

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE ITEMS ON
THE AGENDA**

**ORDINARY SHAREHOLDERS' MEETING ON 5 APRIL 2023, ON FIRST CALL
AND ON 6 APRIL 2023, ON SECOND CALL, IF NECESSARY**

Item 1 on the agenda of the ordinary session

"1. Financial statements of Digital Value S.p.A. as at 31 December 2022 and allocation of profit for the year. Presentation of the consolidated financial statements as at 31 December 2022 of the Digital Value group.

Approval of the financial statements of Digital Value S.p.A. as at 31 December 2022, after reviewing the reports of the Independent Auditors and of the Board of Statutory Auditors; inherent and consequent resolutions.

Allocation of profit for the year. Related and consequent resolutions."

Dear Shareholders,

the Board of Directors of your Company has called you to the Shareholders' Meeting to propose, in the ordinary session, the approval of the draft financial statements of Digital Value S.p.A. (the "**Company**") as at 31 December 2022; it should be noted that these financial statements have been prepared in accordance with the *Italian GAAP accounting standards* and include the Notes to the Financial Statements and the Report on Operations.

In particular, the Company's financial statements as at 31 December 2022, which will be audited by BDO Italia S.p.A., show a profit for the year of €27,651,658.00.

In asking for your approval of our work through your assent to the draft financial statements and our report, we propose to allocate the profit for the year of €27,651,658.00, as follows:

- (i) to the shareholders a unit dividend of €0.85 per each entitled share for a total maximum of € 8,474,139.60, with ex-dividend date of detachment of coupon no. 1 on 24 April 2023, the date of entitlement to payment pursuant to Article 83-*terdecies* of Italian Legislative Decree 58/1998 (record date)

Digital Value S.p.A.

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REA (Economic and Administrative
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Share Capital €1,554,957.60, fully
paid up
www.digitalvalue.it

- 25 April 2023 and dividend payment date 26 April 2023;
(ii) for the difference of € 19,177,518.40 to the Retained earnings account.

We also propose that you acknowledge the consolidated financial statements of the Digital Value group as at 31 December 2022, prepared in accordance with the IFRS international accounting standards, and which will be audited by BDO Italia S.p.A.

The 2022 consolidated financial statements show the following main Group figures in particular:

Net revenue equal to €706.2 million, up by +€150.7 million, +27.0% compared to the previous year (€ +111.0 million, +18.6% pro forma TT Tecnosistemi for the whole of 2022); the increase is attributable to the organic growth of the company and the line-by-line consolidation of TT Tecnosistemi.*

This result was achieved thanks to the competitive positioning of the Group companies on the reference ICT market (Infrastructure ICT & Managed Services) in the Large Customers segment, based on an increasingly wide range of technological solutions and partnerships with vendors and on the certified professional skills of Digital Value personnel that have made it possible to provide a growing variety of services. Today Digital Value is the leading player in the Italian market (in terms of size and variety of offerings) in the Digital Transformation Journey of the Large & Top Enterprises market, accompanying its customers from the redesign of personal productivity stations to the design-implementation-management of Data Centre infrastructures, the integral management of data (transport, archiving, management and analysis), the security of ICT solutions, and the development of the most innovative paths of Digital Business Transformation.

An analysis of the **Consolidated Revenues by Business Line** shows:

- **Next Generation Data Centre:** revenues of €298 million, with growth of €20.8 million (+7.5%) compared to 2021*; DV also confirmed its leadership in the Italian market in the NG-DC segment in the first half year of 2022, representing the segment that has been the Group's core market for years and which includes activities and services relating to (physical and virtual) Data Centre infrastructures, the related Networks and their security;
- **Digital Business Transformation:** revenues of €237 million, an increase of €88 million (+59.2%) compared to the first half-year of 2021*; activities related to Digital Business Transformation represent the sector with the highest growth rates in 2022, including projects engineered and implemented to support customers in the development and management of Edge Computing infrastructures, in solutions for Big Data Analytics, in the implementation of Cloud Software Platforms provided in IAAS, PAAS and SAAS mode, as well as in secure Integration and Video Communication services.

In this context, in December 2022 Digital Value achieved the Oracle Cloud Solution Provider (CSP) certification, thus becoming one of only three Oracle Italian Partners to have already achieved this result.

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- **Smart Workplace Transformation:** revenues of €173 million, an increase of €2 million (+1.1%) compared to 2021*; in a shrinking market environment, the activities relating to Smart Workplaces have been confirmed thanks to the growth of the service component, making it possible to improve Customer bonding;

EBITDA stood at €73.6 million, (+ €16.1 million, correspondent to an increase of +28.0% vs 2021); Digital Value therefore confirms also in 2022 the maintenance of an EBITDA margin of 10.4% on net revenues thanks to the focus on a value strategy and a persistent control of operating expenses.

EBIT stood at €51.1 million (+ €6.5 million, corresponding to an increase of +14.7% vs 2021), with an EBIT margin of 7.2% on net revenues.

The net profit for the period is par to €34.0 million, of which €0.1 million pertaining to third parties interests, with an increase of +€3.4 million (+11.1%) compared to 31 December 2021.

Lastly, it should be noted that all the records required by current legislation, including regulations, will be made available, within the terms of the law, at the registered office and on the Company's website at www.digitalvalue.it ("Investors Relations - Shareholders' Meetings Section").

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In view of the above, we submit the following resolution proposals for your decision.

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Proposed resolutions:

"The Shareholders' Meeting of Digital Value S.p.A., held in ordinary session,

- *having seen the Explanatory Report of the Board of Directors of Digital Value S.p.A.;*
- *having acknowledged the Report of the Board of Statutory Auditors of Digital Value S.p.A. drawn up pursuant to Article 2429 of the Italian Civil Code;*
- *having acknowledged the Report of the Independent Auditors BDO Italia S.p.A., drawn up pursuant to Article 14 of Legislative Decree 39/2010 as amended;*
- *having seen the Board of Directors' Report of Digital Value performance on operations;*
- *having examined the separate financial statements and the consolidated financial statements of Digital Value S.p.A. as at 31 December 2022;*

proposed decision on point 1.1. on the agenda

RESOLVES

1. *to approve the financial statements of Digital Value S.p.A. as at 31 December 2022, which show a profit for the year of €27,651,658.00;*

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2. to give a mandate to the Board of Directors, and on its behalf to its Chairman and to the Administrator Executive Officer, with the right to sub-delegate to execute this decision, including all obligations and formalities of communication, deposit and publication pertaining to said decision, to the pursuant to applicable legislation;
3. to acknowledge the results of the consolidated financial statements of the Digital Value Group as at 31 December 2022.

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proposed decision on point 1.2. on the agenda:

RESOLVES

1. to approve the allocation of the profit for the year of €27,651,658.00, as follows:
 - (i) to shareholders, a unit dividend of €0.85 for each entitled share for a total maximum of €8,474,139.60, with ex-dividend date of detachment of coupon no. 1 on 24 April 2023, the date of entitlement to payment pursuant to Article 83-terdecies of Italian Legislative Decree 58/1998 (record date) on 25 April 2023 and the date for the payment of the dividend on 26 April 2023;
 - (ii) for the difference of € 19,177,518.40 to the account Retained earnings.
2. to give a mandate to the Board of Directors, and on its behalf to its Chairman and to the Administrator Executive Officer, with the right to sub-delegate to execute the decision, including all the obligations and formalities of communication, deposit and publication pertaining to said decision, pursuant to the applicable legislation."

Rome, 14 March 2023

Digital Value S.p.A.
Il Presidente del Consiglio di Amministrazione
Massimo ROSSI


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