

CY4GATE S.P.A.



**REPORT ON CORPORATE GOVERNANCE
AND OWNERSHIP STRUCTURES**

pursuant to Article 123-bis of Legislative Decree No. 58 of 24 February 1998

(traditional management and control system)

Financial year ended 31 December 2023

<https://www.cy4gate.com/it/>

This report on corporate governance and ownership structures of CY4Gate S.p.A. was approved by the Board of Directors on 14 March 2024

Translation from the Italian original which remains the official version

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GLOSSARY

Borsa Italiana	Borsa Italiana S.p.A., with registered office at Piazza Affari No. 6, Milan.
Code/CG Code	The Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee.
Italian Civil Code	The Italian civil code.
Corporate Governance Committee	The Italian Corporate Governance Committee of Listed Companies, promoted not only by Borsa Italiana S.p.A., but also by ABI, Ania, Assogestioni, Assonime and Confindustria.
Consob	The Italian National Commission for Listed Companies and the Stock Exchange, with registered office in Rome, Via Martini no. 3.
Board of Directors or Board	The Issuer's Board of Directors.
Report Date	14 March 2024, i.e. the date of approval of this Report by the Issuer's Board of Directors.
Trading Commencement Date	The Trading Commencement date for CY4Gate S.p.A.'s ordinary shares on Euronext Milan – STAR Segment.
231 Decree	Legislative Decree No. 231 of 8 June 2001.
Issuer, CY4 or Company	CY4Gate S.p.A., with registered office in Rome (RM), Via Coponia no. 8, registration number with the Rome Companies Register, tax code and VAT number 13129151000, Rome Economic and Administrative Index Rome No. 1426295, LEI code 8156005DEB4D90F3E360.
Financial Year	The financial year ending 31 December 2023, to which the Report refers.
EXM	Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A..

Group	Collectively, CY4Gate S.p.A. and its subsidiaries pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Italian Consolidated Law on Finance.
231 Model	The Organisation, Management and Control Model pursuant to Legislative Decree no. 231 of 8 June 2001.
RPT Procedure	Has the meaning set forth in Section 10 of this Report, as defined below.
Issuers' Regulation	The Regulation issued by Consob under resolution no. 11971 of 14 May 1999 on Issuers, as subsequently amended and supplemented.
Related-Party Regulation or RPT Regulation	The Regulations issued by Consob under Resolution no. 17221 of 12 March 2010 on related party transactions, as subsequently amended and supplemented.
Report	This corporate governance report prepared pursuant to Articles 123- <i>bis</i> of the Italian Consolidated Law on Finance and 89- <i>bis</i> of the Issuers' Regulation.
ICRMS	The internal control and risk management system adopted by CY4Gate S.p.A.
Articles of Association	The Issuer's Articles of Association, in force on the Report Date.
Italian Consolidated Law on Finance	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented.

Where not otherwise specified, the CG Code's definitions of **directors, executive directors, independent directors, significant shareholder, chief executive officer (CEO), board of directors, control body, business plan, company with concentrated ownership, large company, sustainable success, top management** are also to be understood by reference.

INTRODUCTION

This Report, approved by CY4's Board of Directors on 14 March 2024, is intended to provide a general and comprehensive overview of the corporate governance system adopted by the Company, in order to ensure fairness and transparency in corporate reporting.

This document is prepared in accordance with Article 123-*bis* of the Italian Consolidated Law on Finance and in light of the recommendations of the Corporate Governance Code, as well as by taking into account the document "*Template for the Report on Corporate Governance and Ownership Structures*" (IX Edition – January 2022) prepared by Borsa Italiana.

On 2 May 2023, the Board of Directors of CY4 resolved to accede to the CG Code with effect from the first day of trading of the Company's ordinary shares on EXM.

CY4 is admitted for listing on EXM – STAR Segment, as of 26 June 2023.

The Report is published on the Company's website <https://www.cy4gate.com/it>, Governance Section.

1. ISSUER PROFILE

CY4's Corporate Governance structure, which adopts the traditional management and control system, is characterised by the following corporate bodies:

- (i) the **Board of Directors**, in charge of managing the company;
- (ii) the **Board of Statutory Auditors**, in charge of overseeing (i) compliance with the law and the Articles of Association, as well as with the principles of proper management, (ii) the adequacy of the internal control system and the management-accounting system, as well as the reliability of the latter in correctly representing management events, (iii) the concrete implementation of corporate governance rules set forth in codes of conduct drawn up by regulated market management companies or trade associations, which the Company, by means of public disclosures, declares to comply with, (iv) the adequacy of the instructions given to the subsidiaries in relation to the obligations to disclose inside information, and (v) the financial reporting process, the effectiveness of the internal control, internal audit, and risk management systems, the statutory audit of the annual accounts and consolidated accounts, and the independence of the statutory auditing firm;
- (iii) the **Shareholders' Meeting**, competent to pass resolutions on matters reserved to it by law or by the Articles of Association.

Three committees are formed within the Board of Directors:

- (i) the **Control, Risk and Sustainability Committee**, entrusted with assisting the Board of Directors, with investigative, proposing and advisory functions, in assessments and decisions relating to the internal control and risk management system, as well as those concerning the Company's sustainability issues.
- (ii) the **Nomination and Remuneration Committee**, which performs tasks, of a preliminary, propositional and advisory nature, in respect of the Board of Directors in matters concerning: (a) nominations, supporting the Board of Directors – *inter alia* – by expressing opinions on the size, ideal composition and actual operation of the Board of Directors itself and its Committees, as well as recommendations on the managerial and professional figures, whose presence is deemed appropriate; and (b) remuneration, by, *inter alia*, drafting a proposal for the Company's remuneration policy and submitting proposals or expressing opinions on the remuneration of executive directors and other directors holding special offices, as well as on the setting of performance targets related to the variable component of such remuneration; more in general, it supports the managing body in the process of self-assessment of the Board itself and its Committees.
- (iii) the **Related-Party Transactions Committee**, which performs the functions assigned to it according to the RPT Procedure (to which reference is made).

Each committee – which operates on the basis of internal rules establishing its operation – is composed of three non-executive directors, the majority of whom are independent (according to the independence requirements under the Corporate Governance Code). The Chair is chosen from among the independent directors.

In addition, the managing body has set up a **Strategic Committee**, entrusted with assisting the Board of Directors and the Company's delegated bodies, with investigative, proposing and advisory functions, in assessments and decisions relating to: (i) the development of the Company's business in terms of internal growth, and support for product and technological strategies; and (ii) the performance of preparatory activities to identify companies of interest with which to initiate acquisition and/or corporate integration processes.

The Committee consists of four members, appointed by, and chosen from, the Board of Directors itself. The Chief Executive Officer is automatically a member of the Committee.

The auditing activity is entrusted to an **Auditing Firm**, registered with the auditors register, appointed by the Shareholders' Meeting, upon justified proposal of the Board of Statutory Auditors.

In addition to the foregoing, in accordance with the provisions of the CG Code, as well as the applicable regulatory provisions in force, the Issuer has, *inter alia*:

- a) appointed three independent directors out of a total of nine members of the Board of Directors;
- b) defined the guidelines for the internal control and risk management system, and appointed the persons in charge of internal control;
- c) adopted a procedure for the management of inside information and the keeping of an insider register and an internal dealing procedure;
- d) adopted the procedure for related-party transactions pursuant to Article 4 of the Related-Party Regulation;
- e) appointed the Investor Relator as the person in charge of managing relations with shareholders;
- f) adopted rules for the functioning of the Board of Directors and of the board internal Committees;
- g) adopted a Code of Ethics;
- h) adopted an Organisation, Management and Control Model pursuant to the 231 Decree, and established a Supervisory Body.

The Board of Directors leads the Issuer in compliance with the principles and recommendations of the Code, with the goal of pursuing its sustainable success; a goal that is embodied in the creation of long-term value for the benefit of the shareholders, taking into account the interests of the Issuer's other relevant stakeholders.

In this regard, please refer to the Sections of the Report where the following is explained: (i) how this goal is integrated into the strategies (see Section 4.1 of this Report), in the remuneration policies (see Section 8 of this Report) and in the internal control and risk management system (see Section 9 of this Report); (ii) the corporate governance measures specifically adopted in this regard (see Section 6 and Section 9 of this Report, with reference to the establishment of the Control, Risk and Sustainability Committee,

with the task of supporting the Board in analysing issues relevant to the generation of long-term value).

The Group is committed to making strategic choices that also focus on sustainability. More specifically, although the Group does not fall within the scope of Legislative Decree No. 254/2016 – enacted to implement Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 – which provides for mandatory disclosure of non-financial and diversity information by certain companies and large groups, the Issuer voluntarily makes the sustainability report public as a separate document from the annual report on its website <https://www.cy4gate.com/it/>, Section ESG/Report.

As of the Report Date, due to the capitalisation recorded during the 2023 financial year, the Issuer falls within the definition of SME pursuant to Article 1, paragraph 1, letter *w-quater*.1) of the Italian Consolidated Law on Finance and Article 2-*ter* of the Consob Issuers' Regulation, as per the list of SMEs published by Consob on its website pursuant to Article 2-*ter*, paragraph 2, of the Issuers' Regulation. As of the Report Date, the Issuer's capitalisation was approximately EUR 125,64 million.

2. INFORMATION ON THE OWNERSHIP STRUCTURES (PURSUANT TO ART. 123-BIS PARAGRAPH 1 OF THE ITALIAN CONSOLIDATED LAW ON FINANCE) AS AT THE REPORT DATE

(a) Share Capital Structure (pursuant to Article 123-bis, paragraph 1, letter (a) of the Italian Consolidated Law on Finance)

As of the Report Date, CY4's subscribed and paid-up share capital amounted to EUR 1,441,499.94 and was represented by 23,571,428 ordinary shares, with no indication of par value.

The shares shall be subject to the dematerialisation scheme pursuant to Article 83-*bis et seq.* of the Italian Consolidated Law on Finance. Shares are freely transferable and grant the same equity and management rights established by law and by the Articles of Association, except as provided for in Article 8 of the Articles of Association.

As of the Report Date, the Company has not issued any other class of shares, nor financial instruments convertible into or exchangeable for shares.

For more information on the share capital structure, see Table 1 in the appendix.

For the sake of completeness, it should be noted that on 23 March 2023, the Board of Directors approved a stock grant incentive plan for the 2023–2025 three-year period, aimed at the Company's executive directors and top management (the "**Plan**"), later amended at the Board meeting of 13 June 2023 in order to introduce – in parallel with the financial and market targets – an annual target linked to ESG issues and, in particular, to obtaining and maintaining the "*Gender Equality Certification*". The Plan entails, for the beneficiaries, the free allocation of CY4 shares upon achievement of the Targets (as defined under the Plan).

For further details, please refer to the Report on the remuneration policy and remuneration paid, prepared pursuant to Articles 123-*ter* of the Italian Consolidated

Law on Finance and 84-*quater* of the Issuers' Regulation, made available to the public on the Company's website <https://www.cy4gate.com/it/> and in the other ways provided for by the regulations in force.

(b) Restrictions on the transfer of securities (pursuant to Article 123-bis, paragraph 1, letter (b) of the Italian Consolidated Law on Finance)

Except as described below, as of the Report Date there are no restrictions of any kind on the transfer of shares, such as, for example, limits on the ownership of securities or the need to obtain the approval of the Issuer or other security holders.

On 1 March 2022, Elettronica S.p.A. ("**Elettronica**") and TEC Cyber S.p.A. ("**TEC Cyber**") entered into a lock-up commitment – with respect to Equita SIM S.p.A. and the Company, with reference to the shares subscribed respectively by Elettronica and TEC Cyber in the context of the paid share capital increase in divisible form for a maximum total amount of EUR 90 million with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, finalised on 14 March 2022 and subscribed (i) for a tranche of an amount equal to EUR 10 million inclusive of any share premium by Elettronica; (ii) for a tranche of an amount equal to EUR 40 million inclusive of any share premium by TEC Cyber and (iii) for a tranche of a residual amount of up to EUR 90 million (equal, therefore, to EUR 40 million) reserved for qualified and institutional investors through an Accelerated Book Building procedure (the "**Capital Increase**") – with a duration of 36 months from the date of performance of the Capital Increase (i.e. 14 March 2022).

For the sake of completeness, it should be noted that as at the Report Date:

- the share of CY4's share capital owned by Elettronica and subject to lock-up is equal to 4.04% thereof, corresponding to the 952,381 Shares subscribed by Elettronica in the context of the Capital Increase; and
- the share of CY4's share capital owned by TEC Cyber and subject to lock-up is equal to 16.16% thereof, corresponding to the 3,809,524 Shares subscribed by TEC Cyber in the context of the Capital Increase.

(c) Significant shareholdings in Share capital (pursuant to Article 123-bis, paragraph 1, letter (c) of the Italian Consolidated Law on Finance)

As of the Report Date, based on the shareholders' register and taking into account the notifications received pursuant to Article 120 of the Italian Consolidated Law on Finance and other information available to the Company, the persons indicated in Table 1 attached hereto, to which reference should be made, owned shares in the Company equal to or greater than 5% of the share capital, and, more specifically:

- (i) Elettronica, holder of 9,045,912 ordinary CY4 shares, corresponding to 38.38% of the Company's share capital and voting rights; and
- (ii) TEC Cyber, holder of 3,809,524 ordinary CY4 shares, corresponding to 16.16 % of the Company's share capital and voting rights.

(d) Securities conferring special rights (pursuant to Article 123-bis, paragraph 1, letter (d) of the Italian Consolidated Law on Finance)

As of the Report Date, the Company has not issued securities granting special control rights, nor do the Articles of Association provide for special powers for certain shareholders or holders of particular classes of shares.

In light of the Group's sector of operation, the Group is subject to the regulations outlined in the Decree-Law No. 21 of 15 March 2012, – converted with amendments by Law No. 56 of 11 May 2012, as subsequently updated and amended – aimed at regulating certain special powers of the State with respect to companies operating in sectors of strategic importance for the national interest (the “golden power” legislation). These powers consist mainly in the right to:

- a) express veto for resolutions, acts and transactions which – by having the effect of changes in the ownership, control or availability of the assets owned by strategic undertakings or the change in their use – give rise to an exceptional situation, not governed by national and European sector regulations, of threat of serious prejudice to public interests relating to the security and operation of networks and plants and the continuity of supplies;
- b) condition the effectiveness of the acquisition for any reason, by a person from outside the European Union, of shareholdings of such importance as to determine the permanent establishment of the purchaser by reason of the assumption of control of the Company, whose shareholding is the subject of the acquisition, pursuant to Article 2359 of the Italian Civil Code and the Italian Consolidated Law on Finance, if such acquisition entails a threat of serious prejudice to public interests relating to the safety and operation of networks and plants and the continuity of supplies, on the assumption by the acquirer of commitments aimed at guaranteeing the protection of such interests;
- c) object to the purchase referred to in subparagraph (b) above, if such purchase involves exceptional risks for the protection of public interests relating to the security and operation of networks and plants and the continuity of supplies, which cannot be eliminated by the purchaser's undertaking to ensure the protection of such interests.

For the sake of completeness, it should be noted that the activities carried out by the Issuer and the Group are not subject to supervision by specific sector authorities, notwithstanding that sales of so-called 'dual-use' products (related to the cyber intelligence sector) to countries outside the EU – due to the nature of such products, which can potentially be used for both civilian and military applications – are subject to a specific export authorization procedure conducted by the UAMA office (*Unità per le Autorizzazioni dei Materiali di Armamento*) of the Italian Ministry of Foreign Affairs and International Cooperation.

(e) Equity Interest of employee: mechanism for exercising voting rights (pursuant to Article 123-bis, paragraph 1, letter (e) of the Italian Consolidated Law on Finance)

As of the Report Date, the Company has not adopted a specific equity interest system for employee that provides a mechanism for exercising voting rights.

With reference to the Plan, please refer to the Report on the remuneration policy and remuneration paid, prepared pursuant to Articles 123-ter of the Italian Consolidated Law on Finance and 84-quater of the Issuers' Regulation, made available to the public on the Company's website <https://www.cy4gate.com/it/> and in the other ways provided for by the regulations in force.

(f) Restrictions on the right to vote (pursuant to Article 123-bis, paragraph 1, letter (f) of the Italian Consolidated Law on Finance)

The Articles of Association do not contain any particular provisions determining restrictions on voting rights, such as, for example, limitations of voting rights to a certain percentage or number of votes, time limits imposed on the exercise of voting rights or systems in which, with the cooperation of the Issuer, the financial rights attached to securities are separated from the ownership of securities.

(g) Shareholders' agreements (pursuant to Article 123-bis, paragraph 1, letter (g) of the Italian Consolidated Law on Finance)

As of the Report Date, no Shareholders' agreements are known to the Company.

(h) Clauses of change of control (pursuant to Article 123-bis, paragraph 1, letter (h) of the Italian Consolidated Law on Finance) and Articles of Association provisions on takeover bids (pursuant to Article 104, paragraph 1-ter, e 104-bis paragraph 1 of the Italian Consolidated Law on Finance)

As of the Report Date, the Company has not entered into any significant agreements that take effect, are amended or terminate in the event of a change of control of the Company or its subsidiaries, except as described below.

The Company has a loan agreement in place, signed on 29 March 2022, which provides for certain mandatory early repayment in full in the event of – *inter alia* – a change of control. For further information, please refer to the trading Information Memorandum available on the Issuer's website <https://www.cy4gate.com/it/>, IPO Section.

The Articles of Association do not provide for any exceptions to the passivity rule set forth in Article 104, paragraphs 1 and 1-bis of the Italian Consolidated Law on Finance, and do not provide for the application of the neutralisation rules set forth in Article 104-bis, paragraphs 2 and 3 of the Italian Consolidated Law on Finance.

(i) Proxies to increase the share capital and authorisations to purchase own shares (pursuant to Article 123-bis, paragraph 1, letter (m) of the Italian Consolidated Law on Finance)

As of 31 December 2023, there were no delegated powers to increase the share capital pursuant to Article 2443 of the Italian Civil Code.

Pursuant to Article 6 of the Articles of Association, the share capital may also be increased by resolution of the Shareholders' Meeting, by issuing shares with rights other than ordinary shares and by contributions other than cash, or by offsetting liquid and payable debts to the Company, in accordance with and to the extent permitted by law. Under resolutions to increase share capital for cash, option right may be excluded to a maximum of 10% of the existing share capital, in accordance with Article 2441, paragraph 4, second sentence of the Italian Civil Code. The Extraordinary Shareholders' Meeting of the Company may grant the directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase, in one or more tranches, the share capital up to a specific amount and for a maximum period of five years from the resolution date, also with the exclusion or limitation of the option right.

On 27 April 2023, the Shareholders' Meeting resolved to authorise the Board of Directors, pursuant to and within the limits of Articles 2357 *et seq.* of the Italian Civil Code, to purchase and dispose of own shares, also in several instalments, leading the Company to hold, if the purchase option is exercised in full, a number of shares not exceeding 450,000 (four hundred and fifty thousand), representing in the aggregate approximately 2% (two per cent) of the Company's share capital as of the date of the Shareholders' Meeting called to resolve on the authorisation to purchase and dispose of own shares in question (*i.e.* the Shareholders' Meeting held on 27 April 2023), in order to:

- (i) dispose of own shares to service incentive plans in favour of members of the Board of Directors, employees or collaborators of the Company, involving the disposal or assignment of shares or financial instruments convertible into shares;
- (ii) have a securities portfolio (securities bank) to be used, consistently with the Company's strategic guidelines, to service any extraordinary transactions and/or the possible use of the shares as consideration in extraordinary transactions, including the exchange of shareholdings, with other parties in the context of transactions of interest to the Company;
- (iii) support the liquidity of the Company's stock so as to favour the regular course of trading and avoid abnormal price movements, as well as to regularise the trend of trading and prices, in the face of momentary distortions linked to excessive volatility or low trading liquidity.

The authorisation for the purchase was granted for the maximum term permitted by Article 2357, paragraph 2 of the Italian Civil Code and, therefore, for a period of eighteen months from the date of authorisation by the Shareholders' Meeting.

The authorisation to sell any own shares purchased was granted without time limits, pursuant to the provisions in force, thus allowing the Board of Directors maximum flexibility, also in terms of timing, to carry out the acts of disposition of the shares.

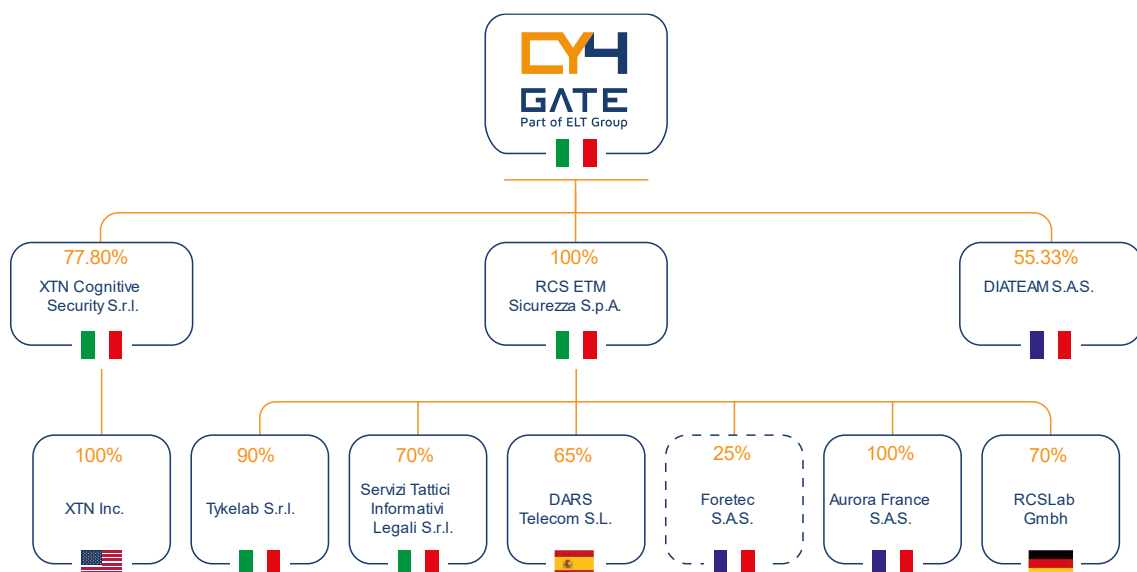
As of 31 December 2023, the closing date of the Financial Year, the Company held 204,976 own shares; as of the Report Date, the Company held 450,000 own shares.

(I) Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)

Pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Italian Consolidated Law on Finance, the Company is controlled by Elettronica, as the latter has sufficient votes to exercise a dominant influence at CY4's Ordinary Shareholders' Meeting. However, the Company is not subject to management and coordination by Elettronica pursuant to Articles 2497 et seq. of the Italian Civil Code. As a matter of fact, CY4 considers that none of the activities typically evidencing management and coordination pursuant to Article 2497 et seq. of the Italian Civil Code exist, taking into consideration, by way of example and not exhaustively, the following circumstances:

- (i) CY4 and its Directors retain complete operational autonomy and remain separate and autonomous centres of responsibility;
- (ii) Elettronica does not centralise any functions, such as treasury or administration;
- (iii) CY4 has an independent negotiating capacity in relations with customers and suppliers;
- (iv) CY4 operates under corporate and business autonomy from Elettronica; and
- (v) CY4 has autonomy in defining its strategic and development approaches.

The following table shows a graphical representation of the companies forming part of the Group, specifying the shareholdings held by the Issuer in each of them as at the Report Date.



It is noted that:

- a) The information required by Article 123–*bis*, paragraph 1, letter i), of the Italian Consolidated Law on Finance (“*agreements between the company and the directors [...] which provide for indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a takeover bid*”) is illustrated in the Report on the remuneration policy and remuneration paid published pursuant to Article 123–*ter* of the Consolidated Law on Finance on the Company’s website(<https://www.cy4gate.com/it/>) and in the other ways provided for by the regulations in force;
- b) The information required by Article 123–*bis*, paragraph 1, letter l), first part of the Italian Consolidated Law on Finance (“*the rules applicable to the appointment and replacement of directors [...] if different from the laws and regulations applicable by way of supplementary provisions*”) is set forth in the Section of the Report devoted to the Board of Directors (see Section 4.2 of this Report);
- c) The information required by Article 123–*bis*, paragraph 1, letter l), second part of the Italian Consolidated Law on Finance (“*the rules applicable [...] to the amendment of the articles of association, if different from the laws and regulations applicable by way of supplementary provisions*”) is set forth in the Section of the Report devoted to the Shareholders’ Meeting (see Section 13 of this Report).

3. COMPLIANCE (UNDER ARTICLE 123-BIS, PARAGRAPH 2, LETTER (A), FIRST PART OF THE ITALIAN CONSOLIDATED LAW ON FINANCE)

The Company complies with the provisions of the CG Code.

The CG Code is publicly accessible on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

Neither the Issuer nor its subsidiaries (including strategically significant subsidiaries) are subject to non-Italian legal provisions affecting their corporate governance structure.

Below are the main governance tools the Company has adopted, also in compliance with the most recent laws and regulations, the provisions of the Code and national and international best practice:

- Articles of Association;
- Organisation, Management and Control Model pursuant to the 231 Decree and Supervisory Body;
- Code of Ethics;
- Corporate functions of Internal Control Officer and Investor Relations Manager;
- Rules of the Board of Directors;
- Rules of the Control, Risk and Sustainability Committee;
- Rules of the Nomination and Remuneration Committee;
- Rules of the Related-Party Transactions Committee;
- Procedure for related-party transactions;
- Procedure for handling inside information and keeping the insider register;
- Procedure on internal dealing.

4. BOARD OF DIRECTORS

4.1 ROLE OF THE BOARD OF DIRECTORS

The Board of Directors leads the Issuer by pursuing its sustainable success, which is embodied in the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company.

In this regard, the Board of Directors defines the strategies of the Issuer and the Group it heads in accordance with the pursuit of sustainable success, monitoring their implementation, as well as the corporate governance system that is most functional to the performance of the Company's activities and the pursuit of its strategies, taking into account the spaces of autonomy offered by the law and, if necessary, evaluating and promoting the appropriate changes, submitting them, when applicable, to the Shareholders' Meeting.

Furthermore, the Board of Directors promotes dialogue with shareholders and other relevant stakeholders of the Issuer in the most appropriate forms.

Pursuant to Article 19 of the Articles of Association of the Company, the Board of Directors is vested with the following powers:

- a) resolution on merger resolution in the cases referred to in Articles 2505, 2505-*bis*, 2506-*ter* last paragraph of the Italian Civil Code, as well as the resolution referred to in Article 2506.1 of the Italian Civil Code;
- b) opening and closing of branch offices;
- c) specifying which directors have powers to represent the Company;
- d) share capital reduction if a shareholder withdraws from the Company;
- e) adaptation of the Articles of Association to regulatory provisions;
- f) transfer of the registered office to another municipality in Italy;
- g) issuance of non-convertible bonds;
- h) share capital reduction if more than one-third of the share capital is lost and the company has issued shares with no par value.
- i) establishment of assets earmarked for a specific business pursuant to Articles 2447-*bis* et seq. of the Italian Civil Code.

In addition to the above, in order to allow for the concrete application of the abovementioned principles, also in accordance with established corporate practice, the Board of Directors is also entrusted with the following:

- the examination and approval of the Issuer's and the Group's business plan, also based on the analysis of issues relevant to the generation of long-term value;
- the periodic monitoring of the implementation of the business plan, as well as the evaluation of the general operating performance, periodically comparing the results achieved with those planned;

- the definition of the nature and level of risk compatible with the Issuer’s strategic objectives, including in its assessments all elements that may be relevant to the Issuer’s sustainable success;
- the definition of the Issuer’s corporate governance system and the structure of the Group it heads;
- the assessment of the adequacy of the organisational, administrative and accounting structure of the Issuer and strategically important subsidiaries, with particular reference to the Internal control and risk management system (see Section 9 of this Report);
- the resolution on transactions of the Issuer and its subsidiaries having significant strategic, economic, capital or financial importance for the Issuer, establishing the general criteria for identifying significant transactions;
- the adoption, upon the Chair’s proposal, in agreement with the Chief Executive Officer, of a procedure for the internal management and external communication of documents and information concerning the Issuer, with particular reference to inside information (see Section 5 of this Report).

The main activities carried out in relation to the above-mentioned areas by the Board of Directors during the Financial Year and up to the Report Date are listed below.

The Board of Directors examined and approved the annual budget, also on the basis of the analysis of relevant topics for long-term value generation. In defining the nature and level of risk compatible with the Issuer’s strategic objectives, the Group has included in its assessments those elements that may be relevant to the Issuer’s sustainable success. During the Financial Year, the Board of Directors monitored the implementation of the annual budget on a regular basis and assessed the general management performance, based on the exhaustive and regular information received from the delegated bodies at each meeting of the Board of Directors, as well as periodically comparing the results achieved with those planned.

On 14 March 2024, the Board of Directors, also taking into account the reports of the Chair of the Control, Risk and Sustainability Committee, as well as the assessments made by the Chief Executive Officer, positively assessed the adequacy of the organisational, administrative and accounting structure of the Company and the Group it heads (including the subsidiaries with strategic importance), with particular reference to the internal control and risk management system.

On the same date, the Board of Directors also deemed it unnecessary to establish in advance general criteria for identifying transactions of significant strategic, economic, equity or financial importance for the Company and its subsidiaries, considering it preferable to carry out this assessment from time to time on the basis of the information received from the executive directors. Again on 14 March 2024, the Board of Directors deemed it unnecessary or opportune to elaborate motivated proposals to be submitted to the Shareholders’ Meeting for the definition of a different corporate governance system, evaluating the current corporate governance system of the Issuer and the

structure of the Group it heads as already adequate and functional to said requirements (see Section 13 of this Report).

Finally, it should be noted that the Company has adopted a procedure for the internal management and external communication of documents and information concerning the Issuer (see Section 5 of this Report).

For further information on the Board's additional powers regarding its composition, functioning, appointment and self-assessment, remuneration policy, internal control and risk management system, please refer to the additional paragraphs in Section 4, as well as Sections 7, 8 and 9 of this Report, respectively.

4.2 APPOINTMENT AND REPLACEMENT (UNDER ARTICLE 123-BIS, PARAGRAPH 1, LETTER (L), FIRST PART OF THE ITALIAN CONSOLIDATED LAW ON FINANCE)

Pursuant to Articles 18 *et seq.* of the Articles of Association, the Company is managed by a Board of Directors with a minimum of 7 (seven) and a maximum of 9 (nine) members.

Directors hold office for a period not exceeding three financial years and may be re-elected pursuant to Article 2383 of the Italian Civil Code. They cease office on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their term.

Directors are appointed by the Shareholders' Meeting, in accordance with the law and the Articles of Association, based on slates submitted by the shareholders. The slates submitted by shareholders, signed by the shareholder(s) submitting them (including by proxy to one of them), must be filed at the Company's registered office within the terms set forth by the laws and regulations in force from time to time, which shall be indicated in the notice of call, or through a remote means of communication as indicated in the notice of call, and made available to the public within the terms and in the manner set forth by the laws and regulations in force from time to time.

The following may submit a slate for the appointment of directors: (i) the shareholders who, at the time of submitting the slate, own, alone or jointly, a number of shares at least equal to the proportion determined by Consob pursuant to the applicable laws and regulations and (ii) the Board of Directors. Ownership of the minimum share envisaged in the preceding sentence of this paragraph, point (i), shall be determined having regard to the shares registered in favour of the shareholder on the day on which the slate is filed with the Company, it being understood that the relevant certification may also be produced after the filing provided that it is within the deadline envisaged for the publication of the slate.

Any slate submitted by the Board of Directors must (i) be filed and made public, in the manner provided for by the laws applicable from time to time to slates submitted by shareholders, no later than the thirtieth day prior to the date of the Shareholders' Meeting on first or single call, without prejudice to the terms established by law for filing with regard to calls subsequent to the first call, and must be made available to the public in accordance with the laws in force from time to time for shareholders' slates, and (ii)

meet, *mutatis mutandis*, the requirements established for the submission of slates by shareholders.

Each shareholder, as well as shareholders belonging to the same group and shareholders who are party to a shareholders' agreement relevant pursuant to Article 122 of the Italian Consolidated Law on Finance, may not submit or participate in the submission of more than one slate, not even through a third party or trust company, nor may they vote for different slates. Each person with voting rights may vote for only one slate. The vote of each shareholder will relate to the slate and thus to all the candidates listed therein, without the possibility of variations or exclusions. The vote cast in breach of this prohibition shall not be attributed to any slate.

Each candidate may only appear on one slate, under penalty of ineligibility.

Each slate:

- must contain a number of candidates not exceeding 9 (nine), listed in sequential numbering;
- must contain and expressly indicate a minimum number of directors, corresponding to the minimum provided for by the laws in force from time to time, who meet the independence requirements provided for by law and by the self-regulatory codes to which the Company has declared to adhere (the “**Independence Requirements**”);
- for the period of application of the laws and regulations, including *pro-tempore* regulations, in force on gender balance, where the number of candidates is equal to or greater than 3 (three), it must also include candidates belonging to both genders, at least in the minimum proportion required by the laws and regulations, including *pro-tempore* regulations, in force, as specified in the notice of call of the Shareholders' Meeting;
- must enclose the documents required by the Articles of Association, as well as any further or different declarations, information and/or documents required by law and the applicable regulatory provisions.

A) If two or more slates have been presented, the slate presented are voted on and the Board of Directors is formed in accordance with the following provisions:

- a) a number of directors equal to the total number of members to be elected shall be drawn from the slate obtaining the highest number of votes cast (the “**Majority Slate**”), in the sequential order in which they are presented, with the exception of any directors to be drawn from other slates pursuant to points b) and c) below;
- b) from the slate obtaining the second highest number of votes (provided that such number of votes corresponds to at least half of the percentage of share capital required for submission of a slate) (the “**Second Slate**”) (i) 2 (two) directors are drawn, according to the sequential order indicated in said slate if the number of votes obtained by said slate is at least 10% (ten per cent) of the share capital or (ii) 1 (one) director is drawn, according to the

sequential order indicated in said slate, if the number of votes obtained by said slate is less than 10% (ten per cent) of the share capital;

- c) from the slate that obtained the third highest number of votes (provided that such number of votes corresponds to at least half of the percentage of share capital required to submit a slate), and provided that such slate is not connected even indirectly with the shareholders who submitted the Majority Slate and/or the Second Slate (the “**Third Slate**”), 1 (one) director is drawn in the person of the candidate indicated with the first number of the slate;
- d) it is understood that (i) in the absence of the presentation of the Second Slate and/or the Third Slate and/or (ii) in the event that one and/or both of said slate have not obtained a percentage of votes equal to at least half of that required for its presentation, the remaining directors to be elected shall be drawn from among the candidates on the Majority Slate, according to the sequential order indicated therein.

In the event that the Majority Slate does not include a sufficient number of candidates to ensure the attainment of the number of directors to be elected, it being understood that all the candidates listed therein will be taken from the Majority Slate, in the sequential order indicated in said slate, pursuant to letter a) above, and that – where the requirements are met: (i) one or two directors (in accordance with the provisions of letter b) above) will be drawn from the Second Slate and (ii) one director will be drawn from the Third Slate (in accordance with the provisions of letter c) above), the appointment of the remaining directors will be made by resolution of the Shareholders’ Meeting.

In the event of an equal number of votes between slates, a new voting shall be held by the Shareholders’ Meeting, with the slate obtaining the highest number of votes prevailing.

Furthermore:

- where, once voting has ended, a sufficient number of directors meeting the Independence Requirements provided for by current legal and regulatory provisions are not appointed, the candidate elected as last in sequential order from the slate that obtained highest number of votes, failing to meet these requirements, shall be excluded and replaced by the next candidate meeting the Independence Requirements drawn from the same slate of the excluded candidate. Where necessary, this procedure will be repeated until the number of independent directors to be appointed is reached;
- furthermore, where the candidates elected as specified above do not ensure that the composition of the Board of Directors comply with the law and regulations in force from time to time, regarding gender balance, the candidate of the most represented gender elected last in sequential order on the list that received the highest number of votes shall be replaced, in sequential order, by the first candidate of the least represented gender not elected from the same list. This replacement procedure will take place until the membership of the Board of

Directors is ensured in accordance with the applicable regulations on gender balance in force from time to time.

- finally, if the said procedure does not ensure the election of a sufficient number of directors meeting the Independence Requirements and/or the composition of the Board of Directors complying with the applicable regulations in force from time to time on gender balance, the replacement shall take place by resolution passed by the Shareholders' Meeting with a relative majority, after nominating candidates meeting the Independence Requirements and/or, as the case may be, belonging to the less represented gender.
- B) If only one slate is submitted, the Board of Directors is drawn in its entirety from that slate, in compliance with the provisions of the law and regulations in force from time to time, as well as the provisions on gender balance set forth above and the provisions of the law and the Articles of Association on the appointment of independent directors.
- C) If no slate is submitted or if the number of directors elected on the basis of the slates submitted is less than the number of members to be elected or if the entire Board of Directors is not to be renewed or if it is not possible for any reason to appoint the Board of Directors in the manner described above, the members of the Board of Directors are appointed by the Shareholders' Meeting in the ordinary manner and with ordinary majorities, without application of the slate voting mechanism, without prejudice to the minimum number of directors meeting the Independence Requirements and compliance with the provisions on gender balance set out above.

At the first meeting following its appointment, the Board of Directors elects a Chair from among its members, if the ordinary Shareholders' Meeting has not done so. The Board of Directors may elect a deputy chair, who replaces the Chair in cases of absence or impediment.

Should one or more directors cease to hold office during the Financial year for any reason whatsoever:

- (i) the Board of Directors shall replace them by co-opting the first non-elected candidate (if available) from the same slate to which the outgoing director belonged;
- (ii) if the Board of Directors cannot be completed pursuant to (i) above, the Board of Directors shall co-opt replacements by legal majority.

In any case, the Board of Directors and the Shareholders' Meeting shall respectively co-opt and appoint the aforementioned directors in such a way as to ensure (i) the presence of independent directors in the minimum total number required by the laws in force from time to time and (ii) compliance with the regulations concerning gender balance in force from time to time.

The Issuer is not subject to further rules on the composition of the Board of Directors.

For information on the role of the Board of Directors and board Committees in the processes of self-assessment, appointment and succession of directors, please refer to Section 7 of this Report.

4.3 COMPOSITION (UNDER ARTICLE 123-BIS, PARAGRAPH 2, LETTERS (D) AND (D-BIS) OF THE ITALIAN CONSOLIDATED LAW ON FINANCE)

The Company is managed by a Board of Directors consisting of an odd number of members between a minimum of 7 and a maximum of 9 members, as provided for in Article 25 of the Articles of Association.

On 27 April 2023, the Shareholders' Meeting set the number of the managing body members at 9 (nine), as follows:

Name and Surname	Office
Domitilla Benigni	Chair of the Board of Directors
Emanuele Galtieri	Chief Executive Officer(*)
Roberto Ferraresi	Director
Enrico Peruzzi	Director
Alberto Luigi Sangiovanni Vincentelli	Director
Paolo Izzo	Director
Alessandra Bucci	Independent Director(**)
Cinzia Parolini	Independent Director(**)
Maria Giovanna Calloni	Independent Director(**)

(*) Director with operational delegated powers.

(**) Independent director pursuant to Article 148, paragraph 3, of the Italian Consolidated Law on Finance, as referred to in Article 147-ter, paragraph 4, of the Italian Consolidated Law on Finance, and Article 2 of the CG Code.

In this regard, it should be noted that the Directors Domitilla Benigni, Emanuele Galtieri, Enrico Peruzzi, Alberto Luigi Sangiovanni Vincentelli, Paolo Izzo, Alessandra Bucci and Cinzia Parolini were drawn from the majority slate submitted by the shareholder Elettronica; while the directors Roberto Ferraresi and Maria Giovanna Calloni were drawn from the minority slate submitted by the shareholder TEC Cyber.

At its meeting of 2 May 2023, the Board of Directors assessed the independence of its Directors pursuant to Article 148, paragraph 3, of the Italian Consolidated Law on Finance (as recalled by Article 147-ter, paragraph 4, of the Italian Consolidated Law on Finance) and Article 2 of the CG Code, verifying the presence of an adequate number of non-executive and independent Directors in order to comply with the recommendations of the Corporate Governance Code. More specifically, the Board of Directors considered that the Directors Alessandra Bucci, Cinzia Parolini and Maria Giovanna Calloni meet the aforementioned Independence Requirements.

Subsequently, on 26 July 2023, having noted the resignation – effective immediately, and due to unforeseen work commitments – of Director Enrico Peruzzi, and the resignation as director of the “non-elected” candidates belonging to the slate from which Mr Peruzzi was drawn, the Board of Directors, after receiving the favourable opinion of the Nomination and Remuneration Committee, resolved to appoint by co-optation Mr Alessandro Chimenton as a new non-independent and non-executive member of the managing body. At the same Board meeting, the managing body, supported by the preliminary activity of the Nomination and Remuneration Committee, ascertained that Mr Chimenton meets the requirements of professionalism and integrity, and complies with the criteria of competence, fairness and dedication in terms of time laid down in the regulations in force from time to time.

Therefore, as of the Report Date, the Board of Directors was composed as follows:

Name and Surname	Office
Domitilla Benigni	Chair of the Board of Directors
Emanuele Galtieri	Chief Executive Officer(*)
Roberto Ferraresi	Director
Alessandro Chimenton	Director
Alberto Luigi Sangiovanni Vincentelli	Director
Paolo Izzo	Director
Alessandra Bucci	Independent Director(**)
Cinzia Parolini	Independent Director(**)
Maria Giovanna Calloni	Independent Director(**)

(*) Director with operational delegated powers.

(**) Independent director pursuant to Article 148, paragraph 3, of the Italian Consolidated Law on Finance, as referred to in Article 147-ter, paragraph 4, of the Italian Consolidated Law on Finance, and Article 2 of the CG Code.

Pursuant to Article 2386 of the Italian Civil Code, the Shareholders' Meeting to approve the financial statements for the Financial year ended 31 December 2023 is called upon to confirm the appointment of, or replace, Mr Alessandro Chimenton.

The Board of Directors remains in office for a period of three financial years, and thus until the approval of the annual financial statements as at 31 December 2025.

The Company's Board of Directors shall be composed of executive and non-executive directors, all of whom have the professionalism and skills appropriate to the tasks entrusted to them. The number and competencies of the non-executive directors are such as to ensure that they have significant weight in the taking of Board resolutions and to guarantee effective monitoring of management; a significant component of the non-executive directors is independent.

The main professional skills and characteristics of the individual members of the Board of Directors are summarised below.

Domitilla Benigni

She has been Chair of the Board of Directors of CY4 since 2020, as well as General Manager and Chief Executive Officer of Elettronica. She started her career in Elettronica in 1996, after graduating in electronic engineering. She has gained extensive experience in areas such as strategic planning, business development and engineering. Since June 2022, she has been a member of the Technical Scientific Committee of the Agency for National Cybersecurity.

Emanuele Galtieri

He is Chief Executive Officer and General Manager of CY4, where he previously served as Deputy CEO and general manager. He worked at Elettronica from 2008 to 2020, where he held various roles with increasing responsibility in the business field on foreign markets, was corporate HR director, as well as director of communications and for corporate digital transformation. A former Carabinieri officer in various operational assignments, he attended the Nunziatella Military School and the Modena Military Academy, obtaining a degree in Law at the University of Rome, a degree in Political Science at the University of Trieste and an MBA at the Luiss Business School in Rome.

Roberto Ferraresi

With a degree in economics from the Bocconi University of Milan, he started his career at UBS in London in 1998. From 2004 to 2018, he made a long journey at PAI Partners where he completed major leverage buy-outs. Since 2018, he has been founder and Chief Executive Officer of The Equity Club S.r.l., a club deal initiative promoted together with Mediobanca that has involved more than 90 families of entrepreneurs in Italy and has to date completed 6 significant investment transactions.

Paolo Izzo

He has a solid academic background, with a Bachelor's degree in Political Science from the University of Turin, a Master's degree in Business Administration from the University of Modena and Reggio Emilia, and a Master's degree in Business Administration (MBA) from the Graduate School of Business at the University of Strathclyde, in Glasgow, UK. He joined Elettronica in 2007, bringing with him considerable military and managerial experience. Previously, he served as a military officer holding command positions. Throughout his career, he has distinguished himself for his ability to create and manage successful global business relationships and develop effective business strategies. As of the Report Date, he is a special attorney for Elettronica.

Alessandro Chimenton

A graduate in Business Administration, since 1986 at Arthur Andersen & Co. s.a.s. and since 1990 at Arthur Andersen MBA s.r.l. – Management & Business Advisors, he has carried out numerous positions in companies in the manufacturing and financial sectors (banks, leasing, factoring). Since 1991 he has held the position of manager, working

mainly in Corporate Finance and Financial Industry. He has gained significant professional experience by means of professional services rendered in the following areas: expert reports, company and corporate group valuations, brand and intangible asset valuations, company disposals and acquisitions, due diligence, arbitrations, budget analyses, preparation of strategic plans and business plans, feasibility studies, industrial projects/corporate integrations, and management reporting. Partner since 1999 of Enterprise Partners & Co. S.r.l. and since 2014 of C&P ADVISORY, both management consulting companies, operating in the above-mentioned services. He is a Chartered Accountant and External Auditor.

Alberto Luigi Sangiovanni Vincentelli

With a degree in electronic engineering from the Milan Polytechnic, he was a professor in the electronics department at the Milan Polytechnic from 1974 to 1977 and a professor at the University of Berkeley in California from 1976 until the Report Date. He co-founded the companies Cadence Design Systems and Synopsys both listed on the NASDAQ. From 1982 to 1991, he was a consultant to IBM, and from 1978 to 2010, he was a consultant to the CEO of ST Microelectronics. Author of numerous publications, he has been *advisor* and Board member of several companies.

Cinzia Parolini

A graduate in Business Economics from the Bocconi University of Milan, she has been a lecturer and Head of Business Economics teaching since the beginning of her university career, first at the Bocconi University and later at the Faculty of Economics of the University of Modena and Reggio Emilia. Since the early 1990s, she has been a lecturer in Strategy and Business Planning. Since 2020, she has been a member of the distance learning commission of the Unimore Department of Economics. She is also a member of the planning committee for the Master's degree course "*Data Analysis for Economics and Management*" for the Unimore Department of Economics. She has numerous publications.

Alessandra Bucci

Senior manager with more than 25 years of management experience in marketing, sales and operations, which started in FMCG (Unilever), then in pharmaceuticals (Bristol Myers Squibb) and developed mainly in services, telecommunications (TIM) and transport (Trenitalia). Having studied marketing and trade marketing in depth, Dr Bucci has developed extensive experience in telecommunications, where she manages all levers of marketing, customer relations and sales policies, planning and customer experience. She also gained significant experience as commercial director of Trenitalia. As at the date of the Report, she acts as a strategic advisor to large and medium-sized service companies and is a member of the Boards of Directors of large companies listed on or

investees in by the MEF. It supports the EBRI scientific foundation in marketing and fundraising activities. She is a contract lecturer in International Marketing at the Sapienza University of Rome.

Maria Giovanna Calloni

Graduated in 1987 in Business Economics *summa cum laude* from the Bocconi University of Milan. From 1987 to 1990, she worked as an analyst at Memorex Telex with assignments in Milan, London and New York. In 1992, she obtained a Master's degree in Business Administration with honours from New York University and was hired as an associate at the investment bank Merrill Lynch in the New York office. This was followed by positions of increasing responsibility within the investment banking team and later as director in equity capital markets. Since her return to Italy, she has been investing with shareholdings in unlisted companies with a focus on the renewable energy, fintech and technology sectors. She also carries out corporate advisory activities in relation to capital markets and M&A processes for portfolio companies.

For more information on the composition of the Company's Board of Directors, please refer to Table 2 in the Appendix.

This Report also contains, as annex, a list of all offices held by the Directors in other companies as of the Report Date, according to the criteria set forth herein.

Diversity criteria and policies in the composition of the Board and in the Company organisation

The rules providing that the distribution of the members of the Board of Directors to be elected shall be made on the basis of a criterion ensuring gender balance, in compliance with the legal provisions in force from time to time, have been incorporated into the Issuer's Articles of Association. In this regard, it should be noted that although Article 147-ter, paragraph 1-ter of the Italian Consolidated Law on Finance, as amended by Law No. 160 of 27 December 2019, envisages that the provisions on gender balance shall apply as of the first renewal of the Board of Directors following the listing, providing that the less represented gender obtains at least one-fifth of the directors elected on the occasion of the first renewal and at least two-fifths of the directors elected on the occasion of the next five consecutive terms (in any case rounded upwards), the composition of the Issuer's Board of Directors, on a voluntary basis, already complies with the requirements for renewals following the first one.

In addition, it is worth stating how the issue of gender diversity also found its place within the managerial choices that characterised CY4's corporate dynamics during the Financial Year. More specifically, we reiterate how, in identifying the Plan's Targets, the Company defined an annual target linked to ESG issues and, in particular, to obtaining and maintaining the "*Gender Equality Certification*" (see Section 2 of the Report).

As at the Report Date, the Issuer has not formally adopted specific diversity policies in relation to the composition of the managing body with regard to aspects such as gender or, again, age, and educational and professional background. However, the composition

of the Company's managing body reflects an adequate degree of diversification regarding the terms represented above.

Maximum number of offices held in other companies

It should be noted that, with regard to the Company, Recommendation No. 15 of the Code – intended only for “*large companies*” – which requires the Board of Directors to express “*its orientation on the maximum number of positions on the Boards of Directors or Boards of Statutory Auditors in other listed companies or companies of significant size that may be considered compatible with the effective performance of the office of director of the company, taking into account the commitment deriving from the position held*”, does not apply.

In any event, the Board of Directors believes that the number and quality of the offices held by its members in other companies does not interfere and is therefore compatible with the effective performance of the office of director of the Issuer.

4.4 OPERATION OF THE BOARD OF DIRECTORS (UNDER ARTICLE 123-BIS, PARAGRAPH 2, LETTER (D) OF THE ITALIAN CONSOLIDATED LAW ON FINANCE)

The Board of Directors plays a central role in leading and managing of the Issuer: pursuant to Article 19 of the Articles of Association, the management of the company is the exclusive responsibility of the managing body, which carries out all operations necessary to implement the corporate purpose, in accordance with the law and the Articles of Association.

In order to define the rules and procedures for its own functioning, the Board of Directors has adopted its own rules (for the purposes of this section, the “**Rules**”).

The Rules covers – *inter alia* – the management of information to directors, the procedures for taking minutes of meetings, and the procedures for protecting the confidentiality of data and information provided, so as not to prejudice the timeliness and completeness of information flows.

More specifically, the Rules envisage, *inter alia*, the following:

- the notice of call must be sent to each director – by e-mail, telefax or other means deemed appropriate – at least 5 (five) days before the date set for the meeting, or, in case of urgency, at least 1 (one) day before the meeting and must contain the date, time, list of items on the agenda and the place of the meeting;
- meetings of the Board of Directors may be held by audio or videoconference provided that all participants can be identified and are allowed to follow the discussion and intervene in real time in the discussion of the topics addressed;
- the documentation supporting the decisions to be taken, containing any proposals for resolutions and suitable information to support the work of the Board of Directors, shall be made available to the directors at least 3 (three) days prior to the date set for the meeting, except in cases of urgency in which the documentation shall be made available to the members of the Board of Directors

at the latest at the same time as the notice of call where this is not possible, the Chair (or whoever is taking their place), with the help of the meeting secretary, may ensure that adequate and punctual information is made available during the Board meetings. The documentation is made available by sending it via email;

- Minutes are taken at each meeting and signed by the Chair and the Secretary;
- once approved, the minutes are transcribed in the special corporate book, are kept by the competent corporate functions and may be consulted, if requested, by each Director as well as by other persons entitled thereto in accordance with the regulatory provisions applicable from time to time;
- the conduct of meetings are confidential. It is prohibited to disseminate news concerning the meetings themselves (except for legitimate reasons related to the performance of the office) and the Minutes and resolutions are considered confidential documents. Minutes, resolutions, mail and documents belonging to Directors are subject to confidentiality obligations and if not collected by the Directors at the end of the meeting, they must be collected and kept by the Secretary. Access to the documents of the Board of Directors is prohibited for unauthorised parties.

The Board of Directors is called by the Chair as often as they deem it necessary, or as requested by at least two of its members. Pursuant to Article 151 of the Italian Consolidated Law on Finance, also the Board of Directors, or each standing, have the power to call the Board of Directors.

The Board of Directors is duly established with the majority of the directors in office and resolves with the majorities provided for in the Articles of Association: (a) with the favourable vote of the majority of the directors present; and (b) with the favourable vote of the absolute majority of the directors in office if the intention is to set up an asset for a specific business.

For the sake of completeness, it should be noted that – pursuant to Article 24, paragraphs 4 and 5 of the Articles of Association – the approval of Board resolutions relating to acts, in any case, of disposal, on a final or temporary basis, of patented and non-patented industrial property rights (including know-how, programmes and in general software, databases, data and industrial and commercial information, whether or not subject to the secrecy regime, and in any case) pertaining to the technologies that the Company uses in the ordinary course of its business, the favourable vote of all the directors drawn from the Majority Slate shall in any event be required and, solely in the event that the Second Slate is submitted by shareholders holding a total of at least 35% (thirty-five per cent) of the share capital, the favourable vote of all the directors drawn from said Second Slate shall also be required.

Only if 2 (two) directors are taken from the Second Slate, the favourable vote of at least 1 (one) director taken from the Second Slate shall in any event be required for the approval of Board resolutions relating to:

- a) approval of merger and demerger projects, with the exception of those referred to in Articles 2505 and 2505–*bis* of the Italian Civil Code;
- b) acquisition of real estate and/or participations worth more than EUR 10,000,000.00;
- c) assumption of financial indebtedness over EUR 20,000,000.00.

The Board of Directors performs the aforementioned tasks, as well as the further tasks assigned to it by the CG Code, relying – where applicable – on the support of the committees set up within it.

During the Financial Year, the Directors ensured the effective performance of their duties, dedicating the time necessary for the most efficient functioning of the managing body; this is attested, with respect to the significant number of Board meetings held during the Financial Year, by the high percentage of attendance of the Directors at these meetings.

During the Financial Year, the Board of Directors met 11 times. As of the Report Date, four meetings of the managing body have been held, including the one at which the Report was approved, and at least four more are planned.

The average duration of the meetings of the Board of Directors during the Financial Year, as a whole, was approximately 1 hour and 45 minutes. Meetings took place both in physical presence and via audio–video conference link.

Please refer to Table 2 in the Appendix to this Report for more details in this regard.

4.5 ROLE OF THE CHAIR OF THE BOARD OF DIRECTORS

On 2 May 2023, the managing body resolved, among other things, to appoint Domitilla Benigni as Chair of the Board of Directors.

The Chair of the Board acts as liaison between the executive and non–executive directors, and ensures the effective operation of Board proceedings.

More specifically, the Chair of the Board of Directors, during the Financial Year, took care of:

- (i) the suitability of the pre–meeting information, as well as of the additional information provided during Board meetings, to enable directors to act in an informed manner in the performance of their role, ensuring that the items on the agenda were given the time necessary to examine each and every one of the issues on the agenda at the respective Board meetings, and also encouraging constructive and wide–ranging debate, contribution and discussion by all Directors;
- (ii) the coordination of the activities of the internal board Committees with the activities of the Board, acting as a link between the work of the latter and that of the Board;
- (iii) in agreement with the Chief Executive Officer, the attendance at Board meetings – also at the request of individual directors – of the executives of the Company and of the Group companies, responsible for the corporate functions competent according

to the subject matter, in order to provide the appropriate in-depth analyses of the items on the agenda. During the Financial Year, persons external to the Board were sometimes invited to take part in Board meetings, in particular Issuer executives, heads of competent corporate functions, depending on the items on the agenda, in order to ensure that all Directors and Statutory Auditors had the opportunity to discuss the topics in depth;

- (iv) the participation of the members of the managing and control Bodies, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Issuer operates, of company dynamics and their evolution also with a view to the Issuer's sustainable success, as well as the principles of proper risk management and the regulatory and self-regulatory framework of reference. In this regard, it should be noted that, on 13 June 2023, a presentation on the Company and its business model was organised at the Issuer's registered office, where the reference markets in which it operates and the products and services developed and provided were illustrated.

With regard to (i) the Board's self-assessment process and (ii) the dialogue held with shareholders, please refer to Section 7 and Section 12 of this Report, respectively.

Secretary of the Board

For the organisation of its activities the Board of Directors is supported by a Secretary.

The Secretary, appointed upon the Chair's proposal at each Board meeting, may also be chosen from outside the members of the Board of Directors, among individuals of proven professionalism.

The secretary supports the activities of the Chair and provides impartial assistance and advice to the Board of Directors on any aspect relevant to the proper functioning of the corporate governance system. The secretary also assists the Chair in drawing up the minutes of each meeting and signs them together with the Chair.

During the Financial Year, the Secretary supported the activities of the Chair of the Board (particularly in relation to the aspects indicated in Section 4.5 "*Role of the Chair of the Board of Directors*" above) and provided impartial assistance and advice to the Board on any aspect relevant to the proper functioning of the corporate governance system.

4.6 EXECUTIVE DIRECTORS

Chief Executive Officer

The Board of Directors consists of executive and non-executive directors.

Pursuant to the Articles of Association, the Board of Directors may delegate part of its powers to one or more of its members, determining their powers and remuneration.

On 2 May 2023, the Board of Directors appointed Emanuele Galtieri as Chief Executive Officer, granting him the following powers and proxies:

A. General representation of the Company

This shall be understood to include all powers necessary to, *inter alia*, (i) sign the Company's correspondence; (ii) carry out the Company's legal obligations, dealings with any administrative authority, court or office (including the Companies Register and Financial Authorities), dealings with the Company's shareholders, consultants, certification and auditing companies (where appointed); (iii) represent the Company in any transaction or act of ordinary administration, with signatory powers; (iv) file and renew trademarks, register patents, register, renew or delete internet domains, as well as grant and obtain the licence of industrial property rights in any form; (v) represent the Company in Shareholders' Meetings of subsidiaries and/or investee companies.

B. Relations with Bodies and Administrations

This shall be understood as including all powers necessary to, *inter alia*, (i) represent the Company in respect of any independent administrative authority (expressly including the Italian Securities and Exchange Commission, the Italian Competition Authority, the Italian Data Protection Authority), making, signing and sending, in the name and on behalf of the Company itself, all communications, declarations, clarifications and requests that, by law or voluntarily, may be made or submitted to the authority; (ii) represent the Company before any public or private entity, or any administrative or financial authority, at the Bank of Italy, credit institutions, customs, railway, tramway, shipping and transport companies, post and telegraph offices, in all transactions with said bodies, authorities, offices and companies, submitting petitions, deeds, declarations and documents, collecting and paying sums, obtaining and issuing valid receipts and discharges; (iii) authorise the payment of fines, settlements, licensing fees, taxes, duties and other expenses due to the Public Authorities.

C. Representation in Legal proceedings

This is to be understood as including all powers necessary to, *inter alia*, (i) represent the Company vis-à-vis third parties and in Court, both as plaintiff and defendant, before any judicial, arbitration or administrative authority, in any court and at any level of jurisdiction – on the merits, enforcement, precautionary or voluntary jurisdiction – including for proceedings before the Supreme Court and the Council of State, appointing lawyers and general or special attorneys with all necessary powers, with the right to be substituted, as well as to elect address for service; (ii) represent the Company before tax offices, tax commissions at all levels and before any administrative authority, trade union, etc.; to file petitions, complaints, applications and counter-appeals; to sign agreements, apply for licences, permits, authorisations and administrative concessions of all kinds; to appoint and dismiss lawyers and other professionals qualified to act for the deeds and proceedings referred to above, with the power to be substituted, and to elect address for service; (iii) to join criminal proceedings as a civil party, in the name and interest of the Company; to file and submit complaints and suits.

D. Company Management

This is understood to include any power necessary to, *inter alia*, (i) manage the Company in accordance with the indications and resolutions of the Board of Directors; implement said indications and resolutions; (ii) implement the sales, marketing and communication policies as well as support the development strategies established by the Board of Directors; (iii) without prejudice to what is reserved by law for the Board of Directors or the Shareholders' Meeting, to carry out any act of ordinary and extraordinary management concerning the Company's business that entails, even in the aggregate, an expense or commitment not exceeding Euro 3.000,000.00 for each individual transaction. Exceeding this limit will require a resolution of the Board of Directors or, if required, a resolution of the Shareholders' Meeting.

Chair of the Board of Directors

On 2 May 2023, the Board of Directors appointed Domitilla Benigni as Chair of the Board of Directors, granting her the following powers and proxies:

A. General representation of the Company

This shall be understood to include all powers necessary to, *inter alia*, (i) sign the Company's correspondence; (ii) carry out the Company's legal obligations, dealings with any administrative authority, court or office (including the Companies Register), dealings with the Company's shareholders, consultants, certification and auditing companies (where appointed); (iii) represent the Company in any transaction or act of ordinary administration, with signatory powers; (iv) file and renew trademarks, register patents, register, renew or delete internet domains, as well as grant and obtain the licence of industrial property rights in any form.

B. Relations with Bodies and Administrations

This shall be understood as including all powers necessary to, *inter alia*, (i) represent the Company in respect of any independent administrative authority (expressly including the Italian Securities and Exchange Commission, the Italian Competition Authority, the Italian Data Protection Authority), making, signing and sending, in the name and on behalf of the Company itself, all communications, declarations, clarifications and requests that, by law or voluntarily, may be made or submitted to the authority; (ii) represent the Company before any public or private entity, or any administrative or financial authority, at the Bank of Italy, credit institutions, customs, railway, tramway, shipping and transport companies, post and telegraph offices, in all transactions with said bodies, authorities, offices and companies, submitting petitions, deeds, declarations and documents, collecting and paying sums, obtaining and issuing valid receipts and discharges; (iii) authorise the payment of fines, settlements, licensing fees, taxes, duties and other expenses due to the Public Authorities.

C. Representation in legal proceedings

This is to be understood as including all powers necessary to, *inter alia*, (i) represent the Company vis-à-vis third parties and in Court, both as plaintiff and defendant, before any judicial, arbitration or administrative authority, in any court and at any level of jurisdiction – on the merits, enforcement, precautionary or voluntary jurisdiction – including for proceedings before the Supreme Court and the Council of State, appointing lawyers and general or special attorneys with all necessary powers, with the right to be substituted, as well as to elect address for service; (ii) represent the Company before tax offices, tax commissions at all levels and before any administrative authority, trade union, etc.; to file petitions, complaints, applications and counter-appeals; to sign agreements, apply for licences, permits, authorisations and administrative concessions of all kinds; to appoint and dismiss lawyers and other professionals qualified to act for the deeds and proceedings referred to above, with the power to be substituted, and to elect address for service; (iii) to join criminal proceedings as a civil party, in the name and interest of the Company; to file and submit complaints and suits.

D. Company Management

This is understood to include any power necessary to (i) verify and monitor the implementation of the resolutions of the Board of Directors; (ii) support the Chief Executive Officer in the elaboration of the Company's commercial, marketing and communication policies, which shall in any case remain the sole responsibility of the Chief Executive Officer; (iii) support the Chief Executive Officer in the elaboration of the Company's strategies to be submitted to the approval of the Board of Directors.

The Chair of the Board of Directors is not the controlling shareholder of the Issuer.

Executive Committee (under Article 123-*bis*, paragraph 2, letter (d) of the Italian Consolidated Law on Finance)

Pursuant to the Articles of Association, the Board of Directors may provide for the establishment of an executive committee, of which the Chair and all directors with delegated powers shall be automatically members. For the call, convening and functioning of the executive committee, the rules envisaged for the Board of Directors apply; its resolutions are passed by majority of the votes of those present and voting.

As at the Report Date, no executive committee has been appointed.

Disclosure to the Board by the directors/bodies with delegated powers

At the first available meeting, the directors with delegated powers report to the Board on the activities performed in exercising the powers delegated to them and in particular on atypical, unusual or related party transactions, as well as on those of major economic, financial and equity significance, carried out by the Company or its subsidiaries.

Other executive directors

There are no other directors on the Board of Directors who are to be considered executive directors because: (i) they hold management positions in the Issuer; (ii) they hold the position of Chair of a subsidiary company of the Issuer with strategic

importance, when they have delegated powers concerning management or development of company strategies; (iii) they hold the position of chief executive officer, or management positions, in a subsidiary company of the Issuer with strategic importance, or in the Issuer's parent company when the position also concerns the Issuer.

4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTORS

Independent Directors

As of the Report Date, out of 9 (nine) members of the Board of Directors, 3 (three) qualified as independent pursuant to the Italian Consolidated Law on Finance and the CG Code: Alessandra Bucci, Cinzia Parolini and Maria Giovanna Calloni.

At its meeting of 2 May 2023, the Board of Directors assessed the independence of its Directors pursuant to and for the purposes of Article 148(3) of the Italian Consolidated Law on Finance (as referred to in Article 147-ter (4) of the Italian Consolidated Law on Finance) and Article 2 of the Corporate Governance Code, verifying the presence of an adequate number of non-executive and independent Directors in order to comply with the recommendations of the CG Code.

The number of CY4's Independent Directors and their competences are adequate for the needs of the company and the functioning of the Board of Directors, as well as for the purposes of setting up the relevant Committees.

Moreover, the Board of Directors:

- (i) on 8 March 2024, after receiving the favourable opinion of the Nomination and Remuneration Committee, approved the Quantitative and Qualitative Criteria for the purpose of the process of verifying the independence of the Company's directors and statutory auditors, for the assessment of the significance of the relationships – respectively – between said persons and the Company and/or the Group, pursuant to Recommendation 7 of the CG Code;
- (ii) on 14 March 2024, the Board of Directors assessed the existence of the independence requirements for each of the non-executive directors, according to the criteria set forth in point (i) above.

Directors' Independence Requirements are in any case subject to evaluation by the Board of Directors during the course of their term of office if circumstances relevant to independence arise and in any case at least every three years.

It should be noted that, on 14 March 2024, the Board of Statutory Auditors – within the scope of the duties attributed to it by law – verified the correct application of the aforementioned criteria and assessment procedures adopted by the Board of Directors to assess the independence of the directors in office as of the Report Date.

Lead Independent Director

Since the prerequisites under the CG Code do not exist, the Issuer has decided – on the basis of the recommendations contained in the CG Code – not to establish such a figure at present.

5. MANAGEMENT OF CORPORATE INFORMATION

Procedure for Inside information management and keeping the insider Register

On 18 May 2023, the Board of Directors adopted, with subordinate effectiveness and as of the Trading Commencement Date, a procedure for the management and processing of inside information and for the external disclosure of documents and information, as well as for keeping and updating the register of persons with access to inside information.

For further information, please refer to the procedure, available on the Company's website at <https://www.cy4gate.com/it/>, Governance/Corporate Documents Section.

6. COMMITTEES WITHIN THE BOARD (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER (D) OF THE ITALIAN CONSOLIDATED LAW ON FINANCE)

On 18 May 2023, in order to ensure the effective performance of its functions in line with the provisions of Article 3, Recommendation 16 of the Code, the Board of Directors – with subordinate effectiveness and as of the Trading Commencement Date – resolved to set up internally (i) the Control, Risk and Sustainability Committee, (ii) the Nomination and Remuneration Committee, and (iii) the Related-Party Transactions Committee (see Section 10 of this Report).

The Control, Risk and Sustainability Committee consists of 3 members, 2 of whom (including the Chair) are non-executive and independent, namely:

- Cinzia Parolini (Chair);
- Alessandra Bucci;
- Roberto Ferraresi.

Within the scope of its powers, the Control, Risk and Sustainability Committee:

- a) assesses, in consultation with the financial reporting manager responsible for preparing the company's financial reports, the audit firm and the Board of Statutory Auditors, the correct use of accounting standards and, in the case of groups, their uniformity for the purposes of preparing the consolidated financial statements;
- b) assesses the suitability of periodic and financial information to fairly represent the Company's business model, strategies, the impact of its activities and the performance achieved;
- c) expresses opinions on specific aspects concerning the identification of the main corporate risks and supports the assessments and decisions of the Board of

Directors concerning the management of risks arising from prejudicial facts of which the latter has become aware;

- d) examines periodic and particularly significant reports prepared by the internal audit function;
- e) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function;
- f) may entrust the internal audit function to carry out checks on specific operational areas, simultaneously giving notice thereof to the Chair of the Board of Statutory Auditors;
- g) reports to the Board of Directors, at least every six months, on the occasion of the approval of the annual and semi-annual financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system;
- h) performs the additional tasks assigned to it by the Board of Directors.

In addition, as the body responsible for sustainability, the Committee:

- a) performs support and advisory functions in respect of the Board of Directors with regard to sustainability, meaning the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain;
- b) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- c) examines and assesses the sustainability policies adopted by the Company, aimed at ensuring the creation of value over time for the generality of shareholders and for all other stakeholders relevant to the same in a medium-long term horizon in compliance with the principles of sustainable development, as well as the guidelines, objectives, and consequent sustainability processes and the sustainability reporting submitted annually to the Board of Directors, including, in particular, the sustainability budget.

The main activities carried out by the Control, Risk and Sustainability Committee during the Financial Year and up to the Report Date are summarised below:

- analysis and assessments concerning the updating of the model pursuant to Legislative Decree 231/2001 adopted by the Issuer;
- analysis and assessment of ESG issues with a view to promoting the sustainable success of the Company;
- meetings with the Supervisory Body and the Internal Audit Function as part of the information flows between the corporate areas involved in the Company's internal control and risk management system;

- meetings with the Financial Reporting Manager and CFO of the Company and the audit firm regarding issues related to the annual and interim financial situations of the Company and the Group;
- assessment of risk profiles relating to corporate operations;
- examination and evaluation of the impairment test procedure.
- evaluation of the organisational structure, the suitability of periodic and financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved;
- examination and evaluation of the Budget 2024, and the Business Plan 2024 – 2028;
- review and evaluation of the criteria for the identification of subsidiaries of strategic importance.

The Nomination and Remuneration Committee consists of 3 members, 2 of whom (including the Chair) are non-executive and independent, namely:

- Alessandra Bucci (Chair);
- Maria Giovanna Calloni;
- Paolo Izzo.

In its function as Nomination Committee, the Committee assists the Board of Directors in the following activities:

- (a) periodic self-evaluation of the Board of Directors and its committees, overseeing the process and providing for the preliminary investigation for the possible appointment of an external consultant;
- (b) definition of the optimal composition of the Board of Directors and its committees;
- (c) identification of candidates for the office of director in cases of co-optation;
- (d) in view of the renewal of the Board of Directors, possible submission of a slate by the outgoing Board of Directors to be implemented in a manner that ensures its transparent formation and presentation;
- (e) preparation, updating and implementation of succession plans for the Chief Executive Officer and other executive directors, if the Board of Directors has considered adopting such plans;
- (f) submit proposals or express opinions in relation to resource development policy.

In its function as Remuneration Committee, the task of the Committee shall be to:

- (a) draw up a proposal for the remuneration policy to be submitted to the Board of Directors for approval;
- (b) present proposals or expresses opinions on the remuneration of executive directors and other directors who hold special offices, and on the setting of performance targets for the variable component of this remuneration;

- (c) monitor the concrete application of the remuneration policy with particular reference to the achievement of performance targets;
- (d) periodically assess the adequacy and overall consistency of the policy for the remuneration of directors and top management, if necessary making proposals to the Board of Directors on the matter;
- (e) express an opinion on particular and specific matters of remuneration for which the Board of Directors has requested its examination.

The main activities performed by the Nomination and Remuneration Committee during the Financial Year and up to the Report Date are summarised below:

- analysis of the performance targets related to the variable component of the remuneration of the Company's General Manager;
- analysis of the performance targets related to the variable component of the remuneration of the Company's sales figures;
- examination of the independence criteria for directors;
- assessment of the profile of the candidate identified in the context of the co-optation of a member of the Board of Directors;
- examination of the corporate organisation chart and the organisational structure of the Issuer and the Group.

The Related-Party Transactions Committee, composed of 3 non-executive and independent members, namely:

- Maria Giovanna Calloni (Chair);
- Cinzia Parolini;
- Alessandra Bucci.

This Committee performs the functions assigned to it by the RPT Procedure. In particular, the Committee shall:

- (a) provide a reasoned, non-binding opinion on the Issuer's interest in carrying out Non-Significant Transactions (as defined within the RPT Procedure), as well as on the appropriateness and substantial correctness of the related conditions;
- (b) be involved in the negotiation phase and the investigative phase in the case of Significant Transactions (as defined within the RPT Procedure). Subsequently, it must provide a reasoned, binding opinion on the Company's interest in carrying out the operation, as well as on the appropriateness and substantial correctness of the related conditions.

The main activities carried out by the Related-Party Transactions Committee during the Financial Year and up to the Report Date are summarised below:

- analysis of the mapping of the Company's related parties;
- analysis of related party transactions;

- analysis of the controls adopted by the Company in relation to transactions with related parties.

The Board determined the composition of the Committees by giving priority to the competence and experience of their members.

Each Committee reports periodically to the Board of Directors on its business.

In relation to each Committee, the Board of Directors has adopted regulations defining its rules of operation, including the procedures for taking minutes of meetings (taken by the Secretary of the meeting) and the procedures for managing the reporting to the directors who are members of the Committees.

Additional Committees (other than those envisaged by law or recommended by the Code)

On 18 May 2023, the Board of Directors established the Strategic Committee from among its members, with the task of assisting the Board of Directors and the Company's delegated bodies with investigative, proposing and advisory functions, in the evaluations and decisions of the Board of Directors in accordance with the specific powers attributed to the same, it being understood that the evaluation of the approval of the possible transactions proposed by the Committee is the exclusive responsibility of the Board of Directors.

In particular, the Committee supports the Board of Directors in the performance of tasks relating to:

- (i) the expansion of the Company's business in terms of growth by internal lines and support for product and technology strategies;
- (ii) carrying out preparatory activities for the identification of companies of interest with which to initiate acquisition and/or corporate integration processes (including research and scouting activities for M&A opportunities).

The Strategic Committee consists of the following Directors: Alberto Luigi Sangiovanni Vincentelli (Chair), Roberto Ferraresi, Paolo Izzo and Emanuele Galtieri (member by right as Chief Executive Officer of the Company).

The main activities performed by the Strategic Committee during the Financial Year and up to the Report Date are summarised below:

- analysis of medium- to long-term strategies related to the cyber security segment and evaluation of potential growth operations by external lines;
- analysis and evaluation of corporate transactions;
- analyses and assessments concerning issues related to the development of the Issuer's and the Group's business.

7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS – NOMINATION COMMITTEE

7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

The Board of Directors periodically assesses the effectiveness of its activities and the contribution made by its individual members, through formalised procedures whose implementation it oversees.

In particular, at least once every three years – with a view to renewal – the Board conducts a self-assessment of itself and its Committees, considering, among other things, the role played by the managing body in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

The relevant preliminary investigation – the management of which falls within the remit of the Nomination and Remuneration Committee – will be carried out in accordance with the principles and recommendations contained in the CG Code, as well as market best practices.

With reference to Article 4, Recommendation 23 of the CG Code, the Board of Directors – considering its own functioning, the size and ownership structure of the Company and the Group – has decided not to adopt, in view of each of its renewals, any guidelines regarding its quantitative and qualitative composition deemed optimal. In this regard, however, it should be noted that, particularly in view of the structure of the Issuer's shareholding structure, the Board of Directors may be promptly activated in order to take the appropriate resolutions.

Furthermore, Article 4, Recommendation 24 of the CG Code, in recommending the establishment of a succession plan for the chief executive officer and executive directors and the establishment of appropriate procedures for the succession of top management, addresses 'large companies', a category in which the Issuer is not included. Therefore, the Company – not falling within this definition' – decided not to have a succession plan for the chief executive officer and executive directors.

7.2 NOMINATION COMMITTEE

Composition and functioning of the Nomination Committee (pursuant to Art. 123-*bis* paragraph 2, letter d), Italian Consolidated Law on Finance)

On 18 May 2023, the Board of Directors established the Nomination and Remuneration Committee from among its members, composed of 3 members, 2 of whom (including the Chair) are non-executive and independent, namely:

- Alessandra Bucci (Chair);
- Maria Giovanna Calloni;
- Paolo Izzo.

The Committee meets upon call and coordination of its Chair, Alessandra Bucci. Meetings are duly recorded and the Chair informs the Board of Directors and the Board of Statutory Auditors at the first available meeting.

During the Financial Year, the Nomination and Remuneration Committee acting as Nomination Committee met 2 times, with the participation not only of its members, but also of the Board of Statutory Auditors.

During the Financial Year, at the invitation of Ms Bucci as Chair, directors and representatives of corporate functions who are not members of the Nomination Committee attended its meetings.

The average duration of the Nomination Committee meetings was 50 minutes.

For the current year, the Nomination Committee has scheduled at least four meetings, two of which have already been held as of the Report Date.

For more information on this, please refer to Table 3 in the appendix to this Report.

Functions of the Nomination Committee

The Nomination Committee submits proposals and provides advice and, in particular – as mentioned above – assists the Board of Directors in the following activities:

- (a) periodic self-evaluation of the Board of Directors and its committees, overseeing the process and providing for the preliminary investigation for the possible appointment of an external consultant;
- (b) definition of the optimal composition of the Board of Directors and its committees;
- (c) identification of candidates for the office of Director in cases of co-option;
- (d) in view of the renewal of the Board of Directors, possible submission of a list by the outgoing Board of Directors to be implemented in a manner that ensures its transparent constitution and presentation;
- (e) preparation, updating and implementing succession plans for the Chief Executive Officer and other executive directors, if the Board of Directors has considered adopting such plans;
- (f) submit proposals or express opinions in relation to resource development policy.

Please refer to Section 6 of the Report for the main activities of the Nomination Committee during the Financial Year.

In carrying out its functions, the Nomination Committee had access to the information and corporate functions necessary to perform its duties, as well as to financial resources and the use of external consultants, under the terms established by the Board of Directors.

8. DIRECTORS' REMUNERATION – REMUNERATION COMMITTEE

8.1 DIRECTORS' REMUNERATION

The information relating to this Section of the Report is contained in the Report on the remuneration policy and remuneration paid, to which reference is made, drafted pursuant to Articles *123-ter* of the Italian Consolidated Law on Finance and *84-quater*

of the Issuers' Regulation as well as in compliance with the recommendations of Article 5 of the Code, made available to the public on the Company's website(<https://www.cy4gate.com/it/>) and with the other methods provided for by the regulations in force.

8.2 REMUNERATION COMMITTEE

Without prejudice to what is reported below, for information concerning this Section, please refer to the relevant parts of the Report on the remuneration policy and remuneration paid published pursuant to Article 123-ter of the Italian Consolidated Law on Finance.

Composition and functioning of the Remuneration Committee (pursuant to Art. 123-bis paragraph 2, letter d), Italian Consolidated Law on Finance)

On 18 May 2023, the Board of Directors established the Nomination and Remuneration Committee from among its members, composed of 3 members, 2 of whom (including the Chair) are non-executive and independent, namely:

- Alessandra Bucci (Chair);
- Maria Giovanna Calloni;
- Paolo Izzo.

All members of the Nomination and Remuneration Committee have knowledge and experience in financial matters or remuneration policies, deemed appropriate by the Board of Directors at the time of appointment.

In accordance with Recommendation 26, Directors abstain from attending meetings of the Nomination and Remuneration Committee at which proposals are made to the Board of Directors regarding their remuneration.

The Committee meets upon call and coordination of its Chair, Alessandra Bucci. Meetings are duly recorded and the Chair informs the Board of Directors and the Board of Statutory Auditors at the first available meeting.

During the Financial Year, the Nomination and Remuneration Committee acting as Remuneration Committee met 4 times, with the participation not only of its members, but also of the Board of Statutory Auditors.

During the Financial Year, no directors or representatives of corporate functions who are not members of the Remuneration Committee attended its meetings.

The average duration of the Remuneration Committee meetings was 50 minutes.

For the current year, the Remuneration Committee has scheduled at least four meetings, two of which have already been held as of the Report Date.

For more information on this, please refer to Table 3 in the appendix to this Report.

Functions of the Remuneration Committee

The Remuneration Committee submits proposals and provides advice, providing, *inter*

alia, support to the Board of Directors in drawing up the remuneration policy for directors and executives with strategic responsibilities and in periodically assessing the adequacy, overall consistency and concrete application of the policy adopted.

In particular – as anticipated – the Remuneration Committee:

- (a) prepares a proposal for the remuneration policy to be submitted to the Board of Directors for approval;
- (b) presents proposals or expresses opinions on the remuneration of executive Directors and other Directors who hold special offices, and on the setting of performance targets for the variable component of this remuneration;
- (c) monitors the concrete application of the remuneration policy with particular reference to the achievement of performance targets;
- (d) periodically assesses the adequacy and overall consistency of the policy for the remuneration of directors and top management, if necessary making proposals to the Board of Directors on the matter;
- (e) expresses an opinion on particular and specific matters of remuneration for which the Board of Directors has requested its examination.

Please refer to Section 6 of the Report for the main activities of the Remuneration Committee during the Financial Year.

In performing its functions, the Remuneration Committee had access to the information and corporate functions necessary to perform its duties, as well as to financial resources and the use of external consultants, under the terms established by the Board of Directors.

9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM – CONTROL AND RISKS COMMITTEE

The Board of Directors has defined the guidelines of the internal control and risk management system – consisting of the set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the Issuer's sustainable success – in accordance with the Issuer's strategies.

The Company's internal control and risk management system is designed to contribute, through a process of identification, management and monitoring of the main risks within the Company, to the conduct of the business consistent with the objectives set by the Board of Directors. This system is inspired by national and international models and best practices, such as the Code.

Responsibility for the adoption of an adequate internal control and risk management system lies with the Board of Directors, which, with the help of the Control, Risk and Sustainability Committee, performs the tasks assigned to it by the Code, including:

- (a) definition of the guidelines of the internal control and risk management system, so that the main risks pertaining to the Company and its subsidiaries – including

the various risks that may be relevant in view of long-term sustainability – are correctly identified, as well as adequately measured, managed and monitored, also determining the degree of compatibility of such risks with a management of the company consistent with the identified strategic objectives;

- (b) assessing, at least once a year and excluding any unforeseen events in the course of the Company's life that may require extraordinary in-depth investigations aimed at verifying the effectiveness of controls in relation to particular situations, the adequacy of the internal control and risk management system with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness;
- (c) approving, at least once a year, the work plan prepared by the head of the internal audit function, after consulting the Board of Statutory Auditors and the Chief Executive Officer;
- (d) description, in the Corporate Governance Report, of the main characteristics of the Risk Management and Internal Audit System as well as the co-ordination between the parties involved, providing its own assessment of the adequacy thereof.

The other structures/actors involved in the Issuer's ICRMS are:

- (i) the Chief Executive Officer, the person in charge of setting up and maintaining the ICRMS, who oversees the design and functionality of the ICRMS;
- (ii) the Control, Risk and Sustainability Committee, with the task of supporting the Board of Directors' assessments and decisions concerning the internal control and risk management system and the approval of periodic financial and non-financial reports;
- (iii) the Board of Statutory Auditors, which is responsible for monitoring compliance with the law and the articles of association, compliance with the principles of proper administration, the adequacy of the organisational structure, the financial and non-financial reporting process, and the effectiveness of the ICRMS;
- (iv) the Head of Internal Audit, who is responsible for verifying that the ICRMS is functioning, adequate and consistent with the guidelines defined by the Board of Directors;
- (v) the Supervisory Body, which has the task of supervising the operation of and compliance with 231 Model, as well as ensuring that it is updated;
- (vi) the Financial Reporting Manager in charge of preparing corporate accounting documents, who plays a proactive role in the continuous implementation and evolutionary maintenance of the existing internal control risk management system in relation to the financial reporting process, periodically verifying the status of activities and the results of testing activities;
- (vii) the auditing firm that audits the statutory and consolidated financial statements;

- (viii) the corporate functions in charge of identifying, assessing, managing and monitoring the risks specific to their areas of competence, as well as the corporate control functions in charge of ensuring the proper implementation of a structured risk analysis and management process (*i.e.* the Coordination and Consultation Body for the Prevention of Corruption and the Reporting Committee, which also operates in the anti-corruption field).

The main features of the existing risk management and internal audit system in relation to the financial reporting process (pursuant to Article 123-bis(2)(b) of the Italian Consolidated Law on Finance)

Introduction

The Group's system of internal control and risk management over financial reporting, defined as the set of activities aimed at identifying and assessing actions and events whose occurrence or absence could compromise – partially or totally – the achievement of the objectives of reliability, accuracy, trustworthiness and timeliness of financial information, is designed to ensure that the administrative-accounting procedures adopted and their application are adequate to ensure the achievement of these objectives, in accordance with the reference Accounting standards.

The system of internal control and risk management over financial reporting has been defined in accordance with commonly accepted frameworks and best practices, and is constantly monitored as well as subject to periodic evaluation and review to ensure the proper design, operation and application of the related controls and supervision.

The Control, Risk and Sustainability Committee has the task of assisting the Board of Directors in defining guidelines for the internal control and risk management system, consistent with the Group's strategies and so that the main risks pertaining to the Company and its subsidiaries are correctly identified, adequately measured, managed and monitored, determining the criteria for compatibility between the risks thus identified and the sound and proper management of the Group, consistent with the identified strategic objectives, in order to contribute to the sustainable success of the Group.

Characteristics of the Group's internal control and risk management system

The Group's internal control and risk management system has been progressively updated over the years to incorporate the Group's organisational and structural evolution, as well as best practices and regulatory framework. It is structured according to the Group's organisational, operational and governance configuration, taking into account the specific regulatory framework of the sector, as well as in line with the

standards required for a multinational company and issuer of shares on Euronext Milan, STAR segment.

The main elements that identify and characterise the Group's control environment are:

- the ethical values expressed in the Organisation, Management and Control Model prepared pursuant to Legislative Decree no. 231/2001 and subsequent amendments, compliance with which is monitored by the Supervisory Body, which has autonomous powers of initiative and control;
- the adoption and dissemination of the Code of Ethics, which defines the main principles of the organisational model, through a system of rules of conduct aimed at preventing the commission of the offences provided for in the Legislative Decree no. 231/2001;
- the attention paid by Management to internal controls aimed at mitigating risks that may jeopardise the achievement of objectives.

The phases of the Group's internal control and risk management system and the roles and functions involved are described below.

The Group's organisational structure itself contributes to the effectiveness of the internal control environment, including by means of a system of responsibilities defined, *inter alia*, by the Group's functional organisational chart, which is governed by internal procedures that illustrate the organisational model and define the main persons involved in the organisational structure, as well as the assignment of the main persons to the various functions.

On 2 May 2023, the Board of Directors of CY4Gate S.p.A. appointed Marco Latini as Financial Reporting Manager in charge of preparing the Group's corporate accounting documents, pursuant to Article 154-bis of the Italian Consolidated Law on Finance, effective as of the first day of listing on Euronext Milan – STAR Segment.

Mr. Latini, for the execution of his activities as Financial Reporting Manager, avails himself of an operational structure, reporting directly to him, for the analysis and monitoring of corporate processes, in compliance with the Group's administrative-accounting procedures, aimed at presiding over the preparation of the financial statements, the consolidated Financial Statements and any other communication of a financial nature. During the Financial year 2024, the transition to SAP4Hana is underway for the Parent Company and RCS S.p.A., which will allow for the strengthening of the controls.

The characteristics of the system adopted are described below, in line with current regulations, with particular reference to (a) the phases of the risk management and internal control system in relation to the financial reporting process and (b) the roles and functions involved and the methods of coordination between the parties involved.

Phases of the existing Risk Management and Internal Control System existing in relation to the financial reporting process

- Identification of risks on financial reporting: this phase is aimed at outlining the criteria for identifying the perimeter of companies and processes considered relevant for the 2023 financial reporting and the relative control system, in terms of the potential impact on financial reporting of potential risks resulting from any deficiencies or weaknesses in the management and control system. These risks refer to both the possible risks of unintentional error and fraud, as they are likely to have a material impact on financial reporting.
- Risk assessment on financial reporting: this is where the Group's administrative-accounting risk assessment process takes place, aimed at identifying and assessing the main risks that could affect financial reporting. Risks are first identified on the basis of the reference business processes, then more "disaggregated" on the basis of the activities of the companies in the perimeter and assessed at the level of "inherent risk" ("control-free") and declined by (i) impact (so-called "magnitude") and (ii) probability. Based on the identification and assessment of risk areas, the components of the internal control system with respect to financial reporting are analysed by means of:
 - a) a macro analysis, at the business process level;
 - b) a more granular analysis, which from the business process dimension declines risks at the level of balance sheet items significant for financial reporting, and at the level of financial reporting itself.
- Identification of controls against identified risks: a detailed Risk Management system is in place within the Group (with quarterly review and reporting) for the identification, description, measurement, definition of probability of occurrence, assessment of impacts and recovery actions of the main risks deemed applicable.

Based on the risk assessment, specific control activities are identified to mitigate the risks, which can be distinguished in the following clusters:

- controls applicable to the entire Group, across the control perimeter (so-called "Entity Level Controls");
- specific controls at business process level ('Process Level Controls');
- controls relating to IT systems, aimed at ensuring the proper functioning and security of information and data ("IT General Controls"), for which the Chief Information Security Officer is responsible.

The controls, whatever the cluster, are then broken down into "key" and "non-key" controls, according to the magnitude and likelihood of occurrence of the associated risks they are intended to prevent or mitigate.

- Assessment of controls for identified risks: once these risks have been defined and assessed for the two dimensions above, they are linked to the Group's management and control system in order to verify that they are all appropriately mitigated by controls - preventive or deterrent - to ensure that financial reporting is free from material impacts arising from risks that are either prevented or identified in a timely manner and monitored on an ongoing basis. Where deemed necessary, controls are modified/expanded from time to time with the aim of ensuring constant total

coverage of risks deemed to have a potentially significant impact on financial reporting. The way in which controls are periodically evaluated (both in terms of design and operation). In order to verify and ensure the operability of the internal control system on financial reporting, a periodic monitoring activity is carried out by the persons responsible for the processes (so-called "process owners"), the Financial Reporting Manager, the corporate bodies as well as third parties (Internal Audit, Protiviti). The Financial Reporting Manager periodically provides the Control, Risk and Sustainability Committee and the Group's Supervisory Body with information related to economic and financial reporting and administrative-accounting processes and the related control activities performed, and offers support to these bodies, also through his operational structure, in the context of their activities regarding administrative controls on the preparation of corporate accounting documents. In fact, it is the task of the Control, Risk and Sustainability Committee to periodically assess - at least once a year - the adequacy of the internal control and risk management system with respect to the characteristics of the Company and the risk profile assumed, as well as its effectiveness.

Any shortcomings or weaknesses in the design or operation of the controls are reported to the process owners and to the Financial Reporting Manager, and followed up with a remediation plan that is monitored together with the periodic monitoring described above.

Furthermore, as provided for in Article 154-bis, paragraph 5, of the Italian Consolidated Law on Finance, the Financial Reporting Manager, together with the Chief Executive Officer, provides his own illustrative report and the related attestation required by his role.

Roles and functions involved:

the Board of Directors: with the role of guiding and evaluating the adequacy of the management and control system and with the Chief Executive (CEO) in charge of setting up and maintaining the internal control and risk management system;

the Control, Risk and Sustainability Committee: with the task of assisting the Board of Directors, with investigative, proposing and advisory functions, in the Board's evaluations and decisions relating to the internal control and risk management system, as well as those concerning sustainability issues;

the head of the internal audit function (function outsourced by the Group, at the company Protiviti) responsible for verifying that the internal control and risk management system for reporting purposes is functioning and adequate;

the Board of Statutory Auditors, a body with the function of supervising, in the interest of third parties, compliance with the law, the articles of association and the principles of proper administration;

the Financial Reporting Manager, introduced into the corporate organisation by Article 154-bis of the Italian Consolidated Law on Finance, appointed by the Board of Directors,

in agreement with the Chief Executive Officer and, as commented above, responsible for designing, implementing and approving the accounting and administrative management and control model, as well as assessing its application, issuing a report and attestation to the financial reporting.

At the Board meeting of 14 March 2024, the Board of Directors – after receiving a favourable opinion from the Control, Risk and Sustainability Committee – positively assessed the adequacy of the internal control and risk management system with respect to the characteristics of the Company and the risk profile assumed, as well as its effectiveness, in accordance with Recommendation 33, letter a) of the CG Code. This assessment was conducted on the basis of information and evidence gathered with the support of the preliminary activity carried out by the Control, Risk and Sustainability Committee, and with the contribution of the Company’s management and the Head of the Internal Audit Function.

During the Financial Year, the Board of Directors, also within the scope of the ICRMS assessment activities, carried out with the assistance of the Control, Risk and Sustainability Committee, did not identify or highlight any situations that would require changes in professionalism and resources or the adoption of specific measures to ensure the effectiveness and impartiality of the aforementioned corporate functions involved in controls.

9.1 CHIEF EXECUTIVE OFFICER

On 2 May 2023, the Board of Directors appointed Emanuele Galtieri as Chief Executive Officer and, therefore, pursuant to the Code, he was designated as the person in charge of establishing and maintaining the internal control and risk management system.

The Chief Executive Officer, during the Financial Year:

- (i) identified the main corporate risks, taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and submitted them periodically to the Board of Directors for review;
- (ii) implemented the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the ICRMS and constantly verifying its adequacy and effectiveness, as well as taking care of its adaptation to changing operating conditions and the legislative and regulatory context;
- (iii) entrusted the Internal Audit Department with the task of carrying out audits on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, simultaneously notifying the Chair of the Control, Risk and Sustainability Committee and the Chair of the Board of Statutory Auditors;
- (iv) reported promptly to the Control, Risk and Sustainability Committee on problems and critical issues that had arisen in the course of its work or of which it had otherwise become aware, so that the Committee could take appropriate action.

9.2 CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Composition and functioning of the Control, Risk and Sustainability Committee (under Article 123–*bis*, paragraph 2, letter (d) of the Italian Consolidated Law on Finance)

On 18 May 2023, the Board of Directors established the Control, Risk and Sustainability Committee from among its members, composed of 3 members, 2 of whom (including the Chair) are non-executive and independent, namely:

- Cinzia Parolini (Chair);
- Alessandra Bucci;
- Roberto Ferraresi.

All members have expertise in the sector in which the Issuer operates, functional to assess the risks to which it is exposed. In particular, all the Committee members have adequate knowledge and experience in accounting and finance and/or risk management, deemed adequate by the Board of Directors at the time of appointment.

The Control, Risk and Remuneration Committee meets upon the call and coordination of its Chair, Cinzia Parolini. Meetings are duly recorded in minutes and the Chair of the Control, Risk and Sustainability Committee informs the Board of Directors and the Board of Statutory Auditors at the first available meeting.

During the Financial Year, the Control, Risk and Sustainability Committee met six times, with the attendance not only of its members, but also of the Board of Statutory Auditors.

During the Financial Year, at the invitation of Ms Cinzia Parolini as Chair, directors and representatives of corporate functions who are not members of the Committee attended the Control, Risk and Sustainability Committee meetings.

The average duration of the Control, Risk and Sustainability Committee meetings was 1 hour 30 minutes.

For the current year, the Control, Risk and Sustainability Committee has scheduled at least 7 meetings, 3 of which have already been held as at the Report Date

For more information on this, please refer to Table 3 in the appendix to this Report.

Functions assigned to the Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee supports the Board of Directors in evaluating and deciding on the internal control and risk management system, as well as in approving periodic financial reports.

In particular, the Committee supports the Board of Directors in the performance of tasks relating to the following aspects:

- (i) defining the internal control and risk management system guidelines, in line with the strategies of the Company and so that the main risks relating to the Company and its subsidiaries are correctly identified, adequately measured, managed, and

monitored, establishing the criteria for compatibility between the risks thus identified and a sound and proper management of the Company consistent with the identified strategic objectives, in order to contribute to the sustainable success of the Company;

- (ii) periodically assessing, at least on a yearly basis, the adequacy of the internal audit and risk management system in respect of the characteristics of the Company and the risk profile assumed, as well as in relation to its effectiveness;
- (iii) appointment and dismissal of the head of the *internal audit* function, the definition of their remuneration consistently with the company policies, and the assessment of the adequacy of the resources available to them for the performance of their duties, as well as the verification, where the *internal audit* function is entrusted, in whole or for specific audit activities, to a party external to the Company, that the same possesses adequate professional qualifications, independence, and organisation;
- (iv) approving, at least once a year, the work plan prepared by the head of the *internal audit* function, in consultation with the Board of Statutory Auditors and the *Chief Executive Officer*;
- (v) assessing the appropriateness of taking measures to ensure the effectiveness and impartial judgement of the other corporate functions that may be involved in the controls indicated in Recommendation 32(e) of the Corporate Governance Code, ensuring that they are equipped with adequate professional skills and resources;
- (vi) assigning to the Board of Statutory Auditors or to a body specifically established for this purpose of the supervisory functions pursuant to Article 6(1)(b) of Legislative Decree No. 231/2001;
- (vii) after consulting the Board of Statutory Auditors, assessing the results presented by the auditing firm in the letter of suggestions, if any, and in the additional report addressed to the Board of Statutory Auditors;
- (viii) a description, in the corporate governance report, of the main characteristics of the internal control and risk management system and the coordination methods among the parties involved in it, indicating the national and international reference models and best practices, the expression of an overall evaluation of the system's adequacy, and the illustration of the choices made regarding the composition of the supervisory body referred to in the previous point (vi).

Please refer to Section 6 of the Report for the main activities of the Control, Risk and Sustainability Committee during the Financial Year.

In carrying out its functions, the Control, Risk and Sustainability Committee had access to the corporate information and functions necessary to perform its tasks, as well as

access to financial resources and the use of external consultants, under the terms established by the Board of Directors.

9.3 HEAD OF THE INTERNAL AUDIT FUNCTION

Also in support of the Issuer's internal control and risk management system, in compliance with the provisions of the Code, on 23 June 2023, the Company's Board of Directors entrusted the *Internal Audit* Function – in charge of verifying that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the Board – in full outsourcing to the company Protiviti in the person of Ms Cristina Peano (Managing Director and Head of Audit and Compliance Services of Protiviti Italia).

It should be noted that Ms Peano is not responsible for any operational area of the Issuer, reports to the Board of Directors, and has direct access to all information useful for the performance of her duties.

The Control, Risk and Sustainability Committee assessed the mandate positively, considering it in line with market practices and applicable legislation, as well as with the needs of the Company.

The Board of Directors ensured that Ms Cristina Peano possessed adequate qualifications in terms of professionalism, independence, and organisation, and defined her remuneration consistently with company policies. Additionally, it ensured that she was equipped with adequate resources for the performance of her duties.

In particular, the remuneration was defined within the scope of the mandate, which also precisely indicates the resources that will be used for the performance of the tasks assigned to the Function.

The Audit Plan prepared by the Function – which, although the internal audit assignment will end in June 2024, covers the final period of 2023 and the 2024 financial year – includes the following interventions:

- management of Related Party Transactions;
- classification and information management;
- Human Resources Management;
- management of relationships with business partners;
- segregation of duties;
- new product Research and Development Management;
- administrative Follow-up.

The Board of Directors, having received a positive opinion from the Control, Risk and Sustainability Committee, approved the Plan, deeming it to be in line with needs of the Company.

The head of the Internal Audit Function, from the date of appointment and up to the Report Date has:

- drafted the Audit Plan – following a structured process involving analysis and prioritisation of the main risks affecting the Company’s structure – then submitted it for approval by the Board of Directors, after consulting the Control, Risk and Sustainability Committee;
- initiated the execution of the first internal audit actions, reporting the results to the Board of Directors, in consultation with the Control, Risk and Sustainability Committee.

9.4 ORGANISATION MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

By resolution of the Board of Directors of 22 September 2021, the Issuer adopted the 231 Model, later amended on 13 September 2023, which is the Italian reference standard for corporate criminal liability.

The Issuer’s 231 Model was drafted with the aim of preventing the commission of offences envisaged by the 231 Decree, also taking into account the principles expressed in the guidelines for drafting Organisational Models issued by Confindustria and other relevant trade associations. The 231 Model consists of a general part and a special part. The general part illustrates the contents of the 231 Decree, the purposes of the 231 Model itself and its governance rules, the way in which the Supervisory Body is set up and functions, as well as the sanction system and staff training. The special section describes, for each corporate activity assessed as “sensitive” pursuant to 231 Decree, the relevant offences, the principles of conduct to be observed and the control protocols adopted by the Company to prevent the potential commission of one of the offences referred to in 231 Decree (including, by way of example but not limited to, offences against the Public Administration, corporate offences, tax offences and organised crime offences).

The general part of 231 Model is published on the company website <https://www.cy4gate.com/it/>, Governance/Corporate Documents.

The oversight of the implementation of 231 Model was entrusted to a specifically established Supervisory Body, appointed pursuant to Article 6 of 231 Decree by the Board of Directors on 22 September 2021, entrusted with the duty of monitoring the effectiveness and efficiency of the same and proposing updates or changes, in order to adapt it to changes in the corporate structure and regulatory amendments, also through periodic verification of areas at risk of offences. The Supervisory Body is also responsible for monitoring compliance, proper functioning, and application of the 231 Model, as well as being the recipient of any requests for information and reports of breaches of the 231 Model.

As at the Report Date, the Supervisory Body is composed by Mr Attilio Soriano, lawyer (Chair), Mr Stefano Fiorini (member of the Board of Statutory Auditors) and Ms Rosa Maria Caprino (external consultant member).

9.5 AUDITING FIRM

The company entrusted with the statutory audit of the Issuer's accounts is KPMG S.p.A. (the "**Auditing Firm**"), with registered office in Milan, via Vittor Pisani, no. 25, tax code and VAT no.: 00709600159, registered in the Register of Statutory Auditors and Auditing Firms kept at the Ministry of Economy and Finance under No. 70623.

On 14 April 2022, the Ordinary Shareholders' Meeting of the Issuer, upon proposal of the Board of Statutory Auditors, appointed the Auditing Firm to audit the statutory and consolidated financial statements pursuant to Article 13 of Legislative Decree No. 39/2010 for the three-year period 2022–2024 until the approval of the financial statements for the year ended 31 December 2024, prepared in accordance with IAS/IFRS standards.

On 27 April 2023, the Shareholders' Meeting, in view of the admission to trading of the ordinary shares on EXM – STAR Segment and the consequent acquisition, by the Issuer, of the status of "public interest entity" pursuant to Article 16 of Legislative Decree No. 39/2010, resolved to confer on the Auditing Firm, pursuant to Articles 13 and 17 of Legislative Decree 39/2010, effective from the Trading Commencement Date, the task of performing: (i) the statutory audit of the Company's financial statements and consolidated financial statements for each of the nine financial years ending from 31 December 2023 to 31 December 2031; (ii) the activity of verifying during the financial year the regular keeping of the company accounts and the correct recording of management facts in the accounting records; (iii) the verification of the consistency of the management report with the financial statements and with the consolidated financial statements; and (iv) the limited statutory audit of the interim consolidated financial statements for the half-year periods ending from 30 June 2023 to 30 June 2031.

It should be noted that the appointment of the Auditing Firm was conferred in consideration of the proposal of the Board of Statutory Auditors formulated following the selection procedure prepared by the Company in compliance with the provisions of Article 16 of Regulation (EU) No. 537/2014.

9.6 FINANCIAL REPORTING MANAGER AND OTHER COMPANY ROLES AND FUNCTIONS

On 2 May 2023, the Board of Directors appointed, effective from the Trading Commencement Date, the Chief Financial Officer of the Issuer, Mr Marco Latini, as Financial reporting manager.

On this occasion, the Board of Directors recognised Mr Marco Latini as the suitable person to hold this position, also considering the requirements set out by the applicable legislation and the Articles of Association, including significant professional experience in the accounting, economic, and financial sector for at least 3 years.

The Financial Reporting Manager, pursuant to Article 154-*bis* of the Italian Consolidated Law on Finance, shall: (a) draft written accompanying statements for the deeds and communications of the Company disclosed to the market related to accounting information, including interim reports; (b) prepare adequate administrative and accounting procedures for the formation of the annual financial statements and, where

applicable, the consolidated financial statements, as well as any other financial communication; and (c) certify with a specific report on the annual financial statements, on the condensed half-yearly financial statements, and, where prepared, on the consolidated financial statements (i) the adequacy and effective application of the administrative and accounting procedures for the formation of the annual financial statements, (ii) that the documents are prepared in conformity with the applicable International Accounting Standards recognised in the European Community under Regulation (EC) No. 1606/2002 of the European Parliament and of the Board of 19 July 2002, (iii) the correspondence of the documents to the results of the books and accounting records, (iv) the suitability of the documents to provide a true and fair view of the asset, economic, and financial situation of the Issuer and of the group of companies included in the consolidation, (v) for the annual financial statements and the consolidated financial statements, that the management report includes a reliable analysis of the performance and results of the management, as well as of the situation of the issuer and of the group of companies included in the consolidation, together with a description of the main risks and uncertainties they face, and (vi) for the interim abbreviated financial statements, that the interim management report contains a reliable analysis of the information pursuant to Article 154-ter(4) of the Italian Consolidated Law on Finance.

9.7 COORDINATION BETWEEN THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The parties involved in the internal control and risk management system operate with organisational methods shared with the Company, aimed at maximising the efficiency of the internal control and risk management system, reducing duplications of activities, and ensuring the effective performance of the duties of the Board of Statutory Auditors.

In particular, the Board of Statutory Auditors and the Control, Risk and Sustainability Committee promptly exchange relevant information concerning the fulfilment of their respective duties, and all members of the Board of Statutory Auditors participate in the work of the Control, Risk and Sustainability Committee, as well as, for matters relevant to them, the Chief Executive Officer, the Financial Reporting Manager, the Head of the Internal Audit Department and the members of the Supervisory Body. The Chair of the Control, Risk and Sustainability Committee ensures the continuity and completeness of the flow of information to the Board of Directors on matters within the Committee's remit.

10. INTERESTS OF DIRECTORS AND RELATED PARTY TRANSACTIONS

With a view to updating the Company's corporate governance system in line with the laws and regulations applicable to companies with shares listed on a regulated market, also taking into consideration the guidelines provided by CONSOB Communication No. DEM/10078683 of 24 September 2010, the Board of Directors, on 18 May 2023, resolved to adopt, with effectiveness subordinate to the Trading Commencement Date, the RPT

Procedure, available in its full version on the Company's website at <https://www.cy4gate.com/it/>, Governance/Corporate Documents Section.

The Related-Party Transactions Committee is composed of 3 non-executive and independent members, namely:

- Maria Giovanna Calloni (Chair);
- Cinzia Parolini;
- Alessandra Bucci.

This Committee performs the functions assigned to it by the RPT Procedure.

In particular, the Committee:

- (i) shall express a non-binding reasoned opinion on the Issuer's interest in the execution of Transactions of Lesser Significance (as defined in the RPT Regulation), as well as on the appropriateness and substantive fairness of the related conditions; and
- (ii) must be involved in the negotiation and preliminary phase in the case of Transactions of Greater Significance (as defined in the RPT Regulation). Subsequently, it shall express a binding reasoned opinion on the Company's interest in carrying out the transaction, as well as on the appropriateness and substantive fairness of its terms.

The work of the Related-Party Transactions Committee is coordinated by the relevant Chair. Meetings are duly recorded in minutes and the Chair informs the Board of Directors and the Board of Statutory Auditors at the first available meeting.

During the Financial Year, the Related-Party Transactions Committee met once, with the attendance not only of its members, but also of the Board of Statutory Auditors.

The average duration of the Related-Party Transactions Committee meetings was about 30 minutes.

For the current year, the Related-Party Transactions Committee has scheduled at least 2 meetings, 1 of which has already been held as at the Report Date.

Please refer to Section 6 of the Report for the main activities of the Related-Party Transactions Committee during the Financial Year.

Except as set out in the applicable provisions, no specific obligations are imposed on directors in cases where they have an interest on their own behalf or on behalf of third parties in a given Company transaction. Prior to the adoption of each resolution, the Board of Statutory Auditors asks the members of the Board of Directors whether they have interests of their own or on behalf of third parties in the transaction that is the subject of the resolution.

11. BOARD OF STATUTORY AUDITORS

11.1 APPOINTMENT AND REPLACEMENT

The Board of Statutory Auditors shall be composed of 3 (three) standing auditors and 2 (two) alternate auditors.

The members of the Board of Statutory Auditors must possess the requirements of integrity, professionalism, independence, and those related to the limit on the accumulation of offices as provided by the regulatory legislation in force from time to time. For the purposes of Article 1(2)(b) and (c) of the Decree of the Ministry of Justice No. 162 of 30 March 2000, matters strictly related to the Company's area of activity include subjects pertaining to commercial law, corporate law, tax law, business economics, corporate finance, disciplines with similar or comparable subjects, as well as the subjects and sectors of activity related to that of the Company.

Should the application of the gender distribution criterion in the composition of the Board of Statutory Auditors not result in a whole number of candidates belonging to the less represented gender, such number is rounded according to the criterion provided by the legislation (including regulatory) in force at the time.

The auditors remain in office for three years, may be re-elected and will cease from office at the date of the Shareholders' Meeting called to approve the financial statements for their third year of office.

Pursuant to Article 27 of the Articles of Association, auditors are appointed by the shareholders' meeting on the basis of slates submitted by the shareholders.

Specifically:

- (i) shareholders who, at the time of submitting the slate, own, alone or jointly, a number of shares at least equal to the same percentage determined by Consob, pursuant to applicable statutory and regulatory provisions, for the purpose of submitting slates for the appointment of the board of directors of companies with shares traded on regulated markets (Articles 144-*quater* and 144-*sexies* of Consob Resolution No. 11971 of 14 May 1999) may submit a slate for the appointment of statutory auditors. Ownership of the minimum share shall be determined having regard to the shares registered in favour of the shareholder on the day on which the slate is filed with the Company, it being understood that the relevant certification may also be produced after the filing provided that it is within the deadline envisaged for the publication of the slate;
- (ii) the slates must be filed at the Company within the terms set forth by the laws and regulations in force at the time, which shall be indicated in the notice of call, or through a remote means of communication as indicated in the notice of call, and made available to the public within the terms and in the manner set forth by the laws and regulations in force at the time;
- (iii) in the event that, by the deadline for the submission of slates, only one slate has been filed, or only slates presented by shareholders who are connected to each other according to the laws and regulations in force at the time, additional slates

may be submitted up to the third day following such date, by shareholders who, at the time of the slate submission, hold, individually or jointly, a number of shares at least equal to half the minimum shareholding required by point (i) above.

Furthermore:

- the candidates are listed in sequential order in the slates, in a number not exceeding the number of members of the body to be elected;
- The slates are divided into two sections: one for candidates for the office of standing auditor and the other for candidates for the office of alternate auditor. The first candidate in each section must be enrolled in the register of independent auditors and must have at least three years' experience in auditing of the accounts;
- the slate of candidates in both sections must ensure that the composition of the board of statutory auditors, both for the standing and the alternate members, complies with the legal and regulatory provisions, in force from time to time, regarding gender balance, male and female, provided that if the application of the gender distribution criterion does not result in a whole number, this must be rounded up to the next whole number except in cases where the control body is made up of three standing auditors, for which the rounding must be done down to the lower whole number;

Each shareholder, as well as shareholders belonging to the same corporate group and shareholders who are party to a shareholders' agreement relevant pursuant to Article 122 of the Italian Consolidated Law on Finance, may not submit or participate in the submission of more than one slate, not even through a third party or trust company, nor may they vote for different slates.

Each candidate may only appear on one slate, under penalty of ineligibility.

- A) If two or more slates have been submitted, the election of the members of the Board of Statutory Auditors shall proceed as follows:
 - a) from the slate obtaining the highest number of votes cast (the "**Majority Slate**"), the majority of the standing and alternate auditors to be elected, except one, are taken in numerical order of presentation;
 - b) from the second slate that has obtained the highest number of votes and that is not connected, even indirectly, with the shareholders who have submitted the slate that received the highest number of votes (the "**Minority Slate**"), are drawn the remaining standing auditor and the remaining alternate auditor.

The Chair of the Board of Statutory Auditors shall be the standing auditor drawn from the Minority Slate pursuant to letter b) above; should the Chair be replaced, this office shall be assumed by the alternate auditor drawn from the Minority Slate pursuant to letter b) above. In the event that all the statutory auditors are drawn from a single list, the first candidate on that list will be the Chair.

If, in the manner indicated above, the legal and regulatory provisions, in force from time to time, on gender balance are not complied with, the candidate for the office of standing

auditor or alternate auditor of the most represented gender elected as last in numerical order from the Majority Slate for the board of statutory auditors will be excluded and will be replaced by the next candidate for the office of standing auditor or alternate auditor, drawn from the same list, belonging to the other gender.

- B) If only one list has been submitted, the Shareholders' Meeting shall vote on it and if it obtains the majority of votes, three standing auditors and two alternate auditors indicated in the list as candidates for these offices shall be elected, in accordance with the laws and regulations in force from time to time, including those on gender balance.
- C) In the absence of lists, or if for any reason it is not possible to appoint the Board of Statutory Auditors in the manner provided for in this article, the three standing auditors and two alternate auditors are appointed by the Shareholders' Meeting with the ordinary majorities provided for by law, in accordance with the laws and regulations in force from time to time, including those on gender balance.

In the event of the termination of office, for whatever reason, of a standing auditor, subject to compliance with the laws and regulations in force from time to time on gender balance, the following procedure shall apply (i) if a standing auditor drawn from the Majority Slate for the Board of Statutory Auditors ceases to hold office, he/she shall be replaced by the alternate auditor drawn from the Majority Slate for the Board of Statutory Auditors, (ii) if the statutory auditor drawn from the Minority Slate, as well as Chair of the Board of Statutory Auditors, ceases to hold office, he/she shall be replaced by the alternate auditor drawn from the Minority Slate, who shall take over as Chair. If for any reason it is not possible to proceed in the terms indicated above, a Shareholders' Meeting must be convened in order for it to provide for the supplementing of the Board of Statutory Auditors with the ordinary procedures and majorities, without the application of the slate voting mechanism, without prejudice to compliance with the laws and regulations in force from time to time on gender balance (male and female).

The statutory auditors act autonomously and independently, including in relation to the Shareholders who elected them.

11.2 COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS PURSUANT TO ARTICLE 123-BIS, (2) (D) AND (D-BIS), OF THE ITALIAN CONSOLIDATED LAW ON FINANCE

The Board of Statutory Auditors of the Company as at the Report Date was appointed by the Shareholders' Meeting of 27 April 2023, and is composed as follows:

Name and Surname	Office
Stefano Fiorini	Chair of the Board of Statutory Auditors
Paolo Grecco	Standing Statutory Auditor
Daniela Delfrate	Standing Statutory Auditor
Allegra Piccini	Alternate Statutory Auditor

In this regard, it should be noted that the Standing Auditors Paolo Grecco and Daniela Delfrate, as well as the Alternate Auditor Allegra Piccini, were taken from the majority

list submitted by the shareholder Elettronica. While on the other hand, Standing Auditor Stefano Fiorini was drawn from the minority slate submitted by shareholder TEC Cyber.

On 18 May 2023, Alternate Auditor Sebastiano Bonanno tendered his resignation, effective immediately, for personal reasons. The supplementing of the Board of Statutory Auditors, with the appointment of an Alternate Auditor to replace Mr Bonanno, will take place, in accordance with the law, at the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

The statutory auditors meet the requirements of integrity, professionalism and independence provided for by law, the Articles of Association and the Code.

The personal and professional characteristics of the members of the Board of Statutory Auditors are summarised below.

Stefano Fiorini

A graduate in Economics and Commerce, Mr Fiorini is an independent auditor and is registered in the Register of Experts of the Civil Court of Rome, in the Register of Experts of the Criminal Court of Rome and in the Register of Court-Appointed Administrators, ordinary section. He has gained significant experience in the main industrial and service sectors. He worked in auditing, at KPMG S.p.A. (until 1997) and at Arthur Andersen S.p.A. (during 1998), and in debt restructuring for Gallo & C. S.p.A.. He served as investment director of PM & Partners and ABN Amro Capital Investments NV. He carries out consultancy activities in relation to extraordinary finance transactions and in civil and criminal proceedings involving disputes in economic, corporate and financial matters. He holds, and has held, roles in the corporate governance of companies, including listed ones. He is an associate of NedCommunity, the Italian association of non-executive and independent directors. As at the Report Date, Mr Fiorini works as a Chartered Accountant and Statutory Auditor at Studio Fiorini.

Paolo Grecco

A graduate in Economics and Business at the LUISS University in Rome, from 1984 to 1996 Mr Grecco was a tax consultant at Studio Pirola and from 1996 to 2004 he was a tax consultant at Deloitte & Touché S.p.A. He is currently self-employed. As at the date of the Report, Mr Grecco is not a member or partner of an associated professional firm.

Daniela Delfrate

A graduate in Economics and Commerce from the Università Cattolica del Sacro Cuore in Milan and enrolled in the Register of Chartered Accountants in Milan as well as in the Register of Auditors, Ms Delfrate has significant experience in professional consultancy firms and as a statutory auditor of several companies. As at the date of the Report, Ms Delfrate is a partner at AndPartners Tax and Law Firm.

Allegra Piccini

A graduate in Economics and Commerce at the LUISS University of Rome and qualified as a Chartered Accountant, since 2003 and until the date of the Report Ms Piccini has worked as a Chartered Accountant at Studio Piccini & Associati and specialises in corporate law, tax law, business consulting and taxation.

The Board of Statutory Auditors is called and meets at the request of any statutory auditor. A majority of the statutory auditors constitutes a quorum for meetings and they take resolutions with the favourable vote of an absolute majority of those present.

During the Financial Year, the Board of Statutory Auditors met 14 times. As of the Report Date, 4 meetings of the control body have been held, and at least 12 more are planned.

The average duration of the meetings of the Board of Statutory Auditors during the Financial Year, as a whole, was about 1.5 hours. Meetings took place both in person and via audio–video conference link.

Please refer to Table 4 in the appendix to this Report for more details in this regard.

Diversity criteria and policies

The composition of the Board of Statutory Auditors complies with the provisions on gender quotas in the corporate bodies of listed companies.

In particular, the legal and regulatory provisions stipulating that the allocation of the members of the Board of Statutory Auditors to be elected shall be based on a criterion that ensures gender balance have been incorporated into the Articles of Association. Although Article 148, paragraph *1-bis* of the Italian Consolidated Law on Finance, as amended by Law No. 160 of 27 December 2019, stipulates that the provisions on gender balance shall apply as of the first renewal of the Board of Statutory Auditors following the listing, providing that the less represented gender shall obtain at least one–fifth of the statutory auditors elected on the occasion of the first renewal and at least two–fifths of the statutory auditors elected on the occasion of the next five consecutive terms of office (in any case rounded upwards, except for corporate bodies consisting of three members for which the rounding down is to the lower unit), the composition of the Board of Statutory Auditors of the Issuer, on a voluntary basis, already complies with the requirements for renewals subsequent to the first, as well as with Recommendation 8 of the CG Code.

Notwithstanding the foregoing, the Issuer has not formally adopted specific diversity policies in relation to the composition of the control body with regard to aspects such as gender or, again, age, and educational and professional background. However, as at the Report Date, the composition of the Company’s control body reflects an adequate degree of diversification with regard to the terms represented above.

Independence

On 14 March 2024, after receiving the favourable opinion of the Nomination and Remuneration Committee, the Board of Directors approved the Quantitative and Qualitative Criteria for the purpose of the process of verifying the independence of directors and statutory auditors of the Company, for the assessment of the significance of the relationships – respectively – between said persons and the Company and/or the Group, pursuant to Recommendation 7 of the CG Code (see Section 4.7 of the Report).

The Board of Statutory Auditors assessed the independence of its members on 21 February 2024. In making such assessment, the control body considered all the information made available by each member of the Board of Statutory Auditors.

Remuneration

The remuneration of Statutory Auditors, as provided for in Article 2402 of the Italian Civil Code, was determined by the Shareholders' Meeting at the time of their appointment and is commensurate with the commitment required, the importance of the role covered as well as the dimensional and sectoral characteristics of the Company.

For details on the remuneration of the Statutory Auditors, please refer to the report on the remuneration policy and compensation paid, prepared pursuant to Articles 123-*ter* of the Italian Consolidated Law on Finance and 84-*quater* of the Issuers' Regulation as well as in compliance with the recommendations of Article 5 of the Code, made available to the public on the Company's website <https://www.cy4gate.com/it/> and with the other methods provided for by the regulations in force.

Interest Management

No specific obligations are imposed on the Statutory Auditors in cases where they have an interest on their own behalf or on behalf of third parties in a given Company transaction. Prior to the adoption of each resolution, the Board of Directors asks the members of the Board of Statutory Auditors whether they have an interest of their own in the transaction that is the subject of the resolution. A statutory auditor who – directly or on behalf of third parties – has an interest in a certain transaction of the Issuer must promptly and fully inform the other statutory auditors and the Chair of the Board of Directors about the nature, terms, origins and extent of his/her interest.

12. DEALINGS WITH THE SHAREHOLDERS

The Issuer considers it to be in its specific interest – as well as a duty to the market – to ensure a constant and open relationship with shareholders, institutional investors and, in general, operators in the financial community, with the aim of increasing the level of understanding of the activities conducted by the Company and the Group in compliance with the internal rules and procedures governing the disclosure of inside information. In this context, the Board of Directors endeavours to systematically disseminate correct, comprehensive and timely information on the Group to shareholders, investors and, more generally, to all stakeholders interested in the Issuer and the Group, also in light of the indications formulated by Consob on the matter, the principles expressed by the Code and market best practices.

Access to information

The Issuer has established a special section on its website, which is easily identifiable and accessible, in which information concerning the Issuer that is relevant to its shareholders is made available, in order to enable the latter to exercise their rights in an informed manner.

On 22 September 2021, the Board of Directors appointed Mr Marco Latini as *Chief Financial Officer* and *Investor Relator manager* of the Issuer.

For further information, please refer to the Issuer's website <https://www.cy4gate.com/it/>, Investor Relations Section.

Dialogue with shareholders

The Board of Directors endeavours to establish an ongoing dialogue with shareholders. In particular, the Issuer guarantees the systematic dissemination – to investors, the market and the media – of comprehensive and timely disclosure on its activities, in accordance with the Company’s well-established practice in line with best market practices, and without prejudice to the confidentiality requirements that certain information may present. This disclosure is ensured by press releases, periodic meetings with institutional investors, the financial community and the press, as well as by the extensive documentation and numerous publications made available and constantly updated on the Company’s website <https://www.cy4gate.com/it/>, particularly in the Investor Relations Section. Further information can also always be requested by email investors@cy4gate.com.

In addition to the above, the Issuer adopted a policy for the management of dialogue with shareholders (the “**Policy**”), prepared in adherence to the principles and recommendations set forth in the Code and having regard to market best practices. The Policy intends to pursue the objective of raising the level of transparency and investor engagement, in accordance with the principles outlined in the Shareholder Rights Directive II, and is intended as a functional tool to promote the Issuer’s success through the creation of long-term value for the benefit of Shareholders and also taking into account the interests of stakeholders, as well as the environmental, social and economic impacts of its business.

For the sake of completeness, it should be noted that, as of the Report Date, no requests for dialogue had been received from the Company’s shareholders.

During the Financial Year, the Company participated in industry conferences and meetings, held 99 meetings and met 85 institutional investors at roadshows, one-to-one meetings and virtual and physical conferences. The high number of meetings with both Italian and international investors demonstrates the strong interest and great trust of the financial community in the Company.

In particular, the Company participated in 8 virtual and physical roadshows/conferences:

- MidCap Conference – Paris organised by Intermonte on 30/03/2023
- Nordics Digital Conference – Virtual organised by Intermonte on 16/05/2023
- Digital & Innovation Conference – Lugano organised by Equita on 06/06/2023
- Tech Days – Virtual organised by Intermonte on 15/06/2023
- Virtual Mid & Small – Virtual organised by Virgilio IR on 27/06/2023
- Le Eccellenze del Made in Italy – Milan organised by Intermonte on 27/09/2023
- Italian Excellences – Paris organised by Intesa Sanpaolo on 10/10/2023
- Mid & Small – Milan organised by Virgilio IR on 23/11/2023

In order to allow the maximum involvement of shareholders, the information documents prepared by the Company on these occasions were made available on its website.

13. SHAREHOLDERS' MEETINGS

The Shareholders' Meeting, whether in ordinary or extraordinary session, is held in a single call, pursuant to Article 2369 (1) of the Italian Civil Code. However, the Board of Directors may establish, should it deem it advisable and by expressly stating so in the notice of call, that the Ordinary Shareholders' Meeting be held in two calls and the Extraordinary Shareholders' Meeting in two or three calls, applying the majorities respectively established by legislation, including regulations, in force from time to time with reference to each of these cases.

The Board of Directors has the power to call the Shareholders' Meeting, without prejudice to the power of the Board of Statutory Auditors or at least two members thereof to do so, pursuant to Article 151 of the Italian Consolidated Law on Finance and other applicable laws and regulations.

The entitlement to attend the Shareholders' Meeting is attested by a communication to the Company, made by the intermediary authorised to keep accounts in accordance with the law, on the basis of the evidence in its accounting records relating to the end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting in single call, and received by the Company within the terms of the law.

Those who have the right to vote may be represented at the Shareholders' Meeting by proxy issued in the manner provided for by current legislation. The proxy may also be notified to the Company electronically, in the manner specified in the notice of call.

The Company may designate, for each Shareholders' Meeting, with an indication contained in the notice of call, a person to whom shareholders may grant proxies with voting instructions on all or some of the proposals on the agenda, within the terms and in the manner prescribed by law.

The Shareholders' Meeting may also be held with the participants located in several places, whether adjacent or distant, connected by means of conference call or video conference, provided that the collegial method and the principles of good faith and equal treatment of shareholders are respected, as well as the additional conditions provided for by the Articles of Association.

The Shareholders' Meeting resolves, in ordinary and extraordinary session, on the matters reserved to it by law and by the Articles of Association with the majorities set forth by law.

Each share confers the right to one vote at ordinary and extraordinary Shareholders' Meetings of the Company.

The Shareholders' Meeting is chaired by the Chair of the Board of Directors or, in his/her absence, by the Deputy Chair if appointed or, alternatively, by the person appointed by a majority of those present.

The Chair's function, powers and duties are governed by law.

Pursuant to Article 15 of the Articles of Association, the Shareholders' Meeting appoints a secretary, who need not be a shareholder, and, if necessary, one or more scrutineers,

who need not be shareholders. The assistance of the secretary is not required if the minutes are drawn up by a notary public.

The conduct of Shareholders' Meetings is governed by the law and the Articles of Association.

During the Financial Year, the Shareholders' Meeting met once.

8 directors attended these Shareholders' Meetings.

The Board endeavoured to ensure that shareholders were adequately informed, publishing on its website the documents to be submitted to the Shareholders' Meeting for examination and approval within the legal deadlines, so that they could contribute to the formation of the shareholders' meeting decisions with full knowledge of the facts.

During the Financial Year, the Board did not deem it necessary to draft any proposals to be submitted to the Shareholders' Meeting concerning the choice and characteristics of the corporate model (deeming the current one to be adequate), nor concerning issues related to the structuring of voting and ownership rights of the shares and the percentages for the exercise of prerogatives to protect minorities.

The Chair of each Board Committee reports to the Shareholders on the manner in which the Committee's functions are exercised.

14. FURTHER CORPORATE GOVERNANCE PRACTICES (AS PER ARTICLE 123-BIS (2) (A), OF THE ITALIAN CONSOLIDATED LAW ON FINANCE)

As of the Report Date, no corporate governance practices other than those already indicated in this Report have been adopted.

15. CHANGES SINCE THE END OF THE ACCOUNTING PERIOD IN QUESTION

Except as described in the Report, there have been no changes in the Issuer's corporate governance structure from the end of the Financial Year to the Report Date.

16. REMARKS ON THE LETTER FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE

On 14 December 2023, the Company received the letter from the Chair of the Corporate Governance Committee, which was forwarded to all Directors on 18 December 2023. In particular, the recommendations for 2024, contained in the letter, were brought to the attention of the Board of Directors at their meeting on 2 February 2024.

The recommendations made in the aforementioned letter were then examined and specifically considered by the managing body at its meeting on 14 March 2024, when approving this Report. In that context, the following emerged.

Business Plan

With reference to the recommendation to provide adequate disclosure on the involvement of the Board of Directors in the examination and approval of the business plan and in the analysis of the issues relevant to the generation of long-term value, it should be noted that the business plan was defined following an in-depth examination and approval – by the Board of Directors – of the Company’s strategic objectives, as well as the identification of the actions to be taken in order to achieve these objectives. In particular, the plan guidelines were the subject of analysis during the approval of the plan, together with the relevant issues relating to the business plan itself, with particular regard to the profiles pertaining to the generation of long-term value. Subsequently, the Board of Directors received an update on the implementation of the plan and compliance with the objectives under the plan, in connection with the approval of the financial information for the period.

Pre-board meeting disclosure

With reference to the recommendation that adequate justification be given in the Corporate Governance Report in the event of a derogation of the timeliness of the pre-board meeting disclosure for reasons of confidentiality, which may be provided for in the board rules and/or adopted in practice, it should be noted that, as more fully described in the Report, the Board of Directors has adopted its own rules governing its operation. Among the provisions included in the document are specific rules on the subject of a complete and comprehensive pre-board meeting disclosure, the procedures and deadlines for making documentation available in support of each board meeting, with limited exceptions to making documentation available sufficiently in advance, in the event of urgent situations, among which it seems appropriate to include those attributable to confidentiality reasons. For the financial year ended 31 December, and in particular for the portion of the year for which the CG Code is applicable to the Company, the timeframes laid down in the aforementioned rules on the functioning of the Board were respected with few exceptions.

Guidelines on optimal composition

With reference to the recommendation to clearly indicate and adequately justify in the Corporate Governance Report the failure to express, on the occasion of the renewal of the Board of Directors, the orientation on its quantitative or qualitative composition and/or the failure to request, from those who submit a “long” slate, to provide adequate information on the correspondence of the slate to the orientation expressed, as well as to indicate how the timing of the publication of the orientation was deemed appropriate to allow for adequate consideration by those submitting slates of candidates, it should be noted that the Board of Directors in office as of the Report Date will expire with the approval of the financial statements for the year ending 31 December 2025. Therefore, the Company will draw up the qualitative and quantitative guidelines in relation to the optimal composition of the managing body on the occasion of the first renewal of the Board of Directors, taking care to make the document bearing these guidelines available, observing a reasonable period of time in advance of the date of the Shareholders’ Meeting called to resolve on the renewal of the body.

Increased voting rights

With reference to the recommendation to provide adequate disclosure, in the board of directors' proposals to the Shareholders' Meeting on the introduction of the increased voting rights, of the purpose of the choice and the expected effects on the ownership and control structure and future strategies, and to provide adequate reasons for any non-disclosure of these elements, it should be noted that the Issuer has not introduced such a provision in its Articles of Association.

The recommendations made in the Letter from the Chair of the Corporate Governance Committee were also brought to the attention of the Board of Statutory Auditors, which took note of them.

* * *

Rome, 14 March 2024

CY4Gate S.p.A.
The Chair of the Board of Directors
Domitilla Benigni

TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURES AS OF 14 MARCH 2024.

SHARE CAPITAL STRUCTURE				
	No. of shares	No. of voting rights	Listed (specify markets) / Not listed	Rights and obligations
Ordinary shares (stating whether the possibility of increased voting rights is envisaged)	23,571,428	23,571,428	Listed – Euronext STAR Milan	No increase in voting rights is envisaged
Preference shares				
Multiple-voting shares				
Other categories of shares with voting rights				
Savings shares				
Convertible savings shares				
Other non-voting share classes				
Other				

OTHER FINANCIAL INSTRUMENTS (with the right to subscribe newly issued shares)				
	Listed (specify markets) / Not listed	Number of outstanding securities	Category of shares to service the conversion/exercise	Number of shares to service the conversion/ exercise
Convertible bonds				
Warrants				

SIGNIFICANT EQUITY INVESTMENTS IN SHARE CAPITAL			
Declaring Party	Direct Shareholder	% of ordinary capital	% of voting capital
Elettronica S.p.A	Elettronica S.p.A.	38.38%	38.38%
TEC Cyber S.p.A.	TEC Cyber S.p.A.	16.16%	16.16%

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	In office from	In office until	Slate (presenters) (**)	Slate (M/m) (***)	Executive	Non-executive	Independent Code	Independent Italian Consolidated Law on Finance	No. other offices (****)	Shareholding (*****)
Chairperson	Domitilla Benigni	4 April 1969	15 May 2020	27 April 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	M						
Chief Executive Officer	Emanuele Galtieri	23 October 1974	31 March 2021	27 April 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	M						
Director	Roberto Ferraresi	3 July 1975	7 February 2022	27 April 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	m					Philogen	
Director	Alberto Luigi Sangiovanni Vincentelli	23 June 1947	22 June 2020	27 April 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	M					Cadence Design System, Board Member and co-Founder, Finance Committee, Governance and Nomination Committee, NASDAQ.	

													KPIT Technologies, Board member, Remuneration and Nominating Committee, Indian Stock Exchange	
Director	Paolo Izzo	15 June 1973	4 November 2022	27 April 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	M							
Director	Alessandra Bucci	30 July 1966	27 April 2023	27 April 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	M						Unieuro State Railways Unidata	
Director	Cinzia Parolini	27 January 1959	4 August 2021	27 April 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	M							
Director	Maria Giovanna Calloni	26 December 1964	27 April 2023	27 April 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	m						DeNora EuroGroup Laminations Philogen	

Director	Alessandro Chimenton	7 December 1961	26 July 2023	26 July 2023	until the approval of the financial statements as at 31 December 2025	Shareholders	[-]						
----- DIRECTORS NO LONGER IN OFFICE DURING THE FINANCIAL YEAR -----													
Director	Enrico Peruzzi	29 April 1967	15 May 2020	27 April 2023	26 July 2023	Shareholders	M						

Specify the number of meetings held during the Financial Year:

Specify the *quorum* required for submitting slates by minority shareholders for electing one or more members (under Article 147-ter of the Italian Consolidated Law on Finance):

NOTES

The following symbols must be inserted in the "Office" column:

- This symbol means that the director is responsible for the internal audit and risk management system.

o This symbol means Lead Independent Director (LID).

(*) Date of first appointment of each director means the date on which the director was appointed for the first time (ever) in the Issuer BoD.

(**) This column specifies whether the slate from which each director was drawn was submitted by shareholders (specifying "Shareholders") or by the BoD (specifying "BoD").

(***) This column specifies whether the slate from which each director was drawn is "majority" (indicating "M") or "minority" (indicating "m").

(****) This column specifies the number of offices of director or statutory auditor that are held by a person involved in other listed companies or companies of significant dimensions. The offices are specified in detail in the Corporate Governance Report.

(*****) This column specifies the attendance of directors at BoD meetings (specify the number of meetings attended out of the total number of meetings the director could have attended; e.g. 6/8; 8/8 etc.).

TABLE 3: BOARD COMMITTEE STRUCTURE AT THE END OF THE FINANCIAL YEAR

Board of Directors		Executive Committee		OPC Committee		Audit and Risk Committee		Remuneration Committee		Appointments Committee		Strategic Committee		Other committee	
Office/Qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairperson of the BoD executive/non-executive – independent under the Italian Consolidated Law on Finance and/or Italian Civil Code/non-independent	Domitilla Benigni														
Chief Executive Officer	Emanuele Galtieri												M		
executive/non-executive director – independent under the Italian Consolidated Law on Finance and/or Italian Civil Code/non-independent	Roberto Ferraresi						M						M		
executive/non-executive director – independent under the Italian Consolidated Law on Finance and/or Italian Civil	Alberto Luigi Sangiovanni Vincentelli												C		

Code/non-independent															
executive/non-executive director – independent under the Italian Consolidated Law on Finance and/or Italian Civil Code/non-independent	Paolo Izzo								M		M		M		
executive/non-executive director – independent under the Italian Consolidated Law on Finance and/or Italian Civil Code/non-independent	Alessandra Bucci				M		M		C		C				
executive/non-executive director – independent under the Italian Consolidated Law on Finance and/or Italian Civil Code/non-independent	Cinzia Parolini				M		C								
executive/non-executive director – independent under the Italian Consolidated Law on Finance and/or Italian Civil Code/non-independent	Maria Giovanna Calloni				C				M		M				

Code/non-independent															
executive/non-executive director – independent under the Italian Consolidated Law on Finance and/or Italian Civil Code/non-independent	Alessandro Chimenton														
----- DIRECTORS NO LONGER IN OFFICE DURING THE FINANCIAL YEAR -----															
executive/non-executive director – independent under the Italian Consolidated Law on Finance and/or Italian Civil Code/non-independent	Enrico Peruzzi														
----- ANY MEMBERS WHO ARE NOT DIRECTORS -----															
Issuer’s Manager/ Other	Last name First name														
No. meetings held in the reference Financial Year:															
NOTES															
(*) This column specified the attendance of directors at committee meetings (specify the number of meetings attended out of the total number of meetings the director could have attended; e.g. 6/8; 8/8 etc.).															
(**) This column specifies the title of the director within the Committee: “C”: chairperson; “M”: member.															

TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment (*)	In office from	In office until	Slate (M/m) (**)	Independent Code	Attendance at the Board of Statutory Auditors meetings (***)	No. other offices (****)
Chairperson	Stefano Fiorini	15 July 1969	15 May 2020	27 April 2023	until the approval of the financial statements as at 31 December 2025	m	x	14/14	23
Standing Statutory Auditor	Paolo Grecco	10 May 1958	15 May 2020	27 April 2023	until the approval of the financial statements as at 31 December 2025	M	x	14/14	7
Standing Statutory Auditor	Daniela Delfrate	12 August 1965	4 August 2021	27 April 2023	until the approval of the financial statements as at 31 December 2025	M	x	14/14	11
Alternate Statutory Auditor	Allegra Piccini	12 April 1975	27 April 2023	27 April 2023	until the approval of the financial statements as at 31 December 2025	M	x	N/A	0
-----STATUTORY AUDITORS NO LONGER IN OFFICE DURING THE FINANCIAL YEAR -----									
Alternate Statutory Auditor	Sebastiano Bonanno	30 June 1966	15 May 2020	27 April 2023	18 May 2023	M			

Specify the number of meetings held during the Financial Year:

Specify the *quorum* required for submitting slates by minority shareholders for electing one or more members (under Article 148 of the Italian Consolidated Law on Finance):

NOTES

(*) Date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the first time (ever) in the board of statutory auditors of the Issuer.

(**) This column specifies whether the slate from which each statutory auditor was drawn is "majority" (indicating "M") or "minority" (indicating "m").

(***) This column specifies the attendance of statutory auditors at Board of Statutory Auditors meetings (specify the number of meetings attended out of the total number of meetings the director could have attended; e.g. 6/8; 8/8 etc.).

(****) This column specifies the number of offices of director or statutory auditor that are held by a person referred to in Article 148-bis of the Italian Consolidated Law on Finance and the relevant implementing provisions set forth in the Consob Issuers' Regulation. The complete list of offices is published by Consob on its website pursuant to art. 144-quinquiesdecies of the Consob Issuers' Regulation.