

Board of Directors and Controlling Bodies

**Chairman and
Chief Executive Officer**

Mario Rizzante

Chief Executive Officer

Tatiana Rizzante

Executive Directors

Filippo Rizzante

Daniele Angelucci

Marco Cusinato

Elena Maria Previtiera

Patrizia Polliotto ⁽¹⁾ ⁽²⁾ ⁽³⁾

Secondina Giulia Ravera ⁽¹⁾ ⁽²⁾

Francesco Umile Chiappetta ⁽¹⁾ ⁽²⁾

Board of Statutory Auditors

President

Ciro Di Carluccio

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

The Group's financial highlights

ECONOMIC FIGURES (THSD EUROS)	2021	%	2020	%	2019	%
Revenue	1,483,803	100.0	1,250,191	100.0	1,182,528	100.0
Gross operating income	262,784	17.7	207,936	16.6	191,307	16.2
Operating income	209,283	14.1	169,531	13.6	155,324	13.1
Income before taxes	213,279	14.4	162,054	13.0	161,419	13.7
Group net income	150,672	10.2	123,598	9.9	113,858	9.6
FINANCIAL FIGURES (THSD EUROS)			2021		2020	2019
Group equity			813,269		675,039	583,722
Non-controlling interest			2,625		918	3,339
Total assets			1,847,020		1,506,568	1,307,913
Net working capital			(42,614)		(21,565)	74,317
Net invested capital			622,683		517,296	482,030
Cash flow			207,578		229,028	202,793
Net financial managerial position ^(*)			193,212		158,661	105,031
DATA PER SHARE (EUROS)			2021		2020	2019
Number of shares			37,411,428		37,411,428	37,411,428
Operating income per share			5.59		4.53	4.15
Net income per share			4.03		3.30	3.04
Cash flow per share			5.55		6.12	5.42
Shareholders' equity per share			21.74		18.04	15.60
OTHER INFORMATION			2021		2020	2019
Number of employees			10,579		9,059	8,157

(*) for ESMA net financial indebtedness see Note 30.

Letter to shareholders

Dear Shareholders,

2021 has been a very positive year for Reply: our sales have exceeded 1480 million Euros, with a net profit increase of over 18% in comparison to the 2010 outcome.

In the last few months Reply's strength has been highlighted precisely in our ability to interpret digital innovation and make it functional to suit the needs of companies in different sectors. In 2021 we focused on developing all our main product and service lines: Cloud, IoT and connected products, data platforms, digital experience platforms and cybersecurity solutions.

We have also witnessed an exponential growth in demand for new applications related to the use of artificial intelligence; an area in which Reply has long demonstrated a continued commitment.

All this, however, took place in a challenging, unexpected and, in some ways, revolutionary context. The last two years – very complex ones which have presented unprecedented difficulties – have led to an incredible acceleration in the introduction of innovation in all sectors. Even the most traditional and conservative industries have reacted to the pandemic with large investments in technology - to digitalise their processes and services.

This new way of living and working is irreversible and, for companies such as ours, this awareness opens up new opportunities for growth and development. We are now witnessing the transition from the reaction phase to the planning and rationalisation phase for all future activities.

High-speed communication software infrastructure, e-commerce, new digital experiences and a strong push towards automation will constitute the foundations of the economy in the coming years.

Sectors such as the automotive industry will be moving towards a future that involves automation, connected systems, self-driving vehicles and widespread electricity distribution networks. The banking sector will find it more necessary than ever to develop consolidated models, given the double impetus of the digitalisation of currencies and the increasingly central role of the customer. To do so, this sector will need to invest in technologies such as cloud and AI, including its core systems and to rethink and redesign the sector's legacy architectures and processes.

Even the most advanced sectors that currently use digital technologies – such as retail – will continue to invest in technology, particularly in data-based behavioural

analysis, in customer relationship platforms and in the design of new interfaces based on AR/VR.

This evolution is heading in many different directions. For example, artificial intelligence, robotics and the Internet of Things will change. The change will come not only to the products themselves, but also the way they are designed and manufactured, thus significantly altering today's factories and production, distribution and after-sales processes.

Another factor that will affect all sectors is undoubtedly that of sustainability: a concept that today is still somewhat abstract, but one that will quickly become increasingly more prevalent in the choices and decisions of companies. At Reply, we feel the responsibility towards future generations very strongly and, although we operate in a sector with a low environmental impact, our commitment is unwavering. We are working to both minimise our emissions over the next few years, and to define a series of consultancy and technological services to offer to companies, in order to support their net-zero transition.

Unfortunately, the future is still uncertain at this stage: while the health emergency

appears to be under control in the countries where we operate, the recent war outbreak on Europe's eastern borders is heightening tensions in all the major markets, with medium- and long-term consequences that can hardly be foreseen.

More than ever, agility and speed will be the key variables for the success of any business. Our ability to be competitive will thus be closely linked to our capacity to experiment and innovate quickly, to learn rapidly from our company's experience, and in time, to bring new products and services to the market.

The results achieved in 2021, together with the financial solidity of our Group, allow us to confidently look forward to the challenges that the market will present in the coming years. Nevertheless, our commitment is and will continue to be stronger than ever, ensuring that the company can capitalise on each moment of strong discontinuity and translate it into new value for Reply's shareholders, its employees and its customers.

Mario Rizzante

