

BOARD OF DIRECTORS AND CONTROLLING BODIES

Chairman and Chief Executive Officer

Mario Rizzante

Chief Executive Officer

Tatiana Rizzante

Executive Directors

Filippo Rizzante

Daniele Angelucci

Claudio Bombonato

Elena Maria Previtiera

Fausto Forti ⁽¹⁾ ⁽²⁾ ⁽³⁾

Secondina Giulia Ravera ⁽¹⁾ ⁽²⁾

Francesco Umile Chiappetta ⁽¹⁾ ⁽²⁾

Board of Statutory Auditors

President

Giorgio Mosci

Statutory Auditors

Piergiorgio Re

Ada Alessandra Garzino Demo

Auditing firm

PwC S.p.A.

(1) Directors not invested with operational proxies

(2) Independent Directors according to the Corporate Governance code drawn up by the Committee for Corporate Governance

(3) Lead Independent Director

This report has been translated into English from the original Italian version, in case of doubt the Italian version shall prevail.

THE GROUP'S FINANCIAL HIGHLIGHTS (*)

ECONOMIC FIGURES (THSD EUROS)	2019	%	2018	%	2017	%
Revenue	1,182,528	100.0	1,035,793	100.0	884,434	100.0
Gross operating income	191,307	16.2	144,836	14.0	123,244	13.9
Operating income	155,324	13.1	132,410	12.8	113,873	12.9
Income before taxes	161,419	13.7	139,217	13.4	110,310	12.5
Group net income	113,858	9.6	99,913	9.6	77,871	8.8

FINANCIAL FIGURES (THSD EUROS)	2019	2018	2017
Group shareholders' equity	583,722	485,297	401,404
Non-controlling interest	3,339	1,315	668
Total assets	1,307,913	1,076,104	871,154
Net working capital	87,390	145,288	167,870
Net invested capital	482,030	420,060	345,041
Cash flow	202,793	119,835	73,202
Net financial position	105,031	66,552	57,030

DATA PER SHARE	2019	2018	2017
Number of shares	37,411,428	37,411,428	37,411,428
Operating income per share	4.15	3.54	3.04
Net income per share	3.04	2.67	2.08
Cash flow per share	5.42	3.20	1.96
Shareholders' equity per share	15.60	12.97	10.73

OTHER INFORMATION	2019	2018	2017
Number of employees	8,157	7,606	6,456

(*) Reply applied the new Accounting Standard IFRS 16 prospectively from January 1, 2019 without restatement of comparative data.

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

2019 has been a very positive year for Reply: Our sales have exceeded 1,180 million Euros, with net profit growing by more than 14% over the figures obtained at the end of 2018.

Reply's key strength is its ability to interpret digital innovation, making it functional to the needs of companies. 2019 in particular, was characterised by the important development of all our main product and service lines: Cloud, IoT and related products, data platforms and digital experience platforms. Over these 12 months, we have also witnessed an exponential growth in the demand for new applications related to the use of artificial intelligence, an area in which Reply has long shown a continued commitment and in which it has acquired a leadership position.

In 2019, our Group has become an important point of reference, not only in the technological field, but also in the main processes of change that all companies have introduced in order to be able to face increasingly global and interconnected contexts. The rapid evolution of digital technologies is, in

fact, driving the emergence of new markets and competition models, in turn triggering a profound transformation in all industrial and service sectors. These profound changes are made possible, and often accelerated, by the increasing diffusion of new technological paradigms such as artificial intelligence and cloud computing, towards which the entire world economy is moving.

However, we are only at the beginning of a very long journey, and the implications of what can be referred to as the industrial revolution of the 21st century appear to be extremely profound, even and especially in our sector.

Innovation will increasingly stem from the fusion between business and technology which does not readily fit traditional models. Soon, our daily lives will be increasingly made up of more intelligent machines and systems. We will live in ecosystems based on collaboration between humans and robots and immersed in a new reality, a synthesis of the internet, connected objects, artificial intelligence and virtual environments. It is precisely on these grounds that Reply is moving forward.

Reply's mission has always been to interpret new technologies and make them functional to the needs of its customers, as quickly as possible. Based on this principle, we have built a Group made up of highly specialised companies, capable of supporting organisations in a transformation path which, starting from technology, redefines the business models and the underlying competitive levers.

This ability to keep up with innovation is the result of a continuous commitment to the search for the very best people to include in our Group, for synergistic relationships with leading universities, as well as continuous investments in the evolution of our skills, both process-related and technological.

Today we are experiencing a situation heavily influenced by the effects of the global COVID-19 pandemic, causing upheavals in business operations, as well as sudden changes in people's everyday lives. The overall impact of this pandemic is not yet known, and the coming months will present us with unforeseen challenges. We will have to meet these challenges in a different way from what we are used to, but always with a great sense of responsibility, balance and responsiveness.

Reply is well-equipped to react to these new circumstances: our systems are in the cloud and we have advanced individual productivity tools that have allowed us to instantly reconfigure all our activities into "smart-working" mode. This guarantees the safety of our people as well as the continuity of our services. Our financial strength also allows us to face with confidence the inevitable difficulties that the coming months will present.

We have days of great work ahead of us, in which team spirit, continuous ability to innovate and meticulous attention to our customers will be more important than ever.

Chairman of the Board

Mario Rizzante

