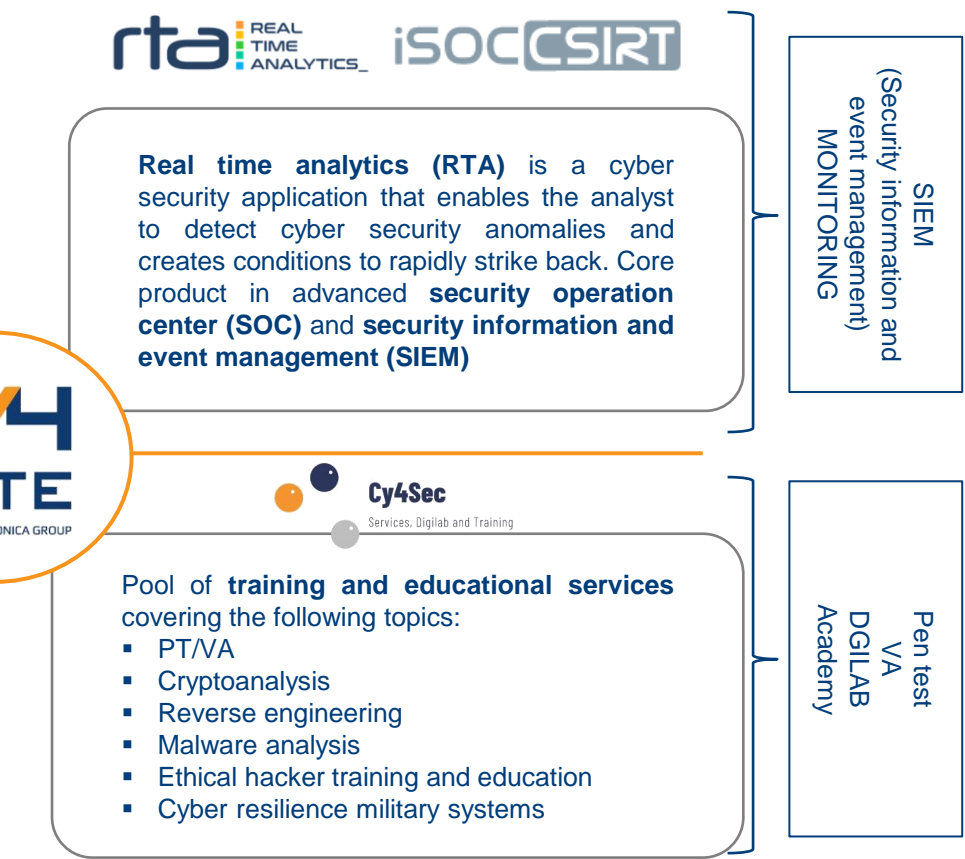
CYBER INTELLIGENCE

Cyber Intelligence products and services collect and analyze information available online and generated through the use of digital and electronic devices



CYBER SECURITY

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



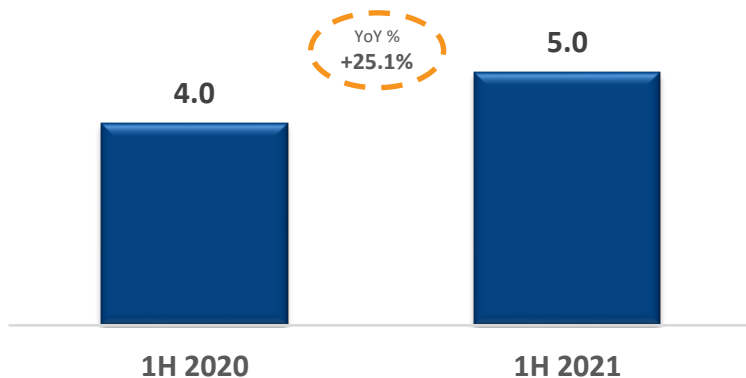


1H 2021 Financial Highlights

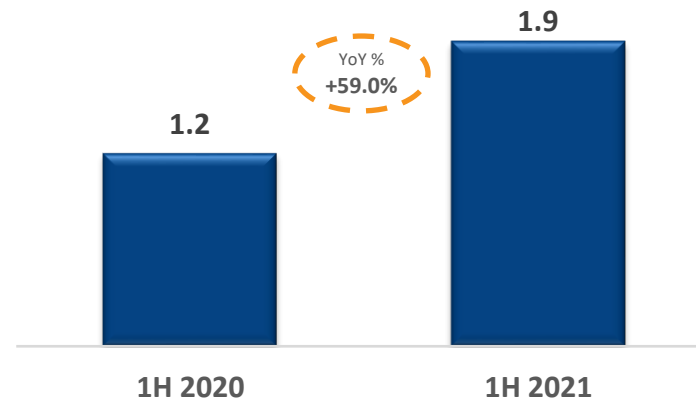
INVESTOR PRESENTATION

Keep on proprietary SW products commercialization, enabling revenues growth and solid margin and cash generation

REVENUES

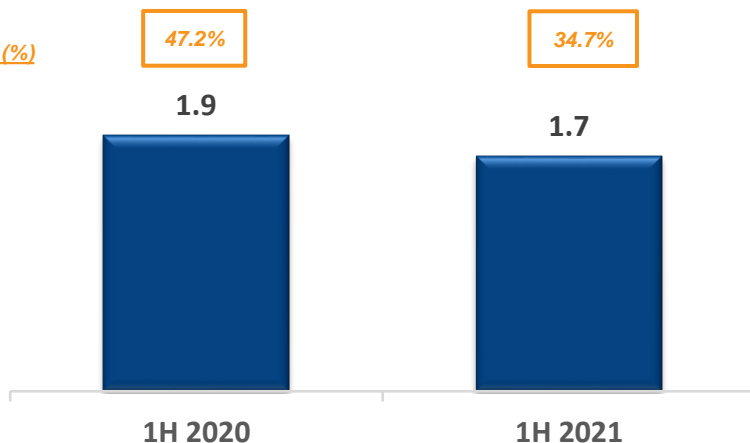


R&D INVESTMENTS

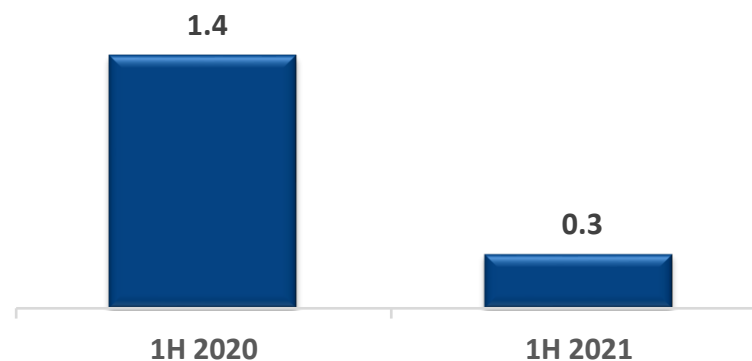


EBITDA

Margin (%)



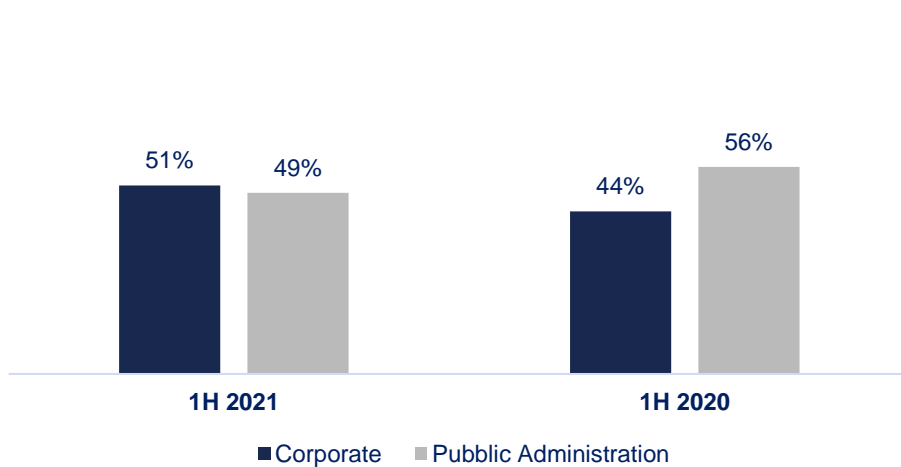
NET PROFIT



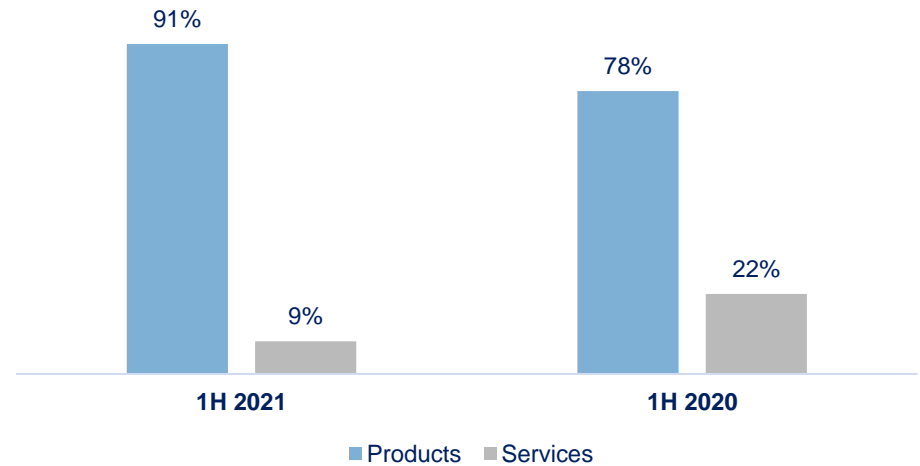
Revenues Breakdown 1H 2021

INVESTOR PRESENTATION

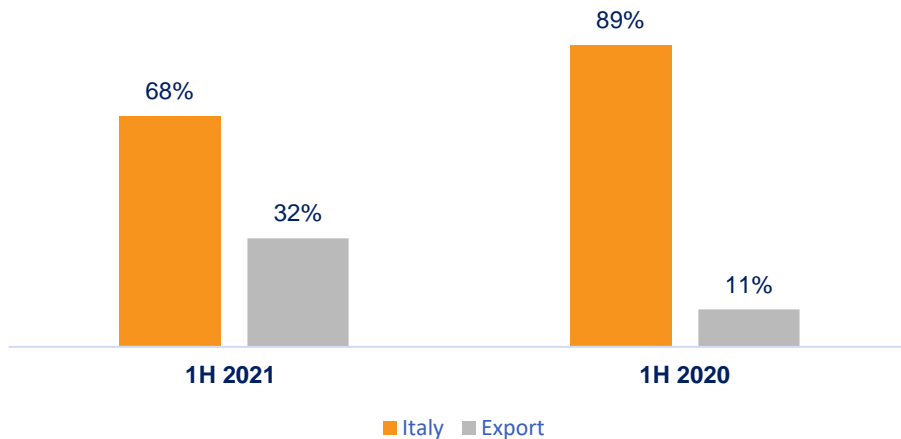
By Clients



By Type



By Geographical Area



- **By clients:** improved penetration in the corporate market
- **By Type:** focused on products commercialization
- **By Geographical area:** increased foreign sales thanks to business development initiatives

Profit & Loss 1H 2021

INVESTOR PRESENTATION

€/000	1H 2021	1H 2020
Revenues	4,204	2,716
LIC change	807	1,288
Operating revenues	5,011	4,005
R&D investments	1,870	1,176
Other revenues	103	49
Total Production value	6,983	5,230
Personnel costs	2,990	1,551
Services cost	1,967	1,592
Other general costs	288	197
Total cost	5,246	3,340
EBITDA	1,737	1,890
<i>EBITDA margin</i>	34.7%	47.2%
Depreciation and write-downs	1,392	538
EBIT	345	1,352
Financial income/charges	(18)	(38)
Taxes	(31)	114
Profit (loss)	297	1,429

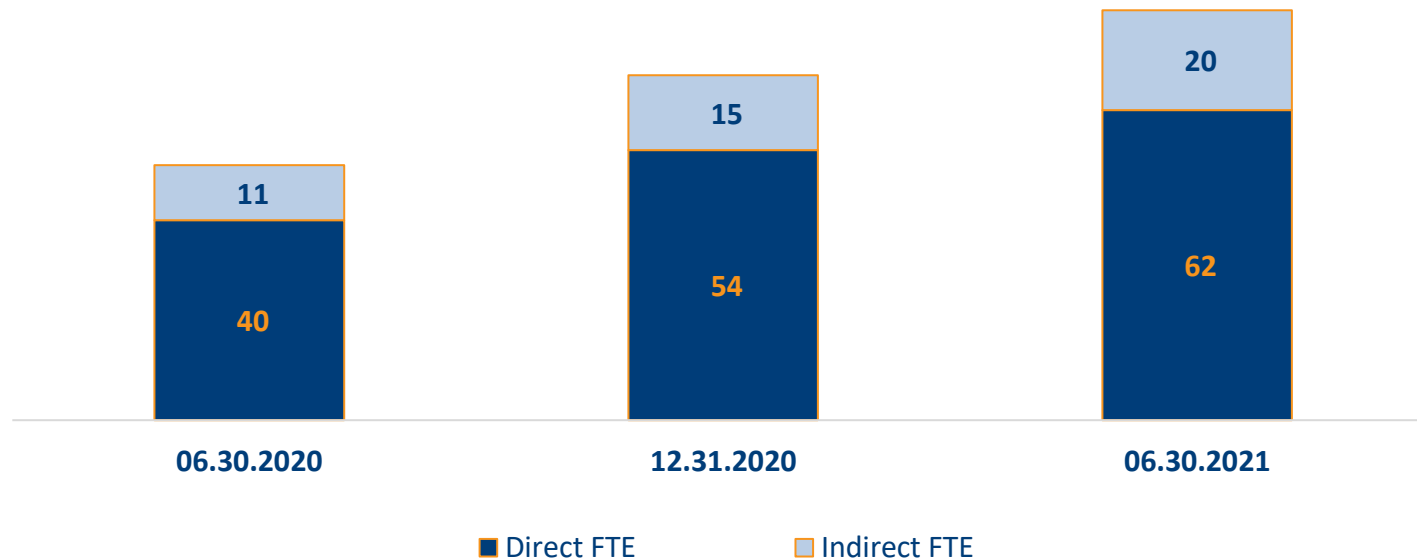
Executive Summary:

- **Production Value:** includes the R&D investments for € 1.9 million
- **Personnel costs:** +93% YoY mainly due to new hires for R&D projects
- **Service costs:** slight increase due to the consolidation of the Delivery and R&D technical teams, which saw less use of third-party services and consultancy, and mainly due to sales of proprietary SW products
- **EBITDA:** 35% in line with the benchmark, even with the significant investments in human resources made in the first half of 2021

Investments

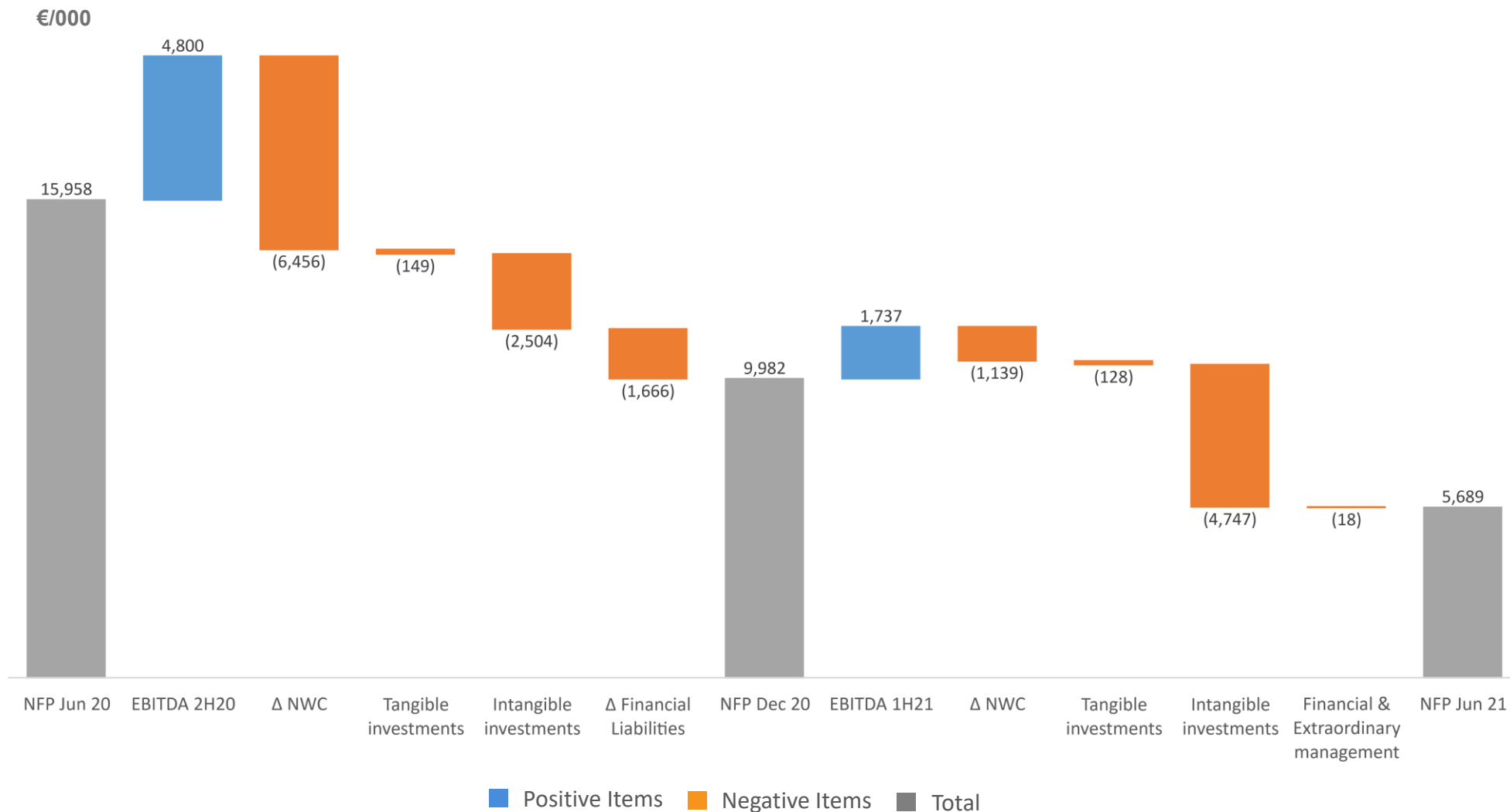
INVESTOR PRESENTATION

- **Significant investment in staff: +31 FTE YoY**
- **+22 direct staff:** reinforced to meet the needs of **R&D** projects and **upcoming contractual deliveries**.
- 50% of incremental staff cost, around €700/k, invested in R&D activities
- +9 resources mainly related to strengthening the sales force to support the company's strategic market presence



Net Debt & Cash Flow Analysis: Post IPO – June 2021

INVESTOR PRESENTATION



Asset & Liabilities 1H 2021

INVESTOR PRESENTATION

€/000	1H 2021	FY 2020
Intangible fixed assets	8,123.6	4,659.3
Tangible fixed assets	657.4	639.3
Fixed assets	8,781.0	5,298.6
Finished products warehouse	217.3	251.0
Work in progress warehouse	1,605.0	797.8
Receivables from customers	13,455.3	13,283.0
Payables to suppliers	(1,890.6)	(1,653.0)
Receivables from subsidiaries	1,911.2	2,315.7
Payables to subsidiaries	(387.4)	(405.8)
Advances from customers	(1,639.4)	(1,734.4)
Operating working capital	13,271.4	12,854.3
Other activities	1,373.1	848.2
Other liabilities and provisions	(1,918.9)	(1,927.1)
Net working capital	12,725.6	11,775.4
Net invested capital	21,506.6	17,073.9
Cash and cash equivalents	5,688.7	9,982.5
shareholder, bank and other loans	(708)	(850)
payables for interest expense and other	(160.3)	(175.6)
NFP	4,820.9	8,956.9
Shareholders' Equity		
Share capital	(481.5)	(481.5)
Share premium reserve	(19,499.9)	(19,499.9)
Legal reserve	(96.3)	(92.6)
Profit/(loss)	(296.6)	(5,006.6)
Profit/(loss) carried forward	(5,953.1)	(950.2)
Shareholders' Equity	(26,327.4)	(26,030.8)
Total sources	(21,506.6)	(17,073.9)

Executive Summary:

- **Fixed Assets:** increase deriving from R&D investments and patents' investment
- **Operating Working Capital:** increasing related to volume of business
- **NFP:** positive including capex for Product Development & Sales Force



High Potential Momentum for Value Creation

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Significant commercial opportunities on the foreign market and on the Italian government
Attractive and growing markets: Cyber Intelligence and Cyber Security



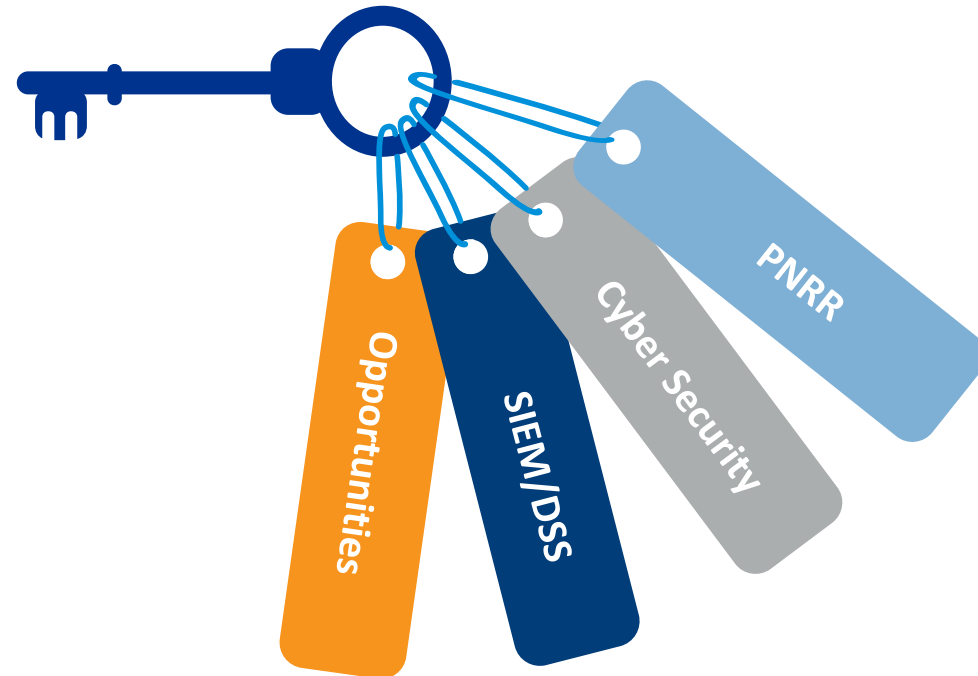
- 360° cyberhouse: unique in the Italian competitive landscape
- Robust technology engine: 5 proprietary solutions and CEWIS
- Positioning on key technological trends identified by Gartner in the corporate reference sectors (advanced decision intelligence and SIEM systems)



National and European regulatory framework suitable to the growth of European digital SW companies



Funds linked to the PNRR "National Recovery and Resilience Plan" on digital innovations and cybersecurity



Strategic Plan fueled by both Organic and External Growth

INVESTOR PRESENTATION

Strategy pillars

Commercial/ Sales

Salesforce **development** to **improve Italian market penetration** coupled with reinforced commercial efforts to **strengthen agreements** with key partners

Products Development

Creation of **integrated solutions** through the **development** of **new functions** with the aim of **creating** a **competitive product offering** both in Italy and abroad

Brand Positioning

Improvement of **brand positioning** and visibility through **proper communication campaign** and **opening** of **commercial branches**

M&A Activity, Talent Acquisition and Retention

Cy4Gate aims to **expand** its **business through M&A** activity and to **gather** the best **human resources** operating in the reference industry

M&A Target: RCS LAB

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RCS LAB is the main Italian supplier of **interception tools**.

It is headquartered in Milan, Italy, and its customers include public prosecutors, law enforcement agencies, and secret services, to whom it supplies software for environmental, telephone and telematic interception, as well as systems for the advanced analysis of investigative information, with revenues of approximately **€ 40 million**

Rationale of operation



Market reach: consolidate Italy and create growth opportunities in Europe



Important synergies in R&D without overlapping but with product integration



Creation of an Italian cyber security and cyber intelligence **centre**

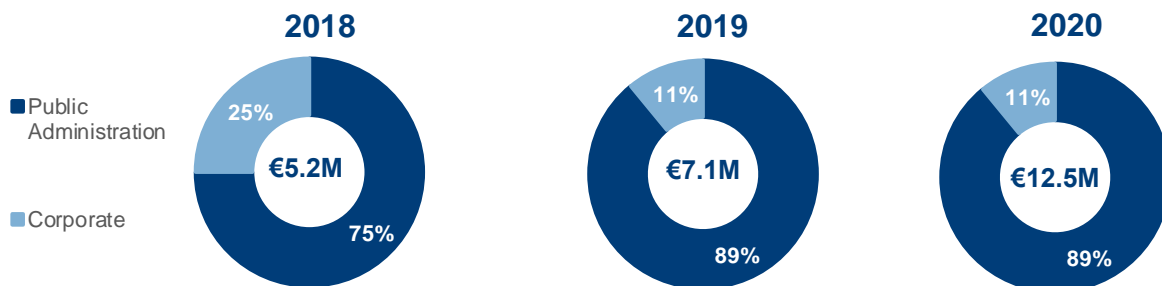


High-Standing Customer Base in Diversified End Markets

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CY4's main customers are currently Public entities and Governments and the company is already well-equipped to enlarge its customer portfolio to corporates

REVENUES BY CUSTOMER TYPE



Revenues coming from corporates clients accounted for 25% of total revenues in 2018 and 10-11% in 2019/2020. **Historically, CY4 registered revenues from corporate clients for c €1.0M**

The company is now focused on scaling up this revenues stream by implementing the **following strategic actions**

▶ During 2020, CY4 started to invest in a **marketing and communication campaign**

targeting corporate clients

🔗 **Dedicated sales force** to serve corporate clients

📈 **Enhancement of indirect sales channels**

MAIN CLIENTS



RECURRING CORPORATE CLIENTS



CY4GATE Value Proposition and Main Benchmarks

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Background

Market **highly fragmented** in 3 key segments (Intelligence platforms, lawful interceptions and cyber security)

Competitive dynamics in the European market characterized by few **large international players** and many small **start-ups / local players** in each market

		Overview of selected competitors		
		Italy 	Europe 	International (US & Israel)
Cyber intelligence 	Intelligence platforms		 	 
	Lawful interception	  	 	 
Cyber security 		   	 	   



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