



PRESS RELEASE

SESA GROUP INVESTS AND STRENGTHENS IN DIGITAL SECURITY SECTOR

VAR GROUP S.P.A. UP TO 100% OF THE CAPITAL OF YARIX S.R.L., LEADING ITALIAN COMPANY IN CYBER SECURITY SERVICES, REINFORCING ITS POSITIONING IN THE DIGITAL SECURITY SECTOR

Empoli, 5 December 2019

Sesa Group, reference player in Italy in the sector of value-added IT solutions for the business segment, announces the signing of a binding agreement for the acquisition of 49% of the capital of Yarix S.r.l. through the wholly owned subsidiary Var Group S.p.A., already 51% shareholder.

Yarix S.r.l. is the head of Var Group's Digital Security division, with headquarters and Security Operation Center ("SOC") in Montebelluna and a R&D laboratory in Tel Aviv, operating with the mission of preventing and protecting the IT system and business data from the risks of loss and cybercrime. This is one of the business areas where the growth in demand for IT services and solutions is higher, increasingly pervasive in the customers' strategic decisions.

The Var Group's Digital Security division led by Yarix has a human capital of approximately 100 resources and will develop in the current fiscal year to 30 April 2020 revenues for around Euro 20 million, an Ebitda of Euro 2 million, a Net profit of over Euro 1 million (including the recently acquired subsidiary Gencom S.r.l.).

The acquisition will be carried out on the basis of an Enterprise Value of approximately Euro 5 million for 49% of Yarix capital, with payment mechanisms also deferred and value adjustments following the continuity in results and the commitment of the key figures involved in the management of Yarix. In particular, the completion of the transaction provides for a ten-year collaboration agreement with Mirko Gatto, CEO and founder of Yarix, senior figure in the future development of the Digital Security Business unit.

Thanks to this operation, to be added to the acquisition of 60% of Gencom S.r.l. carried out in May 2019, Yarix aims to further develop the scope of revenues and human capital for the next three years. Var Group completes the growth strategy begun in 2014 and aimed at creating a pole for the global management of corporate security. Yarix implemented a strategy of development of human capital and acquisitions that recently allowed the integration of high potential and skilled companies (including Gencom, Privatamente, Kleis). Var Group's Digital Security division offers safeguard and protection tools that, from a holistic point of view, exceed the physical and infrastructural security, no longer sufficient today, and extend to the edge network security, the logical security, the cyber security, up to compliance.

The transaction is consistent with Sesa Group's strategy of continuous investment and focus on higher value-added IT market areas, characterized by strong growth potential and value generation for stakeholders, further developing a strategic business line in the digital transformation process of Italian and European companies.



“Our Digital Security offer represents an important growth accelerator, enabling new business opportunities and meeting the companies’ strong demand for data protection and security. The skills and specializations developed by Yarix, leading national operator in the security field, confirm our central role in supporting companies’ digital transformation path, building and promoting a unique and global approach to security. Through the Digital Security division, Yarix will continue to invest to create a pole of excellence that includes all the interdisciplinary skills in order to support the competitiveness of Made in Italy, in complete safety”, **stated Francesca Moriani, CEO of Var Group.**

“When exponential technologies, such as A.I., blockchain, IoT, enter in business processes and are enabled by the cloud paradigm, the attention to security becomes even more important; potential flaws are greater and security must be designed at the base. We are very satisfied about the integration with Var Group, together we laid the foundations for a progressive and sustainable growth, with great attention to human capital”, **stated Mirko Gatto, Founder and CEO of Yarix.**

“The acquisition of 100% of Yarix allows us to strengthen our positioning in a sector with a strong perspective and value generation such as security, supporting the competitiveness and innovation of the main Italian productive districts and thanks to the contribution of a highly specialized human capital. The key element of the transaction is the multi-year commitment of Yarix’s senior and top-level resources, with whom we will continue to invest and work in order to increase revenues and human capital in an even more important area of developing demand for innovation by Italian and European companies”, **stated Alessandro Fabbroni, CEO of Sesa.**

Sesa S.p.A., based in Empoli (Florence) and activities throughout the Italian territory and some European areas such as Germany, is the head of a Group leader in Italy in the sector of value-added IT solutions for the business segment, with consolidated revenues of about Euro 1,550 million, an Ebitda equal to Euro 74.3 million, a consolidated net profit of Euro 33.4 million and around 2,000 employees at 30 April 2019. The Group has the mission of bring the most advanced technological solutions of major international Vendors of IT in the districts of the Italian and European economies, leading companies in the path of technological innovation. Thanks to the partnership with the global leading player in the sector, the skills and consultancy capabilities of its human resources and the vertical solutions developed for Made in Italy districts, the Group offers ICT services and solutions (design, education, Managed Services, Digital Security Services, ERP & Vertical Solutions, Digital Transformation Services) to support the competitiveness and the digital transformation of customers.

Sesa Group operates through three main business sectors: the VAD sector with revenues for Euro 1,301.3 million, an Ebitda equal to Euro 46.6 million, a net profit of Euro 23.9 million; the SSI sector with revenues for Euro 342.8 million, an Ebitda equal to Euro 26.2 million, a net profit of Euro 9.6 million; the Corporate sector with revenues for Euro 17.1 million and an Ebitda equal to Euro 1.7 million. At a consolidated level, Sesa recorded at 30 April 2019 Total Revenues and Other Income for Euro 1,550.6 million, an Ebitda equal to Euro 74.3 million, a consolidated net profit of Euro 33.4 million (source: consolidated financial statements at 30 April 2019).

Sesa Group pursues a sustainable growth policy towards all Stakeholders and recorded in the period 2011-2019 a track record of continuous growth in employment and revenues (revenues CAGR 2011-2019 +9.6%) and profitability (Ebitda CAGR 2011-2019 +10.1%). Sesa shares are listed in the MTA Italian Stock Exchange (STAR segment). ISIN Code: IT0004729759.

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