

REPLY





Reply specialises in the design and implementation of solutions based on new communication channels and digital media.

With a consolidated presence at an international level, Reply stands out for its ability to guide companies in the digital transformation process, through the new technological paradigms of Artificial Intelligence (AI), Big Data, Cloud Computing, Digital Media and the Internet of Things (IoT).

Reply is characterised by:

- ▶ a **culture** oriented towards technological innovation;
- ▶ a flexible **structure**, capable of anticipating market developments and interpreting new technological drivers;
- ▶ a delivery **methodology** with proven success and scalability;
- ▶ a **network** of companies specialised in areas of expertise;
- ▶ a **team** made up of specialists from the best universities;
- ▶ a highly experienced **management team**;
- ▶ continuous **investment** in research and development;
- ▶ a network of long-term **relationships** with its customers.

## The organisational model

With over 14,000 employees\*, Reply operates with a network structure made up of companies that specialise in the fields of processes, applications and technologies, which represent excellence in their respective areas of expertise.

\*(31 December 2023)

### Processes

For Reply, understanding and using technology means introducing a new enabling factor to processes, thanks to an in-depth knowledge of the market and the specific industrial contexts of implementation.

### Applications

Reply designs and creates software solutions aimed at meeting the needs of the company's core business, in various industrial sectors.

### Technologies

Reply optimises the use of innovative technologies, creating solutions capable of guaranteeing customers maximum efficiency and operational flexibility.

## Reply services

In every Reply project, strategy, creativity, and consultancy converge synergistically to create concrete solutions that respond to the challenges of each sector with an integrated approach.

Reply services include:

- ▶ strategic, communication, design, process and technological **consultancy**;
- ▶ **system integration** to make the best use of potential technology, combining business consultancy with innovative technological solutions with high-added value;
- ▶ digital services based on new communication channels and digital trends.







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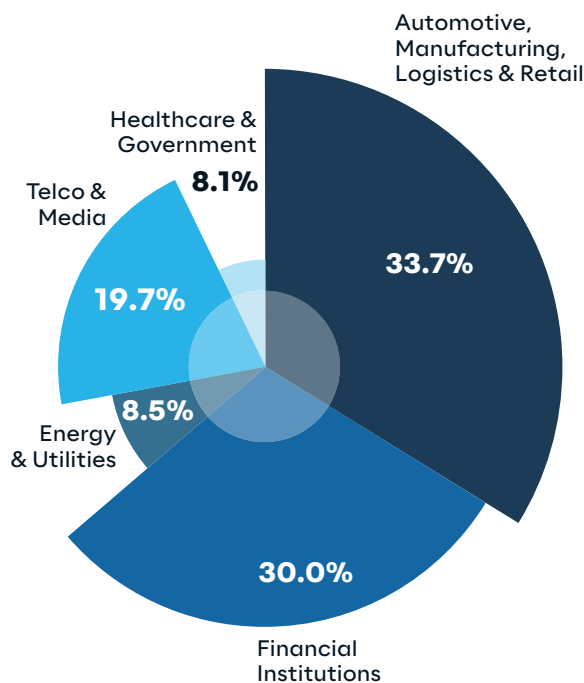




# INDUSTRY FOCUS

Leveraging its network model, Reply combines a deep understanding of key industry sectors with the expertise to guide customers through technological evolution, ensuring long-term sustainable growth.

Annual financial report 2023



## Automotive

In a highly competitive market, characterised by the entry of new players and the introduction of important innovations in the field of electrification and digitalisation of the sector, Reply supports the main car manufacturers with projects that cover all phases of

engineering, production processes, logistics and commercial. In 2023, we confirmed and expanded our role as a strategic partner for the digitalisation of production and maintenance activities, as well as for the design and implementation of advanced connectivity systems and services, both on board the vehicle and for the end customer.

Reply provides integrated support to companies in the sector which ranges from the logistical management of supplies and raw materials to the planning and execution of production, also covering the distribution and after-sales assistance phases, up to the creation of financing services for the direct purchase to the end customer.

Furthermore, thanks to its proprietary platforms (LEA Reply for logistics and Brick Reply for production execution systems) and expertise in cloud computing and artificial intelligence, Reply develops customised solutions to actively contribute to the transformation of the entire supply chain.







The aim is to optimise production processes and support decisions with business intelligence platforms.

2023 saw Reply involved in important projects in the V2X (Vehicle-to-everything) field for the creation of connectivity solutions with the electricity grid, the evolution towards autonomous driving and the digitalisation of the vehicle (Software Defined Vehicle), alongside customers in transforming their services and infrastructure globally.

By introducing AI, it has contributed to innovating vehicles, increasing their sustainability (thanks to more efficient battery management), comfort and on-board safety (with anti-drowsiness sensors, for example). Membership of the main international consortia such as Catena-X has allowed Reply to further develop its innovative vision by extending its skills in the automotive sector.

Various project lines have focused on the design and implementation of new interfaces to be used on board the vehicle and in commercial processes. The use of voice conversational systems, integrated with generative artificial intelligence, is in fact growing both in the interaction between driver and vehicle and in the digital configurators offered by car manufacturers in the pre-sale phase. Furthermore, Reply is collaborating with some large industrial groups in the sector, helping them to develop new business and distribution models, to optimise and specialise their territorial presence with direct-to-consumer sales models.

## Energy & Utilities

Reply operates in the Energy & Utility sector, supporting the main global and European players in the transformation of their business toward energy transition. This occurs through the design and implementation of vertical applications based on IoT, artificial intelligence and cloud computing. Driven by carbon neutrality objectives at a global level, the main operators are in fact investing in technological innovation projects to increase their resilience.

The skills and solutions that Reply makes available to players throughout the supply chain, range from the optimisation of renewable energy production to the management of assets and smart grids, up to the management of energy flexibility and electric mobility. These new tools allow the processes of forecasting and monitoring the energy component to evolve, optimise operations and activate new services and interaction models with end customers and businesses.

The ongoing transformation of the transport ecosystem is increasingly oriented towards smart mobility models and V2X scenarios, this is pushing energy service companies to offer integrated digital solutions for the automatic management of production, storage, along with the conscious and optimised use of energy. Reply is involved

The Reply Group has been recognised as "Industry Partner of the Year Energy and Utilities Global 2023" by AWS



in projects that concern both the creation of new application architectures for the development of charging infrastructure, processes, and the creation of systems that enable new models of energy flexibility and management of energy communities.

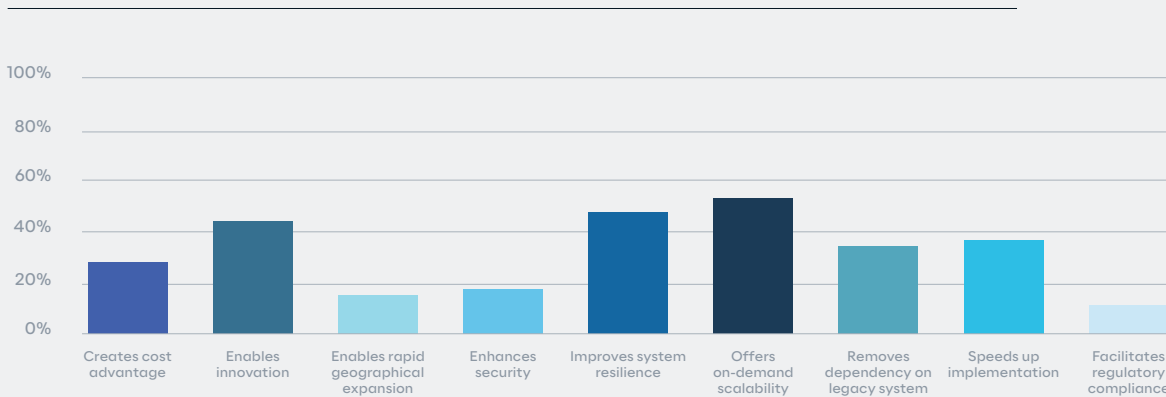
## Financial Institutions

By leveraging specialist skills in the financial sector, in synergy with experience in designing and implementing AI and cloud-based solutions, in 2023 Reply consolidated its role as a strategic partner for the main European financial institutions. The teams of specialists, with significant vertical application and functional skills, have accompanied banks, insurance companies, asset & wealth managers and companies specialised in the consumer credit sector in experimenting and then bringing into production innovative solutions in the commercial, transactional and governance fields.

The Group has leveraged its ability to design and implement solutions that involve the entire application and infrastructure stack of financial institutions, starting from the definition of new AI-based architectures up to cloud migration projects for critical systems. Particular attention was paid to the evolution of core systems: on the one hand, using AI to accelerate legacy modernisation; on the other, assisting customers in the adoption of completely new, efficient, and cloud-based core systems.

Alongside the evolution of the areas in which Reply has long had a European leadership role, such as mobile/digital banking, risk management, regulatory reporting and innovative investment services, 2023 saw the consolidation of AI-driven solutions in different business contexts, such as procurement and cybersecurity. The use of generative artificial intelligence has also enabled several use cases: for example, Reply customers can now independently

### Percentage of Financial Institution Managers who cited the top 3 benefits of cloud computing (118 respondents)



Source: Reply Study "Cloud in Financial Services - Second Edition: August 2023"



extract ESG KPIs from financial reports, optimise the operational efficiency of call centre operators, evaluate the risk profiles of policyholders and use large language models (LLM) and text-to-image models to make their marketing and communication activities more effective.

## Government & Healthcare

The Reply approach in the public administration and healthcare sector is characterised by the ability to integrate artificial intelligence and cloud computing technologies into existing infrastructures, thus ensuring that operators can benefit from data-driven decision-making capabilities and advanced automation, to transform and optimise procedures, improve services to citizens and patients and promote more agile and effective management of resources. This not only accelerates decision-making and operational processes but also contributes to an ever-increasing personalisation of services. Collaboration with central and local public administration bodies is focused on the activation of services linked to critical national infrastructures, which are fundamental for the correct functioning of the government, the country, and the economy.

In the healthcare sector, the Reply offering has further expanded with the development of artificial intelligence solutions for predictive and precision medicine, radiomics and digital pathology. The Group continues to invest in technologies that allow large volumes of biomedical data to be interpreted, improving the capacity for early

diagnosis, personalisation of treatments and continuous patient monitoring. Furthermore, 2023 saw further strengthening in the field of interoperability and data security, as Reply considers the creation and maintenance of digital ecosystems to be of paramount importance, secure, reliable and easily accessible for all stakeholders.

Privacy protection and data security are central elements in Reply's proprietary solutions and platforms, ensuring that innovation is introduced in an ethical and responsible manner. An example of such solutions is those developed to support medicine verification activities in compliance with the EU Falsified Medicines Directive (FMD) adopted by the Finnish Medicines Verification Organisation (FIMVO).

## Logistics

In 2023, Reply continued to invest in the development of its LEA Reply platform, which constitutes the heart of its 360° supply chain management offering: warehouse management & fulfilment to planning and visibility, transport management and the decarbonisation of supply chains. The solution, which has been positioned among the global leaders in logistics and WMS (Warehouse Management System) by various market analysts, today supports important e-commerce platforms and the omnichannel of customers in various industries such as automotive, fashion, retail, food & beverage.

LEA Reply allows you to optimise both man-operated and highly automated contexts, thanks to the possibility of integrating and controlling autonomous



The LEA Reply solution was recognised as “Visionary” in the “Gartner Magic Quadrant for Warehouse Management Systems 2023” Report

systems, robots and drones, with a significant increase in capabilities and 24x7 coverage. The introduction of additional artificial intelligence and machine learning capabilities into LEA Reply has enabled logistics operators to have greater visibility of goods across supply chains.

The proactive management of logistics flows, made possible by an increasingly broad and efficient use of data, allows performance to be optimised, with positive impacts on business results, sustainability and the ecological impact of operations. Furthermore, the ability offered by LEA Reply to create advanced Supplier Portals allows companies to establish and evolve ecosystems to optimise supply chain collaboration.

## Manufacturing

Reply supports the digital transformation that has been characterising the industrial sector in recent years, making procurement, production and maintenance processes smarter and more interconnected. Through the integration of automation, sensors and data collected from plants, factories become agile, dynamic and adaptable ecosystems. The adoption of artificial intelligence in this context leads to more informed decisions, optimising costs and raising both the efficiency and quality of production.

In 2023 Reply accompanied numerous industrial groups in the adoption of cloud-native digital platforms (Digital Manufacturing Platforms) and the introduction of Industrial IoT solutions. Procurement, control and planning systems such as ERP, MOM and MES, enhanced with artificial intelligence capabilities and based on cloud-native modular architectures, are relevant areas, in which Reply has continued to support industrial companies in their complex transformation process and decarbonisation. Reply’s expertise ranges from product life cycle management strategy to production processes, also thanks to consolidated experience in the implementation of solutions from leading vendors such as Microsoft, Oracle, SAP, and Dassault.

The Reply portfolio of solutions, specific for the manufacturing sector, integrates innovative platforms and proprietary accelerators, such as Brick Reply (Manufacturing Execution System) and Axulus Reply (Industrial IoT), with tailor-made formulas that combine edge computing and computer vision in an advanced way. These digital applications, enriched by artificial intelligence and perfectly integrated into production plants, thanks to modular architectures and interconnected services, demonstrate Reply’s commitment to promoting the optimisation of industrial processes through technological innovation.



## Retail & Luxury

During 2023, Reply led relevant global players in the retail and luxury sectors, along the entire value chain: from the design and implementation of omnichannel, physical and digital sales solutions, to the setup and evolution of logistics networks; from the efficiency of operations to the commercial development of B2C and B2B customers. Thanks to its vertical skills, Reply professionals support customers in the study of solutions and processes to optimise investments and, at the same time, introduce elements of discontinuity to make the company scalable towards new operational and business models.

Particular emphasis was given to the introduction and enhancement of artificial intelligence in various fields: from distribution processes to commercial and organisational ones. Solutions such as recommendation engines, dynamic price optimisation, advanced inventory management, conversational customer engagement and communication systems have been supported by extensive use of Generative AI in marketing and communication, with successful experiences in the industries of luxury, consumer goods and large-scale retail trade.

The main luxury, fashion, retail and consumer goods brands are investing significantly in areas that influence, in more or less direct ways, the customer experience, in particular during the purchasing process on the different channels available. Reply has been involved in projects within physical stores, through the optimisation of processes

and the digitalisation of operational and clienteling tools, as well as in the creation of virtual and holographic experiences, to give 3D even more emphasis. Reply has managed to bring its customers into contact with cutting-edge technologies and to experiment with the potential of AI, whose strong architectural, application, process and change management implications are starting to be seen.

## Telco & Media

Reply is alongside the main telecommunications company groups in tackling their transformation into software-based operators. This process begins with redefining application architectures to prepare them to adopt AI-based technologies and introduce new services to monetise their core assets, such as network and connectivity. The review of Business Support Systems (BSS) continues, from a composable and OTT-like perspective, open to the new frontier of AI, to enable business-centric evolutions. Reply has also built a strong position in the infrastructure areas, specialising in Network Engineering, Network Operations as well as Network Testing & Validation.

Telcos are undergoing an extremely rapid evolution: applications, architectural, and development paradigms must adapt equally rapidly. Reply is supporting them in the transition from traditional CRM systems towards Customer Knowledge paradigms. Operational functions and traditional workflows can be integrated with tasks and sub-tasks performed by agents trained based on corporate and specialised







knowledge for atomic use cases. Telco service interfaces will become increasingly hybrid, conversational and programmatic, automatically generated by large language models.

In the media sector, Reply works alongside the main European publishers both in the rethinking of business models and in operations. By leveraging its assets, such as the Discovery Reply asset management platform, and vertical skills in domains such as security, Reply has supported the creation of network operations centres, highly innovative studios and systems for the valorisation and distribution of multimedia assets. The Group's specialised companies and agencies also accompanied companies in the sector with the creation of content, especially in the 3D, mixed reality and social media fields.





# AI-DRIVEN INNOVATION

With the significant experience gained over the last decade in artificial intelligence technologies, Reply has managed to enhance its customers' investments in Generative AI in 2023, supporting them both in daily operations and in the innovation path towards new business models.

## Knowledge Management & Digital Humans

Managing knowledge thanks to artificial intelligence means not only transforming the way data is accessed and information extracted but also rethinking decision-making processes and the way organisations work. Supported by generative artificial intelligence, document management, and knowledge management activities, in addition to simplifying data collection and management, allow the autonomous generation of information that is useful for improving both internal processes and interactions with end customers. The reliability of these solutions, however, depends on the quality of the data and information used in their configuration and

interrogation, underscoring the need to carefully contextualise these systems. Reply is supporting companies in the enterprise-level use of large language models, through customisation and the extension of their knowledge on the specialised topics specific to each sector. To do this, it designed the MLFRAME Reply framework which applies a proprietary methodology of database analysis, algorithm training and results validation, to quickly create conversational generative models applicable to specific corporate knowledge domains. This framework acts as an engine that allows us to extract, through natural language, knowledge before reaggregating it and redistributing it in a conversational form, enabling the artificial intelligence component that is

the basis of the new generation of “human-like” interaction systems, such as digital assistants.

In fact, the method of querying corporate knowledge assumes considerable importance. One of the solutions that is experiencing particular interest is that of AI-driven “digital humans” to manage specific knowledge domains. These digital figures, which allow fluid interaction in natural language, thanks to real-time 3D and graphic hyperrealism technologies, reproduce the physical appearance of a human, his movements and the complexity of emotions and expressions. The digital humans created by Reply in 2023 stood out for their extreme customisation (of appearance, personality and competence), responded to specific branding needs and were used with employees, customers and other stakeholders in a wide variety of contexts: entertainment, education, online services, marketing and healthcare. Among the various projects carried out in this domain, it is possible to mention the launch, in collaboration with the Einaudi Foundation, of the digital human by Luigi Einaudi, Italian intellectual and Head of State.

“Pensiero Liberale, Dialogo Attuale” is the project launched in 2023 by the Luigi Einaudi Foundation, the Compagnia di San Paolo Foundation and Reply to make Luigi Einaudi’s economic thought accessible to all through a conversation with his Digital Human.

## AI-Powered Experiences

In the context of customer experience, Reply is applying artificial intelligence technologies to rethink customer engagement processes, from pre-sales and sales to post-sales, redefining the relationship with each product and service, thanks to immersive and hyper-personalised experiences.

The Reply Group was recognised as a “Leader” in the Lünendonk report “The Market for Digital Experience Services in Germany 2023

During 2023, Reply explored the opportunities offered by large language models, text-to-image models and synthetic data to create and manage successful campaigns and new communication models that combine a high possibility of content profiling and respect for privacy and the security of customer data. In fact, AI extends the creative possibilities of designers and content creators while at the same time facilitating the downstream consumption of digital content on a global level, also in the field of employment branding & engagement.

Thanks to Reply’s distinctive network model, the Group’s communication agencies are working in strong synergy with technology companies specialised in artificial intelligence and machine learning, both to offer companies new ways of interacting with B2B and B2C customers and in making the processes of optimising the production



and distribution of content generated on the various communication channels more effective.

## Automation

The use of generative Artificial Intelligence in the management of corporate knowledge is redefining the approach to workers' daily tasks, allowing them to achieve a significant increase in their productivity. Reply is supporting client companies both in the preparation and optimisation of the information underlying the "copilots" created through the specialisation of the Large Language Model and in the implementation of application suites that accelerate daily work in the office and in hybrid work mode.

With Generative AI, the focus is progressively broadening from the automation of the simplest operations to the end-to-end digitalisation of entire processes, not just operational ones. During 2023, Reply specialists were able to create several copilots and accelerators in sectors such as Banking, Telco, Insurance and for organisational areas such as procurement and logistics, which integrate AI models with the platforms offered by a large ecosystem of partners specialised in hyper-automation. Particular attention was paid to change management activities to ensure that copilots become co-workers in all respects and are appreciated and increasingly adopted by organisations.

However, the most disruptive aspect of AI is its entry into the physical world. This means building components and systems

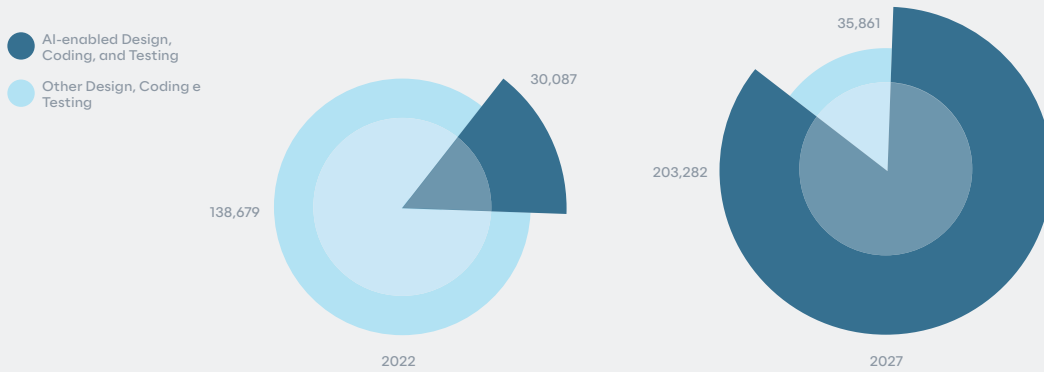
to make the physical world intelligent and autonomous, such as intelligent machines or objects capable of moving on wheels, using robotic legs or flying, as well as interacting with the space around them. Reply is experimenting with how to apply different classes of algorithms to bring innovation to services and products in very different sectors, such as the management of self-driving vehicles or new edge communication networks, to create an always-connected ecosystem in which to live and work.

## Software Development

One of the areas in which the copilot concept has reached considerable maturity during 2023 is application development. Reply's activity has been particularly oriented towards the study and design of the next generation of information systems, thanks also to the public release and rapid adoption of numerous tools that support and integrate development activities with generative artificial intelligence technologies. These platforms are changing the nature of developers' work, allowing them greater productivity and visibility across the entire application development cycle, from analysis to design, up to testing & fixing and maintenance.

In this context, Reply has created a proprietary framework, KICODE Reply, which, thanks to a system of autonomous agents, uses generative AI to manage both IT and functional software development activities based on natural language commands. The contribution of AI ranges from the collection and systematisation of requirements in specifications and

## Comparison of investments in AI-supported software development compared to the total in the panel (12 countries, million Euros)



Source: PAC-Reply data from Reply Research "AI for Software Development" (panel: USA, China, United Kingdom, France, Germany, India, Italy, Netherlands, Brazil, Belgium, Poland and Romania)

user stories to project management, from writing routine code to the preparation and execution of test cases, up to the management of release cycles and control of the integrity of the code, allowing you to automate repetitive tasks and increase the overall efficiency and quality of the software.

Artificial intelligence, in addition to facilitating the automation and rapid migration of critical systems towards modern architectures, introduces new application perspectives. Reply is supporting customers in creating applications that are conceptually different from existing ones, bringing conversational interaction to the transactional sphere as well. This paradigm shift not only optimises processes but extracts untapped value from legacy infrastructures, redefining the trajectory of modernisation initiatives.



# FOUNDATIONS

Over the years, Reply has consolidated its leadership in international markets by combining a constant commitment to innovation with a solid offering built on the foundations of digital innovation.

## Cloud Computing

Cloud computing is, alongside artificial intelligence, the technological area in which Reply has a distinctive role at an international level. Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) capabilities have been recognised globally by the most important players: AWS, Microsoft, Google and Oracle. All proprietary solutions are developed in Software-as-a-Service mode, as are those based on partnerships with vendors such as Adobe, Salesforce and SAP.

Reply's expertise extends from the architectural design of multi-cloud solutions to 24x7 system and operational management, with vertical skills in sectors such as manufacturing, financial services, automotive, utilities and retail, for both the implementation of new applications and for cloud migration projects and the redesign of existing platforms, including business-critical ones.

In 2023, the offering in the cloud governance area had a further acceleration, thanks to the significant experiences in cloud security, cloud operations management, cloud data management and cloud financial management. The latter field, in particular, thanks to the internationalisation of business units specialised in FinOps, has aroused the interest of large global companies, to guarantee the economic and environmental sustainability of their cloud investments.

## Cybersecurity

The significant global growth of cybercrime requires companies to take increasingly structured control to guarantee the security of data, information, infrastructures and workstations. Reply has always invested in cybersecurity, combining its IT experts with specialists in complementary areas, such as risk management and compliance, to also offer customers specialised support on European frameworks, as in the case of the DORA Regulation for financial institutions.

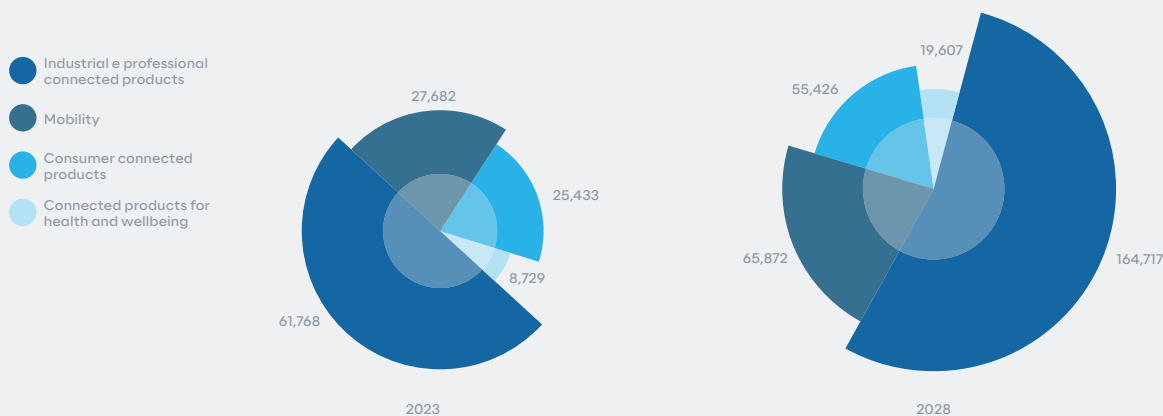
Today the Group has a structured offering that covers all areas of IT security and data, application and device protection. Specialised teams guarantee client companies not only a rapid response to attacks but also the design of preventive solutions that make company systems robust and improve the code thanks to AI, regardless of whether they are placed on-premises or in cloud computing.

The “pervasive security” paradigm, combined with DevSecOps methodologies, allows joint working groups between Reply and customers to build solid defences. IT security and compliance are taken into account right from the design of the solutions, without penalising the user experience, as in the case of industrial and Internet of Things solutions.

## Connected Products & Solutions

Reply’s experience in the Internet of Things has been consolidated over the years thanks to numerous projects carried out for large global clients in the automotive, logistics, telco and insurance sectors. In recent years, in particular, a new generation of connected devices, enabled by edge computing and AI technologies, has allowed the design of increasingly advanced solutions, offering client companies to launch new value-added services, linked to connected products, both in the consumer and industrial sectors. Today, solutions such as smart home, wearable devices, connected vehicles and connected healthcare permeate the daily lives of consumers, who can interact with increasingly advanced interfaces, made

### Comparison of the total investments in the development of connected products in the panel (12 countries, million Euros)



Source: PAC-Reply data from Reply Research “Connected Products: Behind the Scenes” (panel: USA, China, UK, France, Germany, India, Italy, Netherlands, Brazil, Belgium, Poland and Romania)



more effective by cloud computing and natural language processing. The benefits of the solutions designed and implemented by Reply go beyond ease of use: connected products can help improve the quality of life, health and safety of users.

With its connected solutions, Reply supports manufacturing companies and logistics operators in collecting data along the entire value chain, obtaining benefits in terms of predictability of maintenance interventions, greater efficiency of production and movement of goods. Reply also collaborates with customers in the creation of new business models, both through the launch of connected products managed remotely throughout their life cycle and in the design of “servitisation” models of connected industrial machinery.

## Customer Experience

Driven by artificial intelligence and the widespread adoption of the cloud, interaction platforms between companies and customers are becoming increasingly conversational, thanks to the possibility of combining the effectiveness of machine learning and natural language processing in systems with the efficiency of operations. The objective is to allow information deriving from industrial and logistical systems and processes to be integrated into digital interfaces, but also into the equipment of sales points, at the service of an integrated customer experience.

By leveraging company assets implemented over the years, such as ERPs, digital experience platforms (DXPs), customer

relationship management (CRM) solutions and customer data platforms (CDPs), companies can have a complete view of the status and customer perspectives, but also use this information to make the individual experience unique. In this sense, Reply is supporting companies in the transition from classic e-commerce platforms towards omnichannel systems, in which the choice of products, the configuration of services, delivery and payment can take place transparently in the points of sale or via digital channels.

The possibility of integrating 3D and mixed reality systems is paving the way towards experiences in which products are configured and tested before purchase, with growing customisation, especially in the fashion and luxury sectors. 2023 also saw the birth of a new wave of investments, across all industries, in the optimisation of customer relationship systems and services. Artificial intelligence is improving both support activities and the collection of feedback and customer intelligence, with renewed attention to Voice-of-Customer and loyalty management.

## Data

Data is increasingly the basis of any digital product, service, or business process. Companies are capitalising on recent years’ investments in solutions such as ERP, CRM and CDP by using AI to extract new business value. Reply supports its customers with innovative solutions for the effective management of information, both structured and unstructured, that emerges every day from business processes, as well



as the collection and use of data in real-time. This last aspect is particularly relevant in contexts such as automotive and industrial production, where performance in real-time data management can have profound implications in terms of the physical safety of users.

The distinctive ability to combine data platforms, IoT and cloud computing has allowed Reply to build solid collaborations over time with all customers in the main sectors in which it operates. Its expertise in artificial intelligence technologies now allows it to support them in the growing adoption of synthetic data. This new type of data offers the possibility to quickly generate simulation, analysis and design scenarios through realistic data, protecting the privacy and confidentiality of the original data, especially in the financial, pharmaceutical and healthcare sectors.

In 2023, Reply has on the one hand focused its attention on large ecosystems, corporate and otherwise, in which enormous volumes of data emerge and evolve along the value chain; on the other, it supported companies in giving new value to customers' zero-party and first-party data, aggregating different and heterogeneous sources to give visibility to their needs and opportunities, in full respect of their privacy. Thanks to this approach, data becomes the basis of commercial personalisation initiatives, both in the B2C and B2B fields.

## A glimpse into the near future

Also in 2023, Reply continued to prioritise technological innovation, thanks to international working groups and the establishment of multidisciplinary competence centres, and to monitor emerging technologies and business opportunities. Their commitment to experimentation and development aims to accelerate Reply customers' time-to-market with innovative solutions.

At the centre of the vast array of emerging technologies lies artificial intelligence, especially in the fields of Generative AI and large language models. These technologies are rapidly evolving into multimodal systems capable of processing text, images, video, audio and more; a tangible example of this expansion is given by open-source models, such as local large language models (L3M). In parallel, Reply is exploring the potential development of multi-agent AI systems for collaborative problem-solving on a larger scale, going beyond current LLM models.

The concept of "embodied AI" is taking shape in digital agents such as digital humans and in physical entities such as autonomous mobile robotic systems. These systems learn similarly to humans, especially through imitation learning, and a notable improvement in motor skills is expected. Introducing the ability to infuse systems with emotion through affective computing is improving the empathetic aspects of conversational user experiences.

In the field of Quantum Computing, the focus is on building universal quantum



computers and post-quantum security.

In parallel, neuromorphic computing uses organic and inorganic materials to develop artificial neurons and synapses, bringing the design of computer chips closer to the functionality of organic neurons.

Finally, significant advances are expected in the context of telecommunications networks, where, thanks to softwarisation, edge computing, the integration of artificial intelligence, satellite technology, WiFi-7 and large-scale implementations of the Internet of Things, connectivity and data processing will be redefined for a new era of technological innovation.

# REPLY ECOSY STEM









# REPLY PLATFORMS

Designed to fully exploit the opportunities of artificial intelligence and emerging technologies, the proprietary solutions designed and created by Reply are characterised by rapid time-to-market and broad customisation flexibility, responding to the changing dynamics of the industrial sectors in which they are employed.

## Axulus Reply

Axulus Reply is a cloud-based Industrial IoT project management solution. Through numerous frameworks for industrial digitalisation solutions, it offers a modular approach based on templates and libraries. These tools allow companies to explore potential scenarios, simulate added value, and implement the most suitable technical solutions. Customers rely on Axulus Reply's AI-based models, such as computer vision, to tackle the most complex challenges in manufacturing and logistics.

## Brick Reply

Brick Reply is the digital "as a Service" platform that enables the transformation of industrial operations. Its micro-services architecture guarantees the flexibility

necessary to manage, supervise and control production activities with an end-to-end approach. During 2023, its ability to connect with machinery and sensors was further extended through ready-to-use vertical applications and integration via standard APIs with customers' Enterprise systems. New conversational applications have also been introduced, which exploit large language models to process and make usable the domain-specific information present in the corporate knowledge base made up of manuals, documents and regulations.

## China Beats Reply

China Beats Reply is a marketing intelligence and social listening platform dedicated to understanding the Chinese market and its vast data ecosystem. It connects to all major

Chinese e-commerce platforms, search engines and social media. Real-time news sources, patent databases and publicly available open data are also integrated. The platform collects relevant data related to various industrial sectors, including automotive, fashion, consumer goods and technology.

### Discovery Reply

Discovery Reply is the platform that centralises and manages the entire life cycle of digital content: images, videos, audio, 3D models, documents and data. Discovery Reply assists users with production and distribution, helping to deliver a seamless, consistent and personalised brand experience across multiple channels and touchpoints. Thanks to the integration of various AI technologies, Discovery Reply simplifies and optimises content production and classification, leading to an overall improvement in operational efficiency. Features introduced in the last year, leveraging generative artificial intelligence, include the analysis of textual and multimedia resources to generate automatic recommendations based on tags or keywords and the extraction of new marketing descriptions from technical data. Added to these are advanced speech recognition and content analysis tools to manage translations, extract abstracts from videos and produce podcasts.

### LEA Reply

LEA Reply is the platform designed by Reply to make supply chains efficient, agile and connected. Consisting of a suite of

micro-services covering different supply chain execution processes, including warehouse management, inventory, distribution, and delivery of goods, LEA Reply integrates robotics, machine learning and IoT technologies. In 2023, new applications were introduced, supported by artificial intelligence, for the visibility and performance monitoring of logistics flows, support for e-commerce systems and new drop shipment models. Through the Logistics Executive Cockpit, which leverages generative artificial intelligence, it is possible to gain a deep understanding of business metrics and increase decision-making ability along the supply chain through the use of natural language.

### KICODE Reply

KICODE Reply is a framework for software development based on generative artificial intelligence. Thanks to a Task-Driven Autonomous Agent System architecture, it can understand natural language commands and divide them into atomic operations that are transmitted to different specialised agents. KICODE Reply offers a completely new approach to all phases of the software development life cycle, improving the efficiency and overall quality of the software and automating repetitive tasks: from user story creation to requirements gathering, from design to phases of coding, testing and deployment.

### MLFRAME Reply

MLFRAME Reply is a generative artificial intelligence framework for managing heterogeneous knowledge bases. It applies

to the main AI technologies a proprietary methodology for database analysis, algorithm training and results validation, to quickly create conversational generative models applicable to specific corporate knowledge domains. MLFRAME Reply acts as an engine that allows knowledge to be extracted through natural language, reaggregated and redistributed in a conversational form, enabling the artificial intelligence component at the basis of “human-like” interaction systems, such as digital assistants or digital humans.

### Pulse Reply

Pulse Reply is a data-driven solution that combines data science and marketing intelligence in a single dashboard, including advanced data modelling and visualisation capabilities. Pulse Reply is designed to allow users to monitor business performance and support forecasting activities. Thanks to the integration of machine learning algorithms, Pulse Reply can automatically notify users when changes in a KPI are detected, also providing insights into the reasons for such changes and explaining their possible impact.

### Sonar Reply

Sonar Reply is Reply’s data-driven platform dedicated to trend research, developed in collaboration with the German Research Centre for Artificial Intelligence (DFKI). The solution was designed to offer a user experience similar to that of search engines and is intended not only for data analysis professionals but also for researchers and journalists. The core element of Sonar

Reply’s architecture is an ever-expanding database that currently includes over 50 million indexed scientific publications, patents, expert blogs, articles, news and other documents.

### TamTamy Reply

TamTamy Reply, initially born as an Enterprise Social Network platform for corporate communication and collaboration, has significantly expanded supported services. Today, in addition to the management of human resources and training projects, TamTamy Reply has integrated advanced generative artificial intelligence technologies to automatically create content. Furthermore, specialised versions of TamTamy such as the Digital Experience Platform, now meet different needs such as sales network support, online event management, creation of public websites and supplier portals.

### Ticuro Reply

Ticuro Reply is a modular platform certified as a medical device (class IIa, CE) that enables processes to support prevention and continuity of care even remotely, according to the connected care model for digital healthcare. Delivered in SaaS mode, it uses IoMT (Internet of Medical Things) technology to connect to medical devices and wearable multi-parametric and environmental sensors, thus allowing greater and constant collaboration between patients, caregivers and remote healthcare personnel, both in the prevention and more critical aspects of treatment and rehabilitation. Thanks to the integration of machine learning and



artificial intelligence technologies, features have been introduced for the near-real-time processing of clinical documents.

### X-RAIS Reply

X-RAIS Reply is the artificial intelligence solution for radiological diagnosis processes through deep learning. It specialises in different diagnostic methods and specific anatomical regions and can support medical diagnosis processes through image recognition techniques. Over the last year, thanks to the collaboration with important research institutes, X-RAIS Reply has specialised in the analysis of mammograms and the automatic identification of suspicious micro-calcifications through artificial intelligence models.

# PARTNERS & ALLIANCES

Reply has created significant partnerships and consolidated its relationships over time with important global vendors such as Adobe, Amazon Web Services (AWS), Google, Microsoft, Oracle, Salesforce and SAP, of which it holds the highest levels of qualification and certification.

## Adobe

Adobe and Reply collaborate to provide solutions in key areas such as marketing automation, digital information management and digital asset management. Through the integration of generative artificial intelligence, in 2023 it was possible to offer advanced solutions for the production of personalised content with a superior user experience. The partnership extends across various regions, including Italy, Germany, the UK and the USA, positioning Reply as a partner with specialised skills on the Adobe Experience Platform, confirmed by the status of Adobe Platinum Partner and AEM Specialised Partner at the EMEA level.

## AWS

Reply has been confirmed by AWS, for the tenth consecutive year, in the small global circle of Premier Consulting Partners. Reply has, in fact, developed significant experience over the years in the migration of complex business systems to the cloud and today offers a wide range of cloud computing services: content processing & distribution, end-to-end support, creation and integration of customised business applications, as well as 24/7 maintenance and management services.

In 2023, AWS named Reply as the “Best System Integrator” in EMEA, as well as “Partner of the Year for Energy and Utilities”





globally. Reply was among the first global system integrators to work on AWS's Generative AI offering "Bedrock", which was successfully implemented in several industries in 2023. Reply also has certified skills in the fields of Data & Analytics, DevOps, Oracle, Migration, IoT, Industrial Software, SaaS, Machine Learning, Financial Services, Security, Retail, Energy and Automotive, as well as those related to the Managed Service Provider Program and Well-Architected Program.

## Google

Reply has consolidated its partnership with Google in Europe, the United Kingdom and the USA, promoting collaborations with the Google Cloud and Google Ads divisions. The rapid adoption of new Google technologies in the Generative AI field and participation in the Trusted Tester Program are allowing Reply to offer increasingly innovative solutions to its customers.

This attention to innovation has led Reply to be recognised as a Google Cloud Premier Partner, thanks also to the numerous specialisations and areas of expertise achieved over the years. Furthermore, Reply's presence among the Managed Services Providers highlights its ability to provide complete and responsive services to Google Cloud customers. In the field of Google Ads, Reply companies have confirmed their expertise by obtaining certifications in Search, Display, Video, Shopping and App, demonstrating their ability to implement digital marketing strategies.

## Microsoft

Reply is a global partner of Microsoft, thanks to a vast network of highly specialised companies in terms of sectors and technologies, operating in Europe, the United Kingdom, the USA and Brazil. Reply designs, builds, and deploys solutions across Microsoft's three clouds: Azure, Microsoft 365 and Dynamics 365. In 2023, Reply confirmed its status as a Microsoft Globally Managed Partner, maintaining all of its Microsoft Solutions Partner designations for the Microsoft Cloud Partner Program.

Participation in local initiatives to promote artificial intelligence technologies, and the awards received for the development of Copilot, have had a tangible impact on Reply's visibility in global and local markets, with significant projects in digital transformation and AI-driven solutions.

## Oracle

In recognition of its capabilities in providing cutting-edge solutions, and promoting business value and customer success, in 2023 Reply was awarded four Oracle EMEA Cluster Partner Awards which, combined with the Service Cloud Expertise received, confirm it as a leader in Oracle Cloud Computing. Reply's leadership on Oracle technologies is consolidated in Oracle Finance, Supply Chain, as well as Planning and Production offers thanks to international projects on ERP Cloud and Netsuite.

In 2023, Reply strengthened its presence in the HCM field thanks to significant projects

with European customers and stood out in the CX field for several strategic projects based on the Oracle Xstore and CX Unity suite. Reply is also an Oracle Cloud Service Provider, specialising in managed services and solution implementations on Oracle Cloud Infrastructure. In 2023, it obtained Customer Excellence Awards in the “Cloud Security Champion Award” and “Innovating with Data” categories.

## Salesforce

Reply is a Salesforce Consulting Partner with certifications and experts in Europe and the USA. These skills cover the entire Salesforce offering: sales, services and marketing, B2B and B2C commerce, integration with Mulesoft, analytics with Tableau and collaboration with Slack. Furthermore, Reply experts work on various Salesforce Industry Clouds and extensions for CPQ, Field Service Lightning, Pardot, Einstein AI & Data Cloud.

Thanks to its consolidated experience in the AI field, Reply was ready to guarantee its customers the customisation of the recently announced Salesforce GPT product innovations. Reply is also one of the few Salesforce experts in the world for the automotive sector and has been recognised as an Automotive Cloud Launch Partner by Salesforce. The Italian Reply team specialising in Salesforce has also created one of the first Financial Service Cloud implementations in Europe.

## SAP

In 2023, Reply confirmed itself among SAP’s global partners for skills and specialisations,

covering the entire portfolio with a clear focus on cloud solutions and innovation, with particular emphasis on artificial intelligence. This is underlined by the ever-growing number of proprietary solutions based on SAP BTP technology that are an integral part of the SAP Industry Cloud. The SAP Quality Award has recognised Reply’s excellence for the tenth consecutive year and has been rated by SAP as top-3 globally in SAP CX delivery quality.

Over the year, Reply has led numerous digital transformation projects around the world, including RISE with SAP and all other LoB solutions. Reply and SAP have also expanded their collaboration in the joint IT Sustainability User Group: the collaboration is evolving further, delving into business cases in the Generative AI field, particularly in the area of relationship solutions with end customers.

# REPLY LABS

The Reply laboratories are the place where technology and creativity come together to create innovative solutions capable of creating tangible strategic value for our customers.

## Area 42

In Area 42, the potential of the most innovative robotics, advanced mobility, virtual reality and digital humans is tested to help Reply customers find areas of application capable of innovating their business models and operations.

## Area 360

Area 360 is the laboratory dedicated to the creation of 3D assets and animations through the use of cutting-edge technologies based on artificial intelligence. The production of quality animations and 3D assets, such as human bodies and faces, is favoured by the growing development of technological areas such as games, virtual reality and video production.

## Test Automation Centre

Thanks to a proprietary framework and validation and monitoring techniques based on artificial intelligence and machine learning, the Test Automation Centre monitors the quality of business-critical products and services throughout their

life cycle, anticipating critical issues and indicating corrective actions.

## IoT Validation Lab

The IoT Validation Labs are used to design, integrate, validate and implement IoT connectivity solutions and connected products, in an integrated way with environmental sustainability and energy efficiency assessments.

## Cybersecurity Lab

The Cybersecurity Lab enables you to evaluate different security scenarios applied to contexts such as adaptive cloud computing security, software development lifecycle security, network security infrastructure, and application and data security.

## Immersive Experience Lab

The Immersive Experience Lab experiments with different application areas of extended reality. They range from sales to marketing, from design to production, maintenance to operations, up to professional training.









**SUSTA  
INABI  
LITY:  
MAKING  
DIFFERENCE**







As a leader in digital transformation, Reply actively promotes change towards a more sustainable world, operating with the utmost respect for high ethical standards and the rights of future generations.

To make its commitment towards Net Zero concrete, Reply is implementing an ambitious plan aimed at reducing environmental impact by 2025, pursuing the objective of achieving Carbon Neutrality, and aiming for net zero emissions by 2030.

To achieve these goals, Reply is integrating key environmental practices into its business strategy and operations, promoting social and environmental awareness and responsibility among employees, customers, suppliers and all stakeholders. Understanding and using technology is the basis of Reply's mission, which is now increasingly committed to creating IT solutions that are sustainable in themselves (green tech) - also thanks to the support of artificial intelligence. The ethical and conscious use of AI, in fact, proves to be a valid tool for achieving sustainability objectives (optimisation of consumption and resources, energy efficiency, climate monitoring, etc.)

Attention to sustainability issues is also expressed through the management and reporting of activities compliant with the United Nations Global Compact (UNGC), through the Communication on Progress (COP) and by respecting the standards of the Global Reporting Initiative (GRI) to guarantee increasingly complete and transparent reporting, with the contribution of the CDP.

Reply's path towards Net Zero translates into concrete actions in various areas.

### Energy and emissions

- ▶ Purchase of renewable energy
- ▶ Evolution towards a green fleet with hybrid and electric vehicles
- ▶ Energy efficiency improvements in offices
- ▶ Expansion of the Reply Forest and activation of a compensation programme

### Natural resources

- ▶ Maintenance and extension of certification for environmental management systems (ISO 14001)
- ▶ Promotion of the circularity of goods and their valorisation, also through donation activities of laptops to be disposed of
- ▶ Attention to the environment also through the reuse of promotional materials

### People

- ▶ Building a positive and safe working environment that promotes diversity, inclusion and equal career opportunities
- ▶ Development of skills and professional career, through specialisation and technical refresher courses and workshops on soft skills
- ▶ Health protection through initiatives aimed at well-being and prevention, in order to reinforce the importance of a healthy and active lifestyle

## Governance

- ▶ Applicable regulations on environmental and human rights issues, as an indispensable foundation in maintaining commercial relationships with public and private entities
- ▶ Prevention of inappropriate behaviour, both in the public and private sectors
- ▶ Encouragement of employees to promptly report incorrect behaviour, guaranteeing the possibility of reporting any problem, without any consequences on their work activity.

## Customers and suppliers

- ▶ Selection of collaborators and building virtuous and lasting relationships
- ▶ Commitment to supporting customers in the challenge of sustainability and on the decarbonisation path.

# PEOPLE

Since its inception, Reply has stood out as a network of professionals from the best universities, who then grew together based on strong shared values: today this approach has been brought to a global scale. Even in 2023, in an international market context still marked by strong turbulence, Reply has vigorously continued its plan to recruit people with great potential, thanks also to the strong connection with the academic world of each country in which it operates.

The selection criteria for young graduates are rigorous and based on the distinctiveness of the curriculum they study. They, as well as the selected professionals recruited, particularly in emerging markets, are asked to fully adhere to the Reply value system.

- ▶ The **customer** is the protagonist of Reply's value system. Our employees make the client's objectives their own and pursue them with a sense of responsibility and high moral integrity while maintaining a collaborative spirit. An annual survey involves all Reply clients to determine the level of satisfaction with the activities carried out.
- ▶ **Excellence** is the underlying theme of this system: the search for quality must be daily and constant, focused on the continuous improvement of one's work and the benefits brought to customers. A strong meritocratic evaluation system allows excellent results to be valued and rewarded every year.
- ▶ **Innovation** must be the essential and daily element of all projects, which must be carried out with a pragmatic

approach, which combines courage in choices and the ability to discern the most suitable solutions for the context, not only from an IT point of view. Internal systems reward the most innovative ideas and projects.

- ▶ **Speed** has established itself over time as a peculiarity of the Reply teams in the market. The capitalisation of the experience gained and the collaboration with the main vendors allows us to respond quickly and measuredly to customer needs. A strong shared methodology accelerates designs and implementations.
- ▶ **Teamwork** is the glue of the Reply approach. The youngest professionals bring the skills gained during their academic career by joining teams led by people who have followed the same path, and who have progressively been recognised as seniority and leadership, along with their knowledge transfer capabilities.

The result of the integration between a strong value system and constant attention





to the **recognition of competence** and knowledge has always allowed Reply to grow organically, putting **people at the centre** as protagonists of its offer in the technological, consultancy and creative fields.

The diversity within the teams, characterised by people of different genders, ages, ethnicities, cultures, backgrounds, education, experiences and preferences, represents a resource of inestimable value for Reply. In line with its values, Reply has implemented procedures to guarantee **fair and consistent compensation** based on the type of work, position and career level.

Reply is also committed to ensuring gender pay equity and guarantees all employees a salary adequate to the cost of living in the countries in which it operates.

To promote a community that embraces diversity, inclusion, and accessibility, the **Reply All – Uniquely Diverse** program was activated. This program aims to explore and discuss issues related to inclusion and diversity, promoting continuous improvement. Guided by the principles of transparency, equity and openness to dialogue, new approaches to collaboration and mutual learning are proposed, aware that the most effective solutions and the most innovative ideas emerge from diversity itself.

### Wellbeing

The health and safety of employees is a fundamental priority for Reply. For this reason, in addition to adopting necessary measures to guarantee the safety of

the working environment, training and information activities are carried out to prevent and effectively manage professional risks related to the activities carried out.

Reply Wellness program has been active since 2018, within which there are various activities divided into three categories: nutrition, fitness and prevention activities. For each of these categories, there are both annual programs and specific activities, linked to global campaigns or particular events.

### Continuous Learning

Aware of the importance of promoting a diverse, inclusive and rewarding work environment, Reply constantly invests in the growth and development of its people, with professional development paths and creating a collaborative and motivating context. The goal is to make all employees feel equally involved and supported, thereby improving the quality of daily working life and promoting an environment where ideas and innovations thrive.

**Continuous training** is at the centre of initiatives for the updating and professional development of people. During 2023, Reply strengthened investments in skills development programs, professional growth support, specialisation courses, and soft skills workshops. Furthermore, through a training program based on user-generated content, Reply employees can contribute to internal knowledge sharing, becoming teachers and speakers themselves on current and relevant topics for the company.

The attention dedicated to the development of talents and skills is not limited to the internal community but also extends to the external world, involving students and professionals in a series of targeted initiatives. Among the programs included, there are master's degrees postgraduate, competitions and team online courses focused on the main innovation themes, or collaborative projects with university teams during their academic career.



# ENVIRONMENT

Climate change and environmental sustainability represent a challenge for everyone, but at the same time, they offer an opportunity.

Even being part of a sector with a limited environmental impact, Reply is aware that company activities impact the planet. Therefore, it has outlined guidelines and a roadmap of actions to reduce its emissions and achieve carbon neutrality by 2025 and net zero emissions by 2030.

Key initiatives in this plan include:

- ▶ the continuous monitoring of its emissions over the widest possible perimeter, also including indirect emissions;
- ▶ the transition to 50% electricity from renewable sources in all countries by 2025;
- ▶ the evolution towards a green fleet, with the target of 30% hybrid/electric vehicles in 2025;
- ▶ the introduction of energy efficiency improvements in all offices by 2030 (in Italy);
- ▶ Environmental Policy guidelines to reduce and monitor the impact of company activities on the environment;
- ▶ the establishment and expansion of the **Reply Forest** to absorb tons of CO<sub>2</sub> and to support reforestation;

- ▶ the neutralisation of the impacts of residual emissions with carbon removal offsets. Although carbon reduction is the primary objective of our sustainability actions, residual emissions will need to be offset.

These initiatives are accompanied by Reply's commitment to achieving "zero-waste" status by 2030, promoting reuse and recycling when possible, and creating gadgets with reused materials for employees. Furthermore, through the **Reply to the Earth** programme, Reply raises awareness among employees so that they are aware of their environmental impact during daily activities, for example, through the choice of sustainable modes of transport or the use of recycled materials.



# GOVERNANCE

Reply places compliance with regulations as a fundamental pillar in the management of commercial relationships, both with public and private entities. The Group, operating in various countries, not only complies with current national laws but is actively committed to sustainable and inclusive growth, following the Universal Declaration of Human Rights, the Conventions of the International Labour Organisation (ILO), and principles promoted by the United Nations Global Compact, to which it adheres.

Reply's Code of Ethics defines, explains and formalises the company's values, guiding all members on how to behave correctly in their daily activities, both with customers, suppliers, business partners and colleagues. Its adoption by all employees creates and maintains a common ethical culture among the teams, allowing everyone to operate in coherence with Reply's values.

In all the countries in which Reply operates, specific channels have been established for sending reports. The **Whistleblowing Policy**, in particular, encourages employees to promptly report incorrect behaviour, guaranteeing the possibility of reporting any problem without suffering consequences for their work activity.

In addition to compliance with laws and regulations, the security of information

systems is a fundamental requirement to guarantee the reliability of the information processed, as well as the effectiveness and efficiency of the services provided by the company. To this end, Reply has adopted a framework to preserve:

- ▶ **confidentiality**, i.e. that the data is accessible only to authorised users and systems;
- ▶ the **integrity**, i.e. the correctness, completeness and accuracy of the data;
- ▶ **availability**, i.e. that authorised users and systems have access to data when necessary.

Reply is also committed to involving its suppliers in sustainability initiatives aimed at increasing awareness of these issues and collecting ideas for internal sustainability projects.



In 2021, the Supplier Code of Conduct was introduced, which integrates the provisions already present in the Code of Ethics and defines the standards that suppliers must respect in terms of labour law and human rights, worker safety and environmental sustainability. Reply implements all actions aimed at requesting and monitoring compliance with the rules and practices of the Code of Conduct and, in the event of failure to comply with these minimum criteria, the appropriate countermeasures to be implemented are assessed. To evaluate the adherence of the supply chain to the Code of Conduct, the Self Evaluation campaign was promoted again in 2023, managed by suppliers completing a self-evaluation questionnaire.

Finally, Reply is constantly updated on the latest insights relating to ESG issues coming from non-governmental organisations, the academic world and sector trends. This allows the Group to update its frameworks and best practices as well as to be at the forefront of sustainability issues.