

DIGITAL VALUE S.p.A.

REGISTERED OFFICE IN ROMA, VIA DELLA MAGLIANELLA N. 65/E

SHARE CAPITAL SUBSCRIBED AND PAID IN € 1,554,957.60

REA No. 1554887

REGISTER OF COMPANIES OF ROME AND TAX CODE 10400090964

CONSOLIDATED AND SEPARATE FINANCIAL REPORT at 31 December 2023

This document, in PDF format, does not constitute fulfilment of the obligations arising from Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 (the "ESEF Regulation" - European Single Electronic Format) for which a special XHTML format has been developed

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Board of Directors

| | |
|----------------------|------------------------|
| Executive President | Massimo Rossi |
| Appointed Director | Paolo Vantellini |
| Director | Riccardo Benedini |
| Director | Marco Patuano |
| Independent Director | Maria Grazia Filippini |
| Independent Director | Mario Vitale |
| Independent Director | Maria Luisa Mosconi |

Board Committees

Control and Risk Committee: made up of Directors: Maria Luisa Mosconi (Chairperson), Maria Grazia Filippini, Mario Vitale;

Committee for Appointments and Remuneration: made up of Directors: Maria Grazia Filippini (Chairperson), Maria Luisa Mosconi, Marco Patuano;

Related Parties Committee: made up of Directors: Maria Grazia Filippini (Chairperson), Maria Luisa Mosconi, Mario Vitale;

Sustainability Committee: Mario Vitale (Chairman), Marco Patuano, Riccardo Benedini.

Board of Statutory Auditors

| | |
|-------------------|----------------------|
| Chairman | Sergio Marchese |
| Statutory Auditor | Paola Ginevri Latoni |
| Statutory Auditor | Gian Luca Succi |
| Alternate auditor | Alessandra Tella |
| Alternate auditor | Lucia Calore |

Executive responsible for the preparation of the company accounting documents Alessandro Pasqualin

| | |
|----------------------------|------------------|
| Oversight committee | Alessia Egidi |
| | Michele Bencini |
| | Agostino Scarano |

Independent Auditor BDO ITALIA S.p.A.

FOREWORD

The Consolidated and Separate Financial Report for the year ended 31 December 2023 of Digital Value S.p.A. (The “Parent Company” and, with reference to the scope of consolidation, the “Group”) has been prepared in compliance with IAS-IFRS.

This Report provides the most significant information on the economic and financial situation and on the management of Digital Value S.p.A. and its Group.

The amounts shown in the schedules, tables and notes are expressed in Euro thousands.

The Financial Report for the year ended 31 December 2023 shows a consolidated net profit of Euro 38,809 thousand and a separate net profit of Euro 31,398 thousand.

Digital Value S.p.A., admitted to the multilateral trading system called “Euronext-Growth Milan”, organised and managed by Borsa Italiana S.p.A., as of 8 November 2018, is the result of the integration of two primary companies in the Large Account segment of the Technology & Service Solutions sector: Italware S.r.l and ITD Solutions S.p.A., and of the subsequent acquisition of TT Tecnosistemi S.p.A. Benefit Company.

By order no. 8943 of 2 May 2023, Borsa Italiana determined the admission to listing on the Euronext Milan regulated market, organised and managed by Borsa Italiana (“Euronext Milan”), of the Company's ordinary shares. With the same provision, Borsa Italiana determined the simultaneous removal from trading on the Euronext Growth Milan multilateral trading system, organised and managed by Borsa Italiana (“Euronext Growth Milan”), of the Company's ordinary shares.

Trading of the shares on Euronext Milan commenced on Wednesday 10 May 2023.

From 18 September 2023, the Technical Committee of the FTSE Italia Index Series has included Digital Value in the FTSE MIB Mid Cap, one of the main indices of the Italian Stock Exchange, which includes the 60 most liquid and capitalised shares listed on the Euronext Milan and Euronext MIV Milan markets and not included in the FTSE MIB index (which limits its composition to the 40 most liquid and capitalised shares on the market).

Digital Value has also been included in the Euronext Tech Leaders segment, which groups high-growth Tech companies listed on Euronext, since June 2022.

The Group researches, designs, develops and markets ICT solutions and services for the digitisation of large account customers operating in the strategic sectors of the country's economy - Telecommunications, Transport, Utilities, Finance, Industry and Public Administration - which represent the leading segment of the ICT market). Digital Value consolidates unique and specialised skills, capable of offering

comprehensive coverage of the technological innovation needs of key market segments, the result of a path of constant and significant growth.

The Group's success is based on the unique skills, know-how and specialisation of its human resources as well as its recognised ability to plan, implement and manage innovative and functional project solutions for the digitisation of its customers.

MAIN SHAREHOLDERS AND SHARE PERFORMANCE

As of today, the subscribed and paid-up capital amounts to Euro 1,555,000 and is represented by 9,969,576 shares with no par value, divided as follows:

| Description | Number |
|-----------------|------------------|
| Ordinary shares | 9,969,576 |
| Total | 9,969,576 |

The following table shows, according to the results of the shareholders' register and based on other information available to Digital Value S.p.A., the shareholders that hold more than 3% of the share capital.

| Shareholder | No. shares with entitlement to vote | % of capital |
|-------------------|-------------------------------------|--------------|
| DV Holding S.p.A. | 6,441,833 | 64.615% |

In accordance with the Regulation for the Increased Vote - which came into force on the date of commencement of trading of the Company's ordinary shares on Euronext Milan, organised and managed by Borsa Italiana S.p.A., which occurred on 10 May 2023 - the increased vote for shares existing prior to the date of commencement of trading on Euronext Milan is understood as accruing from 24 months from the date of registration on the special list. The right also accrues in the event of uninterrupted ownership in the 24 months prior to the introduction of the regulation.

The Shareholders of Digital Value S.p.A. in possession of more than 3% of the share capital who, as of the date of this report, have requested and obtained inclusion in the List for the attainment of the increased voting rights are listed below.

| Shareholder | Date of increase | Total voting rights | % * |
|-------------------|------------------|---------------------|---------|
| DV Holding S.p.A. | 10 May 2023 | 12,883,666 | 78.504% |

*Percentage determined on the basis of the total amount of voting rights, communicated on 16 May 2023 pursuant to art. 85-bis, paragraph 4-bis, of Consob Regulation 11971/1999

It should be noted that, as of February 2022, the Company, in implementation of the resolutions of the Ordinary Shareholders' Meeting of 30 April 2021 and the subsequent resolutions of 29 April 2022 and 5 April 2023, initiated a share buyback programme as a useful strategic investment opportunity for any purpose permitted by current legal provisions. The purchases may concern a maximum number of 100,000 ordinary shares of the Company, with no indication of par value, for a maximum countervalue of Euro 10,000,000.

As of 31.12.2023, 18,436 shares were purchased for a total consideration of Euro 1,231,000, and as of 23.04.2023, 43,259 shares were purchased for a total consideration of Euro 2,597,000.

The value of the Digital Value share on 31.12.23 was Euro 61.80, compared to the share price of Euro 66.70 on 31.12.2022.

On 26 April 2024, the share closed at a price of Euro 55.60 and a market capitalisation of Euro 554.3 million.

The following graphs show the performance of the DGV share between 24.04.2023 and 24.04.2024 (**Fig. 1**)

DGV.MI share performance

Fig. 1 DGV share performance between 24/04/2023 and 24/04/2024



BUSINESS MODEL

The Information & Communication Technology (hereinafter also referred to as “ICT”) Infrastructure value chain traditionally consists of three sequential phases that require specific distinctive skills and in which specialised subjects traditionally operate:

- i. The definition of reference technologies: the continuous development of new solutions to meet ICT needs leads to the need for distinctive skills in the latest technologies being developed both for on-premises components and for cloud-based solutions; the ICT Technology Advisors and Strategic Consultants set themselves the goal of analysing the specific situation of an individual customer (both in terms of management of the equipment installed and in terms of future needs) and of defining the technological trajectories and the best implementation strategies to tackle the digital transformation path;
- ii. The definition of the concrete case: once the optimal theoretical framework has been defined, the Business Consultants and Demand Experts set themselves the goal of defining the best solutions for each concrete case and prepare the Reference Guidelines and the relevant Design for the translation of the high-level specifications into implementation projects;
- iii. The detailed project and its implementation: the third phase of the Digital Transformation process consists in the preparation of detailed Operational Plans, the customisation of standard products with respect to the customer's specific needs, the installation of the new technologies in the company's reality, the integration of the new machines (physical or virtual) with the infrastructures already installed, the migration of applications and the related databases to the new equipment, the measurement of performance and the maintenance (current and evolutionary) of the implemented solutions. The operational activities include a wide chain of processes ranging from the logistics of materials, to the operational installation phase, to the integration and management of the application solutions that govern the infrastructures (Security Operation Centre, Network Operation Centre, Orchestration, management of software and core applications, etc).

The Group distinguishes itself within its reference market for being an operator capable of acting as a single point of contact for the customer throughout all the phases of the value chain between the customer and the individual technology suppliers, identifying the most suitable products/solutions available on the market that, based on the customer's specific needs, can translate into significant benefits for the latter in terms of cost efficiency, improved service levels and operational simplification.

The proposition to its customers of a wide range of products and services relating to a multiplicity of primary global technology producers (“Hyper Var” so-called “multi-vendor”) represents for Digital Value not only a critical success factor but also a primary element in mitigating the main risks connected to its business model, in terms of reduced dependence on single/specific suppliers, of non-significant risks connected to the lack of distribution of single/specific suppliers, and of constant access to the most advanced technologies available on the market.

On an operational level, the Group regulates its commercial relations with major suppliers and customers through the signing of one-off transactions, framework agreements and long-term contracts. In keeping with market practice in the sector to which the Group belongs, some contracts envisage penalties in the event of delays in the execution of supplies or if the products and/or products and services supplied do not meet the technical specifications agreed upon.

The sale of products and services is considered a strategic activity, so it is carried out mainly through the Group's internal sales network.

In order to carry out certain operational and less complex and strategic activities, such as logistics and distribution, the Group relies on external partners with whom it has established long-term relationships, while maintaining the planning and control of the aforementioned activities in-house.

The Group has had consolidated relations with its main customers for at least five years and has kept the number of its customers substantially constant.

MACROECONOMIC FRAMEWORK

The global economy grew more slowly in 2023 than in 2022 (+2.7 % global GDP, compared to +3.1 % in 2022) due to rising interest rates in a high-inflation scenario (5.6 % in 2023), with inverse dynamics in the two half-year periods.

The global economy was stronger in early 2023 than in late 2022, thanks to the reopening of the Chinese economy and the resilience of US labour markets. The difficulties that affected the US banking sector in early March had repercussions on the global financial markets, but, since then, most asset prices have recovered their losses during the period.

By the end of 2023, however, the global economic activity had weakened: manufacturing output continued to stagnate and services had lost momentum. After the strong expansion in consumption in the third quarter in the US, some signs of a slowdown in activity emerged; in China, the continuing crisis in the real estate sector is holding back growth, which remains well below pre-pandemic levels. International trade showed modest momentum, impacted by weak demand for goods and the global monetary tightening. After marked volatility at the beginning of October, crude oil and natural gas prices fell and remained subdued despite the attacks on shipping traffic in the Red Sea.

Growth in Europe decelerated sharply (+0.5% in 2023 compared to +3.5% in 2022) due to weak demand impacted by the restrictive monetary policy (interest rates rose 200 basis points during the year, following 425 basis point rises in 2022). The performance of the US economy was better than expected (+2.5% in 2023 compared to +1.9% in 2022) thanks to the resilience of the labour market and falling inflation, which supported consumption. The easing of inflation (4.1% in 2023 compared to 8.0% in 2022) allowed the Federal Reserve to keep interest rates unchanged after the 100 basis point rises in the first half of 2023. Economic growth in China (+5.2% in 2023 compared to +3.0% in 2022) was supported by consumption and industry.

| | 1° trim 2023 | 2° trim 2023 | 3° trim 2023 | 4° trim 2023 | 2023 | 2022 |
|---------|--------------|--------------|--------------|--------------|------|------|
| UE | 1,1 | 0,5 | 0,0 | 0,3 | 0,5 | 3,5 |
| USA | 1,7 | 2,4 | 2,9 | 3,1 | 2,5 | 1,9 |
| Cina | 4,5 | 6,3 | 4,9 | 5,2 | 5,2 | 3,0 |
| Brasile | 3,7 | 3,4 | 2,5 | 2,6 | 3,0 | 3,1 |
| Russia | -1,8 | 4,9 | 5,5 | 6,2 | 3,6 | -1,2 |
| Mondo | 2,4 | 3,0 | 2,6 | 2,7 | 2,7 | 3,1 |

Fonte: analisi interne, S&P Global Market Intelligence febbraio 2024

Diverging market expectations on inflation and the monetary policies of the central banks were the key factors that drove exchange rate dynamics in 2023. The narrowing of interest rate differentials between the US and the Eurozone led to a strengthening of the euro against the US dollar. The euro averaged USD 1.08 in 2023, gaining 2.7% compared to the same period in 2022 (USD 1.05).

| Tassi di cambio principali | 1° trimestre | | 2° trimestre | | 3° trimestre | | 4° trimestre | | Media annua | |
|-----------------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|--------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| US\$ per euro | 1,07 | 1,12 | 1,09 | 1,07 | 1,09 | 1,01 | 1,08 | 1,02 | 1,08 | 1,05 |
| Renminbi cinese per US\$ | 6,85 | 6,35 | 7,01 | 6,61 | 7,17 | 6,83 | 7,15 | 7,06 | 7,05 | 6,73 |
| Real brasiliano per US\$ | 5,20 | 5,24 | 4,95 | 4,93 | 4,88 | 5,25 | 4,95 | 5,25 | 5,00 | 5,17 |
| Rublo russo per US\$ | 72,80 | 87,37 | 81,04 | 66,36 | 94,13 | 59,40 | 92,79 | 63,05 | 85,26 | 67,89 |

Fonte: tassi di cambio medi del periodo. Fonte: banche centrali nazionali

The tightening of monetary policy continued in 2023; the Governing Council of the European Central Bank raised official rates by a total of 200 basis points between February and September, with interventions that raised interest rates on main refinancing operations, marginal refinancing operations and deposits with the central bank to 4.50%, 4.75% and 4.00% respectively. At subsequent meetings, including that of 24 January 2024, the Governing Council of the European Central Bank decided to leave the three key interest rates unchanged.

For 2024, Eurozone experts predict initial signs of stabilisation, which do not, however, appear to be consistent with a significant resumption of growth, which is estimated to arrive in the second half of the year after a weak start to 2024 and the overcoming of monetary and credit restriction policies with a consequent recovery in purchasing power and fixed investments by governments and businesses.

GDP is expected to grow at an average annual rate of +0.4% in real terms, compared to +0.5% in 2023, and then stabilise at 1.3% in 2025.

The complex geopolitical environment continues to be a risk factor.

| Previsioni | | | | | | | | | | | | |
|-------------------------------|------|-------|-------|------|-------|------|------|------|-------|------|------|-----------|
| | 2023 | 2024p | 2025p | | | | | | | | | |
| | | | | 2023 | 2024p | | | | 2025p | | | |
| | | | | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 2 |
| PIL (prezzi costanti, a/a) | 0.5 | 0.4 | 1.3 | 1.3 | 0.6 | 0.1 | 0.1 | 0.1 | 0.2 | 0.5 | 0.9 | 1.2 1.3 |
| - I/I | | | | 0.0 | 0.1 | -0.1 | 0.0 | 0.1 | 0.2 | 0.3 | 0.3 | 0.3 |
| Consumi privati | 0.6 | 0.8 | 1.3 | 0.1 | 0.1 | 0.3 | 0.1 | 0.1 | 0.2 | 0.4 | 0.4 | 0.3 0.3 |
| Investimenti fissi | 1.4 | -0.3 | 2.4 | 0.3 | 0.2 | 0.0 | 1.0 | -1.6 | 0.4 | 0.2 | 0.7 | 0.8 0.6 |
| Consumi pubblici | 0.7 | 1.0 | 0.4 | -0.4 | 0.4 | 0.6 | 0.6 | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 0.1 |
| Esportazioni | -0.9 | -0.5 | 2.9 | -0.5 | -1.1 | -1.2 | 0.0 | -0.1 | 0.2 | 0.5 | 0.5 | 0.9 0.9 |
| Importazioni | -1.4 | 0.7 | 2.0 | -1.6 | -0.1 | -1.4 | 0.6 | 0.3 | 0.4 | 0.5 | 0.5 | 0.5 0.5 |
| Var. scorte (contrib., % PIL) | -0.4 | 0.4 | -0.5 | -0.5 | 0.5 | -0.4 | -0.1 | 0.5 | 0.1 | 0.1 | -0.1 | -0.2 -0.2 |
| Partite correnti (% PIL) | 1.5 | 1.8 | 2.2 | | | | | | | | | |
| Deficit pubblico (% PIL) | -3.0 | -2.9 | -2.4 | | | | | | | | | |
| Debito pubblico (% PIL) | 90.0 | 89.7 | 89.5 | | | | | | | | | |
| Prezzi al consumo (IPCA, a/a) | 5.4 | 2.5 | 1.8 | 8.0 | 6.2 | 5.0 | 2.7 | 2.6 | 2.6 | 2.3 | 2.4 | 1.6 1.8 |
| Produzione industriale (a/a) | -2.3 | -0.6 | 2.4 | 0.7 | -1.0 | -4.9 | -4.0 | -4.0 | -1.1 | 1.1 | 1.7 | 3.0 2.5 |
| Disoccupazione (ILO, %) | 6.5 | 6.7 | 6.7 | 6.6 | 6.5 | 6.5 | 6.5 | 6.5 | 6.8 | 6.8 | 6.8 | 6.8 6.7 |
| Euribor 3 mesi | 3.43 | 3.62 | 2.48 | 2.63 | 3.36 | 3.78 | 3.96 | 3.91 | 3.77 | 3.56 | 3.23 | 2.75 2.38 |
| EUR/USD | 1.08 | 1.10 | 1.13 | 1.07 | 1.09 | 1.09 | 1.08 | 1.09 | 1.09 | 1.11 | 1.11 | 1.12 1.12 |

Nota: variazioni percentuali sul periodo precedente - salvo quando diversamente indicato. Fonte: Refinitiv-Datastream, Intesa Sanpaolo

DEVELOPMENT OF DEMAND AND TRENDS IN THE SECTOR IN WHICH THE GROUP OPERATES

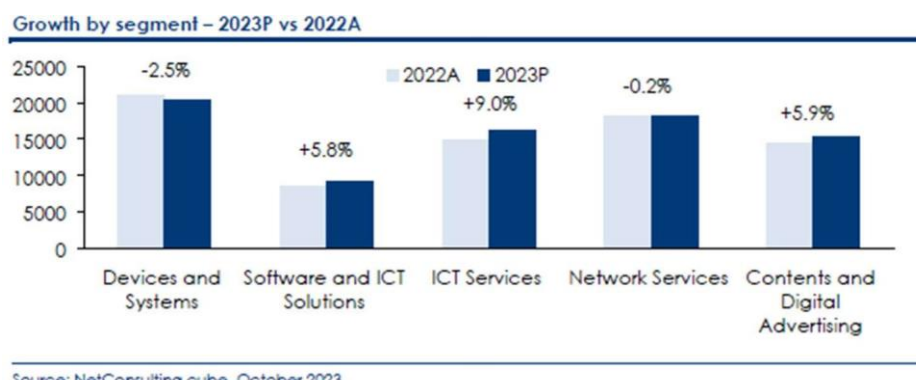
The Italian Information & Communication Technology (referred to hereinafter also as “ICT”) market has historically lagged behind that of the Eurozone in terms of digitisation. The drive towards digital transformation to bridge this gap with the other comparable Eurozone countries represents the determining factor for greater growth in the ICT sector for businesses and public administrations, also thanks to the support of the programmes of the National Recovery and Resilience Plan (hereinafter also referred to as “NRRP”) and Digital Decade Policy Programme 2030 (hereinafter also referred to as “DDPP”)

Given its “unexpressed digital potential”, Italy is estimated to play a significant role within this scenario. Infrastructure is the area where the greatest progress is being made, while skills and services continue to be the weak point. Some aspects of the digitisation of public services should also be strengthened. However, we read in our DDPP country sheet that “the strategies adopted on cloud, blockchain, artificial intelligence and, recently, on cybersecurity, together with the reforms and investments envisaged in the NRRP, create a solid framework for achieving a sustainable and inclusive digital transformation”.

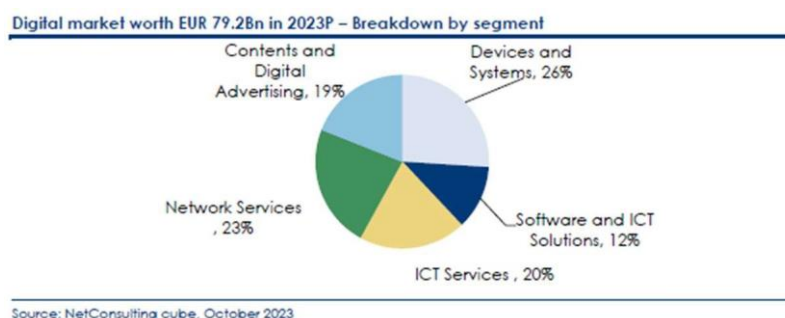
Innovative technologies like Data Analytics, Cybersecurity, Cloud and AI are the investment priorities for businesses and governments, representing the Digital Enablers of ICT growth strategies. Among these, AI is the most promising segment both in terms of volumes, technologies employed and commercial impact. The Digital Enablers also include the investment programmes defined within the NRRP which, despite the accumulated delays, has already achieved important digitisation goals, such as the “Cloud First and Interoperability” reform and

the increasingly widespread adoption of ICT procurement policies, as well as the adoption of the National Plan on new ICT skills.

Anitec-Assinform estimates that, despite being influenced by a negative economic scenario and inflation, the closing projections for 2023 confirm growth in the ICT sector at + 2.8% compared to the previous year, equal to Euro 79.2 billion.



In particular, the ICT services market is expected to grow at an annual rate above the industry average of + 9% compared to 2023, supported by the growth of Cloud and related Managed Services.



The Italian ICT market will continue to benefit from the unexpressed potential for digitalisation compared to other comparable Eurozone countries, investing mainly in the aforementioned Digital Enablers by on the part of businesses and public administrations, also thanks to the support of the NRRP funds.

Consequently, Anitec-Assinform estimate (October 2023) a growth of the Italian ICT market of

+ 3.8% in 2024 and +4.8% in 2025 compared to the previous year. The weighted average annual growth rate for 2022-2025 is estimated at +4.1%.

Italian Digital – Projected growth 2022A-2026P by segment

| EUR M | 2022A | 2023P | 2024P | 2025P | 2026P | 2022-26 CAGR % |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Devices and Systems | 20,924.8 | 20,411.8 | 20,525.5 | 20,994.9 | 21,547.1 | 0.7 |
| Software and ICT Solutions | 8,615.2 | 9,111.3 | 9,558.4 | 10,153.2 | 10,800.5 | 5.8 |
| ICT Services | 14,831.4 | 16,159.5 | 17,529.0 | 19,094.1 | 20,750.7 | 8.8 |
| Network Services | 18,245.1 | 18,200.1 | 18,481.8 | 19,023.0 | 19,655.9 | 1.9 |
| Contents and Digital Advertising | 14,469.1 | 15,326.2 | 16,120.7 | 16,886.6 | 17,686.8 | 5.1 |
| Total Digital Market | 77,085.5 | 79,208.9 | 82,215.3 | 86,151.7 | 90,440.9 | 4.1 |

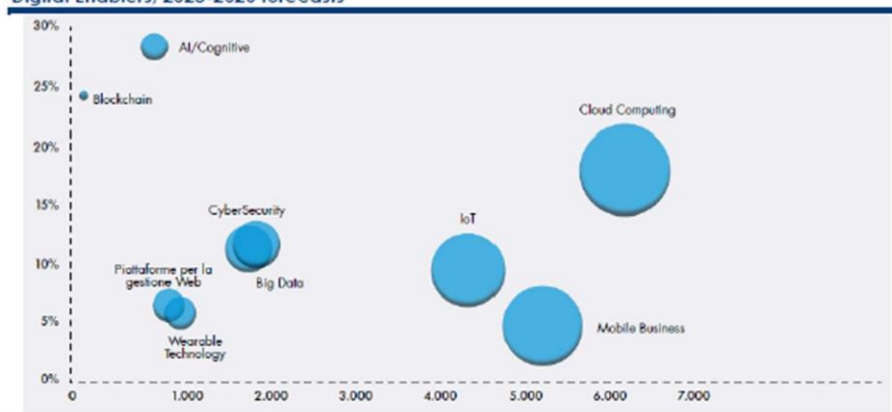
Source: NetConsulting cube, October 2023

In this overall market, the market in which Digital Value operates is the Information Technology market, which amounts to Euro 23.7 billion, an increase of +19.7% compared to 2022, and for which a weighted average annual growth rate of +5.3% is forecast for 2022-2025

| €M | 2022 | 2023 | 2024E | 2025E | CAGR 22- 25 | 23/22 | 24/23 | 25/24 |
|------------------------|---------------|---------------|---------------|---------------|-------------|-------------|-------------|-------------|
| Hardware | 6,392 | 6,024 | 6,028 | 6,122 | -1.4% | -5.8% | 0.1% | 1.6% |
| Software | 4,073 | 4,123 | 4,261 | 4,452 | 3.0% | 1.2% | 3.3% | 4.5% |
| Development services | 4,019 | 4,186 | 4,382 | 4,625 | 4.8% | 4.2% | 4.7% | 5.5% |
| Managed services | 8,534 | 9,415 | 10,451 | 11,643 | 10.9% | 10.3% | 11.0% | 11.4% |
| Total IT Market | 23,017 | 23,748 | 25,121 | 26,843 | 5.3% | 3.2% | 5.8% | 6.9% |

Within this forecast, the Digital Enablers will outgrow the market, representing the three sets of technologies on which public and private investment programmes will be most focused, albeit at different speeds and inversely proportional to the size of the targeted market and the level of maturity of the enabling technologies.

Digital Enablers, 2023-2026 forecasts



Note: on vertical axis, the growth rate 2023-26, on horizontal axis, the market value 2023; Source: NetConsulting cube, 2023

Among these, the Cloud market represents, in terms of investment volumes, the main driver of development, with a weighted average annual growth rate for 2022-2025 of +18.1%

The growth of the Information Technology market over the next few years will be spread across all the main industries, with the exception of Telco & Media, which will register a lower growth rate than the others, such as Banks and Public Admin (Central & Local)

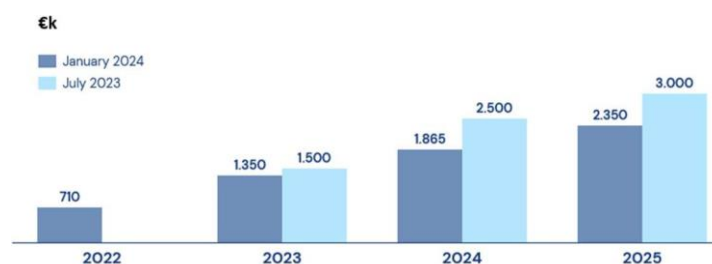
In particular, the central public administration has progressively increased its digitisation, as certified by the DDPP, supported by 'mission 1' of the NRRP, which earmarked Euro 9 billion for PA digitisation and innovation. Anitec-Assinform and NetConsulting estimate, in fact, that for the Public Administration (central and local) the weighted average annual growth rate for 2022-2025 will be +5.6%.

The banking sector is the main user of ICT services in terms of volumes of expenditure and investment, for which a weighted average annual growth rate for 2022-2025 is estimated at +4.0%.

In relation to the NRRP, which, as we remind you, allocated Euro 48 billion to digitisation programmes, the Court of Auditors reported several delays in the many transformation projects, both in the design phase and during implementation.

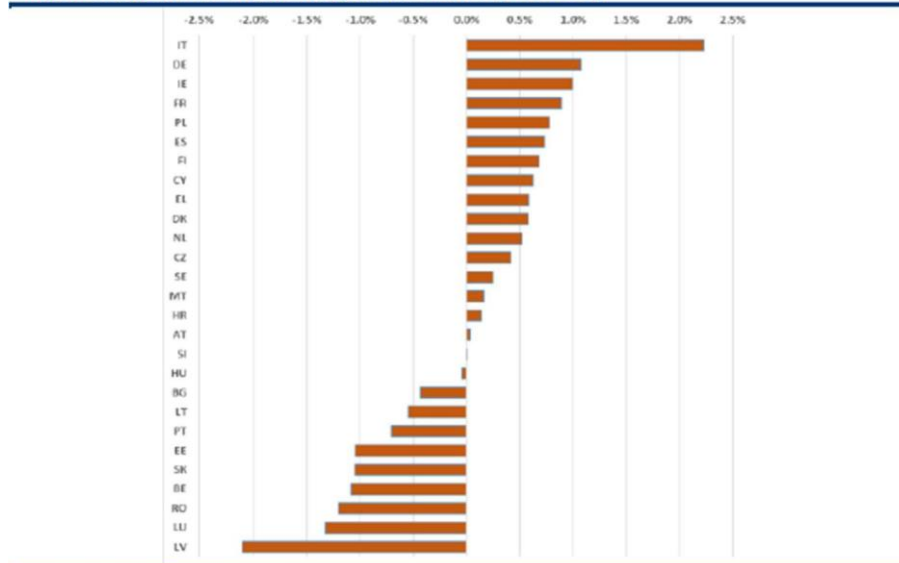
As highlighted above, this delay represents a definite acceleration factor for the future.

In short, investments of Euro 1,350 thousand are expected in 2024 (+Euro 440 thousand compared to 2023), Euro 1,865 thousand in 2025 and Euro 2,350 thousand in 2026, which will lead Italy to confirm higher growth in ICT investments than other European countries - as in 2017-2022 - with reference to the convergence curve to the European goals defined by the DDPP set for 2030.



Source: Netconsulting cube jan2024

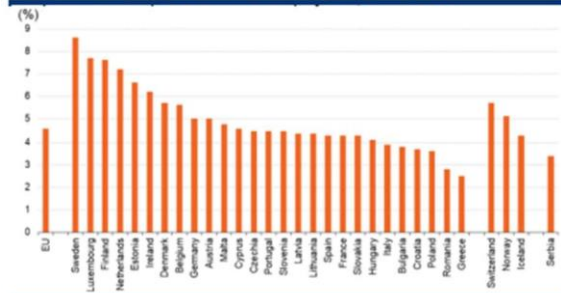
Outperforming and underperforming Member States (2017-2022)



Source: DESI 2022, European Commission

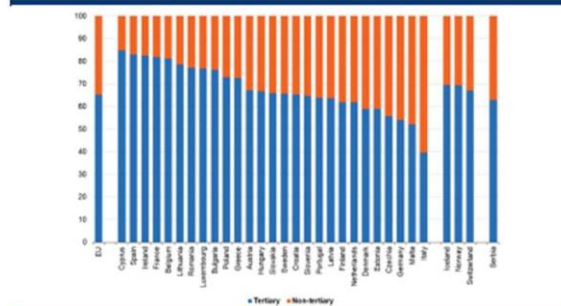
With respect to the realisation of this scenario, an important and decisive challenge is represented by the shortage of ICT skills and specialist resources, also considering the strong European competition in salary policies compared to Italian averages.

Proportion of ICT specialists in total employment, 2022



Source: EuroStat

Distribution of ICT specialists by education attainment level, 2022



Analysis of the Group's economic, asset and financial situation

Consolidated income results

The reclassified consolidated income statement is shown below (figures in euro thousands) at 31 December 2023. The income statement is compared with the corresponding period of the previous year.

| Reclassified consolidated income statement | 31/12/2023 | 31/12/2022 | Change % |
|---|-------------------|-------------------|-----------------|
| Revenues from sales and services | 846,482 | 706,178 | |
| Other revenues and gains | 910 | 2,334 | |
| Total Revenues and Other Income | 847,391 | 708,512 | 19.6% |
| Costs for purchasing products | 570,586 | 507,337 | |
| Costs for services and use of third-party assets | 160,608 | 104,229 | |
| Personnel costs | 24,969 | 22,318 | |
| Other operating expenses | 731 | 1,057 | |
| Total Costs for purchasing products and Operating Costs | 756,894 | 634,940 | 19.2% |
| Gross operating margin (Ebitda) | 90,497 | 73,572 | 23.0% |
| Amortisation and depreciation of tangible and intangible assets | 27,979 | 21,466 | |
| Write-down of receivables and provision for risks | 1,543 | 1,047 | |
| Operating result (Ebit) | 60,974 | 51,058 | 19.4% |
| Non-recurring costs | 1,067 | 1,029 | |
| Financial income and expense | 4,597 | 1,711 | |
| Value adjustments of financial assets | (146) | 350 | |
| Result before tax (Ebt) | 55,455 | 47,968 | 15.6% |
| Income taxes | 16,874 | 13,942 | |
| Net result | 38,581 | 34,027 | 14.1% |
| <i>Net result attributable to the Group</i> | <i>38,370</i> | <i>33,949</i> | |
| <i>Net result attributable to non-controlling interests</i> | <i>211</i> | <i>77</i> | |

Consolidated net revenues amounted to Euro 847,391 million, up Euro 138.9 million, +19.6% compared to the previous year, the increase is attributable to the Group's organic growth.

This result has been achieved thanks to the competitive positioning of the Group companies in the ICT market of reference (Infrastructure ICT & Managed Services) in the Large Customers segment, based on an increasingly wide range of technological solutions and partnerships with international vendors, and on the certified professional skills of Digital Value's staff, which have made it possible to provide a growing variety of services. The Digital Value Group is currently the leading player on the Italian market (in terms

of size and variety of products and services offered) in the Digital Transformation Journey of the Large & Top Enterprises market, accompanying its customers from the redesign of personal productivity workstations, to the design-implementation-management of Data Centre infrastructures, the integral management of data (transport, storage, management and analysis), the security of ICT solutions and the development of the most innovative Digital Business Transformation paths.

Analysing **Consolidated Revenues by Business Line** we see:

- **Next Generation Data Centre:** Digital Value's historical market confirmed the positive trend, of primary importance in terms of commercial performance, with revenues of Euro 417.3 million, + Euro 119 million compared to the previous year. This business line includes numerous activities for the realisation and maintenance of networks and platforms, next-generation Datacentres: the most significant include an order for a project for the modernisation of infrastructure and management “as a service” for a well-known transport operator;
- **Digital Business Transformation:** The line shows revenues of Euro 271.0 million. The activities that make up this segment see an increase in Cyber Security projects and services, as an effect of the growing hacker attacks and the increased demand by our customers for preventive and corrective solutions. The most significant orders in this business line include large-scale Cloud projects for a well-known Italian defence company;
- **Smart Workplace Transformation:** Solutions in this area generated revenues of Euro 159.1 million. In the business line that identifies workstation management solutions, Digital Value stood out for the competitive value of its offer in terms of best-of-breed solutions and efficient, widespread delivery, both domestically and in Europe, as in the case of a project for a multinational company in the Oil & Gas sector for which we were in charge of Print Management services in five European countries.

The main projects awarded during 2023 include:

- the assignment of a Framework Agreement for the evolution of the infrastructure supporting mission-critical workloads, worth Euro 31 million. The 48-month agreement includes Dell VxBlock technology and related maintenance services. This particular solution selected by the organisation, dubbed “Data Centre in a box”, enables virtualisation, backup,

resetting and integrated disaster recovery, effectively simplifying the management of the IT infrastructure thanks to a custom-designed and ready-to-use system with storage power and data protection capabilities.

- the effective assignment of a Strategic Contract for Oracle SaaS- PaaS Cloud Services and Specialist Support, worth approximately Euro 8 million. The agreement, with a duration of 36 months, renewable for a further 12 months, is intended to promote the modernisation of the infrastructure and prioritise migration of the back office applications of the instrumental area of the organisation, currently present on an Oracle on-premises platform, to the Cloud. For the customer, this contract represents one of the most important steps to support the “Journey to Cloud” strategy, promoted as part of the “Three-Year Plan for Information Technology in Public Administration”.
- the effective assignment of a tender relating to the project for the technological upgrading of the mainframe environment infrastructure of a well-known public organisation worth Euro 29,070,200.00. The project, for the evolution of technological processes in support of citizens and enterprises, envisages a 36-month contract for the implementation of a new computing platform for the customer's National Electronic Centre and Disaster Recovery Centre through IBM z16 systems, DS8000 storage system upgrades, maintenance services, and all equipment set-up, cabling and data migration services. The result will be a highly integrated infrastructure that will raise the level of service continuity, data protection and cyber security of the delicate archives stored in it. The innovative content included in the contract comprises the option to activate evolved security features (e.g. end-to-end encryption, Cyber Vault, Safeguarded Copy), which are the result of IBM's ongoing investment in the z16 platform and which, thanks to close collaboration with the IBM laboratories that develop the DS8000 systems, will benefit from an integration that cannot be achieved with other storage systems.
- the effective assignment of a Framework Agreement to implement and strengthen the SAN (Storage Area Network) infrastructure of a well-known Information Technology company serving the Economic and Financial Administration. The project, for the technological evolution in support of Internal Departments and Institutional Customers, is worth Euro 31,361,871, 21,953,309.70 of which is the direct responsibility of Digital Value, and envisages a 48-month Framework Agreement on Hitachi Vantara technology, with billing scheduled to begin by the end of the current financial year. The upgrading of the current in compliance with the

scalability paradigm, will allow the customer to benefit from an infrastructure that is strongly integrated and homogeneous on all operational areas (Open and Mainframe) and in all Data Centres.

- The assignments are worth a total of Euro 220,000,000, in addition to the legal ceilings of Euro 55,000,000, 168,900,000 of which is directly attributable to the Group, in addition to the relevant legal ceilings of Euro 42,225,000. The 12-month duration of the contract is from the conclusion of the current conventions envisaged for the end of the current financial year and with a consequent increase in the Group's contract portfolio for 2024.

In detail:

Lot 2 MongoDB solutions and related services worth €25,000,000.

Lot 3 IBM solutions, renewal of maintenance for the user licences and related services, worth Euro 30,000,000.

Lot 6 SAP software solutions, renewal of maintenance for the user licences and related services, in RT with Technis Blu, worth Euro 45,000,000.

Lot 7 Adobe software solutions and related services, in RT with HTDI, worth €30,000,000.

Lot 10 Dell solutions, renewal of maintenance for the user licences and related services, worth Euro 20,000,000

Lot 11 Citrix-Tibco solutions, renewal of maintenance for the user licences and related services, in RT with Trice, worth Euro 40,000,000.

Lot 12 Nutanix solutions and related services, in RT with Trice, worth Euro 30,000,000.

EBITDA amounted to Euro 90.5 million (up Euro 16.9 million), corresponding to an increase of

+23.0% vs 2022. Digital Value increased its EBITDA margin to 10.68% on net revenues in 2023, thanks to its focus on a value strategy and persistent control of operating and structural costs.

EBIT amounted to Euro 61.0 million (up Euro +9.9 million), corresponding to an increase of +19.4% vs. 2022.

Net profit for the period amounted to Euro 38.3 million, 0.2 million of which attributable to minority interests, with a **growth of Euro 4.2 million (+12.5%) compared to 31 December 2022.**

Consolidated equity and financial situation

The reclassified equity and financial situation at 31 December 2023 is shown below.

| Reclassified Consolidated Balance Sheet | 31/12/2023 | 31/12/2022 |
|---|----------------|----------------|
| Intangible fixed assets | 3,128 | 5,259 |
| Goodwill | 23,882 | 23,835 |
| Tangible fixed assets | 82,524 | 50,864 |
| Investments | 167 | 167 |
| Other non-current assets and deferred tax assets | 19,190 | 236 |
| Total non-current assets | 128,891 | 80,360 |
| Inventories | 220,490 | 234,924 |
| Trade receivables | 193,025 | 162,864 |
| Other current assets | 39,292 | 41,939 |
| Current assets for the year | 452,807 | 439,726 |
| Trade payables | 401,983 | 363,184 |
| Other current payables | 12,107 | 12,574 |
| Short-term liabilities for the year | 414,090 | 375,759 |
| Net working capital | 167,608 | 144,328 |
| Provisions and other non-current liabilities | 3,101 | 2,970 |
| Net non-current liabilities | 3,101 | 2,970 |
| Net Invested Capital | 164,507 | 141,358 |
| Shareholders' equity attributable to the Group | 187,288 | 156,863 |
| Shareholders' equity attributable to non-controlling interests | 1130 | 919 |
| Medium-term Net Financial Position | 84,186 | 64,398 |
| Short-term Net Financial Position | -108,097 | -80,823 |
| Tot. Net Financial Pos. (Net Liquidity) | -23,911 | -16,425 |
| Treasury shares and Net Financial Position | 164,507 | 141,358 |

Net financial debt amounted to Euro 23.9 million, an improvement of Euro 7.5 million compared to the end of the previous year.

The Group's net financial debt (figures in Euro thousand) at 31 December 2023 according to the ESMA scheme is detailed below. Comparative figures have been restated to provide a better representation, in line with ESMA recommendations.

| (Euro thousands) | At 31 December 2023 | At 31 December 2022 | Change 2023 vs 2022 | % change 2023 vs 2022 |
|------------------|---------------------|---------------------|---------------------|-----------------------|
| A. Cash | - 146,611 | - 109,898 | - 36,713 | 33% |

| | | | | | | |
|---|---|----------------|---|----------------|-----------------|------------|
| B. Cash equivalents liquide | - | 1,436 | - | 4,747 | 3,311 | -70% |
| C. Other current financial assets | - | - | - | - | - | - |
| D. Liquidity (A)+(B)+(C) | - | 148,047 | - | 114,645 | - 33,402 | 29% |
| (E) Current financial payables | | 6,878 | | 15,472 | - 8,594 | -56% |
| (F) Current part of non-current debt | | 33,073 | | 18,351 | 14,722 | 80% |
| (G) Current financial debt (E)+(F) | | 39,950 | | 33,823 | 6,127 | 18% |
| (H) Net current financial debt (G)-(D) | - | 108,097 | - | 80,822 | - 27,275 | 34% |
| (I) Non-current financial debt (excluding the current part and debt instruments) | | 61,089 | | 44,237 | 16,852 | 38% |
| (J) Debt instruments | - | - | - | - | - | - |
| (K) Trade and other non-current payables | | 23,097 | | 20,161 | 2,936 | 15% |
| (L) Non-current financial debt (I)+(J)+(K) | | 84,186 | | 64,398 | 19,788 | 31% |
| (M) Total financial debt (H)+(L) | - | 23,911 | - | 16,424 | - 7,486 | 46% |

Investments amounted to Euro 57.6 million, almost entirely attributable to Infrastructure On-Premises as a Service solutions with some Tier I customers on contracts with a duration of at least three years which include an important service component.

With reference to Financial Management, considering the high growth rates recorded as well as the macroeconomic dynamics described above in terms of inflation and increase in the cost of money, Digital Value pays particular attention to the dynamics of Net Working Capital. Digital Value makes sure to align collection/payment terms whenever possible in order to avoid the occurrence of unbalanced phenomena in the treasury cycle. To support current treasury management, where necessary the Group uses non-recourse assignment contracts without notification of trade receivables, or activates specific agreements to renegotiate payment terms with major suppliers. Lastly, in the case of long-term commercial contracts, Digital Value entered into financing agreements of equal duration to align the Company's financial cycle. At financial level, therefore, the Group finances the cash needs associated with its current operations mainly through the liquidity generated by its own assets.

| Profitability ratios | 31/12/2023 | 31/12/2022 |
|---|-------------------|-------------------|
| ROI (EBIT/ Current assets + Non-current assets) | 10.48% | 9.82% |
| ROS (EBIT/Revenue on sales) | 7.20% | 7.23% |
| ROE (Net profit/equity) | 20.49% | 21.64% |

| Equity and liquidity ratios | 31/12/2023 | 31/12/2022 |
|--|------------|------------|
| Primary liquidity (Cash/Current liabilities) | 35.75% | 30.51% |
| General liquidity (Current assets/Current liabilities) | 109.35% | 117.02% |

Analysis of the Parent Company's economic, asset and financial situation

Separate income results

The reclassified separate income statement is shown below at 31 December 2023 (figures in euro). The income statement is compared with the corresponding period of the previous year.

| Reclassified separate income statement | 31/12/2023 | 31/12/2022 |
|---|----------------|----------------|
| Revenues from sales and services | 6,887 | 5,135 |
| Other revenues and gains | 15 | 54 |
| Total Revenues and Other Income | 6,903 | 5,189 |
| Costs for purchasing products | (109) | (86) |
| Costs for services and use of third-party assets | (3,590) | (2,976) |
| Personnel costs | (5,014) | (3,276) |
| Other operating expenses | (24) | (33) |
| Total Costs for purchasing products and Operating Costs | (8,737) | (6,371) |
| Gross operating margin (Ebitda) | (1,835) | (1,182) |
| Depreciation and amortisation of tangible and intangible assets and write-downs | (410) | (64) |
| Operating result (Ebit) | (2,244) | (1,246) |
| Non-recurring costs | (1,067) | (1,029) |
| Financial income and expense | 34,582 | 29,634 |
| Result before tax (Ebt) | 31,271 | 27,359 |
| Income taxes | 127 | 293 |
| Net result | 31,398 | 27,652 |

Separate equity and financial situation

The reclassified separate equity and financial situation at 31 December 2023 is shown below.

| Reclassified Consolidated Balance Sheet | 31/12/2023 | 31 December 2022 |
|---|----------------|------------------------|
| Intangible fixed assets | 89 | 50 |
| Tangible fixed assets | 828 | 107 |
| Investments | 56,260 | 55,058 |
| Total non-current assets | 57,176 | 55,215 |
| Trade receivables | 2,645 | 3,849 |
| Other current assets | 5,095 | 31,530 |
| Current assets for the year | 7,740 | 35,379 |
| Trade payables | 1,652 | 2,099 |
| Other current payables | 4,385 | 1,235 |
| Short-term liabilities for the year | 6,037 | 3,333 |
| Net working capital | 58,880 | 87,261 |
| Provisions and other non-current liabilities | 615 | 861 |
| Net non-current liabilities | 615 | 861 |
| Net Invested Capital | 58,264 | 86,400 |
| Shareholders' equity attributable to the Group | 113,777 | 90,275 |
| Medium-term Net Financial Position | 438 | 6,639 |
| Short-term Net Financial Position | -55,951 | -10,514 |
| Tot. Net Financial Pos. (Net Liquidity) | -55,513 | -3,875 |
| Treasury shares and Net Financial Position | 58,264 | 86,400 |

A breakdown of the Parent Company's net financial debt is shown below (figures € in thousand) at 31 December 2023 according to the ESMA schedule.

| (Euro thousands) | At 31 December 2023 | At 31 December 2022 | Change 2023 vs 2022 | Change % |
|--|---------------------------|---------------------------|------------------------|--------------|
| | | | | 2023 vs 2022 |
| A. Cash | -1,607 | -619 | -988 | 160% |
| B. Cash equivalents | - | - | - | - |
| C. Other current financial assets | -61,306 | -13,935 | -47,371 | 340% |
| D. Liquidity (A)+(B)+(C) | -62,913 | -14,554 | -48,359 | 332% |
| (E) Current financial payables | 6,962 | 4,040 | 2,922 | 72% |
| (F) Current part of non-current debt | - | - | - | - |
| (G) Current financial debt (E)+(F) | 6,962 | 4,040 | 2,922 | 72% |
| (H) Net current financial debt (G)-(D) | -55,951 | -10,514 | -45,438 | 432% |
| (I) Non-current financial debt (excluding the current portion and debit instruments) | 438 | 6,639 | -6,201 | -93% |
| (J) Debt instruments | - | - | - | - |

| | | | | |
|--|----------------|---------------|----------------|-------------|
| (K) Trade and other non-current payables | - | - | - | - |
| (I) Non-current financial debt (I) + (J) + (K) | 438 | 6,639 | -6,201 | -93% |
| (M) Total financial debt (H)+(L) | -55,513 | -3,875 | -51,638 | 220% |

SCOPE OF CONSOLIDATION AND CONSOLIDATION CRITERIA

The Consolidated Financial Statements include the financial statements of the Parent Company Digital Value S.p.A. and of the companies over which the Company has the right to directly or indirectly exercise control as defined by IFRS 10 “Consolidated Financial Statements”. All three of the following elements exist for the purpose of assessing the existence of control:

- power over the company;
- exposure to the risk or rights arising from the variable returns linked to its involvement;
- ability to influence the company to such an extent as to affect the results (positive or negative) for the investor (correlation between power and exposure to risks and benefits).

Control may be exercised either by virtue of the direct or indirect ownership of a majority of the voting shares, or by virtue of contractual or legal agreements, also irrespective of shareholder relationships. In assessing these rights, the ability to exercise them and to abstain from actually exercising them are considered, and all potential voting rights are taken into account.

Digital Value S.p.A. is controlled by DV Holding S.p.A. with registered office in Rome but is not subject to management and coordination by the latter, nor does it have any business relations with it. DV Holding S.p.A. has provided managerial support and short-term financing; the related contracts are stipulated at market conditions.

Digital Value S.p.A., which directly holds the controlling interests in ITD Solutions S.p.A., ITALWARE S.r.l., Dimira S.r.l., TT Tecnosistemi S.p.A., Digital Value Managed Services S.r.l., DV Broker S.r.l., Digital Value Cyber Security S.r.l. and indirectly in Italware Services S.r.l., prepares consolidated financial statements as required by the reference legislation.

TT Tecnosistemi S.p.A. has been consolidated on a line-by-line basis since November 2021, when 51% of its share capital was initially acquired. A further 19% was acquired during the first half of 2022; call options (Call in favour of Digital Value) and put options (Put in favour of the Seller) are envisaged for the remaining 30%, and may be exercised upon approval of the Company's 2023 Financial Statements or on 1 July 2024. See the following pages for a better understanding of the entire TT Tecnosistemi S.p.A. acquisition.

The Companies included in the scope of consolidation are shown below:

| Consolidated Companies | Registered Office | % held directly | % held indirectly | Method of consolidation |
|---------------------------------------|-------------------|-----------------------|-------------------|-------------------------|
| Digital Value S.p.A. | Rome | CONSOLIDATING COMPANY | | |
| ITD Solutions S.p.A. | Milan | 100% | | Line-by-line |
| Italware S.r.l. | Rome | 100% | | Line-by-line |
| Italware Services S.r.l. | Milan | | 80% | Line-by-line |
| Dimira S.r.l. | Rome | 51% | | Line-by-line |
| TT Tecnosistemi S.p.A. | Prato | 70% | | Line-by-line |
| Digital Value Cyber Security S.r.l. | Prato | 51% | | Line-by-line |
| Digital Value Managed services S.r.l. | Rome | 100% | | Line-by-line |
| DV Broker S.r.l. | Rome | 70% | | Line-by-line |

In the course of its activities, the Parent Company engaged in transactions of a commercial nature with its subsidiaries, for insignificant amounts and under normal market conditions.

These transactions were related to:

- sale of goods;
- provision of commercial, administrative and technical services.

Transactions between consolidated companies have been eliminated from the consolidated financial statements and are not therefore highlighted in this report or in the notes.

Performance of the main Group Companies

Highlights of the operating performance of the consolidated subsidiaries, restated according to IAS-IFRS, are shown below.

Italware S.r.l.

Rome - Italy

Share Capital: € 1,000,000

Direct shareholding: 100%

Revenues: € 550.9 million

Net profit: € 35.0 million.

ITD Solutions S.p.A.

Milan- Italy

Share Capital: € 1,000,000

Direct shareholding: 100%

Revenues: € 252.0 million

Net profit: € 3.6 million.

TT Tecnosistemi S.p.A.

Prato - Italy

Share Capital: € 165,000

Direct shareholding: 70%

Revenues: € 59.3 million

Net profit: € 2.2 million

Dimira S.r.l.

Rome - Italy

Share Capital: € 800,000

Direct shareholding: 51%

Revenues: € 6.8 million

Net profit: € 0.03 million

Italware Services S.r.l.

Milan- Italy

Share Capital: € 10,000

Indirect shareholding (through Italware S.r.l.) 80%

Revenues: € 3.1 million

Net profit: € 0.3 million.

Digital Value Cyber Security S.r.l.

Prato - Italy

Share Capital: € 150,000

Direct shareholding: 51%

Revenues: € 1.5 million

Net profit: € 0.1 million

Digital Value Managed services S.r.l.

Milan- Italy

Share Capital: € 10,000

Direct shareholding: 100%

Revenues: € 3.8 million

Net Loss: € 1.1 million

DV Broker S.r.l.

Rome - Italy

Share Capital: € 10,000

Direct shareholding: 70%

Revenues: € 0.2 million

Net profit: € 0.2 million

Research and Development Activities

In view of the type of business conducted by the Group, these activities are of a marginal nature.

Staff

Information on the occupational aspects of employees is provided below, emphasising that the Group conducts its business in full compliance with all applicable laws on the workplace environment and on occupational health and hygiene.

There were 344 employees on 31 December 2023, broken down as follows:

| <i>(in units)</i> | 31/12/2023 | 31 December 2022 |
|-------------------|------------|---------------------|
| Executives | 20 | 21 |
| Middle management | 50 | 76 |
| Office Staff | 274 | 274 |
| Total | 344 | 371 |

Main risks and uncertainties related to the Group's activity

The products and services marketed by the Group must comply with quality standards envisaged by current legislation and highlighted in the technical specifications accompanying the products for the purposes of the relative marketing and participation in any tenders for the relative supplies. Some of the contracts entered into by Group companies require that the services and products offered be completed and delivered in compliance with the timeframes and technical specifications indicated by customers, envisaging the payment of penalties by Group companies in the event of non-compliance with the contractual terms and deadlines. The application of penalties, the obligation to pay compensation for any damages, as well as for any delays in the completion of the service and/or delivery of the products, could negatively affect the Group's equity, economic and financial situation.

The occurrence of the events subject to this risk, considered by the Group to have a low likelihood of occurrence, could have an adverse effect on the Group's equity, economic and financial position. Considering the above, the Group estimates that this risk is of medium significance.

The infrastructural, application and integration solutions and services supplied to customers by Group companies may not meet the performance specifications envisaged in the supply contracts with the customers in terms of quality, timing and manner of performance. It should also be noted that the products and services purchased by the Group from its suppliers are covered by the supplier's legal warranties and, consequently, in the event of any defects and/or flaws in their quality, the supplier is contractually liable to the Group.

Furthermore, it cannot be ruled out that the Group may, in future, be unable to fulfil its contractual commitments precisely and/or on time, that customers may suffer damages or delays as a result of the Group's breach of contract and/or that any malfunctions or technical defects of the products sold by the Group may cause accidents and/or injuries, resulting in damage to persons or property. Should the Group be found liable and/or co-responsible for such breaches of contract, accidents or incidents, the Group could be called upon to pay compensation for damages caused to persons or property, with consequent negative effects on the Group's equity, economic and financial situation. Lastly, this circumstance could also lead to reputational damage, with further negative effects on the Group's equity, economic and financial situation.

Risks related to the general state of the economy

The Group's equity, economic and financial situation is influenced by various factors, such as the trend of the Gross Domestic Product of the individual countries in which it operates, the level of business confidence, interest rate trends, inflation, the cost of raw materials, the unemployment rate and the ease of access to credit.

Risks related to the concentration of revenues

A significant part of the Group's revenues is concentrated on a small number of big customers. Customer relationships are usually stable and long-term. At present, however, there are no indications that the Group is likely to lose significant customers within the next few months.

Risks related to product liability

The Group's products and services do not have a high intrinsic safety risk. The Group's keen focus on product quality and safety has made it possible to avoid any kind of accident caused by product defects in the past. Nevertheless, accidents of this nature cannot be excluded a priori but they are covered by the manufacturer's warranty. In order to mitigate the risk of liability claims arising following the malfunctioning of its products, the Group has taken out insurance policies with significant coverage.

Risks related to supplier relations

Faced with the possibility that a supplier may cause an economic and operating loss by failing to fulfil its contractual obligations, the Group takes direct action against those suppliers deemed strategic and through a careful purchasing policy, aimed at guaranteeing alternative sources of supply.

Risks related to strong competition

The Group operates in highly competitive markets in terms of product quality, price, product reliability and customer service.

The Group's success will also depend on its ability to maintain and increase market shares in all its business areas.

Risks related to working capital requirements at specific times during the year

The Group is exposed to risks related to working capital requirements at certain times during the business year as a result of the performance of the Group's core business. Significant future increases in working capital requirements cannot be excluded due to unforeseeable events.

A greater financial requirement linked to the performance of ordinary activities is generated at specific times during the year, which determines an increase in the need for net working capital, which the Group meets by drawing on its own net financial resources, as well as certain external credit lines if necessary (mainly uncommitted).

Risks related to compliance with environmental regulations

The Group believes it conducts its business in compliance with environmental protection regulations and is constantly committed to operating in a responsible manner.

Risks related to compliance with occupational safety regulations

The Group undertakes to pursue safety in the processing, handling, movement and storage of the technologies used, as a strategic aim for the protection of workers' health, protection of the environment, prevention of major accident risks and the containment of their potential effects.

To this end, the Group is committed to developing, maintaining and applying an Occupational Health and Safety Management System with the aim of preventing major accident hazards, which corresponds to legal criteria and the production and safety requirements of the processes, with reference to the following principles:

- scrupulously comply, in substance and in principle, with all applicable laws and regulations concerning prevention and the protection of workers within the scope of the activities performed;
- pursue continuous improvement for the control and reduction of the risk of accidents, constantly using appropriate production, organisational and procedural technologies and providing adequate human and economic resources;
- guarantee the highest level of protection for people and the environment by adopting appropriate organisational, technical and management systems that also make it possible to meet quality and profitability targets;
- consider risk prevention as an essential element that the company must pursue, at all stages of processing, for the safety of workers and external stakeholders;
- involve workers at all levels, also through their safety representatives, listening to their opinion on the issues that addressed on a case-by-case basis,

- inform, train and make them aware so that they can perform their duties safely and responsibly;
- review the detailed risk assessment every time a significant change is introduced into the Group's process and/or organisation.

Risks related to the outcome of ongoing litigation

The assessments made by the Directors, with regard to proceedings and litigation, whether active or passive, and particularly for the determination of allocations to special provisions for risks and bad debts, are based on their best knowledge at the time the financial statements were drawn up.

Russia - Ukraine War

With reference to the conflict between the Russian Federation and Ukraine, and its potential impact on the Company's business, while carefully considering the impact that this event could have on the Issuer's ability to continue as a going concern, the directors currently consider the risk to be "not significant". While it is theoretically true that a deterioration of the conflict could negatively affect the flow of imported supplies, it is also true that - at the moment - the evolution of the crisis is not easily foreseeable and, therefore, there is no reason to reasonably foresee a significant risk of negative impact on the Company's business. In any case, it should be noted that the Group's target customers do not include parties directly or indirectly affected by the sanctions imposed on the Russian Federation by the International Community.

Insurance policies

In the interest of all Group companies, Digital Value S.p.A., under the supervision of the subsidiary DV Broker, and through its Subsidiaries, has taken out policies with leading insurance companies to cover risks that may affect persons and property, as well as third party liability risks. Risk management through insurance policies is usually guided by an analysis of the probability of the damaging event occurring and the resulting financial impact, in order to optimise coverage. The analysis and insurance coverage of the risks borne by the Group is carried out in collaboration with DV Broker and a specialised Operator, which guarantees this activity through its international organisation, as well as the management of any claims. In short, the following risks are covered: third party liability, product liability, directors' liability, fire-all risks. Additional insurance has been taken out locally to cover specific needs dictated by local legislation or collective labour agreements.

Further disclosures

Incentive plans for Directors and employees of the Company

The Group has reached individual agreements with the employees concerned (Executives, Middle Managers and Managerial office staff) on an individual incentive remuneration plan linked to specific quantitative and qualitative results to be monitored on an annual basis.

Using financial instruments

The effectiveness of the hedging of these instruments was verified at year-end, as required by IAS-IFRS. It should be noted that the Group did not carry out any speculative transactions relating to financial risks associated with fluctuations in interest rates, exchange rates and commodity prices through financial instruments and/or derivatives during the year, nor were any such transactions outstanding at the end of the period.

Atypical or unusual transactions

The Group did not enter into any atypical or unusual transactions during the year.

Treasury shares and stocks / shares in parent companies

At 23 April 2024, the Company holds 43,259 treasury shares representing 0.434% of the share capital, in partial implementation of the resolutions passed at the Ordinary Shareholders' Meetings held on 30 April 2021, 29 April 2022 and 5 May 2023, as a useful strategic investment opportunity for any purpose permitted by current provisions, including the purposes contemplated by art. 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, "MAR") and in the practices permitted under art. 13 MAR.

The share purchase transactions within the scope of the programme took place in the manner and within the operating limits envisaged by the aforementioned shareholders' resolution, art. 5 MAR, art. 3 of the Commission Delegated Regulation (EU) 1052/2016 of 8 March 2016 and the applicable general and sector-specific regulations;

- the purchases will concern a maximum number of 100,000 ordinary shares of the Company, with no indication of par value, for a maximum countervalue of Euro 10,000,000.00;
- purchases will be made at a consideration that is not higher than the highest price between the price of the last independent transaction and the price of the highest current independent offer on the trading floors where the purchase is made, on the understanding that the per-unit consideration cannot be below a minimum of 20% or above a maximum of 10% with respect to the arithmetic average of the official prices recorded by Company stock on Euro Next Growth Milan in the ten trading days prior to each individual purchase transaction;

- purchases will be made in volumes not exceeding 25% of the average daily volume of DV shares on the trading venue where the purchase is made, calculated on the basis of the average daily trading volume over the 20 trading days preceding the purchase date;
- the purchase programme may be implemented within 18 months from the date of the shareholders' resolution of 5 May 2023.

Secondary offices

Milan, via Galilei 7

Naples, Management Centre, isola D4

Prato, via Rimini 5

Bologna, via del Lavoro 57

Florence, via Bonifacio Lupi 14

Falconara Marittima, via G. Marconi 100

Significant events occurring after the end of the year

With reference to the business unit leased by the consolidated Digital Value Managed Services, discussions are underway with the Procedure aimed at defining a possible purchase of the unit or the termination of the existing contract. At this stage, there are no other significant matters to report.

On 19 April 2024, Digital Value signed a binding offer regulating the main terms of the acquisition of a stake representing 100% of the share capital of Infordata S.p.A. ("Infordata"), a company with registered office in Latina (LT), Piazza Paolo VI no. 1, VAT number, tax code and registration number in the Companies' Register of Frosinone Frosinone-Latina no. 00929440592, share capital paid in Euro 2,000,000.00 The offer was accepted by the existing sole shareholder of Infordata, In Holding S.p.A., a company with registered office in Latina (LT), Piazza Paolo VI no. 1, VAT number, tax code and registration number in the Companies' Register of Frosinone-Latina no. 03076810591.

Infordata, together with its subsidiaries, including Eurolink S.r.l. (100%) and Technis Blu S.p.A. (78.8%), represents an important national group operating in the design and development of programmes for the automation of business procedures, the provision of support services, consulting and training for the implementation of IT systems, the acquisition of which represents a strategic add-on for Digital Value.

The binding offer envisages the acquisition of 100% of Infordata's share capital for a fixed consideration of Euro 22 million, to be paid as follows: (i) Euro 10,000,000.00, on the closing date of the transaction; (ii) Euro 6,000,000.00, within the 12th month of the closing; and (iii) Euro 6,000,000.00, within the 24th month of the closing.

It is also expected that, on the closing date, the vendor, In Holding S.p.A, will subscribe Euro 6,600,000.00 worth of newly issued ordinary shares of Digital Value (the “DV Shares”) with a per-unit value (inclusive of share premium) to be determined on the basis of the weighted average price at which Digital Value's shares have been traded on the Euronext market in the 30 trading days prior to the day of the approval of the related capital increase by the extraordinary shareholders' meeting of Digital Value (the “Subscription Price”). In Holding S.p.A. will benefit from an option to sell DV Holding S.p.A. the DV Shares still owned by it on the last trading day of 2026, for a consideration equal to the related Subscription Price, net of dividends and other proceeds paid or due to In Holding S.p.A. as holder of the DV Shares.

Completion of the transaction will be subject, inter alia

- (i) to the fact that the transaction must be: (X) the approved, not forbidden or somehow allowed under an exemption regime by the competent antitrust, golden power and regulated markets, without any amendment to the structure of the transaction and/or condition, restriction and/or change of behaviour by one or more parties being required; and (Y) approved by the competent bodies of Digital Value;
- (ii) to the non-occurrence of acts or facts constituting a material adverse change with respect to the business carried out by the target group;
- (iii) to the sale of the interests held by the target group in Eyeris S.r.l. and Green Digital Tech S.r.l., as well as the sale or termination of certain contracts currently held by the target group.

Lastly, the transaction will envisage a non-competition and non-solicitation obligation for In Holding and its shareholders for a duration of three years from the date of the closing.

In 2023, Infordata, with nine sites in central Italy, recorded revenues of over Euro 120 million, EBITDA of Euro 7.9 million, a net financial liability of Euro 2.4 million, with over 400 highly qualified people. With regard to the subsidiaries, Technis Blu is one of the leading Italian companies in terms of expertise in SAP solutions, while Eurolink boasts an important presence in the Public Administration market with application and system services.

Business outlook

Over the next few months, the Digital Value Group intends to continue with the consolidation of its organisational structure, which is evolving internally in line with the development of its commercial offering, with the goal of further expanding its coverage of the reference market, as well as focusing on strategically important technological trends.

Furthermore, the integration of the Group's various entities is advancing in order to make the most of its resources, know-how and assets, with the aim of achieving tangible commercial and operational synergies which will show their benefits from the financial year in progress.

Further investments to support sustainable commercial growth and increases in payroll costs to strengthen the Group's commercial, technological and governance skills cannot be excluded.

AUTHORISATION FOR PUBLICATION

This document will be published on 14 May 2024, upon the authorisation of the Chairman and Chief Executive Officer issued on 29 April 2024.

Rome, 29 April 2024



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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

| <i>(€ thousands)</i> | Notes | 31/12/2023 | 31/12/2022 |
|--|-------|----------------|----------------|
| Intangible assets | 7.1.1 | 27,010 | 29,094 |
| Tangible assets and Rights of use | 7.1.2 | 82,524 | 50,864 |
| Financial assets | 7.1.3 | 283 | 280 |
| Receivables for deferred tax assets | 7.1.4 | 521 | 122 |
| Non-current trade receivables | 7.1.5 | 18,553 | 0 |
| Total non-current assets | | 128,891 | 80,360 |
| Inventory | 7.2.1 | 220,490 | 234,924 |
| Trade receivables | 7.2.2 | 193,025 | 162,864 |
| Tax receivables | 7.2.3 | 29,606 | 33,256 |
| Other assets | 7.2.4 | 9,686 | 8,682 |
| Cash and cash equivalents | 7.2.5 | 148,047 | 114,645 |
| Total current assets | | 600,854 | 554,371 |
| Total assets | 7.3 | 729,745 | 634,732 |
| Share capital | 7.3 | 1,555 | 1,555 |
| Share premium reserve | 7.3 | 34,317 | 34,317 |
| Other reserves | 7.3 | 113,046 | 87,041 |
| Result for the period | 7.3 | 38,370 | 33,949 |
| Total shareholders' equity attributable to the Group | 7.3 | 187,288 | 156,863 |
| Shareholders' equity attributable to non-controlling interests | 7.3 | 1,130 | 919 |
| Total Shareholders' equity | 7.3 | 188,418 | 157,782 |
| Medium and long-term loans | 7.4.1 | 61,089 | 44,237 |
| Employee benefits | 7.4.2 | 1,309 | 1,206 |
| Trade payables | 7.4.3 | 21,896 | 18,684 |
| Provisions for risks and charges | 7.4.4 | 1,783 | 1,749 |
| Deferred tax liabilities | 7.4.4 | 9 | 15 |
| Total non-current liabilities | | 86,086 | 65,892 |
| Short-term loans | 7.5.1 | 39,950 | 33,823 |
| Trade payables | 7.5.2 | 403,184 | 364,661 |
| Tax payables | 7.5.3 | 4,838 | 2,440 |
| Other liabilities | 7.5.4 | 7,270 | 10,135 |
| Total current liabilities | | 455,242 | 411,058 |
| Total liabilities | | 541,327 | 476,950 |
| Total shareholders' equity and liabilities | | 729,745 | 634,732 |

Consolidated Statement of Comprehensive Income

| (€ thousands) | Notes | 31/12/2023 | 31/12/2022 |
|--|-------|------------------|------------------|
| Revenues | 7.6.1 | 846,482 | 706,178 |
| Other income | 7.6.1 | 910 | 2,334 |
| Total revenues | | 847,391 | 708,512 |
| Consumables and goods for resale | 7.7.1 | (556,152) | (573,179) |
| Change in inventory | 7.7.1 | (14,434) | 65,842 |
| Costs for services and for the use of third-party of goods | 7.7.2 | (161,676) | (105,258) |
| Personnel costs | 7.7.3 | (24,969) | (22,318) |
| Other operating costs | | (731) | (1,057) |
| Amortisation, depreciation and write-downs | | (29,523) | (22,513) |
| Total operating costs | | (787,484) | (658,482) |
| Operating result | | 59,907 | 50,029 |
| Financial income | 7.8 | 1,480 | 190 |
| Financial expense | 7.8 | (5,932) | (2,252) |
| Profit before taxes | | 55,455 | 47,968 |
| Income taxes | 7.9.1 | (16,874) | (13,942) |
| Profit for the period | | 38,581 | 34,027 |
| <i>of which:</i> | | | |
| Profit attributable to non-controlling interests | | 211 | 77 |
| Profit attributable to the Group | | 38,370 | 33,949 |
| Earnings per share - diluted | 7.3 | 3.85 | 3.41 |

| | | |
|---|---------------|---------------|
| Profit/(loss) for the year (A) | 38,581 | 34,027 |
| Other income components that will not be reflected in the income statement in subsequent periods: | | |
| Profit/(loss) actuarial on benefits to employees | 33 | 103 |
| Total other comprehensive profit/(loss) not subsequently reclassified to the income statement (B1) | 33 | 103 |
| Other income components that will be recognised in the income statement in subsequent periods: | | |
| Profit/(loss) from cash flow hedges | (109) | - |
| Total other comprehensive profit/(loss) that will be subsequently reclassified to | | |

| | | |
|---|---------------|---------------|
| the income statement, net of the tax effect (B2) | (109) | - |
| Total other comprehensive profit/(loss), net of the tax effect (B)=(B1)+(B2) | (76) | 103 |
| Total comprehensive profit/(loss)(A)+(B) <i>of which:</i> | 38,505 | 34,130 |
| Comprehensive profit attributable to non-controlling interests | 211 | 77 |
| Comprehensive profit attributable to the Group | 38,294 | 34,053 |

Consolidated Statement of Changes in Equity

| | Share capital | Share premium reserve | Other reserves | Profit for the year | Shareholders' equity attributable to the Group | Shareholders' equity attributable to non-controlling interests | Total Shareholders' equity |
|---|---------------|-----------------------|----------------|---------------------|--|--|----------------------------|
| (Euro thousands) | | | | | | | |
| At 31 December 2021 | 1,555 | 34,317 | 57,670 | 30,129 | 123,671 | 5,481 | 129,152 |
| Allocation of profit/loss 2021 | 0 | 0 | 30,129 | -30,129 | 0 | 0 | 0 |
| Change in the scope of consolidation | 0 | 0 | 0 | 0 | 0 | -4,640 | -4,640 |
| Purchase of treasury shares | 0 | 0 | -927 | 0 | -927 | - | -927 |
| Stock options | 0 | 0 | 66 | 0 | 66 | - | 66 |
| Total changes before other comprehensive income statement components | 0 | 0 | 29,268 | -30,129 | -861 | -4,640 | -5,501 |
| Actuarial valuation IAS 19 | 0 | 0 | 103 | 0 | 103 | - | 103 |
| Total changes in the comprehensive income statement | 0 | 0 | 103 | 33,949 | 34,053 | 77 | 34,130 |
| As at 31 December 2022 | 1,555 | 34,317 | 87,041 | 33,949 | 156,863 | 919 | 157,782 |
| Allocation of profit/loss 2022 | 0 | 0 | 33,949 | -33,949 | 0 | 0 | 0 |
| Distribution of dividends | 0 | 0 | -8,474 | 0 | -8,474 | 0 | -8,474 |
| Purchase of treasury shares | 0 | 0 | -304 | 0 | -304 | 0 | -304 |
| Stock options | 0 | 0 | 909 | 0 | 909 | 0 | 909 |
| Total changes before other comprehensive income statement components | 0 | 0 | 26,080 | -33,949 | -7,869 | 0 | -7,869 |
| Cash flow hedge | 0 | 0 | -109 | 0 | -109 | 0 | -109 |
| Actuarial valuation IAS 19 | 0 | 0 | 33 | 0 | 33 | 0 | 33 |
| Total changes in the comprehensive income statement | 0 | 0 | -76 | 38,370 | 38,294 | 211 | 38,505 |
| As at 31 December 2023 | 1,555 | 34,317 | 113,046 | 38,370 | 187,288 | 1,130 | 188,418 |

Consolidated Cash Flow Statement prepared using the indirect method

| (€ thousands) | 31/12/2023 | 31/12/2022 |
|---|-------------------|-------------------|
| REVENUE MANAGEMENT ACTIVITIES | | |
| Profit for the year before taxation | 55,455 | 47,968 |
| Net interest | 4,597 | 1,711 |
| Accrued for provisions for risks and charges | 50 | 0 |
| Accrued for severance pay | 840 | 620 |
| Adjustments for: | | |
| Depreciation and impairment of fixed assets | 27,979 | 21,466 |
| Capital (gains) losses | 0 | 0 |
| Other provisions and write-downs (writebacks) | 1,348 | 1,397 |
| Changes in assets and liabilities | | |
| Trade receivables | (48,715) | (7,574) |
| Inventories and job orders in progress | 14,434 | (65,842) |
| Other operating assets | (1,173) | (11,969) |
| Trade payables | 41,979 | 84,609 |
| Other operating expenses | (2,630) | (3,208) |
| Severance indemnities | 737 | (608) |
| Provisions for risks and charges | 284 | 77 |
| Taxes paid | (14,133) | (15,750) |
| Interest paid | (4,597) | (1,711) |
| Cash flow from operating assets | 76,455 | 51,186 |
| INVESTMENT ACTIVITIES | | |
| Purchase of tangible assets | (57,321) | (24,396) |
| Sales of tangible assets | 0 | 0 |
| Purchase of intangible assets | (235) | (7,654) |
| Purchase of shareholdings | 0 | 0 |
| Other | (3) | (3,818) |
| Cash flow from investment activities | (57,559) | (35,869) |
| LENDING ACTIVITY | | |
| Payment of Dividends | (8,474) | 0 |
| New medium to long-term loans | 30,000 | 0 |
| Repayment of medium to long-term loans | (23,315) | (21,302) |
| New shareholder loans | 0 | 0 |
| New loans to others | 21,186 | 11,541 |
| Repayment of other loans | (4,892) | (3,044) |
| Cash flow from lending activity | 14,505 | (12,805) |
| TOTAL CASH FLOW FOR THE PERIOD | 33,402 | 2,513 |
| OPENING CASH AND CASH EQUIVALENTS | 114,645 | 112,133 |
| CLOSING CASH AND CASH EQUIVALENTS | 148,047 | 114,645 |

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL REPORT AT 31 DECEMBER 2023

1. STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL REPORT

The consolidated financial report at 31 December 2023 has been prepared in accordance with the valuation and measurement criteria set out in the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission.

The reporting date of the consolidated financial report coincides with the end of the business year of the Parent Company and its subsidiaries. The functional currency of the Parent Company and of presentation of the consolidated financial report is the Euro. The statements and tables contained in these notes are presented in Euro thousands.

The Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Statement of Changes in Shareholders' Equity, and the amounts shown in the Notes to the Financial Statements are presented in Euro thousands.

The Financial Statements at 31 December 2023 have been prepared in accordance with IAS/IFRS and the related interpretative standards (SIC/IFRIC) endorsed by the European Commission in force at that date.

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets in the European Union to prepare their annual financial reports in XHTML, based on the ESEF (European Single Electronic Format), approved by ESMA.

Reference is also made to the interpretative and supporting documents for the application of the accounting standards issued by the Italian international regulatory and supervisory bodies and by the standard setters, which were also considered in the preparation of these Financial Statements, where applicable, and include:

- ESMA's Public Statement of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports", which reiterates, among other things, certain recommendations already contained in its previous Public Statement published in October 2022; specifically, in the preparation of financial statements and in the disclosures made, payment of particular attention is requested in relation to:

- climate aspects and consistency between the information contained in the financial statements and non-financial information, to the accounting of emission allowances (ETS) and certificates relating to renewable energy and to the climate-related impairment test process;

- the impact of the current macroeconomic environment on refinancing and other financial risks, as well as the process of determining fair value and related disclosure;
- alternative performance indicators.
- Discussion paper no. 1/2022 “Impairment test of non-financial assets (IAS 36) following the war in Ukraine” published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV"), which incorporates the contents of ESMA's Public Statement of 13 May 2022 (the subject of Consob's 19 May 2022 Call for Attention) and provides operational guidance for dealing with the uncertainty of the current situation within the context of the possible exercise of the impairment test.

2. AREA OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of the Parent Company Digital Value S.p.A. and of the companies over which the Company has the right to directly or indirectly exercise control as defined by IFRS 10 “Consolidated Financial Statements”. All three of the following elements exist for the purpose of assessing the existence of control:

- power over the company;
- exposure to the risk or rights arising from the variable returns linked to its involvement;
- ability to influence the company to such an extent as to affect the results (positive or negative) for the investor (correlation between power and exposure to risks and benefits).

Control may be exercised either by virtue of the direct or indirect ownership of a majority of the voting shares, or by virtue of contractual or legal agreements, also irrespective of shareholder relationships. In assessing these rights, the ability to exercise them and to abstain from actually exercising them are considered, and all potential voting rights are taken into account.

Digital Value S.p.A. is controlled by DV Holding S.p.A. with registered office in Rome but is not subject to management and coordination by the latter, nor does it have any business relations with it.

Digital Value S.p.A., which directly holds the controlling interests in ITD Solutions S.p.A., ITALWARE S.r.l., Dimira S.r.l., TT Tecnosistemi S.p.A., Digital Value Managed Services S.r.l, DV Broker S.r.l., Digital Value Cyber Security S.r.l. (formerly A76 S.r.l.) and indirectly in Italware Services S.r.l., prepares consolidated financial statements as required by the reference legislation.

TT Tecnosistemi S.p.A. has been consolidated on a line-by-line basis since November 2021, when 51% of its share capital was initially acquired. A further 19% was acquired during the first half of 2022; call options (Call in favour of Digital Value) and put options (Put in favour of the Seller) are envisaged for the remaining 30%, and may be exercised upon approval of the Company's 2023 Financial Statements or on 1 July 2024. See

the following pages for a better understanding of the entire TT Tecnosistemi S.p.A. acquisition.

The Companies included in the scope of consolidation are shown below:

| Consolidated Companies | Registered Office | % held directly | % held indirectly | Method of consolidation |
|---|-------------------|-----------------------|-------------------|-------------------------|
| Digital Value S.p.A. | Rome | CONSOLIDATING COMPANY | | |
| ITD Solutions S.p.A. | Milan | 100% | | Line-by-line |
| Italware S.r.l. | Rome | 100% | | Line-by-line |
| Italware Services S.r.l. | Milan | | 80% | Line-by-line |
| Dimira S.r.l. | Rome | 51% | | Line-by-line |
| TT Tecnosistemi S.p.A. | Prato | 70% | | Line-by-line |
| Digital Value Cyber Security S.r.l. (formerly A76 S.r.l.) | Florence | 51% | | Line-by-line |
| Digital Value Managed services S.r.l. | Rome | 100% | | Line-by-line |
| DV Broker S.r.l. | Rome | 70% | | Line-by-line |

3. CONSOLIDATION CRITERIA AND TECHNIQUES

These consolidated financial statements have been prepared in accordance with the IAS-IFRS in force at 31 December 2023 as adopted by the European Union, and with the measures issued in implementation of article 9 of Legislative Decree no. 38/2005. IAS-IFRS also includes all the reviewed International Accounting Standards (IAS) and all the interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), previously known as SIC. The rules of national legislation implementing EU Directive 2013/34 also apply, insofar as they are compatible, to companies that prepare financial statements in accordance with IAS-IFRS. Consequently, the financial statements incorporate the relevant provisions of the articles of the Italian Civil Code and the corresponding provisions of the Consolidated Law on Financial Intermediation for listed companies on Reports on Operations, Statutory Audits and the Publication of Financial Statements, insofar as applicable. The consolidated financial statements and related notes also include the details and additional information required by the articles of the Italian Civil Code on financial statements, insofar as they do not conflict with the provisions of IAS-IFRS, and also by other Consob rules and regulations on financial statements.

The financial statements have been prepared on the assumption that the Group will continue to operate as a going concern. The Group has, in fact, assessed that, despite the general economic and financial context characterised by the after-effects of the Covid-19 pandemic and the Russian-Ukrainian war, there are no significant uncertainties as to the Group's ability to continue operating as a going concern, also due to its financial structure and the outlook for the future, as illustrated in the "Report on Operations".

In the valuation of the asset entries in the consolidated financial statements, the Group adopts the cost principle, with the exception of financial derivatives and financial assets, which are valued according to the fair value principle.

The presentation currency used in the consolidated financial statements is the Euro, the functional currency of the parent company. All amounts in the financial statements and notes are rounded to the nearest euro unit unless otherwise indicated.

The consolidated financial statements consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated cash flow statement as well as the notes to the financial statements for the year ended 31 December 2023.

With regard to the presentation of the financial statements, the Group has made the following choices:

- for the Statement of Financial Position, current and non-current assets and current and non-current liabilities are presented separately. Current Assets, which include cash and cash equivalents, are those that are intended to be realised, sold or consumed in the Group's normal operating cycle; Current Liabilities are those that are expected to be settled in the Group's normal operating cycle or in the twelve months following the end of the period;
- for the Statement of Income, the analysis of costs is based on their nature, as this form of presentation is considered more suitable to represent
- the specific business of the Company and complies with internal reporting methods and is in line with industry practice;
- for the Statement of Comprehensive Income, the Group has chosen to present two statements: the first shows the traditional components of the income statement with the result for the period, while the second, starting from this result, details the other components, i.e. (i) changes in fair value on financial derivatives designated in hedge accounting, and (ii) the effects of remeasuring defined benefit plans;
- for the Cash Flow Statement, cash flows from operating assets have been presented according to the "indirect method".

The main consolidation criteria adopted are the following:

- subsidiaries are consolidated on a full line-by-line basis;
- where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting standards used with those adopted by the Group;

- the assets and liabilities, expenses and income of the companies consolidated on a line-by-line basis are fully included in the consolidated financial statements; the book value of equity investments is eliminated against the corresponding fraction of the investee companies' shareholders' equity. Any residual difference, if positive, is recognised as "Goodwill" under assets, and if negative, in the income statement. Goodwill is determined as the excess of: the sum of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, the fair value, at the acquisition date, of previously held equity interests in the acquiree, and the net fair value of identifiable assets and liabilities at the acquisition date. If the difference is negative, it is recognised directly in the income statement. If the initial recognition of a business combination can only be determined provisionally, adjustments to the values allocated are recognised within 12 months of the purchase date (valuation period).
- If a business combination is realised in stages with successive share purchases, the fair value of the previously held equity interest must be recalculated at each transaction and any difference recognised as a gain or loss in the income statement. Share purchases subsequent to taking control do not result in a restatement of identifiable assets and liabilities. The difference between the cost and the portion of equity acquired is recognised as a change in Group equity. Transactions that result in a decrease in the percentage of ownership interest, without loss of control, are treated as disposals to non-controlling interests and the difference between the portion of interest disposed of and the price paid is recorded as a change in Group equity.
- the balances of receivables and payables, as well as the economic effects of intra-group economic transactions and dividends declared by consolidated companies have been fully eliminated. No unrealised gains or losses have been recognised in the consolidated financial statements for the Group as a whole as they arise from intra-group transactions. The portions of shareholders' equity and the period results of minority shareholders are shown separately in the consolidated shareholders' equity and income statement.

4. ACCOUNTING STANDARDS AND VALUATION CRITERIA

The preparation of the financial statements and related notes in accordance with IAS-IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the amount of revenues and costs in the reporting period. The estimates and assumptions used are based on experience and other factors considered relevant. Consequently, the actual results may differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes to them are reflected in the income statement in the period in which the estimate is reviewed if the review affects that period only, or in subsequent periods if the review affects both current and future periods.

For a better understanding of the Consolidated Financial Statements, the most significant estimates in the process of preparing the Consolidated Financial Statements are indicated below because they involve a high degree of reliance on subjective judgements, assumptions and estimates relating to matters that are by their nature uncertain. Changes in the conditions underlying the judgements and assumptions made could have a significant impact on subsequent results.

⊗ Valuation of receivables: trade receivables are adjusted by the relevant allowance for doubtful accounts to reflect their recoverable amount. Determining the amount of impairment requires the directors to make subjective judgements based on past experience for similar receivables or current and historical past due amounts, closing rates, losses and collections, and careful monitoring of credit quality.

⊗ Inventory valuation: inventories with obsolete characteristics are periodically assessed and written down if their net realisable value is lower than their book value. Write-downs are calculated on the basis of management's assumptions and estimates, resulting from its experience and from sales forecasts.

⊗ Valuation of deferred tax assets: the valuation of deferred tax assets - the recovery of which in future years is considered highly likely - is based on expected taxable income in future years. The valuation of such expected taxable income depends on factors that could change over time and have significant effects on the valuation of deferred tax assets.

⊗ Income Taxes: the determination of the Group's tax liability requires the use of judgement by management with respect to transactions with uncertain tax implications on the balance sheet date.

- ⊗ Impairment of intangible and tangible assets with a finite useful life: these assets are subject to impairment testing determine whether there has been an loss in value, which should be recognised through a write-down, when there are indications that it may be difficult to recover their net book value through use. Verification of the existence of the above indicators requires Directors to make subjective assessments based on information available within the Group and on the market, as well as on historical experience. Moreover, if it is determined that a potential reduction in value may have been generated, the Group proceeds to determine said value using appropriate evaluation techniques. The correct identification of elements indicating the existence of a potential impairment, as well as the estimates used to determine them depend on factors that may vary over time and are subject to uncertainties and the use of estimates (growth rates, rates of return on assets, economic-financial projections influenced by exogenous variables that cannot be controlled) which influence the valuations and estimates made by the Directors.
- ⊗ Valuation of intangible and tangible assets with a defined useful life: tangible and intangible assets with a defined useful life are amortised over the estimated useful life of the related assets. The useful economic life of assets is determined by the Directors at the moment of purchase; it is based on historical experience for similar assets, market conditions and advances regarding future events that could have an impact on the useful life. Consequently, the actual economic life may differ from the estimated useful life. The Group periodically assesses changes in technology and industry to update the remaining useful life. This periodic update could lead to a change in the amortisation period and consequently also in the amortisation rate for future years.
- ⊗ Pension plans: the current value of the liability for pension benefits depends on a number of factors that are determined by actuarial techniques using certain assumptions. The assumptions relate to the discount rate, the expected return on assets serving the plan, rates of future salary increases, and mortality and resignation rates. Any changes in the above assumptions could have a significant effect on the liability for pension benefits.
- ⊗ Valuation of provisions for risks: after consulting their legal and tax advisors and experts, the Directors establish a liability for litigation when they believe it is probable that a financial outlay will be incurred and when the amount of the resulting losses can be reasonably estimated. This estimate involves the adoption of assumptions that depend on factors that may change over time and could therefore have significant effects on the current estimates made by the Directors for the preparation of the Group's consolidated financial statements.

© Determination of fair value: the fair value of certain financial assets that are not listed on active markets is determined using valuation techniques. The Group uses valuation techniques that use inputs that are directly or indirectly observable by the market on the balance sheet date, related to the assets being valued. Although we consider the estimates of these fair values to be reasonable, possible changes in the estimation factors on which the calculation of these values is based could lead to different valuations.

In preparing this Financial Report, the Board of Directors assessed the Group's ability to continue to operate as a going concern, contemplating the recoverability of assets and the settlement of liabilities in the normal course of business. In particular, the existence of the assumption that the Group is a going concern is confirmed by the 2024 budget and the 2025-2026 business plan approved by the Board of Directors and by all the other information available on future developments, for a period of at least 12 months following the date of preparation of this Financial Report.

A description of the most significant accounting principles adopted for the preparation of the consolidated financial statements of the Parent Company Digital Value S.p.A. as of 31 December 2023 is given below.

INTANGIBLE ASSETS

Intangible assets are assets without identifiable physical substance that are controlled by the Group and are capable of producing future economic benefits, as well as goodwill when acquired for consideration.

Identifiability is defined with reference to the possibility to distinguish the intangible asset acquired from goodwill; this requirement is generally met when:

- the intangible asset is attributable to a legal or contractual right, or
- the asset is separable, i.e. it can be sold, transferred, leased or exchanged on its own or as an integral part of other assets; the control of the company consists in the power to enjoy the future economic benefits of the asset and the ability to restrict access to it to others.

Intangible assets are recorded at cost determined according to the criteria indicated for tangible assets.

Intangible assets with a defined useful life are systematically amortised over their useful life intended as the estimate of the period over which the assets will be used by the company; the recoverability of their book value is verified by adopting the criteria indicated under "Impairment of Assets".

Goodwill and other intangible assets, if any, with an indefinite useful life are not subject to amortisation; the recoverability of their book value is verified at least annually and always when events that imply a reduction in value occur.

Goodwill is an intangible asset with an undefined useful life, which arises from business combinations accounted for using the purchase method ('purchase method') where the acquisition cost exceeds the acquirer's share of the fair value of the assets and liabilities acquired. After initial recognition, goodwill is not subject to systematic amortisation but to a periodic impairment test. Consequently, its initial book value is adjusted to reflect any accumulated impairment losses, determined as described below. Goodwill is subject to an annual impairment test, or more frequently if there are indicators of impairment.

On the acquisition date, any emerging goodwill is allocated to each of the cash-generating units ("CGUs" that are expected to benefit from the synergistic effects of the acquisition. Any impairment is identified through assessments that take into account the ability of each CGU to produce cash flows to recover the portion of goodwill allocated to it. The impairment test reveals a loss of value for goodwill whenever the recoverable amount of the cash of the CGU to which goodwill is allocated is lower than its book value. This impairment is not reversed if the reasons for it cease to exist.

Other intangible assets have been amortised at 20%, estimating a useful life of five years, with the exception of licences, which are amortised over a useful life of three years.

The amortisation period and criteria for amortisation of intangible assets with a defined useful life are reviewed at the end of each financial year at least, and adjusted prospectively if necessary.

TANGIBLE ASSETS

Tangible assets are recorded at purchase price or production cost including directly attributable ancillary costs necessary to make the assets available for use. Tangible assets are systematically depreciated on a straight-line basis over their useful life, considered as the estimated period over which the asset will be used by the company. When the tangible asset is made up of several significant components with different useful lives, depreciation is applied to each component.

The value to be depreciated is represented by the book value reduced by the presumed net disposal value at the end of its useful life, if significant and reasonably determinable. Land (items with an undefined useful life), also if purchased together with a building, as well as tangible assets held for sale, which are measured at the lower between their book value and their fair value less disposal costs, are not depreciated.

Tangible assets are stated net of accumulated depreciation and any impairment determined in accordance with IAS 36. Amortisation is calculated on a straight-line basis over the estimated useful life of the asset for the business, which is reviewed at least annually, and any changes, where necessary, are applied prospectively. The main economic-technical rates used are the following:

| Category | Depreciation rates |
|-----------------------------|--------------------|
| Buildings | 5% |
| Systems and machinery | 15%-20% |
| Technical equipment | 20% |
| Furniture | 12% |
| Electronic office equipment | 20% |
| Cars | 25% |

The residual book value, useful life and depreciation criteria are reviewed at the end of each financial year and adjusted prospectively if necessary.

An asset is derecognised when it is sold or when there are no expected future economic benefits from its use or disposal. Any losses or profits (calculated as the difference between the net proceeds from the sale and the book value) are included in the income statement at the time of such derecognition. Leasehold improvements are classified as tangible assets, consistent with the nature of the cost incurred. In these cases, the depreciation period corresponds to the residual useful life of the tangible asset or the residual term of the lease agreement, whichever is shorter.

Assets under construction are recognised at cost under assets under construction until they become available for use; when they become available for use, the cost is classified under the relevant item and depreciated.

The profit or loss generated by the disposal of property, plant, machinery, equipment and other assets is determined as the difference between the net disposal consideration and the net residual value of the asset, and is recognised in the income statement of the period in which the disposal takes place.

Costs incurred after the purchase of the assets and the replacement cost of certain parts of the assets recognised in this category are added to the book value of the item to which they relate and capitalised only if they increase the future economic benefits embedded in the asset, and therefore depreciated over the remaining useful life of the asset. All other costs are recognised in the income statement when they are incurred.

When the cost of replacing parts of assets is capitalised, the residual value of the parts replaced is recognised in the income statement.

Profits and losses from the sale or disposal of assets are determined as the difference between the sales revenue and the net book value of the asset and are recognised in the income statement for the year

Leases

The Group must assess whether the contract is, or contains, a lease at the date it is entered into. The Group recognises the Right of Use and the related Lease Liability for all lease contracts in which it holds the role of lessee, with the exception of short-term leases (12 months or less) and leases relating to low-value assets (i.e. assets with a value of less than €5,000 when new). The contracts for which the latter exemption has been applied fall mainly within the following categories: computers, telephones and tablets; printers, other electronic devices, furniture and furnishings.

With regard to these exemptions, the Group recognises the related payments as operating costs recognised on a straight-line basis over the duration of the contract.

The lease liability is initially recognised at the current value of future lease payments at the lease commencement date. Since most of the lease agreements entered into by the Group do not have an implicit interest rate, the discount rate to be applied to future lease payments was determined as the risk-free rate, with maturities commensurate with the term of the specific lease agreement, increased by the specific credit spread of the company entering into the agreement.

The lease payments included in the value of the Liability for the lease include:

- the fixed component of the lease payments, net of any incentives received;
- variable lease payments based on an index or rate, initially measured using the index or rate at the lease commencement date;
- the amount of the guarantees for the residual value that the lessee expects to have to pay;
- the call option exercise price, which should be included only if the exercise of such option is estimated to be reasonably certain;
- penalties for early termination of the lease if the lease term envisages an option to terminate the lease and the exercise thereof is estimated to be reasonably certain.

After the initial recognition, the carrying amount of the Liability for the lease increases due to the interest accrued (using the effective interest method) and decreases to reflect the payments made under the lease agreement.

The Group restates the value of the Liability for the lease (and adjusts the value of the corresponding Right of Use) if:

- the duration of the lease changes or there is a change in the valuation of the exercise of the option right, in which case the liability for the lease is redetermined by discounting the new lease payments at the revised discount rate.
- the value of the lease payments changes as a result of changes in indices or rates, in which case the Liability for the lease is redetermined by discounting the new lease payments at the original discount rate (unless the payments due under the lease change as a result of fluctuations in interest rates, in which case a revised discount rate must be used).

The Group did not recognise any of the above changes in the period.

The Right of Use asset comprises the initial valuation of the Liability for the lease, lease payments made before or on the lease commencement date, and any other initial direct cost. The Right of Use is recognised in the balance sheet net of depreciation and any impairment losses. Incentives associated with the lease (e.g. free lease periods) are recognised as part of the initial value of the Right of Use and the Liability for the lease throughout the duration of the agreement.

The Right of Use is systematically amortised over the shorter between the lease term and the remaining useful life of the underlying asset. If the lease agreement transfers ownership of the related asset or the cost of the right of use reflects the Group's intention to exercise the purchase option, the related right of use is amortised over the useful life of the asset in question. The commencement of amortisation starts from the lease commencement date.

The Right of use is included under "Tangible Assets" in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets in order to identify any losses in value.

In the statement of cash flows, the Group divides the total amount paid between principal (recognised in cash flow from financing activities) and interest (recognised in cash flow from operations).

FINANCING ACTIVITIES AND EQUITY INVESTMENTS

Corporate aggregations are booked using the acquisition method (IFRS 3).

The cost of an acquisition is valued as the sum of the consideration transferred, measured at the fair value at the acquisition date, and the amount of any non-controlling interest in the acquired company.

For each business combination, any non-controlling interest in the acquired company must be valued at fair value or in proportion to the non-controlling interest in the acquired company's identifiable net assets. Acquisition costs are expensed and classified under administrative expenses. If the business combination is realised in several stages, the fair value of the stake previously held is recalculated at the fair value at the acquisition date, with any resulting profit or loss recognised in the income statement. Goodwill is initially valued at the cost which emerges as the excess of the sum of the consideration paid and the amount recorded for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairments. For the purposes of impairment testing, goodwill acquired in a business combination must be allocated, on the date of acquisition, to every one of the Group's cash generating units, which is expected to benefit from the synergies of the aggregation, regardless of whether other assets or liabilities of the entity acquired are assigned to those units. If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the asset disposed of must be included in the book value of the asset when determining the gain or loss on disposal. Goodwill associated with the asset disposed of must be determined on the basis of the relative values of the asset disposed of and the portion of the cash generating unit retained. All financial assets are initially recognised, on the trading date, at the cost which corresponds to the fair value plus any directly attributable acquisition costs, except for financial assets held for trading (fair value in the income statement). All financial assets must be subsequently recognised at amortised cost or fair value based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. Specifically:

- Debt instruments held as part of a business model the purpose of which is to own financial assets in order to collect contractual cash flows, and which have cash flows represented solely by principal payments and interest on the principal amount to be repaid, are subsequently measured at amortised cost;

- Debt instruments held as part of a business model the purpose of which is achieved both through the collection of contractual cash flows and the sale of financial assets, and which have cash flows represented solely by principal payments and interest on the principal amount to be repaid, are subsequently measured at fair value with changes recognised in other comprehensive income (FVTOCI);
- All other debt instruments and investments in instruments that represent equity are subsequently measured at fair value, with changes recognised in profit (loss) for the year (FVTPL).

When an investment in a debt instrument measured as FVTOCI is derecognised, the accumulated profit (loss) previously recognised in other comprehensive income is reclassified from equity to profit or loss through a reclassification adjustment. Conversely, when an investment representing equity designated as FVTOCI-rated is derecognised, the accumulated profit (loss) previously recognised in other comprehensive income is subsequently transferred to retained earnings without passing through profit or loss. Dividends received from investments in equity instruments are recognised in the income statement.

Debt instruments subsequently measured at amortised cost or FVTOCI are subject to impairment of financial assets. In relation to the impairment of financial assets, the Group has applied a model based on expected losses on receivables, with reference to trade receivables. Specifically, the Group measures the provision to cover losses of a financial asset at an amount equal to the lifetime expected credit losses (ECLs) if the credit risk of that financial asset has significantly increased since initial recognition, or if the financial instrument is an impaired financial asset that has been purchased or originated. However, if the credit risk of a financial instrument has not increased significantly since initial recognition, the Group must measure the provision to cover losses for the financial instrument for an amount equal to the expected credit losses resulting from a 12-month default event (12-month expected credit losses). The Group adopts the simplified method to measure the provision to cover losses for trade receivables by estimating the expected losses over the life of the receivable, also using a Group procedure that also requires a customer-by-customer analysis of past due doubtful receivables.

The Group derecognises all or part of the financial assets when:

- the contractual rights attached to these assets have expired;
- it transfers the risks and benefits of ownership of the asset or does not transfer or even retain substantially all risks and benefits but transfers control of these assets;

- The receivables assigned following factoring transactions are eliminated from the balance sheet only if they are assigned without recourse, and if substantially all risks inherent in the receivable are transferred.

Receivables assigned with recourse, or without the transfer of all risks, remain on the balance sheet and a financial liability of the same amount is recognised as a liability for the advance received.

INVENTORIES

Inventories are booked at the lower value between the purchase or production cost and the presumable realizable value, as determined from market trends and in considerable of obsolescence.

The cost of inventories of assets that are not normally fungible and of goods and services produced for specific projects is allocated on the basis of the specific costs relating to the various items comprising the inventories.

In the case of fungible goods, the cost of inventories is allocated using the weighted average cost.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank accounts and deposits repayable on demand and other short-term, highly liquid financial investments that are readily convertible to cash and are subject to an insignificant risk of change in value.

RECEIVABLES

With regard to financial assets, the Group adopts IFRS 9 Financial Instruments, which is also applicable to receivables.

Trade receivables and other short-term assets are initially recognised at their fair value and subsequently measured at amortised cost, net of any write-downs. Upon recognition, the nominal value of the receivable is representative of its fair value at the date.

The provision for bad debts at the date represents the difference between the book value of receivables and the reasonable expectation of recoverability of the receivables deriving from the cash flows expected from their collection, also considering historical experience and management's forecasts on the future recoverability of receivables (Forward Looking Approach).

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date, the Group companies verify whether a financial asset or group of financial assets has suffered impairment. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition (when a “loss event” occurs) and this loss event has an impact, that can be reliably estimated, on the estimated future cash flows of the financial asset or group of financial assets.

Evidence of impairment may be represented by indicators such as financial difficulties, inability to meet obligations, insolvency in the payment of interest or major payments, which debtors, or a group of debtors, are experiencing; the likelihood that they will go bankrupt or undergo some other form of financial reorganisation; and where observable data indicate that there is a measurable decrease in estimated future cash flows, such as changes in the context or economic conditions related to the obligations.

Management also evaluates factors such as trends in the counterparty's industry and financial activities and general economic trends, and also makes forward-looking considerations.

If there is objective evidence of a loss in value, the amount of the impairment is measured as the difference between the asset's book value and the current value of estimated future cash flows (excluding impairment of receivables expected in future that have not yet occurred). The book value of the asset is reduced through the use of a provision for bad debts and the amount of the loss will be recognised in the income statement. If, in a subsequent period, the amount of the estimated write-down increases or decreases as a result of an event occurring after the write-down has been recorded, said write-down is increased or decreased by adjusting the provision against the income statement.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each balance sheet date, the Group companies assess the existence of any indicators of impairment of non-financial assets. When events that lead to the presumption of a reduction in the value of an asset occur or in cases where an annual impairment test is required, its recoverability is tested by comparing its book value with its recoverable amount, represented by the higher between its fair value, net of disposal costs, and its value in use.

In the absence of a binding sale agreement, fair value is estimated on the basis of values expressed by an active market, by recent transactions or on the basis of the best information available to reflect the amount that the company could obtain from the sale of the asset.

Value in use is determined by discounting the cash flows expected to arise from the use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and documentable assumptions representative of the best estimate of future economic conditions that will occur during the remaining useful life of the asset, giving greater weight to external indications. Discounting is performed at a rate that takes into account the risk implicit in the business sector.

The valuation is carried out for each individual asset or for the smallest identifiable group of assets that generates independent cash inflows from ongoing use (cash generating unit). When the reasons for the write-downs made no longer apply, the assets, except for goodwill, are revalued and the adjustment is recognised in the income statement as a write-back (reinstatement of value). The write-back is carried out at the lower between the recoverable value and the book value before write-downs previously made and reduced by the depreciation allowances that would have been allocated if the write-down had taken place.

FINANCIAL LIABILITIES

Financial liabilities that fall within the scope of IFRS 9 are classified as financial liabilities at amortised cost or fair value recognised in the balance sheet as financial payables, or as derivatives designated as hedging instruments, as appropriate. The financial liabilities of Group companies include trade and other payables, loans and financial derivatives. Group companies determine the classification of their financial liabilities at the time of initial recognition.

Financial liabilities are initially measured at their fair value equal to the consideration received on the settlement date plus, in the case of financial payables, directly attributable transaction costs.

Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest rate method.

Amortised cost is calculated by recording every discount or premium on purchases, fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is recognised as financial expenses in the income statement.

Profits and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Financial liabilities are derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled.

EMPLOYEE BENEFITS

Severance pay falls within the scope of what IAS 19 defines as defined benefit plans in the context of post-employment benefits. Defined-benefit plans, which also include severance indemnities due to employees pursuant to article 2120 of the Italian Civil Code, the amount of the benefit payable to employees that can only be quantified after termination of employment, and are linked to one or more factors such as age, years of service and remuneration. Consequently, the relative cost is recorded in the income statement on the basis of actuarial calculations. The liability recognised in the financial statements for defined benefit plans corresponds to the current value of the bond at the balance sheet date. Obligations for defined benefit plans are determined annually by an independent actuary using the projected unit credit method. The current value of the defined benefit plan is determined by discounting future cash flows at an interest rate equal to that of high-quality corporate bonds issued in Euro which takes into account the duration of the relative pension plan. Actuarial profits and losses arising from the above-mentioned adjustments and changes in actuarial assumptions are recognised in the statement of comprehensive income. As of 1 January 2007, the so-called 2007 Budget Law and the relative implementation decrees introduced significant changes to the rules governing employee severance indemnities, including the possibility for employees to choose the destination of their accruing employee severance indemnities. In particular, new flows of severance indemnity can be allocated by the employee to selected pension schemes or kept within the company. In the case of allocation to external pension funds, the company is only required to pay a defined contribution to the fund chosen, and from that date the newly accrued amounts are considered defined contribution plans and, as such, they are not subject to actuarial evaluation. Since 1 January 2007, for companies with more than 50 employees at the date of introduction of the reform, it has been compulsory to pay the new severance indemnity flows to pension schemes chosen by the employee or, if the employee has opted to keep these flows in the company, to a treasury account set up with the Social Security Institution (INPS). The severance indemnity accrued by the Group up until 31 December 2006 continues to fall under “defined benefit plans”, while the severance indemnity accrued after that date is configured, for all workers, as a “defined contribution plan”, and this is because all obligations of the companies are fulfilled with the periodic payment of a contribution to a third entity. An exception to this are the amounts accrued by employees who have opted to keep their severance pay in the company, which are configured as a defined benefit plan.

Defined contribution plans

Defined contribution plans are formalised post-employment benefit plans on the basis of which the Group pays fixed contributions to an insurance company or pension fund and has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all the benefits to employees related to their service in the current and prior periods.

These contributions, paid in exchange for employee service, are recognised as an expense in the pertinent period.

Defined benefit plans

Defined benefit plans are formalised post-employment benefit programmes that represent a future obligation for the Group.

Basically, the company bears the actuarial and investment risks related to the plan. As required by IAS 19, the Group uses the Projected Unit Credit Method to determine the current value of obligations and the related current service cost.

This actuarial calculation requires the use of objective and compatible actuarial assumptions regarding demographic variables (mortality rate, staff turnover rate) and financial variables (discount rate, future increases in salary levels and medical benefits).

Actuarial profits and losses related to post-employment defined benefit plans may arise either from changes in the actuarial assumptions used for the calculation between two consecutive periods or from changes in the value of the obligation relative to the actuarial assumptions made at the beginning of the period. Actuarial profits and losses are recognised and recognised immediately in other components of the statement of comprehensive income.

Net financial expenses on defined benefit plans are recognised in financial income/(expenses) in the income statement.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and expenses of a specific nature and of certain or probable existence, the amount or date of occurrence of which could not be determined at the balance sheet date. Provisions are recognised when:

- it is probable that a current, legal or implicit obligation arising from a past event exists;
- it is probable that fulfilment of the obligation will be onerous;
- the amount of the obligation can be reliably estimated.

Provisions are recognised at the value representing the best estimate of the amount that the company would rationally pay to extinguish the obligation or to transfer it to a third party at the end of the period.

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Loans are initially valued at cost, net of accessory costs for the acquisition of the loan. After initial recognition, loans are recognised using the amortised cost method. Loans are classified as non-current and current liabilities depending on whether or not the Group has the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

TRADE PAYABLES

Trade payables are recognised at nominal value equal to the redemption value. They have not been valued at amortised cost, as this is not considered significant.

INCOME TAXES

Income taxes include current taxes and deferred tax assets and liabilities. Income taxes are generally recognised in the income statement, except when they relate to items recognised directly to equity. Current taxes are calculated by applying the tax rate in force at the balance sheet date to the taxable income for the year. Deferred taxes are calculated using the liability method on temporary differences between the amount of assets and liabilities in the balance sheet and the corresponding values recognised for tax purposes. Deferred taxes are calculated based on the tax rate that is expected to be in effect when the asset is realised or the liability is settled. Deferred tax assets are recognised only if it is probable that sufficient taxable profit will be generated in future periods to realise those assets. Deferred tax assets and liabilities are only offset when there is a legal right to offset them and when they relate to taxes owed to the same tax authority.

Starting from financial year 2019, Digital Value S.p.A. has exercised the option for the National Tax Consolidation tax regime jointly with ITALWARE S.r.l., ITD Solutions S.p.A. and ITALWARE Services S.r.l. as consolidated companies.

CRITERIA FOR CONVERSION OF ENTRIES IN FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the exchange rate in force on the date of the transaction. Monetary assets and liabilities in foreign currencies at the reference date of the financial statements are converted at the exchange rate in force at that date. Exchange

rate differences arising from the settlement of monetary items or their conversion at rates different from those at which they were converted at the time of initial recognition in the financial year or in previous financial statements are recognised in the income statement. All assets and liabilities of foreign companies in currencies other than the Euro that are included in the scope of consolidation are converted using the exchange rates in force on the balance sheet date. Income and expenses are converted at the average exchange rate for the year. Exchange rate differences resulting from the application of this method are classified as an equity item until the disposal of the investment.

RECOGNITION OF REVENUES

Revenues are recognised to the extent that it is probable that economic benefits will flow to the Group and their amount can be reliably determined. Revenue from sales and services is recognised when the actual transfer of the relevant risks and advantages of ownership or the performance of the service takes place. Sales of goods are recognised when the goods are shipped and the company has transferred the significant risks and benefits of ownership of the goods to the buyer. Revenues are stated net of returns, discounts, allowances and premiums, as well as directly related taxes. Revenues are valued taking into account the consideration specified in the agreement with the customer. The Group recognises revenue when it transfers the control of goods or services.

Revenue is recognised by applying a five-step model as outlined below:

- ⊗ Identification of the agreement with the customer;
- ⊗ Identification of the “performance obligations” envisaged by the agreement;
- ⊗ Determination of the consideration for the transaction;
- ⊗ Allocation of consideration to individual “performance obligations”;
- ⊗ Recognition of revenue at the time (or during) satisfaction of the individual “performance obligations”.

Revenue is recognised at fair value, which is equal to the consideration received or receivable, taking into account the value of any trade discounts granted and reductions linked to quantity.

With regard to the sale of goods, revenue is recognised when the company has transferred the significant risks and benefits of ownership of the goods to the buyer. Agreements with customers generally include a single performance obligation. The performance obligation is deemed to be satisfied when the asset is delivered.

RECOGNITION OF COSTS

Costs are recognised when they relate to goods and services purchased and/or received during the period. Service charges are recognised on an accrual basis.

For all financial instruments valued at amortised cost, interest expenses are recognised using the effective interest rate (EIR), which is the rate that precisely discounts estimated future payments and receipts throughout the expected life of the financial instrument.

SECTOR REPORTING

An operating segment is a component of an entity:

- that engages in entrepreneurial activities that generate revenues and expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed periodically at the entity's highest operational decision-making level, with a view to making decisions about resources to be allocated to the segment and assessing performance; and
- for which separate financial information is available.

In relation to the above principle, the Digital Value Group identifies a single operating segment consisting of the Hyper VAR (Value Added Reseller) business.

5. ACCOUNTING STANDARDS ADOPTED

The accounting standards adopted by the Group are the same as those applied for the preparation of the consolidated financial statements for the year ended 31 December 2022, with the exception of new accounting standards and amendments to existing accounting standards, which are indicated below.

IFRS standards, amendments and interpretations adopted as of 1 January 2023

The following amendments are effective as of the year beginning 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidelines and examples to help entities apply materiality judgements to accounting standard disclosures. The amendments aim to help entities provide information on the most useful accounting standards, replacing the requirement for entities to disclose their “significant” accounting standards with the requirement to disclose their “relevant” accounting standards; furthermore, guidelines on how entities apply the concept of relevance in making decisions with regard to the disclosure of accounting standards are added. The amendments to IAS 1 are applicable for financial years beginning on or after 1 January 2023.

Earlier application is permitted. The amendments are to be considered applicable for the disclosure on accounting standards in the consolidated annual financial statements of the Group.

Amendments to IAS 8 Accounting Standards, changes in accounting estimates and errors

The amendment to IAS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or valuation technique are changes in accounting estimates, unless they arise from the correction of errors made in the previous period. These amendments clarify how entities make the distinction between changes in accounting estimates, changes in accounting standards and errors made in the previous year. These amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 12 - Income Taxes

In May 2021, the IASB issued amendments to IAS 12 which clarify whether the exemption from initial recognition applies to certain transactions involving the simultaneous recognition of an asset and a liability (e.g. a lease under IFRS 16). The amendments introduce an additional criterion for the exemption from initial recognition, according to which the exemption does not apply to the initial recognition of an asset or liability that, at the time of the transaction, gives rise to equal taxable and deductible temporary differences. These amendments had no impact on the Group's consolidated financial statements.

New Standards, interpretations and amendments not yet effective

There are numerous standards, amendments to standards and interpretations that have been issued by the IASB, but which will be effective in future accounting periods, which the Group has decided not to apply in advance.

The following amendments are effective as of the year beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

6. FINANCIAL RISK MANAGEMENT

The main risks identified, monitored and actively managed by the Digital Value Group are the following:

CREDIT RISK

As usual, the Group constantly verifies the collectability of receivables by means of a serious and concrete recognition of bad debts, implementing the company procedure aimed at recovering overdue receivables.

Credit on the Italian market refers mainly to “large account” customers and, therefore, no special guarantees on the related receivables are required.

In the foreign markets in which the Group operates, credit is granted to subsidiaries of Italian “large account” customers.

In cases where customers request particular payment extensions, it is in customary to proceed with the verification of the relative creditworthiness class.

The value of receivables is constantly monitored during the year so that the amount always expresses the estimated realisable value.

LIQUIDITY RISK

Liquidity risk is related with the Group's ability to fulfil its commitments deriving from the financial liabilities undertaken.

The Group has been able to generate a level of liquidity appropriate to its business targets, allowing it to maintain a balance in terms of duration and composition of debt. In any case, the liquidity risk arising from normal operations is kept at a low level through the management of an adequate level of cash and cash equivalents and the control of the availability of funds obtainable through credit lines.

The Group has financial payables, the balance of which as of 31/12/2023 was €101,040 thousand and related mainly to the following medium- and long-term loans

- an unsecured loan with Banco Bpm for an original amount of €12,000 thousand maturing on 31/05/2024, the residual balance of which as of 31/12/2023 amounted to €3,000 thousand due within 12 months;
- an unsecured loan with Monte dei Paschi di Siena for an original amount of €7,000 thousand maturing on 31/12/2025, the residual balance of which as of 31/12/2023 amounted to €2,800 thousand of which €1,400 thousand due within 12 months;
- two unsecured loans with Banca Ubi for a total of €11,110 thousand maturing on 28/01/2024, the residual balance of which as at 31/12/2023 amounted to €933 thousand maturing within 12 months;
- an unsecured loan with Intesa Sanpaolo for an original amount of €20,000 thousand maturing on 31/03/2027, the residual balance of which as of 31/12/2023 amounted to €16,000 thousand, of which €4,000 thousand due within 12 months;
- an unsecured loan with Banco Bpm for an original amount of €10,000 thousand maturing on 31/12/2026, the residual balance of which as of 31/12/2023 amounted to €6,000 thousand, of which €2,000 thousand due within 12 months;
- an unsecured loan with Credit Agricole for an original amount of €12,000 thousand maturing on 22/10/2024, the residual balance of which as of 31/12/2023 amounted to €3,000 thousand due within 12 months;

- an unsecured loan with Intesa Sanpaolo for an original amount of € 30,000 thousand maturing on 31/12/2027, the residual balance of which as of 31/12/2023 amounted to €30,000 thousand, of which €7,500 thousand due within 12 months.

INTEREST RATE RISK

The Group is moderately exposed to the potential risks arising from changes in interest rates on the variable-rate loans described above.

MARKET RISK

This risk is deemed to be low for the Group.

RISK OF CHANGES IN CASH FLOWS

For the Group companies, the risk connected with the decline in cash flows must be considered low.

There has been a substantial and constant year-on-year increase in cash flows generated by operations. It should also be noted that there is no particular need to access bank credit, other than for current commercial activities, given, however, the bank's willingness to extend, when necessary, existing credit lines with Group companies. The consistent increase in business performance allows the company to enjoy an excellent bank rating.

7. COMMENTS ON THE MAIN ITEMS

The amounts are indicated in € thousands.

7.1 EQUITY AND FINANCIAL SITUATION: NON-CURRENT ASSETS

7.1.1. Intangible assets Euro 27,010 thousand

The breakdown of this item is shown below:

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------------------|-------------------|-------------------|
| Industrial patent rights | 84 | 51 |
| Concessions, Licenses and Trademarks | 2,962 | 5,070 |
| Goodwill | 23,882 | 23,835 |
| Other | 82 | 137 |
| Total | 27,010 | 29,094 |

The item in question and relative changes are detailed as follows:

| Figures in € thousands | Industrial patent rights | Concessions, Licenses and Trademarks | Goodwill | Other | Total intangible assets |
|--------------------------------------|--------------------------------|--|---------------|------------|-------------------------------|
| Value at the start of 2022 | | | | | |
| Historical cost | 548 | 9,891 | 23,835 | 242 | 34,517 |
| Accumulated amortisation | -497 | -4,821 | 0 | -104 | -5,442 |
| Book value 2022 | 51 | 5,070 | 23,835 | 137 | 29,094 |
| Changes during the year | | | | | |
| Change in the scope of consolidation | 0 | 0 | 0 | 0 | 0 |
| Investments | 57 | 92 | 47 | 38 | 234 |
| Amortisation and Depreciation | -24 | -2,200 | | -94 | -2,318 |
| Decreases | 0 | 0 | 0 | 0 | 0 |
| Total changes | 33 | -2,108 | 47 | -56 | -2,084 |
| Closing value | | | | | |
| Historical cost | 605 | 9,983 | 23,882 | 280 | 34,750 |
| Accumulated amortisation | -521 | -7,021 | 0 | -198 | -7,740 |
| Value at end of 2023 | 84 | 2,962 | 23,882 | 82 | 27,010 |

Intangible assets at 31/12/2023 amounted to €27,010 thousand and consisted mainly of:

- software acquired by the Group and used for the provision of long-term services to key customers operating in Italy;
- consolidation differences arising from the acquisition of the entities included in the scope of consolidation.

Intangible assets with an indefinite useful life, including, in particular, goodwill arising from the acquisition of the consolidated companies ITALWARE S.r.l., ITD Solutions S.p.A. and TT Tecnosistemi S.p.A., were subject to impairment testing in accordance with IAS 36.

| CGU (figures in € thousands) | Goodwill/Consolidation difference |
|------------------------------------|--------------------------------------|
| ITD Solutions S.p.A. | 8,024 |
| Italware S.r.l. | 5,537 |
| TT Tecnosistemi S.p.A. | 10,274 |
| Dimira S.r.l. | 47 |
| Book value 31.12. 2023 | 23,882 |

The amount was acquired for consideration through business combinations and was allocated for the purpose of impairment testing to the single cash-generating unit (CGU) identified within the Group when applying the methods envisaged by IAS 36.

Goodwill is subject to an impairment test on the closing date of the financial statements. At December 2023, the Group tested the Net Invested Capital (NIC) of the CGU identified for recoverability. The NIC is inclusive of the value of goodwill.

Goodwill is, in fact, subject to an impairment test on the closing date of the financial statements. Consequently, the Group tested the Net Invested Capital (NIC) of the CGU identified for recoverability. The NIC is inclusive of the value of goodwill.

The recoverable amount of the CGU was determined by estimating the value in use, applying the Discounted Cash Flows method, based on the expected cash flows in the explicit period of three financial years on the basis of the economic-financial forecasts elaborated internally by the management, in addition to considering the terminal value.

For the purpose of determining the recoverable amount of the NIC, the discounting of cash flows was performed using a rate (WACC) that takes into account the specific risks of the business and reflects current market assessments of the cost of money. The calculation of the weighted average cost of capital resulted in a value of 9.7% (compared to 9.5% used at 31/12/2022). The cost of equity (ke) was 11.22% while the cost of debt (kd) post-tax was 4.60%.

The recoverable value also includes the terminal value of cash flows ("Terminal Value"), which was calculated considering a growth rate ("g" rate) of 1%, based on considerations on the evolution of the business of the CGUs considered, as well as the reference market for which a prospective growth of between 5% and 10% is observed.

In the Terminal Value, an operating cash flow based on the representative average plan was considered, appropriately adjusted to reflect a "fully operational" situation.

The impairment test did not reveal any loss in value, as the value in use obtained shows significant headroom compared to the book value of the net invested capital (NIC).

A sensitivity analysis referred to the discount rate WACC was also applied to the impairment test, with the application of a 2-point variance, and to the growth rate “g”, which was reduced to zero. The sensitivity analysis also revealed no critical issues in the book values of net invested capital (NIC).

7.1.2. Tangible assets and Rights of use Euro 82,524 thousand

The breakdown of this item is shown below:

| Description | 31/12/2023 | 31/12/2022 |
|---------------------------|---------------|---------------|
| Lands and buildings | 12 | 34 |
| Systems and machinery | 2 | 4 |
| Other assets | 51,666 | 37,254 |
| Rights of use | 24,984 | 7,533 |
| Assets under construction | 5,860 | 6,039 |
| Total | 82,524 | 50,864 |

The item in question and relative changes are detailed as follows:

| Figure in Euro units thousands | Lands and buildings | Systems and machinery | Other | Right of use (IFRS16) | Assets under construction | Total Tangible assets and Rights of use |
|--------------------------------------|---------------------|-----------------------|---------------|-----------------------|---------------------------|---|
| Value at the start of 2022 | | | | | | |
| Historical cost | 59 | 86 | 73,110 | 13,527 | 6,039 | 92,821 |
| Accumulated amortisation | -25 | -82 | -35,856 | -5,994 | 0 | -41,957 |
| Book value 2022 | 34 | 4 | 37,254 | 7,533 | 6,039 | 50,864 |
| Changes during the year | | | | | | |
| Change in the scope of consolidation | 0 | 0 | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 33,129 | 25,153 | 5,860 | 64,142 |
| Amortisation and Depreciation | -22 | -2 | -17,969 | -7,668 | 0 | -25,661 |
| Decreases | 0 | 0 | -747 | -34 | -6,039 | -6,820 |
| Total changes | -22 | -2 | 14,413 | 17,451 | -179 | 31,661 |
| Closing value | | | | | | |
| Historical cost | 59 | 86 | 105,492 | 38,646 | 5,860 | 150,143 |
| Accumulated amortisation | -47 | -84 | -53,825 | -13,662 | 0 | -67,618 |
| Book value 2023 | 12 | 2 | 51,666 | 24,984 | 5,860 | 82,524 |

Tangible Assets at 31.12.2023 amounted to Euro 82,524 thousand and consisted mainly of investments in connection with selective activities of infrastructure as a service for key customers on a long-term basis.

Assets consisting of Rights of Use recognised in accordance with IFRS 16 amounted to approximately Euro 24,984. thousand.

Investments made amounted to Euro 57,341 thousand and related to:

- a) about Euro 21,500 thousand for personal productivity equipment intended for the provision of rental services to contractors on the basis of specific contracts with an average term of 36, 48 or 60 months;
- b) about Euro 10,600 thousand for technologies related to the provision of long-term services;
- c) about Euro 19,505 thousand for converged integrated systems acquired under financial lease and connected to the provision of long-term services to key national customers;
- d) about Euro 4,736 thousand for technologies acquired under operating leases and related to the provision of long-term technical services to customers;
- e) the remainder for rights of use and other long-term internal costs.

Depreciation and amortisation for the year amounted to Euro 25,661 thousand.

7.1.3. Non-current Financial Assets Euro 283 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------------|------------|------------|
| Investments in other companies | 167 | 167 |
| Financial receivables | 116 | 113 |
| Total | 283 | 280 |

A breakdown of equity investments held in other companies is shown below:

| Figures in € thousands | Net Value 31/12/2023 |
|------------------------|-------------------------|
| MECCANO S.p.A. | 2 |
| TECHELLO SRL | 3 |
| MAXTRINO SRL | 12 |
| IMMERXIVE SRL | 134 |
| DITECFER SCARL | 3 |
| Consorzio RIP.TEL. | 7 |
| BCC ROMA | 6 |
| Total | 167 |

7.1.4. Receivables for deferred tax assets Euro 521 thousand

Deferred tax assets have been calculated, taking into account the cumulative amount of all temporary differences, on the basis of the rates expected to be in force when the temporary differences are realised. Deferred tax assets have been recognised as there is a

reasonable certainty of the existence, in the years in which the deductible temporary differences for which the deferred tax assets have been recognised will be realised, of taxable income of at least the amount of the differences to be eliminated.

7.1.5. Non-current trade receivables Euro 18,553 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--|---------------|------------|
| Finished products and goods for resale | 18,553 | 0 |
| Total | 18,553 | 0 |

Non-current trade receivables refer to the amount receivable from a key national customer for the supply of hyperconverged infrastructure (HCI) maturing beyond 12 months.

7.2 EQUITY AND FINANCIAL SITUATION: CURRENT ASSETS

7.2.1 Inventory Euro 220,490 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--|----------------|----------------|
| Finished products and goods for resale | 220,490 | 234,924 |
| Total | 220,490 | 234,924 |

The Euro 14,434 thousand reduction in inventories compared to the previous year is mainly attributable to the reduction in goods purchased at the end of the year and awaiting delivery and, in particular, finished products delivered to customers awaiting testing. The change had a positive impact on net working capital, reducing the capital tied up in inventories.

| Consolidated (figures in € thousands) | Inventory 31/12/2023 | Inventory 31/12/2022 | Change |
|---|-------------------------|-------------------------|---------------|
| ITD Solutions S.p.A. | 61,609 | 74,894 | (13,285) |
| Italware S.r.l. | 155,778 | 155,051 | 727 |
| TT Tecnosistemi S.p.A. | 3,103 | 4,979 | (1,876) |
| Book value | 220,490 | 234,924 | 14,434 |

The Group's operations are characterised by contracts with big customers, the obligations of which are fulfilled by purchasing goods from key international suppliers (so-called vendors) based on the end customer's orders. This said, the increase in operations recorded in 2023 and visible in the increase in consolidated revenues

(compared to the corresponding period of the previous year), did not have a consequent effect on certain dynamics of the Working Capital and did not affect the growth of the Closing Inventory item. The trend in inventories is related to the fact that the last period of the financial year is typically characterised by goods purchased and progressively delivered to customers over the following months and that are still awaiting testing at the end of the financial year, and also to the procurement strategy implemented by the Group which, based on contractual agreements, sometimes involves the purchase of goods in advance of the effective requirements of the end customers to exploit possible advantages by preventing price list changes and taking into account the availability of technologies and production times.

The Group has no significant issues in terms of inventory obsolescence, partly for the reasons outlined above in the comments on changes in closing inventories. At 31 December 2023, in fact, the only provision for inventory obsolescence is recognised by the subsidiary TT Tecnosistemi S.p.A. and amounts to Euro 134 thousand. The other Group companies do not have a provision for inventory obsolescence. Bear in mind that procurement of materials takes place mainly on the basis of programmes acquired as a result of agreements with the Group's customers. Procurement takes place through framework agreements with the main suppliers whose price lists are predefined. For the above reasons, the Group has never found it necessary to make significant allocations to the inventory obsolescence provision.

7.2.2 Current trade receivables Euro 193,025 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-------------------------|----------------|----------------|
| Trade Receivables | 199,338 | 167,615 |
| Provision for bad debts | (6,313) | (4,751) |
| Total | 193,025 | 162,864 |

The amount recognised in the financial statements is net of the provisions made for bad debts, estimated on the basis of the indications provided by IFRS 9, the seniority of the receivables, the assessment of their collectability, and also considering historical experience and forecasts of future uncollectability for the part of the receivables that is collectable on the balance sheet date.

| Figures in € thousands | Provision for bad debts | receivables |
|------------------------|-------------------------|--------------|
| Book value 2022 | | 4,751 |
| Accruals to provisions | | 1,493 |
| Uses | | (43) |
| Other changes | | 0 |
| Book value 2023 | | 6,313 |

The breakdown of receivables by class of maturity is shown below:

| Figures in € thousands | TOTAL 31/12/2023 | Yet to mature | 0 - 30 days | 30 and 60 days | 61 and 90 days | 91 and 365 days | over 365 days |
|------------------------|---------------------|------------------|----------------|-------------------|-------------------|--------------------|------------------|
| Trade receivables | 193,025 | 138,242 | 27,627 | 6,871 | 4,766 | 14,122 | 1,398 |

The amount of the provision for bad debts equals 3.3% of trade receivables outstanding at 31 December 2023.

The increase of Euro 30,161 thousand in trade receivables is attributable to the normal course of operations of the investees as detailed below:

| Consolidated (figures in € thousands) | Current trade receivabl es 31/12/2023 | Current trade receivabl es 31/12/2022 | Change |
|---|---|---|---------------|
| Digital Value S.p.A. | 0 | 0 | 0 |
| Italware S.r.l. | 133,702 | 111,560 | 22,142 |
| ITD Solutions S.p.A. | 35,044 | 30,012 | 5,032 |
| Italware Services S.r.l. | 166 | 101 | 65 |
| Dimira S.r.l. | 1,515 | 4,258 | -2,743 |
| TT Tecnosistemi S.p.A. | 20,185 | 16,147 | 4,038 |
| DV Cyber Security S.r.l. | 264 | 466 | -202 |
| Digital Value Managed services S.r.l. | 2,149 | 286 | 1,863 |
| DV Broker S.r.l. | 0 | 34 | -34 |
| Book value | 193,025 | 162,864 | 30,161 |

7.2.3 Tax receivables Euro 29,606 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-----------------------|---------------|---------------|
| VAT | 28,883 | 32,490 |
| Other tax receivables | 723 | 766 |
| Total | 29,606 | 33,256 |

The VAT receivable is substantially attributable to the effects of the application of the so-called “split payment”, which is applied in active transactions with the Group's key customers. Reimbursement of quarterly and annual receivables is systematically requested and mobilised through non-recourse factoring transactions. Other tax receivables consisted of Euro 338 thousand in tax credits for R&D, Euro 44 thousand in tax credits for ecological transition investments, Euro 109 thousand in tax credits for investments in capital goods, and the remainder in miscellaneous tax credits.

7.2.4 Other assets € 9,686 thousand

| Description | 31/12/2023 | 31/12/2022 |
|------------------|--------------|--------------|
| Prepaid expenses | 8,932 | 8,325 |
| Other assets | 754 | 357 |
| Total | 9,686 | 8,682 |

The Prepaid expenses item refers largely to the portion of costs relating to activities whose economic manifestation will occur in subsequent years; these are mainly deferred costs associated with agreements for the provision of services to customers.

7.2.5 Cash flow and equivalent Euro 148,047 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-----------------------------------|----------------|----------------|
| Bank and post office deposits | 148,036 | 114,626 |
| Cash and cash equivalents on hand | 11 | 19 |
| Total | 148,047 | 114,645 |

With regard to the formation, composition and trends in cash and cash equivalents, please see the cash flow statement.

7.3 EQUITY AND FINANCIAL SITUATION: SHAREHOLDERS' EQUITY

| (Euro thousands) | Share capital | Share premium reserve | Other reserves | Profit for the year | Shareholders' equity attributable to the Total | Shareholders' equity attributable to non-controlling interests | Total Shareholders' equity |
|---|---------------|-----------------------|----------------|---------------------|--|--|----------------------------|
| At 31 December 2021 | 1,555 | 34,317 | 57,670 | 30,129 | 123,671 | 5,481 | 129,152 |
| Allocation of profit/loss 2021 | 0 | 0 | 30,129 | -30,129 | 0 | 0 | 0 |
| Change in the scope of consolidation | 0 | 0 | 0 | 0 | 0 | -4,640 | -4,640 |
| Purchase of treasury shares | 0 | 0 | -927 | 0 | -927 | - | -927 |
| Stock options | 0 | 0 | 66 | 0 | 66 | - | 66 |
| Total changes before other comprehensive income statement components | 0 | 0 | 29,268 | -30,129 | -861 | -4,640 | -5,501 |
| Actuarial valuation IAS 19 | 0 | 0 | 103 | 0 | 103 | - | 103 |
| Total changes in the comprehensive income statement | 0 | 0 | 103 | 33,949 | 34,053 | 77 | 34,130 |
| As at 31 December 2022 | 1,555 | 34,317 | 87,041 | 33,949 | 156,863 | 919 | 157,782 |
| Allocation of profit/loss 2022 | 0 | 0 | 33,949 | -33,949 | 0 | 0 | 0 |
| Distribution of dividends | 0 | 0 | -8,474 | 0 | -8,474 | 0 | -8,474 |
| Purchase of treasury shares | 0 | 0 | -304 | 0 | -304 | 0 | -304 |
| Stock options | 0 | 0 | 909 | 0 | 909 | 0 | 909 |
| Total changes before other comprehensive income statement components | 0 | 0 | 26,080 | -33,949 | -7,869 | 0 | -7,869 |

| | | | | | | | |
|--|--------------|---------------|----------------|---------------|----------------|--------------|----------------|
| Cash flow hedge | 0 | 0 | -109 | 0 | -109 | 0 | -109 |
| Actuarial valuation IAS 19 | 0 | 0 | 33 | 0 | 33 | 0 | 33 |
| Total changes in the comprehensive income statement | 0 | 0 | -76 | 38,370 | 38,294 | 211 | 38,505 |
| As at 31 December 2023 | 1,555 | 34,317 | 113,046 | 38,370 | 187,288 | 1,130 | 188,418 |

The fully subscribed and paid-up share capital of the Parent Company amounts to Euro 1,555,000 and is represented by 9,969,576 shares with no par value. The Company has no Warrants or shares other than ordinary shares.

The calculation of basic and diluted earnings per share is shown below:

| Figures in € units | 31/12/2023 | 31/12/2022 |
|---|-------------------|-------------------|
| Profit for the year - Group share (A) | 38,370,177 | 33,949,433 |
| Average number of shares (B) | 9,969,576 | 9,969,576 |
| Number of treasury shares (C) | 18,436 | 14,020 |
| Average number of shares in circulation (D) = (B) – (C) | 9,951,140 | 9,955,556 |
| Earnings per share - diluted (E) = (A) / (D) | 3.86 | 3.41 |

Other reserves are detailed below:

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------------------|-------------------|-------------------|
| Legal Reserve | 311 | 311 |
| Extraordinary Reserve | 25,053 | 25,053 |
| Consolidation Reserve | 15 | 15 |
| FTA Reserve | 17 | 17 |
| IAS 19 Reserve | 91 | 58 |
| Treasury Shares in Portfolio Reserve | -1,231 | -926 |
| Stock Option Reserve | 976 | 67 |
| Cash Flow Hedge Reserve | -109 | 0 |
| Profits carried forward | 87,922 | 62,446 |
| Total | 113,046 | 87,041 |

The reconciliation of the parent company's separate shareholders' equity and result for the year and the consolidated shareholders' equity and result for the year is shown below.

Description

Balance of Parent Company Financial Statements

Change in the scope of consolidation
Change in consolidated IAS 19 reserve
Pro-rata results of Subsidiaries

| Result of the year | Shareholders' Equity |
|---------------------------|-----------------------------|
| 31,398 | 113,777 |
| - | - |
| - | 33 |

| | | |
|---|---------------|----------------|
| Allocation of subsidiaries' consolidated profit for previous year | (33,323) | 33,183 |
| Total Group shareholder's equity and profit for the year | 38,370 | 187,288 |

7.4 EQUITY AND FINANCIAL SITUATION: NON-CURRENT LIABILITIES

7.4.1 Medium and long-term loans € 61,089 thousand

| Description | 31/12/2023 | 31/12/2022 |
|------------------------------|---------------|---------------|
| Amounts due to Banks | 40,336 | 32,842 |
| Amounts due to other lenders | 20,753 | 11,395 |
| Total | 61,089 | 44,237 |

Amounts due to banks refer mainly to the medium/long-term loans entered into by the Group, substantially intended for investments connected with selective activities of infrastructure as a service for key customers on a long-term basis.

The increase of Euro 16,852 thousand was mainly due to the combined effect of a new medium/long-term loan for Euro 30,000 thousand and the amortisation of existing loans during the year.

Payables to other lenders refer to the medium/long-term financial liabilities recognised:

- for Euro 3,382 thousand with landlords and financial intermediaries against long-term rental and lease agreements entered into by the Group in compliance with IFRS 16;
- for Euro 17,371 due to landlords and financial intermediaries for financial and operating leases entered into for the acquisition of technology related to the provision of long-term technical services to customers and recognised in compliance with IFRS 16.

The breakdown of medium and long-term financial payables outstanding at 31/12/2023 among Group companies is shown below.

| Description | Payable to banks | Payable to other lenders | Total |
|----------------------|------------------|--------------------------|--------|
| Digital Value S.p.A. | 0 | 438 | 438 |
| ITALWARE S.r.l. | 4,039 | 14,629 | 18,668 |
| ITD Solutions S.p.A. | 35,900 | 3,022 | 38,922 |
| DIMIRA S.r.l. | 0 | 0 | 0 |

| | | | |
|------------------------|---------------|---------------|---------------|
| TT Tecnosistemi S.p.A. | 397 | 2,664 | 3,061 |
| Total | 40,336 | 20,753 | 61,089 |

The following table summarises bank loans taken out by Group companies, divided into current and non-current portions outstanding at 31 December 2023.

| Bank | Contractual notional amount | Commencement date | Maturity date | Residual debt at 31 December 2023 | Current portion | Non- current portion |
|--------------------------------|-----------------------------------|----------------------|------------------|--|--------------------|----------------------------|
| (Euro thousands) | | | | | | |
| Intesa San Paolo | 5,555 | 28/10/2020 | 28 January 2024 | 467 | 467 | 0 |
| BPM - Banca Popolare di Milano | 12,000 | 09/03/2020 | 31 May 2024 | 3000 | 3,000 | 0 |
| MPS - Banca Monte Paschi | 7,000 | 31/07/2020 | 31 December 2025 | 2800 | 1,400 | 1,400 |
| Intesa San Paolo | 20,000 | 30/09/2021 | 31 March 2027 | 16000 | 4,000 | 12,000 |
| BPM - Banca Popolare di Milano | 10,000 | 29/10/2021 | 31 December 2026 | 6000 | 1,961 | 4,039 |
| Credit Agricole | 7,500 | 22/10/2021 | 22 October 2024 | 2530 | 2,530 | 0 |
| Intesa San Paolo | 5,555 | 28/10/2020 | 28 January 2024 | 467 | 467 | 0 |
| Intesa San Paolo | 1,000 | 09/07/2020 | 09 July 2025 | 375 | 237 | 138 |
| Intesa San Paolo | 1,875 | 09/07/2020 | 09 July 2025 | 702 | 443 | 259 |
| Intesa San Paolo | 1,500 | 30/03/2020 | 15 December 2024 | 333 | 333 | 0 |
| Unicredit | 1,500 | 01/04/2020 | 30 April 2024 | 192 | 192 | 0 |
| Intesa San Paolo | 30,000 | 30/01/2023 | 31 December 2027 | 30000 | 7,500 | 22,500 |
| Total Bank Loans | | | | 62,866 | 22,530 | 40,336 |

Key characteristics of the loan agreements in place at 31 December 2023:

| Bank | Rate | Derivatives | Guarantees | Covenants | Financial covenants |
|--|----------|-------------|------------|-----------|---------------------|
| (Euro thousands) | | | | | |
| Bank loans existing at 31 December 2023 | | | | | |
| Intesa San Paolo | Variable | No | Yes | Yes | |

| | | | | | |
|--------------------------------|----------|----|-----|-----|---|
| BPM - Banca Popolare di Milano | Variable | No | No | Yes | |
| MPS - Banca Monte Paschi | Variable | No | No | Yes | |
| Intesa San Paolo | Variable | No | No | Yes | NFP/EBITDA of the Consolidated ITD Solutions SpA at 31/12 every year \leq 2.5 |
| BPM - Banca Popolare di Milano | Fixed | No | No | Yes | |
| Credit Agricole | Variable | No | Yes | Yes | NFP/EBITDA of the Consolidated Italware Srl as of 12/31 every year \leq 3.5 |
| Intesa San Paolo | Variable | No | Yes | Yes | |

| | | | | | |
|------------------|----------|-----|----|-----|--|
| Intesa San Paolo | Fixed | No | No | No | |
| Intesa San Paolo | Fixed | No | No | No | |
| Intesa San Paolo | Variable | No | No | No | |
| Intesa San Paolo | Variable | No | No | No | |
| Intesa San Paolo | Variable | No | No | Yes | NFP/EBITDA at 31/12 every year \leq 3.8; SE>5.2M € |
| Unicredit | Variable | No | No | No | |
| Intesa San Paolo | Variable | Yes | No | Yes | NFP/EBITA of the Consolidated Italware Srl as of 12/31 every year \leq 2.2 |

At 31 December 2023, the financial parameters (covenants) of all the loan agreements indicated had been met. It should be noted that on the basis of the forecasts formulated in its 2023-2025 business plan, also taking into account the assumptions used to formulate any adverse scenarios, there are no critical issues concerning compliance with the aforementioned covenants also for the financial year 2024. On the date of this report, no conditions have arisen that would make this forecast of compliance with the financial parameters no longer valid.

On the date of this report, there are no real and/or personal guarantees burdening the Group's financial debt.

The Group has not pledged stocks or shares of subsidiaries against its specific loans.

With reference to the clauses envisaged in the loan agreements, it should be noted that:

- such clauses have never been activated;
- the Group has always fulfilled the commitments and obligations undertaken;
- the Group has regularly paid each bank intermediary the instalments due on the basis of the corresponding amortisation schedules;
- with reference to the conditions of compulsory early repayment or other conditions of termination, withdrawal or forfeiture of the benefit of the term, there are no circumstances that could generate the occurrence of such conditions;
- Existing bank loans were not renegotiated.

7.4.2 Employee benefits Euro 1,309 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-------------------|--------------|--------------|
| Employee benefits | 1,309 | 1,206 |
| Total | 1,309 | 1,206 |

The provision for employee benefits relates to the severance pay accrued by the companies included in the consolidated financial statements. The liability for severance indemnities was calculated in accordance with current regulations governing relationships with employees and corresponds to

the company's actual commitment to individual employees on the balance sheet date. The amount accrued refers to employees who, following the entry into force of the new supplementary pension system, have specifically assigned the severance indemnity accruing from 1 January 2007 to the company. The amount relating to the employee severance indemnity provision is net of the amounts paid out during the year and allocated to pension funds. The resulting amount was valued in accordance with IAS/IFRS (IAS 19).

Changes in this item are detailed as follows:

| Figures in € thousands | Provision for Severance indemnity |
|--------------------------------------|-----------------------------------|
| Book value 31.12. 2022 | 1,206 |
| Service cost | 159 |
| Interest cost | 36 |
| Uses and advances | -175 |
| Actuarial loss/(profit) 83 | |
| Change in the scope of consolidation | - |
| Book value 31.12. 2023 | 1,309 |

The following demographic and economic - financial assumptions were considered for the actuarial changes:

Demographic assumptions

The probabilities of death were deduced from the Italian population broken down by age and gender as recorded by ISTAT in 2000 and reduced by 25%;

The probability of elimination of an employee becoming disabled and leaving the company due to absolute and permanent disability are those resulting in the disability tables currently used in reinsurance practice, broken down by age and gender;

The probability of termination of employment due to resignation and dismissal are those resulting from annual frequencies, based on company data, over an observation period between 2019 and 2023 and set at 13.54% per annum;

The probability of requesting an advance is set at 1.88% per year, with an average advance rate of 80.00%;

For the years missing to the retirement of a generally active person, the time of attainment of the first of the retirement requirements valid for the General Compulsory Insurance was taken as a reference;

Economic-financial hypothesis

The macroeconomic scenario used for the assessments is described in the following table:

| Parameters | Dynamic hypothesis |
|-------------------------|--------------------|
| Rate of salary increase | 2.20% |
| Discount rate | 2.568% |

With regard to the hypothesis concerning inflation, reference was made to the “Economic and Financial Document 2023 - Update Note”, approved by the Council of Ministers on 27 September 2023, which envisages an annual rate of 5.6% for 2023, 2.3% for 2024, 2% for 2025 and 2.1% for 2026. As a result of this update, the assumption of adopting a flat rate of 2.1% from 2027, also on an annual basis, was made.

The substitute tax on income is applied to the revaluations of the termination indemnity effective from 1 January 2015 in the new amount as established by the 2015 Stability Law (Law no. 190 of 23 December 2014, art.44, paragraph 3).

With reference to the discount rate adopted in all valuations attributable to IAS 19R, reference was made to the structure by maturity of interest rates derived with the bootstrap method from the swap rate curve recorded at 31/12/2023 (Source: il Sole 24 ore) and fixed with respect to liabilities with an average residual duration of 13 years.

Reasonably possible changes in actuarial assumptions at the reporting date would have had an effect on the defined benefit obligation equal to the amounts shown in the table below:

| | Change | Increase | Decrease |
|--------------------------|------------|----------|----------|
| Turnover rate | +/- 0.5% | (0.5) | 0.5 |
| Rate of inflation | +/- 0.5% | 3 | (2) |
| Mortality rate | +/- 0.025% | - | - |
| Interest rate | +/- 0.5% | (7) | 7 |

7.4.3 Non-current Trade Payables Euro 21,896 thousand

| Description | 31/12/2023 | 31/12/2022 |
|----------------|---------------|---------------|
| Trade payables | 21,896 | 18,684 |
| Total | 21,896 | 18,684 |

These are medium/long-term trade payables contracted with the major international vendors in the IT sector (IBM, DELL-EMC, ORACLE, SAP, LENOVO) for supplies received and delivered to the Group's key customers on the basis of long-term contracts (infrastructure as a service).

The breakdown of non-current trade payables among Group companies at 31/12/2023 is shown below.

| Description | 31/12/2023 | 31/12/2022 |
|----------------------|---------------|---------------|
| ITD Solutions S.p.A. | 1,069 | 5,029 |
| Italware S.r.l. | 20,827 | 13,655 |
| Total | 21,896 | 18,684 |

7.4.4 Provisions for risks, charges and taxes Euro 1,792 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------------------|--------------|--------------|
| Provision for pensions Provision for | 1,077 | 1,070 |
| taxes | 9 | 15 |
| Derivative financial liabilities | 144 | 0 |
| Other Provisions | 562 | 679 |
| Total | 1,792 | 1,764 |

The provision for pensions relates to the provision for directors' severance pay. The amount accrued was calculated on the basis of that decided by the Ordinary General Meeting of Shareholders and corresponds to the actual commitment of the shareholders at the end of the financial year.

Derivative financial liabilities include the negative fair value (of the interest rate swap (IRS) entered into by the consolidated company ITD Solutions S.p.A. to hedge the change in interest rates (IRS) related to the variable-rate loan of Euro 30,000 thousand entered into during the year with Banca Intesa. . The mark-to-market of the instrument at 31/12/2023 was negative by Euro 144 thousand. The notional amount of reference is Euro 18,000 thousand and the maturity date is 31/12/2027. The purpose of the instrument is to hedge the risk of the variability of future cash flows (cash flow hedging) arising from the variable rate of the associated loan. The fair value of the financial instrument is level 2.

Other provisions include, in particular, the provision of Euro 211 thousand set aside to cover expected losses of the subsidiary Dimira S.r.l. and provisions for risks related to certain receivables and payables.

The changes that occurred during the year under review are shown below.

| Figures in € thousands | Provision For Pensions | Provision for Taxes | Instruments derivative financial liabilities | Other Provisions | Total |
|-------------------------------|---------------------------|------------------------|--|------------------|--------------|
| Book value 31.12. 2022 | 1,070 | 15 | 0 | 679 | 1,764 |
| Increases | 42 | 0 | 144 | 50 | 236 |
| Uses | -35 | -6 | 0 | -167 | -208 |
| Book value 31.12. 2023 | 1,077 | 9 | 144 | 562 | 1,792 |

7.5 EQUITY AND FINANCIAL SITUATION: CURRENT LIABILITIES

7.5.1 Short-term loans Euro 39,950 thousand

| Description | 31/12/2023 | 31/12/2022 |
|---------------------------------|---------------|---------------|
| Amounts due to Banks | 26,080 | 26,890 |
| Amounts due to other lenders | 13,870 | 2,933 |
| Amounts due to Parent Companies | 0 | 4,000 |
| Total | 39,950 | 33,823 |

Amounts due to banks refer to the short-term portion of advances and loan agreements entered into by the Group, substantially intended for investments connected with selective activities of infrastructure as a service for key customers on a long-term basis.

Amounts due to other lenders refer to:

- for Euro 6,572 thousand to the recognition of the liability for the purchase of the remaining 30% of the equity investment in TT Tecnosistemi S.p.A., which will take place following the exercise of the option envisaged in the sale and purchase agreement as of the date of approval of the investee company's financial statements at 31 December 2023 or by 1 July 2024;
- for Euro 2,088 thousand with landlords and financial intermediaries against long-term rental and lease agreements entered into by the Group and recognised in compliance with IFRS 16;
- for Euro 4,898 due to landlords and financial intermediaries for financial and operating leases entered into for the acquisition of technology related to the provision of long-term technical services to customers and recognised in compliance with IFRS 16;
- for the remainder to miscellaneous financial payables.

Payables to parent companies outstanding at 31 December 2022 were extinguished in early 2023.

The breakdown of medium and long-term financial payables outstanding at 31/12/2023 among Group companies is shown below.

| Description | Amounts due to Banks | Amounts due to other lenders | Amounts due to Parent Companies | Total |
|--------------------------|----------------------|------------------------------|---------------------------------|--------|
| Digital Value S.p.A. | 0 | 6,962 | 0 | 6,962 |
| ITALWARE S.r.l. | 8,467 | 3,901 | 0 | 12,368 |
| ITD Solutions S.p.A. | 16,380 | 1,290 | 0 | 17,670 |
| ITALWARE Services S.r.l. | 0 | 0 | 0 | 0 |
| DIMIRA S.r.l. | 0 | 0 | 0 | 0 |
| TT Tecnosistemi S.p.A. | 1,214 | 1,400 | 0 | 2,614 |
| DV Cyber Security S.r.l. | 19 | 203 | 0 | 222 |

| | | | | |
|------------------|---------------|---------------|----------|---------------|
| DV Broker S.r.l. | 0 | 114 | 0 | 114 |
| Total | 26,080 | 13,870 | 0 | 39,950 |

7.5.2 Trade payables Euro 403,184 thousand

| Description | 31/12/2023 | 31/12/2022 |
|----------------|----------------|----------------|
| Trade Payables | 403,184 | 364,661 |
| Total | 403,184 | 364,661 |

The breakdown of payables by class of maturity is shown below.

| Figures in € thousands | TOTAL 31/12/2023 | Yet to mature | 0 - 30 days | 30 and 60 days | 61 and 90 days | 91 and 365 days | over 365 days |
|------------------------|---------------------|------------------|----------------|-------------------|-------------------|--------------------|------------------|
| Trade payables | 403,184 | 348,602 | 25,255 | 15,431 | 3,865 | 7,627 | 2,401 |

The breakdown of-current trade payables among Group companies at 31/12/2023 is shown below.

| Description | 31/12/2023 | 31/12/2022 |
|---------------------------------------|----------------|----------------|
| Digital Value S.p.A. | 1,464 | 1,985 |
| ITD Solutions S.p.A. | 110,719 | 98,687 |
| Italware S.r.l. | 267,346 | 240,532 |
| Italware Services S.r.l. | 852 | 975 |
| Dimira S.r.l. | 4,029 | 4,440 |
| TT Tecnosistemi S.p.A. | 17,399 | 17,784 |
| DV Cyber Security S.r.l. | 92 | 179 |
| Digital Value Managed services S.r.l. | 1,282 | 79 |
| DV Broker S.r.l. | 1 | 0 |
| Total | 403,184 | 364,661 |

7.5.3 Tax payables Euro 4,838 thousand

| Description | 31/12/2023 | 31/12/2022 |
|---------------------|--------------|--------------|
| IRES tax payable | 2,546 | 540 |
| IRAP tax payable | 603 | 358 |
| Other taxes payable | 1,689 | 1,542 |
| Total | 4,838 | 2,440 |

Starting from financial year 2019, Digital Value S.p.A. has exercised the option for the National Tax Consolidation tax regime jointly with ITALWARE S.r.l., ITD Solutions S.p.A. and ITALWARE Services S.r.l. as consolidated companies.

At 31.12.2023, the Group's liability for IRES amounted to Euro 2,546 thousand while that for

IRAP amounted to Euro 603 thousand.

Other taxes payable consisted mainly of IRPEF withholding taxes on employees' wages and salaries and on the remuneration of self-employed staff.

7.5.4 Other liabilities Euro 7,270

| | 31/12/2023 | 31/12/2022 |
|-----------------------------|--------------|---------------|
| thousand Description | | |
| Social security payables | 1,140 | 1,102 |
| Other payables | 2,622 | 2,895 |
| Accrued liabilities | 984 | 1,112 |
| Deferred income | 2,524 | 5,026 |
| Total | 7,270 | 10,135 |

Social security payables include payables to social security institutions arising from contribution, social security or insurance obligations, pursuant to the law, collective labour agreements, and local or company supplementary agreements.

This item also includes the amounts of social security and welfare contributions withheld from employees awaiting payment.

Other payables consist mainly of payables to employees for wages and salaries accrued but not yet paid, including additional months' salaries accrued and payables for holidays, leaves of absence and other contractual or legal entitlements accrued but not exercised.

Accrued expenses include portions of costs for interest and other charges accruing in the year not yet paid.

Deferred income refers mainly to contracts for which the proceeds have had a financial impact during the year under review, but are accrued in one or more subsequent years as the supply of goods and/or provision of related services will take place in subsequent years.

7.5.5 Additional disclosures on financial instruments and risk management policies

The following schedules contain the additional disclosures required by IFRS 7 in order to assess the significance of financial instruments with respect to the Company's financial position, financial performance and results of operations.

A breakdown of the carrying amount of financial assets and liabilities into the categories required by IAS 39 at 31 December 2023 is shown below.

| Balance Sheet Item | Values current at Fair Value | Book Values |
|------------------------------|------------------------------|-------------|
| NON-CURRENT ASSETS | | |
| Non-current financial assets | - | 283 |

| | | |
|------------------------------------|--------------|----------------|
| CURRENT ASSETS | | |
| Cash and cash equivalent | 1,436 | 146,611 |
| TOTAL FINANCIAL ASSETS | 1,436 | 146,894 |
| NON-CURRENT LIABILITIES | | |
| Amounts due to Banks | - | 40,336 |
| Amounts due to Other Lenders | - | 20,753 |
| Hedging derivatives | 144 | - |
| CURRENT LIABILITIES | | |
| Amounts due to banks | - | 26,080 |
| Amounts due to Other Lenders | | 13,870 |
| TOTAL FINANCIAL LIABILITIES | 144 | 101,039 |

7.6 INCOME STATEMENT: REVENUES

7.6.1 Revenues and other income Euro 847,392 thousand

| Description | 31/12/2023 | 31/12/2022 |
|----------------------------------|----------------|----------------|
| Revenues from sales and services | 846,482 | 706,178 |
| Other revenues and gains | 910 | 2,334 |
| Total | 847,392 | 708,512 |

The Value of production and the change in this value are related to that stated in the Report on Operations. The breakdown of turnover by geographic area is not significant for the presentation of these financial statements, as almost all of the customers reside within Italy.

7.7 INCOME STATEMENT: OPERATING COSTS

The Costs of production and the change in these costs are related to that stated in the Report on Operations.

7.7.1 Costs for the purchase of consumables and goods Euro 570,586 thousand

| Description | 31/12/2023 | 31/12/2022 |
|---------------------------------|----------------|----------------|
| Costs for purchasing goods | 556,152 | 573,179 |
| Changes in inventories of goods | (14,434) | (65,842) |
| Total | 570,586 | 507,337 |

7.7.2 Costs for services and for the use of third-party of goods Euro 161,676 thousands

| Description | 31/12/2023 | 31/12/2022 |
|---|----------------|----------------|
| Services in support of production | 148,710 | 93,414 |
| Administrative, legal, fiscal and notarial costs | 2,700 | 2,300 |
| Board of Directors | 1,421 | 1,363 |
| Board of Statutory Auditors and Oversight Committee | 214 | 169 |
| Insurance policies | 1,165 | 1,408 |
| Travel and accommodation | 990 | 492 |
| Telephone | 341 | 239 |
| Marketing and communication | 478 | 553 |
| Development / M&A | 1,029 | 1,029 |
| Consulting and Italian Stock Exchange | 346 | 0 |
| Other miscellaneous | 4,282 | 4,291 |
| Total | 161,676 | 105,258 |

The increase in this item refers mainly to the increase in costs for services related to activities connected with projects engineered and implemented to support customers in the development and management of personal productivity infrastructures, data management and transport infrastructures, and digital transformation solutions in IAAS, PAAS, and SAAS modes.

7.7.3 Personnel costs Euro 24,969 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------|---------------|---------------|
| Wages and salaries | 18,086 | 16,385 |
| Social security payments | 5,713 | 5,071 |
| Employee benefits | 841 | 620 |
| Other personnel costs | 329 | 242 |
| Total | 24,969 | 22,318 |

This item includes all employee expenses, including accrued holiday and additional month's salary as well as the associated social security charges, in addition to the provision for severance indemnities and other contractual costs. The Group's workforce at 31 December 2023 totalled 344 employees. The Group's workforce consists of the following:

| (in units) | 31/12/2023 | 31/12/2022 |
|-------------------|------------|------------|
| Executives | 20 | 21 |
| Middle management | 50 | 76 |

| | | |
|---------------|------------|------------|
| White collars | 274 | 274 |
| Total | 344 | 371 |

7.8 INCOME STATEMENT: FINANCIAL INCOME AND EXPENSE

| Description | 31/12/2023 | 31/12/2022 |
|------------------------------|----------------|----------------|
| Financial income | 1,480 | 190 |
| (Financial expenses) | (6,009) | (2,376) |
| Profit/(Losses on exchanges) | 77 | 125 |
| Total | (4,452) | (2,061) |

The increase in financial expenses is related to the increase in the reference interest rates defined by the ECB observed during the year on financing operations and the factoring of trade and tax receivables.

7.9 INCOME STATEMENT: INCOME TAXES

7.9.1. Taxes Euro 16,874 thousand

This item relates to current taxes (IRES and IRAP) allocated on an accrual basis and determined in accordance with current rates and regulations.

TRANSACTIONS WITH RELATED PARTIES

With regard to reporting on transactions with related parties pursuant to articles 2427 and 2428 of the Italian Civil Code and in compliance with the provisions of IAS 24, it should be noted that the transactions carried out with such parties, which relate to ordinary management, were concluded at market conditions. The identification of the Group's related parties was carried out in compliance with IAS 24.

These transactions do not include any atypical and/or unusual transactions.

The most significant transactions between Group companies and related parties are summarised below, with reference to 31 December 2023:

| Related party (Euro thousands) | Financial Costs and Expenses | Financial Revenues and Income | Receivables | Payables |
|--------------------------------|------------------------------|-------------------------------|-------------|-----------|
| Digital Value Holding SpA | 23 | 0 | 0 | 65 |
| Totals at 31/12/2023 | 23 | 0 | 0 | 65 |

DIRECTORS AND STATUTORY AUDITORS' FEES

Amounts in € thousands

| | Directors | Auditors |
|---------------|-----------|----------|
| Digital Value | 1,353 | 105 |

REMUNERATION OF INDEPENDENT AUDITORS AND NETWORK

Pursuant to article 149-duodecies of the Issuers' Regulations, it should be noted that the remuneration payable to BDO Italia S.p.A. and the BDO network for services rendered during the 2023 financial year is summarised in the table below:

Amounts in € thousands

| | Amount |
|-----------------------------------|------------|
| Legal Auditing | 118 |
| Other services | 59 |
| Other services of the BDO network | 140 |
| Total | 317 |

COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES NOT DISCLOSED IN THE EQUITY AND FINANCIAL SITUATION

In observance of the provisions of article 2427, first paragraph, no. 9) of the Italian Civil Code, we provide the following information on commitments, guarantees and contingent liabilities not disclosed in the balance sheet: the company issued sureties through insurance and banking institutions to participate in tenders for a total amount of Euro 6,024 thousand.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

For 2023, there were no significant non-recurring transactions, as defined by Consob Communication no. DEM/6064293 of 28 July 2006, other than those described in the report on operations under significant events in 2023.

TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL ACTIVITIES

The Company did not carry out any significant atypical and/or unusual transactions, as defined by Consob Communications no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006, during 2023 other than those described in the notes to the financial statements and in the report on operations.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE YEAR

On this point, please refer to the report on operations for significant events occurring after the end of the year.

Rome, 29 April 2024

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


SEPARATE FINANCIAL STATEMENTS

Separate Statement of Financial Position

| <i>(€ units)</i> | Note | 31/12/2023 | 31/12/2022 |
|---|-------------|--------------------|--------------------|
| Intangible assets | 6.1.1 | 88,562 | 50,056 |
| Tangible assets and Rights of use | 6.1.2 | 827,836 | 106,839 |
| Financial fixed assets | 6.1.3 | 56,259,692 | 55,058,192 |
| Total non-current assets | | 57,176,090 | 55,215,087 |
| Trade receivables | 6.2.1 | 2,645,336 | 3,848,762 |
| Tax receivables | 6.2.2 | 0 | 0 |
| Other assets | 6.2.3 | 66,401,114 | 45,465,497 |
| Cash and cash equivalents | 6.2.4 | 1,607,015 | 618,589 |
| Total current assets | | 70,653,465 | 49,932,848 |
| Total assets | | 127,829,555 | 105,147,934 |
| Share capital | 6.3 | 1,554,958 | 1,554,958 |
| Share premium reserve | 6.3 | 34,882,965 | 34,882,965 |
| Other reserves | 6.3 | 45,941,085 | 26,185,659 |
| Result for the period | 6.3 | 31,398,363 | 27,651,658 |
| Total Shareholders' equity | | 113,777,370 | 90,275,240 |
| Medium and long-term loans | 6.4.1 | 438,276 | 6,638,946 |
| Employee benefits | 6.4.2 | 403,954 | 294,434 |
| Provisions for risks and charges | 6.4.3 | 211,361 | 211,361 |
| Deferred tax liabilities | 6.4.4 | 0 | 354,857 |
| Total non-current liabilities | | 1,053,591 | 7,499,598 |
| Short-term loans | 6.5.1 | 6,961,560 | 4,039,894 |
| Trade payables | 6.5.2 | 1,651,812 | 2,098,501 |
| Tax payables | 6.5.3 | 2,840,917 | 579,603 |
| Other liabilities | 6.5.4 | 1,544,305 | 655,098 |
| Total current liabilities | | 12,998,594 | 7,373,096 |
| Total liabilities | | 14,052,185 | 14,872,694 |
| Total shareholders' equity and liabilities | | 127,829,555 | 105,147,934 |

Separate Statement of Comprehensive Income

| (€ units) | Note | 31/12/2023 | 31/12/2022 |
|--|-------|--------------------|--------------------|
| Revenues | 6.6.1 | 6,887,027 | 5,135,026 |
| Other income | 6.6.1 | 15,482 | 54,269 |
| Total revenues | | 6,902,509 | 5,189,295 |
| Consumables and goods for resale | | (109,044) | (86,304) |
| Costs for services and for the use of third-party of goods | 6.7.1 | (4,657,266) | (4,004,617) |
| Personnel costs | 6.7.2 | (5,013,867) | (3,276,296) |
| Other operating costs | | (23,846) | (33,232) |
| Total operating costs | | (9,804,023) | (7,400,448) |
| EBITDA | | (2,901,514) | (2,211,154) |
| Amortisation, depreciation and write-downs | | (409,638) | (63,910) |
| Operating result | | (3,311,151) | (2,275,064) |
| Financial income | 6.8 | 34,615,605 | 29,677,064 |
| Financial expense | 6.8 | (33,186) | (42,915) |
| Profit before taxes | | 31,271,268 | 27,359,085 |
| Income taxes | 6.9.1 | 127,095 | 292,573 |
| Profit for the period | | 31,398,363 | 27,651,658 |
| Earnings per share - diluted | 6.3 | 3.16 | 2.78 |

| | | |
|---|-------------------|-------------------|
| Profit/(loss) for the year (A) | 31,398,363 | 27,651,658 |
| Other comprehensive profit/(loss) not subsequently reclassified to the Income statement: | | |
| Profit/(loss) from actuarial profits and losses on benefits to employees | (27,422) | 24,246 |
| Tax Effect | 0 | 0 |
| Total other comprehensive profit/(loss) not subsequently reclassified to the income statement (B1) | (27,422) | 24,246 |
| Other comprehensive profit/(loss) subsequently reclassified to the income statement | 0 | 0 |
| Profit/(loss) | 0 | 0 |

Total other comprehensive profit/(loss) subsequently reclassified to the income statement, net of the tax effect (B2)

Total other comprehensive profit/(loss), net of the tax effect (B)=(B1)+(B2)

Total comprehensive profit/(loss)(A)+(B)

Statement of Changes in Separate Shareholders' Equity at 31 December 2023 (figures in Euro units)

| (€ units) | Share capital | Share premium reserve | Other reserves | Profit for the year | Total shareholders' equity |
|---|-------------------------------|-----------------------|-------------------|---------------------|----------------------------|
| At 31 December 2021 | 1,554,958 | 34,882,965 | 2,508,798 | 24,512,311 | 63,459,032 |
| Allocation of profit/loss 2020 | - | | - 24,512,311 | - 24.512.311 | |
| | - Purchase of treasury shares | - | | - - 926,396 | - |
| | - 926,396 | Stock option | - - | 66,700 | 0 |
| | 66,700 | | | | |
| Total changes before other comprehensive income | - | - | 23,652,615 | - 24,512,311 | - 859696 |
| Actuarial profit/(loss) IAS 19 | - | - | 24,246 | - | 24,246 |
| Total changes in the statement of | 0 | 0 | 24,246 | 27,651,658 | 27,675,904 |
| At 31 December 2022 | 1,554,958.00 | 34,882,965 | 26,185,659 | 27,651,658 | 90,275,240 |
| Allocation of profit/loss 2022 | - | - | 27,651,658 | - 27.651.658 | - |
| Purchase of treasury shares | - | - | - 304,168 | | - |
| 304,168 | - | - | 909,497 | | |
| | 909,497 | | | | |
| Distribution of dividend | | | - 8,474,139 | | - 8.474.139 |
| Total changes before other components of the statement of comprehensive income | - | - | 19,782,848 | - 27,651,658 | - 7868811 |
| Actuarial profit/(loss) IAS 19 | - | - | 27,422 | - | 27,422 |
| Total changes in the statement of comprehensive income | - | - | 27,422 | 31,398,363 | 31,370,941 |
| At 31 December 2023 | 1,554,958 | 34,882,965 | 45,941,085 | 31,398,363 | 113,777,370 |

Separate Cash Flow Statement prepared using the indirect method

| In Euro units | 31/12/2023 | 31/12/2022 |
|---|---------------------|---------------------|
| REVENUE MANAGEMENT ACTIVITIES | | |
| Profit for the year before taxation | 31,271,268 | 27,359,085 |
| Net interest | (1,613,845) | (62,719) |
| Dividends | (32,968,574) | (29,571,430) |
| Accrued for provisions for risks and charges | 0 | 0 |
| Accrued for severance pay | 87,534 | 58,540 |
| Adjustments for: | | |
| Depreciation and impairment of fixed assets | 409,638 | 44,472 |
| Capital (gains)losses | 0 | 0 |
| Other provisions and write-downs (writebacks) | 0 | 19,438 |
| Changes in assets and liabilities | | |
| Trade receivables | 12,414 | 18,853 |
| Inventories and job orders in progress | 0 | 0 |
| Other operating assets | 3,317,026 | 1,608,018 |
| Trade payables | (276,823) | 1,224,871 |
| Other operating expenses | 23,296 | 41,515 |
| Severance indemnities | 0 | 0 |
| Provisions for risks and charges | (354,857) | (95,698) |
| Taxes paid | 0 | 0 |
| Dividends collected | 62,540,003 | 0 |
| Interest collected | 2,488 | 62,719 |
| Cash flow from operating assets | 62,449,566 | 707,664 |
| INVESTMENT ACTIVITIES | | |
| Purchase of tangible assets | (1,111,977) | (84,373) |
| Sales of tangible assets | 0 | 0 |
| Purchase of intangible assets | (57,164) | 33,222 |
| Purchase of shareholdings | (1,201,500) | (11,079,012) |
| Disbursement of loans | (47,371,314) | 0 |
| Cash flow from investment activities | (49,741,956) | (11,130,163) |
| LENDING ACTIVITY | | |
| Payment of Dividends | (8,474,140) | 0 |
| New medium to long-term loans | 0 | 0 |
| Repayment of medium to long-term loans | 0 | 0 |
| New shareholder loans | 0 | 0 |
| New loans to others | 1,205,936 | 10,682,773 |
| Repayment of other loans | (4,450,980) | (62,483) |
| Cash flow from lending activity | (11,719,183) | 10,620,290 |
| TOTAL CASH FLOW FOR THE PERIOD | 988,427 | 197,791 |
| OPENING CASH AND CASH EQUIVALENTS | 618,588 | 420,797 |
| CLOSING CASH AND CASH EQUIVALENTS | 1,607,015 | 618,588 |

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL REPORT AT 31 DECEMBER 2023

1. STRUCTURE AND CONTENT OF THE SEPARATE FINANCIAL REPORT

The separate financial report at 31 December 2023 has been prepared in accordance with the valuation and measurement criteria set out in the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission.

The reporting date of the separate financial report coincides with the end of the business year.

The Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Shareholders' Equity are presented in Euro units while the amounts shown in the Notes to the Financial Statements are presented in Euro thousands, unless otherwise specified.

This report has been prepared

in accordance with IAS/IFRS and the related interpretative standards (SIC/IFRIC) endorsed by the European Commission in force at that date.

The criterion generally adopted for the recognition of assets and liabilities is historical cost, unless otherwise indicated.

The financial statement formats adopted are consistent with those prescribed by IAS 1; in particular

- the Statement of financial position has been prepared with the classification of assets and liabilities according to the “current/non-current” criterion;
- the separate Income Statement has been prepared by classifying operating costs by nature, as this form of presentation is considered more appropriate to represent
- the specific business of the Company and complies with internal reporting methods and is in line with industry practice;
- the Statement of Comprehensive Income includes, in addition to the profit (loss) for the year, as per the Separate Income Statement, other changes in Shareholders' Equity other than those with Shareholders;
- the statement of cash flows shows the cash flows from operating activities according to the “indirect method”.

Directive 2004/109/EC (the “Transparency Directive”) and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets in the European Union to prepare their annual financial reports in XHTML, based on the ESEF (European Single Electronic Format), approved by ESMA.

Reference is also made to the interpretative and supporting documents for the application of the accounting standards issued by the Italian international regulatory and supervisory bodies and by the standard setters, which were also considered in the preparation of these Financial Statements, where applicable, and include:

- ESMA's Public Statement of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports", which reiterates, among other things, certain recommendations already contained in its previous Public Statement published in October 2022; specifically, in the preparation of financial statements and in the disclosures made, payment of particular attention is requested in relation to:

- climate aspects and consistency between the information contained in the financial statements and non-financial information, to the accounting of emission allowances (ETS) and certificates relating to renewable energy and to the climate-related impairment test process;
- the impact of the current macroeconomic environment on refinancing and other financial risks, as well as the process of determining fair value and related disclosure;
- alternative performance indicators.
- Discussion paper no. 1/2022 "Impairment test of non-financial assets (IAS 36) following the war in Ukraine" published on 29 June 2022 by the Organismo Italiano di Valutazione ("OIV"), which incorporates the contents of ESMA's Public Statement of 13 May 2022 (the subject of Consob's 19 May 2022 Call for Attention) and provides operational guidance for dealing with the uncertainty of the current situation within the context of the possible exercise of the impairment test.

2. ACCOUNTING STANDARDS AND VALUATION CRITERIA

The preparation of the financial statements and related notes in accordance with IAS-IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the amount of revenues and costs in the reporting period. The estimates and assumptions used are based on experience and other factors considered relevant. Consequently, the actual results may differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes to them are reflected in the income statement in the period in which the estimate is reviewed if the review affects that period only, or in subsequent periods if the review affects both current and future periods.

For a better understanding of the separate Financial Statements, the most significant estimates in the process of preparing the separate Financial Statements are indicated below because they involve a high degree of reliance on subjective judgements, assumptions and estimates relating to matters that are by their nature uncertain. Changes in the conditions underlying the judgements and assumptions made could have a significant impact on subsequent results.

⊗ Valuation of receivables: trade receivables are adjusted by the relevant allowance for doubtful accounts to reflect their recoverable amount. Determining the amount of impairment requires the directors to make subjective judgements based on past experience for similar receivables or current and historical past due amounts, closing rates, losses and collections, and careful monitoring of credit quality.

⊗ Inventory valuation: inventories with obsolete characteristics are periodically assessed and written down if their net realisable value is lower than their book value. Write-downs are calculated on the basis of management's assumptions and estimates, resulting from its experience and from sales forecasts.

⊗ Valuation of deferred tax assets: the valuation of deferred tax assets - the recovery of which in future years is considered highly likely - is based on expected taxable income in future years. The valuation of such expected taxable income depends on factors that could change over time and have significant effects on the valuation of deferred tax assets.

⊗ Income Taxes: the determination of the tax liability requires the use of judgement by management with respect to transactions with uncertain tax implications on the balance sheet date.

⊗ Impairment of intangible and tangible assets with a finite useful life: these assets are subject to impairment testing determine whether there has been an loss in value, which should be recognised through a write-down, when there are indications that it may be difficult to recover their net book value through use. Verification of the existence of the above indicators requires Directors to make subjective assessments based on information available within the company and on the market, as well as on historical experience. Moreover, if it is determined that a potential reduction in value may have been generated, the company proceeds to determine said value using appropriate evaluation techniques. The correct identification of elements indicating the existence of a potential impairment, as well as the estimates used to determine them depend on factors that may vary over time and are subject to uncertainties and the use of estimates (growth rates, rates of return on assets, economic-financial projections influenced by exogenous variables that cannot be controlled) which influence the valuations and estimates made by the Directors.

- ⊗ Valuation of intangible and tangible assets with a defined useful life: tangible and intangible assets with a defined useful life are amortised over the estimated useful life of the related assets. The useful economic life of assets is determined by the Directors at the moment of purchase; it is based on historical experience for similar assets, market conditions and advances regarding future events that could have an impact on the useful life. Consequently, the actual economic life may differ from the estimated useful life. The company periodically assesses changes in technology and industry to update the remaining useful life. This periodic update could lead to a change in the amortisation period and consequently also in the amortisation rate for future years.
- ⊗ Pension plans: the current value of the liability for pension benefits depends on a number of factors that are determined by actuarial techniques using certain assumptions. The assumptions relate to the discount rate, the expected return on assets serving the plan, rates of future salary increases, and mortality and resignation rates. Any changes in the above assumptions could have a significant effect on the liability for pension benefits.
- ⊗ Valuation of provisions for risks: after consulting their legal and tax advisors and experts, the Directors establish a liability for litigation when they believe it is probable that a financial outlay will be incurred and when the amount of the resulting losses can be reasonably estimated. This estimate involves the adoption of assumptions that depend on factors that may change over time and could therefore have significant effects on the current estimates made by the Directors for the preparation of the company's separate financial statements.
- ⊗ Determination of fair value: the fair value of certain financial assets that are not listed on active markets is determined using valuation techniques. The company valuation techniques that use inputs that are directly or indirectly observable by the market on the balance sheet date, related to the assets being valued. Although we consider the estimates of these fair values to be reasonable, possible changes in the estimation factors on which the calculation of these values is based could lead to different valuations.

In preparing this Financial Report, the Board of Directors assessed the Company's ability to continue to operate as a going concern, contemplating the recoverability of assets and the settlement of liabilities in the normal course of business. In particular, the existence of the assumption that the Group is a going concern is confirmed by the 2024 budget and the 2025-2026 business plan approved by the Board of Directors and by all the other information available on future developments, for a period of at least 12 months following the date of preparation of this Financial Report.

A description of the most significant accounting principles adopted for the preparation of the separate financial statements of Digital Value S.p.A. as of 31 December 2023 is given below.

INTANGIBLE ASSETS

Intangible assets are assets without identifiable physical substance that are controlled by the Group and are capable of producing future economic benefits, as well as goodwill when acquired for consideration.

Identifiability is defined with reference to the possibility to distinguish the intangible asset acquired from goodwill; this requirement is generally met when:

- the intangible asset is attributable to a legal or contractual right, or
- the asset is separable, i.e. it can be sold, transferred, leased or exchanged on its own or as an integral part of other assets; the control of the company consists in the power to enjoy the future economic benefits of the asset and the ability to restrict access to it to others.

Intangible assets are recorded at cost determined according to the criteria indicated for tangible assets.

Intangible assets with a defined useful life are systematically amortised over their useful life intended as the estimate of the period over which the assets will be used by the company; the recoverability of their book value is verified by adopting the criteria indicated under "Impairment of Assets".

Goodwill and other intangible assets, if any, with an indefinite useful life are not subject to amortisation; the recoverability of their book value is verified at least annually and always when events that imply a reduction in value occur.

Goodwill is an intangible asset with an undefined useful life, which arises from business combinations accounted for using the purchase method ('purchase method') where the acquisition cost exceeds the acquirer's share of the fair value of the assets and liabilities acquired. After initial recognition, goodwill is not subject to systematic amortisation but to a periodic impairment test. Consequently, its initial book value is adjusted to reflect any accumulated impairment losses, determined as described below. Goodwill is subject to an annual impairment test, or more frequently if there are indicators of impairment.

On the acquisition date, any emerging goodwill is allocated to each of the cash-generating units ("CGUs" that are expected to benefit from the synergistic effects of the acquisition. Any impairment is identified through assessments that take into account the ability of each CGU to produce cash flows to recover the portion of goodwill allocated to it. The impairment test reveals a loss in value for goodwill whenever the recoverable amount of the cash of the CGU to which goodwill is allocated is

lower than its book value. This impairment is not reversed if the reasons for it cease to exist.

Other intangible assets have been amortised at 20%, estimating a useful life of five years, with the exception of licences, which are amortised over a useful life of three years.

The amortisation period and criteria for amortisation of intangible assets with a defined useful life are reviewed at the end of each financial year at least, and adjusted prospectively if necessary.

TANGIBLE ASSETS

Tangible assets are recorded at purchase price or production cost including directly attributable ancillary costs necessary to make the assets available for use. Tangible assets are systematically depreciated on a straight-line basis over their useful life, considered as the estimated period over which the asset will be used by the company. When the tangible asset is made up of several significant components with different useful lives, depreciation is applied to each component. The value to be depreciated is represented by the book value reduced by the presumed net disposal value at the end of its useful life, if significant and reasonably determinable. Land (items with an undefined useful life), also if purchased together with a building, as well as tangible assets held for sale, which are measured at the lower between their book value and their fair value less disposal costs, are not depreciated.

Tangible assets are stated net of accumulated depreciation and any impairment determined in accordance with IAS 36. Amortisation is calculated on a straight-line basis over the estimated useful life of the asset for the business, which is reviewed at least annually, and any changes, where necessary, are applied prospectively. The main economic-technical rates used are the following:

| Category | Depreciation rates |
|-----------------------------|---------------------------|
| Buildings | 5% |
| Systems and machinery | 15%-20% |
| Technical equipment | 20% |
| Furniture | 12% |
| Electronic office equipment | 20% |
| Cars | 25% |

The residual book value, useful life and depreciation criteria are reviewed at the end of each financial year and adjusted prospectively if necessary.

An asset is derecognised when it is sold or when there are no expected future economic benefits from its use or disposal. Any losses or profits (calculated as the difference between the net proceeds from the sale and the book value) are included in the income statement at the time of such derecognition. Leasehold improvements are classified as tangible assets, consistent with the nature of the cost incurred. In these cases, the depreciation period corresponds to the residual useful life of the tangible asset or the residual term of the lease agreement, whichever is shorter.

Assets under construction are recognised at cost under assets under construction until they become available for use; when they become available for use, the cost is classified under the relevant item and depreciated.

The profit or loss generated by the disposal of property, plant, machinery, equipment and other assets is determined as the difference between the net disposal consideration and the net residual value of the asset, and is recognised in the income statement of the period in which the disposal takes place.

Costs incurred after the purchase of the assets and the replacement cost of certain parts of the assets recognised in this category are added to the book value of the item to which they relate and capitalised only if they increase the future economic benefits embedded in the asset, and therefore depreciated over the remaining useful life of the asset. All other costs are recognised in the income statement when they are incurred.

When the cost of replacing parts of assets is capitalised, the residual value of the parts replaced is recognised in the income statement.

Profits and losses from the sale or disposal of assets are determined as the difference between the sales revenue and the net book value of the asset and are recognised in the income statement for the year.

Leases

The company must assess whether the contract is, or contains, a lease at the date it is entered into. The company recognises the Right of Use and the related Lease Liability for all lease contracts in which it holds the role of lessee, with the exception of short-term leases (12 months or less) and leases relating to low-value assets (i.e. assets with a value of less than €5,000 when new). The contracts for which the latter exemption has been applied fall mainly within the following categories: computers, telephones and tablets; printers, other electronic devices, furniture and furnishings.

With regard to these exemptions, the company recognises the related payments as operating costs recognised on a straight-line basis over the duration of the contract.

The lease liability is initially recognised at the current value of future lease payments at the lease commencement date. Since most of the lease agreements entered into by the Group do not have an implicit interest rate, the discount rate to be applied to future lease payments was determined as the risk-free rate,

with maturities commensurate with the term of the specific lease agreement, increased by the specific credit spread of the company entering into the agreement.

The lease payments included in the value of the Liability for the lease include:

- the fixed component of the lease payments, net of any incentives received;
- variable lease payments based on an index or rate, initially measured using the index or rate at the lease commencement date;
- the amount of the guarantees for the residual value that the lessee expects to have to pay;
- the call option exercise price, which should be included only if the exercise of such option is estimated to be reasonably certain;
- penalties for early termination of the lease if the lease term envisages an option to terminate the lease and the exercise thereof is estimated to be reasonably certain.

After the initial recognition, the carrying amount of the Liability for the lease increases due to the interest accrued (using the effective interest method) and decreases to reflect the payments made under the lease agreement.

The company restates the value of the Liability for the lease (and adjusts the value of the corresponding Right of Use) if:

- the duration of the lease changes or there is a change in the valuation of the exercise of the option right, in which case the liability for the lease is redetermined by discounting the new lease payments at the revised discount rate.
- the value of the lease payments changes as a result of changes in indices or rates, in which case the Liability for the lease is redetermined by discounting the new lease payments at the original discount rate (unless the payments due under the lease change as a result of fluctuations in interest rates, in which case a revised discount rate must be used).

The company did not recognise any of the above changes in the period, however, exercising the option to apply the amendment to IFRS 16 - Covid-19 Related Rent Concessions in advance, which allowed the recognition of the effects of rent reductions directly in the income statement on the effective date of the reduction, without having to analyse the contracts to determine whether the definition of lease modification in IFRS 16 is met.

The company did not recognise any of the above changes in the period.

The Right of Use asset comprises the initial valuation of the Liability for the lease, lease payments made before or on the lease commencement date, and any other initial direct cost. The Right of Use is recognised in the balance sheet net of depreciation

and any impairment. Incentives associated with the lease (e.g. free lease periods) are recognised as part of the initial value of the Right of Use and the Liability for the lease throughout the duration of the agreement.

The Right of Use is systematically amortised over the shorter between the lease term and the remaining useful life of the underlying asset. If the lease agreement transfers ownership of the related asset or the cost of the right of use reflects the company's intention to exercise the purchase option, the related right of use is amortised over the useful life of the asset in question. The commencement of amortisation starts from the lease commencement date.

The Right of use is included under "Tangible Assets" in the consolidated statement of financial position.

The company applies IAS 36 Impairment of Assets in order to identify any losses in value. In the statement of cash flows, the company divides the total amount paid between principal (recognised in cash flow from financing activities) and interest (recognised in cash flow from operations).

FINANCING ACTIVITIES AND EQUITY INVESTMENTS

Corporate aggregations are booked using the acquisition method (IFRS 3).

The cost of an acquisition is valued as the sum of the consideration transferred, measured at the fair value at the acquisition date, and the amount of any non-controlling interest in the acquired company. For each business combination, any non-controlling interest in the acquired company must be valued at fair value or in proportion to the non-controlling interest in the acquired company's identifiable net assets.

Acquisition costs are expensed and classified under administrative expenses. If the business combination is realised in several stages, the fair value of the stake previously held is recalculated at the fair value at the acquisition date, with any resulting profit or loss recognised in the income statement. Goodwill is initially valued at the cost which emerges as the excess of the sum of the consideration paid and the amount recorded for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairments. For the purposes of impairment testing, goodwill acquired in a business combination must be allocated, on the date of acquisition, to every one of the Group's cash generating units, which is expected to benefit from the synergies of the aggregation, regardless of whether other assets or liabilities of the entity acquired are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the asset disposed of must be included in the book value of the asset when determining the gain or loss on disposal.

Goodwill associated with the asset disposed of must be determined on the basis of the relative values of the asset disposed of and the portion of the cash generating unit retained. All financial assets are initially recognised, on the trading date, at the cost which corresponds to the fair value plus any directly attributable acquisition costs, except for financial assets held for trading (fair value in the income statement).

All financial assets must be subsequently recognised at amortised cost or fair value based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. Specifically:

- Debt instruments held as part of a business model the purpose of which is to own financial assets in order to collect contractual cash flows, and which have cash flows represented solely by principal payments and interest on the principal amount to be repaid, are subsequently measured at amortised cost;
- Debt instruments held as part of a business model the purpose of which is achieved both through the collection of contractual cash flows and the sale of financial assets, and which have cash flows represented solely by principal payments and interest on the principal amount to be repaid, are subsequently measured at fair value with changes recognised in other comprehensive income (FVTOCI);
- All other debt instruments and investments in instruments that represent equity are subsequently measured at fair value, with changes recognised in profit (loss) for the year (FVTPL).

When an investment in a debt instrument measured as FVTOCI is derecognised, the accumulated profit (loss) previously recognised in other comprehensive income is reclassified from equity to profit or loss through a reclassification adjustment. Conversely, when an investment representing equity designated as FVTOCI-rated is derecognised, the accumulated profit (loss) previously recognised in other comprehensive income is subsequently transferred to retained earnings without passing through profit or loss. Dividends received from investments in equity instruments are recognised in the income statement.

Debt instruments subsequently measured at amortised cost or FVTOCI are subject to impairment of financial assets. In relation to the impairment of financial assets, the company has applied a model based on expected losses on receivables, with reference to trade receivables. Specifically, the company measures the provision to cover losses of a financial asset at an amount equal to the lifetime expected credit losses (ECLs) if the credit risk of that financial asset has significantly increased since initial recognition, or if the financial instrument is an impaired financial asset that has been purchased or originated. However, if the credit risk of a financial instrument has not increased significantly since initial recognition, the company must measure the provision to cover losses for the financial instrument for an amount equal to the expected credit losses resulting from a 12-month default event (12-month expected credit losses).

The company adopts the simplified method to measure the provision to cover losses for trade receivables by estimating the expected losses over the life of the receivable, as well as a customer-by-customer analysis of past due doubtful receivables.

The company derecognises all or part of the financial assets when:

- the contractual rights attached to these assets have expired;
- it transfers the risks and benefits of ownership of the asset or does not transfer or even retain substantially all risks and benefits but transfers control of these assets;
- The receivables assigned following factoring transactions are eliminated from the balance sheet only if they are assigned without recourse, and if substantially all risks inherent in the receivable are transferred.

Receivables assigned with recourse, or without the transfer of all risks, remain on the balance sheet and a financial liability of the same amount is recognised as a liability for the advance received.

Recognition of the acquisition TT Tecnosistemi S.p.A.

On 4 November 2021, Digital Value acquired 51% of the share capital of Società TT Tecnosistemi S.p.A. (“TTT”), a company based in Prato (PO) and specialised in managed services and eco-sustainable technology solutions, for a consideration of €8,543 thousand (hereinafter the “**Acquisition**”) plus accessory charges of €218 thousand.

Within the scope of this transaction, Digital Value and the vendors agreed, inter alia, on a crossed call and put option mechanism by virtue of which the vendors granted Digital Value the right to purchase the remaining shareholding in TTT in one or two tranches (the so-called call option) and Digital Value granted the vendors the right to sell the remaining shareholding in TTT in one or two tranches (the so-called put option).

Specifically, the agreements envisaged:

1. a first call option exercisable, up to 19% of the share capital of TTT, within 30

business days following the earlier of the following dates (i) the date of approval of TTT's financial statements at 31 December 2021 or (ii) 1 July 2022.

2. a second call option, exercisable for the remaining portion of TTT's share capital, in the 30 business days following the earlier of the following dates: (i) the date of approval of TTT's financial statements at 31 December 2023 or (ii) 1 July 2024.

On 13 June 2022, Digital Value exercised its first call option on 19% of TTT's share capital for a consideration of €3,931 thousand, plus accessory costs of €9 thousand. This price, paid in a lump sum, was paid out of the company's own funds. Therefore, the Company currently holds 70% of the share capital of TTT.

The estimated value of the outlay that will be incurred for the exercise of the second put option is €6,572 thousand.

This amount at 31 December 2023 is recognised as a current liability under "Medium and long-term loans".

INVENTORIES

Inventories are booked at the lower value between the purchase or production cost and the presumable realizable value, as determined from market trends and in consideration of obsolescence.

The cost of inventories of assets that are not normally fungible and of goods and services produced for specific projects is allocated on the basis of the specific costs relating to the various items comprising the inventories.

In the case of fungible goods, the cost of inventories is allocated using the weighted average cost.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank accounts and deposits repayable on demand and other short-term, highly liquid financial investments that are readily convertible to cash and are subject to an insignificant risk of change in value.

RECEIVABLES

With regard to financial assets, the Group adopts the new IFRS 9 Financial Instruments, which is also applicable to receivables.

Trade receivables and other short-term assets are initially recognised at their fair value and subsequently measured at amortised cost, net of any write-downs. Upon recognition, the nominal value of the receivable is representative of its fair value at the date.

The provision for bad debts at the date represents the difference between the book value of receivables and the reasonable expectation of recoverability of the receivables deriving from the cash flows expected from their collection, also considering historical experience and management's forecasts on the future recoverability of receivables (Forward Looking Approach).

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date, the Company verifies whether a financial asset or group of financial assets has suffered impairment. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition (when a “loss event” occurs) and this loss event has an impact, that can be reliably estimated, on the estimated future cash flows of the financial asset or group of financial assets.

Evidence of impairment may be represented by indicators such as financial difficulties, inability to meet obligations, insolvency in the payment of interest or major payments, which debtors, or a group of debtors, are experiencing; the likelihood that they will go bankrupt or undergo some other form of financial reorganisation; and where observable data indicate that there is a measurable decrease in estimated future cash flows, such as changes in the context or economic conditions related to the obligations.

Management also evaluates factors such as trends in the counterparty's industry and financial activities and general economic trends, and also makes forward-looking considerations.

If there is objective evidence of a loss in value, the amount of the impairment is measured as the difference between the asset's book value and the current value of estimated future cash flows (excluding impairment of receivables expected in future that have not yet occurred). The book value of the asset is reduced through the use of a provision for bad debts and the amount of the loss will be recognised in the income statement. If, in a subsequent period, the amount of the estimated write-down increases or decreases as a result of an event occurring after the write-down has been recorded, said write-down is increased or decreased by adjusting the provision against the income statement.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each balance sheet date, the Company assesses the existence of any indicators of impairment of non-financial assets. When events that lead to the presumption of a reduction in the value of an asset occur or in cases where an annual impairment test is required, its recoverability is tested by comparing its book value with its recoverable amount, represented by the higher between its fair value, net of disposal costs, and its value in use.

In the absence of a binding sale agreement, fair value is estimated on the basis of values expressed by an active market, by recent transactions or on the basis of the best information available to reflect the amount that the company could obtain from the sale of the asset.

Value in use is determined by discounting the cash flows expected to arise from the use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and documentable assumptions representative of the best estimate of future economic conditions that will occur during the remaining useful life of the asset, giving greater weight to external indications. Discounting is performed at a rate that takes into account the risk implicit in the business sector.

The valuation is carried out for each individual asset or for the smallest identifiable group of assets that generates independent cash inflows from ongoing use (cash generating unit). When the reasons for the write-downs made no longer apply, the assets, except for goodwill, are revalued and the adjustment is recognised in the income statement as a write-back (reinstatement of value). The write-back is carried out at the lower between the recoverable value and the book value before write-downs previously made and reduced by the depreciation allowances that would have been allocated if the write-down had taken place.

FINANCIAL LIABILITIES

Financial liabilities that fall within the scope of IFRS 9 are classified as financial liabilities at amortised cost or fair value recognised in the balance sheet as financial payables, or as derivatives designated as hedging instruments, as appropriate. The financial liabilities of Group companies include trade and other payables, loans and financial derivatives. Group companies determine the classification of their financial liabilities at the time of initial recognition.

Financial liabilities are initially measured at their fair value equal to the consideration received on the settlement date plus, in the case of financial payables, directly attributable transaction costs.

Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest rate method.

Amortised cost is calculated by recording every discount or premium on purchases, fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is recognised as financial expenses in the income statement.

Profits and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Financial liabilities are derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled.

EMPLOYEE BENEFITS

Severance pay falls within the scope of what IAS 19 defines as defined benefit plans in the context of post-employment benefits. Defined-benefit plans, which also include severance indemnities due to employees pursuant to article 2120 of the Italian Civil Code, the amount of the benefit payable to employees that can only be quantified after termination of employment, and are linked to one or more factors such as age, years of service and remuneration. Consequently, the relative cost is recorded in the income statement on the basis of actuarial calculations. The liability recognised in the financial statements for defined benefit plans corresponds to the current value of the bond at the balance sheet date. Obligations for defined benefit plans are determined annually by an independent actuary using the projected unit credit method. The current value of the defined benefit plan is determined by discounting future cash flows at an interest rate equal to that of high-quality corporate bonds issued in Euro which takes into account the duration of the relative pension plan. Actuarial profits and losses arising from the above-mentioned adjustments and changes in actuarial assumptions are recognised in the comprehensive statement of income.

As of 1 January 2007, the so-called 2007 Budget Law and the relative implementation decrees introduced significant changes to the rules governing employee severance indemnities, including the possibility for employees to choose the destination of their accruing employee severance indemnities. In particular, new flows of severance indemnity can be allocated by the employee to selected pension schemes or kept within the company. In the case of allocation to external pension funds, the company is only required to pay a defined contribution to the fund chosen, and from that date the newly accrued amounts are considered defined contribution plans and, as such, they are not subject to actuarial evaluation. Since 1 January 2007, for companies with more than 50 employees at the date of introduction of the reform, it has been compulsory to pay the new severance indemnity flows to pension schemes chosen by the employee or, if the employee has opted to keep these flows in the company, to a treasury account set up with the Social Security Institution (INPS). The severance indemnity accrued by the company up until 31 December 2006 continues to fall under “defined benefit plans”, while the severance indemnity accrued after that date is configured, for all workers, as a “defined contribution plan”, and this is because all obligations of the companies are fulfilled with the periodic payment of a contribution to a third entity. An exception to this are the amounts accrued by employees who have opted to keep their severance pay in the company, which are configured as a defined benefit plan.

Defined contribution plans

Defined contribution plans are formalised post-employment benefit plans on the basis of which the company pays fixed contributions to an insurance company or pension fund and has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all the benefits to employees related to their service in the current and prior periods.

These contributions, paid in exchange for employee service, are recognised as an expense in the pertinent period.

Defined benefit plans

Defined benefit plans are formalised post-employment benefit programmes that represent a future obligation for the company.

Basically, the company bears the actuarial and investment risks related to the plan. As required by IAS 19, the company uses the Projected Unit Credit Method to determine the current value of obligations and the related current service cost.

This actuarial calculation requires the use of objective and compatible actuarial assumptions regarding demographic variables (mortality rate, staff turnover rate) and financial variables (discount rate, future increases in salary levels and medical benefits).

Actuarial profits and losses related to post-employment defined benefit plans may arise either from changes in the actuarial assumptions used for the calculation between two consecutive periods or from changes in the value of the obligation relative to the actuarial assumptions made at the beginning of the period. Actuarial profits and losses are recognised and recognised immediately in other components of the statement of comprehensive income.

Net financial expenses on defined benefit plans are recognised in financial income/(expenses) in the income statement.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges relate to costs and expenses of a specific nature and of certain or probable existence, the amount or date of occurrence of which could not be determined at the balance sheet date. Provisions are recognised when:

- it is probable that a current, legal or implicit obligation arising from a past event exists;
- it is probable that fulfilment of the obligation will be onerous;
- the amount of the obligation can be reliably estimated.

Provisions are recognised at the value representing the best estimate of the amount that the company would rationally pay to extinguish the obligation or to transfer it to a third party at the end of the period.

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Loans are initially valued at cost, net of accessory costs for the acquisition of the loan. After initial recognition, loans are recognised using the amortised cost method. Loans are classified as non-current and current liabilities depending on whether or not the company has the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

TRADE PAYABLES

Trade payables are recognised at nominal value equal to the redemption value. They have not been valued at amortised cost, as this is not considered significant.

INCOME TAXES

Income taxes include current taxes and deferred tax assets and liabilities. Income taxes are generally recognised in the income statement, except when they relate to items recognised directly to equity. Current taxes are calculated by applying the tax rate in force at the balance sheet date to the taxable income for the year. Deferred taxes are calculated using the liability method on temporary differences between the amount of assets and liabilities in the balance sheet and the corresponding values recognised for tax purposes. Deferred taxes are calculated based on the tax rate that is expected to be in effect when the asset is realised or the liability is settled. Deferred tax assets are recognised only if it is probable that sufficient taxable profit will be generated in future periods to realise those assets. Deferred tax assets and liabilities are only offset when there is a legal right to offset them and when they relate to taxes owed to the same tax authority.

Starting from financial year 2019, Digital Value S.p.A. has exercised the option for the National Tax Consolidation tax regime jointly with Italtel S.r.l., ITD Solutions S.p.A. and ITALWARE Services S.r.l. as consolidated companies.

CRITERIA FOR CONVERSION OF ENTRIES IN FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the exchange rate in force on the date of the transaction. Monetary assets and liabilities in foreign currencies at the reference date of the financial statements are converted at the exchange rate in force at that date. Exchange

rate differences arising from the settlement of monetary items or their conversion at rates different from those at which they were converted at the time of initial recognition in the financial year or in previous financial statements are recognised in the income statement. All assets and liabilities of foreign companies in currencies other than the Euro that are included in the scope of consolidation are converted using the exchange rates in force on the balance sheet date. Income and expenses are converted at the average exchange rate for the year. Exchange rate differences resulting from the application of this method are classified as an equity item until the disposal of the investment.

RECOGNITION OF REVENUES

Revenues are recognised to the extent that it is probable that economic benefits will flow to the company and their amount can be reliably determined. Revenue from sales and services is recognised when the actual transfer of the relevant risks and advantages of ownership or the performance of the service takes place. Sales of goods are recognised when the goods are shipped and the company has transferred the significant risks and benefits of ownership of the goods to the buyer. Revenues are stated net of returns, discounts, allowances and premiums, as well as directly related taxes. Revenues are valued taking into account the consideration specified in the agreement with the customer. The company recognises revenue when it transfers the control of goods or services.

Revenue is recognised by applying a five-step model as outlined below:

- ⊗ Identification of the agreement with the customer;
- ⊗ Identification of the “performance obligations” envisaged by the agreement;
- ⊗ Determination of the consideration for the transaction;
- ⊗ Allocation of consideration to individual “performance obligations”;
- ⊗ Recognition of revenue at the time (or during) satisfaction of the individual “performance obligations”.

Revenue is recognised at fair value, which is equal to the consideration received or receivable, taking into account the value of any trade discounts granted and reductions linked to quantity.

With regard to the sale of goods, revenue is recognised when the company has transferred the significant risks and benefits of ownership of the goods to the buyer. Agreements with customers generally include a single performance obligation. The performance obligation is deemed to be satisfied when the asset is delivered.

RECOGNITION OF COSTS

Costs are recognised when they relate to goods and services purchased and/or received during the period.

Service charges are recognised on an accrual basis.

For all financial instruments valued at amortised cost, interest expenses are recognised using the effective interest rate (EIR), which is the rate that precisely discounts estimated future payments and receipts throughout the expected life of the financial instrument.

SECTOR REPORTING

An operating segment is a component of an entity:

- that engages in entrepreneurial activities that generate revenues and expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed periodically at the entity's highest operational decision-making level, with a view to making decisions about resources to be allocated to the segment and assessing performance; and
- for which separate financial information is available.

In relation to the above principle, the Digital Value Group identifies a single operating segment consisting of the Hyper VAR (Value Added Reseller) business.

3. ACCOUNTING STANDARDS ADOPTED

The accounting standards adopted by the company are the same as those applied for the preparation of the separate financial statements for the year ended 31 December 2022, with the exception of new accounting standards and amendments to existing accounting standards, which are indicated below.

IFRS standards, amendments and interpretations adopted as of 1 January 2023

The following amendments are effective as of the year beginning 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidelines and examples to help entities apply materiality judgements to accounting standard disclosures. The amendments aim to help entities provide information on the most useful accounting standards, replacing the requirement for entities to disclose their “significant” accounting standards with the requirement to disclose their “relevant” accounting standards; furthermore, guidelines on how entities apply the concept of relevance in making decisions with regard to the disclosure of accounting standards are added. The amendments to IAS 1 are applicable for financial years beginning on or after January 1, 2023. Earlier application is permitted. The amendments are to be considered applicable for the disclosure on accounting standards in the consolidated annual financial statements of the Group.

Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors

The amendment to IAS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or valuation technique are changes in accounting estimates, unless they arise from the correction of errors made in the previous period. These amendments clarify how entities make the distinction between changes in accounting estimates, changes in accounting standards and errors made in the previous year. These amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 12 - Income Taxes

In May 2021, the IASB issued amendments to IAS 12 which clarify whether the exemption from initial recognition applies to certain transactions involving the simultaneous recognition of an asset and a liability (e.g. a lease under IFRS 16). The amendments introduce an additional criterion for the exemption from initial recognition, according to which the exemption does not apply to the initial recognition of an asset or liability that, at the time of the transaction, gives rise to equal taxable and deductible temporary differences. These amendments had no impact on the Group's consolidated financial statements.

New Standards, interpretations and amendments not yet effective

There are numerous standards, amendments to standards and interpretations that have been issued by the IASB, but which will be effective in future accounting periods, which the Group has decided not to apply in advance.

The following amendments are effective as of the year beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

5. FINANCIAL RISK MANAGEMENT

The main risks identified, monitored and actively managed by the company are the following:

CREDIT RISK

The company only performs intra-group services and the credit risk is completely absent.

LIQUIDITY RISK

Liquidity risk is related with the company's ability to fulfil its commitments deriving from the financial liabilities undertaken.

The company is able to generate a level of liquidity appropriate to its corporate targets, allowing it to maintain a balance in terms of duration and composition of debt.

In any case, the liquidity risk arising from normal operations is kept at a low level through the management of an adequate level of cash and cash equivalents and the control of the availability of funds obtainable through credit lines.

INTEREST RATE RISK

The company does not have any particular bank debt and is not exposed to the potential risks arising from changes in interest rates on the variable-rate loans described above.

MARKET RISK

This risk is deemed to be low for the company.

RISK OF CHANGES IN CASH FLOWS

The risk is low for the company. It should also be noted that there is no particular need to access bank credit, other than for current commercial activities, given, however, the bank's willingness to extend, when necessary, existing credit lines with Group companies.

6. COMMENTS ON THE MAIN ITEMS

The amounts are indicated in Euro thousands.

6.1 EQUITY AND FINANCIAL SITUATION: NON-CURRENT ASSETS

6.1.1. Intangible assets Euro 89 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--------------|------------|------------|
| Other assets | 89 | 50 |
| Total | 89 | 50 |

These are software licences for internal use. The investment made in the year of Euro 79,000 relates to the implementation of the Oracle Hyperion consolidation system.

| Figures in € thousands | Concessions, Licenses and Trademarks | Total Intangi- ble Assets |
|-----------------------------------|--|------------------------------------|
| Value at the start of 2022 | | |
| Historical cost | 73 | 73 |
| Accumulated amortisation | -23 | -23 |
| Book value 2022 | 50 | 50 |
| Changes during the year | | |
| Investments | 79 | 79 |

| | | |
|-------------------------------|-----------|-----------|
| Amortisation and Depreciation | -17 | -17 |
| Decreases | | |
| Total changes | 62 | 62 |
| Closing value | | |
| Historical cost | 129 | 129 |
| Accumulated amortisation | -40 | -40 |
| Book value 2023 | 89 | 89 |

6.1.2. Tangible assets and Rights of use Euro 107 thousand

The breakdown of this item is shown below

| Description | 31/12/2023 | 31/12/2022 |
|--------------|------------|------------|
| Other assets | 828 | 107 |
| Total | 828 | 107 |

Tangible Assets at 31.12.2023 amounted to Euro 828,000 and refer entirely to assets consisting of rights of use recognised in accordance with IFRS 16.

| | Concessions, Licenses and Trademarks | Total intangible assets |
|-----------------------------------|--|-------------------------------|
| Value at the start of 2022 | | |
| Historical cost | 171 | 87 |
| Accumulated amortisation | -64 | -28 |
| Book value 2022 | 107 | 59 |
| Changes during the year | | |
| Investments | 1,176 | 84 |
| Amortisation and Depreciation | -391 | -36 |
| Decreases | | 0 |
| Total changes | 785 | 48 |
| Closing value | | |
| Historical cost | 1,283 | 171 |
| Accumulated amortisation | -455 | -64 |
| Book value 2023 | 828 | 107 |

6.1.3. Financial Assets Euro 56,260 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-----------------------------|---------------|---------------|
| Investments in Subsidiaries | 56,260 | 55,058 |
| Total | 56,260 | 55,058 |

The recognised increase of Euro 1,202 thousand is due as follows:

- Euro 1,125 thousand for the equity investment in Digital Value Managed Services S.r.l., incorporated on 26/09/2022, with share capital of Euro 10 thousand fully paid-in and subscribed by Digital Value S.p.A. On 04/11/2022, the Company leased the “Digital” business unit from Filippetti S.p.A. under liquidation.
- Euro 77 thousand for the 51% equity investment in Digital Value Cyber Security S.r.l. with fully paid-up share capital of Euro 150 thousand.

A list of equity investments

follows:

| Equity investments | Book value at 31/12/2023 | % held | SE investee (pro-rata) at |
|-------------------------|--------------------------|--------|---------------------------|
| ITD Solutions S.p.A. | 9,076 | 100% | 16,648 |
| Italware S.r.l. | 25,733 | 100% | 76,209 |
| Dimira S.r.l. | 408 | 51% | 475 |
| TT Tecnosistemi S.p.A. | 19,273 | 70% | 9,699 |
| DVMS S.r.l. | 1,685 | 100% | 69 |
| DVCS S.r.l. | 77 | 51% | 152 |
| DV Broker S.r.l. | 7 | 70% | 130 |
| Total 31.12.2022 | 56,260 | | 103,382 |

The value of the investments listed above was subject to an impairment test that showed a recoverable value higher than the book value for all investments with a significant carrying value and, therefore, no impairment loss was recognised. With regard to the investment in Digital Value Managed Services S.r.l. (DVMS), the valuation will be carried out once the negotiations underway with the Court of Milan regarding the possible purchase of the business unit currently leased by DVMS, or the termination of the existing contract, as better described in the Report on Operations to which reference should be made.

The estimate of the recoverable value was based on discounting the expected income flows from each investee, which reliably approximate the cash flows. The estimate of expected cash flows considered a projection based on historical trends and growth rates of the reference market, adjusted where necessary to ensure adherence to the current earnings capacity of the investee company. The WACC discount rate takes into account current capital market conditions, the specific risk of the business and the financial structure of the Company at the date of the estimate. The WACC was 9.7% (compared to 9.5% at 31/12/2022). A sensitivity analysis was

conducted, on the basis of which an unfavourable deviation of the WACC by 2 % points would not lead to reductions in the value of equity investments.

6.2 EQUITY AND FINANCIAL SITUATION: CURRENT ASSETS

6.2.1 Trade receivables Euro 2,645 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--|--------------|--------------|
| Receivables from subsidiaries for corporate services | 2,645 | 3,849 |
| Total | 2,645 | 3,849 |

The receivables derive from corporate services delivered in favour of the other Digital Value Group companies.

6.2.2 Tax receivables Euro 0 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-------------------------|------------|------------|
| Current tax receivables | 0 | 490 |
| Total | 0 | 490 |

6.2.3 Other assets Euro 66,401 thousand

| Description | 31/12/2023 | 31/12/2022 |
|---|---------------|---------------|
| Receivables from subsidiaries for loans | 61,306 | 13,935 |
| Receivables from subsidiaries for tax consolidation | 2,809 | 1,255 |
| Receivables from subsidiaries for dividends | 0 | 29,571 |
| Miscellaneous receivables from subsidiaries | 0 | 350 |
| Receivables from parent companies for loans | 0 | 0 |
| Accrued income | 1,917 | 127 |
| Prepaid expenses | 0 | 172 |
| Other miscellaneous | 369 | 54 |
| Total | 66,401 | 45,464 |

6.2.4 Cash flow and equivalent Euro 619 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-----------------------------------|--------------|------------|
| Bank and post office deposits | 1,607 | 619 |
| Cash and cash equivalents on hand | 0 | 0 |
| Total | 1,607 | 619 |

With regard to the formation, composition and trends in cash and cash equivalents, please see the cash flow statement.

6.3 EQUITY AND FINANCIAL SITUATION: SHAREHOLDERS' EQUITY

Separate shareholders' equity at 31 December 2023

| (€ units) | Share capital | Share premium reserve | Other reserves | Profit for the year | Total shareholders' equity |
|---|---------------------|-----------------------|-------------------|---------------------|----------------------------|
| At 31 December 2021 | 1,554,958 | 34,882,965 | 2,508,798 | 24,512,311 | 63,459,032 |
| Allocation of profit/loss 2020 | - | - | 24,512,311 | -24,512,311 | - |
| Purchase of treasury shares | - | - | -926,396 | - | -926,396 |
| Stock option | - | - | 66,700 | 0 | |
| | 66,700 | | | | |
| Total changes before other comprehensive income | - | - | 23,652,615 | -24,512,311 | -859,696 |
| Actuarial profit/(loss) IAS 19 | - | - | 24,246 | - | 24,246 |
| Total changes in the comprehensive statement of income | 0 | 0 | 24,246 | 27,651,658 | 27,675,904 |
| At 31 December 2022 | 1,554,958.00 | 34,882,965 | 26,185,659 | 27,651,658 | 90,275,240 |
| Allocation of profit/loss 2022 | - | - | 27,651,658 | -27,651,658 | - |
| Purchase of treasury shares | - | - | -304,168 | - | - |
| 304,168 Stock option | - | - | 909,497 | | |
| | 909,497 | | | | |
| Distribution of dividend | | | -8,474,139 | | -8,474,139 |
| Total changes before other components of the comprehensive statement of income | - | - | 19,782,848 | -27,651,658 | -786,881 |
| Actuarial profit/(loss) IAS 19 | - | - | 27,422 | - | 27,422 |
| Total changes in the comprehensive statement of income | - | - | 27,422 | 31,398,363 | 31,370,941 |
| At 31 December 2023 | 1,554,958 | 34,882,965 | 45,941,085 | 31,398,363 | 113,777,370 |

The fully subscribed and paid-up share capital of the Parent Company amounts to Euro 1,555,000 and is represented by 9,969,576 shares with no par value. The Company has no Warrants or shares other than ordinary shares.

| Description | Number |
|-----------------|------------------|
| Ordinary shares | 9,969,576 |
| Special shares | - |
| Total | 9,969,576 |

The calculation of basic and diluted earnings per share is shown below:

| Figures in € units | 31/12/2023 | 31/12/2022 |
|---|-------------------|-------------------|
| Profit for the year - Group share (A) | 31,398,363 | 27,651,658 |
| Average number of shares (B) | 9,969,576 | 9,969,576 |
| Number of treasury shares (C) | 18,436 | 14,020 |
| Average number of shares in circulation (D) = (B) – (C) | 9,951,140 | 9,955,556 |
| Earnings per share - diluted (E) = (A) / (D) | 3.16 | 2.78 |

Other reserves are detailed below:

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------------------|-------------------|-------------------|
| Legal Reserve | 311 | 311 |
| Extraordinary Reserve | 3,525 | 3,525 |
| IAS 19 Reserve | -13 | 14 |
| FTA Reserve | 0 | 0 |
| Treasury Shares in Portfolio Reserve | -1,231 | -926 |
| Stock Option Reserve | 976 | 67 |
| Profits carried forward | 42,372 | 23,196 |
| Total | 45,940 | 26,186 |

Schedule of availability and use of reserves

| Description | Amount Euro thousands | Possibilities of use | Portion available |
|--------------------------------------|--------------------------------------|-----------------------------|--------------------------|
| Share Capital | 1,554 | B | 1,554 |
| Share premium reserve | 34,883 | A,B,C,D | 34,883 |
| Legal Reserve | 311 | A,B | 311 |
| Extraordinary Reserve | 3,525 | A,B,C,D | 3,525 |
| IAS 19 Reserve | -13 | | 0 |
| Treasury Shares in Portfolio Reserve | -1,231 | | 0 |
| Stock Option Reserve | 976 | | 0 |
| Profits carried forward | 42,372 | A,B,C,D | 42,372 |
| Total | 82,377 | | |

Key: A: for capital increase B: to hedge losses C: for distribution to shareholders D: for other statutory restrictions.

6.4 EQUITY AND FINANCIAL SITUATION: NON-CURRENT LIABILITIES

6.4.1 Medium and long-term loans Euro 438 thousand

| Description | 31/12/2023 | 31/12/2022 |
|------------------------------|------------|--------------|
| Amounts due to other lenders | 438 | 6,639 |
| Total | 438 | 6,639 |

Amounts due to other lenders refer to:

- c) 6,572 reclassified to payables due within 12 months.
- d) the remainder for medium/long-term financial liabilities recognised to landlords and financial intermediaries against rent contracts, long-term rental and lease agreements entered into by the Group in compliance with IFRS 16.

6.4.2 Employee benefits Euro 294 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-------------------|------------|------------|
| Employee benefits | 404 | 294 |
| Total | 404 | 294 |

The provision for employee benefits relates to the severance pay accrued by the companies included in the consolidated financial statements. The liability for severance indemnities was calculated in accordance with current regulations governing relationships with employees and corresponds to the company's actual commitment to individual employees on the balance sheet date. The amount accrued refers to employees who, following the entry into force of the new supplementary pension system, have specifically assigned the severance indemnity accruing from 1 January 2007 to the company. The amount relating to the employee severance indemnity provision is net of the amounts paid out during the year and allocated to pension funds. The resulting amount was valued in accordance with IAS/IFRS (IAS 19).

Changes in this item are detailed as follows:

| Figures in € thousands | At 31/12/2023 |
|-------------------------------|---------------|
| Book value 31.12. 2022 | 294 |
| Service cost | 51 |
| Interest cost | 9 |
| Uses and advances | -25 |
| Loss/(actuarial profit) | 48 |

Other changes

27

Book value 31.12. 2023

404

The following demographic and economic - financial assumptions were considered for the actuarial changes:

Demographic assumptions

The probabilities of death were deduced from the Italian population broken down by age and gender as recorded by ISTAT in 2000 and reduced by 25%;

The probability of elimination of an employee becoming disabled and leaving the company due to absolute and permanent disability are those resulting in the disability tables currently used in reinsurance practice, broken down by age and gender;

The probability of termination of employment due to resignation and dismissal are those resulting from annual frequencies, based on company data, over an observation period between 2019 and 2023 and set at 13.54% per annum;

The probability of requesting an advance is set at 1.88% per year, with an average advance rate of 80.00%;

For the years missing to the retirement of a generally active person, the time of attainment of the first of the retirement requirements valid for the General Compulsory Insurance was taken as a reference;

Economic-financial hypothesis

The macroeconomic scenario used for the assessments is described in the following table:

| Parameters | Dynamic hypothesis |
|-------------------------|--------------------|
| Rate of salary increase | 2.20% |
| Discount rate | 2.568% |

With regard to the hypothesis concerning inflation, reference was made to the “Economic and Financial Document 2023 - Update Note”, approved by the Council of Ministers on 27 September 2023, which envisages an annual rate of 5.6% for 2023, 2.3% for 2024, 2% for 2025 and 2.1% for 2026. As a result of this update, the assumption of adopting a flat rate of 2.1% from 2027, also on an annual basis, was made.

The substitute tax on income is applied to the revaluations of the termination indemnity effective from 1 January 2015 in the new amount as established by the 2015 Stability Law (Law no. 190 of 23 December 2014, art.44, paragraph 3).

With reference to the discount rate adopted in all valuations attributable to IAS 19R, reference was made to the structure by maturity of interest rates derived with the bootstrap method from the swap rate curve recorded at 31/12/2023 (Source: il Sole 24 ore) and fixed with respect to liabilities with an average residual duration of 13 years.

Reasonably possible changes in actuarial assumptions at the reporting date would have had an effect on the defined benefit obligation equal to the amounts shown in the table below:

| | Change | Increase | Decrease |
|--------------------------|---------------|-----------------|-----------------|
| Turnover rate | +/- 0.5% | (0.5) | 0.5 |
| Rate of inflation | +/- 0.5% | 3 | (2) |
| Mortality rate | +/- 0.025% | - | - |
| Interest rate | +/- 0.5% | (11) | 13 |

6.4.3 Provisions for risks, charges and taxes Euro 211 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--------------------|-------------------|-------------------|
| Other provisions | 211 | 211 |
| Total | 211 | 211 |

Other provisions include the accrual of Euro 211 thousand to cover expected losses of the subsidiary Dimira S.r.l..

6.4.4 Deferred tax liabilities Euro 0 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------|-------------------|-------------------|
| Deferred tax liabilities | 0 | 355 |
| Total | 0 | 355 |

6.5 EQUITY AND FINANCIAL SITUATION: CURRENT LIABILITIES

6.5.1 Short-term loans Euro 6,962 thousand

| Description | 31/12/2023 | 31/12/2022 |
|---|-------------------|-------------------|
| Amounts due to other lenders | 6,962 | 40 |
| Amounts due to parent companies for loans | 0 | 4,000 |
| Total | 6,962 | 4,040 |

Payables to Other lenders refer to the short-term financial liabilities recognised to landlords and financial intermediaries against rent contracts, long-term rental and lease agreements entered into by the Group in compliance with IFRS 16, and to HTT for the exercise of the purchase option for 30% of TT Tecnosistemi.

6.5.2 Trade payables Euro 1,652 thousand

| Description | 31/12/2023 | 31/12/2022 |
|----------------|--------------|--------------|
| Trade Payables | 1,652 | 2,099 |
| Total | 1,652 | 2,099 |

6.5.3 Tax payables Euro 2,841 thousand

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------------------|--------------|------------|
| IRES tax payable - Tax Consolidation | 2,332 | 367 |
| IRES tax payable | 0 | 0 |
| Other miscellaneous | 509 | 213 |
| Total | 2,841 | 580 |

Starting from financial year 2019, Digital Value S.p.A. has exercised the option for the National Tax Consolidation tax regime jointly with ITALWARE S.r.l., ITD Solutions S.p.A. and ITALWARE Services S.r.l. as consolidated companies.

At 31/12/2023, the liability for IRES from Tax Consolidation amounted to Euro 2,332; thousand while that for Other taxes payable consisted mainly of IRPEF withholding taxes on employees' wages and salaries and on the remuneration of self-employed staff.

6.5.4 Other liabilities Euro 1,544

| thousand Description | 31/12/2023 | 31/12/2022 |
|---|--------------|------------|
| Social security payables | 246 | 200 |
| Payables to employees and collaborators (salaries and deferred charges) | 412 | 413 |
| Accrued interest expenses | 65 | 42 |
| Payables from subsidiaries for tax consolidation | 748 | 0 |
| Other miscellaneous | 73 | 0 |
| Total | 1,544 | 655 |

6.5.5 Additional disclosures on financial instruments and risk management policies

The following schedules contain the additional disclosures required by IFRS 7 in order to assess the significance of financial instruments with respect to the Company's financial position, financial performance and results of operations.

A breakdown of the carrying amount of financial assets and liabilities into the categories required by IAS 39 at 31 December 2023 is shown below.

| Balance Sheet Item | Values current at Fair Value | Book Values |
|---|------------------------------|----------------|
| NON-CURRENT ASSETS | | |
| Non-current financial assets | | 56,260 |
| CURRENT ASSETS | | |
| Receivables from Subsidiaries for loans | | 61,306 |
| Cash and cash equivalent | | 1,607 |
| TOTAL ASSETS | 0 | 119,173 |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Amounts due to Other Lenders | | 438 |
| CURRENT LIABILITIES | | |
| Amounts due to Other Lenders | | 6,962 |
| TOTAL LIABILITIES | 0 | 7,400 |

6.6 STATEMENT OF COMPREHENSIVE INCOME: REVENUES

6.6.1 Revenues and other income Euro 6,903 thousand

| Description | 31/12/2023 | 31/12/2022 |
|----------------------------------|--------------|--------------|
| Revenues from sales and services | 6,888 | 5,135 |
| Other revenues and gains | 15 | 54 |
| Total | 6,903 | 5,189 |

The Value of production and the change in this value are related to that stated in the Report on Operations. The breakdown of turnover by geographic area is not significant for the presentation of these financial statements.

6.7 STATEMENT OF COMPREHENSIVE INCOME: OPERATING COSTS

The Costs of production and the change in these costs are related to that stated in the Report on Operations.

6.7.1 Costs of raw materials Euro 109 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-------------------------------|------------|------------|
| Costs for purchasing products | 109 | 86 |
| Total | 109 | 86 |

6.7.1 Costs for services and for the use of third-party of goods Euro 4,657 thousands

| Description | 31/12/2023 | 31/12/2022 |
|--|--------------|--------------|
| Cost of services | 4,568 | 3,983 |
| Costs for the use of third-party goods | 89 | 21 |
| Total | 4,657 | 4,004 |

6.7.2 Personnel costs Euro 5,014 thousand

| Description | 31/12/2023 | 31/12/2022 |
|-------------------------|--------------|--------------|
| Wages and salaries | 3,699 | 2,328 |
| Social security charges | 1,077 | 818 |
| Employee benefits Other | 88 | 59 |
| personnel costs | 150 | 72 |
| Total | 5,014 | 3,277 |

This item includes all employee expenses, including accrued holiday and additional month's salary as well as the associated social security charges, in addition to the provision for severance indemnities and other contractual costs.

The breakdown of the number of employees by category is shown in the following table:

| (in units) | 31/12/2023 | 31 December 2022 |
|-------------------|------------|------------------|
| Executives | 7 | 7 |
| Middle management | 8 | 9 |
| Office Staff | 26 | 26 |
| Total | 41 | 42 |

6.8 STATEMENT OF COMPREHENSIVE INCOME: FINANCIAL INCOME AND EXPENSE

| Description | 31/12/2023 | 31/12/2022 |
|--------------------------|---------------|---------------|
| Dividends | 32,969 | 29,571 |
| Other financial income | 1,647 | 106 |
| Other financial expenses | -33 | -43 |
| Total | 34,582 | 29,634 |

This refers to the 2022 dividends resolved and distributed by the subsidiaries Italware S.r.l. and ITD Solutions S.p.A., interest income accrued on loans granted to companies of the

Group companies and interest expense accrued on the loan disbursed by the parent company Digital Value Holding S.r.l.

6.9 STATEMENT OF COMPREHENSIVE INCOME: INCOME TAXES

6.9.1. Taxes (Euro 127 thousand)

This item relates to current taxes (IRES and IRAP) allocated on an accrual basis and determined in accordance with current rates and regulations.

| | Prior year value | Change during the year | Closing value |
|---|------------------|------------------------|---------------|
| Current taxes: | 0 | 0 | 0 |
| IRES | 0 | - | 0 |
| IRAP | 0 | - | 0 |
| Susbtitute taxes | - | - | - |
| Prior year taxes: | (10) | 10 | (0) |
| IRES | - | - | - |
| IRAP | - | - | - |
| Deferred tax liabilities: | 355 | (355) | 0 |
| IRES | 355 | (355) | 0 |
| IRAP | - | - | - |
| Consolidation / Tax transparency | (637) | 764 | 127 |
| Income | (637) | 637 | 0 |
| Expenses | 0 | 127 | 127 |
| Total Taxes | (293) | 420 | 127 |

TRANSACTIONS WITH RELATED PARTIES

With regard to reporting on transactions with related parties pursuant to articles 2427 and 2428 of the Italian Civil Code and in compliance with the provisions of IAS 24, it should be noted that the transactions carried out with such parties, which relate to ordinary management, were concluded at market conditions with mutual economic benefit. The identification of the Company's related parties was carried out in compliance with IAS 24. These relations, which do not include atypical or unusual transactions, are regulated at normal market conditions. The most significant transactions between the Company and the parties related to it are summarised below, with reference to 31 December 2023:

| Related party (Euro thousands) | Financial Costs and Expenses | Financial Revenues and Income | Receivables | Payables |
|------------------------------------|------------------------------|-------------------------------|---------------|--------------|
| Italware Srl | 38 | 31,760 | 53,337 | 7 |
| ITD Solutions SpA | 17 | 8,936 | 15,056 | 877 |
| Italware Services Srl | 0 | 60 | 0 | 33 |
| Dimira Srl | 0 | 125 | 171 | 0 |
| TT Tecnosistemi SpA | 0 | 611 | 59 | 77 |
| Digital Value Managed Services Srl | 0 | 0 | 1 | 0 |
| Digital Value Cyber Security Srl | 46 | 8 | 221 | 14 |
| Digital Value Holding SpA | 23 | 0 | 0 | 65 |
| Totals at 31/12/2023 | 124 | 41,500 | 68,845 | 1,073 |

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

Amounts in € thousands

| | Directors | Auditors |
|---------------|-----------|----------|
| Digital Value | 713 | 36 |

REMUNERATION OF INDEPENDENT AUDITORS AND NETWORK

Pursuant to article 149-duodecies of the Issuers' Regulations, it should be noted that the remuneration payable to BDO Italia S.p.A. and the BDO network for services rendered during the 2023 financial year is summarised in the table below:

Amounts in € thousands

| | Amount |
|-----------------------------------|------------|
| Legal Auditing | 64 |
| Other services | 55 |
| Other services of the BDO network | 140 |
| Total | 259 |

COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES NOT DISCLOSED IN THE BALANCE SHEET

In observance of the provisions of article 2427, first paragraph, no. 9) of the Italian Civil Code, we provide the following information on commitments, guarantees and contingent liabilities not disclosed in the balance sheet: the company issued sureties through insurance and banking institutions to participate in tenders for a total amount of Euro 11,000 thousand.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

For 2023, there were no significant non-recurring transactions, as defined by Consob Communication no. DEM/6064293 of 28 July 2006, other than those described in the report on operations under significant events in 2023.

TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL ACTIVITIES

The Company did not carry out any significant atypical and/or unusual transactions, as defined by Consob Communications no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006, during 2023 other than those described in the notes to the financial statements and in the report on operations.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE YEAR

On this point, please refer to the report on operations for significant events occurring after the end of the year.

INFORMATION PURSUANT TO ARTICLE 1, PARAGRAPH 125 OF LAW NO. 124 OF 4 AUGUST 2017

Pursuant to art. 1, paragraph 125-bis, of Law no. 124 of 4 August 2017, in compliance with the obligation of transparency, it should be noted that no grants, paid assignments or economic benefits of any kind were received from public administrations.

PROPOSED ALLOCATION OF PROFIT

The separate financial statements of Digital Value S.p.A. for the year ended 31 December 2023 show a net profit of Euro 31,398,363.91 million.

The Board of Directors proposes the following allocation:

- dividend for a maximum total of € 9,471,097.20 (unit dividend of € 0.95 per share)
- profits carried forward € 21,927,266.71.

Rome, 29 April 2024



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