

Digital Value Group

Independent Auditor's Report pursuant to
article 14 of Legislative Decree 27 January
2010, no. 39 and article 10 of EU 537/2014

Consolidated Financial Statements at 31 December 2023

Independent Auditor's Report

pursuant to article 14 of Legislative Decree 27 January 2010, no. 39 and article 10 of EU 537/2014

To the
shareholders of
Digital Value S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have carried out the audit of the consolidated financial statements of the Digital Value group (the Group), made up of the balance sheet at 31 December 2023, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cashflows for the year ended on said date and the notes to the financial statements, which include the significant information on the accounting standards applied.

In our opinion, the consolidated financial statements provide a true and fair representation of the equity and financial situation of the Group for the year ended 31 December 2023, of the economic results and cash flows for the year ended on said date, in compliance with the International Financial Reporting Standards adopted by the European Union, and the provisions issued in implementation of article 9 of Legislative Decree 38/05.

Basis for the opinion

We have carried out the audit in compliance with the international standards on auditing (ISA Italia). Our responsibilities under these standards are further described in the *Responsibilities of the independent auditors for the audit of the consolidated financial statements* section of this report.

We are independent of Digital Value S.p.A. in accordance with the rules and standards governing ethics and independence applicable in the Italian legal system to the audit of financial statements. We feel that we have acquired sufficient and appropriate evidence on which to base our opinion.

Key aspects of the audit

The key aspects of the audit are those aspects that, in our professional opinion, were most significant in the audit of the consolidated financial statements for the year under review. We addressed these aspects as part of our audit and in the formation of our opinion on the consolidated financial statements as a whole; as a consequence, we do not express a separate opinion on them.

Key aspects**Assessment of the recoverability of the value of goodwill**

Note 7.1.1 - “Goodwill” of the Notes to the Digital Value Group's Consolidated Financial Statements at 31 December 2023

The intangible assets in the consolidated financial statements include goodwill of about Euro 24 million, allocated to the Group's only CGU.

The processes and methods for assessing and determining the recoverable value of the CGU, in terms of value in use, are based on sometimes complex assumptions which, by their very nature, require the judgement of the directors, particularly with reference to the forecast of future cash flows envisaged in the plans, the determination of normalised cash flows underlying the estimate of the terminal value, the determination of the long-term growth rate and discount rate applied to the forecasts of future cash flows.

The directors subjected goodwill to an impairment test on the closing date of the financial statements.

The impairment test performed did not reveal any loss in value that needs to be reflected in the consolidated financial statements at 31 December 2023.

Moreover, the Group carried out a sensitivity analysis with reference to the WACC discount rate adopted, from which no critical issues emerged with regard to book values.

In view of the opinion required and the complexity of the assumptions made in estimating the recoverable amount of the goodwill, we considered this issue to be a key aspect of the audit.

Audit procedures in response to key aspects

The main audit procedures performed in response to the key aspect of the audit relating to the assessment of the recoverability of the value of goodwill concerned the following activities:

- verification of the identification criteria of the IT Cash Generating Unit in keeping with the Group's structure.
- analysis of the procedures implemented by the group regarding the assessment of the recoverability of goodwill.
- understanding the methodology adopted by management in preparing the impairment test approved by the Board of Directors of Digital Value S.p.A. on 29 April 2024.
- verification of the consistency of the anticipated future cash flows for the IT Cash Generating Unit with the data approved by the Company's Board of Directors.
- analysis of the plausibility of the main assumptions used in the preparation of the forecasts of the IT Cash Generating Unit, obtaining information from management and comparing historical forecasts against the final figures.
- assessment of the consistency and plausibility of the forecast data used by the Company with respect to the provisions of IAS 36, the results achieved in previous years and external sources of information.
- verification of the mathematical accuracy of the model used for the impairment test and reconstruction of the discount rate.
- verification of the determination of the long-term growth rate considering expected inflation estimates.
- mathematical review of the sensitivity analysis prepared by the Company.

The audit procedures were performed with the aid of experts in valuation models belonging to the BDO Italia network.

Lastly, we considered the adequacy of the information disclosed in the financial statements.

Responsibilities of the directors and the board of statutory auditors for the consolidated financial statements

The directors are responsible for drawing up consolidated financial statements that give a true and fair view in compliance with the International Financial Reporting Standards adopted by the European Union, and the provisions issued in implementation of article 9 of Legislative Decree 38/05 and, within the terms of the law, for that part of the internal audit which they consider necessary to enable the preparation of financial statements that do not contain significant errors due to fraud or to unintentional conduct or events.

The directors are responsible for assessing the Group's ability to continue operating as a going concern and, in preparing the consolidated financial statements, for the appropriateness of the use of its consideration as a going concern, as well as for adequate disclosure. The directors use the consideration of the Company as Consolidated value a going concern in preparing the consolidated financial statements unless they have determined the existence of the conditions for liquidation of the parent company Digital Value S.p.A. or discontinuation of the activity, or have no realistic alternative to these decisions.

The board of statutory auditors is responsible for supervising, within the terms of the law, the process of preparing the Group's financial reporting.

Responsibility of the independent auditor for auditing the consolidated financial statements

Our aims are to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free from significant errors, due to fraud or unintentional conduct or events, and to issue an audit report including our opinion. Reasonable assurance is a high level of assurance which does not, however, guarantee that an audit performed in compliance with International Standards on Auditing (ISA Italia) will always identify any significant errors. Errors can arise from fraud or from unintentional conduct or events and are considered significant if they could reasonably be expected, either individually or collectively, to influence the economic decisions of users made on the basis of the consolidated financial statements.

In an audit performed in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. In addition:

- we identified and assessed the risks of significant errors in the consolidated financial statements, due to fraud or unintentional conduct or events; we defined and performed audit procedures in response to those risks; and we obtained sufficient and appropriate evidence on which to base our opinion. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error resulting from unintentional conduct or events, since fraud may involve collusion, falsification, intentional omission, misrepresentation or manipulation of the internal audit;
- we gained an understanding of internal audit for the purpose of designing audit procedures that are appropriate under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Group's internal audit;

- we assessed the appropriateness of the accounting standards used and the reasonable nature of the estimates made by the directors, including the related disclosures;
- we reached a conclusion on the appropriateness of the directors' use of the consideration of the company as a going concern and, based on the evidence obtained, on whether there is significant uncertainty about events or circumstances that may cast significant doubt on the Group's ability to continue operating as a going concern. When there is a significant uncertainty, we are required to draw attention to it in the auditors' report on the related financial statement disclosures or, if such disclosures are inadequate, to reflect this in the formulation of our opinion. Our conclusions are based on the evidence obtained up to the date of this report. However, subsequent events or circumstances may result in the Group ceasing to operate as a going concern;
- we assessed the presentation, structure and content of the consolidated financial statements as a whole, including disclosures, and whether the consolidated financial statements present the underlying transactions and events in a way that gives a true and fair view;
- we acquired sufficient and appropriate elements on the financial information of the enterprises or the different economic activities performed within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, supervision and performance of the Group's independent audit. We bear sole responsibility for the judgement of the audit of the consolidated financial statements.

We disclosed to those responsible for governance activities, identified at an appropriate level as required by ISA Italia, the planned scope and timing of the audit and the significant findings that emerged, including any significant deficiencies in internal audit identified during our audit.

We also supplied those responsible for governance activities with a declaration of our compliance with the rules and principles on ethics and independence applicable in the Italian legal system and informed them of any situation that could reasonably have an effect on our independence and, where applicable, the actions taken to eliminate the associated risks or the safeguards applied.

Among the aspects communicated to the persons in charge of governance activities, we identified those that were most significant within the scope of the audit of the consolidated financial statements for the year under review, and therefore represented the key aspects of the audit. We described these aspects in the audit report.

Other information disclosed pursuant to art. 10 of EU Regulation no. 537/2014

On 5 April 2023, the shareholders' meeting of Digital Value S.p.A. appointed us to audit the Company's statutory and consolidated financial statements for the financial years from 31 December 2023 to 31 December 2031.

We hereby declare that no services other than auditing which are forbidden pursuant to art. 5, paragraph 1 of Regulation (EU) 537/2014 were provided and that we remained independent of the Company in the performance of the audit.

We confirm that the opinion on the financial statements expressed in this report is in line with that indicated in the additional report to the Board of Statutory Auditors, in its capacity as the Committee for Internal Control and Statutory Audit, prepared pursuant to art. 11 of the aforementioned Regulation.

Report on other provisions of the law and regulations

Opinion on compliance with the provisions of Delegated Regulation (EU) 2019/815

The directors of Digital Value S.p.A. are responsible for the application of the provisions of Delegated Regulation (EU) 2019/815 of the European Commission on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF) (hereinafter “Delegated Regulation”) to the consolidated financial statements for the year ended 31 December 2023, to be included in the annual financial report.

We performed the procedures indicated in auditing standard (SA Italy) no. 700B with a view to expressing an opinion on the conformity of the consolidated financial statements with the provisions of the Delegated Regulation.

We performed the procedures indicated in auditing standard (SA Italy) no. 700B with a view to expressing an opinion on the conformity of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements at 31 December 2023 have been prepared in XHTML format and are marked, in terms of all significant aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, certain information contained in the notes to the consolidated financial statements may not, when extracted from the XHTML format in an XBRL instance, be reproduced identically to the corresponding information displayed in the consolidated financial statements in XHTML format.

Opinion in compliance with art. 14, paragraph 2, (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4 of Legislative Decree 58/98.

The directors of Digital Value S.p.A. are responsible for preparing the report on operation and the report on corporate governance and ownership structures of the Digital Value Group at 31 December 2023, as well as their consistency with the related financial statements and compliance with legal requirements.

We performed the procedures indicated in auditing standard (SA Italy) no. 720B with a view to expressing an opinion on the consistency of the report on operation and certain specific information contained in the report on corporate governance and ownership structures indicated in art. 123-bis, 4 of Legislative Decree 58/98, with the consolidated financial statements of the Digital Value Group at 31 December 2023 and on the compliance with legal requirements, and issued a statement regarding any significant errors.

In our opinion, the report on operation and certain specific information contained in the report on corporate governance and ownership structures referred to above are consistent with the consolidated financial statements of the Digital Value Group at 31 December 2023 and have been prepared in compliance with the legal requirements.

With reference to the statement pursuant to article 14, paragraph 2, letter e), of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and its context acquired during the audit, we have nothing to report.

Milan, 14 May 2024



BDO Italia S.p.A.

Vincenzo Capaccio
Partner