

**CY4GATE SIGNS A PRELIMINARY AGREEMENT FOR THE ACQUISITION OF 100% OF AURORA  
HOLDING GROUP**

**THE ACQUISITION AIMS TO CREATE THE NATIONAL CENTER OF *CYBER INTELLIGENCE AND CYBER  
SECURITY***

**AFTER THE CONCLUSION OF THE TRANSACTION, CY4GATE INTENDS TO START THE  
PREPARATORY STEPS FOR *TRANSLISTING* ON THE REGULATED MARKET EURONEXT MILAN**

Rome, December 16, 2021 – Cy4Gate S.p.A. (EGM: “CY4”) – operating company in the *cyber intelligence and cyber security* market with a diversified *offering* of proprietary technologies – announces today that it signed a preliminary agreement for the acquisition of 100% of Aurora S.p.A., at the head of a group that is the market leader in Italy and one of the main European players in the *Forensic Intelligence & Data Analysis* sector.

The acquisition of Aurora Group will allow Cy4Gate to take a first decisive step towards the establishment of a national center of skills and technologies in the *cyber intelligence and cyber security* sector at 360 degrees, capable of intercepting the new needs of the sector, and thus providing an integrated response, made up of national solutions to the emerging requirements for digital transformation and *cyber security* of the country, also expressed in the Recovery Plan (PNRR) decided on by the Italian Government.

The acquisition will strengthen the overall *value proposition* of the company, towards both institutional and *corporate* clients, thus confirming its nature as a 360-degree *cyber software house*. In particular, the important synergies in R&D that will arise from the acquisition will also allow, the consolidation and strengthening of the company’s technology and product offering in *cyber security*, a segment characterized by a growth rate of approximately 15% per year, in the domestic market only.

The transaction will also result in significant business synergies and efficiencies that will allow Cy4Gate to increase its *market reach* on the main European Countries, accelerating the internationalization process already underway.

With an overall number of employees that rises to approximately 390 and with the establishment of significant business synergies which enable the up-selling and cross-selling of relevant products and services, Cy4Gate is thus preparing for new market challenges, through a company structure enriched in terms of size, skills and offer.

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## DESCRIPTION OF THE TRANSACTION

The binding contract signed today provides for the acquisition by Cy4Gate of the entire share capital of Aurora S.p.A. for an *Enterprise Value at closing* of € 90 million, with an *earn-out* for up to € 15 million due in 2023 subject to the achievement of certain *performances* by the Aurora group in 2021 and 2022.

The acquisition will be financed through a capital increase for a total amount for up to a maximum of € 90 million, excluding option right, which will be subscribed by the parent company Elettronica S.p.A., for € 10 million, by TEC Cyber S.p.A., company established by the partners of “The Equity Club” – club deal promoted by Mediobanca and Roberto Ferraresi – which will act as *anchor investor* - for a value between € 20 million up to a maximum of € 40 million, and by qualified institutional investors based in Italy, as well as by institutional investors abroad for the outstanding amount. Cy4Gate will also recourse to € 22.5 million of bank financing including € 2.5 million for *refinancing* the Aurora group's exposure, and a further € 2.5 million for working capital support, as well as a *committed CapEx* line of € 20 million for future M&A opportunities in line with its growth strategy. In this regard, Cy4Gate has received a *commitment letter* from Crédit Agricole Italia.

The terms and conditions of the Investment by Elettronica S.p.A. and by TEC Cyber S.p.A. have been set by a binding investment agreement signed today with Cy4Gate. In line with the best market practice applied to similar transactions, the unit subscription price of the newly issued shares will be resolved by Cy4Gate Board of Directors as a result of the *book-building* activity to institutional investors within the range between € 10.50 and € 11.00 per share.

Following the capital increase, it is expected that the new shareholding structure will see Elettronica S.p.A. as relative majority shareholder, with a stake of approximately 38.5% of the share capital, while TEC Cyber S.p.A., as second shareholder, will hold a stake estimated between about 8% and 16% of the share capital.

The *closing* of the transaction is expected by the first quarter of 2022, subject to the fulfillment of certain usual conditions precedent for this type of transaction.

After the conclusion of the transaction, Cy4Gate intends to start the preparatory and functional steps for the *translisting* on the regulated market *Euronext Milan* organized and managed by Borsa Italiana S.p.A..

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**Emanuele Galtieri, CEO of Cy4Gate** stated as follows: *“This acquisition represents the natural continuation of the growth path of our company, which will also be well-established through future M&A initiatives, to achieve further significant milestones for the creation of a leadership in the promising cyber sector. Cy4Gate consolidates and strengthens its customer value proposition in the*

*cyber intelligence segment, which, together with its solid offering of cyber security products and services, make our company one of the leading players in the domestic market. In addition, thanks to the activity and expertise of Aurora Group, Cy4Gate enters the European market with determination. The suite of products currently offered by both companies will allow us to fully cover the market demand, as well as strengthen our Research and Innovation capabilities so as to anticipate the evolution of cyber threat, and meet the challenges of the future in a fast moving sector”.*

**Alberto Chiappino, Chairman of Aurora S.p.A.** said: *“We are convinced of the Cy4Gate project, where the combination of the skills and experience of the two companies will create an entity capable of anticipating and meeting the needs of a market that will evolve and grow significantly in the coming years”.*

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## **AURORA GROUP**

Aurora S.p.A., based in Milan, is at the head of a group of eight active companies - throughout Italy and Europe - in the development, production and marketing of software and devices for *Forensic Intelligence & Data Analysis* which enable advanced information analysis for investigation and decision support (*Decision Intelligence*) for institutional customers.

Within the RCS group, ETM Sicurezza S.p.A., a wholly owned subsidiary and operational since 1993, holds the market leadership in Italy and has a strong international vocation, and DARS Telecom S.L., a 65% owned subsidiary, is active in the Spanish market and part of the Aurora group since 2006.

The consolidated revenue of the Aurora Group as at December 31, 2020 amounted to € 40.3 million, with an EBITDA of around € 10 million (EBITDA margin at around 25%) and in 2021 the company is expected to continue its strong growth trend both in Italy and abroad.

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## **Reverse Take-over**

The Transaction qualifies as a *reverse take-over* transaction pursuant to and for the purposes of Article 14 of the Euronext Growth Milan Rules for Companies, as three of the four relevance ratios set forth in Schedule Three of the Euronext Growth Milan Rules for Companies are exceeded and, in particular, the turnover ratio (310%), the assets ratio (138%) and the EBITDA ratio (132%).

In accordance with Article 14 of the Euronext Growth Milan Rules for Companies, the completion of the Transaction is subject to the approval of the shareholders' meeting, which is expected to be called within the first half of February 2022.

## Press Release

The information document, drawn up pursuant to Article 14 of the Euronext Growth Milan Rules for Companies, is made available to the public at the times and in the ways established by the applicable provisions. In particular, it is available on the Company's website at [www.cy4gate.com](http://www.cy4gate.com) as of today.

Also on today, the Company issued the attestations provided for in Sheet Seven of the Euronext Growth Milan Rules for Companies and the Euronext Growth Advisor issued all the attestations provided for in Sheet Four of the Rules for Euronext Growth Advisor.

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### ADVISOR

Cy4Gate was assisted by Chiomenti law firm for to the legal aspects of the transaction, by Intermonte S.p.A. as financial *advisor*, by KPMG for financial and tax *due diligence*, and by McKinsey for business *due diligence*.

Aurora S.p.A partners were assisted by Advant NCTM law firm and by Equita K Finance S.r.l., italian partner of Clairfield International, as financial *advisor*.

Elettronica S.p.A. was assisted by BDL law firm.

TEC Cyber S.p.A. was assisted by Gatti Pavesi Bianchi Ludovici law firm.

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### About CY4GATE

The Company was founded in 2014 to meet an unconventional demand for cybersecurity. Listed on Euronext Growth Milan since June 2020, Cy4Gate was conceived to design, develop and produce technologies and products, systems and services that are able to meet the most stringent and modern requirements of "Cyber Intelligence & Cyber Security" expressed by the Armed Forces, the Police Forces, the Intelligence Agencies and the Companies, on the national and the foreign market. A Unique Italian industrial project, CY4GATE operates in the cyber market at 360°, with proprietary products that meet both the needs of information collection and analysis and security: QUIPO and AMICO, in the Cyber Intelligence segment; RTA, in the Cyber Security sector.

### For further information:

#### Euronext Growth Advisor and Specialist

#### Equita SIM S.p.A.

Marco Clerici: +39 335 775 0702 [m.clerici@equita.eu](mailto:m.clerici@equita.eu)

#### Investor Relation Cy4Gate

Marco Latini CFO & Investor Relations Manager: [investors@cy4gate.com](mailto:investors@cy4gate.com)

### Investor Relation and Media Relations

#### CDR Communication

Silvia Di Rosa: +39 335 786 4209 [silvia.dirosa@cdr-communication.it](mailto:silvia.dirosa@cdr-communication.it)  
Luca Gentili: +39 348 292 0498 [luca.gentili@cdr-communication.it](mailto:luca.gentili@cdr-communication.it)  
Angelo Brunello: +39 329 211 7752 [angelo.brunello@cdr-communication.it](mailto:angelo.brunello@cdr-communication.it)  
Marianna Tremolada: +39 348 242 3039 [marianna.tremolada@cdr-communication.it](mailto:marianna.tremolada@cdr-communication.it)

### CY4GATE S.p.A.

Via Morolo 92  
00131 ROMA – ITALIA  
C.F. 13129151000  
[www.cy4gate.com](http://www.cy4gate.com)