



APPROVAL OF THE DRAFT FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS AT 31st DECEMBER 2019

"Revenue growth of over 22% - well above the market average - generates a double-digit increase in profitability (Ebitda +32.9% - Net income + 28.6%)".

The Board of Directors of Digital Value S.p.A. met today to approve the draft financial statements and the consolidated financial statements as of December 31, 2019.

- **Consolidated revenues: Euro 364.8 million (+22.4% vs. Euro 298.1 million at 31.12.2018)♦**
- **Consolidated Ebitda*: 31.9 million Euro (+32.9% vs. 24.0 million Euro at 31.12.2018)**
- **Consolidated EBITDA Euro 26.8 million (+30.7% vs. Euro 20.5 million at 31.12.2018)**
- **Consolidated net profit: Euro 19.0 million (+ 28.3% vs. Euro 14.8 million at 31.12.2018)**
- **Consolidated Net Cash* for Euro 28,0 million**

Rome, March 26th 2020 - The Board of Directors of Digital Value S.p.A., the parent company of a Group operating in Italy in the ICT solutions and services sector and listed on the AIM market (Ticker DGV), announces that today the draft financial statements for the year ended 31st December 2019 (the "**Draft Financial Statements 2019**") and the consolidated financial statements for the year ended 31 December 2019 (the "**Consolidated Financial Statements 2019**") have been approved.

The 2019 Consolidated Financial Statements, prepared in accordance with the "Regolamento Emittenti AIM Italia/Mercato Alternativo del Capitale" and in compliance with IFRS international accounting standards, show the following results:

♦ In order to allow better comparability of data, the pro-forma consolidated financial statements as at 31.12.2018 have been used as a comparison.

* EBITDA without IFRS16 effect € 31.2 million - Net Financial Position without IFRS16 effect € 30,8 million

Digital Value S.p.A.

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C.F. - P. IVA e Numero Registro Imprese di Roma 10400090964 - REA RM 1554887

Capitale Sociale i.v. 1.490.223,30€



Digital Value ended 2019 with **consolidated net revenues of €364.833 thousand, an increase of 22.4%** compared to the previous year. This result was achieved thanks to the competitive position consolidation of the Group's companies in the reference ICT market (Large Account segment, which cover more than the 50% of the Italian ICT demand), which thus recognised the solutions proposed value and the professional quality of the services provided by the Group's human resources.

The Digital Value Group's **EBITDA amounted to €31.925 thousand** (€0.7 million of which from IFRS16 effect), with **an Ebitda margin of 8.75%** (8.70% without IFRS16 effect) on net revenues and **an increase of 32.9% compared to the 2018 result**, thanks to the increase in revenues and the growing focus on the value added areas of the business. This improvement was achieved thanks to double-digit growth in operating profitability of both subsidiaries Italware S.r.l. and ITD Solutions S.p.A.

Net profit for the period amounted to **Euro 18.976 thousand**, of which Euro 159 thousand generated by minority interests, **an increase of 28.3% compared to 31st December 2018**.

The Net Cash Assets amount to €28,0 million (€30,8 million without the effect of IFRS16) and demonstrates the capability of the Group companies to generate cash.

The individual financial statements of the parent company Digital Value for the year ended 31 December 2019 show a net profit of Euro 4,473 thousand. The Board of Directors proposed not to proceed with any distribution of dividends, preferring in this way to reinvest the resources generated in strengthening the Group's capitalisation and to allocate Euro 224 thousand to the legal reserve and Euro 4,249 thousand to the extraordinary reserve. In this way the Group will find itself in the best financial and equity conditions to face both the situation of general uncertainty caused by Covid19 and to take advantage of the new opportunities that will be generated by the growing need for digitization of the country.

In relation to the consolidated results, **Massimo Rossi, Chairman of the board of Digital Value, comments:** *"I am proud to note that in 2019 Digital Value continued to grow in a measure above the average in its reference market. The strategic choices and efforts made by all of us during 2019 have given largely positive feedback that, on one hand, further strengthen the Group's financial strength and, on the other, put our ICT solutions at the forefront of a market with enormous potential. Even in the first months of 2020, before the emergence of the COVID19 emergency, Digital Value continued its growth progression, with a very positive market response. The current health emergency, although it will certainly have an impact on the 2020 values, has made it quite clear that Italian companies and those around the world must accelerate the path of*

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digitalization of their infrastructures. We are therefore convinced that, in comparative terms, our 2020 performance will be among the least impacted by the effects on the country's economy".

Paolo Vantellini, Chief Executive Officer of Digital Value, states: "The excellent 2019 results increase the strength of Digital Value's capital strength and put the Group in the best position to finance its growth, which until now has been only internal. Digital Value is facing this difficult moment in 2020 with a range of solutions developed with the world's best technology partners. Even at this time of complex market conditions, our order backlog remains consistent and based on long-term relationships with our customers. We will pursue market strategies to respond to a business trend that - once the emergency is over - we expect to be back on the rise, in response to a demand for digitalization services in the Country, especially in the large account sector where Digital Value operates".

Finally, the Board of Directors resolved to convene the Shareholders' Meeting on 29 and 30 April, in first and second call, respectively, to approve the 2019 Draft Financial Statements.

The documentation required by current legislation in relation to all items on the agenda of the said Shareholders' Meeting will be published within the terms and according to the procedures provided by current regulations, on the website www.digitalvalue.it (Investor Relations / Shareholders' Meetings Section).

This press release is also available on the company's website www.digitalvalue.it, as well as at the eMarket Storage website available at www.emarketstorage.com.

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The following tables are attached to this press release (amounts in thousands of Euro)

Annex no. 1 - Reclassified consolidated income statement at 31st December 2019

Annex no. 2 - Reclassified consolidated balance sheet at 31st December 2019

Annex no. 3 - Consolidated cash flow statement at 31st December 2019

Annex no. 4 - Parent Company Income Statement Digital Value S.p.A. at 31st December 2019

Annex no. 5 - Parent Company Balance Sheet Digital Value S.p.A. as at 31st December 2019

Digital Value S.p.A., with offices in Rome and Milan and operating throughout the national territory, is the parent company of a Group including Italy's leading operators in the ICT services and solutions sector, with consolidated profits of €365 million and over 230 employees (source: consolidated financial statements of 31 December 2019). The Group works in the research, design, development and sales of ICT services and solutions for the digitalization of large account clients working in strategic sectors of the country's economy - Telecommunications, Transport, Utilities, Finance,

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Industry and Public Administration - which represents the driving segment of the ICT market (over 50% of total national demand). The result of its significant constant growth, Digital Value embodies a unique range of specialist skills, providing complete coverage of all technological innovation requirements in key market segments. The Group's success is the result of the unique combination of skills, know-how and the specialization of its human resources, as well as its acknowledged ability to plan, implement and manage innovative design solutions that are functional to the digitalization needs of its clients.

For info

| Digital Value S.p.A. | | | CFO SIM S.p.A. | | | Spriano Communication & Partners | | |
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Annex no. 1 - Reclassified consolidated income statement at 31st December 2019

| Reclassified consolidated income statement | 31/12/19 | 31/12/18 | % |
|--|-----------------|-----------------|--------------|
| Revenues from sales and services | 363.204 | 296.241 | 22,6% |
| Other revenues and income | 1.629 | 1.883 | -13,5% |
| Total Revenues and Other Income | 364.833 | 298.124 | 22,4% |
| Product acquisition costs | 299.974 | 231.981 | 29,3% |
| Service costs and rents, leases and similar costs | 38.216 | 33.932 | 12,6% |
| Change in inventories | (19.299) | (5.915) | 226,3% |
| Personnel costs | 13.595 | 13.244 | 2,7% |
| Other operating changes | 422 | 864 | -51,2% |
| Total product acquisition costs and operating costs | 332.908 | 274.106 | 21,5% |
| EBITDA | 31.925 | 24.018 | 32,9% |
| Depreciation and amortisation | 4.286 | 1.924 | 122,8% |
| Doubtful debt provision and risks provision | 578 | 630 | -8,3% |
| EBIT) | 27.061 | 21.464 | 26,1% |
| Financial income and charges | (304) | (982) | -69,0% |
| Impairments on financial assets | 0 | (14) | -100,0% |
| Earnings before taxes (Ebt) | 26.757 | 20.468 | 30,7% |
| Income taxes | 7.622 | 5.695 | 33,8% |
| Net profit | 19.135 | 14.773 | 30,7% |
| <i>Group net profit</i> | 18.976 | 14.753 | 28,6% |
| <i>Minority interest Net Profit</i> | 159 | 20 | 695,0% |

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Annex no. 2 - Reclassified consolidated balance sheet at 31st December 2019

| Reclassified Consolidated Balance Sheet | 31/12/19 | 31/12/18 | % |
|--|-----------------|-----------------|----------------|
| Intangible assets | 1.285 | 284 | 352,5% |
| Goodwill | 13.561 | 13.561 | 0,0% |
| Property, plant & equipment | 33.020 | 3.919 | 742,6% |
| Investments | 13 | 13 | 0,0% |
| Other non-current assets and deferred tax assets | 42 | 34 | 23,5% |
| Total non-current assets | 47.921 | 17.811 | 169,1% |
| Inventories | 31.562 | 13.234 | 138,5% |
| Trade receivables | 84.291 | 82.948 | 1,61% |
| Other current assets | 108.704 | 89.719 | 21,2% |
| Current assets | 224.569 | 185.901 | 20,8% |
| Trade payables | 223.282 | 172.079 | 29,8% |
| Other current payables | 5.551 | 10.792 | -48,5% |
| Current liabilities | 228.833 | 182.871 | 25,1% |
| Net working capital | 43.657 | 3.030 | 1340,8% |
| Provisions and other non-current tax liabilities | 2.089 | 2.052 | 1,80% |
| Non-current net liabilities | 2.089 | 2.052 | 1,80% |
| Net Capital Employed | 41.568 | 18.789 | 82,2% |
| Group net equity | 69.440 | 50.583 | 37,2% |
| Equity attributable to minority interests | 160 | 22 | 627,3% |
| Medium-term Net Financial Position | 1.584 | 4.030 | -60,6% |
| Short-term Net Financial Position | (29.616) | (35.846) | -17,3% |
| Tot. Net Financial Position (Net Liquidity) | (28.032) | (31.816) | 11,8% |
| Own funds & Net Financial Position | 41.568 | 18.789 | 121,2% |

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Annex no. 3 - Consolidated cash flow statement at 31st December 2019

| A. Cash flow from operating activities (indirect method) | 31/12/2019 |
|--|-------------------|
| Profit / (loss) before taxes | 26.757 |
| Interest charges / (income)) | 304 |
| (Profit) / loss of companies valued at equity | 0 |
| 1. Profit / (loss) for the period before taxes, interest, dividends and gains/losses from disposals | 27.061 |
| Accruals to provisions | 787 |
| Amortisation & depreciation | 4.286 |
| Doubtful debt provision | 398 |
| Other non-cash adjustments | 0 |
| <i>Total non-cash adjustments</i> | <i>5.471</i> |
| Cash flow before working capital changes | 32.532 |
| Decrease / (increase) in inventories | (18.328) |
| Decrease / (increase) in trade receivables | (1.343) |
| Increase / (decrease) in trade payables | 49.199 |
| Changes in accruals and deferrals | (33.470) |
| Other changes | 12.648 |
| <i>Total changes in net working capital</i> | <i>8.706</i> |
| 3. Cash flow after changes in net working capital | 41.238 |
| Interest received / (paid) | (304) |
| (Income taxes paid) | (9.018) |
| Dividends received | 0 |
| Utilisation of provisions | (752) |
| <i>Total other adjustments</i> | <i>(10.074)</i> |

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| | |
|---|-----------------|
| Cash flow from operating activities (A) | 31.164 |
| Cash flow from investing activities | |
| (Investments) in property, plant & equipment | (32.956) |
| (Investments) in intangible assets | (1.431) |
| (investments) in financial assets | 0 |
| Disposal price of tangible, intangible & financial assets | 0 |
| (investments) in non-current financial assets | (11) |
| Sales price of disposal | 0 |
| Cash flow from investing activities (B) | (34.398) |
| Cash flow from financing activities | |
| Increase / (decrease) in short-term bank payables | 19.744 |
| Drawdown / (repayment) of loans | (2.346) |
| Increase / (decrease) in paid-in share capital / (reimbursement) | 65 |
| (Dividends and advances on dividends paid)) | 0 |
| Cash flow from financing activities (C) | 17.463 |
| Increase / (decrease) in cash and cash equivalents (A +/-)B +/-)C) | 14.229 |
| Cash & Cash equivalents at end of period | 54.890 |
| Cash & cash equivalents at beginning of the period | 40.661 |

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Annex no. 4 - Parent Company Income Statement Digital Value S.p.A. at 31st December 2019

| Income Statement | 31/12/19 | 31/12/18 | % |
|---|-----------------|-----------------|---------------|
| Revenues from sales and services | 1.910 | 420 | 354,8% |
| Other revenues and income | 1 | 0 | |
| Total Revenues and Other Income | 1.911 | 420 | 355,0% |
| Product acquisition costs | 9 | 0 | |
| Service costs | 1.474 | 778 | 89,5% |
| rents, leases and similar costs | | 0 | |
| Personnel costs: | 922 | 151 | 510,6% |
| Amortisation intangible assts | 4 | 4 | 0,0% |
| Amortisation tangible assts | 0 | 0 | |
| provisions for risks | 80 | 0 | |
| other provisions | 0 | 0 | |
| Other operating changes | 13 | 2 | 550,0% |
| Total product acquisition costs and operating costs | 2.502 | 935 | 167,6% |
| Difference between value and cost of production | (591) | (515) | 14,8% |
| other financial income: | 0 | 0 | |
| income other than the above: | 0 | 0 | |
| from other companies | 0 | 0 | |
| interest and other financial charges: | | | |
| foreign exchange gains and losses | 0 | 0 | |
| Income from equity investments | | | |
| from subsidiaries | 5.000 | | |
| Financial income and charges | 5.000 | 0 | |
| Profit before taxes (A - B \pm C \pm D \pm E) | 4.409 | (515) | 956,1% |
| Income taxes | (63) | 0 | |
| Net profit for the period | 4.473 | (515) | 968,6% |

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Annex no. 5 - Parent Company Balance Sheet Digital Value S.p.A. as at 31st December 2019

| Balance Sheet | 31.12.19 | 31.12.18 | % |
|---|-----------------|-----------------|---------------|
| ASSETS | | | |
| Intangible fixed assets: | 17 | 21 | -19% |
| Tangible fixed assets: | 0 | 0 | |
| Financial fixed assets: | 34.810 | 34.810 | 0% |
| TOTAL FIXED ASSETS | 34.828 | 34.831 | 0% |
| Credits: | 7.630 | 486 | 1470,0% |
| Financial assets that do not constitute fixed assets: | | | |
| Cash and cash equivalents: | 284 | 1.282 | -77,8% |
| CURRENT ASSETS | 7.913 | 1.768 | 347,6% |
| ACCRUALS AND DEFERRALS | 33 | 45 | -26,7% |
| TOTAL ASSETS | 42.774 | 36.644 | 16,7% |
| LIABILITIES | | | |
| Share capital | 1.554 | 1.490 | 4,3% |
| Share premium reserve; | 34.883 | 34.883 | 0% |
| Profit/loss carried forward; | (724) | 0 | |
| Profit/loss for the year. | 4.473 | (515) | -980,2% |
| EQUITY | 40.186 | 35.858 | 12,2% |
| PROVISIONS FOR RISKS AND CHARGES | 140 | 0 | |
| SEVERANCE INDEMNITY | 132 | | |
| trade payables; | | | |
| - due within 12 months | 370 | 521 | -29,0% |
| - due within 12 months | 41 | 126 | -67,5% |
| tax debts; | | | |
| - due within 12 months | 1.728 | 61 | 2732,8% |
| debts to social and security institutions | | | |
| - due within 12 months | 81 | 10 | 710,0% |
| other debts. | | | |
| - due within 12 months | 49 | 67 | -26,9% |
| DEBTS | 2.269 | 785 | 189,0% |
| ACCRUALS AND DEFERRALS | 47 | 0 | |
| TOTAL LIABILITIES | 42.774 | 36.644 | 16,7% |

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