

PRESS RELEASE

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**CYBEROO: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED
SEMI-ANNUAL FINANCIAL REPORT AS OF JUNE 30, 2021**

Revenues in the Cyber Security market grew by +82.8%.

**The value of production and the value of sales revenues are growing.
EBITDA and net income fell as a result of the strategic decision to invest
heavily in consolidating the service and sales organization.**

- **Value of Production: €4.5 million (+13.4% compared to H1 2020, equal to €3.9 million)**
- **Cyber Security revenues: €1.22 million (+82.8% compared to H1 2020, equal to €0.66 million)**
- **EBITDA: €0.5 million (€1.2 million in H1 2020)**
- **Loss for the year: -€0.5 million (Profit of €0.36 million in H1 2020)**
- **88% of revenues from sales are recurring**

Reggio Emilia, September 30, 2021 – Cyberoo S.p.A. ("**Company**" or "**Cyberoo**"), an innovative SME listed on AIM Italia, specialized in cyber security for companies, announces that today the Board of Directors of the Company examined and approved the consolidated semi-annual report for the period ended June 30, 2021.

Fabio Leonardi, CEO of Cyberoo, commented: *"We are very satisfied because the company is growing, both in value of production and especially in revenues from the cybersecurity market. This despite a first quarter of 2021 that was still characterized by widespread instability and uncertainty related to the persistence of the COVID-19 emergency. A situation that has forced an acceleration of teleworking, thus boosting both the awareness and momentum of the issues surrounding cybersecurity, a sector that is experiencing a crucial moment in its evolution.*

For Cyberoo it has been and continues to be essential to invest heavily in the definition and construction of a structure capable of maintaining a leading position in the industry. This also considering that, as Gartner authoritatively claimed,¹ the demand for MDR services – for which Cyberoo offers innovative solutions that are totally in line with the growing demands of the market – is destined to explode in the coming years.

The overall results, also looking at EBITDA and cash, clearly reflect Cyberoo's investment policy focused on growth. We have invested in the acquisition of new customers with Defense For Italy, in research and development, in technology to develop a server farm in the SUPERNAP Datacenter, and in human resources, which significantly increased.

¹ Forecast Analysis: Information Security and Risk Management, Worldwide August 12, 2021

In April we inaugurated the new site in Piacenza, which will make it possible to establish a new technological hub where Cyberoo can operate in synergy with other local organizations linked to the industrial world and scientific research.

Between the end of June and the month of July we finalized the purchase of 51% of Cyber Division Srl in order to expand our product range with Offensive Security and Incident Response services to support all those companies that have not yet invested in prevention services but may find themselves in operational difficulty due to ongoing blocking attacks.

We have further increased our presence throughout the country thanks to a distribution agreement and about 40 partners that are well distributed across the various geographical areas. These partners have demonstrated a strong commitment to the Cyberoo project, including during the recently concluded "Cyberoo Black Club Live Event 2021."

Thanks to the aforementioned investments, the commitment of the channel, and the sector's seasonality which is more shifted towards the second part of the year, we expect a strong finish in 2021 and a great start in 2022."

Main events of H1 2021

The first half of 2021 started with a slowdown compared to the end of the previous year due to the instability and uncertainty related to the new pandemic restrictions. Q1 was therefore a moment for consolidating the commitment of the distribution channel developed in the previous year, as well as adding new partners.

As in 2020, investments in human resources continued this year with a view to further strengthening both the commercial and technical organizations. The number of Cyberoo group employees increased considerably during the first six months. As of June 30, 2021 there were 89 resources in Italy (68 as of June 30, 2020) and 60 in Ukraine (52 as of June 30, 2020), for a total of 149 people (120 in 2020).

Investments were also made in research and development, which, in addition to improving existing algorithms and features, led to the release of Cyber Probe, the Cyberoo network probe that allows the company to be increasingly effective even within industrial and production systems.

The development of a technological hub in Piacenza was also initiated thanks to the contribution of the industrial fabric of the local region and the proximity of some universities that carry out research and development in the world of cybersecurity.

It was decided to develop a server farm of our own in the best Italian Datacenter, as well as SUPERNAP. This investment will on the one hand eliminate spending on costs for the service, and on the other will allow us to fully exploit the best technology available to boost the computing capacity used by Cyberoo artificial intelligence and further improve our services.

In the first half of the year the "Cyberoo Defense for Italy" project also continued, giving Confindustria Associates the opportunity to use cybersecurity services for free for three months. The project was highly successful and led to the conclusion of important contracts and the acquisition of new customers.

The consolidated financial statements were prepared based on the financial statements closed on 06/30/2021 of the companies Cyberoo S.p.A., Cyberoo51 S.r.l., and MFD International S.r.l., which fall within the scope of consolidation of the Cyberoo Group.

Total revenues for the first half amounted to €3.47 million, up 24% compared to €2.80 million in the same period of 2020. Particularly worthy of note is the growth of the Cyber Security & Device Security business area, resulting in an increase in recurring fees, all thanks to the acquisition of important new customers.

To date, the Cyber Security & Device Security and Managed Services business areas are worth 97% of revenues overall, in line with the strategy of focusing on the activities with the highest margins and with a pricing based on recurring revenues.

Below is a breakdown of revenues by business line that underscore the growth of the Cyber Security and Managed Services lines:

Revenues from sales and services	06/30/2020	06/30/2021	Change %
Cyber Security & Device Security	669,123	1,223,047	83%
Managed Services	2,010,563	2,154,596	7%
Digital Transformation	125,211	95,522	-24%
Total	2,804,897	3,473,166	24%

The Value of Production amounted to €4.5 million, +13% compared to €3.96 million in the first half of 2020. The growth is mainly connected to the item "Increases in fixed assets for internal work" amounting to €0.94 million in the first half of 2021.

EBITDA was €0.45 million, with an EBITDA margin of 10% of the value of production, down compared to 31% in the same period of 2020 (€1.21 million).

Values in € million	06/30/2020	06/30/2021
Value of Production	3,956	4,486
EBITDA	1,217	449
<u>Margin %</u>	<u>31%</u>	<u>10%</u>

The increase in personnel costs, partially absorbed by growth, marketing costs and the lower value of non-core revenues affected EBITDA in the first half of the year.

Pre-tax income was -€0.5 million, down from €0.4 million in the first half of 2020.

Net profit for the period amounted to -€0.52 million compared to a positive value of €0.36 million in the first half of 2020.

Net fixed assets as of June 30, 2021 amounted to €9.02 million, up compared to 12/31/2020 by 12%, mainly due to the increase in intangible assets as a result of significant investments in software technologies and research and development during the year. Industrial patents and rights to use intellectual property amount to €2.15 million and are represented by software (registered with the SIAE) aimed at improving the supply and services provided. This includes projects like "OSINT Open Source Intelligence," "CYPEER," and "DATA MINING" – "TITAAN" PROJECT. Fixed assets under construction and advances amounted to €2.99 million (in 2020 equal to €1.88 million) and are attributable to capitalized costs for the study and development of the "OSINT," "TITAAN," and "CYPEER" software.

Net working capital decreased from €1.73 million as of December 31, 2020 to €2.04 million as of June 30, 2021 as a result of the increase in trade receivables related to the increase in turnover from new key customers.

The consolidated Net Financial Position at June 30, 2021 amounted to €0.22 million compared to a negative net financial position (cash) of €1.53 million at 12/31/2020.

Main significant events during H1 2021

During the first half of the year the parent company Sedoc Digital Group S.r.l. completed the sale of 607,500 ordinary shares of Cyberoo S.p.A., corresponding to approximately 6.3% of the share capital, at a price of €5.40 per share, for a total value of €3,280,500. The operation took place through an accelerated bookbuilding procedure, reserved for qualified investors in Italy and foreign institutional investors.

In March, Cyberoo S.p.A. took over a real estate lease contract for a property located in Piacenza, in the Borgotrebbe district near the Piacenza Ovest toll booth.

The choice of the headquarters in Piacenza, which will also become home to all the activities currently carried out in the offices in Lodi, is important because it will allow the creation of a technological hub where Cyberoo can operate thanks also to the contribution of other local bodies linked to the industrial world and scientific research.

On October 1, 2020, Davide Carlesi, a leading figure in the sector with 25 years of experience and extensive expertise in the world of cybersecurity, joined the company as Sales Director. He has worked for large multinationals such as F-Secure where he held the role of Solution Sales Manager for MDR services, but he also founded and started the Italian branches of important companies such as Lastline, Blue Coat – later acquired by Symantec – and Sonicwall. During the first half of 2021 Davide Carlesi helped create the Key Account Manager team, which currently has 10 people and aims to develop new business throughout Italy to support the distribution channel.

Significant events after June 30, 2021

On July 28 Cyberoo S.p.A. completed the purchase of 51% of the Novara-based company Cyber Division S.r.l. for a value of €150,000. The operation will allow the Cyberoo Group to expand the skills of its cybersecurity team while at the same time creating a designated group of specialists in the Offensive Security and Incident Response segments able to respond to the increasing market demand.

On August 23 Giuseppe Vitali joined the company as Channel Director. Giuseppe graduated from Bocconi University and then worked for 25 years in the world of IT channels and distribution, primarily as a manager in multinationals such as Microsoft and Esprinet. He has successfully managed large sales networks (up to 140 people) and developed significant commercial projects in Italy and Europe. "Integrity, People First, Reach the Targets, Passion" are the values that have always distinguished his work.

September 23 and 24 saw the first event with physical attendance of the Cyberoo Black Club, Cyberoo's partner program. The event, which welcomed 40 partners and the distributor ICOS for a total of 100 participants, offered an important opportunity to define the sales strategies for the last quarter of the year and the beginning of 2022.

Business Outlook

While the COVID-19 epidemic will continue to negatively impact the performance of the global economy in 2021, the pandemic forced the large-scale adoption of digital technologies to ensure business continuity. Consequently, the importance of a solid cyber security strategy is increasingly evident to company boards.

Gartner estimates that the information security market will grow at an annual rate of 10.1% until 2025, reaching a global value of about \$221 billion.

Indeed, according to Gartner demand for cloud-based managed detection and response solutions (MDR) will increase dramatically in the coming years.

Based on such market analyses, Cyberoo is therefore in a position to offer a service meeting market demands at a time when cyber security is becoming an increasingly important component of corporate strategies.

Having consolidated its distribution channel, which is now expanding throughout Italy and is currently being developed in two other major European markets (France and Germany), investments in R&D, technology, and human resources, and taking into account the seasonality of the sector which is more active in the second part of the year, Cyberoo will enjoy a strong finish in 2021 and an excellent start in 2022.

Other information

The Consolidated Financial Report as of June 30, 2021 together with the limited audit report of the independent auditors BDO Italia S.p.A. is available to the public at the company's registered office and on the company's institutional website.

INCOME STATEMENT

Income Statement	06/30/2020	06/30/2021
Revenues from sales and services	2,804,897	3,473,165
Increases in fixed assets for internal work	700,221	943,247
Other revenues and income	451,392	69,762
Value of Production	3,956,509	4,486,174
Raw materials, subsidiary materials, consumables and goods	914,082	1,145,674
Services	601,553	857,982
Rental, lease and hire	68,150	121,084
Personnel costs	1,091,726	1,856,131
Changes in inventories of raw materials, subsidiary materials and goods	57,568	26,146
Other operating costs	6,304	29,242
Cost of Production	2,739,384	4,036,259
EBITDA	1,217,125	449,915
Amortization, depreciation and write-downs	726,989	863,945
EBIT	490,136	- 414,030
Financial income and expenses	- 37,266	- 60,619
Value adjustments to financial assets		899
Earnings before Taxes	452,871	- 473,750
Income taxes	92,069	47,209
Profit/(Loss) for the Year	360,802	- 520,959

STATEMENT OF FINANCIAL POSITION

Balance Sheet	12/31/2020	12/31/2020R****	06/30/2021
Intangible Fixed Assets	6,835,645	6,835,645	7,494,491
Tangible Fixed Assets	1,062,307	1,062,307	1,362,472
Financial Fixed Assets	159,945	159,945	161,772
Net Fixed Assets	8,057,897	8,057,897	9,018,734
Trade Receivables	2,976,602	2,976,602	3,654,514
Trade Payables	- 1,284,967	- 1,284,967	- 1,486,111
Other current assets	971,273	971,273	1,314,359
Other current liabilities	- 926,665	- 926,665	- 1,443,985
Net working capital	1,736,243	1,736,243	2,038,778
Provisions for risks and charges	- 10,968	- 10,968	- 11,317

Employee severance indemnities	- 325,978	- 325,978	- 362,948
Other receivables and non-current payables	- 433,273	164,031	171,132
Non-current assets and liabilities	- 770,219	- 172,915	- 203,133
Net invested capital**	9,023,921	9,621,225	10,854,379
Share capital	964,765	964,765	964,765
Reserves	10,139,512	10,139,512	10,195,497
Cash flow hedge reserve	- 10,603	- 10,603	- 5,873
Profit (Loss) carried forward	-	-	-
Profit (Loss) for the period	55,987	55,987	- 520,959
Shareholders' Equity	11,149,661	11,149,661	10,633,430
Liquid assets	- 3,347,076	- 3,347,076	- 1,731,984
Financial payables	2,321,336	2,321,336	2,585,131
Securities	- 1,100,000	- 1,100,000	- 1,083,794
Trade payables and other non-current payables		597,304	451,595
Net financial position***	- 2,125,740	- 1,528,436	220,948
Borrowings	9,023,921	9,621,225	10,854,378

NET FINANCIAL POSITION

	12/31/2020	06/30/2021
A Liquid assets	3,346,104	1,731,015
B Equivalents to liquid assets	972	968
C Other current financial assets	1,100,000	1,083,794
D Liquidity (A + B + C)	4,447,076	2,815,778
E Current financial debt	411,474	763,640
F Current portion of non-current financial debt	-	-
G Current financial debt (E + F)	411,474	763,640
H Net current financial debt (G - D)	- 4,035,602	- 2,052,138
I Non-current financial debt (excluding current portion and debt instruments)	1,909,862	1,821,491
J Debt instruments	-	-
K Trade payables and other non-current payables	597,304	451,595
L Non-current financial debt (I + J + K)	2,507,166	2,273,086
M Total financial debt (H + L)***	- 1,528,436	220,948

(*) Net working capital is calculated as the difference between current assets and current liabilities excluding financial assets and liabilities. Net working capital is not identified as an accounting measure under the accounting standards of reference. Note that it was calculated in accordance with the provisions of the "ESMA update of the CESR recommendations. The consistent implementation of Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive" of March 20, 2013 (formerly CESR Recommendation 05-054b of February 10, 2005). The method used by the Issuer may not be consistent with that used by other entities, and as a result the value calculated by the Issuer may not be comparable with that used by others.

(**) Net invested capital is calculated as the algebraic sum of net working capital, fixed assets, and long-term liabilities. Net invested capital is not identified as an accounting measure under the accounting standards of reference. The method used by the Issuer may not be consistent with that used by other entities, and as a result the value calculated by the Issuer may not be comparable with that used by others.

(***) In accordance with the provisions of Regulation EU 2017/1129, note that the net financial position is calculated as the algebraic sum of cash and cash equivalents, current financial assets and short-term and long-term financial liabilities, as well as commercial non-current liabilities and other non-current payables.

(****) In view of the change to the definition of NFP, for the sake of comparability the NFP as of December 31, 2020 was revised.

Cyberoo S.p.A.

Cyberoo S.p.A., a company listed on the AIM Italia stock exchange of Borsa Italiana, is an innovative Emilian SME specialized in cyber security for businesses, intended not only to protect IT systems from external attacks but also to implement a real strategy capable of protecting, monitoring, and managing IT ecosystem information. Cyberoo offers medium-sized businesses a wide-ranging portfolio of enterprise solutions developed using the most advanced technologies and with a value chain that allows offering the companies in this market prices that are in line with their spending power.

FOR INFORMATION:

CYBEROO S.p.A.

Chief Marketing Officer & Investor Relator

Veronica Leonardi | veronica.leonardi@cyberoo.com +39 0522 385011

CYBEROO PRESS OFFICE Reputation Value, communications & public affairs

Federico Ziller | ziller@reputationvalue.it +39 335 7555508

Fabio Pandolfini | pandolfini@reputationvalue.it +39 339 7214602

NOMAD

EnVent Capital Markets

42 Berkeley Square - London W1J 5AW

Italian Branch, Via Barberini 95 - 00187 Rome

Giancarlo D'Alessio | gdalessio@enventcapitalmarkets.uk