

ORDINARY SHAREHOLDERS' MEETING

CALLED FOR

APRIL 22, 2024, ON FIRST CALL

AND, IF NECESSARY, FOR

APRIL 23, 2024, ON SECOND CALL

EXPLANATORY REPORT BY THE BOARD OF DIRECTORS

ON THE ITEMS ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING

First item on the Agenda

“Approval of the Financial Statements as of December 31, 2023, and presentation of the Consolidated Financial Statements as of December 31, 2023, and the Sustainability Report as of December 31, 2023. Allocation of net income for the year. Inherent and consequent resolutions.

1.1 Approval of the financial statements for the year ending December 31, 2023. Reports of the Board of Directors, the Board of Statutory Auditors, and the Independent Auditors; inherent and consequent resolutions;

1.2 Allocation of operating income; inherent and consequent resolutions.”

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1.1 Approval of the financial statements for the year ending December 31, 2023. Reports of the Board of Directors, the Board of Statutory Auditors, and the Independent Auditors; inherent and consequent resolutions;

Dear Shareholders,

With reference to the first item on the agenda for the ordinary meeting, the Board of Directors of CY4Gate S.p.A. (“CY4” or the “Company”) has convened you to approve the financial statements as of December 31, 2023, the draft of which was approved by the Board of Directors on March 14, 2024. Additionally, the purpose is to take note of the Group’s consolidated financial statements and the sustainability report for the fiscal year ended December 31, 2023.

We also invite you to take note of the Management Report and the certification pursuant to Article 154–bis, paragraph 5, of the TUF (Italian Consolidated Financial Act).

For the fiscal year ended December 31, 2023, the CY4Gate Group recorded operating revenues of Euro 66,5 million (Euro 54,1 million in 2022) and a value of production of Euro 68,3 (Euro 56,6 million in 2022). The net loss for the period amounts to Euro 8,9 million (profit of Euro 2,5 million in 2022).

The parent company CY4 recorded operating revenues of Euro 16,9 million (Euro 25,1 million in 2022) and a value of production of Euro 17,6 million (Euro 26,8 million in 2022). The net loss for the period amounts to Euro 11,1 million (profit of Euro 4,5 million in 2022).

It is also worth noting that the Board of Directors, in its meeting on March 14, 2024, approved the sustainability report, voluntarily prepared, as of December 31, 2023. This report represents the Company’s active contribution to achieving 6 out of the 17 Sustainable Development Goals of the UN’s 2030 Agenda, with particular attention to SDGs 4 (Quality Education), 5 (Gender Equality), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 12 (Responsible Consumption and Production), and 16 (Peace, Justice, and Strong Institutions).

For all detailed information and comments, we refer you to the Management Report, made available to the public along with the financial statements, the consolidated financial statements, the report of the Board of Statutory Auditors, the reports of the auditing company, and the certification of the

person responsible for preparing the corporate accounting documents, at the registered office as well as on the Company's website www.cy4gate.com, at Borsa Italiana S.p.A., and through the authorized storage mechanism "Info", in accordance with current regulations.

Finally, please note that the consolidated financial statements of the Company as of December 31, 2023, as well as the sustainability report, are not subject to approval by the Company's Shareholders' Meeting.

In light of the above, the Board of Directors submits the following proposal for resolution:

"The Ordinary Shareholders' Meeting of CY4Gate S.p.A.,

- having examined the draft financial statements as of December 31, 2023, and the management report, as well as the consolidated financial statements and the sustainability report as of December 31, 2023;*
- taken note of the reports of the Board of Statutory Auditors and the auditing company;*
- noted what was illustrated in the Board of Directors' Report,*

resolves

- 1. to approve the financial statements as of December 31, 2023, accompanied by the management report, taking note of the reports of the Board of Statutory Auditors and the auditing company, as well as the related ancillary documentation;*
- 2. to take note of the consolidated financial statements of the group as of December 31, 2023, and the related ancillary documentation;*
- 3. to take note of the sustainability report as of December 31, 2023;*
- 4. to authorize the Chief Executive Officer and the Chairman of the Board of Directors, separately and with the power of sub-delegation, to carry out all the formalities and obligations related to the above resolutions, including communication, filing, and publication, in accordance with applicable regulations, making any formal changes, additions, or deletions that may be necessary, and to perform all activities related to, resulting from, or connected with the implementation of this resolution."*

*

1.2 Allocation of the net income; related and consequent resolutions.

Dear Shareholders,

Please note that the Company's financial statements for the year ended December 31, 2023, show a net loss of Euro 11.1 million.

For detailed information and comments, we refer you to the Management Report, made available to the public, along with the financial statements, consolidated financial statements, the report of the Board of Statutory Auditors, the reports of the auditing company, and the certification of the

person responsible for the preparation of the company's accounting documents, at the registered office as well as on the Company's website www.cy4gate.com, at Borsa Italiana S.p.A., and through the authorized storage mechanism "Info", in accordance with current regulations.

The Board of Directors submits for your approval the following resolution:

"The Ordinary Shareholders' Meeting of CY4Gate S.p.A.,

- having examined the draft financial statements for the year ended December 31, 2023, which shows a net loss of Euro 11.1 million;*
- having examined the Management Report of the Board of Directors;*
- having taken note of the reports of the Board of Statutory Auditors and the auditing company;*
- having considered the information provided in the Management Report,*

resolves

- 1. to cover the loss for the year of Euro 11,104,148 with retained earnings."*

Second Item on the Agenda

"Resolutions regarding the report on the remuneration policy and compensation paid pursuant to Article 123-ter of Legislative Decree 58/98 ("TUF") and Article 84-quater of Consob Regulations adopted by Resolution No. 11971/1999 ("Issuers' Regulations")

- 2.1 Binding vote on the compensation policy for fiscal year 2024 outlined in the first section of the report; inherent and consequent resolutions;*
- 2.2 Consultation on the second section of the report dealing with compensation paid in or related to fiscal year 2023; inherent and consequent resolutions."*

Dear Shareholders,

In relation to the second item on the agenda, the Board of Directors intends to submit to the Shareholders' Meeting the report on the remuneration policy and the compensation paid to the members of the administrative and control bodies, to the managing directors, and to the executives with strategic responsibilities of the Company (the "**Report**"). The Report has been prepared pursuant to Article 123-ter of the TUF and in accordance with Article 84-quater of the Issuers' Regulations and Annex 3A, Schemes 7-bis and 7-ter, of the Issuers' Regulations, also taking into account the provisions of Article 5 of the Corporate Governance Code.

Pursuant to Article 123-ter of the TUF, the aforementioned Report is divided into two sections.

The first section clearly and comprehensibly illustrates the Company's policy on the remuneration of the members of the administrative and control bodies, managing directors, and executives with strategic responsibilities with reference to the following financial year, as well as the procedures used for the adoption and implementation of such policy. The remuneration policy outlined in this

section, pursuant to Articles 123-ter, paragraphs 3-bis and 3-ter, of the TUF, is subject to the binding vote of the Ordinary Shareholders' Meeting.

The second section of the Report, in a clear and comprehensible manner, nominally for the members of the administrative and control bodies and the managing directors and in aggregate form for the executives with strategic responsibilities, (i) provides an adequate representation of each of the items that make up the remuneration; and (ii) analytically illustrates the compensation paid in the reference period for any reason and in any form by the Company and by controlled or affiliated companies.

Finally, the Report indicates any shareholdings held by the aforementioned individuals in the Company and in companies controlled by it.

For complete information on the subject matter, reference is made to the Report prepared by the Board of Directors pursuant to Articles 123-ter of the TUF and 84-quater of the Issuers' Regulations, as well as Article 5 of the Corporate Governance Code, which will be made available to the public at the registered office as well as on the Company's website www.cy4gate.com, at Borsa Italiana S.p.A., and through the authorized storage mechanism "Info", in the manner and within the deadlines prescribed by current regulations.

In light of the foregoing, with regard to this item on the agenda, two separate votes will be taken at the Shareholders' Meeting, based on the proposals formulated below.

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2.1 Binding vote on the compensation policy for fiscal year 2024 outlined in the first section of the report; inherent and consequent resolutions:

Having considered the foregoing, the Board of Directors submits for your approval the following proposal relating to the first section of the aforementioned Report:

"The Ordinary Shareholders' Meeting of CY4Gate S.p.A.,

- *having examined the first section of the "Report on the remuneration policy and the compensation paid" provided for in Article 123-ter, paragraph 3, of the Italian Legislative Decree no. 58 of February 24, 1998, prepared by the Board of Directors upon proposal of the Nomination and Remuneration Committee, concerning the illustration of the Company's policy on the remuneration of the members of the administrative and control bodies, managing directors, and executives with strategic responsibilities with reference to the year 2024, as well as the procedures used for the adoption and implementation of such policy;*
- *considering that the first section of the report on the remuneration policy and the compensation paid, and the remuneration policy described therein, comply with the provisions of the applicable legislation, including regulations, on the remuneration of the members of the administrative and control bodies, managing directors, and executives with strategic responsibilities;*

- *considering that the report on the remuneration policy and the compensation paid has been made available to the public in accordance with the methods and timing provided for by current regulations;*
- *taking note of what is illustrated in the Report of the Board of Directors, resolves,*

resolves

1. *to approve, pursuant to and for the purposes of Article 123-ter, paragraphs 3-bis and 3-ter, of the TUF, the remuneration policy described in the first section of the "Report on the remuneration policy and the compensation paid", prepared by the Board of Directors of the Company on March 14, 2024."*

*

2.2 Consultation on the second section of the report dealing with compensation paid in or related to fiscal year 2023; inherent and consequent resolutions.

With reference to the second section of the aforementioned Report, the Board of Directors submits the following proposal for your approval:

"The Ordinary Shareholders' Meeting of CY4Gate S.p.A.,

- *Having examined the second section of the Report on the remuneration policy and compensation provided for by Article 123-ter, paragraph 4, of Legislative Decree no. 58 of 24 February 1998, prepared by the Board of Directors upon proposal of the Appointments and Remuneration Committee, concerning the indication of compensation paid to members of the management and control bodies, chief executive officers, and executives with strategic responsibilities for the year 2023 or related thereto;*
- *Considering that the second section of the Report on the remuneration policy and compensation described conforms to the regulations, including regulatory ones, applicable to the remuneration of members of the management and control bodies, chief executive officers, and executives with strategic responsibilities; and*
- *Considering that the Report on the remuneration policy and compensation has been made available to the public in accordance with the current regulations,*

resolves

1. *in favor, pursuant to and for the purposes of Article 123-ter, paragraph 6, of the TUF, on the second section of the Report on the remuneration policy and compensation, prepared by the Board of Directors of the Company on March 14, 2024."*

Third item on the Agenda

CY4GATE S.p.A. – Part of ELT Group

Registered Office Via Coponia 8, 00131 Roma

Share Capital Euro 1,441,499.94

Rome Business Register, Tax Code, VAT no. 13129151000

REA RM-1426295

www.cy4gate.com – www.elettronicagroup.com

“Appointment of a Director pursuant to Article 2386, Paragraph 1 of the Civil Code; inherent and consequent resolutions.”

Dear Shareholders,

With regard to the third item on the agenda of the Shareholders’ Meeting, you are called to discuss and deliberate on the appointment of a director following the resignation submitted by the director Enrico Peruzzi as of July 26, 2023.

Following these resignations, the Board of Directors, on the same date, having noted the resignation from the office of director of the “non-elected” candidates belonging to the list of origin of Dr. Peruzzi, upon the favorable opinion of the Appointments and Remuneration Committee, appointed by co-optation, pursuant to Article 2386 of the Italian Civil Code, Dr. Alessandro Chimenton as a new non-independent and non-executive member of the administrative body, with a resolution approved by the Board of Statutory Auditors.

Dr. Chimenton ceases his office as a director with today’s Shareholders’ Meeting. The Board of Directors proposes that Dr. Chimenton be confirmed in the position of director of the Company until the expiration of the other directors currently in office and, therefore, until the date of the Shareholders’ Meeting convened for the approval of the financial statements for the year ending December 31, 2025.

In compliance with the current regulations and in adherence to the recommendations of the Corporate Governance Code, the Board of Directors invites you to examine the *curriculum vitae* of the candidate and the declaration with which he accepted the candidacy and attested, under his own responsibility, the non-existence of causes of ineligibility or incompatibility, the existence of the requirements prescribed by the statutory provisions, by-laws, and regulations for the position of member of the Board of Directors.

The aforementioned documents have been made available to you on the Company’s website www.cy4gate.com – Section “*Governance – Assemblee – year 2024*”. Pursuant to Article 2386 of the Italian Civil Code, the appointment must be resolved without the application of the list vote and according to the legal majorities. The appointment of Dr. Chimenton complies with the current legal requirements regarding gender quotas.

With regard to this agenda item, the Board of Directors submits the following proposal for your approval:

“The Ordinary Shareholders’ Meeting of CY4Gate S.p.A.

Having noted the cessation from office, today’s date, of Dr. Chimenton, appointed by co-optation pursuant to Article 2386 of the Italian Civil Code in the meeting of the Board of Directors of July 26, 2023, replacing director Enrico Peruzzi;

– *Having noted the proposal of the Board of Directors to confirm Dr. Chimenton as a member of the Board of Directors;*

– *Having noted the information provided in the Report of the Board of Directors,*

resolves

1. *To appoint, pursuant to and for the purposes of Article 2386, first paragraph, of the Italian Civil Code, Dr. Alessandro Chimenton as director of the Company;*
2. *To confirm that the compensation in his favor will be included in the overall amount determined by the Shareholders' Meeting of April 27, 2023;*
3. *To grant to the Board of Directors, and for it to the Chairman and the Chef Executive Officer, jointly and severally, with full power of sub-delegation and appointment of special attorneys for individual acts or categories of acts, within the limits of the law, any appropriate power, in compliance with legal provisions, for the execution of the above resolution and for the performance of the consequent legislative and regulatory obligations."*

Fourth item on the Agenda

"Supplementation of the Board of Statutory Auditors by appointment of an alternate auditor; inherent and consequent resolutions."

Dear Shareholders,

With regard to the fourth item on the agenda, you have been convened to the Shareholders' Meeting to discuss and resolve on the integration of the Board of Statutory Auditors following the resignation submitted by Dr. Sebastiano Bonanno, substitute member of the supervisory body, with immediate effect, on May 18, 2023.

Dr. Bonanno was elected from the majority list presented by Elettronica S.p.A.

Please note that (i) pursuant to Article 27 of the Bylaws, the Board of Statutory Auditors consists of 3 (three) regular auditors and 2 (two) substitute auditors; and (ii) the current Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting held on April 27, 2023, and will remain in office until the date of the Shareholders' Meeting convened for the approval of the financial statements closed on December 31, 2025.

In order to bring the Board of Statutory Auditors back to the composition provided for in the Bylaws, you are therefore called upon to deliberate on the appointment of a substitute auditor, expressing your vote on the nominations that will be presented, in compliance with the current regulations.

Shareholders are therefore invited to submit their candidacy proposals, duly signed and dated, accompanied by the documentation and information required by the Bylaws and current regulations (summarized below), by registered mail or by email to the certified email address cy4gate@pec.it, by April 1, 2024, in order to allow CY4 to promptly make available to the public the aforementioned documentation at the registered office as well as on the Company's website www.cy4gate.com, and on the authorized storage mechanism "1info" at the address www.1info.it.

The possibility of formally presenting the candidacies even at the shareholders' meeting remains open – accompanied by the aforementioned statements – so that they can be submitted to a vote.

More specifically, the nominations must be accompanied by: (i) information regarding the identity of the shareholders who have submitted the candidacy, indicating the percentage of the Company's total share capital held; (ii) the resumes of the candidates, containing comprehensive information about their personal and professional characteristics (including a list of administrative and supervisory positions held in other companies pursuant to Article 148-*bis* of the TUF); and (iii) a declaration by the candidate accepting their candidacy and stating, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements required by the primary and secondary legislation in force, and the independence requirements required by Article 148, paragraph 3, of the TUF. It is reminded that each candidate must possess the requirements, including those related to the accumulation of positions, provided for by current legislation, also regulatory, including those of professionalism in accordance with the Italian Ministerial Decree of Justice March 30, 2000, n. 162.

Pursuant to Article 27 of the Bylaws, in this case, the Shareholders' Meeting will be called to resolve with the ordinary modalities and majorities, without the application of the list voting mechanism, in compliance with the applicable laws and regulations currently in force on gender balance. The Auditor thus appointed will expire together with the current members of the Board of Statutory Auditors.

Proposal for resolution

Dear Shareholders,

Having noted the above in this Report, we invite you to deliberate on the appointment of a substitute auditor who will remain in office until the expiration of the current Board of Statutory Auditors and, therefore, until the Shareholders' Meeting called for the approval of the financial statements closed on December 31, 2025.

Fifth item on the Agenda

“Integration of the compensation of the Board of Statutory Auditors; inherent and consequent resolutions.”

Dear Shareholders,

With reference to the fifth item on the agenda, you are called to the Shareholders' Meeting to examine and approve the proposal to integrate, for the year 2024 and until the date of the term of office of the Board of Statutory Auditors, set on the date of the Shareholders' Meeting called for the approval of the financial statements for the year ended December 31, 2025, the overall compensation of the Board of Statutory Auditors, as resolved by the Shareholders' Meeting of April 27, 2023.

It should be recalled that during the aforementioned Shareholders' Meeting, the Shareholders had resolved to establish an annual compensation for the Board of Statutory Auditors equal to Euro 20,000 gross for the President of the Board of Statutory Auditors and Euro 15,000 gross for each regular auditor.

Given the foregoing, in light of the provisions of the "*Rules of Conduct for the Board of Statutory Auditors of listed companies*", the compensation of the Board of Statutory Auditors shall be determined taking into account the compensation awarded to non-executive directors as well as the criteria for remuneration for participation in internal committees. Consequently, it is proposed to amend the compensation of the supervisory body as follows:

- (i) Euro 40,000 gross for the President;
- (ii) Euro 30,000 gross for each of the regular member of the Board of Statutory Auditors.

In relation to this agenda item, the Board of Directors submits the following proposal for resolution to your approval:

"The Ordinary Shareholders' Meeting of CY4Gate S.p.A.

- *having taken note of what is illustrated in the Report of the Board of Directors,*

resolves

1. *to amend what was resolved by the Shareholders' Meeting of April 27, 2023, to integrate for the year 2024 and until the date of the term of office of the Board of Statutory Auditors, set on the date of the Shareholders' Meeting called for the approval of the financial statements as of December 31, 2025, the overall annual compensation for the Board of Statutory Auditors, from Euro 20,000 gross to Euro 40,000 gross for the President of the Board of Statutory Auditors and from Euro 15,000 gross to Euro 30,000 gross for each Regular Auditor."*

Rome, March 22, 2024

For the Board of Directors

The Chief Executive Officer
