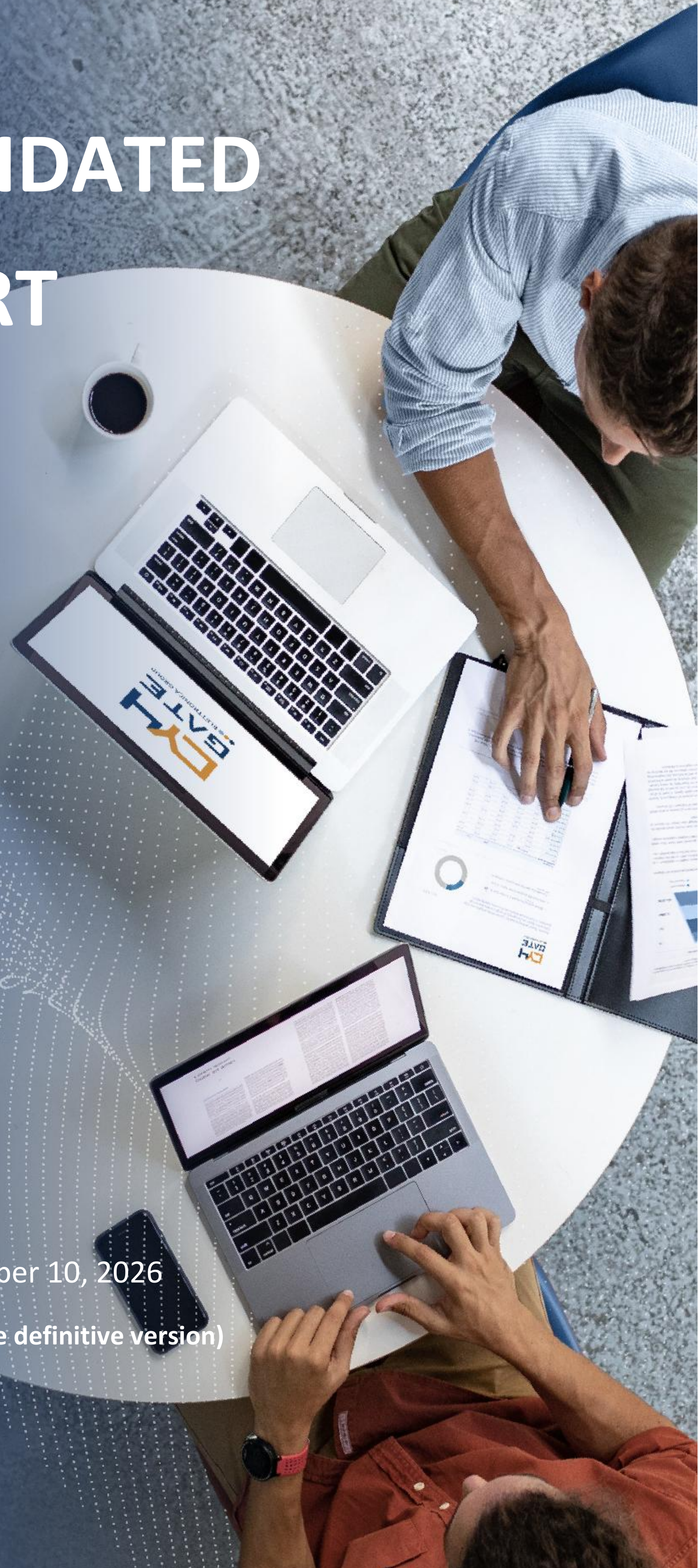
CY4GATE S.p.A.

INTERIM CONSOLIDATED FINANCIAL REPORT

as of June 30, 2026



Approved by the Board of Directors on September 10, 2026

(Translation from the Italian original which remains the definitive version)

THE CY4GATE GROUP

Corporate data of the Parent

CY4Gate S.p.A.

Registered office: Via Coponia,
8 - 00131 Rome (Italy)

Share capital EUR 1,441,499.94
fully paid up

Companies Register No.:
13129151000

REA (Economic and Administrative
Index) No.: RM – 1426295

VAT No. 13129151000

www.cy4gate.com

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CORPORATE BODIES AND INDEPENDENT AUDITORS

BOARD OF DIRECTORS

Chairman	Enrico Peruzzi
Chief Executive Officer	Emanuele Galtieri
Board Member	Domitilla Benigni
Board Member*	Roberta Berlinghieri
Board Member*	Alessandra Bucci
Board Member*	Maria Giovanna Calloni
Board Member	Alessandro Chimenton
Board Member	Roberto Ferraresi
Board Member	Anna Polico

* Independent board member pursuant to Article 147-ter, paragraph 4, and Article 148, paragraph 3, of the Italian Consolidated Law on Finance (TUF) and Article 2 of the Corporate Governance Code

BOARD OF STATUTORY AUDITORS

Chairman	Stefano Fiorini
Standing Auditor	Daniela Delfrate
Standing Auditor	Paolo Grecco
Alternate Auditor	Enrico Ascione
Alternate Auditor	Lorenzo Taglione

INDEPENDENT AUDITORS

KPMG S.p.A., in office until the shareholders’ meeting called to approve the financial statements as of December 31, 2031

MANAGEMENT REPORT AS OF JUNE 30, 2026

Group Financial Performance and Key Performance Indicators

The results achieved by the Group as of June 30, 2026 show a significant improvement compared to the corresponding period of the previous year. This confirms the effectiveness of the industrial restructuring and development path begun in 2025 and oriented towards creating value through sustainable growth.

The Group operates in the design, development and implementation of technologies, products, systems and services intended to meet the Cyber Intelligence and Cyber Security needs of companies, public institutions, police forces and armed forces, both in Italy and internationally. The solutions developed enable customers to address the growing security and resilience needs of communication networks, IoT and OT infrastructure and related information flows, ensuring a high level of protection against IT threats. In parallel, the Group provides cutting-edge technological platforms dedicated to the analysis and correlation of large volumes of data (Big Data), aimed at supporting decision-making processes and digital investigation activities through Decision Intelligence and Forensic Intelligence tools.

The growth initiatives completed in the three-year period 2022-2024 have made it possible to expand and strengthen the solutions portfolio in the two strategic areas of Cyber Intelligence and Cyber Security. This evolution has enabled the Group to integrate technologically advanced software platforms, capable of responding to the increasingly advanced requirements expressed by the market, and to fulfill specific needs arising from the evolution of technological scenarios and cyber threats. Today, CY4GATE Group has a wide and integrated offering, able to support customers in the main digital transformation programs, as well as in Decision Intelligence and Cyber Security activities.

The Group's commercial offering continues to be divided into the two commercial offering areas of Cyber Intelligence and Cyber Security, both characterized by a model that combines products, services and specialized solutions. In particular, the Cyber Intelligence line includes proprietary products dedicated to Decision Intelligence and Forensic Intelligence, while the Cyber Security line is connected to proprietary technological platforms aimed at protecting customers' digital security perimeter, encompassing a complex set of professional, consulting and training services.

The Group also maintains a qualified presence in Europe as a whole, participating in numerous programs promoted by the European Union.

The results achieved in the first half of 2026 confirm the growth trajectory that was already evident in the previous year. The increase in order acquisition recorded in 2025, supported by an equally solid acquisition relating to the first six months of the current year, has contributed to the strengthening of the backlog, confirming the solidity and scalability of the business model and supporting growth based on high value-added technological solutions. The intense commercial development activity, on both the domestic and international markets – both between institutions and in the corporate world – continues to translate into positive results, consolidating the Group's positioning in the governmental and institutional segment.

The progressive growth in the backlog and the significant contribution of recurring activities also make it possible to gradually mitigate the effects of the traditional seasonality that characterizes the sector in question. In parallel, the consolidation of the Group's presence in the corporate market continues, supported by business development initiatives predominantly focused on its Cyber Security offering.

GROUP'S KEY PERFORMANCE INDICATORS

The management of CY4GATE evaluates the Group performance based on various indicators, as discussed below. In addition to the financial indicators provided for by the International Financial Reporting Standards (IFRS), some indicators derived from these standards, though not envisaged by the IFRS (Alternative Performance Indicators), and the components of each of these indicators are presented:

- **EBITDA:** calculated by adjusting the profit/(loss) for the period to exclude the effect of taxes, net financial income/(expense), amortization, write-downs and impairment losses on financial assets, as well as income/(expense) considered by the Group as non-recurring and extraordinary, primarily related to M&A transactions and the amortization arising from the purchase price allocation (PPA) resulting from the allocation of part of the acquisition price of Diateam and XTN to intangible assets;
- **EBITDA Margin:** calculated as a ratio between EBITDA, as previously described, and total revenue;
- **EBIT:** considers the profit/(loss) for the period to exclude the effect of taxes and net financial income/(expense);
- **Net Financial Position (NFP):** calculated by subtracting cash and cash equivalents and financial assets from current and non-current financial liabilities.

Shown below are the main changes that have characterized the Group's trend compared to the previous period.

RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Reclassified Statement of Profit and Loss	For the period ended	
(in EUR)	06/30/2026	06/30/2025
Revenue	64,160,339	39,470,913
Other revenue and income	1,568,763	1,146,457
Total Revenue	**65,729,102**	**40,617,370**
Purchases, services and other operating costs	(35,270,066)	(18,810,680)
Personnel expenses	(18,771,838)	(18,299,943)
Costs	**(54,041,904)**	**(37,110,623)**
EBITDA	**11,687,198**	**3,506,747**
EBITDA Margin	**17.8%**	**8.6%**
Amortization, write-downs and impairment losses on financial assets	(9,279,683)	(9,320,049)
Amortization and depreciation (related to PPA)	(306,348)	(1,329,062)
Non-recurring costs (one-off)	-	(111,453)
EBIT	**2,101,167**	**(7,253,817)**
Net financial expense	(1,390,701)	(1,286,682)
Taxes	(1,806,912)	(170,922)
Loss for the period	**(1,096,446)**	**(8,711,421)**
of which, attributable to non-controlling interests	***1,650,963***	***474,937***
Loss per share	**(0.05)**	**(0.37)**

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Reclassified Statement of Financial Position	As of	
(in EUR)	06/30/2026	12/31/2025
Non-current assets	**90,466,395**	**90,105,184**
Inventories	3,757,977	3,024,960
Contract liabilities, net	(38,724,926)	(47,176,856)
Trade receivables	43,458,996	68,065,009
Trade payables	(14,997,420)	(13,918,804)
Operating working capital	**(6,505,373)**	**9,994,309**
Other assets (liabilities)	12,124,544	6,515,047
Net working capital	**5,619,171**	**16,509,357**
Net invested capital	**96,085,565**	**106,614,541**
Cash and cash equivalents	24,441,766	22,984,153
Financial assets	2,271,376	3,296,052
Financial liabilities	(29,150,399)	(35,210,792)
Lease liabilities	(4,502,334)	(4,842,894)
Net Financial Position	**(6,939,590)**	**(13,773,483)**
Equity	**(89,145,975)**	**(92,841,061)**
Total sources	**(96,085,565)**	**(106,614,541)**

Revenue for the six months ended June 30, 2026 amounted to EUR 65.7 million, representing a 61.8% increase compared to the six months ended June 30, 2025 (EUR 40.6 million), due to higher volumes derived predominantly from the RCS Group orders.

Costs totaled EUR 54.0 million, an increase of 45.6% on the first half of 2025 (EUR 37.1 million). This increase is mainly attributable to higher costs to support the increase in production-related expenses, and to lower capitalized costs compared to the same period of the previous year.

EBITDA was positive for EUR 11.7 million, a sharp increase compared to the first half of 2025 (EUR 3.5 million).

EBIT was also positive for EUR 2.1 million, an improvement on the comparison period, when it was negative for EUR 7.3 million.

The **Net Result** as of June 30, 2026 showed a loss of EUR 1.1 million, an improvement of EUR 7.6 million compared to the loss for the period ended June 30, 2025.

Equity amounted to EUR 89.1 million (EUR 92.8 million at December 31, 2025) due to the carrying forward of the loss for the period, as well as the distribution of dividends of subsidiaries to minorities.

The **Net Financial Position** amounted to EUR 6.9 million (Net financial debts of EUR 13.8 million as of December 31, 2025), an improvement of EUR 6.8 million, mainly due to a reduction in financial liabilities.

NET FINANCIAL POSITION

For the detailed statement of the composition of the Group's Net Financial Position as of June 30, 2026, as required by CONSOB communication no. DEM/6064293 of July 28, 2006 and in compliance with CONSOB Warning no. 5/21 of April 29, 2021 with reference to ESMA Guideline 32-382-1128 of March 4, 2021, see paragraph no. 23 "Current and non-current financial liabilities and current and non-current lease liabilities" of the Notes.

HUMAN RESOURCES

With reference to the human resources employed during the half-year, below is the composition of the CY4GATE Group's workforce as of June 30, 2026, highlighting the changes that occurred during the reporting period.

BREAKDOWN OF AND CHANGES IN WORKFORCE

	Executive managers	Middle managers	Employees	Total
12/31/2025	25	75	441	541
new hires (+)	5	6	37	48
promotions	2	(1)	(1)	0
departures (-)	(5)	(5)	(58)	(68)
06/30/2026	**27**	**75**	**419**	**521**

	Average number of employees		Employees at the end of the period	
	06/30/2026	06/30/2025	06/30/2026	06/30/2025
Executive managers	23	25	27	25
Middle managers	84	83	75	81
Employees	410	441	419	442
Total	**517**	**549**	**521**	**548**

SIGNIFICANT EVENTS OF THE PERIOD

Capital Increase of Helmon S.r.l.

On April 28, 2026, following the signing of an agreement amending the Investment and Shareholders' Agreement, CY4GATE made a payment in favor of Helmon for a total of EUR 2 million, of which EUR 1.00 as a nominal amount and EUR 1,999,999.00 as a premium, of which EUR 1,025,000.00 by cash payment and EUR 975,000.00 by waiving the loan disbursed by CY4GATE at the time of the Company's incorporation.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Purchase of a Further Stake in Diateam S.a.S.

On August 5, 2026, following the exercise of the "Put & Call" options exercisable in the three-year period 2024-2026 and signed at the time of the purchase of the first 55.33% of Diateam S.a.S., CY4GATE S.p.A. signed the closing for the purchase of an additional 14.67% of the French subsidiary at the price of EUR 980 thousand, thus increasing its interest to 100% of this subsidiary.

Refinancing of CY4Gate S.p.A.'s syndicated loan agreement

In July 2026, the Parent refinanced the syndicated loan agreement originally signed in 2022 with Crédit Agricole acting as lead arranger; this transaction involved Banca Nazionale del Lavoro S.p.A. joining the syndicate to replace the outgoing institutions. The new agreement was signed on July 15, 2026, for a maximum total amount of €29,166,666.66. It comprises two financing facilities: a facility of €21,500 thousand and a revolving facility of €7,667 thousand (of which €4,600 thousand is allocated to the Parent Company and €3,067 thousand to the subsidiary RCS). These two facilities have terms of 5 and 4 years, respectively. The purpose of the transaction was to refinance existing debt on more favorable economic terms and to activate the aforementioned revolving facility to support working capital needs. For further information, please refer to paragraph 23, "Current and non-current financial liabilities and current and non-current financial liabilities arising from leases." Under the terms of the loan agreement, a pledge was also established in favor of the lending banks over 100% of the share capital of RCS ETM Sicurezza S.p.A. This pledge serves as security for the proper, full, and timely performance of all present and/or future monetary obligations of Cy4gate S.p.A. and RCS ETM Sicurezza S.p.A. arising in any capacity from the loan agreement.

BUSINESS OUTLOOK

The Group confirms its path of sustainable growth, continuing to implement initiatives aimed at organizational consolidation, operational efficiency, and leveraging synergies resulting from the integration of acquired companies. The strategy remains focused on maintaining technological leadership and on the continuous expansion of a portfolio of solutions with high innovative content, capable of responding to the increasingly complex needs of governmental, institutional and corporate customers.

The performance achieved in the first half of the year, with a significant improvement in all the main economic, equity and financial indicators compared to the corresponding period of 2025, has further strengthened the visibility of the entire year's performance. In light of the results achieved and the order backlog level already acquired, the Board of Directors believes that the Group is positioned to achieve better results than the revenue targets communicated to the market **with guidance that has been reviewed to the range of EUR 115-120 million (+EUR 11 million compared to the guidance provided in the budget)**, while maintaining a solid capital and financial structure capable of supporting the Group's path of growth.

At the same time, the Group continues to assess strategic and industrial partnership opportunities also with distributors and distributors, aimed at enriching its portfolio of technologies and products, accelerating its entry into new high-potential markets and further strengthening its competitive positioning, with the aim of increasing value creation for all stakeholders.

In line with the Business Plan, the development strategy continues to focus on three priority markets:

a) in the **Defense** market, the Group intends to further consolidate its position in a context characterized by growing demand for advanced technologies for security and defense, supported by the increase in public investment at national and international level. In this scenario, the strengthening of collaborations with the main operators of both Aerospace & Defense industry in Italy and across Europe will continue, accompanied by an expansion into new international markets. The activities of the Cyber Academy and Cyber Labs will continue to represent an important commercial entry tool, favoring further upselling opportunities. The Group also plans to increase its presence on the domestic and foreign markets through both its direct sales network and the synergies developed with Elettronica S.p.A., actively participating in the main European and NATO programs dedicated to research and development in the cyber domain and promoting the establishment of partnerships functional to participation in multi-year defense programs in foreign markets;

b) in the **Security & Law Enforcement** market, the Group will continue to pursue the strengthening of its leadership on the market and the expansion of its international presence. These activities will focus on the continuous quality improvement of services provided to Public Prosecutor's Offices - with an increasing emphasis on high-value-added offerings - as well as on developing selective technological and commercial partnerships with highly specialized operators and expanding the market share for in-house developed, next-generation tactical devices. At the same time, the Group will continue to strengthen its presence in the main European markets, with particular attention to Spain, where the Group has a consolidated position and commercial relations developed over time, benefiting from the greater stability and predictability of the European Union;

c) in the **Corporate** market, both in Italy and in other European Union countries, the Group will continue to evolve its business model, increasingly orienting it towards a value proposition based on the capabilities offered to customers, rather than on the sale of individual products. In this context, proprietary technology platforms are the enabling tools to ensure high levels of security and resilience, with a focus on the Operational Technology (OT) and the Internet of Things (IoT) segments, which continue to highlight significant development prospects. The commercial strategy will be supported by the integration of direct sales force and channel partnerships, the expansion of the customer base in large and mid-market segments, the extension of upselling and cross-selling activities on the customer portfolio of the subsidiary XTN in the main industrial sectors and the progressive geographical expansion in European markets, with priority given to Spain, enhancing the presence of the subsidiary DARS and the network of international business collaborations.

Management will also continue to implement the integration plan among the Group companies, with the aim of maximizing industrial synergies, increasing the efficiency of operational processes, optimizing the cost structure and enhancing the investments made in recent years. In parallel, the selective scouting of opportunities for inorganic growth will continue, prioritizing potential M&A transactions that enable the acquisition of distinctive capabilities, proprietary technologies, and strategic assets aligned with the Group's positioning and capable of further accelerating its growth trajectory, thereby balancing organic development with industry consolidation.

MAIN RISKS AND UNCERTAINTIES

Risk Management

The Group is exposed to financial risks connected with its operations, more specifically the following:

- market risk, defined as currency risk, for transactions in currencies other than the presentation currency; interest rate risk, related to financial exposure, and price risk;
- credit risk, arising from normal business operations or financing activities;
- liquidity risk, related to the availability of financial resources and access to the credit market;
- capital risk;
- authorization risk;
- reputational risk;
- human resources risk;
- technological risk.

The risk management strategy is aimed at minimizing potential negative effects on the Group's financial performance.

Interest Rate Risk

The Group, in choosing financing and investment operations, has adopted criteria of prudence and limited risk and has not carried out speculative transactions. It is noted that the Group has sought to hedge against financial risk - specifically the risk of rising interest rates - by entering into "Interest Rate Swap" contracts; these are financial instruments designed to hedge against fluctuations in the interest rates applicable to variable-rate loan agreements. The aforementioned "Interest Rate Swaps" are to be considered hedging transactions, and their impact on the profit/(loss) for the period arises exclusively from the accounting recognition of interest rate differentials (receivable and payable) as of June 30, 2026. Below are the main details of these contracts:

Bank	Agreement date	Maturity date	Reference principal (Euro)	Outstanding principal (EUR)	Fair Value as of 06/30/26 (EUR)
INTESA	01/18/2024	11/30/2026	2,750,000	500,000	(308)
ICCREA	05/24/2022	03/29/2028	5,000,000	2,100,000	25,837
CREDIT AGRICOLE	05/24/2022	03/29/2028	7,500,000	3,150,000	38,642

Currency Risk

The Group believes it is not significantly exposed to fluctuations in exchange rates; therefore, it does not carry out transactions in derivative financial instruments to hedge against currency risk. In particular, despite the Group conducting its business abroad, exposure to foreign countries is limited and there are no financial liabilities in currencies other than the Euro.

Price Risk

The Group believes it is not significantly exposed to the movements of raw material and commodity prices used in the production process and the resulting influence of these on operating margins.

Credit Risk

The credit risk essentially derives from receivables from customers. To mitigate credit risk related to counterparties in trade transactions, the Group has implemented procedures aimed at limiting the concentration of exposures to single counterparties or groups, through a creditworthiness analysis. Constant credit monitoring allows the Group to promptly verify any defaults or worsening of the creditworthiness of the counterparts and to adopt the relative mitigating actions. It should also be specified that the credit risk is further limited considering the characteristics of the customers, largely public entities.

Liquidity Risk

The liquidity risk is associated with the Group's ability to meet commitments primarily arising from financial liabilities. Prudent management of liquidity risk originated from the Group's normal operations implies maintaining an adequate level of cash and the availability of funds obtainable through an adequate amount of credit lines. Cash flows, financing needs and liquidity are constantly monitored and managed with the aim of ensuring an effective and efficient management of financial resources.

Capital Risk

The Group's objective in managing capital risk is mainly to safeguard the going concern in order to guarantee returns to shareholders and benefits to all stakeholders. The Group also aims to maintain an optimal capital structure in order to reduce the cost of indebtedness.

Authorization Risk

The Group operates in an industry characterized by multiple specific regulatory and legal disciplines. In particular, the Group's activity is conditioned by these regulations to the extent that they can influence the obtaining of the necessary authorizations for the sale of new products and services in particularly regulated markets. The procedures that must be followed to obtain such authorizations can be long, costly and with no guaranteed outcome. This risk is particularly significant if linked to the seasonality of the Group's business, characterized by a marked concentration in the last quarter of the year.

Reputational Risk

The Group operates in a regulated sector, Forensic Intelligence, which by its nature is intended to support law enforcement agencies and national and foreign judicial bodies in conducting investigative activities using proprietary technologies. The Group always acts in full compliance with the law, within a framework of prior authorization by the competent authorities. It imposes stringent contractual clauses to prevent the "misuse" of its products by end-users. These include the termination of existing contracts and the interruption of maintenance activities that enable the use of the products themselves. Nevertheless, circumstances may arise where improper use of the aforementioned technologies is reported through print and/or online media outlets with incomplete or incorrect information, aimed at discrediting the Group, even though it has operated in full compliance with current regulations.

Human Resources Risk

The Group operates in an industry characterized by the need of companies to employ highly specialized personnel with high technical and professional skills and, therefore, the Group's success depends also on its ability to attract, train and retain personnel with the level of specialization and technical and professional skills required. The current context, moreover, is affected by a significant shortage of human resources with adequate technical training in the so-called "STEM" disciplines.

Technological Risk

Delays in product development or in adapting to technological evolution could negatively affect the Group's commercial relationships and limit market expansion, thereby reducing the resources available to develop new products and services, meet customer demands, and maintain the Group's innovative positioning within its target market.

RELATED PARTIES TRANSACTIONS

The transactions concluded by the Group with related parties during the half-year under review were of a commercial and financial nature and were carried out on normal market terms. For a detailed description of the relationships held during the first half of 2026, reference is made to the information provided in Note 26 of the Condensed Interim Consolidated Financial Statements.

It is noted that, on May 18, 2023, CY4GATE S.p.A. adopted – effective as of the date on which the Company's ordinary shares began trading on the Euronext Milan, STAR segment – a specific "Procedure for Transactions with Related Parties" (hereinafter the "Procedure"), in implementation of the provisions pursuant to art. 2391-bis of the Italian Civil Code and the Regulation laying down provisions on transactions with related parties adopted by CONSOB with Resolution no. 17221 of March 12, 2010, as subsequently amended and supplemented, most recently on September 12, 2024. It is specified that the Group applies the Procedure also taking into account the CONSOB Communication no. DEM/10078683, published on September 24, 2010, containing "Indications and guidelines for the application of the Regulation on transactions with related parties adopted with Resolution no. 17221 of March 12, 2010 as subsequently amended". The Procedure, as currently in force, is published on the Group's website: www.cy4gate.com in the "Governance" section, "Corporate Documents" area.

Pursuant to art. 5, paragraph 8, of the Regulation, it is noted that in first half of 2026 no major transactions (as defined by art. 4, paragraph 1, lett. a) and identified by the cited Procedure pursuant to Annex 3 to the Regulation) were carried out. During the half-year under review, a loan of EUR 3,510,000 was received from the ultimate parent company Elettronica SpA - as further detailed in Note 26 - and no other related-party transactions were concluded that had a material impact on the consolidated financial position during the reporting period. For details on related party transactions that occurred during the period, please refer to Note 26 of the Condensed Interim Consolidated Financial Statements.

OTHER INFORMATION

Shares or quotas of Parent Companies

CY4GATE S.p.A. does not hold shares or quotas in any parent companies, and the Group's companies have not made acquisitions or disposals of shares or quotas of parent companies, either directly, or through trustees or nominees in the half-year.

Treasury Shares of the Parent Company Held by Itself or by Subsidiaries

It is hereby certified that CY4GATE S.p.A., as of June 30, 2026, holds 450,000 treasury shares, with a total value of EUR 3.2 million.

Management and Coordination

CY4GATE S.p.A. is not subject to management and coordination activity by any of its shareholders, pursuant to articles 2497 et seq. of the Italian Civil Code, having verified that the presumption of article 2497-sexies of the Italian Civil Code does not apply.

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This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative)

Report on review of condensed interim consolidated financial statements

To the Shareholders of
CY4Gate S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the CY4Gate Group comprising the statement of financial position, the statements of profit and loss, comprehensive income, changes in equity, cash flows and notes thereto, as at and for the six months ended 30 June 2026. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the CY4Gate Group as at and for the six months ended 30 June 2026 have not been prepared, in all material respects, in accordance with the IFRS Accounting

Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union.

Rome, 11 September 2026

KPMG S.p.A.

(signed on the original)

Matteo Ferrucci
Director of Audit

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2026

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in EUR)	Note	Six month period ended June 30			
		2026	*of which with related parties:*	2025	*of which with related parties:*
Revenue	1	64,160,339	*3,249,551*	39,470,913	*3,356,650*
Other revenue and income	2	1,568,763	-	1,146,457	*57,703*
Purchases, services and personnel expenses	3	(53,556,983)	*(117,061)*	(36,916,983)	*(119,710)*
Amortization and depreciation	4	(8,483,372)	*(138,993)*	(10,210,258)	*(149,942)*
Impairment losses on financial assets	4	(1,102,659)	-	(438,853)	-
Other operating costs	5	(484,921)	-	(305,093)	-
Operating profit (loss)		**2,101,167**	***2,993,498***	**(7,253,817)**	***3,144,701***
Financial income	6	203,819	-	561,752	-
Financial expense	6	(1,318,161)	*(17,676)*	(1,602,297)	*(2,125)*
Share of profit/(loss) of equity-accounted investments, net of tax effects	6	(276,359)	-	(246,137)	-
Pre-tax profit (loss)		**710,466**	***2,975,821***	**(8,540,499)**	***3,142,576***
Taxes	7	(1,806,912)		(170,922)	-
Loss for the period		**(1,096,446)**	***2,975,821***	**(8,711,421)**	***3,142,576***
of which:					
Profit attributable to non-controlling interests		*1,650,963*		*474,937*	
Loss attributable to the owners of the parent		*(2,747,409)*		*(9,186,358)*	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EUR)	Note	Period ended June 30	
		2026	2025
Profit/(loss) for the period		**(1,096,446)**	**(8,711,421)**
Actuarial gains/(losses) on defined benefit plans	21	(43,363)	113,543
Related tax	21	(281)	(28,356)
Items that will not be subsequently reclassified to profit and loss		**(43,644)**	**85,187**
Fair value gains (losses) on cash flow hedges		10,330	(52,416)
Related tax		(1,999)	10,145
Items that may be subsequently reclassified to profit and loss		**8,331**	**(42,271)**
Other comprehensive income/(expense), net of related tax		**(35,314)**	**42,916**
Comprehensive loss for the period		**(1,131,759)**	**(8,668,505)**
of which:			
Comprehensive profit attributable to non-controlling interests		*1,650,963*	*474,938*
Comprehensive profit/(loss) attributable to the owners of the parent		*(2,782,723)*	*(9,143,443)*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in EUR)	Note	As of June 30 2026	of which with related parties:	As of December 31 2025	of which with related parties:
Intangible assets and goodwill	9/10	71,689,232	-	74,358,862	-
Goodwill	9	49,190,205	-	49,190,205	-
Intangible assets	10	22,499,027	-	25,168,657	-
Property, plant and equipment	11	11,977,893	-	10,310,283	-
Right-of-use assets	12	4,253,451	*352,192*	4,613,860	*464,186*
Non-current financial assets	13	1,257,892	*19,000*	1,912,040	*994,000*
Equity-accounted investments	14	2,545,819	-	822,178	-
Deferred tax assets	19	10,489,345	-	10,858,807	-
Other non-current assets	19	1,286,899	-	1,295,436	-
Non-current assets		**103,500,531**	**344,192**	104,171,467	***1,458,186***
Inventories	16	3,757,977	-	3,024,960	-
Contract assets	17	4,678,734	*1,744,728*	7,512,924	*2,636,406*
Trade receivables	18	43,458,996	*2,642,628*	68,065,009	*1,940,449*
Current tax assets	15	31,307	-	44,495	-
Other current assets	19	18,449,074	-	16,847,486	-
Current financial assets	13	1,013,485	-	1,384,012	-
Cash and cash equivalents	20	24,441,766	-	22,984,153	-
Current assets		**95,831,342**	***4,387,356***	**119,863,039**	*4,576,855*
Total assets		**199,331,872**	***4,731,548***	**224,034,505**	*6,035,040*
Share capital	21	1,441,500	-	1,441,500	-
Share premium reserve	21	108,539,944	-	108,539,944	-
Reserves	21	(20,654,666)	-	(10,663,888)	-
Loss for the period	21	(2,747,409)	-	(9,994,542)	-
Equity attributable to the owners of the parent		**86,579,369**	**-**	**89,323,014**	**-**
Equity attributable to non-controlling interests	21	2,566,606	-	3,518,048	-
Equity		**89,145,975**	**-**	**92,841,061**	**-**
Non-current employee benefits	22	5.278.265	-	5.450.497	-
Other non-current liabilities	25	30.475	-	-	-
Non-current financial liabilities	23	12.418.695	*3.510.000*	13.481.743	-
Non-current financial and lease liabilities	23	3.023.252	*101.590*	3.384.227	*249.601*
Deferred tax liabilities		943.059	-	905.383	-
Total non-current liabilities		**21.693.746**	***3.611.590***	23.221.850	***249.601***
Current provisions for risk and charges		-	**-**	150.000	-
Trade payables	24	14,997,420	*221,766*	13,918,804	*217,864*
Current financial liabilities	23	16,731,702	-	21,729,047	-
Current lease liabilities	23	1,479,084	*298,059*	1,458,667	*295,402*
Contract liabilities	17	43,403,660	*627,411*	54,689,777	*457,040*
Current tax liabilities	15	1,404,607	-	150,873	-
Other current liabilities	25	10,475,679	-	15,874,424	-
Total current liabilities		**88,492,152**	***1,147,236***	**107,971,592**	***970,306***
Total liabilities		**110,185,898**	***4,758,826***	**131,193,443**	***1,219,907***
Total equity and liabilities		**199,331,872**	***4,758,826***	**224,034,505**	***1,219,907***

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in Euro)	Note	Share capital	Share premium reserve	Reserves	(Loss) for the period	Total equity attributable to the owners of the parent	Total equity attributable to non-controlling interests	Total equity
As of January 1, 2025		**1,441,500**	**108,539,944**	**(3,479,508)**	**(7,401,686)**	**99,100,250**	**3,192,583**	**102,292,833**
Loss for the period		-	-	-	(9,186,358)	**(9,186,358)**	474,937	**(8,711,421)**
Actuarial gains on defined benefit plans		-	-	85,187	-	**85,187**	-	**85,187**
Fair value gains (losses) on cash flow hedges		-	-	(42,271)	-	**(42,271)**	-	**(42,271)**
Comprehensive profit/(loss) for the period		**-**	**-**	**42,916**	**(9,186,358)**	**(9,143,442)**	**474,937**	**(8,668,505)**
Losses carried forward		-	-	(7,401,686)	7,401,686	**-**	-	**-**
Other changes:		-	-	79,174	-	**79,174**	-	**79,174**
Distribution of dividends to non-controlling interests		-	-	(37,017)	-	**(37,017)**	(1,675,083)	**(1,712,100)**
As of June 30, 2025		**1,441,500**	**108,539,944**	**(10,796,127)**	**(9,186,358)**	**89,998,960**	**1,992,437**	**91,991,397**
As of January 1, 2026		**1,441,500**	**108,539,944**	**(10,663,888)**	**(9,994,542)**	**(89,323,014)**	**3,518,048**	**92,841,061**
Loss for the period		-	-	-	(2,747,409)	**(2,747,409)**	1,650,963	**(1,096,446)**
Actuarial gains on defined benefit plans		-	-	(43,644)	-	**(43,644)**	-	**(43,644)**
Fair value gains/(losses) on cash flow hedges		-	-	8,331	-	**8,331**	-	**8,331**
Comprehensive profit/(loss) for the period		**-**	**-**	**(35,314)**	**(2,747,409)**	**(2,782,723)**	**1,650,963**	**(1,131,759)**
Losses carried forward		-	-	(9,994,542)	9,994,542	**-**	-	**-**
Distribution of dividends to non-controlling interests		-	-	(99,349)	-	**(99,349)**	(2,602,403)	**(2,701,752)**
Share-based payments		-	-	138,433	-	**138,433**	-	**138,433**
As of June 30, 2026		**1,441,500**	**108,539,944**	**(20,654,666)**	**(2,747,409)**	**86,579,369**	**2,566,607**	**89,145,975**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Cash flow Period ended June 30, 2026	*Cash flow Period ended June 30, 2025*
Pre-tax loss	**710,466**	**(8,540,499)**
Adjustments for:		
Amortization and depreciation	8,483,372	10,210,258
Impairment losses	1,102,659	438,853
Service cost for post-employment benefits and defined benefit plans	138,433	-
Net interest income and expense	1,114,342	1,040,545
Other non-monetary items	(129,708)	752,932
Cash flows from operating activities before changes in net working capital	**11,419,564**	**3,902,089**
Change in inventories	(733,017)	(860,942)
Change in trade receivables	23,503,352	6,554,094
Change in trade payables	1,078,616	413,673
Change in other assets/liabilities	(15,892,966)	2,236,589
Payment of post-employment benefits and defined benefit plans	(439,220)	(174,990)
Interest paid	(815,130)	(1,069,512)
Income tax paid	(28,753)	(1,358,913)
Net cash flows generated by operating activities	**18,092,446**	**9,642,089**
Net investment in intangible assets	(3,138,285)	(3,927,966)
Net investment in property, plant and equipment	(3,318,557)	(1,566,216)
Disinvestment in intangible assets and property, plant and equipment	390,938	309,104
Investment in Joint venture	(1,025,000)	-
Net cash flows used in investing activities	**(7,090,904)**	**(5,185,078)**
Dividends distributed	(2,701,752)	(1,712,100)
Changes in other financial assets	-	(2,207,183)
Increase in credit facilities	11,033,118	9,829,538
Repayment of credit facilities	(17,046,023)	(12,973,202)
Repayment of lease liabilities	(829,271)	(958,331)
Net cash flows used in financing activities	**(9,543,928)**	**(7,942,110)**
Total change in cash and cash equivalents	**1,457,614**	**(3,485,100)**
Opening cash and cash equivalents	22,984,153	14,537,530
Closing cash and cash equivalents	**24,441,766**	**11,052,429**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2026

GENERAL INFORMATION

CY4Gate S.p.A. (hereinafter the "Parent") is a company established and domiciled in Italy, with registered office in Rome (Italy), at Via Coponia, 8 and organized under the legal system of the Italian Republic. These Condensed Interim Consolidated Financial Statements as of and for the six months ended June 30, 2026, include the Interim Financial Statements of the Parent and its subsidiaries (collectively, the "CY4GATE Group" or the "Group"). The Group is primarily engaged in the design, development and production of technologies, products, systems and services for the Armed Forces, Law Enforcement Agencies and Italian and foreign companies. From June 26, 2023, the shares of CY4GATE S.p.A. are traded in the Euronext STAR Milan market segment of Borsa Italiana (from 2020 and until the above date shares were traded in the Euronext Growth Milan market segment).

The Parent is controlled by Elettronica S.p.A., with registered office in Rome at Via Tiburtina Km 13.700.

As of the date of preparation of these financial statements, the Parent is not subject to direction and coordination of any of its shareholders, as the Board of Directors of the Parent assumes in full and complete autonomy and independence the most appropriate decision relating to the management of the Parent's activities.

Authorization for Publication

These Condensed Interim Consolidated Financial Statements were approved and authorized for publication by the Board of Directors of CY4GATE S.p.A. on September 10, 2026, and are subject to limited auditing by KPMG S.p.A.

BASIS OF PREPARATION

These Condensed Interim Consolidated Financial Statements as of and for the six-month period ended June 30, 2026 have been prepared in compliance with the provisions of art. 154-ter of Italian Legislative Decree no. 58/98 – Consolidated Law on Finance or T.U.F. – as amended and supplemented; they have been prepared in accordance with the "EU IFRS", thereby meaning all the "International Financial Reporting Standards" (IFRS), all the "International Accounting Standards" (IAS), all interpretations of the "International Financial Reporting Interpretations Committee" (IFRIC), formerly the "Standing Interpretations Committee" (SIC) which, as of the reporting date of the Consolidated Financial Statements, have been endorsed by the European Union in accordance with the procedure envisaged by Regulation (EC) No. 1606/2002 of the European Parliament and of the European Council of July 19, 2002. The IFRS have been applied consistently to all periods presented in this document.

In particular, these Condensed Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 - Interim Financial Reporting and do not include all the information required by the Annual Financial Statements. They should therefore be read in conjunction with the Consolidated Financial Statements as at and for the year ended December 31, 2025 (the "last financial statements"), filed at the Company's registered office and available on the website www.cy4gate.com. Although they do not contain all the disclosures required for a complete set of financial information, specific explanatory notes are included to explain events and transactions that are key to understanding changes in the Group's financial position and performance since the last financial statements. The financial schedules are consistent with those that make up the Annual Consolidated Financial Statements.

These Condensed Interim Consolidated Financial Statements have been prepared on a going concern basis, as the Directors have verified the absence of financial, managerial or other indicators that could signal difficulties regarding the Group's ability to meet its obligations in the foreseeable future and in particular in the next 12 months, in relation to the date of these condensed interim consolidated Financial Statements. The description of the methods used by the

Group to manage financial risks is illustrated in the Note “Risk Management” included in the Management Report as of June 30, 2026.

These Condensed Interim Consolidated Financial Statements have been prepared and presented in Euro, which is the currency of the predominant economic environment in which the Group operates. All amounts included in this document, unless otherwise indicated, are expressed in Euro. The totals in certain statements and tables in the explanatory notes may differ slightly from the sum of the individual components, due to rounding.

The Condensed Interim Consolidated Financial Statements as of June 30, 2026, consist of the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and these Notes.

The following are the financial statements formats and the respective classification criteria adopted by the Group, within the scope of the options provided by IAS 1 *Presentation of Financial Statements*:

- the *Consolidated Statement of Financial Position* has been prepared by classifying assets and liabilities according to the "current/non-current" criterion;
- the *Consolidated Statement of Profit and Loss* has been prepared by classifying operating costs by nature;
- the *Consolidated Statement of Comprehensive Income*, in addition to the profit or loss for the period resulting from the Statement of Profit and Loss, includes income and expense that are not recognized in profit or loss as required by IFRS;
- the *Consolidated Statement of Changes in Equity*, prepared in accordance with IAS 1;
- the *Consolidated Statement of Cash Flows* has been prepared by presenting cash flows resulting from operating activities according to the “indirect method”.

These Condensed Interim Consolidated Financial Statements have been prepared based on the conventional criterion of the historical cost, except for the measurement of financial assets and liabilities, in cases where the application of the fair value criterion is mandatory. For each item in the Consolidated Financial Statements, the corresponding value from the previous year or period is reported for comparative purposes.

In accordance with CONSOB Resolution no. 15519 of July 28, 2006, within the Consolidated Statement of Profit and Loss, income and expenses from non-recurring transactions, if any, are identified separately; similarly, balances from related party transactions are highlighted separately in the financial schedules, and are further described in Note 26.

It is noted that the Directors have reclassified the balances of certain items for the comparative period to ensure a better presentation. Specifically, the affected items are current and non-current “Other liabilities” and “Contract liabilities” within the Statement of Financial Position. Furthermore, the Statement of Cash Flows now provides a breakdown of the increases and decreases in credit facilities. The Directors did not consider these reclassifications to be material for the purposes of financial statement disclosure.

SCOPE OF CONSOLIDATION AND BASIS OF CONSOLIDATION

The following table shows the details of the companies included in the scope of consolidation:

Company name	Registered office	Share/quota capital	% direct investment	% Group investment	Method of consolidation	As of June 30	
						2026	2025
CY4GATE S.p.A. (Parent)	Rome (Italy) - via Coponia 8	€1,441,500	-	-	-	x	x
Subsidiaries							
RCS ETM Sicurezza S.p.A. (in brief, RCS)	Milan (Italy) - Via Caldera 21	€7,000,000	100%	100%	Line-by-line consolidation	x	x
Dars Telecom SL	Madrid (Spain) - Paseo Pintor Rosales 44	€4,808	65%	65%	Line-by-line consolidation	x	x
Diateam S.a.S. *	Brest (France) - 31 rue Yves Collet	€300,000	85.33%	100%	Line-by-line consolidation	x	x
Tykelab S.r.l.	Rome (Italy) - Via Benedetto Croce 10	€10,000	90%	90%	Line-by-line consolidation	x	x
XTN Cognitive Security S.r.l. (abbreviated to XTN) **	Arco (Italy) - via S. Caterina 95	€10,000	77.80%	80%	Line-by-line consolidation	x	x
Associates							
SAS Foretec	Andrézieux-Bouthéon (France) - Bvd P. Desgrange 5	€500,000	25%	25%	Equity	x	x
Joint Venture							
Helmon S.r.l.	Rome (Italy) - Via Cassiodoro 1/a	€120,000	50%	50%	Equity	x	x

**It is noted that the Group contribution rate is 100%, which reflects Diateam's contribution to equity attributable to the owners of the parent following the registration of additional interests which arose from the accounting treatment of Put options granted to non-controlling interests on their quotas. It is also noted that, as of the date of approval of this consolidated half-yearly financial report, CY4Gate S.p.A. has acquired 100% of the investee's share capital through the exercise of the final tranche of option rights - representing 14.67% - in August 2026. For further information, please refer to the section "Significant events after the reporting period" in the Management Report.*

*** It is noted that the Group contribution rate is 80%, which reflects XTN's contribution to equity following the registration of additional interests. This resulted from the accounting of Put options granted to certain non-controlling interests on their quotas, representing 2.20% of the share capital of the investee.*

It is specified that the Company excluded the following subsidiaries from the consolidation scope, as they are immaterial to the Condensed Interim Consolidated Financial Statements due to their limited operations.

Business name	**Registered office**	**Share/quota capital**	**% direct investment**
Aurora France S.A.S.	Paris (France) - 9 Rue Parrot	€10,000	100%
RCS LAB GMBH	Lebach (Germany) - Scheuernstraße 24	€25,000	70%
XTN Inc.	New York - Madison Ave 509	$30,500	100%

The financial positions of the consolidated companies, prepared for consolidation purposes by the respective competent bodies, have been appropriately standardised and reclassified in order to make them uniform with the accounting standards and measurement criteria of the Group, as described below. The reference date for the interim financial statements of consolidated companies coincides with that of the Parent Company.

The subsidiaries are consolidated on a line-by-line basis from the date on which control was effectively acquired and cease to be consolidated on the date on which control is transferred to third parties.

Basis of Consolidation

The Group’s Condensed Interim Consolidated Financial Statements as of June 30, 2026 were prepared by consolidating on a line-by-line basis the interim financial positions as of June 30, 2026 of the Parent and of the Italian and foreign companies of which CY4GATE S.p.A. holds control, both directly and indirectly, starting from the date on which control was effectively acquired, and the companies cease to be consolidated on the date on which control is transferred to third parties.

The Financial Statements of the consolidated companies, prepared for consolidation purposes by the respective competent bodies, have been appropriately standardized and reclassified in order to align them with the accounting standards and measurement criteria of the Group, as described below. The reference date for the Interim Financial Statements of consolidated companies coincides with that of the Parent.

Subsidiaries are those companies over which the Parent exercises control. The Group controls a company when it is exposed, or has rights, to the variability of the subsidiary's results based on its involvement with the subsidiary itself and has the ability to influence those results through the exercise of its power. Control can be exercised either by direct or indirect ownership of the majority of voting shares or by contractual or legal agreements, regardless of shareholding relationships. The existence of potential voting rights exercisable at the reporting date is considered for the purpose of determining control. In general, control is presumed to exist when the Parent Company holds, directly or indirectly, more than half of the voting rights.

The criteria adopted for line-by-line consolidation are as follows:

- the assets and liabilities, expenses and income of the fully consolidated entities are included line by line, in their total amount, regardless of the ownership share held, attributing to non-controlling interests, where applicable, their share of equity and profit or loss for the period due to them; these shares are shown separately in the equity and Consolidated Statement of Profit and Loss;
- business combinations are recorded, in accordance with the provisions contained in IFRS 3, using the acquisition method. According to this method, the consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair values of the assets transferred and the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control of the acquired entity. Transaction costs are generally recognized in profit or loss when they are incurred. Identifiable assets acquired and liabilities assumed are recorded at fair value at the acquisition date; exceptions are the following items, which are instead measured according to their reference principle: (i) deferred tax assets and liabilities, (ii) employee benefit assets and liabilities and (iii) assets held for sale. In the event that the fair values of assets, liabilities and potential liabilities can only be determined provisionally, the business combination is recorded using these provisional values. Any adjustments resulting from the completion of the measurement process are recognized within twelve months from the acquisition date;
- if a component of the price is linked to the realization of future events, such component is considered in the estimate of fair value at the time of the business combination;
- significant profits and losses, along with their tax effects, resulting from transactions carried out between fully consolidated companies and not yet realized with third parties, are eliminated, except for losses that are not eliminated if the transaction provides evidence of an impairment of the transferred asset. If significant, reciprocal liabilities and assets, costs and revenue, as well as financial expense and financial income are eliminated;
- the purchase of additional equity shares in subsidiaries and the sale of equity shares that do not imply the loss of control are considered owner transactions; as such, the accounting effects of the said transactions are recorded directly in the Group's equity.

ACCOUNTING POLICIES

The following briefly describes the accounting policies and most relevant measurement criteria used for the preparation of these Condensed Interim Consolidated Financial Statements.

INTANGIBLE ASSETS

Intangible assets consist of identifiable non-monetary items without physical substance, which are controllable and capable of generating future economic benefits. These elements are initially recognized at acquisition and/or development cost, including directly attributable expenses to prepare the asset for use. Any interest expense accrued during and for the development of intangible assets is considered part of the acquisition cost. Specifically, the following main intangible assets can be identified:

(a) Goodwill

Goodwill is classified as an intangible asset with an indefinite useful life and is initially recorded at cost, as described above, and subsequently subjected to an assessment, at least annually, aimed at identifying any impairment losses ("*impairment test*"). The reversal of an impairment loss is not permitted, even if the reasons that led to the impairment cease to exist.

(b) Other intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at cost, as described above, net of accumulated amortization and any impairment losses.

Amortization begins when the asset is available for use and is systematically allocated in relation to its residual possibility of use, i.e. based on the estimated useful life.

The estimated useful life for the various categories of intangible assets is as follows:

Class of intangible asset	**Useful life in years**
Industrial patents and intellectual property rights	3-5
Concessions, licenses, trademarks and similar rights	3-10
Other intangible assets	3-9
Development costs	3-5

In conformity with IAS 8 (*Accounting policies, changes in accounting estimates and errors*) and IAS 38 (*Intangible assets*), during the half-year, Management reviewed the residual economic usefulness of capitalized development costs for the CY4GARD and Quipo projects. The residual useful life of these assets has therefore been extended from 3 to 5 years, based on the updated prospects for the utilization and commercialization of the aforementioned projects. This variation is a change in accounting estimates and is applied prospectively starting from January 1 of this financial year. As a result, the effect of this change resulted in a reduction in the depreciation charges for the current year of EUR 481 thousand as at June 30, 2026; approximately EUR 723 thousand on the entire year 2026, with a related positive impact on pre-tax profit (loss).

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at purchase or production cost, net of accumulated depreciation and any impairment losses. The purchase or production cost includes the costs directly incurred to prepare the assets for use, as well as any dismantling and removal costs that will be incurred as a result of contractual obligations that require the asset to be restored to its original condition. Financial expense directly attributable to the acquisition, construction or production of qualified assets are capitalized and amortized based on the useful life of the asset to which refer.

The costs incurred for maintenance and repairs of an ordinary and/or cyclical nature are charged to the Statement of Profit and Loss when incurred. The capitalization of the costs related to the expansion, modernization or improvement of the structural elements owned or used by third parties is carried out to the extent that they meet the requirements to be separately classified as an asset or part of an asset. The assets recognized in relation to leasehold improvements are depreciated based on the duration of the lease, or on the basis of the specific useful life of the asset, if lower.

Depreciation is calculated on a straight-line basis using rates that allow assets to be depreciated until the end of their useful life. When the asset being depreciated is composed of distinctly identifiable elements, whose useful life differs significantly from that of the other parts that make up the asset, the depreciation is carried out separately for each of these parts, in application of the "*component approach*".

The indicative useful life, estimated for the various categories of property, plant and equipment, is as follows:

Class of property, plant and equipment	Useful life in years
Plant and machinery	3-7
Industrial and commercial equipment	5-7
Other assets	5-9

The useful life of property, plant and equipment is reviewed and updated, where necessary, at least at the end of each financial year.

Leased Assets

The companies of the Group have entered into lease agreements relating to property, vehicles and industrial equipment. Lease contracts are generally entered into for fixed periods of 6 months to 6 years with extension options, as described below. Contracts can contain both lease components and components other than leases. The Group attributes the consideration in the contract to components other than lease on the basis of the stand-alone selling price (SSP) for each obligation. When an SSP does not exist, the Group estimates the SSP using an adjusted market approach. Lease contracts are recognized as right-of-use assets and lease liabilities corresponding to the date on which the asset is available for use by companies of the Group.
The assets and liabilities deriving from a lease are initially measured on the basis of their present value.
Lease liabilities include the net present value of the following lease payments:

- fixed payments (including fixed payments in substance), net of any lease incentives;
- variable payments based on an index or rate, initially measured using the index or rate as at the start date;
- the exercise price of a purchase option if the company concerned is reasonably certain to exercise such option;
- the payment of penalties for early termination; and
- payments due in an optional renewal period if the company concerned is reasonably certain to exercise the renewal option.

The lease payments are discounted using the lease's implicit interest rate. If this rate cannot be easily determined, which is generally the case with leases, the lessee's incremental borrowing rate is used. This is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment and under similar terms, guarantees, and conditions.

The right-of-use asset is depreciated on a straight-line basis over the lease term, unless the contract provides for the transfer of ownership at the end of the lease term or the lease cost reflects the fact that the lessee will exercise the purchase option. In this case, the depreciation shall be the shorter of the useful life of the asset and the lease term. The estimated useful lives of the assets consisting of the right of use are calculated according to the same criterion applied to the items of property, plant and equipment. In addition, the right-of-use asset is reduced by any impairment losses and adjusted to reflect the remeasurement of the lease liability.

In the Statement of Financial Position, the Group presents right-of-use assets under property, plant and equipment and lease liabilities under current and non-current financial liabilities.
In the Statement of profit and loss, interest expense on lease liabilities constitutes a component of financial expense and is presented separately from the depreciation of right-of-use assets.

The Group avails itself of the exemptions provided by the IFRS 16 - Leases with reference to lease contracts lasting less than 12 months and contracts related to so-called "*low value assets*", overall not significant.

The Group recognizes deferred tax on right-of-use assets and lease liabilities. Finally, it should be noted that the Group does not have any lease contracts as a lessor.

FOREIGN CURRENCY TRANSLATION

Transactions in currency other than the functional currency are recorded at the exchange rate in force at the date of the transaction. Monetary assets and liabilities denominated in currency other than Euro are subsequently adjusted to the exchange rate in force at the end date of the financial year. Non-monetary assets and liabilities denominated in a currency other than the Euro are recorded at historical cost using the exchange rate in effect on the initial date of the transaction. Any exchange differences that may arise are taken to profit or loss.

IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

(a) Goodwill

Goodwill is not amortized but is rather tested for *impairment* annually or more frequently whenever there are indicators that may lead one to believe that it be impaired.

The *impairment test* is carried out with reference to the cash generating unit ("Cash Generating Unit", "CGU") to which the goodwill was allocated. Any reduction in the value of goodwill is recognized if its recoverable amount is less than its carrying amount. Recoverable amount means the greater of the *fair value* of the CGU, net of disposal costs, and the related value in use, meaning the present value of the estimated future cash flows for this asset. In determining the value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market valuations of the cost of money, compared to the investment period and the specific risks of the asset. In the event that the reduction in value resulting from the *impairment test* is greater than the value of the goodwill allocated to the CGU, the residual surplus is allocated to the assets included in the CGU in proportion to their carrying amount. The minimum limit of this allocation is the higher of the following:

- the fair value of the asset net of selling costs;
- the value in use, as defined above; and
- zero.

the original carrying amount of goodwill cannot be reinstated if the reasons that led to the impairment cease to exist.

(b) Assets (intangible assets and property, plant and equipment) with a finite useful life

At each reporting date, a review is performed to ascertain whether there are any indicators that property, plant and equipment and/or intangible assets may have suffered an impairment. To this end, both internal and external sources of information are considered. With regard to the first, the following are considered: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset and the economic performance of the asset compared to what was expected. With regard to external sources, the following are considered: the trend of market prices of assets, any technological, market or regulatory discontinuities, the trend in market interest rates or the cost of capital used to measure investments.

If the presence of these indicators is identified, the recoverable amount of the aforementioned assets is estimated, allocating any impairment loss with respect to the relative carrying amount to profit or loss. The recoverable amount of an asset is represented by the higher of the *fair value*, net of ancillary sales costs, and the related value in use, meaning the present value of the estimated future cash flows for this asset. In determining the value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market asessments of the cost of money, compared to the investment period and the specific risks of the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined in relation to the CGU to which the asset belongs.

An impairment loss is recognized in profit or loss if the carrying amount of the asset, or of the related CGU to which it is allocated, is higher than its recoverable amount. Impairment losses on CGUs are charged first against the carrying amount of any goodwill attributed to them and then, as a reduction of other assets, in proportion to their carrying amount and within the limits of the related recoverable amount. If the reasons that led to the impairment cease to exist, the carrying amount of the asset is reinstated with recognition in the statement of profit and loss, within the limits of the net carrying amount that the asset would have had if the impairment loss had not occurred and the related amortization/depreciation had been charged.

EQUITY INVESTMENTS

In the presence of evidence of impairment, recoverability is verified by comparing the carrying amount and the higher of the value in use, determined by discounting the prospective cash flows, where possible, of the investment, and the hypothetical sale value, determined on the basis of recent transactions or market multiples. The share of losses exceeding the carrying amount is recognized as a specific liability to the extent that the Group believes there are legal or implicit obligations to cover the losses and in any case within the limits of the equity. If the subsequent performance of the investee subject to impairment presents an improvement such that the reasons for the impairment losses made are no longer present, the investments are revalued within the limits of the impairment losses recognized in the previous years. Dividend income is recognized in profit or loss in the year In which they were resolved.

INVENTORIES

Inventories are recorded at the lower of purchase or production cost and net realizable value, represented by the amount the Group expects to obtain from its sale in the normal course of business, net of selling costs.

The cost of finished products and semi-finished products includes raw materials, direct labor costs and other production costs (determined on the basis of normal operating capacity). Financial expense is not included in the measurement of inventories. It is charged to profit or loss when incurred, as it does not meet the timing requirements for capitalization.

Inventories of raw materials and semi-finished products that can no longer be used in the production cycle and inventories of unsaleable finished products are impaired. The impairment is eliminated in subsequent years if the reasons for it cease to exist.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits or balances with other credit institutions available for current operations, postal accounts and other equivalent values, as well as investments with maturities of up to three months from the acquisition date. The items included in cash and cash equivalents are initially measured at *fair value* and then at amortized cost.

TRADE RECEIVABLES AND CURRENT FINANCIAL ASSETS

Trade receivables, other current assets and current financial assets are generated through the ordinary course of the business and held for the purpose of collecting the contractual cash flows, that consist of "solely payments of principal and interest" according to the criterion set out in IFRS 9. Consequently, they are initially recognized at fair value adjusted for the directly attributable transaction costs and subsequently measured at amortized cost based on the effective interest rate method (i.e. the rate that equals the present value of expected cash flows and the carrying amount equal, at the time of initial recognition), appropriately adjusted to take account of any impairment losses, by recognizing a loss allowance. Trade receivables, other current assets and financial assets are included in current assets, with the exception of those with a contractual maturity of more than twelve months after the reporting date, which are classified in non-current assets.

Assets with due dates over 12 months and without significant financial components are presented at their present value.

IMPAIRMENT OF ASSETS

At each reporting date, financial assets, with the exception of those measured at fair value through profit or loss, are analyzed to verify the existence of indicators of *impairment*. According to IFRS 9, a model for forecasting expected credit losses must be applied when assessing an impairment. In carrying out this assessment, the Group applies a simplified approach provided by IFRS 9 to estimate the lifetime expected credit losses and takes into account its historically gained experience regarding credit losses, adjusted for specific prospective factors, the nature of the Group's receivables and the economic context. If there is evidence of impairment, the loss is recognized in the Statement of profit and loss under the item "Net impairment losses on financial assets and contract assets".

Trade receivables and financial assets are impaired when there is no rational expectation of them being recovered. The signs that indicate the absence of rational recovery expectations include, among others, the inability of a creditor to engage in a recovery plan with the Group, and the inability to make contractual payments for a significant period of time.

For financial assets accounted for at amortized cost, when an impairment loss has been identified, its value is measured as the difference between the carrying amount of the asset and the present value of expected future cash flows, discounted at the original effective interest rate. This impairment loss is recognized in profit or loss.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets are derecognized when one of the following conditions is met:

- the contractual right to receive the cash flows from the asset has expired;
- the Group has substantially transferred all the risks and benefits associated with the asset, transferred its rights to receive cash flows from the assets or assumed a contractual obligation to transfer the cash flows received to one or more potential beneficiaries by virtue of a contract that meets the requirements of the standard ("*pass through test*");
- the Group has neither transferred nor substantially maintained all the risks and benefits associated with the financial asset but has ceded control of it.

Financial liabilities are derecognized when they are extinguished, that is, when the contractual obligation is fulfilled, canceled or prescribed. An exchange of debt instruments with substantially different contractual terms must be accounted for as an extinction of the original financial liability and the recognition of a new financial liability. Similarly, a substantial change in the contractual terms of an existing financial liability, even partial, must be accounted for as an extinction of the original financial liability and the recognition of a new financial liability.

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The Group offsets financial assets and liabilities if and only if:

- there is a legally exercisable right to offset the amounts recognized in the financial statements;
- there is an intention either to offset on a net basis or to realize the asset and settle the liability simultaneously.

FINANCIAL LIABILITIES AND TRADE PAYABLES

Financial liabilities and trade payables are recognized when the Group becomes a party to the related contractual clauses. They are initially measured at fair value, adjusted for directly attributable transaction costs, and, except for derivative financial instruments, are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities are derecognized when and only when they are extinguished (that is, when the obligation specified in the contract is fulfilled, canceled or expires).

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used as economic hedging only to reduce interest rate risk. All derivative financial instruments are measured at fair value.

If financial instruments are not accounted for, under IFRS 9, as hedging instruments, changes in fair value detected subsequent to initial recognition are treated as components of profit or loss.

When derivative financial instruments qualify for hedge accounting , the following accounting treatments apply.

Cash flow hedging instruments

When a derivative financial instrument is designated as a hedging instrument for the exposure to the variability of future cash flows of an asset or liability recognized in the financial statements or a highly probable expected transaction and can impact profit or loss, the effective portion of any profit or loss on the derivative financial instrument is recognized directly in the statement of comprehensive income through a specific capital reserve ("*Hedging reserve*"). The cumulative gain or loss is reclassified from the statement of comprehensive income to the statement of profit and loss when the economic effects deriving from the hedged item impact profit or loss. The gain or loss associated with a hedge or part of the hedge that has become ineffective is recognized in the statement of profit and loss immediately under financial income or financial expense, respectively. When an instrument or a hedging relationship expires (for example, the derivative is sold, reaches its expiry or the hedging relationship no longer qualifies as effective), but the Group expects the hedged transaction to happen in the future, the cumulative gain or loss at the time of extinction remains in the statement of comprehensive income and is recognized in the statement of profit or loss when the underlying transaction takes place. If the underlying transaction is no longer probable, the cumulative gain or loss present in the statement of comprehensive income is immediately recognized in the statement of profit or loss.

The Group companies make use of hedging derivatives subscribed to face the interest rate risk on the financing contracts stipulated.

If hedge accounting cannot be applied, the fair value gains or losses on the derivative financial instruments are recognized immediately in net financial income or expense, respectively.

EMPLOYEE BENEFITS

Short-term benefits are represented by wages and salaries, social security contributions, compensation for vacation and incentives paid in the form of bonuses payable in the twelve months of the reporting date. These benefits are accounted for as components of personnel expenses in the period in which the work is performed.

POST-EMPLOYMENT BENEFITS (TFR)

In defined benefit plans, including the post-employment benefits due to employees pursuant to art. 2120 of the Italian Civil Code ("TFR"), the amount of the benefit to be paid to the employee can be quantified only after the termination of the employment relationship, and is linked to one or more factors such as age, years of service and remuneration; therefore the related expense is charged to profit or loss on the basis of an actuarial calculation. The liability recorded in the financial statements for defined benefit plans corresponds to the present value of the obligation at the reporting date. The present value of the defined benefit plan is determined by discounting the future cash flows at an interest rate equal to that of bonds (high-quality corporate) issued in Euro and which takes into account the duration of the related pension plan. Actuarial gains and losses deriving from the aforementioned adjustments and changes in actuarial assumptions are recognized in comprehensive income.

Starting from January 1, 2007 the so-called 2007 Budget Law and the related implementation decrees have introduced significant changes to the post-employment benefit regulations, including the choice of the employee regarding the allocation of the accruing TFR. In particular, the new TFR flows may be directed by the worker to selected pension forms or maintained in the company. In the case of allocation to external pension schemes, only a defined contribution to the selected fund is paid by the Group, and from that date the newly accrued shares are defined contribution plans not subject to actuarial measurement.

SHARE-BASED PAYMENTS

In relation to share-based payments, the Group recognizes, where the conditions are met, the cost of the services acquired during the period in which they are offset as an increase in equity or a liability, depending on the transaction settlement methods and, in particular, if the obligation is settled through shares (*equity-settled plan*) or with cash payment (*cash-settled plan*).

These plans are measured on the date the rights are assigned, through financial measurement techniques including market conditions in the measurement, and adjusting the number of rights that are expected to be assigned at each reporting date. The initial fair value of these rights is updated depending on whether the plan is classified as cash-settled or equity-settled respectively.

The Parent Company has provided for the Group's executives an Incentive Plan that consists of the free allocation of the Company's shares, upon reaching certain financial objectives. The Stock Grant Plan, as structured, falls within the scope of IFRS 2 in the “equity settled” transactions category.

The cost of the incentive plan is spread over the period to which the incentive refers (known as the vesting period) and is determined with reference to the fair value of the right assigned to the beneficiaries at the date of commitment, in order to reflect the market conditions existing at that date.

At each reporting date, the assumptions regarding the number of Stock Grants that are expected to mature are verified. The expense for the period is recognized in profit or loss, among personnel expenses or for services, and an equity reserve is recognized as an offset.

PROVISIONS FOR RISKS AND CHARGES

Provisions are recorded for losses and charges of a specific nature, of certain or probable existence, for which, however, the amount and/or date of occurrence cannot be determined. They are only recognized when there is a current obligation, legal or implicit, for a future outflow of economic resources as a result of past events and it is probable that this outflow is required for the fulfillment of the obligation. This amount represents the best estimate of the costs to settle the obligation. The rate used in determining the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.

When the time value of money is significant and the payment dates of the obligations can be reliably estimated, the provisions are measured at the present value of the expected cash outflows using a rate that reflects the market conditions, the change in the cost of money over time and the specific risk linked to the obligation. The increase in the amount of the provision, determined by changes in the cost of money over time, is accounted for as an interest expense.

The risks for which the emergence of a liability is only possible are indicated in the specific section regarding contingent liabilities, and no provision is made for these.

RECOGNITION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's revenue is mainly generated by the sale of technologies, products, systems and cyber security and cyber intelligence services.

Revenue from product sales is recognized at the time of transfer of control of the asset, i.e., of the risks and benefits, which normally coincides with the delivery or shipment of the goods, or at the time of transfer of the service to the customer, taking into account the value of any commercial discounts, allowances and expected returns. Revenue of a financial nature and revenue from services are recognized on an accruals basis. Revenue and income, costs and expenses related to foreign currency transactions are determined at the current exchange rate on the date on which the related transaction is carried out.

Contracts that meet the requirements for revenue recognition “over time” are classified among "contract assets" or "contract liabilities" depending on the relationship between the status of fulfillment of the performance by the Group and the payments received from the customer. In particular:

- "contract assets" represent the right to consideration for goods or services that have already been transferred to the customer;
- "contract liabilities" represent the Group's obligation to transfer goods or services to the customer for which a consideration has already been received (or the right to receive has already arisen).

Where in a contract there is more than one performance obligation, representing a contractual promise to transfer to the customer a distinct good or service (or a series of distinct goods or services that are substantially the same and are transferred in the same way), the classification between assets and liabilities is made at an overall level and not at the level of single performance obligation.

Contract assets and liabilities are recognized using the percentage of completion as the methodology for measuring progress; according to this methodology, costs, revenue and the margin are recognized based on the progress of the activity, determined by referring to the ratio between costs incurred at the measurement date and total expected costs included in the relevant order budgets. The Company systematically updates the assumptions that are the basis of the order budgets in order to reflect in the financial statements the most reasonable estimate of the contractual considerations accrued and the economic result of the order.

Conversely, in the event that the requirements for recognition over a period of time are not met, revenue is recognized at a specific point in time ("at a point in time"), that is when the customer gains control of the promised goods or services.

Contract assets are presented net of any impairment losses. Periodic updates of estimates are made and any economic effects are accounted for in the period in which the updates are made.

The Group enters into contracts that are generally able to be distinguished and accounted for as separate performance obligations. The recognized revenue is limited to the amount of consideration that the Group expects to receive. The Group allocates the transaction price to performance obligations based on the stand-alone selling prices (SSP) for each obligation. When an SSP does not exist, the Group estimates it using a market-adjusted approach.

GRANTS

Government grants are recorded at fair value, when there is reasonable certainty that they will be received and all conditions relating to them are satisfied. When the grants are related to cost components, they are recognized as revenue, but are systematically allocated over the years to match the costs they intend to compensate. In the case where the contribution is related to an asset, the fair value is brought to decrease the asset itself. It is also suspended in liabilities if the asset to which it is related is not operational, or is under construction and the relative amount does not fit into the value of the asset itself.

DIVIDENDS

Dividends are recognized when the Shareholders' right to receive payment arises, which normally corresponds to the shareholders' meeting resolution on the distribution of dividends. The distribution of dividends to Shareholders is recorded as a liability in the financial statements in the period in which their distribution is approved by the Shareholders' Meeting and reflected as a change in equity.

TAXES

Current taxes are determined based on an estimate of taxable income, in compliance with the applicable tax legislation.

Deferred tax assets and deferred tax liabilities are calculated against all the differences that emerge between the tax base of an asset or liability and the related carrying amount, with the exception of goodwill upon initial recognition. Deferred tax assets, including those relating to previous tax losses, for the portion not offset by deferred tax liabilities, are recognized to the extent that it is probable that future taxable income will be available against which they can be recovered. Deferred tax assets and liabilities are determined using the tax rates that are expected to be applicable in the years in which the differences will be realized or settled.

The amount of deferred tax assets is reviewed at each reporting date and possibly reduced to the extent that it is no longer likely that sufficient taxable profits will be available in the future to allow all or part of the related credit to be utilized. Unrecognized deferred tax assets are reviewed annually at the reporting date and are recognized to the extent that it has become likely that the taxable profit is sufficient to allow such deferred tax assets to be recovered.

Current taxes, deferred tax assets and deferred tax liabilities are recognized in the statement of profit and loss under the item "Income Taxes", with the exception of those relating to items recognized in the Statement of comprehensive income other than profit and those relating to items directly debited or credited to equity. In these latter cases, deferred taxes are recognized in the Statement of comprehensive income and directly in equity. Deferred tax assets and deferred tax liabilities are offset when they are applied by the same tax authority, there is a legal right to offset them, and a settlement of the net balance is expected.

Other taxes not related to income, such as indirect taxes, are included in the statement of profit and loss item "Other operating costs".

BASIC EARNINGS/(LOSSES) PER SHARE

The basic earnings (losses) per share are calculated by dividing the profit or loss attributable to the holders of ordinary shares of the Company by the weighted average of ordinary shares in circulation during the year, adjusted to take into account the treasury shares owned. The diluted earnings (losses) per share are calculated by adjusting the profit or loss attributable to the holders of ordinary shares, as well as the weighted average of shares in circulation, as defined above, to take into account the effects of all potential ordinary shares with dilutive effect.

SEGMENT REPORTING

IFRS 8 defines an operating segment as a component i) that involves business activities generating revenue and costs, ii) whose operating results are periodically reviewed at the highest decision-making level and iii) for which separate financial-economic data are available. For the purposes of IFRS 8, the activity carried out by the Group is identifiable in a single operating segment, that of the development and marketing of cyber intelligence and cyber security products.

ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the Directors to apply accounting standards and methods which, in certain circumstances, are based on judgements and estimates based on historical experience and assumptions that are considered reasonable from time to time and realistic according to the relative circumstances. The application of these estimates and judgements affects the amounts reported in the financial statements, in the statement of financial position, in the statement of profit and loss, in the statement of comprehensive income, in the statement of cash flows, in the statement of changes in equity, as well as in the disclosure provided. The estimates are based on the most recent information that the Directors have at the time of drafting these financial statements.

The final results of the financial statements items for which the aforementioned estimates and assumptions have been used may differ from those reported in the financial statements that reflect the effects of the occurrence of the event subject to estimation, due to the uncertainty that characterizes the assumptions and conditions on which the estimates are based.

The areas that require more subjectivity on the part of the Directors in preparing the estimates, and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial data, are briefly described below.

(a) Impairment of assets

In accordance with the accounting standards applied by the Group, property plant and equipment, intangible assets and goodwill are subject to testing for impairment, which must be recognized through an impairment loss, when there are indicators that suggest difficulties in recovering the related net carrying amount, represented by the higher between fair value less cost of disposal and value in use. The verification of the existence of the aforementioned indicators requires the Directors to make subjective assessments based on the information available within the Group and on the market, as well as from historical experience. Furthermore, if it is determined that a potential impairment may have occurred, the companies of the Group proceed with the determination of the impairment using measurement techniques deemed appropriate. The correct identification of the elements indicating the existence of a potential impairment of property plant and equipment and intangible assets, as well as the estimates for their determination, depend on factors that may vary over time, influencing the assessments and estimates made by the Directors.

With particular reference to the estimation of the value in use through a method based on the discounting of expected cash flows, it is highlighted that this methodology is characterized by a high degree of complexity and the use of estimates, by their uncertain and subjective nature, about:

- the expected flows, determined taking into account the general economic trend and the specific industry, the cash flows produced in the last few years and the forecast growth rates;
- the financial parameters to be used for the discounting of the above mentioned flows.

(b) Purchase Price Allocation

In the context of business combinations, for the consideration transferred for the acquisition of control of a company, the identifiable assets acquired and liabilities assumed are recognized in the consolidated financial statements at present values (fair value) at the date of acquisition, through a process of allocation of the price paid (Purchase Price Allocation). Generally, the Group determines the fair value of the acquired assets and liabilities assumed through methodologies based on the discounting of expected cash flows. This method is characterized by a high degree of complexity and the use of estimates, by their uncertain and subjective nature, about:

- the expected cash flows, determined taking into account the economic trend of the acquired companies and their respective industry, the cash flows accounted for in the last few years and the forecast growth rates;
- the financial parameters used for the determination of the discount rate.

(c) Amortization and Depreciation

The cost of property, plant and equipment, intangible assets and right-of-use assets is amortized/depreciated on a straight-line basis over the estimated useful life of the related assets. The useful economic life of these assets is determined by the Directors when they are purchased; it is based on historical experience for similar assets, market conditions, and expectations regarding future events that could have an impact on the useful life of the assets, including changes in technology. Therefore, the actual economic life may differ from the estimated useful life.

(d) Fair Value Measurement

In measuring the fair value of an asset or a liability, the Group makes use of observable market data as far as possible. Fair values are distinguished into various hierarchical levels based on the input data used in measurement techniques, as better described in the previous paragraph "Fair value measurement".

(e) Provisions for Risk and Charges

The Group identifies in the provisions for risk and charges the likely liabilities attributable to personnel expenses, suppliers, third parties and, in general, other expenses arising from obligations undertaken; the provisions recorded are representative of the risk of negative outcome associated with the listed cases. The amount of the provisions recorded in the financial statements relating to these risks represents the best estimate at the date made by the Directors. This estimate involves the adoption of assumptions which depend on factors that may change over time and that could, therefore, have significant effects compared to the current estimates made by the Directors for the preparation of the Group's financial statements.

(f) Loss Allowance

The loss allowance reflects the estimates of losses for the Group's loan portfolio. Provisions were made for expected losses on receivables, estimated based on past experience with reference to receivables with similar credit risk, to current and historical unpaid amounts, as well as to the careful monitoring of the quality of the loan portfolio and the current and expected conditions of the economy and the reference markets. Estimates and assumptions are periodically reviewed and the effects of any change are reflected in the Statement of profit and loss in the relevant year.

(g) Contract Assets and Liabilities

Contract assets and liabilities: in the measurement of contract assets and liabilities, the Group determines whether contract revenue should be recognized at a point in time or over time and estimates the percentage of completion based on the cost to cost method.

(h) Employee Benefits

Defined benefit plans: the actuarial measurement of employee benefits requires the elaboration of various assumptions that can differ from actual future developments. The results depend on the technical bases adopted such as, among others, the discount rate, the inflation rate, the wage increase rate and the expected turnover. All assumptions are reviewed annually.

(i) Deferred Tax Assets

Deferred tax assets must be recognized for all deductible temporary differences or for tax losses if it is likely that taxable income will be realized against which deductible temporary difference or tax losses can be used exist. The Group assesses the possibility to recognize deferred tax assets based on future economic projections. The estimates and assumptions underlying such future economic projections are reviewed periodically.

(l) Lease Liabilities

Valuation of lease liabilities: the measurement of lease liabilities is influenced by the duration of the lease as the non-cancelable period of the lease, to which both the following periods are to be added: a) periods covered by a lease extension option, if the lessee is reasonably certain the option will be exercised; and b) periods covered by the lease termination option, if the lessee is reasonably certain the option will not be exercised. The measurement of the lease duration involves the assumption of estimates that depend on factors that can change over time with potentially significant effects compared to the assessments made by the Directors.

NEWLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS IN EFFECT AS OF JANUARY 1, 2026

The following summarizes the newly issued accounting standards, amendments, and interpretations that came into effect on January 1, 2026. It is noted that these did not have a significant impact on the Group.

	Effective date
Annual Improvements Volume 11 Issued in July 2024. The document contains formal amendments and clarifications to some existing standards. In detail, the following standards have been amended: (i) “IAS 7 – Cost method”, the amendment eliminates the term “cost method”, no longer defined in the IFRS accounting standards; (ii) “IFRS 9 – Lessee derecognition of lease liabilities”, the amendment solves a potential lack of clarity relating to the way in which a lessee accounts for the derecognition of a lease liability, clarifying that any resulting gain or loss must be recognized in the Statement of Profit and Loss; (iii) “IFRS 9 – Transaction price”, the amendment removes the reference, in Appendix A of IFRS 9, to the definition of “transaction price” contained in IFRS 15, considering that the term is used in particular paragraphs of IFRS 9 with a meaning not necessarily consistent with the definition of that term in IFRS 15; (iv) “IFRS 7 – Gain or loss on derecognition”, the amendment clarifies a potential confusion arising from an obsolete reference to a paragraph that was deleted from the standard at the time of issue of “IFRS 13 – Fair Value Measurement”; (v) “IFRS 7 – Disclosure of delayed difference between fair value and transactions price”, the amendment clarifies an inconsistency between the standard and the related application guidelines, recognized when a change, consequent to the issuance of IFRS 13, was made to the standard, but not to the corresponding paragraph of the implementing guidelines; (vi) “IFRS 7 - Introduction and credit risk disclosures”, the amendment solves potential confusion by clarifying how to apply the relevant application guide and simplifying certain explanations; (vii) “IFRS 10 - Determination of a ‘de facto agent’”, the amendment Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 clarifies how an investor must determine whether another person acts on its behalf; (viii) “IFRS 1 - hedge accounting by a first-time adopter”; the amendment improves the consistency between the hedge accounting requirements provided for in IFRS 9 and IFRS 1.	January 1, 2026
Amendments to the Classification and Measurement of Financial Instruments – Amendment to IFRS 9 and IFRS 7 In May 2024, the IASB published the Amendments to the classification and measurement of financial instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. In detail, the IASB amended the provisions relating to: (i) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception provided for some financial liabilities settled through an electronic money transfer system; (ii) clarify and add further indications in assessing whether a financial asset meets the criterion of solely payments of principal and interest (SPPI); (iii) add new disclosure for some instruments with contractual terms that may change cash flows (for example, some financial instruments with characteristics linked to the achievement of environmental, social and governance objectives) and (iv) update the disclosure on equity instruments measured at Fair Value through Other Comprehensive Income (FVOCI).	January 1, 2026
Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 In December 2024, the IASB published amendments aimed at supporting companies to better report the financial effects of nature-dependent electricity agreements, often structured as power purchase agreements (Power Purchase Agreements - PPAs). Nature-dependent electricity contracts help companies to ensure their own supply of electricity from sources such as wind and solar energy and current accounting requirements may not adequately capture how these contracts affect a company's performance. To enable companies to better reflect these contracts in the Financial Statements, the amendments to IASB will concern IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, and will include: (i) clarify the application of “own use” requirements; (ii) allow hedges to be accounted for if these contracts are used as hedging instruments; and (iii) add new disclosure requirements to allow investors to understand the effect of these contracts on a company's financial performance and cash flows.	January 1, 2026

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION BUT NOT YET APPLICABLE

The following summarizes the accounting standards, amendments and interpretations endorsed by the European Union but not yet applicable as of June 30, 2026.

The Group is assessing the effects that the adoption of these changes could have on its own Financial Statements. As of the preparation date of these condensed interim consolidated Financial Statements, significant impacts are expected from the entry into force of IFRS 18 Presentation and Disclosure in Financial Statements, which will enter into force on January 1, 2027, the year in which Financial Statements and Interim Financial Statements must be presented in accordance with IFRS 18, including with reference to comparative balances. With reference to the other standards, amendments, interpretations in the list, the assessment of any impacts that their application could determine on future financial statements is ongoing and, to date, no significant impacts are expected.

	Effective date
IFRS 18 Presentation and Disclosure in Financial Statements In April 2024, the IASB published a new accounting standard, which will replace IAS 1 Presentation of Financial Statements, to improve the reporting of the financial performance. IFRS 18 Presentation and Disclosure in Financial Statements will improve the quality of financial reporting through requirements on: (i) subtotals defined in the statement of profit and loss; (ii) disclosure on performance measures defined by Management; and (iii) addition of new principles regarding aggregation and disaggregation of information. The standard will enter into force on January 1, 2027.	January 1, 2027

Please note that the Company has not adopted, in advance, accounting standards and amendments with an effective date in subsequent years.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

Below are the accounting standards, amendments and interpretations of new issuance, not yet endorsed by the European Union. The Group is assessing the effects that the adoption of these changes could have on its own Financial Statements. As of the drafting date of these Financial Statements, no significant impacts are expected.

Accounting standards and interpretations	**Effective date**
IFRS 19 (Subsidiaries without Public Accountability – Disclosures)	Financial years starting from January 1, 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities (issued on May 27, 2026)	Financial years starting from January 1, 2029
Amendments	**Effective date**
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	Financial years starting from January 1, 2027
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	Financial years starting from January 1, 2027
Amendments to the Fair Value Option in IAS 28 Investments in Associates and Joint Ventures	Financial years starting from January 1, 2027

BUSINESS PERFORMANCE PATTERNS

The business sector in which the Group operates has historically been characterized by a concentration of deliveries and customer cash inflows in the final months of the financial year; this impacts both intra-year cash flows and the variability of the Group's debt position throughout the year, with substantial improvements occurring in the final months of the calendar year. By the way, the Group's key financial indicators as of June 30, 2026 show an economic and financial profile that improved significantly compared to the same period of the previous year, overcoming the aforementioned historical seasonality pattern that has characterized the Group in recent years.

COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

1. REVENUE

	Period ended June 30	
(in EUR)	**2026**	**2025**
Revenue from sales and services	68,344,443	34,606,803
Change in contract work in progress	(4,184,104)	4,864,110
Total	**64,160,339**	**39,470,913**

Revenue recorded in the first half of 2026 amounted to EUR 64,160,339, up compared to the previous six-month period (EUR 39,470,913), mainly due to the increase in the business of the Spanish subsidiary DARS as well as some foreign orders of the subsidiary RCS.
The item “Change in contract work in progress” amounted to EUR 4,184 thousand and is attributable to the progress of “over time” contracts during the period. The following table presents the breakdown of revenue recognized “at a point in time” (*i.e.*, upon delivery of the good/service) or “over time”.

	Period ended June 30	
(in EUR)	**2026**	**2025**
Recognized at a point in time	16,363,485	7,277,691
Recognized over time	51,980,958	27,329,112
Total	**68,344,443**	**34,606,803**

2. OTHER REVENUE AND INCOME

	Period ended June 30	
(in EUR)	**2026**	**2025**
Tax credits	242,395	205,126
Grants	241,821	439,698
Other	1,084,548	501,633
Total	**1,568,763**	**1,146,457**

Other revenue and income are attributable, for EUR 241,821, to contributions deriving from tax credits for capital goods, and for EUR 242,395 to the recognition of the tax credit for Research and Development. The item “Other” is mainly attributable to operating grants accrued with reference to certain projects in progress funded in part by the European Commission.

3. PURCHASES, SERVICES AND PERSONNEL EXPENSES

Below is the breakdown of purchases, services and personnel expenses:

	Period ended June 30	
(in EUR)	**2026**	**2025**
Costs for raw materials and goods	2,237,034	2,932,487
Change in inventories	917,944	(234,892)
Total costs for raw materials	**3,154,979**	**2,697,595**
Legal and consultancy services	721,608	688,917
Utilities and telephone	1,735,206	2,099,270
Technical and commercial services	696,049	288,932
Management and administration services	215,938	190,804
Maintenance	3,199,844	2,380,215
Rentals and accessory expenses	405,166	421,157
Software licenses	3,985,986	2,725,865
Representation and promotion expenses	953,404	914,614
Remuneration of corporate bodies	498,461	486,299
Services of third-party providers on orders	17,256,419	4,211,107
Share-based payments	118,657	-
Other costs	1, 843,428	1,967,152
Total services	**31,630,167**	**15,919,445**
Wages and salaries	12,620,045	12,447,311
Social security contributions	4,883,411	4,845,687
Post-employment benefits (TFR)	629,378	618,878
Retirement benefits and similar	118,636	71,551
Share-based payments	19,776	-
Other expenses	500,593	316,515
Total personnel expenses	**18,771,839**	**18,299,943**
Total purchases, services and personnel expenses	**53,556,983**	**36,916,983**

Purchases, services and personnel expenses increased compared to the first half of 2025 by EUR 16,640 thousand, mainly due to costs recognized on orders

Service and personnel costs are presented net of capitalizations related to development costs. For the period ended June 30, 2026, these capitalizations amount to EUR 663 thousand and EUR 2,213 thousand, respectively (EUR 455 thousand and EUR 2,548 thousand for the period ended June 30, 2025).

It is further specified that the item also includes expenses for the use of third-party assets relating to lease contracts falling outside the scope of IFRS 16, as they are of low value, short-term, or characterized by variable payments.

Number of Employees

Below is the composition of the Group's workforce as of June 30, 2026, highlighting the average number of employees in the first half of 2026 compared to the closing of the previous year.

COMPOSITION OF WORKFORCE

	As of	
(in Units)	**June 30, 2026**	**December 31, 2025**
Executive managers	23	24
Middle managers	84	81
Employees	410	438
Total	**517**	**544**

4. AMORTIZATION, DEPRECIATION AND IMPAIRMENT LOSSES ON FINANCIAL ASSETS

The Amortization and Depreciation can be detailed as follows:

	Period ended June 30	
(in EUR)	**2026**	**2025**
Amortization of intangible assets	5,826,712	7,746,341
Depreciation of property, plant and equipment	1,807,541	1,482,927
Depreciation of right-of-use assets	849,119	980,990
Total	**8,483,372**	**10,210,258**

The amortization of intangible assets refers to EUR 306 thousand related to software and brands identified during the allocation of the respective purchase prices in the business combinations of Diateam, completed as of December 31, 2023, and XTN, completed as of December 31, 2024 (EUR 1.3 million in the first half of 2025).

Depreciation of property, plant and equipment mainly refers to electronic office machines and equipment – primarily owned by the subsidiary RCS – used in the Group's ordinary business activities.

The balance of impairment losses amounting to EUR 1,103 thousand reflects the adjustments made following Management's assessments of the recoverability of financial assets recognized at the reporting date, in line with the provisions of IFRS 9 on impairment, and specific impairment losses applied by Management on positions considered to be unrecoverable.

5. OTHER OPERATING COSTS

	Period ended June 30	
(in EUR)	**2026**	**2025**
Capital losses and prior year expense	72,918	83,434
Contributions and membership fees	14,972	33,266
Taxes and other indirect taxes	4,843	20,057
Other costs	392,187	168,336
Total	**484,921**	**305,093**

6. NET FINANCIAL EXPENSE

	Period ended June 30	
(in EUR)	**2026**	**2025**
Interest income	5,138	7,967
Other financial income	198,682	553,785
Financial income	**203,819**	**561,752**
Bank interest expense	(1,068,249)	(1,408,091)
Interest expense on lease contracts	(64,654)	(73,076)
Net exchange rate losses	(17,035)	(6,220)
Interest expense on employee benefits	(88,092)	(73,965)
Other interest and financial expense	(356,491)	(287,082)
Financial expense	**(1,594,520)**	**(1,848,434)**

Financial income mainly refers to the adjustment of the present value of Diateam's put option liability as of June 30, 2026, for EUR 169 thousand. Credits on derivative instruments complete the item.

Financial expense mainly includes bank interest (amounting to EUR 1,068 thousand), up on the same period of 2025 by EUR 340 thousand, and interest related to lease and interest expense on employee benefits. Other interest and financial expense includes EUR 276 thousand for the portion of loss of the investee Helmon, accounted for using the equity method, net of resulting tax.

7. TAXES

	Period ended June 30	
(in EUR)	**2026**	**2025**
Current taxes	(1,885,699)	(567,494)
Deferred taxes	78,787	396,572
Total	**(1,806,912)**	**(170,922)**

As of June 30, 2026, the Group's taxes are primarily attributable to current taxes for EUR 1,886 thousand, relating to tax liabilities of the subsidiaries DARS, RCS and XTN, as well as EUR 79 thousand in net deferred taxes, mainly due to the reversal of deferred tax liabilities associated with the purchase price allocation (PPA) of Diateam and XTN.

8. EARNINGS/(LOSS) PER SHARE

Earnings/(loss) per share (hereinafter “earnings per share” or “EPS”) amounted to EUR (0.05), determined by dividing the net result (negative for EUR 1,096,446) by the average number of shares outstanding during the reference period (23,571,428).

9. GOODWILL

Goodwill as of June 30, 2026 amounted to a total of EUR 49,190,205, of which:

- EUR 35,798 thousand arising from the acquisition of the RCS Group, completed on March 29, 2022;
- Euro 6,282 thousand arising from the acquisition of Diateam, completed on January 30, 2023;
- EUR 7,110 thousand arising from the acquisition of XTN, completed on January 16, 2024.

Goodwill was last subjected to impairment testing as of December 31, 2025. In consideration of the performance analysis for the first six months of 2026 and the headroom identified in the latest impairment test, carried out at December 31, 2025, as well as June 30, 2026 update to the sensitivity analyses regarding the discount rate used in that exercise, as of June 30, 2026 no indicators of impairment have been identified, with reference to each of the CGUs to which the goodwill is allocated.

10. INTANGIBLE ASSETS

Intangible assets recognized as of June 30, 2026, amounted to EUR 22,499,028 showing a decrease compared to the previous year, mainly attributable to amortization for the period.

Development costs mainly relate to expenses for employed personnel and external technical consulting directly involved in development activities. Following appropriate analyses, the Directors considered that all the requirements for the relevant capitalization were met. The amortization of these capitalized costs is carried out over a time horizon consistent with the estimated recovery period of the investments made.

Reported below is the movement of intangible assets as of June 30, 2026.

(in EUR)	Development costs	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Assets under development and payments on account	Other intangible assets	**Total**
Balance as of January 1, 2025	**12,160,050**	**8,726,283**	**9,817,133**	**119,425**	**1,178,615**	**32,001,506**
Investments	5,847,478	321,362	3,826,420	406,975	716,066	**11,118,301**
Disposals	-	-	(2,789,534)	-	(237,981)	**(3,027,515)**
Amortization	(6,761,443)	(4,008,209)	(3,819,064)	-	(335,751)	**(14,924,467)**
Balance as of December 31, 2025	**11,246,085**	**5,039,436**	**7,034,955**	**526,400**	**1,321,780**	**25,168,657**
Of which:						
- historical cost	*41,472,109*	*19,614,392*	*23,676,691*	*526,400*	*4,129,493*	***89,419,085***
- accumulated amortization	*(30,226,023)*	*(14,574,956)*	*(16,641,736)*	-	*(2,807,713)*	***(64,250,428)***
Investments	2,876,569	25,763	-	26,400	209,553	**3,138,285**
Disposals	-	-	(202,073)	-	(125,718)	**(327,791)**
Amortization	(3,132,166)	(1,522,660)	(864,531)	-	(307,355)	**(5,826,712)**
Balance as of June 30, 2026	**10,990,489**	**3,542,539**	**5,968,351**	**552,800**	**1,444,848**	**22,499,027**
Of which:						
- historical cost	*44,348,678*	*19,640,155*	*23,474,618*	*552,800*	*4,339,596*	***92,355,847***
- accumulated amortization	*(33,358,189)*	*(16,097,616)*	*(17,506,267)*	-	*(2,894,198)*	***(69,856,270)***

11. PROPERTY, PLANT AND EQUIPMENT

The item “Property, plant and equipment” as of June 30, 2026 amounted to EUR 11,977,893 substantially in line with the closing date of the 2025 financial year, due to the depreciation of the period and the investments made in industrial and commercial equipment for the period, mainly of the subsidiary RCS. The item Other assets mainly refers to furniture, furnishings and office machines.

Reported below is the movement of property, plant and equipment as of June 30, 2026:

(in EUR)	Plant and machinery	Industrial and commercial equipment	Other assets	Land and buildings	Assets under construction and payments on account	**Total**
Balance as of January 1, 2025	**279,355**	**5,309,660**	**3,687,566**	**274,380**	**299,286**	**9,850,247**
Investments	64,672	2,935,230	272,727	9,676	513,927	**3,796,233**
Disposals	-	(288,799)	(5,803)	-	-	**(294,602)**
Depreciation	(80,847)	(2,145,435)	(760,900)	(54,414)	-	**(3,041,596)**
Balance as of December 31, 2025	**263,180**	**6,380,207**	**3,193,590**	**229,642**	**243,663**	**10,310,283**
Of which:						
- historical cost	*1,538,310*	*20,786,302*	*11,359,613*	*563,884*	*243,663*	**34,491,772**
- accumulated depreciation	*(1,275,130)*	*(14,406,095)*	*(8,166,023)*	*(334,241)*	-	**(24,181,489)**
Investments	34,370	2,009,193	722,615	490	551,889	**3,318,557**
Disposals	-	(54,678)	(8,469)	-	-	**(63,147)**
Depreciation	(36,944)	(1,065,290)	(677,753)	(27,554)	-	**(1,807,541)**
Reclassifications		318,222			(318,222)	-
Balance as of June 30, 2026	**260,606**	**7,745,795**	**3,291,583**	**202,578**	**477,330**	**11,977,893**
Of which:						
- historical cost	*1,572,680*	*23,059,039*	*12,073,759*	*564,374*	*477,330*	**37,747,182**
- accumulated depreciation	*(1,312,074)*	*(15,313,244)*	*(8,782,176)*	*(361,795)*	-	**(25,769,289)**

12. RIGHT-OF-USE ASSETS

	As of June 30	**As of December 31**
(in EUR)	**2026**	**2025**
Property	3,344,773	3,377,466
Hardware	209,350	264,460
Vehicles	699,327	971,933
Total right-of-use assets	**4,253,451**	**4,613,860**

As of June 30, 2026, the amount of right-of-use assets was equal to EUR 4,253,451, mainly related to the lease of the Group's offices. The right-of-use assets are depreciated over 6 years for property, 5 years for hardware, and 4 years for vehicles. It should also be noted that the Group has chosen to exclude from the scope of application leases with a duration of less than 12 months and those concerning assets of modest value whose effects, therefore, are recorded under the item "Purchases and personnel expenses".

13. OTHER CURRENT AND NON-CURRENT ASSETS

	As of June 30		**As of December 31**	
	2026		**2025**	
(in EUR)	**Current**	**Non-current**	**Current**	**Non-current**
Guarantee deposits	133,579	181,125	110,513	374,937
Derivative financial instruments	101,868	-	473,499	562,087
Securities	300,000	300,000	800,000	-
Loan to Helmon	-	-	-	975,000
Other	478,038	776,767	-	15
Total current and non-current financial assets	**1,013,485**	**1,257,892**	**1,384,012**	**1,912,040**

The item “derivative financial instruments” refers to hedging derivatives on interest rates subscribed to deal with the interest rate risk on loan agreements entered into by the Parent and by its subsidiary RCS; these instruments will expire in 2028 for those stipulated by the Parent, and at the end of 2026 for those stipulated by RCS. The item "securities" refers to investments of the subsidiary Diateam.

The item "Loan to Helmon" is zero as of June 30, 2026 as a result of the capital increase carried out in favor of the Helmon joint venture during the half-year, with payment of EUR 2 million by the Parent, of which EUR 1,025 thousand by cash payment and EUR 975 thousand by the waiver of the aforementioned loan, paid out at the time of incorporation of the Company.

14. EQUITY-ACCOUNTED INVESTMENTS

The increase in the item "Equity-accounted investees" of EUR 1,724 thousand is related to the accounting of the joint venture Helmon. This is recognized in these condensed interim consolidated Financial Statements at the fair value of the asset contributed by the Parent to the establishment of the investee, recognized to the extent of the interest of other investors in the investee - as required by the relevant accounting framework (IAS 28) – net of the profit/loss of the period pertaining to the Group, increased in the first half of 2026 by EUR 2 million for capital increase.

15. CURRENT AND NON-CURRENT TAX ASSETS AND LIABILITIES

The items of tax assets and tax liabilities, respectively amounting to EUR 31 thousand and EUR 1,405 thousand as of June 30, 2026 (EUR 44 thousand and EUR 151 thousand as of December 31, 2025), refer entirely to amounts claimed from the Tax Authorities for IRES and IRAP.

16. INVENTORIES

The item is attributable to the inventories of finished products and goods, mainly of the RCS Group (EUR 3,425 thousand), mainly consisting of external hard drives and other similar products currently used in the RCS Group's business. The item also comprises the inventories of the subsidiary Diateam (EUR 333 thousand).

17. CONTRACT ASSETS AND LIABILITIES

Contract assets include the net amount of activities carried out for amounts exceeding the payments on account received from customers. Similarly, contract liabilities accommodate the opposite case. The net balance of contract assets is composed as follows:

	As of June 30	As of December 31
(in EUR)	**2026**	**2025**
Gross contract assets	4,731,549	13,933,099
Contract liabilities	-	(6,404,732)
IFRS 9 loss allowance	(52,815)	(15,443)
Contract assets	**4,678,734**	**7,512,924**
Gross contract liabilities	(46,902,223)	(57,222,629)
Contract assets	3,498,561	2,532,853
Contract liabilities	**(43,403,660)**	**(54,689,777)**
Total net amount	**(38,724,926)**	**(47,176,853)**

18. TRADE RECEIVABLES

This item can be detailed as follows:

	As of June 30	As of December 31
(in EUR)	**2026**	**2025**
From customers	45,138,492	69,829,432
From parent companies	2,578,511	1,882,745
Loss allowance	(4,258,005)	(3,647,168)
Total	**43,458,996**	**68,065,009**

The decrease in trade receivables is mainly attributable to the seasonality of the business, which is concentrated in the second half of the year, particularly in the fourth quarter.

The loss allowance for trade receivables includes the estimated accumulated impairment losses applied in accordance with international accounting standard IFRS 9. In the first half of 2026, a write-down provision for an amount of EUR 150 thousand was recorded. With regard to credit risk management, reference is made to the specific section of the Management Report.

19. OTHER CURRENT AND NON-CURRENT ASSETS AND DEFERRED TAX ASSETS

	As of June 30	As of December 31
(in EUR)	**2026**	**2025**
Accrued income	12,834,899	14,280,408
VAT	3,752,147	976,913
Tax credits for capital expenditures	63,000	63,445
Tax credits for research and development	272,131	641,755
Other current receivables and assets	1,526,897	884,965
Total other current assets	**18,449,074**	**16,847,486**
Tax credits for research and development	521,637	396,068
Other	765,262	899,368
Total other non-current assets	**1,286,899**	**1,295,436**
Total other current and non-current assets	**19,735,974**	**18,142,922**

Other current assets mainly refer to accrued income and VAT, as well as the current portion of tax credits recognized in relation to investments made in research and development activities and in capital goods. The item “Other current receivables and assets” mainly includes advances to suppliers and tax assets of the subsidiary Diateam.

Other non-current assets mainly include the portion of receivables due beyond 12 months relating to advances and accrued income, research and development activities, and investments in capital goods.

20. CASH AND CASH EQUIVALENTS

As of June 30, 2026, cash and cash equivalents amounted to EUR 24,441,766 (EUR 22,984,153 as of December 31, 2025) and are essentially made up of deposits in Euro at leading financial institutions.

21. EQUITY

(in EUR)	As of June 30 2026	As of December 31 2025
Share capital	1,441,500	1,441,500
Share premium reserve	108,539,944	108,539,944
Other reserves	(20,654,666)	(10,663,888)
Loss for the period	(2,747,409)	(9,994,542)
Total equity attributable to the owners of the parent	**86,579,369**	**89,323,014**
Capital and reserves of non-controlling interests	915,643	1,517,501
Profit for the period attributable to non-controlling interests	1,650,963	2,000,547
Total equity	**89,145,975**	**92,841,061**

As of June 30, 2026, the Parent's share capital, fully subscribed and paid-up, amounted to EUR 1,441,500, unchanged compared to December 31, 2025, and is composed of 23,571,428 fully subscribed shares, broken down as follows:

- 9,045,912 ordinary shares owned by Società Elettronica S.p.A.;
- 3,809,524 ordinary shares owned by TEC Cyber S.p.A;
- 9,015,992 ordinary shares listed on Euronext STAR Milan, held by other shareholders on the market;
- 1,250,000 ordinary shares owned by First SICAF S.p.A;
- 450,000 treasury shares held by CY4GATE S.p.A.

22. NON-CURRENT EMPLOYEE BENEFITS

The item includes the provision for post-employment benefits (TFR) for Group employees, amounting to EUR 5,278,265 as of June 30, 2026 (EUR 5,031,600 as of June 30, 2025).

(in EUR)	2026	2025
Balance as of January 1	**5,450,497**	**4,739,373**
Transfers to Pension Funds / Treasury / Taxation	(125,702)	-
Current service cost	261,234	506,795
Service financial expense	88,092	73,965
Uses for indemnities paid and advances	(439,219)	(174,990)
Actuarial (gains)/losses for the period	43,363	(113,544)
Balance as of June 30	**5,278,265**	**5,031,600**

The actuarial assumptions for the calculation purposes of the defined benefit pension plans are detailed in the following table:

Economic assumptions	As of June 30 2026	As of December 31 2025
Inflation rate	2.00%	2.00%
Discount rate	3.24%	3.37%
Salary growth rate	1.00%	1.00%
Annual rate of TFR increase	3.00%	3.00%

Demographic assumptions are based on actuarial expectations, in accordance with relevant and published industry statistical data, applied on the average of the personnel employed during the periods.

The following is a sensitivity analysis related to defined benefit pension plans based on changes in the main assumptions as of June 30, 2026:

Sensitivity Analysis	**As of June 30, 2026**
Central Assumption	**5,278,265**
Turnover rate +1%	5,090,415
Turnover rate -1%	5,061,772
Inflation rate +0.25%	5,122,647
Inflation rate -0.25%	5,031,668
Discount rate +0.25%	5,008,140
Discount rate -0.25%	5,147,477

23. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES AND CURRENT AND NON-CURRENT LEASE LIABILITIES

As of June 30, 2026 *(in Euro)*	Within 12 months	Between 1 and 5 years	Over 5 years	**Total**
Bank loans and borrowings	14,703,908	8,722,704	0	**23,426,612**
Loans and borrowings from other financial backers	351,888	3,695,991	0	**4,047,878**
Lease liabilities	1,479,084	3,023,252	0	**4,502,336**
Put options on business combinations	1,675,909	0	0	**1,675,909**
Total	**18,210,789**	**15,441,947**	**0**	**33,652,736**

As of December 31, 2025 *(in Euro)*	Within 12 months	Between 1 and 5 years	Over 5 years	**Total**
Bank loans and borrowings	17,959,039	12,521,078	-	30,480,117
Loans and borrowings from other financial backers	2,661,048	245,563	-	2,906,611
Lease liabilities	(1,458,667)	(3,384,227)	-	4,842,894
Put option on business combinations	(1,149,067)	675,000	-	1,832,754
Total	**23,227,821**	**16,825,866**	**-**	**40,053,686**

The table below summarizes the information on bank loans and borrowings:

Lender	**Funding entity**	**Rate applied**	**Maturity date**	**Principal amount**	**Carrying amount as of June 30, 2026**	**of which current**
"Bank syndicate" loan Line A	Credit Agricole, ICCREA	6m Euribor + 225bp	03/29/2028	12,500,000	5,050,452	2,750,000
Acquisition Line "Bank syndicate" loan	Credit Agricole, ICCREA	6m Euribor + 200bp	03/29/2028	25,000,000	10,937,500	6,250,000
Unicredit loan	Unicredit	3m Euribor + 150bp	06/30/2028	3,000,000	3,000,000	1,471,460
Credit Agricole short-term loan	Credit Agricole	3m Euribor + 120 bp	10/09/2026	2,000,000	2,000,000	2,000,000
Credit Agricole short-term loan	Credit Agricole	Euribor 3m + 120bp	10/05/2026	1,500,000	1,500,000	1,500,000
Intesa San Paolo loan	Intesa San Paolo	6m Euribor + 132 bp	11/30/2026	3,000,000	500,830	500,830
Credit Mutuel Bretagne loan	Credit Mutuel Bretagne	3m Euribor + 1.15%	06/17/2029	550,000	175,330	56,618
Mediocredito InvestitionsBank	Mediocredito Trentino Alto Adige SpA	2.90%	07/31/2027	700,000	262,500	175,000
Total				**48,250,000**	**23,426,612**	**14,703,908**

Non-current financial liabilities mainly refer to bank loans, amounting to EUR 8,723 thousand, mainly composed of the non-current portion of the pool loan of the Parent for EUR 6,988 thousand, as well as a loan of the Parent to support investments with Unicredit SpA for EUR 1,529 thousand, and the non-current portion of a loan of the subsidiary Diateam and a loan of the subsidiary XTN.

In addition to bank loans, the non-current financial liability consists of EUR 3,023 thousand of non-current lease liabilities and EUR 3,510 thousand of financial liabilities to the Parent Elettronica and EUR 180 thousand of other loans and borrowings.

Current financial liabilities mainly refer to bank loans and borrowings for EUR 15,059 thousand, predominantly comprised of:

- the current portion of CY4GATE S.p.A. for the loan agreement subscribed with Credit Agricole Italia S.p.A., head of a syndicate of credit institutions, for EUR 9,000 thousand;
- the current portion of three short-term loans of the Parent, of which two subscribed with Credit Agricole and one with Unicredit, for a total of EUR 4,971 thousand;
- the current portion of a loan of the subsidiary RCS to support working capital and investments, for EUR 501 thousand.

In addition to bank loans and borrowings, current financial liabilities include EUR 1,479 thousand of current lease liabilities and EUR 1,676 thousand of financial liabilities recorded on the basis of the *put* agreements provided for in the Diateam SaS acquisition contract (EUR 980 thousand) and in the XTN acquisition contract (EUR 696 thousand).

The loan agreement subscribed with Credit Agricole Italia S.p.A., head of a syndicate of credit institutions, provides, for Line A, the repayment of the principal amount by its due date in 10 semi-annual installments according to the contractual amortization schedule, with payment of interest accrued from time to time, for each interest period, on the sums disbursed and not repaid, at an interest rate for which two derivatives have been stipulated for 100% of the amount to cover the risk.

It is also noted that according to the loan agreement, the spread to be applied to the reference rate for each credit line can vary semi-annually, either increasing or decreasing, depending on the change of the "Net Financial Indebtedness/EBITDA (NFP/EBITDA)" ("financial covenant") ratio calculated based on the Consolidated Financial Statements data or the Consolidated Interim Report, starting from a base ratio of 2x. The Parent Company, therefore, has committed to respect the aforementioned NFP/EBITDA financial parameter, accepting that the financing banks and the agent bank may take the actions and remedies contractually provided, among others the repayment of the amounts not yet paid and the relative interests, in the event that the initial financial situation at consolidated level does not comply with said parameter.

The compliance with the aforementioned financial parameter is checked every six months on a "rolling" basis (*i.e.*, with reference to the data related to the previous twelve months), starting from that relating to the year ended December 31, 2022. The covenant was complied with as of June 30, 2026.

In addition, it should be noted that such a loan agreement provides certain limitations on the distribution of profits and/or dividends to the Parent; in particular, the Parent will not be able to proceed with the distribution of profits and/or dividends, nor payments of any amount under any title and in any form to its shareholders, except for payments under commercial contracts and/or subordinate employment relations (including, for example, as capital payment, interest or other utilities on shareholders' loans also in bond form, or as consideration for services rendered and/or management fees) (each operation, a "Distribution"), if not subject to the occurrence of all the following conditions:

- the first Distribution is subsequent to the approval of the Issuer's financial statements as of December 31, 2022;
- for the duration of the Loan Agreement, each Distribution does not exceed 50% (fifty percent) of the profits resulting from the Issuer's financial statements for the year immediately preceding the one in which the relevant Distribution is to be made;

- at the date of the Distribution there is no Relevant Event and such Distribution does not in itself determine a Relevant Event (as defined in the Loan Agreement).

It should be noted that in July 2026, the Parent carried out a refinancing transaction of the aforementioned syndicate contract, with Credit Agricole the leader and the entry into the syndicate – in place of the other outgoing Institutes – of the bank BNL. The new contract was signed on July 15, 2026 and provides for two credit lines:

- line A for an amount of EUR 21,500 thousand, to refinance the debt of the previous syndicate;
- revolving line for a maximum amount of EUR 7,667 thousand, of which EUR 4,600 thousand in favor of the Parent and EUR 3,067 in favor of RCS.

The two lines have a duration of 5 and 4 years, respectively.

The purpose of the operation was to refinance past debt at better economic conditions and to activate the aforementioned revolving line to support working capital.

The item also includes financial liabilities related to bank loans and borrowings held by Diateam under an existing loan agreement with Credit Mutuel Bretagne, as well as financial liabilities of XTN arising from a minibond agreement.
It should be noted that in relation to the loans of the RCS Group, Diateam and XTN, there are no financial *covenants*.

It is confirmed that, in choosing financing and investment operations, the Group has adopted criteria of prudence and limited risk and that no speculative transactions have been carried out. In this regard, it is noted that the Group hedges itself from financial risk, particularly from the risk of rising interest rates, through Interest Rate Swap contracts, three of which were in place as of June 30, 2026. The aforementioned Interest Rate Swap contracts are to be considered hedging transactions, and their impact on the result for the period is determined exclusively by the accounting recognition of the interest rate differentials (assets and liabilities) accrued as of June 30, 2026.

The item "Lease liabilities" refers to lease liabilities that are recognized as an offsetting to the recognition of the right-of-use assets, relating to existing lease contracts for properties in which the Group companies' offices are located, as well as for hardware and vehicles.

The item "Put options on business combinations" includes financial liabilities recognized under the anticipated acquisition method adopted by the Group for non-controlling interests in Diateam and XTN; this is down compared to December 31, 2025 due to the adjustment of the related present value as of June 30, 2026.

NET FINANCIAL POSITION

The following is the detailed statement of the composition of the Group's Net Financial Position as of June 30, 2026, as required by CONSOB communication no. DEM/6064293 of July 28, 2006 and in compliance with CONSOB Warning no. 5/21 of April 29, 2021 with reference to ESMA Guideline 32-382-1138 of March 4, 2021.

	As of			
(in EUR)	June 30, 2026	*of which with related parties*	December 31, 2025	*of which with related parties*
A. Cash and cash equivalents	(24,441,766)	-	(22,984,153)	-
B. Cash equivalents	-	-	-	-
C. Other current financial assets	(968,401)	-	(1,349,366)	*(19,000)*
D. Liquidity (A+B+C)	**(25,410,167)**	**-**	**(24,333,519)**	***(19,000)***
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	5,728,143	*1,675,909*	9,812,729	-
F. Current portion of non-current financial debt	12,440,604	-	13,386,447	*295,402*
G. Current financial indebtedness (E+F)	**18,168,748**	***1,675,909***	**23,199,175**	***295,402***
H. Net current financial indebtedness (G+D)	**(7,241,419)**	***1,675,909***	**(1,134,344)**	***276,402***
I. Non-current financial debt (excluding current portion and debt instruments)	15,419,506	*3,510,000*	16,798,077	*249,601*
J. Debt instruments	-	-	-	-
K. Non-current trade and other payables	-	-	-	-
L. Non-current net financial indebtedness (I+J+K)	**15,419,506**	***3,510,000***	**16,798,077**	***249,601***
M. Total financial indebtedness pursuant to ESMA Recommendation of March 4, 2021 (H+L)	**8,178,087**	***5,185,909***	**15,663,733**	***526,003***
N. Non-current financial assets	(1,238,496)	*(19,000)*	(1,890,250)	*(975,000)*
Net Financial Position (M+N)	**6,939,590**	***5,166,909***	**13,773,483**	***(448,997)***

The item "C. Other current financial assets" includes the current financial assets figure from the consolidated balance sheet as of June 30, 2026 (Euro 1,013 thousand), excluding the derivative financial instruments classified under that item (Euro 45 thousand).
The item "E. Current financial debt" includes the current portion of the items in the Consolidated Financial Statements as of June 30, 2026 related to loans (EUR 4,001 thousand) and other loans and borrowings (EUR 51 thousand), other than the liability connected to the Diateam and XTN put options, with the first option exercised in July 2026 (see the section "Significant events after the reporting period" for further information); the second option will be exercisable in 2026 (EUR 1,676 thousand).
The item "F. Current portion of non-current financial debt" includes the current portion of the item in the Consolidated Financial Statements as of June 30, 2026 relating to loans (EUR 10,703 thousand), to current financial liabilities towards other financiers (EUR 304 thousand), and the current portion of the item in the Consolidated Financial Statements as of June 30, 2026 relating to current lease liabilities (EUR 1,479 thousand), as well as the current portion of derivative financial assets (EUR 45 thousand).
The item "I. Non-current financial debt" includes the items in the Consolidated Financial Statements as of June 30, 2026 relating to non-current financial liabilities concerning debts for financing (EUR 12,233 thousand), to non-current financial liabilities towards other financiers (EUR 179 thousand), to non-current lease liabilities (EUR 3,023 thousand), as well as to the non-current portion of financial derivative assets (EUR 19 thousand).
The item "N. Non-current financial assets" corresponds to the items in the Consolidated Financial Statements as of June 30, 2026 related to non-current financial assets (EUR 1,258 thousand), excluding derivative financial instruments classified in this item (EUR 19 thousand).

24. TRADE PAYABLES

	As of June 30	As of December 31
(in EUR)	**2026**	**2025**
Trade payables	14,966,218	13,918,804
Payables to parent companies	31,202	-
Total trade payables	**14,997,420**	**13,918,804**

25. OTHER CURRENT AND NON-CURRENT LIABILITIES

	As of June 30	As of December 31
(in EUR)	**2026**	**2025**
Accrued expenses and deferred income	30,475	-
Total other non-current liabilities	**30,475**	**-**
Accrued expenses and deferred income	624,683	934,952
Employees	4,645,220	5,230,502
Social security and welfare institutions	2,093,974	1,583,884
VAT liabilities	546,778	4,300,751
Income tax liabilities	118,703	182,017
Other liabilities	2,446,321	3,642,318
Total other current liabilities	**10,475,679**	**15,874,424**
Total	**10,506,154**	**15,874,424**

The item "Other non-current liabilities" includes the deferred purchase price for the acquisition of XTN, amounting to EUR 947 thousand (EUR 972 thousand contractually stipulated, discounted as of June 30, 2026).

The item "Employees" mainly consists of liabilities for accrued and unused vacation, ROL (leave entitlements), and social security contributions.

26. TRANSACTIONS WITH RELATED PARTIES

In the first half of 2026, the Group conducted transactions with related parties, specifically with Elettronica S.p.A., a shareholder of the Parent with a stake of 38.38% in the share capital. These transactions, which do not constitute atypical and/or unusual operations, are regulated by normal market conditions and follow a physiological development with respect for contractual commitments and payment conditions. Specifically, the contract assets (EUR 1,745 thousand) refer to activities closely linked to the sales made by the Company to its Parent Elettronica for EUR 3,250 thousand.

Non-current financial liabilities (EUR 3,510 thousand) relate to a loan received from the Parent during the half-year.

The totals of the transactions are detailed in the tables shown below.

(in Euro)	Parent Company	Joint Venture	**Total related parties**	**Consolidated financial statements item**	**Impact (%)**
Impact of transactions on profit and loss					
Revenue and other income					
Period ended June 30, 2026	3,249,551	-	**3,249,551**	65,729,102	**5%**
Period ended June 30, 2025	3,356,650	57,703	**3,414,353**	40,617,370	**8%**
Service expenses					
Period ended June 30, 2026	(80,401)	(36,660)	**(117,061)**	(31,630,167)	**0,4%**
Period ended June 30, 2025	(119,710)	-	**(119,710)**	(15,919,445)	**1%**
Depreciation and amortization					
Period ended June 30, 2026	(138,993)	-	**(138,993)**	(8,483,372)	**2%**
Period ended June 30, 2025	(149,942)	-	**(149,942)**	(10,210,258)	**1%**
Financial income (expense)					
Period ended June 30, 2026	(17,676)	-	**(17,676)**	(1,114,342)	**2%**
Period ended June 30, 2025	(2,125)	-	**(2,125)**	(1,040,545)	**0%**
Impact of transactions on the statement of financial position					
Other current and non-current assets					
As of June 30, 2026	19,000	-	**19,000**	2,271,377	**1%**
As of December 31, 2025	19,000	975,000	**994,000**	3,296,052	**30%**
Trade receivables					
As of June 30, 2026	2,584,925	57,703	**2,642,628**	43,458,998	**6%**
As of December 31, 2025	1,882,745	57,703	**1,940,449**	68,065,009	**3%**
Right-of-use assets					
As of June 30, 2026	325,192	-	**325,192**	4,253,451	**8%**
As of December 31, 2025	464,186	-	**464,186**	4,613,860	**10%**
Contract assets					
As of June 30, 2026	1,744,728	-	**1,744,728**	4,678,734	**37%**
As of December 31, 2025	2,636,406	-	**2,636,406**	7,512,924	**35%**
Lease liabilities					
As of June 30, 2026	399,649	-	**399,649**	4,502,336	**9%**
As of December 31, 2025	545,003	-	**545,003**	4,842,894	**11%**
Trade payables					
As of June 30, 2026	31,202	190,564	**221,766**	14,997,420	**1%**
As of December 31, 2025	51,700	166,164	**217,864**	14,053,654	**2%**
Contract liabilities					
As of June 30, 2026	627,411	-	**627,411**	43,403,660	**1%**
As of December 31, 2025	457,040	-	**457,040**	54,689,777	**0%**
Non current financial liabilities					
As of June 30, 2026	3,510,000	-	**3,510,000**	12,418,695	**28%**
As of December 31, 2025	-	-	**-**	13,481,743	**0%**

26. OTHER INFORMATION

Guarantees

As of June 30, 2026, the following are noted:

- guarantee (advance bond) issued by Creval in September 2018 for EUR 70,000 relating to a contract towards an end user in a Middle Eastern country;
- guarantee (bid bond) issued by Creval at the request of the Parent in October 2021 for EUR 30,000 for participation in a tender in a Middle Eastern country;
- guarantee (advance bond) issued by Intesa Sanpaolo bank for the remaining value of €956,000, relating to an active contract with a non-EU end-user;
- guarantee (advance bond and bid bond) for a total value of €2,317,500 issued by UniCredit, relating to an active contract with a non-EU end-user;
- guarantees issued by Credit Institutions at the request of the subsidiary RCS ETM Sicurezza for EUR 165,000, of which EUR 135,000 relates to a foreign order and EUR 30,000 was issued in lieu of a security deposit for a leased property;
- guarantees, referred to the SME Guarantee Fund, issued by Mediocredito Centrale for an amount of EUR 1,017,018 issued in relation to loans obtained by the subsidiary RCS in previous years.

following describes the pledges on equity investments established (or to be established) under the Loan Agreement signed on March 29, 2022 between CY4GATE S.p.A. and RCS ETM Sicurezza S.p.A., and a syndicate of lending banks led by Crédit Agricole Italia S.p.A.

- **RCS Group (formerly Aurora):** on March 29, 2022, CY4GATE S.p.A., in its capacity as grantor, pledged in favor of Crédit Agricole Italia S.p.A., Creval S.p.A., ICCREA Banca S.p.A., Banca di Credito Cooperativo di Milano – Soc. Coop. (the “Lending Banks”), 100% of the share capital of Aurora S.p.A. as a guarantee of the correct, full and timely fulfillment of all present and/or future monetary obligations of CY4GATE S.p.A. and RCS ETM Sicurezza S.p.A., arising for any reason from the loan agreement signed on March 29, 2022 between CY4GATE S.p.A. and RCS ETM Sicurezza S.p.A. and the Lending Banks. It is noted that this pledge was transferred to RCS following the reverse merger completed on November 15, 2022;

- **RCS ETM Sicurezza Pledge:** on March 29, 2022, Aurora S.p.A., as grantor, pledged in favor of Crédit Agricole Italia S.p.A., Creval S.p.A., ICCREA Banca S.p.A., Banca di Credito Cooperativo di Milano – Soc. Coop. (the “Lending Banks”), 100% of the share capital of RCS ETM Sicurezza S.p.A., as a guarantee of the correct, full and timely fulfillment of the monetary obligations (within the limits expressly provided for in the relevant pledge deed) of CY4GATE S.p.A. and RCS ETM Sicurezza S.p.A. arising for any reason from the loan agreement signed on March 29, 2022 between CY4GATE S.p.A. and RCS ETM Sicurezza S.p.A. and the Lending Banks.

JUDICIAL AND ARBITRATION PROCEEDINGS

As of the date of these Condensed Interim Consolidated Financial Statements, the Group is not party to significant administrative, judicial or arbitration proceedings that may have or have had significant repercussions on the financial situation or profitability of the Parent and/or the Group in the recent past.

27. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Purchase of a further stake in Diateam S.a.S.

On August 5, 2026, following the exercise of the "Put & Call" options exercisable in the three-year period 2024-2026 and signed at the time of the purchase of the first 55.33% of Diateam S.a.S., CY4GATE S.p.A. signed the closing for the purchase of an additional 14.67% of the French subsidiary at the price of EUR 980 thousand, thus increasing its interest to 100% of this subsidiary.

ON BEHALF OF THE BOARD OF DIRECTORS

(Enrico Peruzzi)

(Emanuele Galtieri)

Certification of the Condensed Interim Consolidated Financial Statements pursuant to art. 81-ter of CONSOB Regulation no. 11971 of May 14, 1999, as subsequently amended and supplemented

1. The undersigned Emanuele Galtieri and Arianna Ciccolella, respectively Chief Executive Officer and Manager in charge of the preparation of the corporate accounting documents of CY4GATE S.p.A. hereby certify, also taking into account the provisions envisaged by article 154-bis, paragraphs 3, 4 and 5, of the Italian Legislative Decree No. 58 of February 24, 1998:

- the adequacy in relation to the characteristics of the company (also considering any changes occurring during the half-year), and
- the effective application of administrative and accounting procedures for the preparation of the Condensed Interim Consolidated Financial Statements for the period ended June 30, 2026.

2. From the application of the administrative and accounting procedures for the preparation of the Condensed Interim Consolidated Financial Statements as of June 30, 2026, no significant issue emerged.

3. It is also certified that:

3.1 these condensed interim consolidated financial statements:

a) are prepared in compliance with the applicable International Accounting Standards recognized in the European Community under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
b) are consistent with the underlying accounting books and records;
c) provide a true and correct view of the operating result and financial position of the issuer and of all the companies included in the consolidation.

3.2 The Management Report includes a reliable analysis of references to important events that occurred during the first six months of the financial year and their impact on the condensed interim consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The management report also includes a reliable analysis of the information on significant related-party transactions.

Rome, September 10, 2026

Chief Executive Officer	Financial Reporting Officer
…………………………………………	…………………………………………