



PRESS RELEASE

COMPLETION OF THE PURCHASE OF 51% OF TECH-VALUE S.P.A. SESA GROUP INVESTS IN THE FIELD OF INDUSTRY 4.0 SOLUTIONS AND STRENGTHENS ITS POSITIONING IN ONE OF THE MOST VALUE ADDED AREAS OF INFORMATION TECHNOLOGY

Empoli, 22 January 2018

Sesa S.p.A., a leading Italian operator in the field of high value-added IT solutions for the SME and Enterprise segments, announces that today the fully owned subsidiary Var Group S.p.A. (head of the Software and System Integration "SSI" division) completed the purchase of 51% of the company Industria 4.0 Srl, owner of 100% of the capital of Tech-Value S.p.A., in execution of the binding agreement already announced on 19 October 2017.

The transaction is aimed at developing relevant commercial and operative synergies between Var Group and Tech-Value in IT solutions area for industrial planning through most innovative IT technology and the partnership with Siemens Industry Software, worldwide leader in the sector.

The business plan includes the integration of Tech-Value into Var Group's ERP and Industry Software Solutions segment, maintaining Tech-Value as a separate legal entity and management autonomy and leveraging the commercial and operative synergies with SSI division of Sesa Group, player with over 20 branches throughout Italy supporting over 10,000 SME and Enterprise customers.

Sesa Group reinforces its positioning in high value-added areas of IT market, with growth rates higher than the Group average, with the aim, also thanks to the inclusion of Tech-Value, of starting expansion on foreign markets which require high specialization and skills.

Tech-Value S.p.A., a company specialized in IT services and PLM solutions towards "engineering intensive" companies in manufacturing sector with over 1,000 customers and 120 operative resources in its branches in Milan, Turin, Genoa, Bologna, Roncade (TV), Fara Vicentina (VI), Barcelona (Spain) recorded in the last financial year ending 31 December 2016 consolidated revenues for Euro 13.5 million, an Ebitda (operating profit before amortization, financial charges and taxes) equal to Euro 2.14 million (Ebitda margin 16%), a net profit after taxes of approximately Euro 0.2 million and a Net Financial Position active (NFP) for approximately Euro 2 million.

Preliminary revenues recorded by Tech-Value and its subsidiaries at 31 December 2017 amounted to approximately Euro 20 million.

Industria 4.0. Srl is a special-purpose entity set up following the contribution of 78% of the capital of Tech-Value S.p.A. by the founders Elio Radice and Marco Mortali, which today holds 100% of Tech-Value S.p.A. following the favourable outcome of the takeover bid launched on 4 December 2017 on Tech-Value ordinary shares and warrants. The takeover bid ended on 15 January 2018 with the squeeze-out procedure and the definitive trading suspension on AIM market of Tech-Value shares.

The total price for 51% of Industria 4.0. (Tech-Value) was determined in Euro 5.3 million paid for Euro 3.7 million at the closing and for the remaining amount of Euro 1.6 million deposited in a escrow account (released in two equal tranches on September 2018 and 2019), following the continuity in business management, plus an earn-out up to a maximum of Euro 1.2 million subject to the achievement of Tech-Value average consolidated Ebitda targets in the three-year period ending on 30 April 2019, 30 April 2020, 30 April 2021 net of the NFP at 30 April 2021, applying a multiple of 4.75x Ebitda.

Tech-Value founders, Ing. Elio Radice and Dr. Marco Mortali, will continue to hold a 49% stake in the company, contributing to its management and industrial development. The agreement also reserves to the founders the possibility to exercise a put option for the sale of the entire remaining stake to Var Group, exercisable on September 2023 for a total price determined by applying a multiple of 4.5x the average three-year period Ebitda (30 April 2021-30 April 2023) of

Tech-Value net of NFP at 30 April 2023, or on September 2025 for a total price determined by applying a multiple on a range between 4.75x and 5.5x the average five-year Ebitda (30 April 2021 – 30 April 2025) of Tech-Value net of NFP at 30 April 2025.

Today it's also launched the process for the merger of Industria 4.0 with Tech-Value, with approximate effectiveness at 30 April 2018.

*Sesa S.p.A., based in Empoli (Florence) and activities throughout the Italian territory, is the head of a Group leader in Italy in the distribution of high value-added products and IT solutions to the business and professional segment, with Consolidated revenues equal to Euro 1.271 billion and 1,400 employees (source: last Consolidated Financial Statements at 30 April 2017). The Group has the mission of bring the most advanced technological solutions of international Vendors of ICT in the districts of the Italian economy, leading companies and entrepreneurs in the path of technological innovation, with particular reference to the SME and Enterprise segments. By partnering with the global leading brand in the industry, the skills of its human resources and investment in innovation, the Group offers ICT products and solutions (design, education, pre and post sales, Cloud Computing, Managed and Security Services) to support the competitiveness of enterprises customers.
Sesa is listed on the STAR (MTA) of the Italian Stock Exchange with a free float of about 47%.*

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