



**ORDINARY SHAREHOLDERS' MEETING**

**CALLED FOR**

**APRIL 28, 2025,**

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS**

**ON THE ITEMS ON THE AGENDA**

*drafted pursuant to article 125-ter of legislative decree no. 58 of 24 february 1998 (the "**TUF**") and article 84-ter of the regulation adopted by consob with resolution no. 11971/99 (the "**Issuers' Regulation**'), as amended and/or supplemented*

## **First item on the Agenda**

1. Approval of the Financial Statements as at 31 December 2024 and presentation of the Consolidated Financial Statements as at 31 December 2024, including the Consolidated Sustainability Report for the year 2024 pursuant to Legislative Decree No. 125/2024. Allocation of the result for the year. Related and consequent resolutions.
  - 1.1 Approval of the financial statements as at 31 December 2024. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors; related and consequent resolutions;
  - 1.2 Allocation of the result for the year; related and consequent resolutions.

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### *1.1 Approval of the financial statements as at 31 December 2024. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors; related and consequent resolutions;*

Dear Shareholders,

with reference to the first item on the agenda, the Board of Directors of CY4Gate S.p.A. (“**CY4**” or the “**Company**”) has convened you to the Shareholders' Meeting for the purpose of approving the financial statements for the year ending 31 December 2024, the draft of which was approved by the Board of Directors on 12 March 2025, as well as to take note of the consolidated financial statements as of 31 December 2024, including the Consolidated Sustainability Report for the year 2024, prepared pursuant to Legislative Decree No. 125/2024 (the “**Consolidated Sustainability Report**”), in the single electronic disclosure format (“**ESEF format**”) required by the European Commission's Delegated Regulation (EU) 2019/815 of 17 December 2018 and in accordance with its provisions.

We also invite you to take note of the Board of Directors' Report and the attestation pursuant to Article 154-bis, paragraph 5 and 5-ter of the Legislative Decree 58/98 (“**TUF**”).

In the financial year ended 31 December 2024, the CY4Gate Group recorded operating revenue of €72.4 million (€66.5 million in the financial year 2023) and a value of production of €75.1 million (€68.3 million in the financial year 2023). The net loss for the financial year amounted to € 5.6 million (€ 8.9 million in the financial year 2023).

The parent company CY4 recorded operating revenues of € 22.0 million (€ 16.9 million in the financial year 2023) and a value of production of € 24.9 million (€ 18.1 million in the financial year 2023). The net loss for the financial year amounted to € 6.0 million (€ 11.1 million in the financial year 2023).

For all detailed information and comments, we refer you to the Board of Directors' 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](http://www.cy4gate.com), at Borsa Italiana S.p.A., and through the authorized storage mechanism "1info", in accordance with current regulations.

Finally, it should be noted that the Company's consolidated financial statements as of 31 December 2024, including the Consolidated Sustainability Report (included in a specific section of the Report on Operations), are not subject to approval by the Company's Shareholders' Meeting. With more specific regard to the Consolidated Sustainability Report, it should be noted that it contains the information necessary for understanding the impact of the group headed by the Company on sustainability issues, as well as the information necessary for understanding how sustainability issues affect the group's performance, results and situation, and is presented to the Shareholders' Meeting for information purposes only, as it is not submitted to the latter for approval, as this is the responsibility of the Board of Directors.

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In light of the above, the Board of Directors therefore submits the following proposed resolution for your approval:

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

- having examined the draft financial statements for the year ended 31 December 2024 and the report of the Board of Directors on operations, as well as the Group's consolidated financial statements for the year ended 31 December 2024, including the Consolidated Sustainability Report for the year 2024, prepared pursuant to Legislative Decree no. 125/2024;*
- having acknowledged the reports of the Board of Statutory Auditors and the independent auditors*
- Having acknowledged the contents of the Board of Directors' Report,*

***resolves***

1. *to approve the financial statements as of 31 December 2024;*
2. *to acknowledge the consolidated group financial statements as of 31 December 2024, including the Consolidated Sustainability Report for the year 2024, prepared pursuant to Legislative Decree no. 125/2024, and the related ancillary documents;*
3. *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."*

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*1.2 Allocation of the result for the year; related and consequent resolutions:*

Dear Shareholders,

the Company's financial statements as of 31 December 2024 record a net loss of EUR 5,964,955.26.

In consideration of the foregoing, we therefore invite you to adopt the following resolution with regard to the allocation of the year's result:

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

- having examined the draft financial statements for the year ended 31 December 2024, which record a net loss of €5,964,955.26;*
- having examined the Management Report of the Board of Directors;*
- having acknowledged the reports of the Board of Statutory Auditors and the independent auditors;*
- having considered the information provided in the Management Report,*

***resolves***

1. *to carry forward the loss for the year of €5,964,955.26;*

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## **Second Item on the Agenda**

2. Resolutions concerning the report on remuneration policy and compensation paid pursuant to Article 123-ter of TUF and Article 84-quater of the Consob Regulation adopted by resolution No. 11971/1999 (“Issuers' Regulation”).
  - 2.1 Binding vote on the remuneration policy for the financial year 2025 illustrated in the first section of the report; related and consequent resolutions;
  - 2.2 Consultation on the second section of the report concerning the remuneration paid in or relating to the financial year 2024; related 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 the subsidiaries companies.

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 2025 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 2025, 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;*
- having acknowledged the information illustrated in the Board of Directors’ report*

**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 12, 2025.”*

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2.2 Consultation on the second section of the report dealing with compensation paid in or related to fiscal year 2024; 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 TUF, 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 2024 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 12, 2025.”*

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Rome, March 28, 2025

For the Board of Directors

The Chief Executive Officer

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**CY4GATE S.p.A. – Part of ELT Group**

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