

Press release

CY4GATE GROUP CLOSES THE LAST DAYS OF 2024 BY SUCCESSFULLY AWARDING FURTHER CONTRACTS, WORTH APPROXIMATELY € 8.5 MILLION WITH A 2 YEAR TERM, FOR CYBER SECURITY AND DECISION INTELLIGENCE SOLUTIONS FOR NATIONAL AND FOREIGN INSTITUTIONAL TECH CUSTOMERS

THE CY4GATE BOARD OF DIRECTORS HAS EXAMINED:

A) SOME PRELIMINARY CONSOLIDATED DATA AS OF 31 DECEMBER 2024 WHICH SHOW SIGNIFICANT GROWTH IN TERMS OF ORDERS ACQUISITION, AND THE CONSEQUENT CREATION OF AN IMPORTANT AND SOLID BACKLOG IN LINE WITH THE STRATEGY OUTLINED BY THE GROUP:

- ORDERS ACQUIRED IN 2024 EQUAL TO € 84 MILLION, +15% COMPARED TO 2023 (€ 73 MILLION);
- TOTAL BACKLOG EQUAL TO ABOUT € 36 MILLION, +40% COMPARED TO 2023 (€ 25 MILLION OF WHICH € 21 MILLION IMPACT 2024);
- TOTAL REVENUES EQUAL TO ABOUT € 75 MILLION, +10% COMPARED TO 2023 (€ 68.3 MILLION).

B) UPDATED MANAGEMENT FORECASTS FOR 2024:

THE GROUP'S TOTAL REVENUES HAVE IMPROVED OVERALL COMPARED TO 2023. HOWEVER, THE FORENSIC INTELLIGENCE SEGMENT, DUE TO THE CONTINUATION OF THE COMPLEX GLOBAL GEOPOLITICAL SCENARIO, DID NOT RECORD THE EXPECTED CONTRACT AWARDS, WITHIN THE YEAR, OF A NUMBER OF BUSINESSES RELEVANT TO THE COMPANY, CONTRIBUTING TO A PERFORMANCE, IN TERMS OF TOTAL REVENUES, LOWER THAN EXPECTATIONS (APPROXIMATELY -11%). THERE IS CONFIDENCE IN A GRADUAL RECOVERY OF THE SPECIFIC FORENSIC SEGMENT, FOR WHICH THE COMPANY IS PUTTING IN PLACE DEDICATED INITIATIVES.

Rome, 24 January 2025 - **CY4GATE (CY4.MI)**, national and European player in cyber security and cyber intelligence, announces that the Board of Directors, held today, examined:

A) some preliminary Group data for the financial year ended 31 December 2024, which also reflect the awarding of additional contracts in the last two days of the year (compared to what was already communicated to the market at the end of 2024);

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B) the management forecasts for the financial year ended 31 December 2024 updated compared to the 2024 Guidance already communicated to the market during 2024.

The **contracts awarded**, with a total value of approximately €8.5 million, were signed for a duration of 2 years and 80% concern primary Italian high tech clients for the acquisition of technologies and projects in the Cyber Security field (from **Cyber Digital Twin/Cyber Range** to the **XTN Cognitive Platform**); for 20% a foreign institutional client for the acquisition of technologies and evolutions in the Decision Intelligence field. The company is focusing heavily on the development of the foreign market - particularly Europe - for Cyber Security, which has dynamics untethered from the geopolitical situation at the time.

Thanks also to these latest contract awards, 2024 closes with significant growth both in terms of **orders acquired**, equal to **€ 84 million** (€ 73 million in 2023), +15% YoY, and in terms of the creation of a solid **backlog**, equal to approximately **€ 36 million** (+40% compared to 2023).

The initiatives implemented since the first months of 2024, in line with the CY4GATE Group strategy and which will continue for the following two years, have made it possible to strengthen the Group's ability to create backlog and, therefore, progressively reduce the seasonal effect of a business which also during 2024 accrued approximately 37% of the year's total revenues in the last quarter. An important contribution to the top line, starting already this year, and to seasonal adjustment will also come from the push on the Corporate market, which is generally characterized by multi-year orders.

There is an overall improvement in the Group's total revenues compared to 2023. However, the Forensic Intelligence segment, due to the continuing instability and conflict situations ignited in various geographic areas, did not allow for the awarding of a number of businesses relevant to the company within the year, contributing to a lower than expected revenue performance.

Consequently, the preliminary **total revenues** at 31 December 2024 are equal to approximately **€ 75 million** (€ 68.3 million in 2023), showing growth (approximately +10%) compared to 2023 but a **decrease (approximately -11%) compared to Guidance 2024** communicated to the market during 2024.

The composition of preliminary revenues is as follows:

- 2024 conversion of the commercial pipeline equal to approximately € 5 million (vs. € 13-15 million previously communicated), even though unconverted opportunities in 2024 are still active;
- Backlog and recurring contracts equal to approximately € 69 million (vs. € 69-72 million previously communicated);

Emanuele Galtieri, CEO and General Manager of Cy4Gate Group, stated: *"The results attest to the growth that our Group addresses on the different segments. The recorded performance, up from 2023, was partly conditioned by complex geopolitical factors, which in the foreign Forensic Intelligence market resulted in a deviation from the Guidance expectations communicated to the market.*

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The preliminary results for 2024 show, in any case, the company's potential and capacity for growth in all of its business lines and, likewise, are indicative of a product portfolio that the market values. I am confident that the actions put in place to deseasonalize and grow the business and improve all indicators will result in more robust operational and financial performance, in 2025 and beyond. The Group will continue to leverage its differentiators to maintain its competitive advantage in the market."

This press release is available on the "1info" storage mechanism (www.1info.it) and on the Company's website www.cy4gate.com

About CY4Gate S.p.A.

The Company was founded in 2014 to meet an unconventional demand for cyber security. Listed on Euronext Growth Milan in June 2020, CY4Gate S.p.A. has also been listed on the Euronext Milan Star segment since June 2023. CY4Gate S.p.A. was conceived to design, develop and manufacture technologies and products, systems and services that meet the most stringent and modern "Cyber Intelligence & Cyber Security" requirements expressed by Law Enforcement Agencies, Armed Forces, Institutions and Companies, both at home and abroad. Representing a unique Italian industrial project, CY4Gate S.p.A. operates in all facets of the cyber market, with proprietary products that meet both information collection and analysis and security needs: QUIPO and AMICO in the world of Cyber Intelligence along with RTA, Diateam, CTI and Pronto Cyber in the world of Cyber Security

For more information:

Specialist

Equita SIM S.p.A.

Marco Clerici +39 335 775 0702 m.clerici@equita.eu

Investor Relation CY4Gate S.p.A.

Marco Latini CFO e Investor Relations Manager investors@cy4gate.com

Investor Relation

CDR Communication

Silvia Di Rosa: +39 335 786 4209 silvia.dirosa@cdr-communication.it
Luca Gentili: +39 348 292 0498 luca.gentili@cdr-communication.it

Media Relation

CDR Communication

Angelo Brunello: +39 329 211 7752 angelo.brunello@cdr-communication.it
Marianna Tremolada: +39 348 242 3039 marianna.tremolada@cdr-communication.it

CY4GATE S.p.A. – Part of ELT

Registered Office Via Coponia 8 – 00131 Rome
Share Capital 1,441,499.94 euro
Rome Business Register, Tax Code, VAT no. 13129151000
REA RM-1426295
www.cy4gate.com – www.elettronicagroup.com