

## Digital Value S.p.A.

INDEPENDENT AUDITORS' REPORT ON THE  
CORRESPONDENCE TO MARKET VALUE OF THE SHARE ISSUE  
PRICE RELATING TO THE SHARE CAPITAL INCREASE WITH  
THE EXCLUSION OF OPTION RIGHTS PURSUANT TO ARTICLE  
2441, FOURTH PARAGRAPH, SECOND SENTENCE, OF THE  
ITALIAN CIVIL CODE

**INDEPENDENT AUDITORS' REPORT ON THE CORRESPONDENCE TO MARKET VALUE OF THE SHARE ISSUE PRICE RELATING TO THE SHARE CAPITAL INCREASE WITH THE EXCLUSION OF OPTION RIGHTS PURSUANT TO ARTICLE 2441, FOURTH PARAGRAPH, SECOND SENTENCE, OF THE ITALIAN CIVIL CODE**

To the Shareholders of

Digital Value S.p.A.  
Via della Maglianella, 65/E  
00166 Rome (RM)

**1 Reason for and purpose of the assignment**

In relation to the mandate envisaged by article 5, paragraph 5 of the Articles of Association of Digital Value S.p.A. (hereinafter, also "Digital Value" or the "Company" or the "Issuer") granted by the Shareholders to the Board of Directors in compliance with art. 2443 of the Italian Civil Code concerning the power to increase the share capital with the exclusion of the option right pursuant to art. 2441, fourth paragraph, second sentence of the Italian Civil Code (the "Mandate"), we have received from the Company the Directors' report dated 6 May 2024 (the "Directors' Report"), which explains and justifies said transaction.

In relation to the foregoing, the Board of Directors intends to partially exercise the aforesaid Mandate, resolving to increase the share capital against payment (the "Subscription Price"), excluding the option right pursuant to art. 2441, fourth paragraph, second sentence, of the Italian Civil Code (the "Reserved Capital Increase"), for an amount of Euro 6,572.000.00 including the share premium (the "Maximum Amount"), through the issue of newly issued ordinary shares, without any indication of par value and with the same characteristics as those in circulation on the issue date, in favour of the Company from the stake of HTT S.r.l. In TT Tecnosistemi S.p.A. remaining on the date of the Report, at an issue price for each share to be determined on the basis of the weighted average price at which the Company's shares were traded on the Euronext Milan market in the 30 trading days prior to the date of the extraordinary shareholders' meeting (the "Subscription Price"). The number amount of the newly issued shares will be determined as the ratio between the Maximum Amount and the Subscription Price, as determined above, on the understanding that, in the event of a fractional number, the amount of new shares to be issued will be rounded down to the last whole number. The Mandate will continue to be valid and may be exercised for the residual portion under the terms and conditions envisaged herein.

On the date of this report (the "Report") Digital Value's share capital is equal to Euro 1,554,957.60 divided into a total of 9,969,576 shares with no par value. Digital Value's ordinary shares are admitted to trading on Euronext, organised and managed by Borsa Italiana S.p.A.

Resolution will be passed on the aforementioned Reserved Capital Increase, pursuant to the Mandate, at the extraordinary shareholders' meeting scheduled to take place on 5 June 2024 on first call and, if necessary, on 6 June 2024 on second call.

Within the framework outlined above, the Directors decided to exercise the right granted only to companies with shares listed on regulated markets by art. 2441, fourth paragraph, second sentence, of the Italian Civil Code and art. 5 of the Articles of Association, to exclude option rights within the limit of ten percent of the Company's pre-existing share capital, as long as the issue price corresponds to the market value of the shares and this is confirmed in a special report by a statutory auditor or independent auditing firm.

Pursuant to art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, the Board of Directors of the Company has entrusted us with the task of expressing an opinion on the correspondence of the issue price of the new Digital Value shares to the market value of said shares, or, under the circumstances, on the appropriateness of the criterion proposed by the Directors to determine a Subscription Price for the shares corresponding to their market value within the scope of the Reserved Capital Increase.

## 2 Summary of the transaction

As described in the Directors' Report, the transaction underlying the Reserved Capital Increase (the "Planned Transaction") is part of the agreements relating to the transaction (hereinafter also the "**Transaction**") consisting in the acquisition by the Company of a holding in the share capital of TT Tecnosistemi S.p.A. (hereinafter also "TTT" or "the Target"), a company with registered office in Prato (PO), Via delle Fonti no. 6, VAT number, tax code and registration number in the Companies' Register of Pistoia- Prato no. 03509620484, announced in a press release dated 4 November 2021, issued following the signing of the corresponding agreement (hereinafter also "the SPA TTT").

On the date of the Report, the Company holds a 70% stake in the share capital of TTT, due to

- i. the purchase of 51% of the share capital of TTT, which took place in implementation of the SPA TTT, against the payment of a consideration equal to Euro 8,542,500.00 in favour of the vendors HTT S.r.l. (hereinafter also "HTT" or "the Vendor" or "the Subscriber") and Riccardo Gabriele Bruschi, and
- ii. the purchase from HTT of a further 19% of TTT's share capital following the exercise of the first call option on 13 June 2022.

The Company exercised the second call option to purchase from HTT the remaining 30% stake in TTT's capital, the consideration for which was set at Euro 6,572,000.00, determined in view of TTT's 2020 and 2021 EBITDA as well as its net financial position at 31 December 2021 (hereinafter also "**the Second Call Option**"). At the same time, HTT undertook to subscribe the Digital Value shares.

The Directors report that TTT has been an important national player in the ICT technology and services sector since 1984, and is particularly active in Central Italy (Tuscany, Emilia-Romagna, Umbria, Marche) with a customer base represented mainly by big companies, small-medium enterprises and Public Administration. TTT has developed particular skills in serving the Fashion & Textile, Healthcare, Utilities, Large-scale retail trade and Manufacturing sectors, in which it generates most of its turnover. The main services offered concern the management of integrated networking and security systems and data centre and virtualisation services, delivered both "on premises" and in the "cloud", as well as next-generation workstation management services.

The Directors report that the Reserved Capital Increase is part of the Company's external growth strategy through acquisitions, to be achieved also through the involvement in the share capital of the Issuer for the purpose of sharing the business project and the strategic design underlying the Planned Transaction.

For the purposes of the Planned Transaction, the Board of Directors proposes to determine the share Subscription Price resulting from the Reserved Capital Increase at an amount equal to the market average of the official prices recorded by the Issuer's ordinary shares on Euronext Milano over the 30 trading days prior to the day of Digital Value's extraordinary shareholders' meeting convened to approve the related capital increase, in compliance with the contractual provisions of the Company and the Subscriber. The Issuer will announce the Subscription Price on 4 June 2024, in a specific press release.

The method considered by the Directors to be the most representative of the market value of the shares when assessing the Share Issue Price is the stock market price method. This method is, in fact, deemed suitable by the Directors to represent the market value, in that, on an efficient market, the listing value of the shares expresses the value attributed by the market to the shares traded, reflecting the expectations regarding the Company's economic and financial performance.

In this context, the Board of Directors points out that the share issue price must take the specificities of the Planned Transaction into due consideration. The criterion of the weighted average of the official price of the shares in the 30 days prior to the date on which the proposal to the Shareholders' Meeting was approved was identified, as it was deemed suitable to represent the Company's economic value, considering that, on an efficient market, stock market prices express the value attributed by the market to the shares being traded and provide significant indications as to the value of the Company to which the shares refer, as they reflect the information available to analysts and investors, as well as their expectations with regard to the Issuer's economic and financial performance.

### **3 Nature and scope of this report**

As anticipated, pursuant to article 2441, fourth paragraph, second sentence, of the Italian Civil Code, the share issue price within the scope of the Capital Increase with the exclusion of the option right within the limit of 10 percent of the Company's pre-existing capital must correspond to the market value of the shares, and this must be confirmed in a specific report by a statutory auditor or independent auditing firm.

With reference to the requirement that the issue price must correspond to the market value, as required by the aforementioned regulation, the Board of Directors decided, under the circumstances, to propose to the Shareholders' Meeting not the determination of a precise and 'final' issue price of the shares corresponding to the market value of the same, but rather the determination of a criterion to be followed by the Directors when implementing the capital increase, taking into account the period of time between passing resolution on the capital increase and its actual implementation.

Therefore, in consideration of the specificity and characteristics of the Planned Transaction, our opinion is expressed to strengthen the disclosure to the Shareholders excluded from the option right, solely in relation to the adequacy, in the sense of being reasonable and not arbitrary, within the scope of the Reserved Capital Increase, of the criterion used by the Directors to identify an issue price for the shares that corresponds to their market value.

This report therefore indicates the criterion adopted by the Directors to determine the Subscription Price of the new shares and any valuation difficulties encountered by them and consists of our considerations on the adequacy, in the sense of being reasonable and not arbitrary, under the circumstances, of said criterion.

In performing this assignment, we did not carry out an economic assessment of the Company, which is beyond the scope of the activity requested of us.

#### **4 Documentation used**

In carrying out our work, we obtained the documents and information deemed useful for the purposes of the assignment directly from the Company or through its consultants. More specifically, we analysed the following documents:

- the Directors Report dated 6 May 2024 on the exercise of the mandate pursuant to art. 2443 of the Italian Civil Code to increase the share capital, against payment and in an indivisible manner, with the exclusion of the option right pursuant to art. 2441, fourth paragraph, second sentence of the Italian Civil Code;
- minutes of the meeting of the Board of Directors held on 6 May 2024, which approved the above-mentioned Directors' Report;
- the Company's current Articles of Association, for the purposes of this work;
- Company press releases relating to the Planned Transaction;
- Digital Value's annual financial statements and consolidated financial statements for the year ended 31 December 2023, accompanied by the reports on operations, audited by us, for which the audit reports were issued on 14 May 2024;
- statistical elements concerning the annual volatility, volumes traded, minimum and maximum prices, turnover velocity at different reference dates, taken from public databases and analysts' research, with reference to the Digital Value stock;
- "Option agreement" dated 4 November 2021;
- "Notification of Exercise of the Call Option in compliance with the option agreement signed on 4 November 2021 between Digital Value S.p.A. and HTT S.r.l." (the "Notification");
- accounting, non-accounting and statistical elements, publicly available information on the Company and the group, as well as any other information considered useful for the purposes of the analyses.

We have also obtained specific and express certification, by means of a letter issued by the Company's legal representative on 14 May 2024, that, to the best of Digital Value's management's knowledge, no significant changes have been made to the data and information taken into account in the performance of our analyses.

#### **5 Valuation methods adopted by the Directors to determine the share issue price**

##### **5.1 Foreword**

As mentioned above, in the Reserved Capital Increase transaction under examination, the Board of Directors, in execution of the mandate received from the Shareholders' Meeting, proposes that the Shareholders approve a criterion for determining the issue price of the new shares, which the Board of Directors will have to comply with when implementing the capital increase, and not to finalise the relative issue price in a precise and conclusive manner.

## 5.2 The criterion identified by the Directors to determine the issue price

In illustrating the method chosen to determine the share issue price, the Directors preliminarily noted that the wording of art. 2441, fourth paragraph, second sentence, of the Italian Civil Code refers to the 'market value' without providing further indications in this sense, even in terms of time, and therefore leads to the conclusion that multiple criteria, even different ones, are admissible, to be established depending on the characteristics of the individual capital increase transactions.

In this context, the Board of Directors deemed it necessary to refer to a parameter that is currently shared also by doctrine, i.e. the price of the issuing company's shares expressed on the pertinent regulated listing markets.

The Board of Directors, in accordance with that represented to the market in a specific press release dated 6 May 2024, determined the Subscription Price of the shares at the services of the Reserved Capital Increase at an amount equal to the weighted average market prices recorded by Digital Value S.p.A.'s ordinary shares on Euronext Milano over the 30 trading days prior to the day of Company's extraordinary shareholders' meeting convened to approve the Reserved Capital Increase, in compliance with the contractual provisions of the Company and the Subscriber. The Company will also announce the Subscription Price as determined on 4 June 2024, in a specific press release.

The method considered most representative of the market value of the shares when assessing the share issue price is therefore the stock market price method. In this framework, the Board of Directors points out that the Share Subscription Price must take the specificities of the Planned Transaction into due consideration. The criterion of the weighted average of the market price of the shares in the 30 days prior to the date on which the extraordinary shareholders' meeting is convened to approve the Reserved Capital Increase was identified by the Directors, as it was deemed suitable to represent the Company's economic value, considering that, on an efficient market, stock market prices express the value attributed by the market to the shares being traded and provide significant indications as to the value of the Company to which the shares refer, as they reflect the information available to analysts and investors, as well as their expectations with regard to the Company's economic and financial performance.

As regards the reference time span chosen for the price analysis for the purpose of determining the market value, the Directors feel the time span considered is consistent with the observation periods suggested by doctrine for assessments similar to those under review.

## 6 Valuation difficulties encountered by the Board of Directors

In the Directors' Report, the Directors identify the following limitations and profiles requiring attention:

- although the stock market price method is the most suitable for identifying the market value of Digital Value's shares, the application of this method may identify values that differ more or less significantly, depending on the time at which the valuation is made.

To this end, in the last 15 days, Digital Value's stock has shown high volatility; the resulting uncertainty does not allow forecasts of the stock's performance, especially when compared to previous data for Digital Value's stock, in addition to the fact that, during the same period considered in the valuation, significant information concerning the stock was disclosed to the market, which, however, according to the Directors, was adequately considered in the valuation process;

- the bullish trend of the Digital Value stock over the last month implies, in the opinion of the Directors, complexities in interpreting the performance of the stock, particularly in view of the discontinuity in terms of value that has arisen since the date of the disclosure to the market of the Planned Transaction. As already noted, this aspect was duly considered and, for the purposes of determining the Share Subscription Price, the Board of Directors deemed it correct to consider the performance of the stock after the announcement of the Transaction, as an expression of the market in the final formulation of the value of the share on the date of the Reserved Capital Increase.

## 7 Work performed

In order to carry out our assignment, we performed the following main activities:

- a critical reading of the Directors' Report approved on 6 May 2024;
- an examination of the minutes of the Board of Directors of the Company dated 6 May 2024 concerning the Planned Transaction;
- an examination, for the purposes of this work, of the Company's current Articles of Association;
- discussions with the Company's management and its consultants;
- a critical examination of the criterion adopted by the Directors to determine the Subscription Price of the new shares for the Reserved Capital Increase, in order to ascertain its adequacy, in the sense of being reasonable and not arbitrary;
- consideration of the elements necessary to ascertain that such criterion was technically suitable, under the specific circumstances, from a reasonable and non-arbitrary standpoint, to determine an issue price of the shares corresponding to their market value at the time the binding contract was signed and consequently at the time of signing the binding commitment to carry out the Reserved Capital Increase;
- verification of the completeness and non-contradictory nature of the reasons given by the Directors for the choice of the aforesaid criterion;
- performance of checks on the trend of the stock market prices of the Company's shares in the 90 days preceding the date of this Report, finding other information such as the reference time span, significance of the prices considered, type of average used, characteristics of the free float, volatility of the stock and average daily volumes;
- performance of a sensitivity analyses on the trend of the stock market prices of Digital Value shares up to the date of this Report, calculating the weighted average for the daily volumes of the share prices in the various intervals of 30, 60 and 90 days prior to the date indicated;
- performed checks to ascertain the significance of the Digital Value share price, based on an analysis of the free float, share volatility, average daily trading volumes, bid/ask spread and turnover velocity;



- performance of an analysis of similar market transactions to ensure that the criterion for determining the market price was in line with that typically practised by other companies for similar transactions;
- check on the documents subject to final approval in consideration of the draft documents made available by the Company during the current month of May.

As previously indicated, certain documents which were necessary to carry out the audit activities that are the subject of this report, were supplied to us in draft form by the offices of the Company responsible for their preparation, before their approval by the Board of Directors on 6 May 2024. Accordingly, our audits, as described above, were also carried out on these documents supplied to us in draft form, without prejudice to the audits carried out on the final documentation that was approved by the Board of Directors.

## **8      Remarks on the adequacy of the valuation methods adopted by the Directors to determine the share issue price**

Paragraph 4 of the Directors' Report describes the criteria used to determine the Subscription Price of the new shares and the considerations of the Board of Directors as to whether it corresponds to the market value of Digital Value's ordinary shares, as described above.

To this end, in consideration of the specific characteristics of the transaction, we hereto express our considerations as to the adequacy, in terms of its being reasonable and non-arbitrary, of the criterion adopted by the Directors to determine, in the circumstances under consideration, of the issue price of the new shares, which corresponds to their market value at the time of signing the binding commitment to carry out the Capital Increase and of the application of said criterion solely to the Reserved Capital Increase.

First of all, under the circumstances, the reference to the stock market prices of the Digital Value share adopted by the directors appears consistent with the need to identify a method to determine the issue price of the shares corresponding to their market value, as the shares of the company are listed on a regulated market. The stock market prices of the shares usually express, in an efficient market, the value attributed by the market to the shares being traded and, consequently, provide significant indications as to the value of the company to which the shares refer, as they reflect the information available to analysts and investors, as well as the expectations of the same regarding the company's economic and financial performance. Moreover, this criterion for determining the market price appears to be in line with the most recent practice observed in the context of similar transactions carried out by other companies.

It should also be noted that the method proposed by the Board of Directors to determine the issue price appears, under the circumstances, to be adequate in terms of being reasonable and non-arbitrary, as it is not affected by subjective factors connected to the Directors' choice of basic assumptions and parameters (such as, for example, rates, comparables, development forecasts) more typically attributable to other valuation methodologies.



Secondly, the directors' decision to use a weighted average of the stock market prices, and in particular that of the last 30 days of the market, in accordance with the positions expressed by doctrine and professional practice for similar transactions, allows the mitigation of the risks deriving from significant fluctuations in market prices and therefore appears to be in line with them. With regard to the timeframe of the stock market prices to be used as the basis for calculating the weighted average, the Directors' choice of 30 days preceding the Shareholders' Meeting convened to approve the Reserved Capital Increase can be considered reasonable and not arbitrary in order to represent the market value of the shares. On the one hand, a shorter period of time might reflect events of an extraordinary or speculative nature and, moreover, might not be consistent with the volumes traded.

On the other hand, in principle, the choice of a longer period of time could lead to the risk of not incorporating sufficiently up-to-date information on the company's economic situation and context.

Lastly, the Board of Directors did not, under the circumstances, apply any method other than the stock market price method. This choice seems attributable to the fact that, in the case of capital increases with the exclusion of the option right pursuant to article 2441, fourth paragraph, second sentence, of the Italian Civil Code, the method based on stock exchange prices is generally considered adequate to reflect the "market value" of the company as intended by the aforementioned law.

## **9 Specific limitations encountered by the auditor and any other significant aspects that emerged during the performance of this assignment**

With regard to the difficulties and limitations encountered in the performance of our assignment, we would like to draw your attention to the following:

- in relation to the specific characteristics of the transaction, the Board of Directors decided not to determine a precise and "final" share issue price in the Directors' Report. It was the Directors' intention to state that the weighted average of the stock market prices of the Digital Value shares in the 30 days preceding the extraordinary shareholders' meeting convened for 5 June 2024 to approve the Reserved Capital Increase is an adequate method and timeframe to reflect the market value of the shares, for the reasons expressed in the Directors' Report;
- as stated above, the capital increase proposal formulated by the Board of Directors does not indicate the share issue price, but rather the criteria for its determination. Therefore, this report is not concerned with the correspondence of the share issue price, which has not yet been defined, to the market value of the shares, but with the adequacy, in terms of its being reasonable and non-arbitrary, of the criterion proposed by the Directors for the determination of a share issue price corresponding to the market value of the shares at the time of the implementation of the Reserved Capital Increase;
- we also feel it is appropriate to point out that the stock market price method is particularly suitable in the presence of companies with high traded volumes and where the volatility of the securities being valued is higher than the average market value (reference index: FTSE MIB). In our opinion, the use of a weighted average market price for the volumes traded would have helped to partially sterilise the potential volatility of the share during the observation period. Consequently, the Subscription Price may not fully reflect the intrinsic value of the stock;

- Valuations based on stock market prices are subject to the performance of the financial markets and may therefore show, particularly in the short term, significant fluctuations in relation to the uncertainty of the national and international macroeconomic scenario. Furthermore, speculative pressures or exogenous factors of an extraordinary and unpredictable nature, independent of the economic and financial prospects of individual companies, may influence share performance. Therefore, considering that the Subscription Price of the shares at the service of the Reserved Capital Increase will be established on 4 June 2024, after the date of this report, it cannot be excluded that unforeseeable circumstances may arise, with possible potential effects on the Subscription Price

## 10 Conclusions

In consideration of the above, based on the documentation examined and the procedures described above, taking into account the nature and scope of our work indicated in this Report, and notwithstanding that highlighted in paragraph 9 above, we believe that the methods of application of the criterion identified by the Directors pursuant to article 2441, paragraph four, second sentence, of the Italian Civil Code, are appropriate as, under the circumstances, they are reasonable and not arbitrary, for the purposes of determining an issue price for the shares that corresponds to their market value at the time of implementation of the Reserved Capital Increase.

Milan, 14 May 2024

BDO Italia S.p.A.



Vincenzo Capaccio  
Partner