

Cy4Gate

Investor Access Event 2024 - Paris

October 15, 2024



AGENDA

- Cy4Gate at a Glance
- Addressable Markets
- Strategy & Outlook
- Financials
- Sustainability

Speakers

MARCO LATINI



**CFO & Investor Relations
Manager**

ALESSIA PISONI



**Head of Group FP&A
& IR Coordinator**



Cy4Gate at a Glance

Highlights



360° CYBER VENDOR

Robust technology engine with proprietary solutions



UNIQUE POSITIONING

Unique positioning in the cyber space with presence in all the 3 market segments



TAILORMADE SOLUTIONS

Tailormade proprietary solutions to suit customer needs



GLOBAL PRESENCE

Extensive coverage of the domestic and foreign markets



HUGE TARGET ADDRESSABLE MARKET

Governments – Big Corporation & SME in the cyberintelligence and cybersecurity markets



TALENT AND PEOPLE “AT THE CORE”

Investments in human capital and talent development



PARTNERSHIP & M&A GROWTH

Expand our business through excellent partnership and M&A activity



LISTED ON THE STAR MARKET

Listed since June 2023 on the STAR Market of the Italian Stock Exchange

Group & Shareholders

GROUP



100%



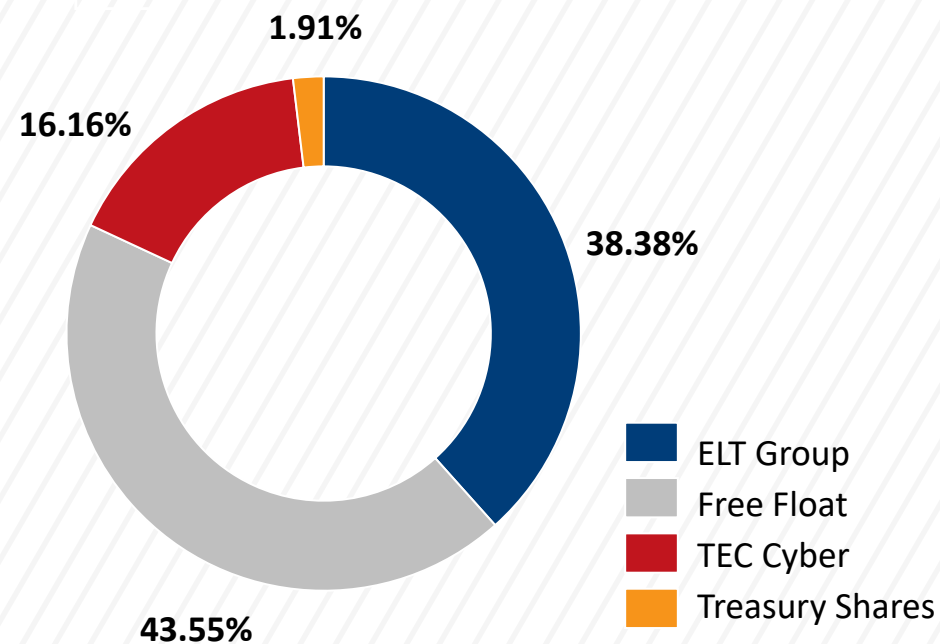
70.66%



77.8%



SHAREHOLDERS



Team



Domitilla Benigni
CHAIRMAN



Emanuele Galtieri
CEO & General
Manager



Marco Latini
CFO & Investor
Relations
Manager

Board of Directors



Domitilla Benigni
Chairman



Emanuele Galtieri
CEO & General Manager

Roberto Ferraresi
Member



Maria Giovanna Calloni
Independent Member

Cinzia Parolini
Independent Member



Alessandro Chimenton
Member

**Alberto Luigi
Sangiovanni Vincentelli**
Member



Paolo Izzo
Member

Alessandra Bucci
Independent Member



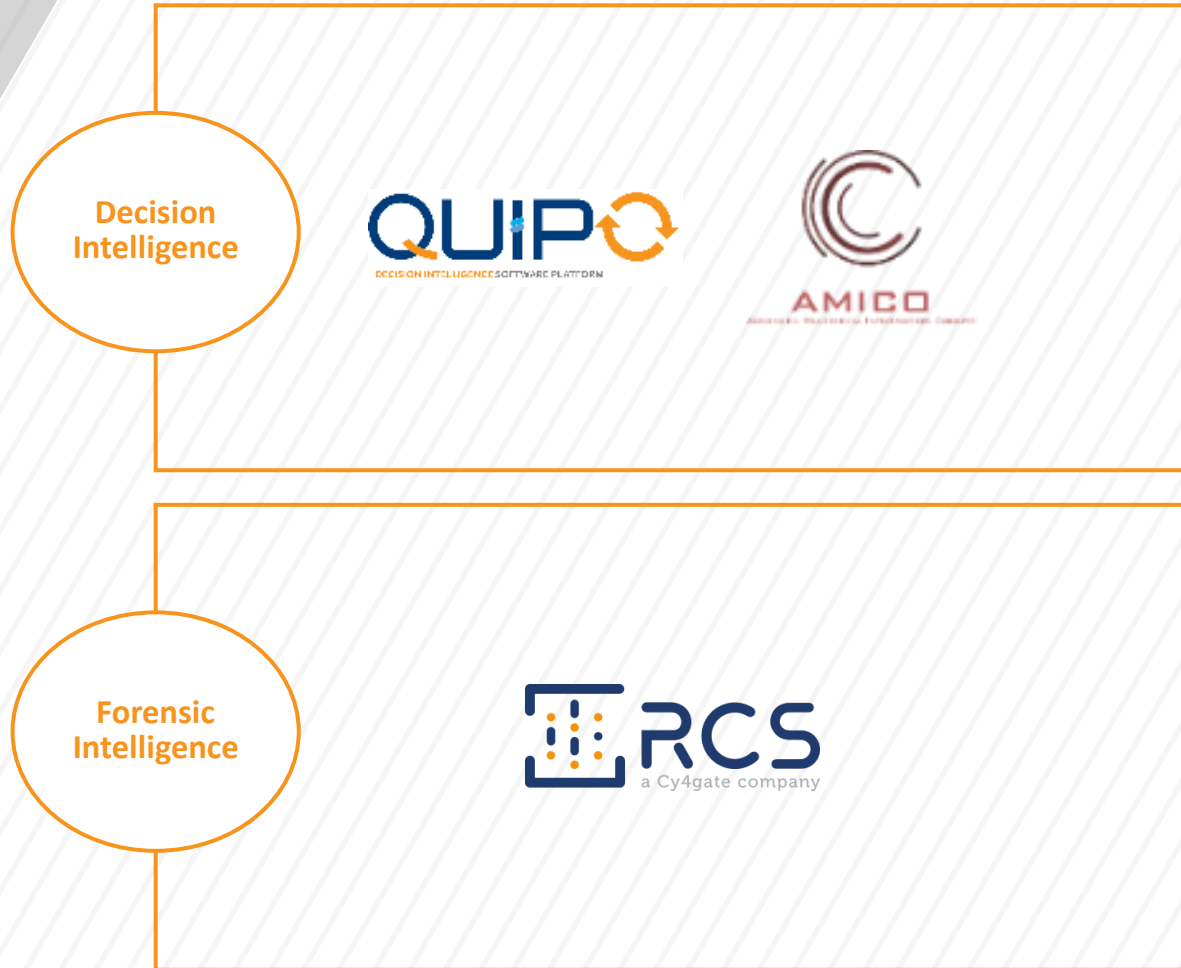
Strategic and M&A Committee



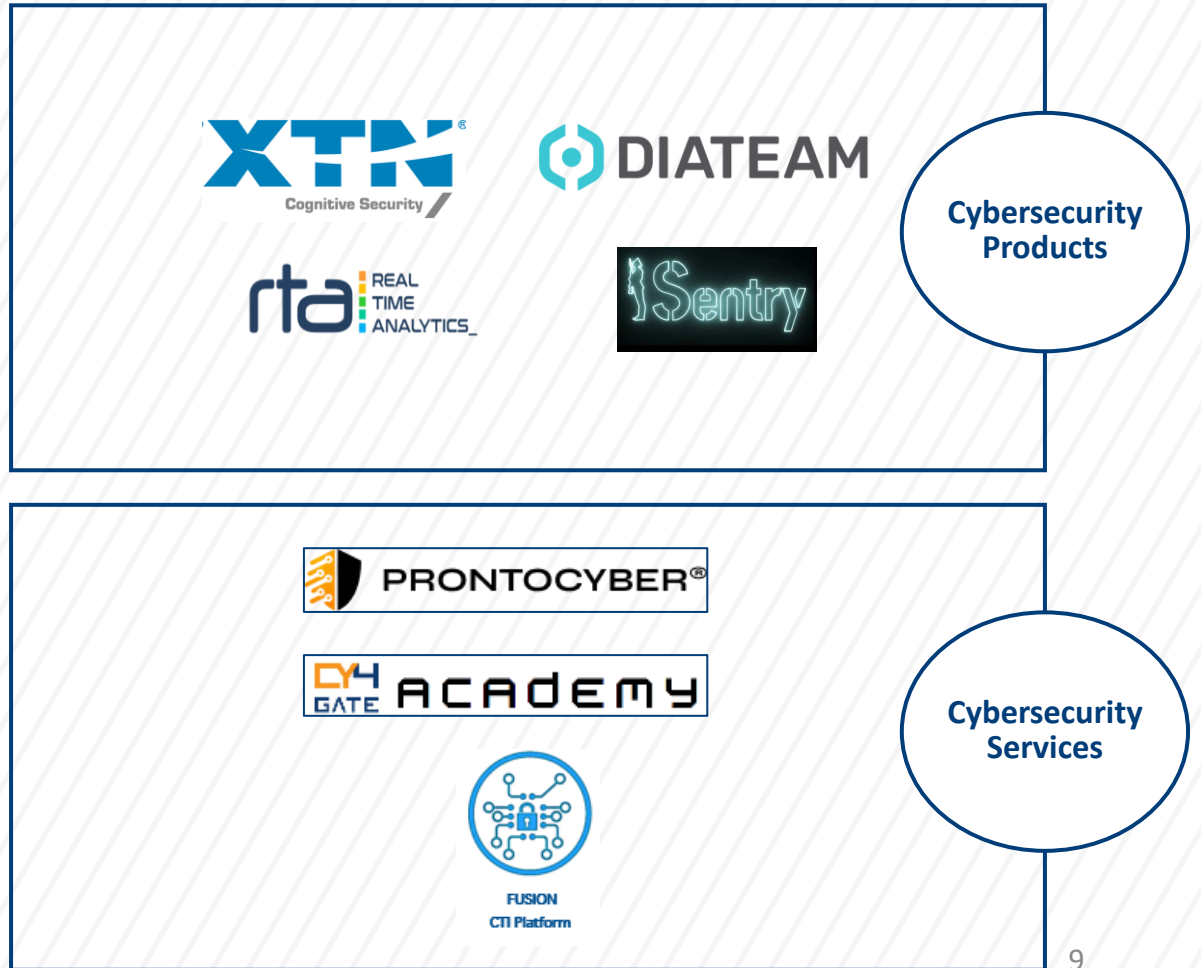
Addressable Markets

Portfolio overview

CYBER INTELLIGENCE



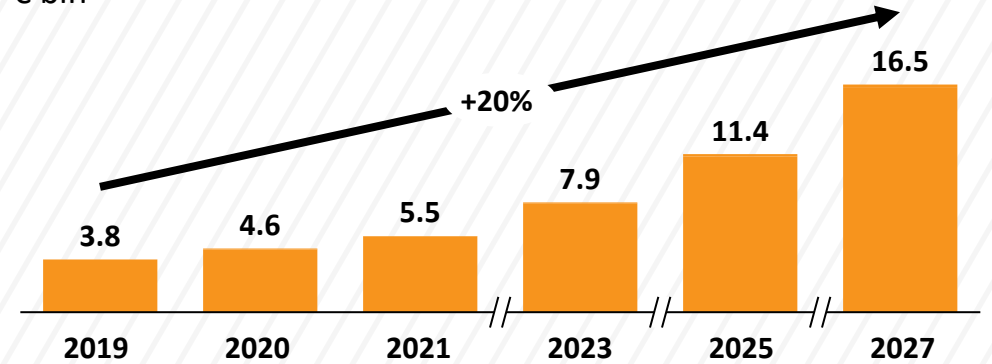
CYBER SECURITY



Cyber Intelligence

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

Global opensource intelligence (Osint) market
€ bln



Decision Intelligence

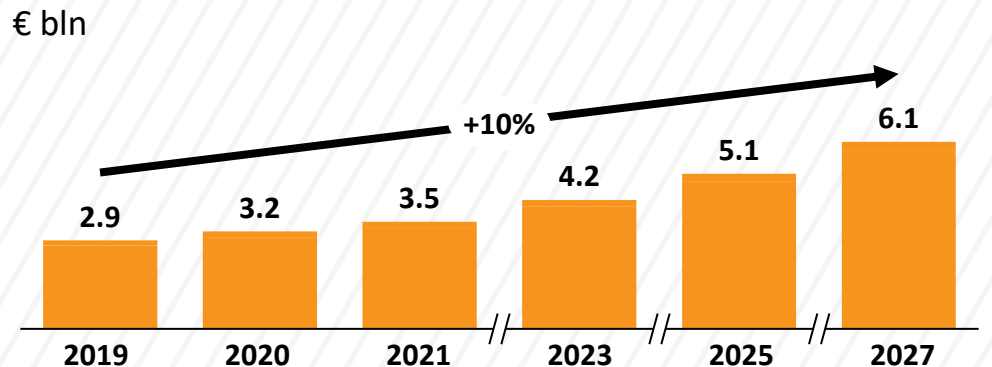


QUIPO is complete intelligence platform, based on AI technology, able to mix and match: several data sources, for timely and effective reaction to events

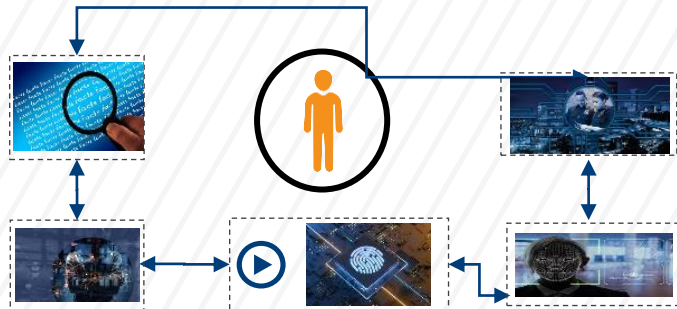
CONTINUOUS INTELLIGENCE
The Right Information, At The Right Time, To The Right People, In The Right Way



Global forensic intelligence & data analysis
€ bln



Forensic Intelligence



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

Cyber Security

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

Cybersecurity Products



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 Services

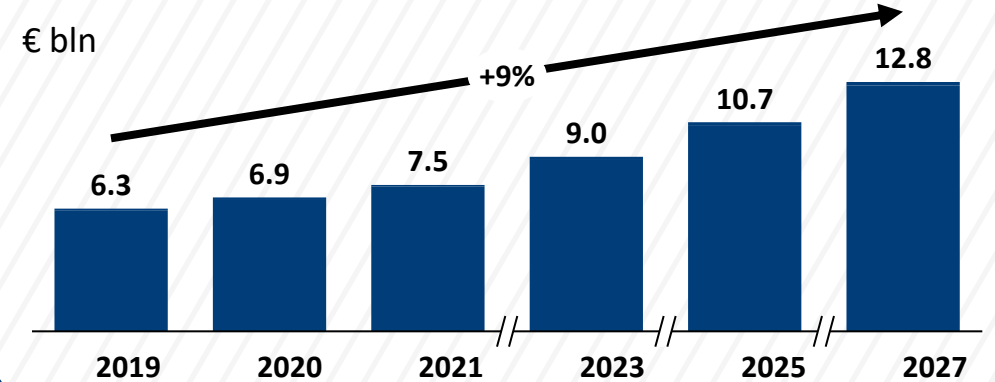


Pool of **Cyber Security services** covering the following topics:

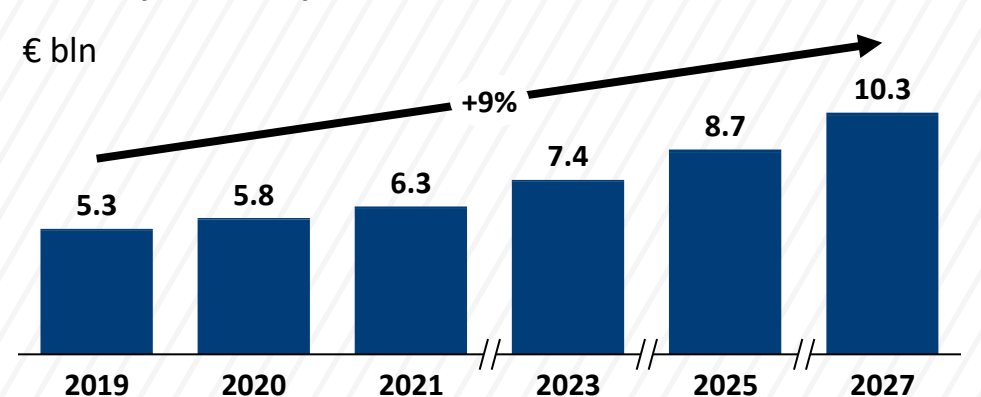
- Red Teaming and Penetration Test
- Compliance Assessment
- Managed Detection & Response
- Incident Response & Malware Analysis
- Hands-on Cyber Training and Security Awareness
- Cyber Resilience Design for Critical Infrastructure



Global Cybersecurity Products¹ Market



Global Cybersecurity Services² Market



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

Enduring growth



Strategy & Outlook

Our growth Strategy: Market

Cy4Gate Group portfolio – cyber intelligence & cyber security products - perfectly fits with the following **3 fast growing markets**, both in Italy and abroad:

Defence



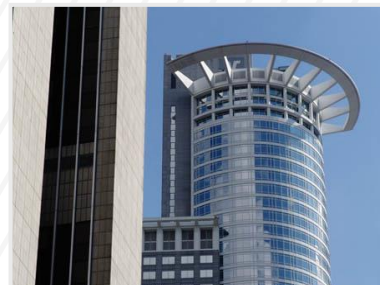
- Increasing internal and external security threats and undergoing military network-centric modernization;
- Market CAGR 8% - predicted to grow to 1350B\$ in 2030 from 750B\$ (2022).

Security & Law Enforcement



- Digital crime via digital/electronic devices is LEAs biggest challenge; AI is a key enabler;
- Market is globally growing at 9% CAGR up to 2028;
- Need for cases management, track evidences, data gathering and correlation, creation of reports.

Corporate



- Double digit growth for digital transformation market (around 20% CAGR to 2027);
- Cyber security market is underpenetrated in terms of for SMEs, targets of massive attacks.

Products involved

- Decision Intelligence & AI (Quipo) for C2 platforms
- Cyber security products and services bundle (RTA, Diateam, CTI, customization services)
- Decision Intelligence & AI (Quipo & Mito) for data gathering and correlation
- Forensic Intelligence suite
- Decision Intelligence & AI (Quipo)
- Cyber security products and services bundle (RTA, Diateam, CTI, Pronto Cyber, Services) for a 360° capabilities coverage

Our growth Strategy: Actions

2024

2025-2026

Defence

- **Strengthen industrial partnerships** with Tier-1 Italian and European Defence Contractors
- **Penetrate new geographies** through Cyber Academy and Cyber Labs
- **Increase direct domestic and international** market penetration leveraging mother company network

- **Capture EU funds** (NATO, EDA, ESA) for R&D in the cyber also through industrial partnership
- **Take part to international consortia** or JVs for pluriannual defence programs

Security & Law Enforcement

- **Consolidate the Italian market**, focusing on more relevant P.P.O. districts whilst decreasing exposure on less profitable Offices
- **Maintain commercial advantage** while mitigating need for relevant investments through selected partnership with specialized boutique firms
- **Increase market penetration** of newly developed tactical devices in Italy and abroad

- **Progressively gain relevant** shares and presence in the more stable European region
- **Ensure consistent growth in the Spanish** market leveraging on our pluriannual presence in the Country (Dars), to create Cy4 second domestic market for revenues after Italy.

Corporate

- **Shift from products to capabilities offering** to improve competitiveness (cyber security platform)
- **Complement sales force efforts** through new effective channel partnerships (Attiva, Innovery)
- **Enlarge domestic market penetration** in big/medium size corporation through a reinforced and well seasoned sales team
- **Pursue up-selling and cross-selling** opportunities in new corporate segments (banking, automotive, luxury, travel) thanks to XTN acquisition

- **Expand business to new geographies in E.U.** partnering with foreign channels and fostering development of an international sales team
- **Push on inorganic** growth via M&A

Opportunities

The strategy will be a key enabler to:

- ✓ intercept growing Defence market needs, characterized by global relevant investments, huge size and pluri-annual contracts, enabling quick creation of backlog, thus supporting Corporate sales in seasonality risks reduction
- ✓ further consolidate leadership position in Italy (notwithstanding sector justice reform) and boost growth primarily in E.U.
- ✓ expand Corporate market presence to support creation of recurring stream of regular revenues throughout the year, accelerating the process of seasonality mitigation

Expected Revenues 2024

	PIPELINE	CONVERSION RATE	TOTAL
TOTAL	~122 €M	~16%	~20-23 €M

	BACKLOG	RECURRING	TOTAL
TOTAL	~33 €M	~31-34 €M	~64-67 €M

Outlook FY 2024

01

PIPELINE CONVERSION FY2024

20-23 €M

02

BACKLOG/RECURRING FY2024

64-67 €M

REVENUES

84-90 €M



Financials

1H 2024 Highlights



The results of the first half of 2024 confirm the solidity of the CY4Gate group in **governmental sales; seasonality of turnover** - historically concentrated in the second half of the year - **is still relevant** partially offset by XTN and RCS sales;



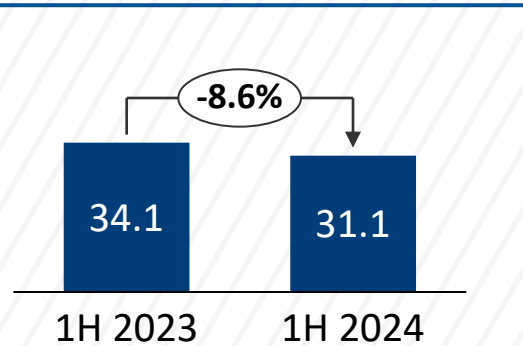
The Value of Production compared to 30 June 2023 slightly suffered the lack of revenues related to **foreign orders in the Forensic Intelligence sector**, affected by the uncertainty of the international geopolitical scenario. Sales growth in Italy in the defence and justice sector partially filled the revenues gap.



The acquisition of XTN early this January, in the frame of the Group's M&A operations strategy, confirms the objective of CY4Gate management to **ensure the implementation of the path undertaken to create a European cyber intelligence and cyber security champion**

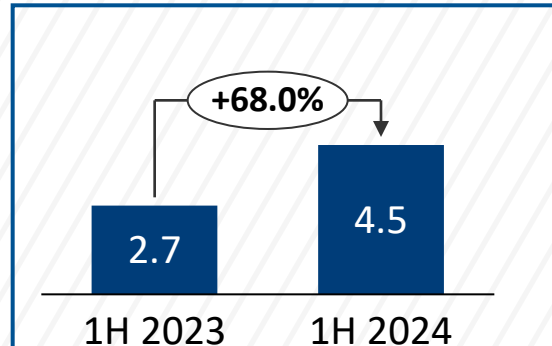
1H 2024 Key Data

Revenues¹ (€ mln)



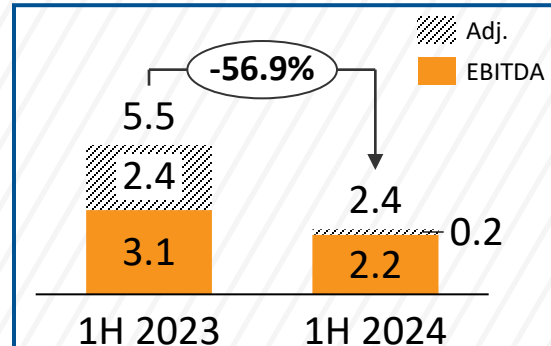
- **Revenues** -8.6% compared to the first half of 2023, mainly due to slowdown of International Forensic Intelligence market

R&D (€ mln)



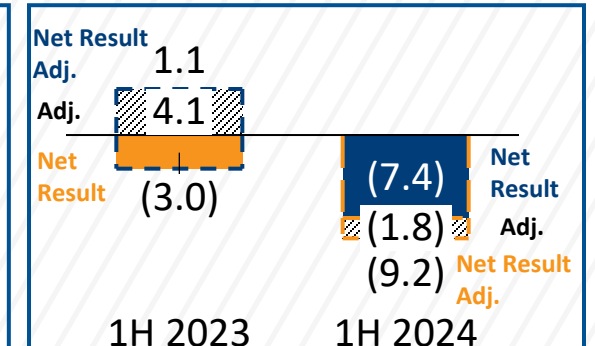
- **R&D Costs** +68% compared to the comparative period taking account of the exposure of RCS's R&D costs from end of 2023.

EBITDA Adj. (€ mln)



- **EBITDA** at €2.4 million – margins affected by lower revenues in foreign Forensic Intelligence

Net Profit/Loss²(€ mln)



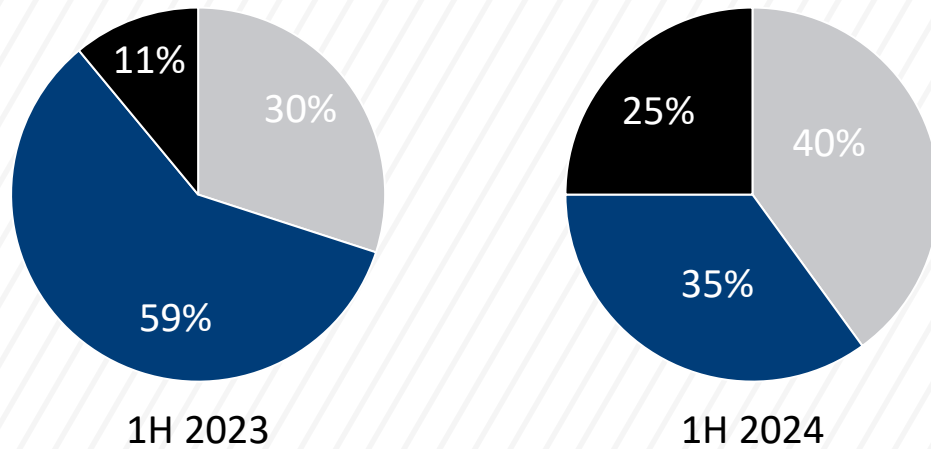
- **Net Result** recorded a loss of € 7.4 million affected by higher D&A
- **Net Result Adjusted** considers the Net Result as above described, net D&A on Diateam, PPA and Extraordinary costs.

1. Including other operating revenues; comparative 2023 does not include 1H of XTN
 2. Negative result (loss for the period) includes D&A related to Purchase Price Allocation and extraordinary costs

1H 2024 Revenues Breakdown

By business line

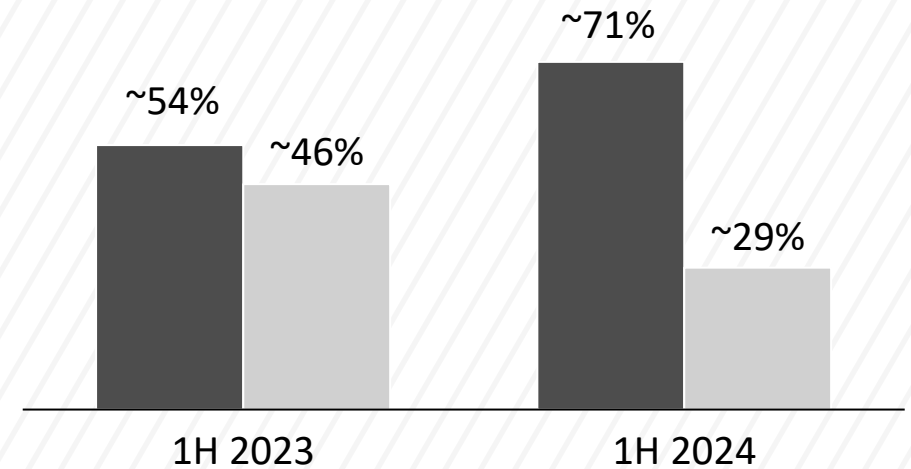
Decision Intelligence Forensic Intelligence Cyber Security



Business mix changes, mainly due to the consolidation of XTN and increase in cyber activities in the Defense sector

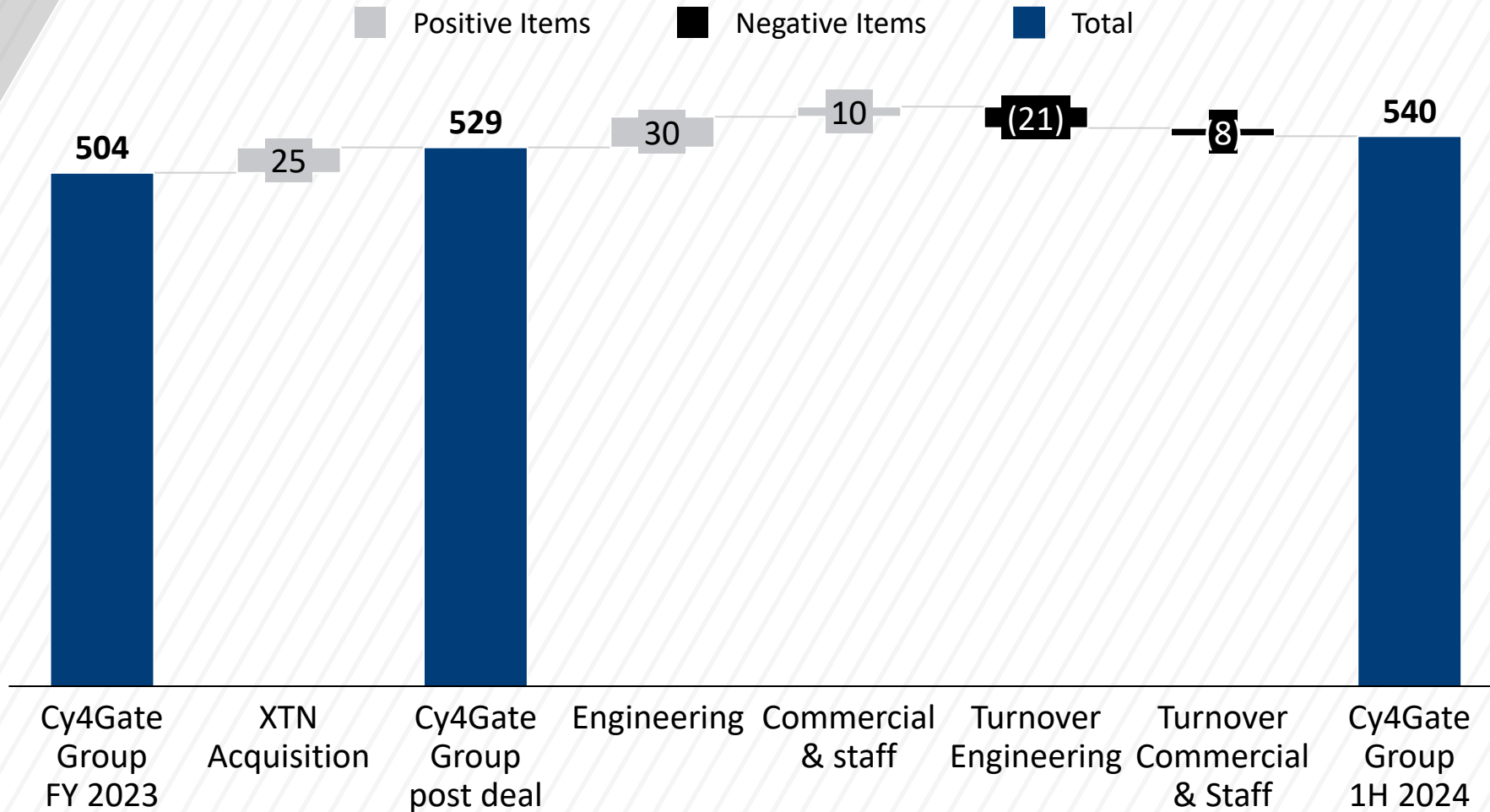
By geographical area

Italy Export



International sales are down compared to the 1H 2023 due to the slowdown of Forensic Intelligence market

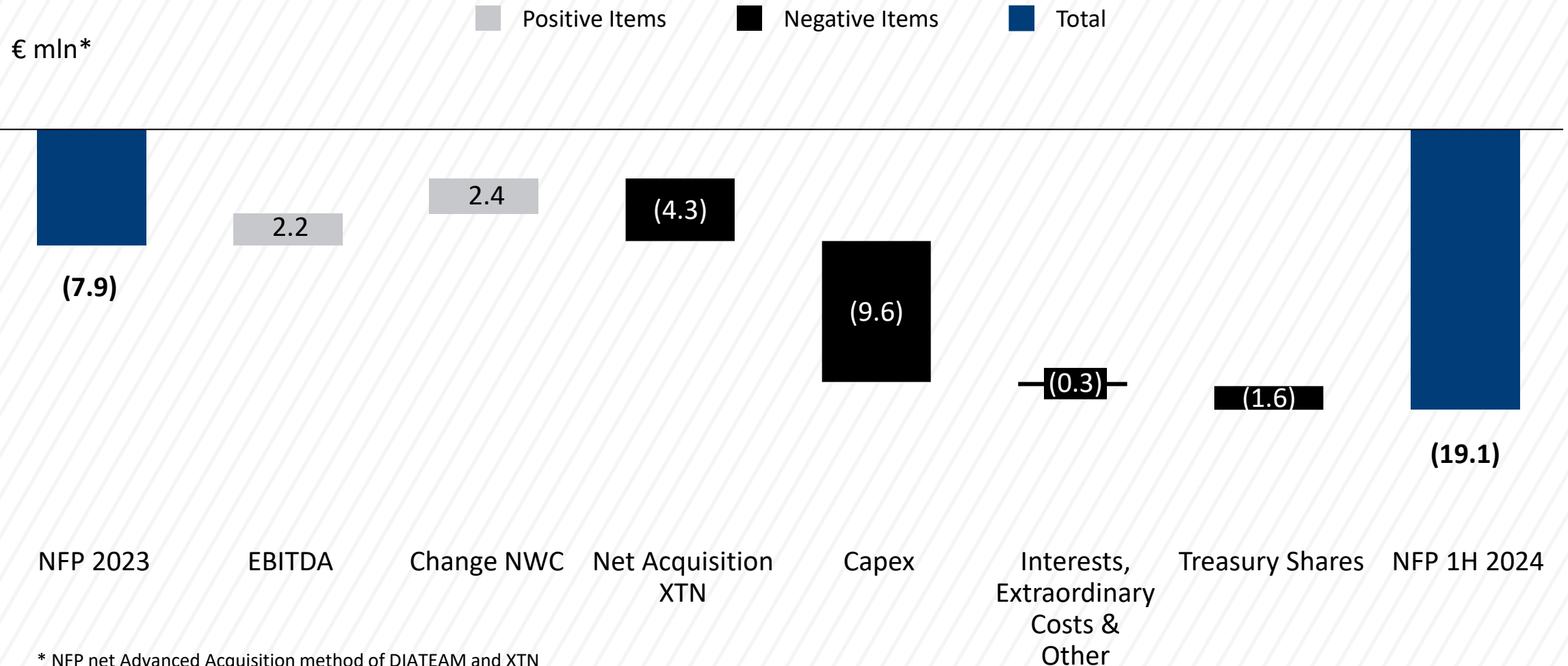
1H 2024 People Investment



Total personnel increased in the first half of 2024 by a total of 36 resources:

- Increase of 25 resources related to the XTN acquisition that will strengthen the cybersecurity line
- Increase of 40 resources in engineering and commercial & staff compared to 29 exits

1H 2024 NFP Bridge



* NFP net Advanced Acquisition method of DIATEAM and XTN

1H 2024 Profit & Loss

€ mln	1H 2024 ¹	1H 2023
Operating Revenues	29.8	33.1
Other Operating Revenues	1.3	1.0
Total Revenues	31.1	34.1
Services, Procurement & other operating costs	12.8	13.2
Personnel Costs	15.9	15.4
Costs	28.8	28.6
EBITDA Adjusted	2.4	5.5
D&A [including leasing costs]	(7.6)	(6.4)
EBIT Adjusted	(5.2)	(0.9)
D&A [related to PPA]	(2.3)	(2.0)
EBIT	(7.4)	(2.9)
Financial Income (Expenses)	(1.5)	(0.9)
One off costs	(0.2)	(2.4)
Income Taxes	(0.06)	3.3
Net Result	(9.2)	(3.0)
Net Result Adjusted	(7.4)	1.1

1. Including the consolidation of XTN from 1st January 2024

1H 2024 Asset & Liabilities

€ mln	1H 2024	FY 2023
Fixed assets	97.5	87.9
Inventory	0.9	0.8
Contract assets (liabilities)	3.5	3.1
Trade receivables	50.8	53.7
Trade payables	(13.4)	(14.4)
Trade Working Capital	41.9	43.1
Other assets (liabilities)	(13.6)	(6.3)
Net Working Capital	28.2	36.8
Net Capital Invested	125.7	124.8
Cash and cash equivalents	22.6	17.6
Financial assets	1.4	1.4
Financial Liabilities	(45.3)	(28.8)
Lease liabilities	(4.1)	(3.8)
Net Financial Position	(25.4)	(13.6)
Put option liability	(6.3)	(5.7)
Book value of treasury shares in portfolio	(3.2)	(1.6)
Net Financial Position Adjusted	(15.9)	(6.3)
Shareholders' Equity	(100.3)	(111.1)
Sources	(125.7)	(124.8)



Sustainability

Our commitment for a greater sustainability

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.



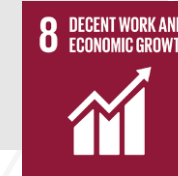
Goal 4

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



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



Relationship and working conditions



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



Environment



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



Business management



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



Responsability towards the community



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



ESG – Environmental, Social, Governance



ENVIRONMENTAL

Climate positive goal

- In 2022, 100 trees planted to reduce 17 tons of Co2
- In 2023, 56% saving of energy consumed outside the organization resulting from smart working
- We are always looking to improve energy efficiency and we joined the project «M'illumino di meno»



SOCIAL

Employees and community

- Health Plan Regulation to all permanent employees
- Specific regulations to facilitate smart working
- Support to non profit associations and participation in charity events
- We completed the UNI /PdR 125:2022 Gender Certification Process



GOVERNANCE

Robust governance and responsible business conduct

- Voluntary ESG disclosure in accordance with GRI Standards
- Anti corruption policy & Code of Ethics
- GDPR compliance
- ESG-ES Rating Ethifinance 82/100 above the average of the 264 companies assessed in IT sector

Follow us:



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