



Cy4Gate

1H 2023 Financial Results

September 14, 2023



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Fast growing and attractive group...

2,85x

Shares price since IPO



JV between

ELETTRONICA GROUP
Defence | Cyber | Security



2014
Start up



2019

Growth and acquisition of market share

2020 IPO

Listing on FTSE Italia
Growth



2022

Capital Increase of 90 Millions for M&A



2023

Listing on **EURONEXT STAR Milan**



... thanks to exceptional performance

129%

Revenues CAGR
2022 vs IPO



Delivery on track on all Strategic pillars

Strategic pillars



360° Cyber vendor
"Made in Europe"



Tailormade solutions
for **Global Cyber Defence**



Superior **ethics & talent**
development



Partnerships and
M&A for **tech leadership**

Target



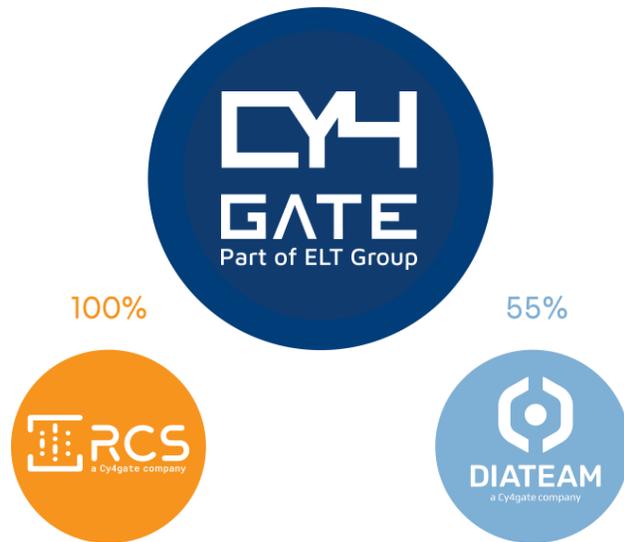
ESG



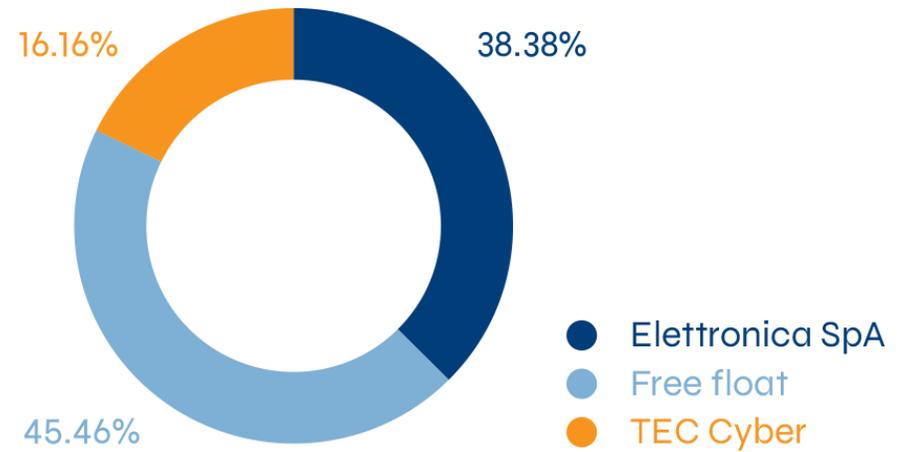
“ *To protect and empower people through reliable and leading edge solutions* ”

GROUP & SHAREHOLDERS

GROUP



SHAREHOLDERS



TEAM



Domitilla Benigni
CHAIRMAN



Emanuele Galtieri
CEO & General
Manager



Marco Latini
CFO & Investor
Relations Manager

Board of Directors



Strategic and M&A Committee



CY4Gate is present in two main markets:

Cyber Intelligence & Cyber Security

PORTFOLIO OVERVIEW

CYBER INTELLIGENCE

Decision Intelligence



Forensic Intelligence



CYBER SECURITY

Cybersecurity Products



Cybersecurity Services



CYBER INTELLIGENCE

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

Decision Intelligence



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

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

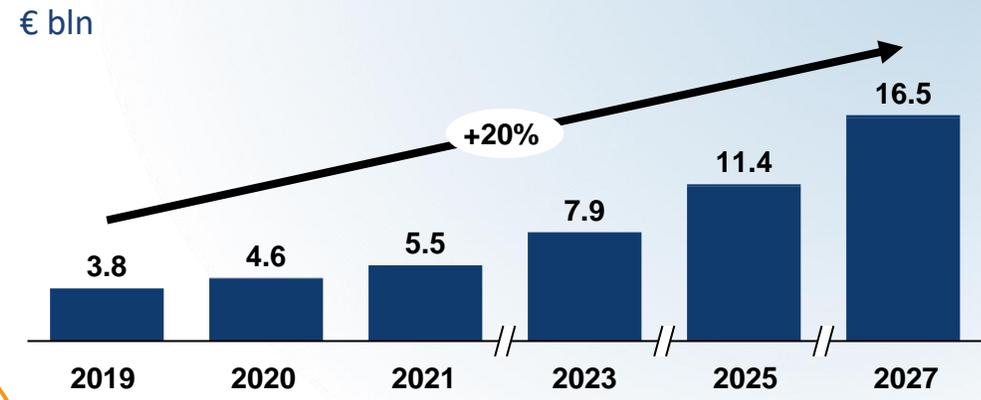
Forensic Intelligence



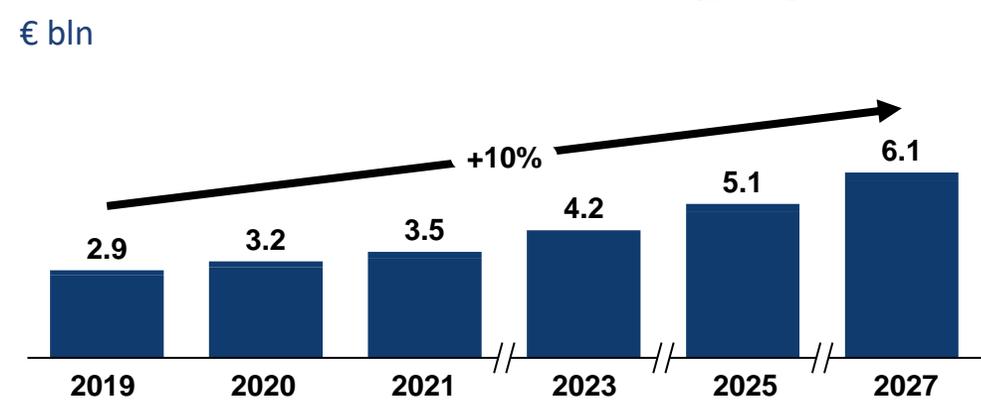
Support law enforcement agencies providing customizable and easy-to-use Forensic Intelligence & data analysis solution



Global opensource intelligence (Osint) market



Global forensic intelligence & data analysis



Double digit growth

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



CYBER SECURITY

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



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

Cybersecurity Products



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

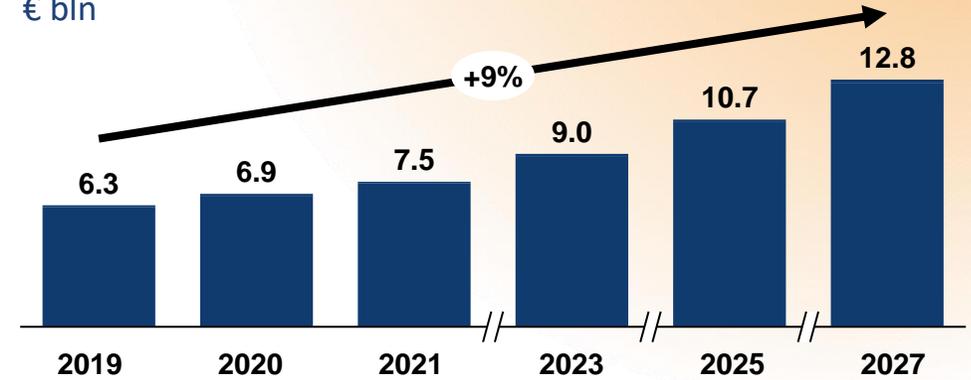
- Red Teaming and Penetration Test
- Compliance Assessment
- Managed Detection & Response
- Incident Response & Malware Analysis
- Hands-on Cyber Training and Security Awareness
- Cyber Resilience Design for Critical Infrastructure

Cybersecurity Services



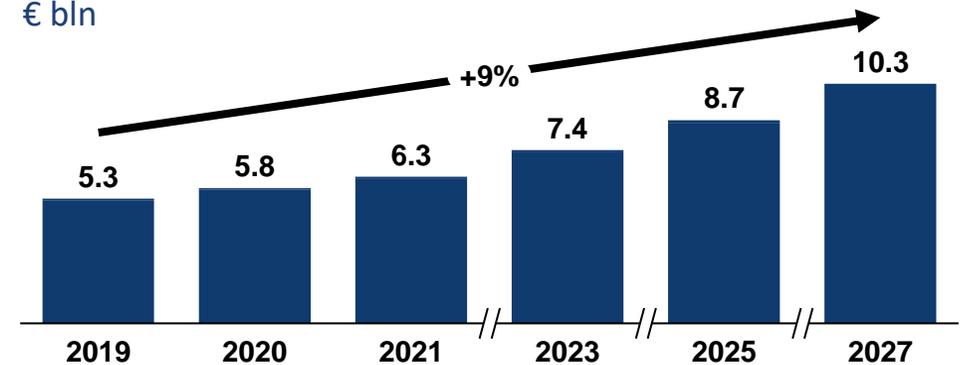
Global Cybersecurity Products¹ Market

€ bln



Global Cybersecurity Services² Market

€ bln



Enduring growth



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

2. Includes Penetration testing, Vulnerability management and related services

Source: IDC, industry reports and expert interviews

MARKETS

GEOGRAPHICAL PRESENCE AND MARKETS SERVED

The company mainly operates in Italy, is also active in Spain and is increasing its presence in Germany and France. It also has a global presence, with clients in the Middle East, South East Asia, and Latin America.

GLOBAL MARKET



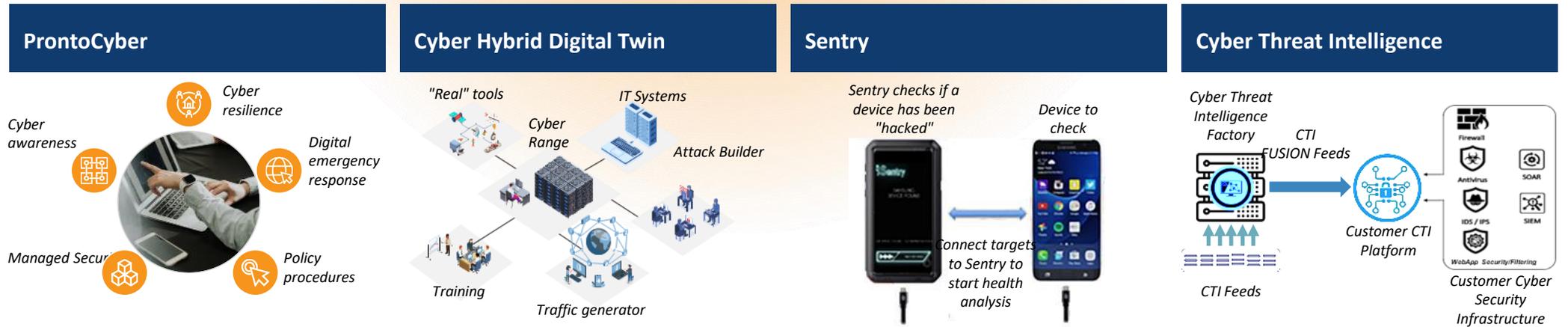
REVENUES BY GEOGRAPHIC AREA

Revenues by geographic area	2020		2021		2022	
	CY4GATE S.p.A		CY4GATE S.p.A		CY4GATE Group	
	€M	%	€M	%	€M	%
ITALY	10.7	86%	14.4	85%	41.2	63%
EXPORT	1.8	14%	2.6	15%	24.2	37%
TOTAL	12.5	100%	17.0	100%	65.4	100%

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

4 new Cyber Security solutions

Example



Target customers

- ProntoCyber: SME
- Cyber Hybrid Digital Twin: Large corporations & institutions
- Sentry: Institutions
- Cyber Threat Intelligence: Large companies and institutions

Key features

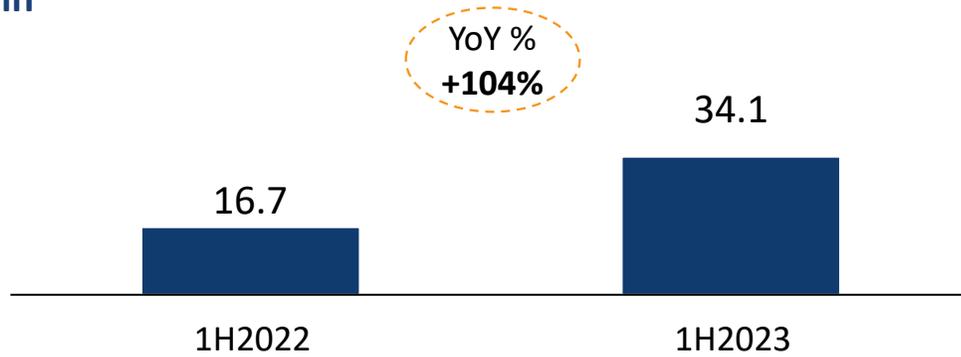
- ProntoCyber:
 - Platform for “at scale” offering of **Cyber-incident management services**, through **dedicated e-commerce**, towards SMEs
 - Price based on the average man-days consumed**, also factoring the risk of realization
- Cyber Hybrid Digital Twin:
 - Development/delivery **platform for simulation environments** (digital twin)
 - Wide range of **functions** and possible **applications** such as:
 - Systems **cyber resilience testing** in a "secure" environments
 - **Research and development of attack mitigation** solutions
 - **Education and training** for advanced Cybersecurity capabilities
- Sentry:
 - Device capable of scanning mobile devices for real-time attack detection** (e.g., unknown APT1 and unknown vulnerabilities)
 - Presence of **software elements** (e.g., *core license*), usable through a hardware device ("mobile sweeper") that enables scanning
 - Multiple revenue models** available: purchase, rental and "perpetual", "pay-per-use" use
- Cyber Threat Intelligence:
 - Cyber attack reprocessing/intelligence service** (with possible integration with SIEM), exploitable at tactical level
 - Integration and correlation of CTI Feeds** (commercial and Open Source) in the platform, then presented in **specific reports** providing a "**vertical**" view on **Cyber threats** (e.g., for selected industries)
 - Possibility to access **different levels of customized service** (i.e., Silver Gold, Advanced)



Financial performance

1H 2023 Key Data

Revenues¹
€ mln



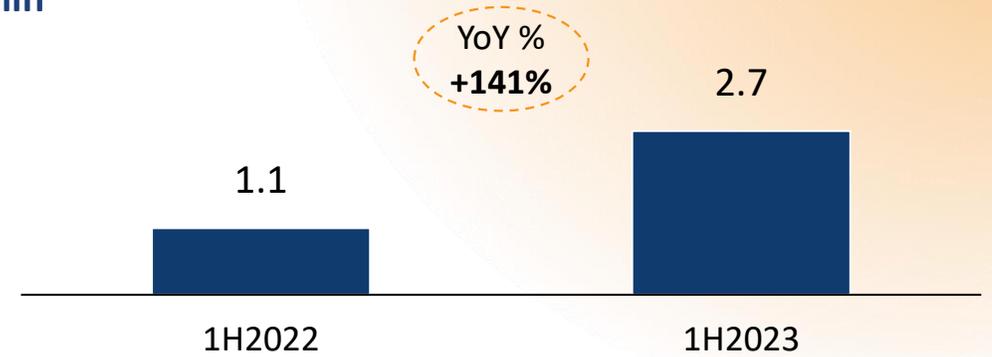
EBITDA
Margin (%)



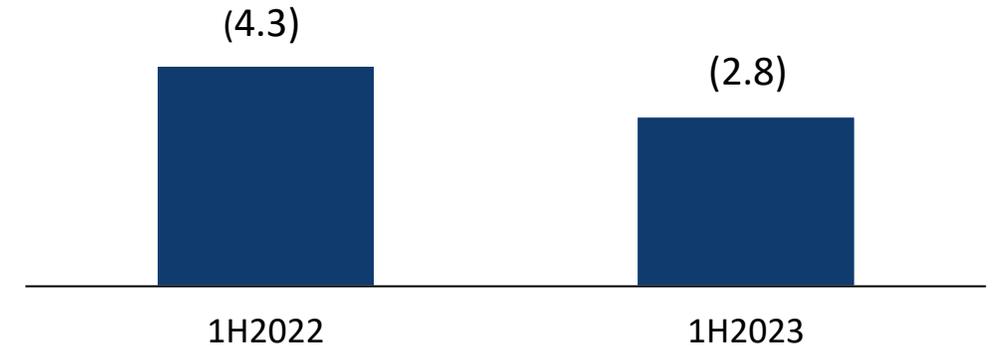
€ mln



R&D
€ mln



Net profit²
€ mln

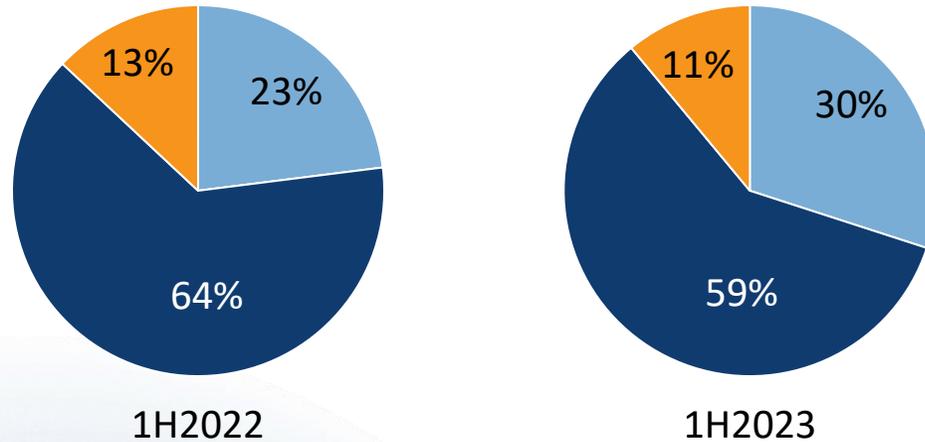


1. Including other operating revenues; comparative 2022 does not include 1Q of RCS Group and DIATEAM
2. Negative result (loss for the period) Includes D&A related to Purchase Price Allocation and extraordinary costs

1H 2023 Revenues Breakdown

By business line

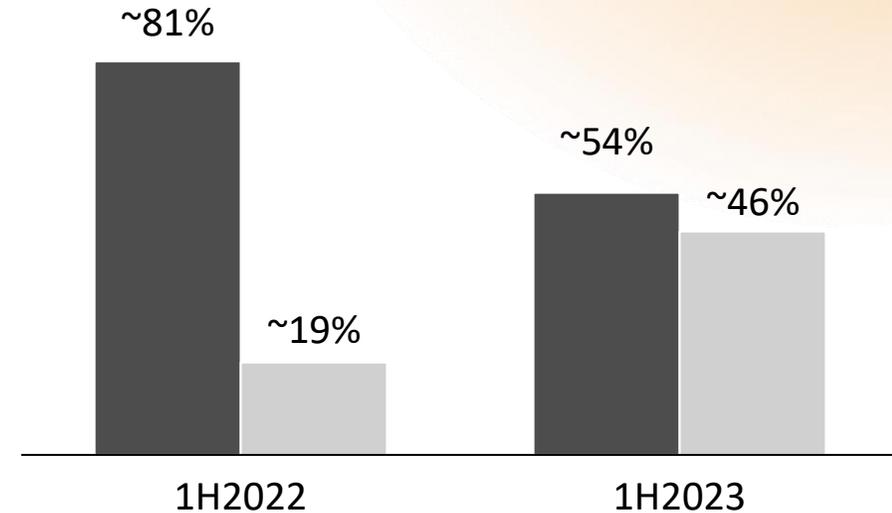
Decision Intelligence Forensic Intelligence Cyber Security



Forensic Intelligence maintains a leading role for the Group

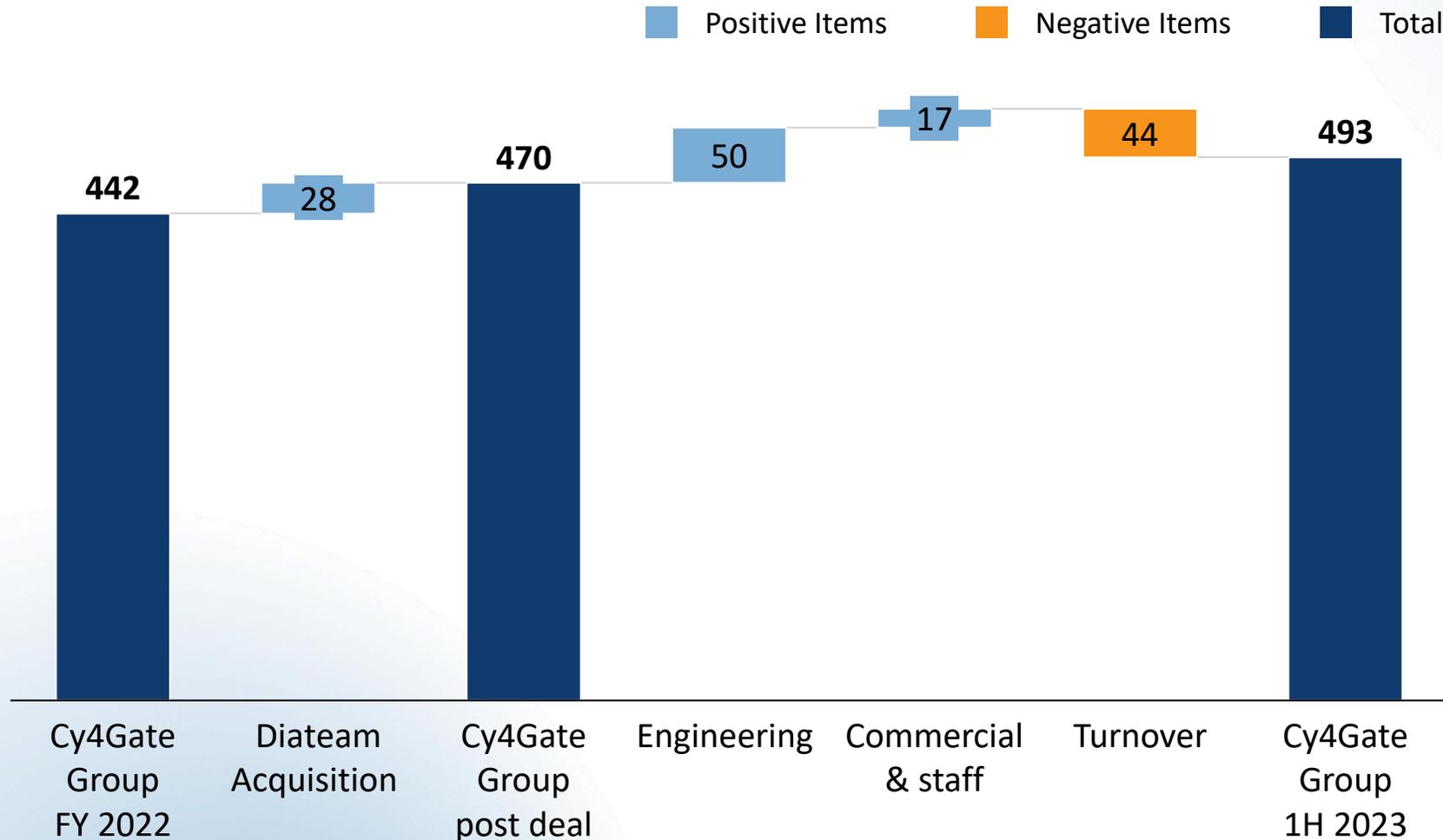
By geographical area

Italy Export



Improvement of the international presence of the CY4GATE Group

1H 2023 People Investment



Total personnel increased in 1H23 by a total of 51 resources:

- Increase related to the DIATEAM acquisition, which allowed the Group to acquire specialised resources and technical skills to strengthen the cyber-security business line
- Increase of 23 resources preparatory to the achievement of plan objectives (recruitment in the sales and engineering functions).

Note: Cy4gate Group results as of 30.06.2022 include 6 months of Cy4Gate + 3 months of RCS
 Note: Cy4gate Group results as of 30.06.2023 include the consolidation of DIATEAM for the entire semester
 Note: Calculated on operating revenues

1H 2023 Profit & Loss

€ mln	1H 2023 ¹	1H 2022 Restated ²
Operating Revenues	33.1	16.0
Other Operating Revenues	1.0	0.7
Total Revenues	34.1	16.7
Services, Procurement & other operating costs	14.4	6.8
Personnel Costs	16.8	8.7
R&D Investments	(2.7)	(1.1)
Costs	28.5	14.4
EBITDA	5.5	2.3
EBITDA Margin	16%	14%
D&A [including leasing costs]	6.2	3.6
EBIT Adjusted	(0.6)	(1.3)
One off costs	2.4	2.4
D&A [related to PPA]	2.0	1.0
EBIT	(5.1)	(4.7)
Financial Income (Expenses)	(0.9)	(0.3)
Income Taxes	3.2	0.7
Net result	(2.8)	(4.3)

1. Including the consolidation of DIATEAM from 1st January 2023

2. Comparative 1H 2022 includes the redetermination of the effects of the purchase price allocation

Executive summary:

Revenues +104% compared to 1H 2022, thanks to the the consolidation of the subsidiaries. The seasonality of the business is confirmed, concentrated in the second half of the year.

Costs are in line with the Group's growth objectives and distributed linearly over the year.

EBITDA increase compared to 1H 2022, with significant investments, especially in qualified personnel, but it always suffers from the combined effect of seasonality of revenues and linearity of costs.

Net result recorded a loss of € 2.8 million, mainly due to extraordinary costs (translisting and integration costs) and D&A costs (PPA and amortization), but a clear improvement compared to the same period of the last year (a loss of €4.3 million)

1H 2023 Asset & Liabilities

€/000	1H 2023	FY 2022
Fixed assets	82.6	70.1
Inventory	0.5	0.8
Contract assets (liabilities)	2.7	(1.0)
Trade receivables	63.9	64.5
Trade payables	(13.3)	(10.6)
Trade Working Capital	53.7	53.7
Other assets (liabilities)	(0.4)	(4.4)
Net Working Capital	53.3	49.4
Net Capital Invested	135.9	119.5
Cash and cash equivalents	10.8	19.9
Financial assets	1.7	1.8
Financial Liabilities	(19.5)	(15.4)
Lease liabilities	(3.9)	(3.3)
Net Financial Position Adjusted	(10.8)	3.1
Adjustments for non rec. events and/or extraordinary transactions	(5.4)	-
Shareholders' Equity	(119.7)	(122.5)
Sources	(135.9)	(119.5)

Executive Summary:

Fixed Asset increase mainly due to the effects of goodwill linked to DIATEAM acquisition

Net Working Capital increase mainly to contract assets and the decrease of other liabilities compared to the same period of the last year. The increase in Working Capital is typical of the seasonality that characterizes 1H.

Net Financial Position is negative impacted by DIATEAM acquisition agreement, the impact of IFRS16 and the typical cash absorption in the first half of the year related to the seasonality of the business

Shareholders' Equity stood at 119.7 million compared to 122.5 million at December 31, 2022

ESG SUSTAINABILITY REPORT



Learn more

Our commitment for a greater sustainability

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

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

UN Global Compact & SDGs

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

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

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



Goal 4

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



Goal 8

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



Goal 9

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



Goal 12

To ensure **sustainable production and consumption patterns**



Goal 16

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



Goal 5

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



Business ethic and human empowerment

Governance



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



Environment



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



Human rights



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



Business management



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



Relationship and working conditions



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



Responsibility towards the community



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



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