



**seSa** s.p.a

# Interim Report

January 31, 2022

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# Corporate Bodies

## Board of Directors

### Expiry

Paolo Castellacci	Chairman	approval of financial statements 30 April 2024
Alessandro Fabbroni	Chief Executive Officer	approval of financial statements 30 April 2024
Giovanni Moriani	Executive Deputy Chairman	approval of financial statements 30 April 2024
Moreno Gaini	Executive Deputy Chairman	approval of financial statements 30 April 2024
Claudio Berretti	Non-Executive Director	approval of financial statements 30 April 2024
Angelica Pelizzari	Non-Executive Director	approval of financial statements 30 April 2024
Giuseppe Cerati	Independent Director	approval of financial statements 30 April 2024
Chiara Pieragnoli	Independent Director	approval of financial statements 30 April 2024
Giovanna Zanotti	Independent Director	approval of financial statements 30 April 2024
Angela Oggionni	Independent Director	approval of financial statements 30 April 2024

The Chief Executive Officer, Mr. Alessandro Fabbroni, is delegated the administrative powers relating to the corporate functions and management of equity investments

The Executive Deputy Chairman, Moreno Gaini, is delegated powers of financial management

The Executive Deputy Chairman, Giovanni Moriani is delegated powers of technical management and as Chief Technology Officer

## Corporate Governance Bodies

### Management Control Committee

#### Expiry

Giuseppe Cerati	Chairman	approval of financial statements 30 April 2024
Giovanna Zanotti	Member	approval of financial statements 30 April 2024
Chiara Pieragnoli	Member	approval of financial statements 30 April 2024

The Management Control Committee also performs the role of the Control and Risks and Related Parties Committee and that of the Supervisory Board

Director assigned to Internal Control. Alessandro Fabbroni. Head of the Internal Auditing activity, Michele Ferri

### Remuneration Committee

#### Expiry

Angela Oggionni	Chairman	approval of financial statements 30 April 2024
Giovanna Zanotti	Member	approval of financial statements 30 April 2024
Claudio Berretti	Member	approval of financial statements 30 April 2024

### Independent Auditors

#### Expiry

Company appointed to independently audit the accounts	PricewaterhouseCoopers SpA	approval of financial statements 30 April 2022
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Head of Finance, Planning & Control, Francesco Billi

## Listing Market

Euronext, Milan	STAR segment
Share Capital (in EUR)	37,126,927.50
Number of ordinary shares issued	15,494,590
Portion of share capital held by the controlling shareholder ITH S.p.A.	52.81%
Specialist Operator	Intermonte Sim SpA

Head of the Investor Relations activity and Corporate Counsel Conxi Palmero

# Highlights of the Group's income statement and balance sheet

## Consolidated earnings and financial data for the periods ended 31 January of each year

<i>(Euro thousands)</i>	2022	2021	2020	2019	2018
Revenues	1,739,121	1,523,733	1,336,278	1,139,359	984,419
Total revenues and other income	1,757,878	1,534,279	1,344,772	1,146,273	992,569
EBITDA (Earnings before interest, tax, depreciation and amortisation)	124,549	92,209	69,466	53,297	45,882
Adjusted Operating Result (EBIT) <sup>1</sup>	97,440	68,876	52,314	40,456	35,805
EBIT (Operating Result)	89,037	63,878	49,223	38,370	34,347
Profit (loss) before taxes	84,453	62,511	46,776	36,016	32,611
Net profit	60,148	43,914	32,527	25,030	22,596
Net profit attributable to the Group	56,262	39,925	28,682	22,147	20,105
Adjusted Earnings After Tax (EAT) attributable to the Group <sup>1</sup>	62,243	43,483	30,882	23,632	21,143

## Consolidated balance sheet figures as of 31 January of each year

<i>(Euro thousands)</i>	2022	2021	2020	2019	2018
Total Net Invested Capital	279,102	271,280	263,405	237,189	229,091
Total Shareholders' Equity	309,542	282,576	251,566	224,628	208,470
- attributable to the Group	287,295	263,184	235,967	213,132	198,244
- attributable to non-controlling interests	22,247	19,392	15,599	11,496	10,226
Net Financial Position Reported (Net Liquidity)	(30,440)	(11,296)	11,839	12,561	20,621
Net Financial Position (Net Liquidity) <sup>2</sup>	(177,753)	(102,521)	(32,823)	(12,435)	590

## Consolidated income ratios for financial periods ending 31 January of each year

	2022	2021	2020	2019	2018
EBITDA / Total revenues and other income	7.16%	6.05%	5.20%	4.68%	4.67%
EBIT / Total revenues and other income (ROS)	5.12%	4.19%	3.68%	3.35%	3.46%
EAT attributable to the Group/ Total revenues and other income	3.24%	2.62%	2.15%	1.94%	2.04%

## Personnel at Group level as of 31 January of each year

<i>(in units)</i>	2022	2021	2020	2019	2018
Personnel at period end	3,878	3,278	2,221	1,793	1,657
Average workforce for the period	3,659	2,913	2,061	1,717	1,542

<sup>1</sup> Adjusted Ebit before amortisation and depreciation of Client lists and Know-how recorded following the Purchase Price Allocation (PPA). Adjusted Net profit attributable to the Group gross of amortisation and depreciation of Client lists and Know-how recorded following the Purchase Price Allocation (PPA), net of tax effect

<sup>2</sup> Net Financial Position gross of payables and commitments for non-interest-bearing deferred payments for corporate acquisitions (Earn Outs, Put Options, deferred prices) and liabilities recorded in accordance to IFRS 16.

# Main Group financial ratios

## Financial ratios

Sesa Group	2022	2021	2020	2019	2018
<i>(Euro)</i>					
Trading Stock Market	Euronext Star	Euronext Star	Euronext Star	Euronext Star	Euronext Star
Stock Prices (31 January of every year)	159.4	96.9	50.6	26.25	26.80
Dividend per share <sup>(2)</sup>	0.85	(2)	0.63	0.60	0.56
Comprehensive Dividend (Euro million) <sup>(3)</sup>	13.2	(2)	9.762	9.297	8.677
Pay Out Ratio <sup>(4)</sup>	25.2%	-	31%	31%	32%
Shares Issued (in million)	15.49	15.49	15.49	15.49	15.49
Stock market capitalisation (Euro million) as of 31 January	2,469.8	1,501.4	784.0	406.7	415.3
Market to Book Value <sup>(5)</sup>	8.0	5.2	3.1	1.8	2.0
Dividend Yield (on prices at 31 January) <sup>(6)</sup>	0.4%	(1)	1.2%	2.3%	2.1%

Sesa	2022	2021	2020	2019	2018
<i>(Euro)</i>					
Earnings per share (base) <sup>(7)</sup>	3.64	2.59	1.86	1.43	1.30
Earnings per share (diluted) <sup>(8)</sup>	3.63	2.58	1.85	1.43	1.30
Earnings per share adjusted (base) <sup>(9)</sup>	4.03	2.82	2.00	1.53	1.37

(1) For the financial year ended 30 April 2020, the Shareholders' Meeting of Sesa SpA resolved not to distribute any dividends in view of the state of global crisis due to the pandemic emergency

(2) Dividends paid in the following year to be applied to the profit for the year at 30 April of each year

(3) Dividends gross of the portion relating to treasury shares

(4) Dividends gross of the portion relating to treasury shares / Consolidated net profit attributable to shareholders at 30 April

(5) Capitalisation on the basis of the price at 31 January of every year / Consolidated Shareholders' Equity 31 January of every year

(6) Dividend per share / Market value per share at 31 January of every year

(7) Consolidated net profit attributable to the Group as at 31 January relating to the last approved financial statements / average number of ordinary shares net of treasury shares in the portfolio as at 31 January of each year

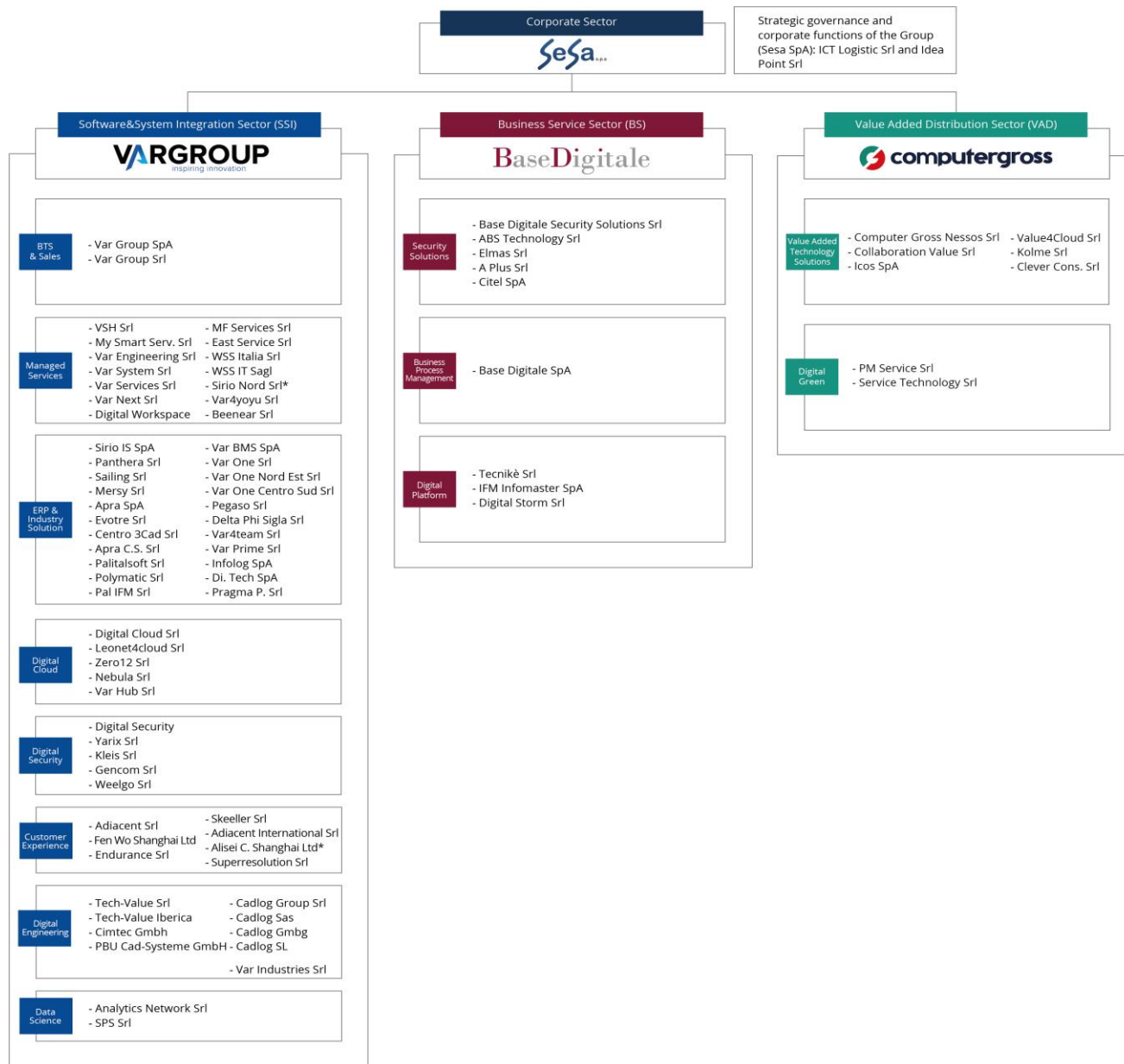
(8) Consolidated net profit attributable to the Group as at 31 January relating to the last approved financial statements / average number of ordinary shares net of treasury shares in the portfolio and including the impact deriving from Stock Grant plans (within the limit of treasury shares in portfolio)

(9) Consolidated Adjusted net profit attributable to the Group as at 31 January relating to the last approved financial statements / average number of ordinary shares net of treasury shares in the portfolio and including the impact deriving from Stock Grant plans (within the limit of treasury shares in portfolio)

# Sesa Group Structure as of January 31, 2022

Sesa Group is organised into 4 business Sectors.

- Corporate which, through the parent company Sesa SpA, manages the Group's corporate functions, strategic and financial governance and operational platform;
- VAD (Distribution of Value-Added Information Technology solutions), managed through the subsidiary Computer Gross SpA;
- SSI (Software and System Integration), which offers digital transformation solutions and services to end users belonging to the SME and Enterprise segments, managed through the subsidiary Var Group SpA;
- Business Services, which offers business process outsourcing, security and digital transformation services for finance and large account segments, through the subsidiary Base Digitale Group Srl;



\* Subsidiaries valued at cost since they are not significant and/or immaterial from an accounting viewpoint

Changes in the scope of consolidation during the nine-month period ended 31 January 2022 include the entry of the following companies:

- into the SSI Sector Fen Wo Shanghai Ltd ("Fireworks"), Cadlog Group Srl and subsidiaries (Cadlog Sas, Cadlog Gmbh and Cadlog SL), Cimtec Gmbh, Superresolution Srl from May 2021, Pegaso Srl from August 2021, Datef Srl and Pal IFM Srl from November 2021, Var One Centro Sud (formerly z3 informatica Srl) from December 2021;
- into the VAD Sector PM Service Srl from May 2021 and Kolme Srl from September 2021;
- into the Business Services Sector, Tecnike Srl, IFM Infomaster Srl and Digital Storm Srl from May 2021, A Plus Srl from December 2021 and Citel SpA from January 2022

## Foreword

The Group's Interim Report on Operations as of 31 January 2022 of Sesa Group represents the interim financial position and results of operations for the first nine months of the financial year ending 30 April 2022.

The Group's Interim Report on Operations as of 31 January 2022 of Sesa Group (hereinafter also the "Interim Report") was drawn up in accordance with art. 154-bis, paragraph 5 of Legislative Decree 58/1998 as well as the relevant Consob provisions. The Interim Report was prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") approved by the European Union and in force at the time of approval. The balance sheet, financial and economic schedules of the Group as of January 31, 2022 are shown in the attached accounting schedules.

The Interim Report includes the statement of financial position and the income statement in reclassified form, together with several alternative performance ratios. The aim is to allow a better evaluation of the Group's financial performance and results of operations.

Within the scope of the Interim Report, in addition to the financial figures required by IFRS, certain figures originating from the latter are also illustrated, despite not being required by the IFRSs (Non-GAAP Measures). These amounts are presented in order to allow a better assessment of the performance of the Group's operations and should not be considered as alternatives to those envisaged by the IFRSs.

## Alternative Performance Indicators

For a better assessment of the economic performance and financial position of the Group and its business Sectors, the management of Sesa SpA uses some alternative performance indicators that are not identified as accounting measures under IFRS. These indicators facilitate the identification of operational trends and support decisions about investments, allocation of resources and other operational decisions. Therefore, the measurement criteria applied by the Group may not be consistent with those adopted by other groups and therefore not comparable. These alternative performance indicators are exclusively made up of historical data of the Group and determined in accordance with the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by Consob (Italian Stock Exchange Regulator) with communication no. 92543 of 3 December 2015. They refer only to the performance of the accounting period in question and of the comparative periods and not to the expected performance; they should not be considered as substitutes for the indicators provided for by the reference accounting standards (IFRS). Finally, they have been prepared maintaining continuity and homogeneity of definition and representation for all periods for which financial information is included in this document.

In line with the abovementioned communications, the criteria used to construct these indicators are provided below.

- **Ebitda (gross operating profit)** defined as profit for the period before depreciation and amortisation, provisions for bad debts, provisions for risks, notional costs relating to stock grant plans granted to executive directors, financial income and expenses, share of profits (losses) of companies accounted for using the equity method and taxes;
- **Adjusted Operating Result (Ebit)** defined as Ebitda net of depreciation and amortisation of tangible and intangible fixed assets (excluding the amortisation of customer lists and know-how recorded during the Purchase Price Allocation of the companies acquired and included in the scope of consolidation), of provisions for bad debts, of provisions for risks, of notional costs related to stock grant plans assigned to directors;
- **Operating Result (Ebit)** defined as Ebitda net of depreciation, amortisation, provisions for bad debts, provisions for risks, notional costs related to stock grant plans assigned to directors;
- **Adjusted Earnings Before Taxes** defined as Earnings Before Taxes before amortisation of customer lists and know-how recorded during the Purchase Price Allocation of the companies acquired and included in the scope of consolidation;
- **Adjusted net result** defined as net result before amortisation of customer lists and know-how recorded during the Purchase Price Allocation of the companies acquired and included in the scope of consolidation, net of the related tax effect;
- **Adjusted net result of the Group** defined as the net result of the Group before amortisation of customer lists and know-how recorded during the Purchase Price Allocation of the companies acquired and included in the scope of consolidation, net of the related tax effect;
- **Net working capital** is the algebraic sum of Inventories, Trade receivables, Other current assets, Trade payables and Other current liabilities;
- **Net invested capital** is the algebraic sum of "Total non-current assets", "Net working capital" and "Net non-current liabilities";
- **Net Financial Position (NFP)** is the algebraic sum of "Cash and cash equivalents", "Other current financial assets", "Current and non-current loans";
- **Total Net Financial Position (NFP) reported** is the algebraic sum of "Cash and cash equivalents", "Other current financial assets", "Current and non-current loans", "Current and non-current financial liabilities for rights of use" and "Liabilities to minority shareholders for equity investments", in accordance with Consob Communication no. 6064293 of 28 July 2006 and in compliance with Recommendation ESMA/2013/319;



## Significant events during the period

In the period considered, Sesa Group accelerated its development path with growth rates well above its long-term track record (CAGR Revenues 2011-21 +10.6%, CAGR Ebitda 2011-21 +13.9%). Group's Revenues and Other Income were up by 14.6% Y/Y, with operating profitability (Ebitda) up by 35.1% Y/Y and an Ebitda margin of 7.09% compared to 6.01% as of 31 January, 2021. The Group's adjusted net profit was equal to Euro 62.3 million, up by 43.1% Y/Y. The improvement in the Group's Net Financial Position<sup>3</sup> was also significant, rising from a surplus of Euro 102.5 million as of 31 January, 2021 to a surplus of Euro 177.8 million as of 31 January, 2022, driven by the improvement in operating cash flow and increasing efficiency in the management of net working capital, as a result of investments in corporate acquisitions and technological infrastructure.

The positive trend in revenues and consolidated profitability was favoured by the increasing focus on business segments that enable technological innovation (security, business applications, digital green, cloud, digital platforms) and that polarise the demand for digitalisation, characterised by a progressive acceleration with an expected growth in the Information Technology market for the three-year period 2021-23 of 6.9% on average per year (source: Sirmi, January 2022).

The contribution of corporate acquisitions (15 in 2021 and 3 in the first months of 2022) to Group results amounted to approximately 55% of the growth in operating profitability for the period. The ability to attract skills and human resources was also confirmed with 3,878 employees as of 31 January, 2022 (+15.5% Y/Y), compared to 3,278 employees as of 31 January, 2021.

**The Value Added Distribution (VAD) Sector active in the provision of value-added technology solutions in the period under review achieved a growth in Revenues and Other income of 13.1%, Ebitda of 38.6% (Ebitda margin of 4.9% compared to 4.0% Y/Y) and net profit after tax of 35.3%.**

Thanks to the development of the demand for digital transformation and the strategy of focusing on value-added business areas of the market, with particular reference to the Security, Cloud and Digital Green segments, the market share on the Italian market was consolidated (47% of the total in the Storage, System, Server, Networking and Enterprise software categories, source: Sirmi, January 2022). The nine-month results of the VAD Sector benefited from the contribution of the recently acquired companies in the Digital Green segment, with **PM Service Srl**, active in offering technology for energy efficiency and the production of energy from renewable sources. In September 2021, the Group acquired a majority stake in **Kolme Srl**, a leading operator in the provision of ICT solutions and telecommunications services on the Italian market, with a customer base of over 2,500 business partners throughout the country. In addition, investments in technologies and skills continued for the expansion of value solutions in the cloud and enterprise software segments, with the implementation of the SolutionUp platform, a proprietary marketplace for the provision of as a service software solutions.



**The Software and System Integration (SSI) Sector, which offers software solutions, technological innovation and digital transformation for the SME and Enterprise segments, increased revenues and other income by 18.1%, EBITDA by 27.0% (Ebitda margin 12.1% compared to 11.2% Y/Y) and net profit by 35.1% during the period.**

During the period, several bolt-on acquisitions of companies with skills and expertise in areas of strong technological evolution, such as Fen Wo Shanghai Ltd ("Fireworks"), based in Shanghai and active in digital marketing on the Chinese market, Cadlog Group Srl and Cimtec GmbH, which expand the European platform of digital engineering services. On November 8, 2021 the acquisition of 51% of Datef SpA was completed. **Datef SpA** is a company based in Bolzano with approximately Euro 12.5 million in annual revenues and 60 resources specialised in digital services, cloud and IT security, with over 100 enterprise customers mainly located in German-speaking areas where the Sesa Group continues to expand its customer base.

In March 2022, the external growth continued thanks to the acquisition of Adacto, specialized in end-to-end projects of Digital Communication and Customer Experience, with annual revenues of about Eu 4.5 million, with about 75 human resources of which 50 based in Italy and 25 operating on LATAM markets.



<sup>3</sup> Net financial position before non-interest-bearing payables and commitments to purchase equity investments from non-controlling interests (earn-outs, put options, deferred prices) and right-of-use liabilities in accordance with IFRS 16

**The Business Services Sector, which offers business process outsourcing, security and digital platform services to the finance and large enterprise segments,** at 31 January 2022 achieved Revenues and Other Income up by 24.1% and an EBITDA up by 182.6% (EBITDA margin equal to 11.6% compared to 5.0% Y/Y), thanks to the organic development of the business and the contribution of recent corporate acquisitions both in the Digital Platform of IFM Infomaster SpA, Digital Storm Srl and Tecnikè Srl and in the Security Solutions of Citel SpA and A Plus Srl, whose perimeter was consolidated starting from January 2022. Within the sector, organized into three vertical business lines (Security Solutions, Business Process Management and Digital Platform), it is highlighted the corporate and industrial partnership agreement made in February 2022 with **Omigrade Srl**, a company with a human capital of about 100 resources, focused on IT consulting, ERP and digital platforms for the financial services industry, with expected revenues in the Year 2022 equal to about Euro 10 million and an Ebitda margin between 10% and 15% of revenues, whose perimeter will be consolidated starting from March 2022.



# Operating conditions and development of the Group's structure and Business

The Sesa Group is a reference player in Italy in the offer of technological innovation and digital services for the Business segment, with a wide range of technological solutions, digital services and business applications in support of the demand for digital transformation.

The Group's activities are divided into four sectors:

- the **Corporate Sector** comprises activities related to the strategic governance and management of the Group's operating machinery and financial platform. For the main operating companies of the Group in particular, the Administration, Finance and Audit, Human Resources, Organisation, Information Technology, Investor Relations, Corporate Governance, Legal and Internal Audit functions are managed by the parent company Sesa SpA.
- the **Value Added Distribution (VAD) Sector** includes activities related to the Value Added Distribution (VAD) of technological innovation solutions and integration services, with focus on the Datacenter, Enterprise Software, Networking and Collaboration, Security and Cloud Computing and Digital Green segments. The VAD Sector is managed by the wholly-owned subsidiary Computer Gross SpA;
- the **Software and System Integration (SSI) Sector** offers software, technological innovation and digital transformation solutions for end user companies in the SME and Enterprise segments. The Software and System Integration Sector is managed by the wholly-owned subsidiary Var Group SpA;
- the **Business Services (BS) Sector** offers business process outsourcing, security solutions, digital transformation and digital platform services for the finance and large account segment. The BS Sector is managed by the subsidiary Base Digitale Group Srl.

The operating sectors are strongly focused on the market, with dedicated marketing structures organised on the basis of separate principles and the adoption of matrix-based organisational models. The table below provides an overview of the companies belonging to the Sesa Group (consolidated on a line-by-line basis), broken down by business sector.

## Corporate Sector

### Sesa SpA

The parent company Sesa SpA performs investment holding and organisation and management of the Group companies, dealing with administrative and financial management, organisation, planning and control, reporting systems, management of human resources, general, corporate and legal affairs, and extraordinary finance activities for the main Group companies. The shares of Sesa SpA are listed on the STAR segment of the Euronext Milan Stock Exchange. As of 31 January, 2022, Sesa SpA held full control of Computer Gross SpA and Var Group SpA and 81% in the share capital of Base Digitale.

### ICT Logistica Srl

The company, a wholly-owned subsidiary of Sesa SpA (66.66% of which through Computer Gross SpA and 33.33% through Var Group SpA) provides ICT logistics services to the main companies in the Group and other leading ICT operators.

### Idea Point Srl

The company, a wholly-owned subsidiary of Sesa SpA, operates in marketing and promotion in support of operators in the ICT channel and of the Group operating companies.

## Software and System Integration (SSI) Sector

### **BUSINESS TECHNOLOGY SOLUTIONS & SALES (“BTS & SALES”) BUSINESS UNIT**

#### **Var Group SpA**

The company, wholly owned by Sesa SpA, offers technological innovation and digital transformation software solutions for companies that are the end users of technology, mainly in the SME and Enterprise segments, with a turnover of approximately Euro 480 million as of 30 April 2021 (including that of the subsidiaries). Var Group SpA has developed an integrated offer of digital solutions with an organisational model, also through its subsidiaries, divided into business units: Managed Infrastructured Services, Digital Security, Digital Cloud, Digital Engineering, Customer Experience, ERP & Industry Solutions, Data Science.

#### **Var Group Srl**

The company, wholly owned by Var Group SpA, offers services for the sales of the Group’s technological solutions on behalf of Var Group SpA. Following the merger by incorporation of Var Group Nord Ovest Srl, Var Aldebra Srl and Var Group Centro Srl, completed on 3 June 2021, the company will operate across the whole country.

### **SMART SERVICES BUSINESS UNIT**

#### **Var4you Srl**

The company, 100% owned, offers remote management services for workstations, on premise infrastructures, networking, connectivity and cloud solutions, both proprietary (Leonet Data Center) and public (Amazon Web Services, IBM, Azure and Oracle), as well as hybrid cloud projects.

#### **My Smart Services Srl**

The company, a wholly owned subsidiary of Var Group SpA, offers managed services across the entire Italian market.

#### **Var System Srl**

The company, 100% owned by Var Group SpA through My Smart Services, offers system services in support of company infrastructures and for SME & Enterprise customers.

#### **East Services Srl**

The company, a wholly-owned subsidiary 82% held by Var System Srl and 18% held by Var Group SpA, is based in Bolzano and offers system services in support of company infrastructures in North Eastern Italy (Trentino Alto Adige, Veneto and Lombardy).

#### **Var Engineering Srl**

The company, 96% owned by Tech-Value Srl, offers digital services and solutions for intensive engineering manufacturing companies in Central and Northern Italy.

#### **WSS Italia Srl and WSS Sagl**

WSS Italia Srl, 55% owned by Var Group SpA, offers system management software solutions and remote and application management services on both the Italian and Swiss markets through its wholly-owned subsidiary WSS IT Sagl.

#### **Var Next Srl**

The company, 85% owned by VSH Srl, offers IT technical support and managed services in the North East of Italy.

#### **VSH Srl**

The company, wholly owned by My Smart Services Srl, acts as an operational holding company and organises and manages the companies belonging to the Smart Services Business Unit.

#### **Var Service Srl**

The company, 72% owned by VSH Srl, is active in the supply of maintenance and technical assistance services on the domestic market.

#### **MF Services Srl**

The company, 70% owned by VSH Srl, is active in the supply of maintenance and technical assistance services in Central and Northern Italy.

**Beenear Srl**

The company, based in Iasi in Romania and 100% owned by Var Group SpA through Di.Tech Srl, operates in the design and development of software applications. With a human capital of about 140 resources, it offers services to some of the main Italian and international players in IT consulting for the Retail sector, including Xtel, Di.Tech, Dgroove and Prometeia

**DIGITAL CLOUD BUSINESS UNIT****Digital Cloud Srl**

The company, 79% owned by Var Group SpA, performs investment holding and organisation and management of the Digital Cloud Business Unit's companies.

**Leonet4Cloud Srl**

The company, 100% owned by Digital Cloud Srl, offers private, public and hybrid cloud services, with a portfolio of products and services to meet business and enterprise demand.

**Var Hub Srl**

The company, wholly-owned by Var Group SpA, offers electronic invoicing and digital storage services.

**Zero12 Srl**

The company, wholly-owned by Digital Cloud Srl, is specialised in IT solutions in the Cloud Computing and Big Data Analysis sector, with particular reference to application development and SaaS architectures, Business Data Recommendation, Instant Marketing with a consolidated partnership with Amazon Web Services (AWS) and MongoDB, reference operators in the Cloud, Big Data and Analytics sectors.

**Nebula Srl**

The company, wholly-owned by Digital Cloud Srl, works in the management of Cloud environments and platforms, particularly on Microsoft's public cloud, using Microsoft Azure technologies.

**BUSINESS UNIT DIGITAL SECURITY****Digital Security Srl**

The Company, 90% controlled by Var Group SpA, performs investment holding and organisation and management of the shareholdings and commercial services in favor of the companies belonging to the Digital Security Business Unit.

**Yarix Srl**

The company, wholly owned by Digital Security Srl, offers Digital Security services to the SME, Enterprise and public administration markets. The company is one of the leading Italian operators in the Cybersecurity sector, with a highly specialised Security Operation Centre (SOC) at its headquarters in Montebelluna, as well as an R&D centre located in Tel Aviv (Israel).

**Gencom Srl**

The company, based in Forlì, is 60% controlled by Yarix Srl and operates in the networking and collaboration sector in support of complex Digital Security projects.

**Weelgo Srl**

The company, 51% owned by Gencom Srl, is specialised in Enterprise Networking and Edge Network Security services, incorporating the expertise of the Digital Security Business Unit in the field of Cybersecurity and Collaboration.

**Kleis Srl**

The company, 51% owned by Var Group SpA, is based in Turin and specialised in the development of Artificial Intelligence and software solutions in the anti-fraud sector for customers operating in finance.

**ERP & VERTICAL SOLUTIONS BUSINESS UNIT****Sirio Informatica e Sistemi SpA**

The company, 51% owned by Var Group SpA, operates in the development and marketing of ERP ("Sirio") software and proprietary applications for the SME and Enterprise market.

**Panthera Srl**

The company, 80% owned by Sirio Informatica e Sistemi SpA and 10% owned by Var Group SpA, is active in the development and marketing of ERP software ("Panthera") and proprietary applications for the SME and Enterprise market with customers operating in some of the main Italian production districts.

**Pragma Progetti Srl**

The company, controlled by Var Group SpA, operates in the IT consulting services sector, offering ERP management and technological solutions and digital services to the SME and Enterprise segments. The company was brought within the scope of consolidation in November 2020.

**Var BMS SpA**

The company, 91% controlled by Var Group SpA, is active mainly in Northern Italy, operating in the SAP ERP consulting and services sector with reference to Enterprise customers.

**Var One Srl**

The company, 81% owned by Var Group SpA through Var BMS SpA, operates in the supply of integrated solutions and services on the SAP Business One platform. Thanks to its skills and a widespread presence throughout the country, it is a leading operator in Italy in the SAP Business One sector.

**Var One Nord Est Srl**

The company, 88% owned by Var One Srl, operates in the supply of integrated solutions and services on the SAP Business One platform for SME and Enterprise customers. SSA Informatica offers consulting, business solutions and services in North Eastern Italy. The company, formerly called SSA Informatica Srl, recently completed the merger by incorporation of Sinapsi Srl.

**Pegaso Srl**

The company, 51% controlled by Var One Srl, operates in the supply of integrated solutions and services on the SAP Business One platform with a strong specialization and verticalization in the agri-food industry. It entered the consolidation scope since August 2021.

**Var4team Srl**

The Bergamo-based company, owned by Var Group SpA and Var One Srl, holders of 61% and 14% of the capital respectively, operates in the supply of integrated solutions and services on the TeamSystem platforms (TeamSystem Enterprise and TeamSystem Enterprise Power-I) for SME customers. Var4team Srl offers consulting, business solutions and digital services in Central and Northern Italy.

**Apra SpA**

The company, 88% owned by Var Group SpA, offers digital services, software solutions and business applications ("I-Wine" and "I-Furniture") and SME solutions to SME and Enterprise customers in Central Northern Italy, focusing on major Made in Italy districts (including Furniture and Wine).

**Centro 3Cad Srl**

The company, 80% owned by Apra SpA, operates in the development of 3cad solutions mainly for the Furniture district.

**Apra Computer System Srl**

The company, 55% owned by Apra SpA, offers IT and vertical services and solutions for SME customers.

**Evotre Srl**

The company, 56% owned by Apra SpA, offers Zucchetti HR management solutions to support SME and Enterprise customers in Central Northern Italy.

**Palitalsoft Srl**

The company, 55% owned by Apra SpA, offers software and digital transformation solutions to local public companies, in support of the digitisation of public services, with a customer set of around 700 clients, including Municipal, Provincial, Regional and local authorities and multi-utilities; Palitalsoft entered the Group scope of consolidation in January 2021.

**Polymatic Srl**

The company, 68% controlled by Apra SpA, specialized in ERP and Infrastructural solutions, oversees the territory of the Marche and Abruzzo regions. The company entered the Group scope of consolidation in May 2021.

**Pal IFM Srl**

The Company, 55% controlled by Polymatica Srl, specializes in ERP solutions for the Public Administration. The company entered the Group scope of consolidation in July 2021.

**Sailing Srl**

The company, 87.5% owned by Var Group SpA, operates in the production and marketing of software ("Arethè") and IT services for the large-scale retail/retail market.

**Mersy Srl**

The company, wholly owned by Sailing Srl, operates in the field of ERP solutions and digital services for Retail and Largescale Organised Distribution markets, particularly for the Food Retail segment. The company entered the consolidation area in January 2021.

**Var Prime Srl**

The company, wholly owned by Var Group SpA, is reference operator for solutions on the Microsoft Dynamics platform to the SME segment.

**Delta Phi Sigla Srl**

The company, wholly owned by Var Group SpA, operates in the development and marketing of proprietary software and applications ("SIGLA ++") for the Small Business market. The company has a customer database, also through resellers, of several thousand users, located throughout the country.

**Infolog SpA**

The company, 51% owned by Var Group SpA, has over 40 resources specialised in the design and development of software solutions for the computerised management of warehouse logistics (WMS), with over 200 customers operating in some of the main Made in Italy sectors, such as textiles, fashion, manufacturing and healthcare.

**Di.Tech SpA**

The company, 100% owned by Var Group SpA, with over 150 specialised human resources, operates in the development of software and digital transformation services for logistics and management of the organised food distribution sector. One of its most important customers is the Conad Group.

**BUSINESS UNIT DIGITAL ENGINEERING****Tech-Value Srl**

The company, 61% owned by Var Group SpA, is specialised in the supply of IT services and Product Lifecycle Management (PLM) solutions for engineering intensive companies in the manufacturing sector, with about 1,000 customers and resources distributed in its offices in Milan, Turin, Genoa, Bologna, Roncade (TV), Fara Vicentina (Vi) and Viareggio (Lu).

**Cadlog Group Srl and subsidiaries**

The company, 60% controlled by Var Group SpA, is focused on offering software solutions for the design and electronic production of PCBs (printed circuit boards). The company, a partner of Siemens Digital Industries Software and Siemens EDA Software (formerly Mentor), operates with 50 specialised resources in 4 operating centres in Italy, France, Germany and Spain, and generates over 50% of its turnover abroad. The company controls 100% of the companies Cadlog GmbH (Germany), Cadlog Sas (France), Cadlog SL (Spain). It entered the scope of consolidation in May 2021.

**PBU CAD-Systeme GmbH**

The company, 60% owned by Tech-Value Srl, operates in the design of PLM (Product Lifecycle Management), Process Transformation and Digital Manufacturing services and solutions for engineering intensive manufacturing companies. The company with headquarters in Aichach (Bavaria) and branches in Filderstadt (Stuttgart) and Moers (Düsseldorf) boasts a long-standing partnership with Siemens Industry Software.

**Cimtec GmbH**

The company, a wholly-owned subsidiary of PBU CAD-Systeme GmbH, operates in the segment of design services and PLM (Product Lifecycle Management, Process Transformation) and Digital Manufacturing solutions for engineering-intensive mechanical manufacturing companies, with 10 professional resources operating in Germany (Großheirath). It entered the scope of consolidation in May 2021.

### **Var Industries Srl**

The company is 86% owned and operates in the field of technological innovation (IoT and Industry 4.0) with a focus on solutions for Digital Industries.

## **BUSINESS UNIT CUSTOMER EXPERIENCE**

### **Adiacent Srl**

The company, 55% owned by Var Group SpA and 45% by Sesa SpA and other companies of the Group, supplies IT solutions to corporate customers, with reference to the digital transformation area (web marketing, e-commerce and digital solutions) for the SME, Enterprise and Finance segments. The company has recently completed the merger of 47Deck Srl, which specializes in the development and implementation of e-commerce and digital transformation projects, through the Adobe Marketing Cloud platforms.

### **Endurance Srl**

The company, 51% owned by Adiacent Srl, is a web agency specialised in the creation of digital solutions, system integration and digital marketing technology with a particular focus on e-commerce and user experience.

### **Skeeller Srl**

The company, 51% owned by Adiacent Srl, operates in the customer experience and digital marketing sector. As the reference partner for the Magento e-commerce platform in Italy.

### **Adiacent International Srl**

The company, 61% controlled by Adiacent Srl, operates in the B2C e-commerce sector with China, also through its subsidiary Alisei Consulting (Shanghai) Co. Ltd., based in Shanghai. The company supports Italian and international brands in their distribution and promotional activities in China. The company offers strategic consulting services for the Chinese market, from e-commerce and marketplace to communication on Chinese social networks.

### **Fen Wo Shanghai Ltd (“Fireworks”)**

The company, 55% owned by Alisei Srl, operates in the area of digital marketing and customer experience services to support Made in Italy in the Chinese market. The company offers digital and marketing solutions for Italian and international companies operating in the Chinese market with a team of over 45 resources based in Shanghai. It entered the scope of consolidation in May 2021.

### **Superresolution Srl**

The company, 51% controlled by Adiacent Srl, operates in the services of creating 3D design projects and interactive virtual environments to create immersive and innovative user experiences. The company entered the scope of consolidation in May 2021.

## **BUSINESS UNIT DATA SCIENCE**

### **SPS Srl**

The company, controlled by Var Group SpA, is specialised in offering IBM SPSS (advanced analytics) software solutions.

### **Analytics Network Srl**

The company, 51% owned by Var Group SpA, is specialised in offering cognitive analytics solutions and services for the enterprise segment.



## Business Services (BS) Sector

### **Base Digitale Group Srl**

The company, 81% owned by Sesa SpA, is active as operating holding of equity stakes and organization and management of companies belonging to the Business Services Sector, organized into 3 vertical business units (Base Digitale Security Solutions, Base Digitale Business Process Management and Base Digital Platform).

### **BUSINESS PROCESS MANAGEMENT BUSINESS UNIT**

#### **Base Digitale SpA**

The company, 100% controlled by Base Digitale Group Srl, is active in Business Process Outsourcing and Business Process Engineering services, in particular back office processes and services for credit institutions, insurance companies and large companies, with a workforce of over 250 resources working in the offices of Florence, Turin, Milan, Siena.

### **BUSINESS UNIT SECURITY SOLUTIONS**

#### **Base Digitale Security Solutions Srl**

The company, 99% controlled by Base Digitale Group Srl, acts as an operating holding company for equity investments and the organization and management of companies belonging to the Security Solutions Business Unit.

#### **ABS Technology Srl**

The company, wholly owned by Base Digitale SpA, supplies physical and logical security services mainly for banks and operators in the retail and large-scale retail sector. Its staff of over 40 employees work at the Florence headquarters and at the branch in Monteriggioni (SI).

#### **Elmas Srl**

The company, 75% owned by the Sesa Group through ABS Technology SpA, has been active in physical security, video surveillance and home automation services for over 40 years. With about 25 specialised resources, it offers tailor-made design and development services for physical and perimeter security, video surveillance and home automation for companies throughout Italy.

#### **A Plus Srl**

The company, 67% controlled by Base Digital Security Solutions Srl, is active in the design of access control systems, presence detection and building automation, with a focus on the management of advanced smart building and IoT security projects with primary enterprise customers. The Company entered the scope of consolidation from December 2021.

#### **Citel SpA**

Citel, 51% controlled by Base Digital Security Solutions Srl, specialized in integrated security management through digital platforms offered in as a service and modular mode, as well as a reference player in Italy in open-PSIM (Physical Security Information Management) and open systems-BMS (Building Management System), with a large customer set in finance and utilities. The Company entered the scope of consolidation from January 2022.

### **BUSINESS UNIT DIGITAL PLATFORM**

#### **Tecnikè Srl**

The company, 51% owned by Base Digitale SpA, is active in the development of digital Cloud platforms for the fintech and insurtech sector. The company entered the consolidation area in February 2021.

#### **IFM Infomaster SpA**

The company, 67% owned by Base Digitale SpA, is a reference player in the field of digital technologies, with a proprietary platform of Contact Management, offered to customers in cloud and pay-per-use modes and supplemented by artificial intelligence solutions. The company specialises strongly in the telecommunications, finance and outsourcing segments. The company entered the consolidation area in April 2021.

#### **Digital Storm Srl**

The company, 60% owned by Base Digitale SpA, specialises in digitisation solutions for document management, corporate information and electronic invoicing, including Document Process Management and Enterprise Information Management, integrating Abbyy OCR and OpenText CCM (Estream/StreamServe) technologies. The company is specialised in the finance and utilities segments. The company entered the consolidation area in April 2021.

## Value Added Distribution (VAD) Sector

### BUSINESS UNIT VALUE ADDED TECHNOLOGY SOLUTIONS

#### **Computer Gross SpA**

The company, wholly owned by Sesa SpA, is the reference player in Italy in the value-added distribution of technological innovation solutions with a customer set of over 15,000 business partners (software houses, system integrators, managed service providers, resellers) active throughout the country who, in their turn, cover both the SME, Enterprise and Public Administration markets. Computer Gross SpA is a reference player in Italy in the retail of products and solutions provided by major international vendors including Citrix, Cisco, DellEMC, HP, HPE, IBM, Lenovo, Lexmark, Microsoft, Oracle, Symantec, VMware, Adobe and Fortinet. Computer Gross SpA has about 400 employees and is organised into Business Units with technical and commercial personnel dedicated to market segments and/or to strategic brands. The company, with turnover of Euro 1,600 million achieved in the year ended 30 April 2021, is the main subsidiary, in terms of revenues, of the Sesa Group.

#### **Icos SpA**

Icos SpA, 79% owned by Computer Gross SpA, is a value-added distributor of enterprise software and datacenter solutions on the Italian market, with offices in Ferrara, Milan and Rome, a long-standing partner of the Vendors Oracle, NetApp, CommVault and other security software Vendors.

#### **Computer Gross Nessos Srl**

Computer Gross Nessos Srl, 60% owned by Computer Gross SpA, employs personnel dedicated to the management of Networking products and solutions.

#### **Collaboration Value Srl**

A subsidiary 58% owned by Computer Gross SpA, it provides design services for complex IT solutions to support its business partners.

#### **Clever Consulting Srl**

Clever Consulting Srl, 55% owned by Computer Gross SpA, provides End Point Security and Mobility solutions and services, with a vendor portfolio that includes Blackberry, Accellion, Wandera, TITUS and Globalscape.

#### **Kolme Srl**

Company 66% controlled by Computer Gross SpA, is a reference player in the offer of ICT solutions and telecommunications services on the Italian market, with a customer set of over 2,500 business partners throughout the country. It entered the consolidation area in September 2021.

### BUSINESS UNIT DIGITAL GREEN

#### **PM Service Srl**

Subsidiary 70% owned by Computer Gross SpA, it is specialised in offering technology and specialist assistance services for energy saving with a human capital of over 25 resources. The company, based in Pontassieve (FI), has been included in the scope of consolidation since May 2021 with the aim of developing a centre of expertise in the field of environmental sustainability and digital green.

#### **Service Technology Srl**

Service Technology Srl, 55% owned by Computer Gross SpA, operates in the Green IT sector and offers reverse logistics services, management and reconditioning of IT products, carrying out regeneration and refurbishment activities for technology parks that have reached the end of their first life cycle, thereby pursuing the sustainability of the IT infrastructure supply chain.

# Performance of operations

## General economic trend

The gradual exit from the health crisis favored the acceleration of global GDP with growth in the 2021-2023 period higher than those pre-pandemic period, supported by the progressive orientation of the most developed economies towards digitalisation and sustainability and by the economic and monetary stimulus measures of governments and central banks. In particular, after a 3.1% decline at global level in 2020, world GDP grew by 5.9% in 2021, and it is expected to grow by 4% in 2022-2023.

Remain a lot of uncertainty elements linked to the shortage of production factors and to the price increase of energy, with related inflationary pressures, as well as to recent international crisis worsened in the last two weeks.

For the most important world economies is expected GDP growth in 2022 and 2023 higher than those in pre-pandemic period. Also in Italy, after a PIL reduction equal to 8.9% in 2020, is recorded a significant PIL recovery in 2021 (+6.2%) thanks to the stimulus actions and to progressive containment of pandemic emergency. The development projections of Italian economy in 2022 and 2023 point out a growth equal to 3% higher than the average in pre-pandemic period, supported by stimulus measures adopted by the government and the Next Generation EU programs, finalized to stimulate the technological innovation, competitiveness, digitalization 4.0 and environmental sustainability (source FMI – WEO. January 2022).

The following table represents the actual results for 2017-2021 and the forecasts of GDP trends for 2022 and 2023 (source IMF - WEO. January 2022).

<b>Percentage Values</b>	<b>Change in GDP 2017</b>	<b>Change in GDP 2018</b>	<b>Change in GDP 2019</b>	<b>Change in GDP 2020</b>	<b>Change in GDP 2021</b>	<b>Change in GDP 2022 (E)</b>	<b>Change in GDP 2023 (E)</b>
World	+3.8%	+3.6%	+2.8%	-3.1%	+5.9%	+4.4%	+3.8%
Advanced Economies	+2.3%	+2.3%	+1.6%	-4.5%	+5.0%	+3.9%	+2.6%
Emerging Market	+4.8%	+4.5%	+3.6%	-2.1%	+6.5%	+4.8%	+4.7%
USA	+2.3%	+2.9%	+2.2%	-3.4%	+5.6%	+4.0%	+2.6%
Japan	+1.7%	+0.3%	+0.7%	-4.6%	+1.6%	+3.3%	+1.8%
China	+6.9%	+6.6%	+6.0%	+2.3%	+8.1%	+4.8%	+5.2%
Great Britain	+1.8%	+1.3%	+1.4%	-9.8%	+7.2%	+4.7%	+2.3%
Euro Zone	+2.3%	+1.9%	+1.3%	-6.3%	+5.2%	+3.9%	+2.5%
Italy	+1.5%	+0.8%	+0.3%	-8.9%	+6.2%	+3.8%	+2.2%

## Development of demand and performance of the sector in which the Group operates

The IT market in Italy continue his acceleration trend with the annual average growth rates in 2021-2023 significantly higher than those of pre-pandemic period. In 2021 IT demand grew by 7.0%, with positive trend in any activity segment, benefiting from the acceleration of investments in digital transformation as a result of the increasingly strategic role of technological innovation in the management of businesses and organisations. The main technological drivers of the recovery continue to be the Digital Enablers segments such as cloud, security, analytics, cognitive-A.I. (Source: Sirmi, January 2022).

It is expected a growth by 6.8% for IT demand in 2022-2023, compared to the average annual growth rate in the period 2018-2020 equal to 2.9%. Demand will be sustained by the Management Services segment (with annual growths of over 10%), which includes digital transformation services and solutions and reflects the evolution of the ways in which technology is used as well as the progressive penetration of Cloud Computing solutions (Source Sirmi, January 2022).

In addition to the growth expectations, there is a further contribution from the National Recovery and Resilience Plan (“PNRR”) programmes.

The following table represents the Italian IT market performance in the period 2017-2020 and the forecasts for the year 2021, 2022 and 2023 (Source: Sirmi, January 2022).

<b>Italian IT market</b> <i>(Euro millions)</i>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>Var. 17/16</b>	<b>Var. 18/17</b>	<b>Var. 19/18</b>	<b>Var. 20/19</b>	<b>Var. 21/20</b>	<b>Var. 22/21</b>	<b>Var. 23/22</b>
Hardware	6,044	6,025	6,172	6,266	6,560	6,880	7,230	0.6%	-0.3%	2.4%	1.5%	4.7%	4.9%	5.1%
Software	3,833	3,845	3,861	3,792	3,980	4,120	4,260	-0.4%	0.3%	0.4%	-1.8%	4.9%	3.5%	3.4%
Project Services	3,436	3,500	3,588	3,640	3,860	4,080	4,320	0.4%	1.9%	2.5%	1.5%	6.0%	5.7%	5.9%
Management Services	5,504	5,900	6,350	6,797	7,540	8,340	9,200	6.0%	7.2%	7.6%	7.0%	10.9%	10.6%	10.3%
<b>Total IT Market</b>	<b>18,817</b>	<b>19,270</b>	<b>19,971</b>	<b>20,496</b>	<b>21,940</b>	<b>23,420</b>	<b>25,010</b>	<b>1.9%</b>	<b>2.4%</b>	<b>3.6%</b>	<b>2.6%</b>	<b>7.0%</b>	<b>6.7%</b>	<b>6.8%</b>
Cloud Computing	1,862	2,296	2,830	3,409	4,170	5,033	5,957	23.3%	23.6%	23.0%	20.4%	22.3%	20.7%	18.4%
<i>Cloud (SaaS, PaaS, IaaS) Adoption%</i>	18.8%	23.3%	28.2%	33.9%	40.0%	46.5%	52.9%							

For the IT distribution segment is expected a continuation of growth, thanks to the demand acceleration needed to meet the changing needs of work organisation, security, big data and infrastructure evolution (Source: Sirmi, January 2022).

The System Integration segment, after an increase in demand in the three-year period 2017-2019 of about 6% on average per year and about 1.3% in the year 2020, due to the pandemic crisis, in the year 2021 confirms a return to growth rates equal to pre-pandemic ones, thanks to the contribution of the areas of greatest innovative content such as cloud, security, cognitive-A.I. and digital transformation with a growth expectation of around 5% over the next two years (Source: Sirmi, January 2022).

## Economic highlights of Sesa Group

The reclassified consolidated income statement (in Euro thousands) for the period ended 31 January 2022 is provided below and compared with the corresponding comparative period ended 31 January 2021.

Reclassified Income Statement	31/01/2022 (9 months)	%	31/01/2021 (9 months)	%	Change 2022/21
Revenues	1,739,121		1,523,733		14.1%
Other income	18,757		10,546		77.9%
<b>Total Revenues and Other Income</b>	<b>1,757,878</b>	<b>100.0%</b>	<b>1,534,279</b>	<b>100.0%</b>	<b>14.6%</b>
Purchase of goods	(1,345,459)	76.5%	(1,207,122)	78.7%	11.5%
Costs for services and leased assets	(141,736)	8.1%	(115,908)	7.6%	22.3%
Personnel costs	(142,449)	8.1%	(116,120)	7.6%	22.7%
Other operating charges	(3,685)	0.2%	(2,920)	0.2%	26.2%
<b>Total Purchase of goods and Operating Costs</b>	<b>(1,633,329)</b>	<b>92.9%</b>	<b>(1,442,070)</b>	<b>94.0%</b>	<b>13.3%</b>
<b>Ebitda</b>	<b>124,549</b>	<b>7.09%</b>	<b>92,209</b>	<b>6.01%</b>	<b>35.1%</b>
Amortisation tangible and intangible assets (sw)	(21,933)		(16,907)		29.7%
Accruals to provision for bad debts and risks and other non-monetary costs	(5,176)		(6,426)		-19.5%
<b>Adjusted Ebit*</b>	<b>97,440</b>	<b>5.5%</b>	<b>68,876</b>	<b>4.5%</b>	<b>41.5%</b>
Amortisation client lists and technological know-how (PPA)	(8,403)		(4,998)		68.1%
<b>Ebit</b>	<b>89,037</b>	<b>5.1%</b>	<b>63,878</b>	<b>4.2%</b>	<b>39.4%</b>
Net financial income and charges	(4,584)		(1,367)		235.3%
<b>Ebt</b>	<b>84,453</b>	<b>4.8%</b>	<b>62,511</b>	<b>4.1%</b>	<b>35.1%</b>
Income taxes	(24,305)		(18,597)		30.7%
<b>Net profit</b>	<b>60,148</b>	<b>3.4%</b>	<b>43,914</b>	<b>2.9%</b>	<b>37.0%</b>
<b>Net profit attributable to the Group</b>	<b>56,262</b>	<b>3.2%</b>	<b>39,925</b>	<b>2.6%</b>	<b>40.9%</b>
<i>Net profit attributable to non-controlling interests</i>	<i>3,886</i>		<i>3,989</i>		-2.6%
<b>Adjusted Ebt*</b>	<b>92,856</b>	<b>5.3%</b>	<b>67,509</b>	<b>4.4%</b>	<b>37.5%</b>
<b>Adjusted Net profit*</b>	<b>66,129</b>	<b>3.8%</b>	<b>47,472</b>	<b>3.1%</b>	<b>39.3%</b>
<b>Adjusted Net profit attributable to the Group*</b>	<b>62,243</b>	<b>3.5%</b>	<b>43,483</b>	<b>2.8%</b>	<b>43.1%</b>

In the first nine months of current fiscal year the Sesa Group accelerate his own growth trend with performance significantly higher than the long term track record (CAGR revenue 2011-21 +10.6%, CAGR Ebitda 2011-21 +13.9%). The Group revenues and other income increase by 14.6% Y/Y, with an operating profitability growth (Ebitda) equal to 35.1% Y/Y and an Ebitda margin by 7.09% compared to 6.01% as of January, 31 2021 (+108 bps Y/Y).

The Group benefited from the investment strategy focused on business segments enabling technological innovation (security, business applications, cloud, digital green, digital platforms) and attracting digitalization demand, characterized by an acceleration with an annual average growth expected from the Information Technology market for the 2022-23 two-year period equal to 6.8% (source Sirmi, January 2022).

Recent corporate acquisition (15 in 2021 and 3 in the first months of 2022) contributed approximately 55% to the Group's period growth in operating profitability.

It is confirmed the ability to attract skills and human resources for a total 3,878 employees as of January 31, 2022 (+15.5% Y/Y), compared to 3,278 employees as of January 31, 2021.

\* Adjusted Ebit and Adjusted Ebt before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA). Adjusted Net profit and Adjusted Net profit attributable to the Group before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA), net of tax effect.

Group Consolidated Revenues and Other Income, equal to Eu 1,757.9 million, grew by 14.6% Y/Y, with a significant development of all sectors of the Group:

- VAD Sector, with Revenues and Other Income of Eu 1,372.5 million (+13.1% Y/Y), thanks to the development of the Digital Green and Security business units;
- SSI Sector, with Revenues and Other Income of Eu 419.3 million (+18.1% Y/Y), thanks to the development in the areas with the greatest digital transformation growth (Cloud, Digital Security, Software and Vertical Applications, Managed Services, Digital Engineering);
- Business Services Sector, with Revenues and Other Income of Eu 41.7 million (+24.1% Y/Y), driven by the contribution of the Digital Platforms and Security Solutions business units.

Thanks to the growth in Revenues and Other Income (+14.6% Y/Y) and in the added value generated, the Group Consolidated Ebitda increased by 35.1% Y/Y, achieving Eu 124.5 million in the 9-month period, with an Ebitda margin equal to 7.09% (vs 6.01% as of January 31, 2021). All sectors of the Group contributed to the growth of the Consolidated Ebitda:

- VAD Sector, with an Ebitda of Eu 66,796 thousand (+38.6% Y/Y, Ebitda margin 4.9% vs 4.0% Y/Y);
- SSI Sector, with an Ebitda of Eu 50,545 thousand (+27.0% Y/Y, Ebitda margin 12.1% vs 11.2% Y/Y);
- Business Services Sector with an Ebitda of Eu 4,821 thousand (+182.6% Y/Y, Ebitda margin 11.6% vs 5.0% Y/Y).

Group Consolidated Adjusted Operating Result (Ebit adjusted) is equal to Euro 97.4 million, up by 41.5%, after depreciation equal to Euro 21.9 million (+29.7% Y/Y) and provisions and other non monetary costs of Euro 5.2 million (-19.5% Y/Y).

Group Consolidated Operating Result (Ebit) is equal to Eu 89.0 million, up by 39.4%, after amortizations of Client list and Know-how records following the PPA process for Euro 8.4 million (+68.1% Y/Y following the acceleration of investments for corporate acquisitions).

Group Consolidated Profit before taxes as of January 31, 2022 is equal to 84.5 million, up by 35.1% Y/Y, after net financial charges of Euro 4.6 million as of January 31, 2022, increasing from Euro 1.4 million as of January 31, 2021 also following the unfavourable trend in foreign exchanges with a loss equal to Euro 756 thousand in the period, compared to a profit equal to Euro 1,363 thousand as of January 31, 2021.

**Period ended at 31 January**

*(Euro thousands)*

	<b>2022</b>	<b>2021</b>
Total financial items (A)	(5,226)	(4,458)
Foreign exchange items (B)	(756)	1,373
Share of profits of companies valued at equity (C)	1,398	1,718
<b>Net financial income/(expense) (A+B+C)</b>	<b>(4,584)</b>	<b>(1,367)</b>

The Adjusted Net Result (excluding client lists and know-how amortisation, net of the relative tax effect) increased by +39.3% Y/Y, reaching Euro 66.1 million as of January 31, 2022, while the Consolidated Net Result as of January 31, 2022 amounted to Euro 60.1 million (+37.0% Y/Y).

The Group's adjusted net profit for the period ended January 31, 2022 is Euro 62.3 million, up by 43.1% Y/Y, thanks also to the lower incidence of the minority interests on the Group's net result. The Group's net profit as of January 31, 2022 is equal to Euro 56.3 million, up by 41.0% Y/Y.

## Highlights of the Group's income statement and balance sheet

The reclassified balance sheet (in Euro thousands) for the period ended January 31, 2022 is provided below and compared with the comparative period of the previous year ended April 30, 2021, the figures for the period ended January 31, 2021 are also included, in order to provide a better analysis of the balance sheet, in consideration of the seasonality that typically characterises sales revenues during the year.

<b>Reclassified Balance Sheet</b>	<b>31/01/2022</b>	<b>31/01/2021</b>	<b>30/04/2021</b>
Intangible assets	198,876	114,416	142,826
Property, plant and equipment (rights of use included)	106,189	94,964	99,942
Investments valued at equity	13,938	13,273	13,850
Other non-current receivables and deferred tax assets	30,257	28,269	27,921
<b>Total non-current assets</b>	<b>349,260</b>	<b>250,922</b>	<b>284,539</b>
Inventories	127,820	94,276	86,920
Current trade receivables	520,846	550,284	355,781
Other current assets	101,550	74,373	63,395
<b>Other Current assets</b>	<b>750,216</b>	<b>718,933</b>	<b>506,096</b>
Payables to suppliers	541,573	481,741	366,101
Other current payables	177,333	146,840	142,690
<b>Short-term operating liabilities</b>	<b>718,906</b>	<b>628,581</b>	<b>508,791</b>
<b>Net working capital</b>	<b>31,310</b>	<b>90,352</b>	<b>(2,695)</b>
Non-current provisions and other tax liabilities	57,142	30,667	38,273
Employee benefits	44,326	39,327	40,897
<b>Non-current net liabilities</b>	<b>101,468</b>	<b>69,994</b>	<b>79,170</b>
<b>Net Invested Capital</b>	<b>279,102</b>	<b>271,280</b>	<b>202,674</b>
<b>Shareholders' Equity</b>	<b>309,542</b>	<b>282,576</b>	<b>297,355</b>
Liquidity and current financial receivable	(407,819)	(356,933)	(426,905)
Financing current and not current	230,066	254,412	229,548
<b>Net Financial Position</b>	<b>(177,753)</b>	<b>(102,521)</b>	<b>(197,357)</b>
Financial liabilities for rights of use IFRS 16	43,172	42,092	43,871
Liabilities to minorities shareholders for M&A <sup>4</sup>	104,141	49,133	58,805
<b>Net Financial Position Reported</b>	<b>(30,440)</b>	<b>(11,296)</b>	<b>(94,681)</b>

The balance sheet shows an increase in net invested capital, which went from Euro 271.3 million as of January 31, 2021 to Euro 279.1 million as of January 31, 2022, mainly as a result of:

- the increase in non-current assets, rising from Euro 250.9 million as of 31 January 2021 to Euro 349.3 million as of January 31, 2022, generated mainly by investments in corporate acquisitions.
- the reduction of net working capital to Euro 31.3 million as of January 31, compared to Euro 90.4 million as of January 31, 2021, thanks to improved efficiency in the management of working capital generated by the evolution of the business model and the progressive adoption of as a service and cloud supply service.

With regard to sources of financing, the following is worth noting:

- a significant improvement in the Net Financial Position, with a positive balance (net liquidity) of Euro 177.8 million as of January 31, 2022, compared to a positive balance of Euro 102.5 million as of January 31, 2021 thanks to cash flow from operations net of investments of the period. The Net Financial Position Reported, net of (i) Liabilities and commitments to minority shareholders for M&A transactions equal to Euro 104.1 million as of January 31, 2022, a significant increase compared to Euro 49.1 million as of January 31, 2021, thanks to the acceleration of the corporate acquisitions, and of (ii) financial liabilities for rights in use under IFRS 16 (Euro 43.2 million as of January 31, 2022 compared to Euro 42.1 million

<sup>4</sup> Non-interest bearing payables and commitments to minority shareholders for the purchase of company shareholdings (deferred prices, Earn Out, Put Option)

- as of January 31, 2021), is positive for Euro 30.4 million as of January 31, 2022, an improvement compared to the positive balance of Euro 11.3 million as of January 31, 2021;
- the increase in the Consolidated Shareholders' equity equal to Euro 309.5 million as of January 31, 2022 compared to Euro 282.6 million as of January 31, 2021, thanks to the profits generated in the period net of dividends for Euro 13.2 million (Euro 0.85 per share) distributed in September 2021.

Details of the Group's Net Financial Position (in Euro thousands) as of January 31, 2022 are shown below. The figures for the period ended January 31, 2021 are also included, in addition to the comparative figures for the year ended April 30, 2021, in order to provide a better analysis of the net financial position, in consideration of the seasonality of the business that typically characterises sales revenues and consequently financial management during the year.

<b>Net Financial Position</b>	<b>31/01/2022</b>	<b>31/01/2021</b>	<b>30/04/2021</b>
Liquidity	(405,500)	(355,387)	(426,665)
Current financial receivables and short-term securities	(2,319)	(1,546)	(240)
Current loans	122,723	108,063	100,994
<b>Short-term net financial position</b>	<b>(285,096)</b>	<b>(248,870)</b>	<b>(325,911)</b>
Non-current loans	107,343	146,349	128,554
<b>Non-current net financial position</b>	<b>107,343</b>	<b>146,349</b>	<b>128,554</b>
<b>Net Financial Position</b>	<b>(177,753)</b>	<b>(102,521)</b>	<b>(197,357)</b>
Financial liabilities for rights of use under IFRS 16	43,172	42,092	43,871
Liabilities to minority shareholders for equity investments <sup>5</sup>	104,141	49,133	58,805
<b>Total Net Financial Position Reported</b>	<b>(30,440)</b>	<b>(11,296)</b>	<b>(94,681)</b>

The Net Financial Position as of January 31, 2022, gross of Liabilities and commitments for deferred payments related to corporate acquisition and Financial liabilities for rights of use under IFRS 16, is positive (net liquidity) by Euro 177.8 million, an improvement compared to a positive balance of Euro 102.5 million as of January 31, 2021, thanks to the positive trend of the operating cash flow, equal to about Euro 130 million in the last 12 months, net of investments equal to about Euro 35 million in the same period, mainly related to the corporate acquisitions and of dividends and buy back equal to about Euro 20 million.

The Total Net Financial Position Reported at January 31, 2022 is positive (net liquidity) and equal to Euro 30.4 million, an improvement compared to a positive balance of Euro 11.3 million as of January 31, 2021, thanks to the positive trend of the operating cash flow, equal to about Euro 130 million in the last 12 months, net of investments of about Euro 90 million in the same period, mainly related to the corporate acquisitions, for which significant part with deferred payments and of dividends and buy back of about Euro 20 million.

The change in Net Financial Position in the first nine months as of January 31, 2022 compared to April 30, 2021 reflects the business seasonality and the higher absorption of working capital at 31 January, compared to 30 April of each year.

<sup>5</sup> Non-interest bearing payables and commitments to minority shareholders for the purchase of company shareholdings (deferred prices, Earn Out, Put Option)



## Results of the VAD Sector

The Value Added Distribution (VAD) Sector active in the provision of value-added technology solutions in the period under review achieved a growth in Revenues and Other income of 13.1%, Ebitda of 38.6% (Ebitda margin of 4.9% compared to 4.0% Y/Y) and net profit after tax of 35.3%.

Thanks to the development of demand for digital transformation and the strategy of focusing on value-added business areas of the market, with particular reference to the Security, Cloud and Digital Green segments, the market share on the Italian market was consolidated (47% of the total in the Storage, System, Server, Networking and Enterprise software categories, source: Sirmi, January 2022). The first nine-month period results of the VAD Sector benefited from the contribution of the recently acquired companies in the Digital Green segment, with **PM Service Srl**, active in offering technology for energy efficiency and the production of energy from renewable sources. In September 2021, the Group acquired a majority stake in **Kolme Srl**, a leading operator in the provision of ICT solutions and telecommunications services on the Italian market, with a customer base of over 2,500 business partners throughout the country. In addition, investments in technologies and skills continued for the expansion of value solutions in the cloud and enterprise software segment, with the implementation of the SolutionUp platform, a proprietary marketplace for the provision of as a service software solutions.



The reclassified income statement of the VAD Sector (in Euro thousands) at 31 January 2022 is provided below and compared with the comparative period of the previous year ended 31 January 2021.

VAD Sector (Euro thousands)	31 January		2021	%	Change
	2022	%			
<b>Third-party revenues</b>	<b>1,290,385</b>		<b>1,142,992</b>		<b>12.9%</b>
Inter-sector revenues	70,852		65,433		8.3%
<b>Total Revenues</b>	<b>1,361,237</b>		<b>1,208,425</b>		<b>12.6%</b>
Other income	11,291		5,485		105.9%
<b>Total revenues and other income</b>	<b>1,372,528</b>	<b>100.0%</b>	<b>1,213,910</b>	<b>100.0%</b>	<b>13.1%</b>
Consumable materials and goods	(1,256,796)	-91.6%	(1,124,972)	-92.7%	11.7%
<b>Gross commercial margin</b>	<b>115,732</b>	<b>8.43%</b>	<b>88,938</b>	<b>7.33%</b>	<b>30.1%</b>
Costs for services and rent, leasing, and similar costs	(32,020)	-2.3%	(24,950)	-2.1%	28.3%
Personnel costs	(15,089)	-1.1%	(14,144)	-1.2%	6.7%
Other operating costs	(1,827)	-0.1%	(1,644)	-0.1%	11.1%
<b>Ebitda</b>	<b>66,796</b>	<b>4.87%</b>	<b>48,200</b>	<b>3.97%</b>	<b>38.6%</b>
Amortisation, depreciation, provisions and other non-monetary costs	(5,768)		(5,748)		0.3%
<b>Operating result (Ebit)</b>	<b>61,028</b>	<b>4.4%</b>	<b>42,452</b>	<b>3.5%</b>	<b>43.8%</b>
Net financial income and expense	(3,009)		293		-1127.0%
<b>Result gross of taxes</b>	<b>58,019</b>	<b>4.2%</b>	<b>42,745</b>	<b>3.5%</b>	<b>35.7%</b>
Income taxes	(16,286)		(11,898)		36.9%
<b>Net result for the period</b>	<b>41,733</b>	<b>3.0%</b>	<b>30,847</b>	<b>2.5%</b>	<b>35.3%</b>
Net result attributable to non-controlling interests	668		330		102.4%
<b>Net result attributable to the Group</b>	<b>41,065</b>	<b>3.0%</b>	<b>30,517</b>	<b>2.5%</b>	<b>34.6%</b>
<b>Adjusted Net Result</b>	<b>42,404</b>	<b>3.1%</b>	<b>31,091</b>	<b>2.6%</b>	<b>36.4%</b>
<b>Adjusted Net Result attributable to the Group</b>	<b>41,736</b>	<b>3.0%</b>	<b>30,761</b>	<b>2.5%</b>	<b>35.7%</b>

The Total Revenues and Other Income amounted to Euro 1,372.5 million at January 31, 2022 up 13.1% compared to January 31, 2021. The increase in revenues in the first nine-month period is due to the strategy focused on the value-added business areas of the market and the expansion of the solutions offered to customers.

The Gross Margin has grown 30.1% from Euro 88.9 million (7.3% of revenues and other income) at January 31, 2021 to Euro 115.7 million (8.4% of revenues and other income) at January 31, 2022 thanks to the development of revenues from sales and to the favourable sales mix that reflects, among other things, the contribution of the companies belonging to the new Digital Green business unit.

The Ebitda result at period-end was equal to Euro 66.8 million (Ebitda margin 4.9%), significantly increasing (+38.6%) compared to Euro 48.2 million (Ebitda margin 4.0%) at January 31, 2021 achieved thanks to the development of the Gross Margin and the lower incidence of other operating costs. PM Service Srl and Kolme Srl, companies recently included in the scope of consolidation, the first one since May 2021 and the second one since September 2021, contributed with about 70% to the growth in revenues and profitability in the period.

Net profit after tax for the period is Euro 41.7 million, up 35.3% compared to Euro 30.8 million at January 31, 2021 thanks to the positive growth in operating profitability and a lower incidence of amortisation/depreciation and provisions. Gross of amortisation of intangible assets (client lists and know how) recorded following the PPA process, the Group's Adjusted Net Result is equal to Euro 41.7 million (+35.7%) compared to Euro 30.8 million at 31 January 2021.

## Results of the SSI Sector

The Software and System Integration (SSI) Sector, which offers software solutions, technological innovation and digital transformation for the SME and Enterprise segments, increased revenues and other income by 18.1%, EBITDA by 27.0% (Ebitda margin 12.1% compared to 11.2% Y/Y) and net profit by 35.1% during the period.

During the period, growth was mainly organic with several bolt-on acquisitions of companies with skills and expertise in areas of strong technological evolution, such as Fen Wo Shanghai Ltd ("Fireworks"), based in Shanghai and active in digital marketing on the Chinese market, Cadlog Group Srl and Cimtec GmbH, which expand the European platform of digital engineering services and Datef SpA, based in Bolzano with approximately Euro 12.5 million in annual revenues and 60 resources specialised in digital services, cloud and IT security, mainly located in German-speaking areas where the Sesa Group continues to expand its customer base. In March 2022, external growth continued thanks to the acquisition of **Adacto Srl**, specialized in end-to-end projects of Digital Communication and Customer Experience, with annual revenues of about Eu 4.5 million, with about 75 human resources of which 50 based in Italy and 25 operating on LATAM markets. Thanks to this operation, human capital and digital skills in the Customer & Business Experience are enhanced, reaching a total of 350 specialized human resources.



The reclassified income statement of the SSI Sector (in Euro thousands) at 31 January 2022 compared with the comparative period of the previous year ended 31 January 2021.

SSI Sector (Euro thousands)	31 January				
	2022	%	2021	%	Variazione
<b>Third-party revenues</b>	<b>407,500</b>		<b>347,027</b>		<b>17.4%</b>
Inter-sector revenues	3,436		2,764		24.3%
<b>Total Revenues</b>	<b>410,936</b>		<b>349,791</b>		<b>17.5%</b>
Other income	8,365		5,357		56.2%
<b>Total revenues and other income</b>	<b>419,301</b>	<b>100.0%</b>	<b>355,148</b>	<b>100.0%</b>	<b>18.1%</b>
Consumable materials and goods	(150,978)	-36.0%	(136,153)	-38.3%	10.9%
Costs for services and rent, leasing, and similar costs	(110,837)	-26.4%	(92,432)	-26.0%	19.9%
Personnel costs	(105,357)	-25.1%	(85,659)	-24.1%	23.0%
Other operating costs	(1,584)	-0.4%	(1,094)	-0.3%	44.8%
<b>Ebitda</b>	<b>50,545</b>	<b>12.05%</b>	<b>39,810</b>	<b>11.21%</b>	<b>27.0%</b>
Amortisation/depreciation, provisions and other non-monetary costs	(23,420)		(18,303)		28.0%
<b>Operating result (Ebit)</b>	<b>27,125</b>	<b>6.5%</b>	<b>21,507</b>	<b>6.1%</b>	<b>26.1%</b>
Net financial income and expense	(1,258)	-0.3%	(1,449)		-13.2%
<b>Result gross of taxes</b>	<b>25,867</b>	<b>6.2%</b>	<b>20,058</b>	<b>5.6%</b>	<b>29.0%</b>
Income taxes	(7,582)		(6,528)		16.1%
<b>Net result for the period</b>	<b>18,285</b>	<b>4.36%</b>	<b>13,530</b>	<b>3.8%</b>	<b>35.1%</b>
Net result attributable to non-controlling interests	3,053	0.7%	3,643		-16.2%
<b>Net result attributable to the Group</b>	<b>15,232</b>	<b>3.6%</b>	<b>9,887</b>		<b>54.1%</b>
<b>Adjusted Net Result</b>	<b>22,510</b>	<b>5.4%</b>	<b>16,634</b>	<b>4.7%</b>	<b>35.3%</b>
<b>Adjusted Net Result attributable to the Group</b>	<b>19,457</b>	<b>4.6%</b>	<b>12,991</b>	<b>3.7%</b>	<b>49.8%</b>

At January 31, 2022 total Revenues and Other income were equal to Euro 419.3 million with a growth of 18.1% Y/Y, while the Ebitda figure achieved Euro 50.5 million, up by 27.0% Y/Y.

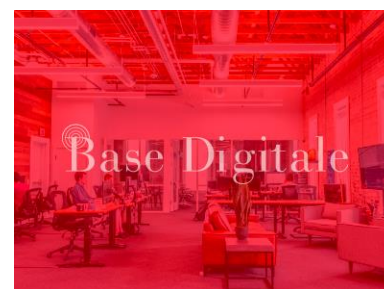
The Ebitda margin went from 11.21% at January 31, 2021 to 12.05% at January 31, 2022 benefiting from the growth in profitability in the most important business units such as Digital Security ERP&Vertical, Managed Services, Digital Engineering, Customer Experience, sustained also by recent corporate acquisitions. The use of external leverage as part of an organic business development strategy contributed to these results for around 30% of the growth in profitability in the period in question.

The net profit of the Sector at January 31, 2022 is Euro 18.3 million, improving 35.1% compared to Euro 13.5 million at 31 January 2021, thanks to the positive trend in operating profitability, with an increase in EAT margin to 4.4% in the nine-month period compared to 3.8% Y/Y.

The adjusted Net Result of the Group was equal to Euro 19.5 million, gross of amortization of intangible assets (client lists and know-how) recorded following the PPA process and equal to Euro 22.5 million net of fiscal effect, up by 49.8% compared to 13.0 million at January 31, 2021.

## Results of Business Services Sector

The Business Services Sector, which offers business process outsourcing, security and digital platform services to the finance and large enterprise segments, at 31 January 2022 achieved Revenues and Other Income up by 24.1% and an EBITDA up by 182.6% (EBITDA margin equal to 11.6% compared to 5.0% Y/Y), thanks to the organic development of the business and the contribution of recent corporate acquisitions both in the Digital Platform of IFM Infomaster SpA, Digital Storm Srl and Teknikè Srl and in the Security Solutions of Citel SpA and A Plus Srl, whose perimeter was consolidated starting from January 2022. Within the sector, organized into three vertical business lines (Security Solutions, Business Process Management and Digital Platform), it is highlighted the corporate and industrial partnership agreement made in February 2022 with **Omigrade Srl**, a company with a human capital of about 100 resources, focused on IT consulting, ERP and digital platforms for the financial services industry, with expected revenues in the Year 2022 equal to about Euro 10 million and an Ebitda margin between 10% and 15% of revenues, whose perimeter will be consolidated starting from the month of March 2022.



The reclassified income statement of the Business Services Sector (in Euro thousands) at 31 January 2022 is provided below and compared with the corresponding period of the previous year ended 31 January 2021.

Business Services Sectors (Euro thousands)	31 January				
	2022	%	2021	%	Variazione
<b>Third-party revenues</b>	<b>40,243</b>		<b>32,645</b>		<b>23.3%</b>
Inter-sector revenues	960		462		107.8%
<b>Total Revenues</b>	<b>41,203</b>		<b>33,107</b>		<b>24.5%</b>
Other income	498		507		-1.8%
<b>Total revenues and other income</b>	<b>41,701</b>	<b>100.0%</b>	<b>33,614</b>	<b>100.0%</b>	<b>24.1%</b>
Consumable materials and goods	(4,395)	-10.5%	(6,571)	-19.5%	-33.1%
Costs for services and rent, leasing, and similar costs	(17,357)	-41.6%	(15,530)	-46.2%	11.8%
Personnel costs	(14,972)	-35.9%	(9,743)	-29.0%	53.7%
Other operating costs	(156)	-0.4%	(64)	-0.2%	143.8%
<b>Ebitda</b>	<b>4,821</b>	<b>11.56%</b>	<b>1,706</b>	<b>5.08%</b>	<b>182.6%</b>
Amortisation/depreciation, provisions and other non-monetary costs	(3,592)		(1,437)		150.0%
<b>Operating result (Ebit)</b>	<b>1,229</b>	<b>2.9%</b>	<b>269</b>	<b>0.8%</b>	<b>356.9%</b>
Net financial income and expense	(295)		(227)		30.0%
<b>Result gross of taxes</b>	<b>934</b>	<b>2.2%</b>	<b>42</b>	<b>0.1%</b>	<b>2.124%</b>
Income taxes	(169)		(28)		503.6%
<b>Net result for the period</b>	<b>765</b>	<b>1.83%</b>	<b>14</b>	<b>0.1%</b>	<b>5.364%</b>
Net result attributable to non-controlling interests	16		16		ns
<b>Net result attributable to the Group</b>	<b>600</b>	<b>1.44%</b>	<b>(2)</b>		<b>ns</b>
<b>Net Result Adjusted</b>	<b>1,850</b>	<b>4.4%</b>	<b>168</b>	<b>0.5%</b>	<b>1001%</b>
<b>Net Result Adjusted attributable to the Group</b>	<b>1,685</b>	<b>4.0%</b>	<b>152</b>	<b>0.5%</b>	<b>1008%</b>

In the period in question the Consolidated Revenues and other income were equal to Euro 41.7 million, increasing by 24.1% Y/Y, with EBITDA equal to Euro 4.8 million (+182.6% Y/Y). The Ebitda margin went from 5.1% at January 31, 2021 to 11.6% at January 31, 2022 thanks, among other things, to the mentioned significant contribution from the new Digital Platform business unit. The net result of the Sector at January 31, 2022 was equal to Euro 765 thousand, significantly improved compared with last year (Euro 14 thousand) thanks to the positive evolution of operating profitability and business development. Gross of amortization of intangible assets (client lists and know-how) recorded following the PPA process, the Adjusted Net Result of the Group was equal to Euro 1.7 million (+1,001.2%) compared to Euro 152 thousand at 31 January, 2021

## Results of the Corporate Sector

The Corporate Sector, operating in strategic governance and the provision of administration, finance, control, human resource and management of IT systems and platforms services to the Group, strengthened its offering during the period to support the increase in number of companies included in the scope of consolidation and the integration processes linked to the recent corporate acquisitions.



The reclassified income statement of the Corporate Sector (in Euro thousands) at 31 January 2022 is provided below and compared with the corresponding period of the previous year ended 31 January 2021.

Corporate Sector (Euro thousands)	31 January		2021	%	Variazione
	2022	%			
<b>Third-party revenues</b>	<b>993</b>		<b>1,070</b>		<b>-7.2%</b>
Inter-sector revenues	13,749		12,872		6.8%
<b>Total Revenues</b>	<b>14,742</b>		<b>13,942</b>		<b>5.7%</b>
Other income	2,370		2,620		-9.5%
<b>Total revenues and other income</b>	<b>17,112</b>	<b>100.0%</b>	<b>16,562</b>	<b>100.0%</b>	<b>3.3%</b>
Consumable materials and goods	(208)	-1.2%	(168)	-1.0%	23.8%
Costs for services and rent, leasing, and similar costs	(7,136)	-41.7%	(7,048)	-42.6%	1.2%
Personnel costs	(7,111)	-41.6%	(6,639)	-40.1%	7.1%
Other operating costs	(270)	-1.6%	(214)	-1.3%	26.2%
<b>Ebitda</b>	<b>2,387</b>	<b>13.95%</b>	<b>2,493</b>	<b>15.1%</b>	<b>-4.3%</b>
Amortisation/depreciation, provisions and other non-monetary costs	(2,732)		(2,843)		-3.9%
<b>Operating result (Ebit)</b>	<b>(345)</b>	<b>-2.0%</b>	<b>(350)</b>	<b>-2.1%</b>	<b>-1.4%</b>
Net financial income and expense	(22)		16		-237.5%
<b>Result gross of taxes</b>	<b>(367)</b>	<b>-2.1%</b>	<b>(334)</b>	<b>-2.0%</b>	<b>9.9%</b>
Income taxes	(268)		(143)		87.4%
<b>Net result for the period</b>	<b>(635)</b>	<b>-3.7%</b>	<b>(477)</b>	<b>-2.9%</b>	<b>33.1%</b>
Net result attributable to non-controlling interests			-		
<b>Net result attributable to the Group</b>	<b>(635)</b>		<b>(477)</b>		<b>33.1%</b>
<b>Adjusted Net Result</b>	<b>(635)</b>	ns	<b>(422)</b>	ns	<b>50.5%</b>
<b>Adjusted Net Result attributable to the Group</b>	<b>(635)</b>	ns	<b>(422)</b>	ns	<b>50.5%</b>

Total Revenues and Other income of the Sector, equalling Euro 17.1 million, grows (+3.3% Y/Y), thanks to the development of the organisation, administration and financial management, planning and control, human resource management and IT consulting services supplied by Sesa SpA to the Group companies that during the period continued expanding the user companies.

Amortisation, depreciation, provisions and other non-monetary costs mainly included the notional cost pertaining to the period related to the new 2021-2023 stock grant plan mainly related to the executive directors of the parent company.

After financial items, equity investments and taxes, the result for the period was negative by Euro 635 thousand at 31 January 2022, compared to a negative result of Euro 477 thousand at 31 January 2021.

# Corporate Governance

The Corporate Governance system adopted by Sesa SpA complies with the indications contained in the Code of Corporate Governance for Italian Listed Companies published by Borsa Italiana SpA.

On 27 January 2021, the Shareholders' Meeting approved the adoption of the one-tier system of administration and control and the implementation of the new legal requirements for the composition of the Board of Directors in terms of diversity and independence. In particular, the one-tier system of administration and control is based on the establishment of a Board of Directors comprising a number of members who in turn are also members of the Management Control Committee, as a body with control functions. The role of the Supervisory Body pursuant to Legislative Decree 231/01 has been entrusted to the Management Control Committee, as allowed by the current regulatory provisions governing the matter. The corporate governance system of Sesa SpA is therefore structured as follows:

- General Meeting. The Shareholders' Meeting is competent to decide, in ordinary and extraordinary session, matters reserved to it by law or by the Articles of Association.
- Board of Directors. The Board of Directors is vested with the broadest powers for the administration of the Company and for the implementation and achievement of the corporate purpose, within the limits allowed by law and the Articles of Association.
- Management Control Committee / governance body. The Committee is currently made up of three members, all of whom meet the requirements of independence pursuant to the applicable legislation. The Management Control Committee exercises the powers and functions assigned to it by current legislation and the Corporate Governance Code. The Board of Directors has also assigned the Management Control Committee the role of Supervisory Body pursuant to Legislative Decree 231/01 and the role of Control and Risks and Related Parties Committee.
- Remuneration Committee. The Remuneration Committee is an advisory and proposing body with the main task of formulating proposals to the Board of Directors for the definition of the remuneration policy for Directors and Executives with strategic responsibilities.
- Auditing Company. The statutory audit of the accounts is entrusted to an auditing company registered in the Consob register.

The Shareholders' Meeting of 27 January 2021 also approved the integration of Article 19 of the Articles of Association aimed at guiding the commitment of the directors to pursue success and sustainable growth to the benefit of all Stakeholders.

On 12 July 2021, the Board of Directors approved the Report on the Company's governance system, which contains a general description of the corporate governance system adopted by the Group and provides information on the ownership structure and adherence to the Corporate Governance Code, including the main governance procedures applied and the characteristics of the internal control and risk management system, also in relation to the financial reporting process. The above-mentioned Report is available on the website [www.sesa.it](http://www.sesa.it), Corporate Governance section. The Corporate Governance Code is available on the website of Borsa Italiana SpA [www.borsaitaliana.it](http://www.borsaitaliana.it).

On 12 July 2021, the Board of Directors defined the Remuneration Policy, in accordance with the main recommendations of the Corporate Governance Code, approved the Audit Report as at 30 April 2021, prepared by the Internal Audit department, and examined and expressed a favourable opinion on the Report of the Manager responsible for preparing the company's financial reports, regarding the adequacy and effectiveness of the administrative and accounting procedures.

The Shareholders' Meeting of Sesa SpA held on 26 August 2021 proceeded to appoint the Board of Directors for the next three years, as illustrated in the Significant Events of the period. At the end of the Shareholders' Meeting, the Board of Directors of Sesa SpA met in order to assign powers and management proxies to the directors and appoint the members of the Management Control Committee and Remuneration Committee.

# Human resources and sustainable growth

## Staff

The Sesa Group considers human resources one of its most important stakeholders and is committed to the development of skills and human capital dimension through training, hiring, welfare, work-life balance programs, based on distinctive values such as professionalism, inclusion, attention to diversity, sustainability.

As at 31 January 2022, the Group's workforce totalled 3,878 employees (+15.5% compared to 31 January 2021), about 4,000 if we consider also trainees, showing a significant growth trend thanks both to the plans to hire young people from specialisation schools and universities, and to the contribution of external leverage (M&A) aimed precisely at developing the technical skills of human resources.

	Average number of employees for the period ending 31 January <sup>6</sup>		Number of employees as at 31 January		Number of employees as at 30 April
(in units)	2022	2021	2022	2021	2021
Executives	37	25	40	27	33
Middle management	292	234	304	259	279
White collar	3,244	2,578	3,451	2,903	3,037
Blue collar	88	74	83	89	92
<b>Total</b>	<b>3,660</b>	<b>2,913</b>	<b>3,878</b>	<b>3,278</b>	<b>3,441</b>

Female employment represents a significant component of the business, equal to 32% at 31 January 2022 (31% as at 30 April 2021), which reflects the intrinsic characteristics of the business in which the Group operates, strongly oriented towards resources with technical-scientific skills. For years, the Group has been implementing programmes aimed at the full achievement of gender equality which, also in light of the progressive evolution of the training orientation of young resources, are determining a further progressive growth of the female quota.

The Group is committed to ensuring equal gender opportunities and to minimizing the pay gap between women and men typical of the Information Technology business. The Gender pay gap reported in the last financial year was 7.4%, compared to 17.7% of the Gender Pay Gap in the Italian private sector (ISTAT Report "Struttura delle retribuzioni in Italia nel 2018 / Structure of salaries in Italy in 2018"). At European level, the gender pay gap in the private sector varies from 8.9% in Belgium to 22.9% in Germany (source: Eurostat index, 2019).

Human capital, as a primary value of the Group, is a strategic resource to be retained and developed through long-term professional growth paths. The Sesa Group therefore pursues hiring policies for its resources on a permanent basis, amounting to 99% of the total as at 31 January 2022. The outgoing turnover rate recorded in the last fiscal year was 6%, a low percentage if compared to the average of the Information Technology sector, which has a structural situation of lack of professionalism and high levels of mobility of human resources.

## Hiring

The working environment, the opportunity to work on stimulating and innovative projects, where diversity is valued and each person is able to express his or her abilities and potential, together with the Group's great commitment to sustainable development, are key elements in the process of attracting talent, especially young people. In this sense, the Group systematically carries out selection and induction activities for resources entering labour market.

The Group's selection process aims to identify the best available resources through:

- Long-standing collaborations with Professional Schools, Universities and Business Schools;
- Participation in Career Days and University events;
- Organisation of highly specialised vocational training courses (ITS) and Academy;
- Hiring events at the Group's main offices, aimed at presenting job opportunities and professional growth for young graduates;

<sup>6</sup> The figure was calculated as a weighted average based on the total number of employees by professional figure. The category of Executives is excluded from the sample as it is not representative. The index was calculated including the Italian companies belonging to the Group. Coverage of the perimeter for reporting the figure is 94%.



- Social and digital communication campaigns aimed at reinforcing the Group's brand identity and developing the job offer promoted by the Group.

Through these activities, over the last 12 months, around 470 young resources of which 240 resources under 30 have been recruited from universities and training schools and placed on internship and apprenticeship schemes that end with confirmation on a permanent basis with percentages close to 100%. Specifically, 84 internships and 308 apprenticeships were active as of 31 January 2022.

## Training and Development of resources

The Sesa Group pursues the retention of human capital through a mix of strategic governance and development tools (training, career plans, work-life balance initiatives, team building and corporate welfare) managed for all major companies of the Group by the parent company Sesa SpA. In this sense, training plays a key role in the process of both enhancing the value and loyalty of people, representing an important tool for developing and consolidating individual skills and at the same time for disseminating the Group's values and strategy, supporting its sustainable growth and cultural and organisational evolution.

The planning of training activities is consistent with the need to adapt skills to the technological evolution processes undertaken by the Group and the need to develop personal skills in line with the new business context and new organisational models.

Despite the period of health emergency, the number of training hours in the last financial year to 30 April 2021 amounted to about 26,500 hours provided, an increase of 30% year-on-year, with the intention to further increase its investment in training activities in order to enhance the skills of human resources in the following training areas:

- Technical and vocational training (tutorship, seminars, academy);
- Training in Key Competences (Soft and Digital skills, Project Management);
- Compliance training: Health and Safety in the Workplace, Corporate Responsibility Legislative Decree 231, GDPR regulations.

In the fiscal year to April 30, 2022, the training programs consider an increase in training hours by a further 30% compared to the previous year.

In line with the Group's sustainability objectives, in the current fiscal year were launched specific programmes on Sustainability and Diversity, with the aim of raising awareness and training all human resources. The Group has in fact started a process of progressive focus on sustainability issues, in line with the long-term value creation strategy of the Sesa Group and in confirmation of the Group's commitment to proactively support innovative value creation models in favour of its stakeholders including, and in particular, its human capital.

## Health and Safety

Sesa Group promotes the welfare of workers through policies and programmes of information and awareness on safety in the workplace, adopting the necessary measures to prevent and/or minimise accidents, injuries and occupational diseases. This overall vision translates into a business strategy aimed at pursuing the highest levels of protection and guarantee of workers through the planning and implementation of all actions aimed at ensuring the health and safety of processes and workplaces.

Control measures applied for the elimination or containment of risks include:

- health and safety training programmes, differentiated according to the risks and professional profiles present in the company;
- individual and collective protective equipment and devices;
- organisational arrangements necessary to ensure maximum safety of workers within the working environment.

Following the pandemic emergency, Sesa Group promptly activated measures to safeguard the health and safety of its employees and ensure the operation of essential services. In particular, protocols were adopted at Group level to prevent contagion, with the use of digital temperature detection systems during access to offices and plants, digital collaboration for the management of internal meetings and meetings with stakeholders, systematic adoption of personal protective equipment (PPE) and the adoption of methods for using the canteen service in the Empoli and Milan offices through the use of digital technologies for distancing.

In order to properly manage the health emergency and implement the measures required by law, a Sesa Task Force was set up, with the task of providing guidance and issuing guidelines on health and safety in the workplace. Task Force, with the involvement of the main corporate functions (Human Resources Office, Legal & Compliance, Competent Doctor, RSPP) promptly adopted Protocols for the prevention of contagion and the implementation of related procedures, including the

reduction and monitoring of travel between the various Group offices (replaced by meetings in audio/videoconference mode) and the planning of training activities with e-learning mode. Since the beginning of the pandemic emergency, moreover, the Sesa Group has adopted a hybrid organisation model, with the use of smart working and digital technologies for internal collaboration and with stakeholders, which has allowed the continuity of the Group's services and activities, operating in a sector such as technological innovation and digital services, which are essential for the functioning of organisations and businesses.

In compliance with recent Law-Decree no. 139 of 11 October 2021, Sesa Group adopted its own "operating methods in order to organize the Green Pass check", with the objective of regulating the methods of control to be done at the Group companies' work locations related to the possession of the Green Pass.

## Welfare

Over the years, a welfare model has been implemented that is able to contribute to the individual and family wellbeing of workers and, at the same time, take advantage of the evolutionary processes of the labour market and the company, which make it possible to improve working relations and the organisational climate, increase the organisation's level of attractiveness and generate benefits for the community in which it operates.

The Group's welfare plan, which can be used through a digital platform and is available to all workers, is divided into the following areas of intervention:

- **Flexible Benefit** for each worker to supplement family expenditure (food shopping, sport, wellness, culture), which can be used flexibly through a wide choice menu available on the Group's Welfare portal;
- **Measures** in support of workers' children (scholarships for the purchase of school books, crèche contributions, study trips abroad, summer centres, digital vouchers for the purchase of computer equipment for workers' children), contributions for sustainable mobility (reimbursements for the use of public transport, Bike Sharing and E-Car Sharing) and for the housing autonomy of resources under 35;
- **Work-life balance programmes and human capital development** (scholarships for bachelor's or master's degree courses), company microcredit for access to loans on favourable terms, social volunteering leave and solidarity holidays, as well as a digital psychological support desk aimed at promoting personal well-being and improving the organisational climate.

The Welfare Plan benefits from the contribution of the Sesa Foundation, a non-profit organization promoted by the founding partners of Sesa and oriented to carry out philanthropy events, education and assistance initiatives for the benefit of the Group's human capital and social communities. These measures are consistent with the sustainability objectives that the Sesa Group pursues in the management of human capital, promoting its development and diversity in the context of work life balance policies and loyalty in the long term. In particular, the support given by the Sesa Foundation in the fight against the pandemic through the organization of the vaccine hub of Empoli (FI)

## Sector Disclosures

The criteria applied to identify the business segments being reported are in line with the methods used by management to manage the Group. In particular, the structure of the business segments being reported corresponds to the structure of the reports regularly analysed by the Board of Directors for the purposes of managing the Group's business. Specifically, the main scope of management analysis used by the Group is that relating to the following operating segments:

- The **Corporate Sector** comprises activities related to the strategic governance and management of the Group's operating machinery and financial platform. For the main operating companies of the group in particular, the Administration, Finance and Audit, Human Resources, Organisation, Information Technology, Investor Relations, Corporate Governance, Legal and Internal Audit functions are managed by the parent company Sesa SpA.
- The **VAD Sector** includes activities related to the Value-Added Distribution (VAD) of technological solutions and integration services, with focus on the Data Centre, Enterprise Software, Networking and Collaboration, Security, Cloud Computing segments and Digital Green. The VAD Sector is managed by the wholly owned subsidiary Computer Gross SpA;
- The **Software and System Integration Sector (SSI)** offers software, technological innovation and digital transformation solutions for technology end-user companies mainly belonging to the SME and Enterprise segments. The Software and System Integration Sector is managed by the wholly owned subsidiary Var Group SpA;
- The **Business Services Sector (BS)** offers business process outsourcing, security solutions, digital transformation and digital platform services for the finance and large enterprise segment. The BS Sector is managed by the subsidiary Base Digitale Group Srl.

The Group's management assesses the performance of the various operating segments, using the following indicators:

- Revenues from third parties by operating segment;
- Ebitda defined as the profit for the year before depreciation and amortisation, accruals to the provision for bad debts, accruals to the provisions for risks, notional costs relating to stock grant plans assigned to executive directors, financial income and expenses, profit (loss) of companies measured using the equity method and taxes;
- Profit for the year.

As Ebitda is not identified as an accounting measure by the IFRS (Non-GAAP Measures), its quantitative determination might not be unequivocal. Ebitda is a measure used by management to monitor and evaluate the operating performance of the Group companies.

The criterion for determining the Ebitda reported above and applied by the Group may not be consistent with that adopted by other companies or groups, so its value may not be comparable with that determined by them.

The following table shows results of operations information by operating sector for the interim period ended 31 January 2022 and 31 January 2021:

<i>(Euro thousands)</i>	Period ended 31 January 2022						Period ended 31 January 2021					
	Value Added Distribution	Software System Integration	Business Services	Corporate	Eliminations	Group	Value Added Distribution	Software System Integration	Business Services	Corporate	Eliminations	Group
<b>Revenues from third parties</b>	<b>1,290,385</b>	<b>407,500</b>	<b>40,243</b>	<b>993</b>		<b>1,739,121</b>	<b>1,142,992</b>	<b>347,027</b>	<b>32,645</b>	<b>1,070</b>		<b>1,523,734</b>
Inter-sector revenues	70,852	3,436	960	13,749		88,997	65,433	2,764	462	12,872		81,531
<b>Revenues</b>	<b>1,361,237</b>	<b>410,936</b>	<b>41,203</b>	<b>14,742</b>	<b>(88,997)</b>	<b>1,739,121</b>	<b>1,208,425</b>	<b>349,791</b>	<b>33,107</b>	<b>13,942</b>	<b>(81,532)</b>	<b>1,523,733</b>
Other income	11,291	8,365	498	2,370	(3,767)	18,757	5,485	5,357	507	2,620	(3,423)	10,546
<b>Total revenues and other income</b>	<b>1,372,528</b>	<b>419,301</b>	<b>41,701</b>	<b>17,112</b>	<b>(92,764)</b>	<b>1,757,878</b>	<b>1,213,910</b>	<b>355,148</b>	<b>33,614</b>	<b>16,562</b>	<b>(84,955)</b>	<b>1,534,279</b>
Purchase of goods	(1,256,796)	(150,978)	(4,395)	(208)	66,918	(1,345,459)	(1,124,972)	(136,153)	(6,571)	(168)	60,742	(1,207,122)
Costs for services and rent, leasing and similar costs	(32,020)	(110,837)	(17,357)	(7,136)	25,614	(141,736)	(24,950)	(92,432)	(15,530)	(7,048)	24,052	(115,908)
Personnel costs	(15,089)	(105,357)	(14,972)	(7,111)	80	(142,449)	(14,144)	(85,659)	(9,743)	(6,639)	65	(116,120)
Other operating costs	(1,827)	(1,584)	(156)	(270)	152	(3,685)	(1,644)	(1,094)	(64)	(214)	96	(2,920)
<b>Ebitda</b>	<b>66,796</b>	<b>50,545</b>	<b>4,821</b>	<b>2,387</b>		<b>124,549</b>	<b>48,200</b>	<b>39,810</b>	<b>1,706</b>	<b>2,493</b>		<b>92,209</b>
Amortisation, depreciation, write-downs and other non-monetary costs	(5,768)	(23,420)	(3,592)	(2,732)		(35,512)	(5,748)	(18,303)	(1,437)	(2,843)		(28,331)
<b>Operating Result (Ebit)</b>	<b>61,028</b>	<b>27,125</b>	<b>1,229</b>	<b>(345)</b>		<b>89,037</b>	<b>42,452</b>	<b>21,507</b>	<b>269</b>	<b>(350)</b>		<b>63,878</b>
Net financial income and expense	(3,009)	(1,258)	(295)	(22)		(4,584)	293	(1,449)	(227)	16		(1,367)
<b>Profit before taxes</b>	<b>58,019</b>	<b>25,867</b>	<b>934</b>	<b>(367)</b>		<b>84,453</b>	<b>42,745</b>	<b>20,058</b>	<b>42</b>	<b>(334)</b>		<b>62,511</b>
Income taxes	(16,286)	(7,582)	(169)	(268)		(24,305)	(11,898)	(6,528)	(28)	(143)		(18,597)
<b>Profit for the period</b>	<b>41,733</b>	<b>18,285</b>	<b>765</b>	<b>(635)</b>		<b>60,148</b>	<b>30,847</b>	<b>13,530</b>	<b>14</b>	<b>(477)</b>		<b>43,914</b>
Profit attributable to non-controlling interests	668	3,053	165	-		3,886	330	3,643	16	-		3,989
<b>Profit attributable to the Group</b>	<b>41,065</b>	<b>15,232</b>	<b>600</b>	<b>(635)</b>		<b>56,262</b>	<b>30,517</b>	<b>9,887</b>	<b>(2)</b>	<b>(477)</b>		<b>39,925</b>

## Transactions with related parties and Group companies

Economic transactions between group companies are conducted at market prices and are eliminated in the consolidation process. Transactions entered into by Group companies with related parties pursuant to IAS 24 were conducted on an arm's length basis and for mutual economic advantage.

There were no significant transactions with related parties during the period in question.

## Significant events occurring after the end of the quarter

On 14 February 2022 the Group subscribed, through the subsidiary Base Digitale Group, a partnership agreement with Omigrade Srl, a company with a team of about 100 human resources, focused on IT consulting, ERP and digital platforms and digital transformation services for the financial services industry, with expected revenues in the Year 2022 equal to about Eu 10 million and an Ebitda margin between 10% and 15% of revenues, with the inclusion of Omigrade into the consolidation perimeter of Sesa Group since March 2022.

On 2 March 2022 the Group subscribed a partnership agreement for the acquisition of Adacto Srl, a company specialized in end-to-end projects of Digital Communication and Customer Experience Management for major Enterprise customers belonging to several Made in Italy sectors, with annual revenues of about Eu 4.5 million and a staff about 75 human resources of which 50 in Italy and 25 operating on LATAM markets. Thanks to this business combination Var Group strengthens its skills, which achieves a total of about 350 skilled resources in Customer & Business Experience, consolidating the presence abroad, as well as in China, after the acquisition of Fireworks performed in February 2021, also in America (Mexico and USA).

There are no further significant events occurring after the end of the nine-month period ended 31 January 2022.

## Business outlook

For the remainder of the year, the Sesa Group will continue to invest in skills, application solutions and innovative technology platforms in order to support the growing demand for digital transformation of businesses and organisations.

The Group will also keep on investing in sustainability programmes in the areas of governance, human resources development and management, environmental protection and social responsibility, with a renewed commitment to supporting the generation of sustainable value for all stakeholders.

In light of the positive results achieved in the nine months period ending to 31 January 2022, the expected contribution from external leverage thanks to the rich pipeline of bolt-on acquisitions as well as the expected growth in demand for digitalisation in the markets in which it operates, the Group confirms a favourable outlook for the year ending 30 April 2022, aiming at continuing the long-term growth track record in the coming years, generating sustainable value for all stakeholders.

*The Chairman of the Board of Directors*  
Paolo Castellacci

Annexes

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## Consolidated Income Statement

<i>(Euro thousand)</i>	Period ended 31 January	
	2022	2021
Revenues	1,739,121	1,523,733
Other income	18,757	10,546
Consumables and goods for resale	(1,345,459)	(1,207,122)
Costs for services and rent, leasing and similar costs	(144,117)	(118,351)
Personnel costs	(142,449)	(116,120)
Other operating charges	(6,480)	(6,903)
Amortisation and Depreciation	(30,336)	(21,905)
<b>Operating result</b>	<b>89,037</b>	<b>63,878</b>
Share of profits of companies valued at equity	1,398	1,718
Financial income	3,901	7,527
Financial expenses	(9,883)	(10,612)
<b>Profit before taxes</b>	<b>84,453</b>	<b>62,511</b>
Income taxes	(24,305)	(18,597)
<b>Profit for the period</b>	<b>60,148</b>	<b>43,914</b>
<i>of which:</i>		
Profit attributable to non-controlling interests	3,886	3,989
Profit attributable to the Group	56,262	39,925
Earnings per share (in Euro)	3.64	2.59
Earnings per share diluted (in Euro)	3.63	2.58

## Consolidated Statement of Changes in Shareholders' Equity

<i>(Euro thousand)</i>	Share capital	Share premium reserve	Other reserves	Profits for the year and profits carried forward	Shareholders' equity attributable to the Group	Shareholders' equity attributable to non-controlling interest	Total Shareholders' equity
<b>At 30 April 2021</b>	<b>37,127</b>	<b>33,144</b>	<b>(19,421)</b>	<b>227,776</b>	<b>278,626</b>	<b>18,729</b>	<b>297,355</b>
Profit for the year				56,262	56,262	3,886	60,148
Actuarial gain(loss) for employee benefits Net effect			67		67	75	142
<b>Comprehensive income for the year</b>			<b>67</b>	<b>56,262</b>	<b>56,329</b>	<b>3,961</b>	<b>60,290</b>
<b>Transactions with shareholders</b>							
Purchase of treasury shares			(4,807)		(4,807)		(4,807)
Sale of treasury shares					-		-
Distribution of dividends			(2,122)	(11,046)	(13,168)	(1,019)	(14,187)
Assignment of shares in execution of Stock Grant plan			2,380		2,380		2,380
Stock Grant plans- shares vesting in the period			-		-		-
Allocation of profit for the year			581	(581)	-		-
Change in the scope of consolidation and other changes			(31,588)	(477)	(32,065)	576	(31,489)
<b>At 31 January 2022</b>	<b>37,127</b>	<b>33,144</b>	<b>(54,910)</b>	<b>271,934</b>	<b>287,295</b>	<b>22,247</b>	<b>309,542</b>



# Consolidated Statement of Financial Position

<i>(Euro thousand)</i>	At 31 January 2022	At 30 April 2021
Intangible assets	198,876	142,826
Right of use	55,411	55,220
Property, plant and equipment	50,778	44,722
Investment property	290	290
Investments valued at equity	13,938	13,850
Deferred tax assets	14,735	12,987
Other non-current receivables and assets	15,232	14,644
<b>Total non-current assets</b>	<b>349,260</b>	<b>284,539</b>
Inventories	127,820	86,920
Current trade receivables	520,846	355,781
Current tax receivables	15,152	6,001
Other current receivables and assets	88,717	57,634
Cash and cash equivalents	405,500	426,665
<b>Total current assets</b>	<b>1,158,035</b>	<b>933,001</b>
<b>Total assets</b>	<b>1,507,295</b>	<b>1,217,540</b>
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(54,910)	(19,421)
Profits carried forward	271,934	227,776
<b>Total shareholders' equity attributable to the Group</b>	<b>287,295</b>	<b>278,626</b>
Shareholders' equity attributable to non-controlling interests	22,247	18,729
<b>Total Shareholders' equity</b>	<b>309,542</b>	<b>297,355</b>
Non-current loans	107,343	128,554
Non-current financial liabilities for right of use	32,569	33,626
Non-current liabilities to minority shareholders for equity investments <sup>7</sup>	78,547	47,838
Employee benefits	44,326	40,897
Non-current provisions	3,516	2,284
Deferred tax liabilities	53,626	35,989
<b>Total non-current liabilities</b>	<b>319,927</b>	<b>289,188</b>
Current loans	122,723	100,994
Current financial liabilities for right of use	10,603	10,245
Current liabilities to minority shareholders for equity investments <sup>7</sup>	25,594	10,967
Payables to suppliers	541,573	366,101
Current tax payables	25,228	7,403
Other current liabilities	152,105	135,287
<b>Total current liabilities</b>	<b>877,826</b>	<b>630,997</b>
<b>Total liabilities</b>	<b>1,197,753</b>	<b>920,185</b>
<b>Total Shareholder's equity and liabilities</b>	<b>1,507,295</b>	<b>1,217,540</b>

<sup>7</sup> For the purposes of a better representation of the Group's financial position, starting from at 31 January 2022, liabilities and commitments to minority shareholders for the purchases of equity investments have been recorded in a specific item of the statement of financial position, separating this amount from current and non-current loans. Liabilities and commitments to minority shareholders for the purchases of equity investments include non-interest-bearing payables and commitments for deferred payments for company acquisitions to minority shareholders (Earn Out, Put Option, deferred prices). For a comparative analysis, the statements of financial position at 31 January 2021 and 30 April 2021 have been reclassified consistently.

# Consolidated Statement of Cash Flows

<i>(Euro thousand)</i>	Period ended 31 January	
	2022	2021
<b>Profit before taxes</b>	<b>84,453</b>	<b>62,511</b>
<b>Adjustments for:</b>		
Amortisation and Depreciation	30,338	21,915
Accruals to provisions relating to personnel and other provisions	6,086	6,920
Net financial (income) expense	2,448	2,659
Profit of companies valued at equity	(1,398)	(1,718)
Other non-monetary entries	(1,369)	799
<b>Cash flows generated from operating activities before changes in net working capital</b>	<b>120,558</b>	<b>93,086</b>
Change in inventories	(33,891)	(1,754)
Change in trade receivables	(136,475)	(140,560)
Change in payables to suppliers	139,294	89,758
Change in other assets	(18,239)	(8,539)
Change in other liabilities	(9,416)	9,923
Use of provisions for risks	(971)	(393)
Employee benefits	(1,464)	(1,878)
Change in deferred taxes	(78)	(2,422)
Change in receivables and payables for current taxes	8,387	4,739
Interest paid	(3,257)	(2,848)
Taxes paid	(10,947)	(8,703)
<b>Net cash flow generated from operating activities</b>	<b>53,501</b>	<b>30,409</b>
Investments in companies net of cash acquired	(14,432)	(4,468)
Investments in property, plant and equipment	(12,166)	(3,609)
Investments in intangible assets	(6,504)	(13,405)
Disposal of property, plant and equipment and intangible assets		23
Disposal of assets held for sale		
Investments in associated companies	(500)	(28)
Disposals of associated companies		
Non-current equity investments in other companies	(888)	(1,886)
Disposals of non-current equity investments in other companies		(163)
Dividends collected	1,163	333
Interest collected	405	295
<b>Net cash flow generated from/(used in) by investing activities</b>	<b>(32,922)</b>	<b>(22,908)</b>
Subscription of long-term loans	28,650	45,000
Repayment of long-term loans	(56,233)	(50,593)
(Reduction)/increase in short-term loans	15,127	(3,005)
Repayment of financial liabilities for rights of use	(9,894)	(7,511)
Investments/disinvestments in financial assets	(400)	(854)
Treasury shares	(4,807)	(3,107)
Dividends distributed	(14,187)	(510)
<b>Net cash flow generated from/(used in) financing activities</b>	<b>(41,744)</b>	<b>(20,579)</b>
Translation difference on cash and cash equivalents		
<b>Change in cash and cash equivalents</b>	<b>(21,164)</b>	<b>(13,078)</b>
Opening balance of cash and cash equivalents	426,665	368,466
<b>Closing balance of cash and cash equivalents</b>	<b>405,501</b>	<b>355,387</b>

## Declaration pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, “Consolidated Law on Financial Intermediation”, as amended

The Executive in charge of preparation of the corporate accounting documents declares, pursuant to article 154-bis of the Consolidated Law on Finance, that the accounting disclosure contained in the Sesa Group’s Interim Report on Operations as at 31 January 2022, corresponds to the documentary results, books and accounting entries.

Empoli, 11 March 2022

Alessandro Fabbroni

(In his capacity as Executive in charge of preparation of the corporate accounting documents)



Sesa SpA. Sede in Via Piovola 138, 50053 Empoli FI  
Share capital Euro 37,126,927  
Tax code and Registration no. in the Companies Register  
of Florence and VAT number 07116910964