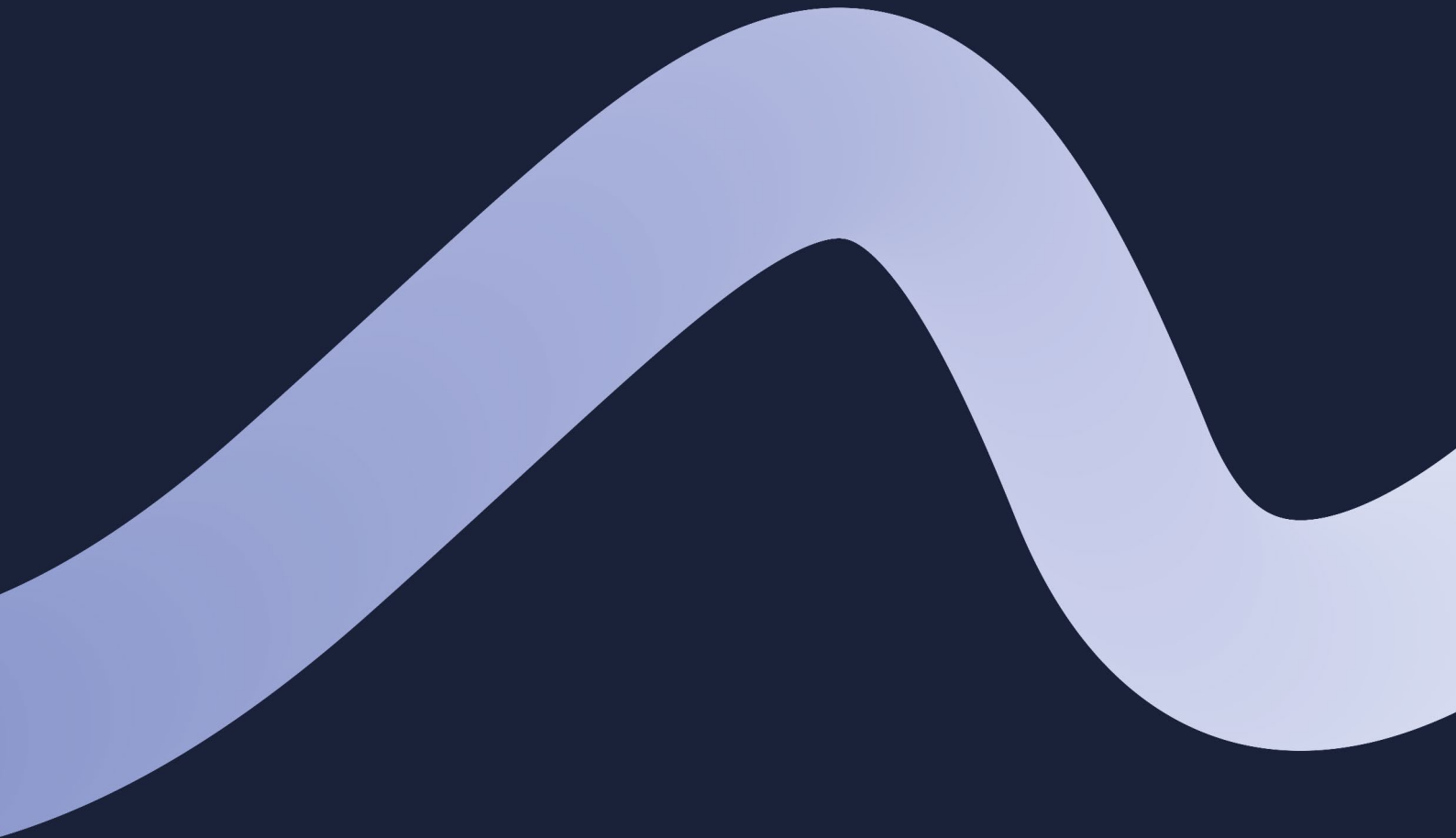


Half-Year Financial Report

October 31, 2023



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Management and auditing boards of Sesa SpA

Board of Directors

	Gender	Birth Year	Role	Deadline
Paolo Castellacci	♂	30/03/1947	Chairman	approval of FS as of 30 April 2024
Giovanni Moriani	♂	19/11/1957	Executive Vice Chairman	approval of FS as of 30 April 2024
Moreno Gaini	♂	14/09/1962	Executive Vice Chairman	approval of FS as of 30 April 2024
Alessandro Fabbroni	♂	03/03/1972	Chief Executive Officer	approval of FS as of 30 April 2024
Claudio Berretti	♂	23/08/1972	Non-Executive Director	approval of FS as of 30 April 2024
Giuseppe Cerati	♂	15/05/1962	Independent Director	approval of FS as of 30 April 2024
Angela Oggionni	♀	08/06/1982	Independent Director	approval of FS as of 30 April 2024
Chiara Pieragnoli	♀	11/11/1972	Independent Director	approval of FS as of 30 April 2024
Giovanna Zanotti	♀	18/03/1972	Independent Director	approval of FS as of 30 April 2024
Angelica Pelizzari	♀	18/10/1971	Independent Director	approval of FS as of 30 April 2024

Corporate Governance Bodies

	Deadline
Control and Risks and Related Parties Committee	
Giuseppe Cerati (Chairman), Giovanna Zanotti, Chiara Pieragnoli	approval of FS as of 30 April 2024
Director in charge of Internal Control: Alessandro Fabbroni	approval of FS as of 30 April 2024
Remuneration Committee	
Angela Oggionni (Chairman), Giovanna Zanotti, Claudio Berretti	approval of FS as of 30 April 2024
Sustainability Committee	
Giuseppe Cerati (Chairman), Giovanna Zanotti, Chiara Pieragnoli, Alessandro Fabbroni	approval of FS as of 30 April 2024

Management Control Committee

	Role	Deadline
Giuseppe Cerati	Chairman	approval of FS as of 30 April 2024
Chiara Pieragnoli	Committee Member	approval of FS as of 30 April 2024
Giovanna Zanotti	Committee Member	approval of FS as of 30 April 2024

Supervisory Board pursuant to Law 231/2011

	Role	Deadline
Giuseppe Cerati	Chairman	approval of FS as of 30 April 2024
Chiara Pieragnoli	Committee Member	approval of FS as of 30 April 2024
Giovanna Zanotti	Committee Member	approval of FS as of 30 April 2024

Auditing company

		Deadline
Company entrusted with the statutory audit	KPMG SpA	approval of FS as of 30 April 2031

Highlights

Consolidated economic data for the periods ended October 31 of each year

(Euro thousands)	2023	2022	2021	2020	2019
Revenues	1,482,856	1,298,771	1,024,779	883,159	764,960
Total revenues and other income	1,501,619	1,311,736	1,036,700	889,280	770,202
EBITDA	113,262	93,387	73,272	53,566	40,034
Adjusted operating profit (EBIT) ⁽¹⁾	90,655	70,370	56,183	39,075	29,764
EBIT (Operating Income)	75,040	62,655	50,532	35,725	27,766
Profit (loss) before taxes	60,906	58,761	47,326	34,286	25,967
Net profit for the period	41,588	41,133	33,968	24,392	18,076
Net profit for the period attributable to the Group	38,952	38,748	31,811	21,817	16,000
Adjusted net profit (EAT) for the period attributable to the Group ⁽¹⁾	50,067	45,882	35,833	24,202	17,422

Consolidated balance sheet figures as of October 31 of every year

Total Net Invested Capital	500,162	341,648	253,055	249,246	234,516
Total Shareholders' Equity	442,805	352,144	286,627	272,326	236,465
- attributable to the shareholders of the Parent Company	397,198	323,580	267,159	253,089	222,580
- attributable to non-controlling interests	45,607	28,564	19,468	19,237	13,885
Net Financial Position reported (Net Liquidity)	57,357	(10,496)	(33,572)	(23,080)	(1,949)
Net Financial Position (Net Liquidity) ⁽²⁾	(153,433)	(189,490)	(170,868)	(101,653)	(43,649)

Consolidated economic ratio as of October 31 of every year

EBITDA / Total revenues and other income	7.5%	7.1%	7.1%	6.0%	5.2%
EBIT / Total revenues and other income (ROS)	5.0%	4.8%	4.9%	4.0%	3.6%
EAT Adjusted attributable to the Group/ Total revenues and other inc.	3.3%	3.5%	3.5%	2.7%	2.3%

Market Data

Listing Market	Euronext – Star	Euronext Star	Euronext Star	Euronext Star	Euronext Star
Quotation (Eu as at 31/10 each year)	95.3	109.7	169.6	80.5	39.9
Dividend per Share (Eu) ⁽⁴⁾	1.00	0.90	0.85	0 ⁽³⁾	0.63
Overall Dividend (Eu mn) ⁽⁵⁾	15.5	13.9	13.2	0 ⁽²⁾	9.8
Pay Out Ratio ⁽⁶⁾	19.7%	17.7%	25.2%	0 ⁽³⁾	33.3%
Shares Issued (in millions)	15.49	15.49	15.49	15.49	15.49
Capitalisation (Eu mn) as at 31/10	1,475.9	1,699.8	2627.9	1,247.3	618.2
Market to Book Value ⁽⁷⁾	3.3	4.8	9.1	4.6	2.6
Dividend Yield (on 30/04 quotation) ⁽⁸⁾	1.0%	0.8%	0.5%	0 ⁽³⁾	1.6%
Earnings per share (basic) ⁽⁹⁾	2.52	2.51	2.06	2.46	1.90
Earnings per share (diluted) ⁽¹⁰⁾	2.51	2.50	2.05	2.45	1.89

(1) Adjusted operating profit before amortisation of client lists and know-how recognised as a result of the Purchase Price Allocation (PPA) process and the Stock Grant costs (for FY 2022 and FY 2023). Adjusted net profit attributable to the Group before amortisation of client lists and know-how recognised as a result of the PPA process and the Stock Grant costs (for FY 2022 and FY 2023), net of related tax effect. (2) Net Financial Position not including non-interest-bearing payables and commitments for deferred payments of corporate acquisitions (Earn Out, Put Option, deferred prices) and liabilities recognised in application of IFRS 16. (3) The Shareholders' Meeting of Sesa SpA of August 28, 2020 resolved not to distribute dividends considering the pandemic emergency. (4) Dividends paid in the following year from the profit for the year as at 30 April of each year. (5) Dividends gross of the portion relating to treasury shares. (6) Dividends before the share relating to treasury shares / Consolidated Net Profit attributable to shareholders. (7) Capitalisation based on share price as at 31 January each year / Consolidated Shareholders' Equity. (8) Dividend per share / Market value per share as at April 30 each year. (9) Net profit attributable to the Group / average number of ordinary shares net of treasury shares held (10) Net profit attributable to the Group / average number of ordinary shares net of treasury shares in portfolio and including the impact of stock grants (up to the limit of treasury shares in portfolio).

Sesa Group Business Model

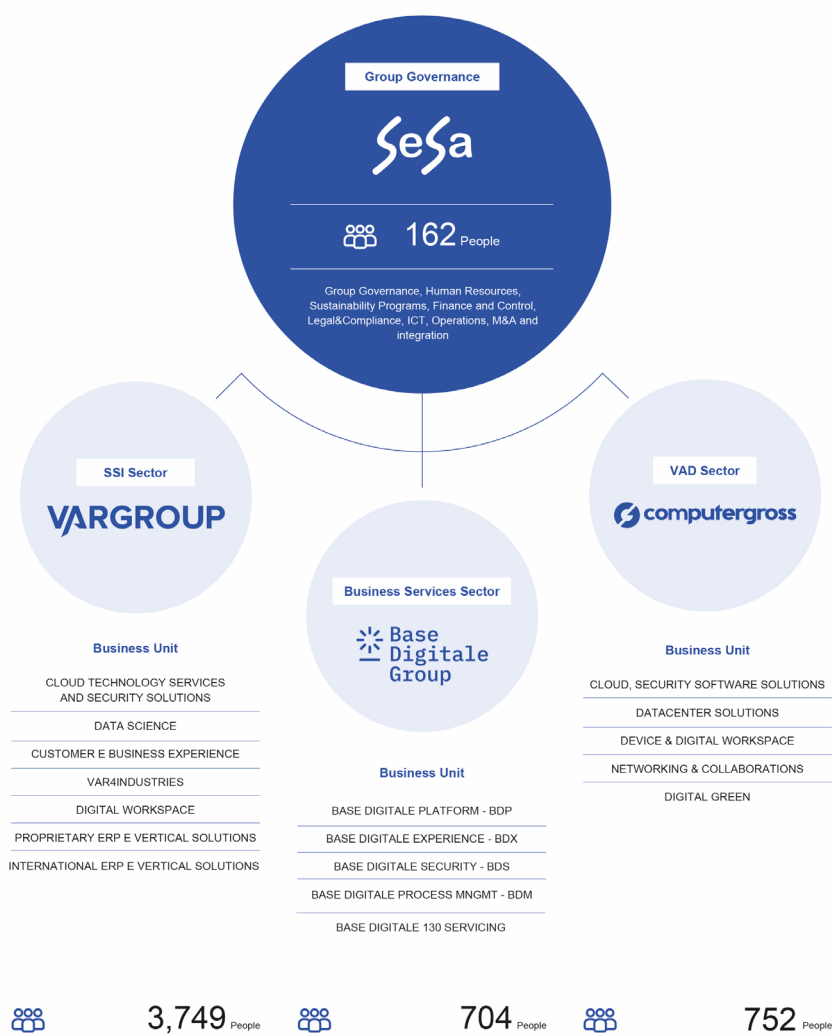
Sesa SpA, with headquartered in Empoli (FI), is active throughout Italy and present in a number of foreign countries including Germany, Switzerland, Austria, France, Spain, Romania and China, represents the reference operator in Italy in the sector of technological innovation and digital services for the business segment with about 5,400 resources.

The Sesa Group's mission is to offer technology solutions, digital services and business applications to enterprises and organisations by supporting them in their innovation journey. Due to the skills and specialisation of its human resources, the Sesa Group operates in the

value-added segments of Information Technology, with an organisational model in vertical business sectors and business lines

The Business Sectors (VAD, SSI, Business Services) have a strong focus on the target market with dedicated marketing, sales, integration, education and consulting structures.

Within each of the Sectors, Strategic Business Unit are developed with specialised technical and commercial structures for market segments and areas of expertise.



CORPORATE SECTOR

The **Corporate Sector** deals with the strategic governance and operational, financial, and human capital management of the Group. In particular, the parent company Sesa SpA, in addition to acting as the Group's operational holding and management company, is responsible for the administrative and financial management, organisation, planning and control, human resources management, general affairs, corporate information systems, legal and the Group extraordinary finance operations, with a total of about 160 resources.

VALUE ADDED DISTRIBUTION (VAD) SECTOR

The **Value-Added Distribution Sector** is active in the value-added distribution of technological innovation solutions for the business segment, focusing on the Enterprise Software Solutions, Data Centre, Device and Digital Workspace, Networking and Collaboration, and Digital Green segments. Computer Gross SpA, which consolidates the Sector, is a leader in Italy in the offer of Technological Innovation solutions with a customer set of about 20,000 active business partners in Italy and in the DACH Region. The Sector benefits from strategic partnerships with leading international Vendors and from the specialisation of its business units, equipped with teams with technical and digital skills.

Cloud & Security Software Solutions

The enterprise software offer includes solutions for storage, data management and data analysis, also in as-a-service mode and through cloud platforms, as well as solutions for data security and protection from cyber-attacks, which have been growing strongly in recent years.

Data Center Solutions

The Data Centre offer includes on premise and cloud server and storage solutions for data processing, through a dedicated team and established expertise with leading international vendors in the industry.

Devices e Digital Workspace

Strategic Business Unit dedicated to digital workspace solutions and more generally to Unified Communication, Collaboration and digitisation of workstations, optimising audio and video functions in the most common contexts of use at professional and enterprise level.

Networking e Collaboration

Connectivity is one of the main technological pillars of any

organisation, necessary to meet the growing need for interaction between people and objects. By partnering with leading international vendors, the networking and collaboration offering facilitates communication and collaboration within businesses and organisations, as well as ecosystems and communities.

Digital Green

Business Unit dedicated to solutions for the production of energy from renewable sources and energy efficiency, which reduce the ecological footprint of organisations, established with the acquisition of P.M. Service Srl, entered in the scope of consolidation in the financial year 2022. P.M. Service Srl is specialized in the engineering of renewable energy production plants (photovoltaic panels, inverters, storage systems, monitoring and IoT systems, wind power plants), with a customer set of around 2,000 business partners. This Business Unit also integrates the company Service Technology Srl, which offers reverse logistic services, management and reconditioning of IT products, regeneration and refurbishment of technology parks.

SOFTWARE AND SYSTEM INTEGRATION (SSI) SECTOR

The **Software and System Integration Sector** is active in offering Technological Innovation solutions, digital services and business applications for the SME and Enterprise segments. Var Group SpA, which consolidates the sector, is a reference operator in the digitalisation offer for the SME and Enterprise segments with a customer base of approximately 15,000 companies and an integrated offering in the following areas: Cloud Technology Services and Security Solutions, Proprietary ERP and Vertical Solutions, International ERP and Vertical Solutions, Digital Workspace, Customer and Business Experience, Var4Industries, Data Science.

Cloud Technology Services and Security Solutions

Strategic Business Unit offering integrated cloud infrastructure and security solutions to support the digital evolution of enterprises and organisations, with a complete range of solutions, technologies, and consulting. The organisation is distinguished by the expertise and specialisation in the Cyber Security sector of Yarix Srl, Group company and market leader in Italy, as well as for digital cloud solutions offered as private, public and hybrid.

ERP & Vertical Solutions

Strategic Business Unit with a complete range of

international ERPs, and national proprietary ERPs and Vertical Applications specialised for the Made in Italy districts (Sirio, Panthera, Essenzia, Sigla++, as well as applications for the retail and mass distribution sector through the companies Di.Tech SpA and Sailing Srl). The ERP and Industry Solutions Business Unit is the sector's main operational area in terms of employment, with about 1,200 resources.

Data Science

Data analysis, artificial intelligence (AI) and predictive services aimed at the SME and Enterprise segments, with specialisation in the Retail and Manufacturing sectors, are becoming increasingly important in order to optimise business processes. The Business Unit operates through a team of about 150 human resources.

Customer and Business Experience

With about 300 human resources, is focused on the segment of strategic communication services, digital marketing, and e-commerce. Through integrated skills in technology, marketing, creativity, it develops solutions to support the growth path of digital business both in Italy and abroad, in particular and not only, on Chinese digital markets through a team of resources based in Shanghai.

Var4Industries

The Strategic Business Unit is specialised in offering vertical solutions for mechanical and electronic production engineering, with additional competencies in Industry 4.0 and IoT, with around 150 resources covering the main European manufacturing countries (Italy, France, Spain, and Germany).

Digital Workspace

Strategic Business Unit dedicated to digital workspace solutions and Collaboration and digitisation of workstations, optimising audio and video functions in the most common contexts of use at professional and enterprise level, with approximately 160 human resources, created following the acquisition of Durante SpA, consolidated from May 2022.

International ERP

Strategic Business Unit with extensive international ERP offerings (SAP and Microsoft) delivered to Made in Italy companies with around 400 human resources.

BUSINESS SERVICES SECTOR (BS)

The **Business Services Sector**, consolidated by Base Digitale Group, is organized into 5 main vertical Strategic Business Units and is active in offering Security, Digital Platform, Vertical Banking and Business Process Management, Master Servicing and Process Management solutions for the Financial Services segment.

Base Digitale Security - BDS

Strategic Business Unit is dedicated to physical and IT security solutions for the banking and retail market, also through digital platforms and the design of access control, attendance detection and building automation systems. The Business Unit has about 100 human resources operating in the country.

Base Digitale Platform - BDP

Brings together the digital skills and platforms supporting the operational processes of organisations and operators in the Financial Services sector. In particular, the Business Unit offers platforms for customer service, automation and digitisation of document and operational processes, with a total of around 150 resources.

Base Digitale Experience - BDY

Strategic Business Unit dedicated to IT consultancy and the development of vertical ERP solutions for the banking sector (treasury, derivatives, finance, wealth management), with a staff of about 150 human resources and a R&D centre based in Parma. BDY is integrated in the Business Unit, company recently set up following a long-term partnership with Centrico (Banca Sella Group), is active in the provision of Core Banking software solutions.

Base Digitale Process Management

offering Business Process Management solutions for credit institutions, insurance companies and utilities, with approximately 200 focused human resources.

Base Digitale 130 Servicing

Strategic Business Unit established following of the acquisition of 130 Servicing SpA, based in Milan and with a team of 130 human resources, specialized in advisory and services of master servicing - with the exclusion of lending activity - to asset management companies, institutional investors, securities firm and financial services companies.

Foreword

The numerical information included in this Interim Report on Operations and the comments contained therein are intended to provide an overview of the interim financial position and results of operations of the Sesa Group (referred to hereinafter also as the “Group”), of the relative changes during the reporting period, and of the significant events affecting the result for the period.

The Half-Year Financial Report as of 31 October 2023 of the Sesa Group (hereinafter also the “Half-Year Report”) was drawn up in accordance with Legislative Decree 58/1998 and subsequent amendments, as well as the Issuers’ Regulations issued by Consob (Italian Stock Exchange Regulator), and comprises the Interim Report on Operations, the Condensed Consolidated Half-Year Financial Statements and the Certification in accordance with art. 154-bis, paragraphs 2 and 3 of Legislative Decree 58/1998. This Half-Year Report was drawn up in compliance with International Financial Reporting Standards (“IFRS”) endorsed by the European Union and in force as of 31 October 2022, and particularly in observance of IAS 34 – Interim Financial Reporting.

The Interim Report on Operations 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 Report on Operations, 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 Sectors of activity, 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 made up exclusively from 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 with communication no. 92543 of 3 December 2015. They refer only to the performance of the accounting period in question and of the comparison periods and not to the expected performance and must 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.

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

- **Ebitda (Gross Operating Margin)** is defined as the profit for the period before depreciation and amortisation, provisions for bad debts, provisions for risks, notional costs relating to stock grant plans, financial income and expenses excluding fair value adjustment o adjustment to the fair value of financial liabilities for PUT, Earn Out and deferred debts to

minority shareholders, profit (loss) of companies accounted for using the equity method, and taxes;

- **Adjusted Operating Result (Ebit)** defined as Ebitda net of amortisation and depreciation of tangible and intangible fixed assets (excluding amortisation and depreciation of client lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation), provisions for bad debts, provisions for risks, excluding notional costs relating to stock grant plans;
- **Operating Result (Ebit)** defined as Ebitda net of depreciation and amortisation, provisions for bad debts, provisions for risks, notional costs related to stock grant plans;
- **Adjusted Earnings Before Taxes** defined as earnings before tax before (i) amortisation of customer lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation and (ii) net of Stock Grant plan costs;
- **Adjusted net result** defined as net profit before (i) amortisation of customer lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation, and (ii) net of Stock Grant plan costs, net of the related tax effect;
- **Group's adjusted net result** defined as the Group's net profit before amortisation of client lists and know-how recorded in 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 "non-current assets", "net working capital" and "net non-current liabilities";
- **Net Financial Position (NFP)** is the sum of cash and cash equivalents, other current financial assets, and 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 payables and commitments for the purchase of equity investments from minority shareholders. It complies with the definition of Net Financial Debt as set forth in Consob Communication No. 6064293 of 28 July 2006 and in accordance with ESMA Recommendation/2013/319.

Significant events during the period

The six-month period to 31 October 2023 confirmed a positive start to the tax year due to end on 30 April 2024, with double-digit growth in revenues (Revenues and Other Income +14.5% Y/Y) and operating profitability (EBITDA +21.3% Y/Y), thanks to the development of all Group divisions.

The growth accrued during the semester was mainly organic with a contribution by external leverage (M&A) of about 35%, thanks to the 13 business combination transactions finalised since January 2023 with over 500 new resources and annual revenues of about Euro 60 million, which involved all Group divisions.

In the SSI Sector, the acquisition of control of: (i) Visualitics, with registered office in Turin, a Data Science company with a workforce of about 40 human resources, specialising in data management and analysis in support of strategic business decisions (ii) Wise Security Global, with registered office in Spain and a workforce of 120 human resources, specialising in IT security, Cyber Security services and digital identity solutions developed in-house (iii) Sangalli Tecnologie, with registered office in Bergamo and a workforce of about 30 human resources, specialising in the design and offer of digital workspace solutions, collaboration and integration of multimedia systems (iv) InformEtica, with registered office in Verona and a workforce of about 40 human resources, specialising in application consultancy on the SAP platform, and (v) Trias Mikroelektronik, with registered offices in Krefeld (Germany) and Iasi (Romania) and business operations in Austria and Switzerland, specialising in software solutions for electronic design (EDA) with a team of about 15 human resources.

In the Business Services sector, following the authorisation received from the Bank of Italy, the acquisition of control of 130 Servicing, a leading player in Italy in advisory services and master servicing solutions for the management of securitisation

transactions, with registered office in Milan, a customer set of asset management and securities brokerage companies and a workforce of about 130 human resources, was finalised.

Lastly, in the VAD sector, we should mention the acquisition of control of Maint System, a company specialising in offering business IT services and solutions for the Printing segment, with a workforce of about 40 human resources. Maint System will be integrated into the supply perimeter of Altinia Distribuzione, a company consolidated from 1 May 2023 and operating in the Printing sector.

The strategy of investing in human resources, skills and infrastructure continues in line with the Group's sustainable value generation strategy. Thanks to the corporate acquisition transactions and the in-house hiring programmes (about 850 resources added in the last 12 months, about 50% of whom are under 30), facilitated by the ability to attract skills, the Group's workforce reached 5,367 resources at 31 October 2023, up 21% compared to 4,437 resources at 31 October 2022 and 45% compared to 3,714 resources at 31 October 2021.

The Sesa SpA Shareholders' Meeting held on 28 August 2023 approved the Group Integrated Annual Report at 30 April 2023 and the related proposal to distribute a dividend of Euro 1.0 per share (compared to Euro 0.90 in the previous year), which was implemented in September. The Ordinary Shareholders' Meeting also approved the new stock grant plan for the three-year period 2024 - 2026 for which (i) the authorisation to purchase and dispose of ordinary treasury shares was renewed for a maximum annual countervalue of up to Euro 10 million and (ii) the Board of Directors was granted a mandate to increase the share capital free of charge and divisible for a maximum nominal amount of Euro 491,400, with the issue of a maximum of 204,750 ordinary shares.

Performance of operations

General economic performance

After the acceleration of the global economy in 2021, 2022 ended with growth of 3.5%. An average annual growth of about +3.0% is expected in the two-year period 2023-2024. Emerging markets continue to lead with an average growth in the two-year period 2023-2024 of +4.0% while a slowdown is expected in advanced economies, from 2.7% in 2022 to 1.5% in 2023 and 1.4% in 2024 with an Euro Zone trend of about 1.0% in 2023 (source IMF - WEO, October 2023).

In Italy, after the strong recovery of GDP in 2021 (+7.0% Y/Y) and in 2022 (+3.7%), higher than that of the Euro Area, 2023 is expected to end with a significant deceleration in growth (+0.7% in line with the European average). An average European GDP growth of about 1.0% per year is expected in the two-year period 2023-2024 (source IMF - WEO, October 23).

The following table shows the final results for 2017-2022 and forecast GDP trend for 2023 and 2024 (source: IMF - WEO, October 23).

GDP worldwide change (actual and forecast)

Percentage values	Change GDP 2017	Change GDP 2018	Change GDP 2019	Change GDP 2020	Change GDP 2021	Change GDP 2022	Change GDP 2023 (E)	Change GDP 2024 (E)
World	+3.8%	+3.6%	+2.8%	-3.1%	+6.3%	+3.5%	+3.0%	+2.9%
Advanced Economies	+2.3%	+2.3%	+1.6%	-4.5%	+5.4%	+2.7%	+1.5%	+1.4%
Emerging Market	+4.8%	+4.5%	+3.6%	-2.1%	+6.8%	+4.0%	+4.0%	+4.0%
USA	+2.3%	+2.9%	+2.2%	-3.4%	+5.9%	+2.1%	+2.1%	+1.5%
Japan	+1.7%	+0.3%	+0.7%	-4.6%	+2.2%	+1.0%	+2.0%	+1.0%
China	+6.9%	+6.6%	+6.0%	+2.3%	+8.4%	+3.0%	+5.0%	+4.2%
Great Britain	+1.8%	+1.3%	+1.4%	-9.8%	+7.6%	+4.1%	-0.5%	+0.6%
Euro Zone	+2.3%	+1.9%	+1.3%	-6.3%	+5.3%	+3.3%	+0.7%	+1.2%
Italy	+1.5%	+0.8%	+0.3%	-8.9%	+7.0%	+3.7%	+0.7%	+0.7%

Development of demand and trends in the sector in which the Group operates

The global ICT market shows strong resilience and growth outperforming global GDP. After a strong acceleration in 2021 (+13.4 percent), the ICT market continues to outperform the pre-Covid period with an average growth in 2022-2024 of 4.9% and of 3.5% in 2023 alone, favored by the Enterprise Software (+12.9%) and IT Services (+7.3%) segments. In 2024 a further significant market acceleration is expected (+8.0%) driven by the recovery of the Data Centre System and Devices sectors and double-digit growth in IT Services and Enterprise Software (Source: Gartner, November 2023).

The Italian Information Technology ("IT") market confirms sustained growth with average annual rates exceeding those of the pre-pandemic period and national GDP. After +8.0% growth in FY 2021, the Italian IT market achieved a 3.9% increase in FY 2022 supported by the Management and Project Services segments. In the two-year period 2023-2024, the average annual growth in demand is expected to be around +5.0% with a stronger acceleration in 2024 (+6.5%), also supported by the programmes of the National Recovery and Resilience Plan ("PNRR") as well as the trend of Digital Enablers such as the cloud, security, analytics, A.I. (Source Sirmi, November 2023). Within the IT market, the segment that displays the highest growth rates is Management Services (double-digit annual growth), which includes digital transformation and system integration services and solutions. The trend reflects the processes of accelerating digitisation in all segments and the evolution of the ways in which technology is used, as well as the progressive penetration of Cloud Computing solutions (Source: Sirmi, November 2023).

The following tables represent the trend of the global (Source Gartner, September 2023) and Italian (Source Sirmi, November 2023) IT markets in 2019-2022 and the forecast for the 2023 and 2024.

Global ICT market trend

(Bn US Dollar)	2019	2020	2021	2022E	2023E	2024E	Change 19/18	Change 20/19	Change 21/20	Change 22/21	Change 23/22	Change 24/23
Data Center System	203	208	190	227	238	260	-3.3%	2.5%	-8.9%	19.8%	4.7%	9.2%
Enterprise Software	457	507	732	811	916	1,042	9.1%	10.9%	44.4%	10.9%	12.9%	13.8%
Devices	682	688	808	766	689	722	-4.2%	0.9%	17.4%	-5.1%	-10.0%	4.8%
IT Services	1,031	1,088	1,208	1,306	1,401	1,547	3.8%	5.5%	11.0%	8.1%	7.3%	10.4%
Communication Services	1,365	1,386	1,459	1,459	1,449	1,497	-1.1%	1.5%	5.3%	-2.5%	1.8%	3.3%
Totale Mercato IT	3,738	3,877	4,396	4,534	4,694	5,070	0.6%	3.7%	13.4%	3.1%	3.5%	8.0%

Italian IT market

(Euro Million)	2019	2020	2021	2022E	2023E	2024E	Change 19/18	Change 20/19	Change 21/20	Change 22/21	Change 23/22	Change 24/23
Hardware	6,172	6,266	6,770	6,392	5,950	5,990	2.4%	1.5%	8.1%	-5.6%	-6.9%	0.7%
Software	3,861	3,792	3,922	4,073	4,123	4,261	0.4%	-1.8%	3.4%	3.8%	1.2%	3.3%
Project Services	3,588	3,640	3,854	4,019	4,184	4,375	2.5%	1.5%	5.9%	4.3%	4.1%	4.5%
Management	6,350	6,797	7,597	8,534	9,415	10,581	7.6%	7.0%	11.8%	12.3%	10.3%	12.4%
Totale Mercato IT	19,971	20,496	22,143	23,017	23,673	25,207	3.6%	2.6%	8.0%	3.9%	2.8%	6.5%
Cloud Computing	2,830	3,409	4,240	5,261	6,296	7,557	23.0%	20.4%	24.4%	24.0%	19.7%	20.0%
Cloud (SaaS, PaaS, IaaS) Adoption %	28.2%	33.9%	39.7%	50.3%	62.5%	73.7%						

Economic highlights of Sesa Group

The reclassified consolidated income statement (in Euro thousands) for the period ended 31 October 2023 is provided below and compared with the corresponding comparative period ended 31 October 2022. In addition to the financial quantities envisaged by IFRS, some alternative performance indicators deriving from the latter are illustrated, presented in order to allow a better valuation of trend of Group management performance and therefore must not be considered substitutes for those envisaged by the IFRS.

Reclassified profit and loss account	31/10/2023 (6 months)	%	31/10/2022 (6 months)	%	Variation 2023/22
Revenues	1,482,856		1,298,771		14.2%
Other income	18,763		12,965		44.7%
Total Revenues and Other Income	1,501,619	100.0%	1,311,736	100.0%	14.5%
Purchase of goods	(1,108,148)	73.8%	(988,164)	75.3%	12.1%
Costs for services and rent, leasing, and similar costs	(138,610)	9.2%	(117,072)	8.9%	18.4%
Personnel costs	(137,987)	9.2%	(109,119)	8.3%	26.5%
Other operating charges	(3,612)	0.2%	(3,994)	0.3%	-9.6%
Total Purchase of goods and Operating Costs	(1,388,357)	92.5%	(1,218,349)	92.9%	14.0%
Ebitda	113,262	7.5%	93,387	7.1%	21.3%
Amortisation and depreciation of tangible and intangible assets	(19,135)	1.3%	(16,748)	1.3%	14.3%
Accruals	(3,472)	0.2%	(3,961)	0.3%	-12.3%
Adjusted Ebit⁽¹¹⁾	90,655	6.0%	70,370	5.4%	24.7%
Amortisation client lists and technological know-how (PPA) and other non-monetary costs	(15,615)	1.0%	(10,023)	0.8%	55.8%
Ebit	75,040	5.0%	62,655	4.8%	19.8%
Net financial income and charges	(14,134)	-0.9%	(3,894)	-0.3%	263.0%
Ebt	60,906	4.1%	58,761	4.5%	3.7%
Income taxes	(19,318)	1.3%	(17,628)	1.3%	9.6%
Net Profit	41,588	2.8%	41,133	3.1%	1.1%
Net profit attributable to the Group	38,952	2.6%	38,748	3.0%	0.5%
Net profit attributable to non-controlling interests	2,636	0.2%	2,385	0.2%	10.5%
Adjusted Net Profit⁽¹¹⁾	52,703	3.5%	48,267	3.7%	9.2%
Adjusted Net Profit attributable to the Group⁽¹¹⁾	50,067	3.3%	45,882	3.5%	9.1%

⁽¹¹⁾ Adjusted Ebit and Adjusted Ebt before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA). For Euro 12,923 thousand as at October, 31 2023 (+67.5% vs Euro 7,715 thousand Y/Y) and before the non-recurring component costs of the Stock-Grant Plan for Euro 2,692 thousand as at October, 31 2023 (vs Euro 2,308 thousand Y/Y) Adjusted Net profit attributable to the Group before amortisation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA) and before the non-recurring component costs of the Stock-Grant Plan, net of tax effect.

The consolidated Revenues and Other income as of 31 October 2023 is equal to Euro 1,501.6 million growing by +14.5% Y/Y, thanks to the contribution of each Group segment:

- VAD sector achieving Revenues and Other Income equal to Euro 1,135.4 million (+11.9% Y/Y), driven by the development of Collaboration, Security Solutions and Enterprise Software business units;
- SSI sector achieving Revenues and Other Income equal to Euro 368.2 million (+21.6% Y/Y), thanks to the development of the main operating Business Units including Digital Security, Cloud, ERP & Vertical Solutions and Data Science;

- Business Services Sector achieving Revenues and Other Income equal to Euro 55.0 million (+38.6% Y/Y), driven by the contribution of the Digital Platforms and Vertical Applications dedicated to Financial Services industry and by the recent enlargement of the offering with master servicing services, with the start in the quarter of the consolidation of the company 130 Servicing.

The consolidated Ebitda equal to Euro 113.3 million as of 31 October 2023 grows by +21.3% Y/Y, with an Ebitda margin equal to 7.5% compared to 7.1% as of 31 October 2022 thanks to the revenues growth in the areas with value added of business. All Group reference sectors contributed to the consolidated Ebitda result:

- VAD sector with an Ebitda of Euro 57.7 million (+13.9% Y/Y, Ebitda margin 5.1% vs 5.0% as of 31 October 2022 and 4.9% in FY 2023);
- SSI sector with an Ebitda of Euro 45.5 million (+21.4% Y/Y, Ebitda margin 12.6% vs 12.5% as of 31 October 2022 and 12.1% in FY 2023);
- Business Services sector with an Ebitda of Euro 7.8 million (+121.8% Y/Y, Ebitda margin 14.2% vs 8.8% as of 31 October 2022 and 13.0% in FY 2023), benefiting from the progressive development of services, applications and digital platforms and the contribution of the new consolidated company 130 Servicing.

The external leverage (M&A) with the enlargement of consolidation perimeter contributed about 35% to the development of the half-year results, with a strong organic growth and Group capability to overperform the IT reference market trend (+2.8% expected in 2023 Year, Source Sirmi, November 2023).

Group Operating Income (Ebit) Adjusted equal to Euro 90.7 million (Ebit margin adjusted 6.0% vs 5.5% Y/Y), up by 24.7% Y/Y, after amortizations of tangible and intangible assets for Euro 19.1 million (+14.3% Y/Y) and provisions for Eu 3.5 million (-12.3% Y/Y).

Consolidated Operating Income (Ebit) equal to Euro 75.0 million, up by 19.8% Y/Y, after amortizations of intangible assets (client lists and know-how) deriving from PPA for Euro 12.9 million (+67.5% Y/Y, following the M&A investments acceleration) and after other non-monetary costs related to Stock Grant Plans for Euro 2.7 million (vs Eu 2.3 million Y/Y).

Net profit attributable to the Group as of October 31, 2023 equal to Euro 39.0 million (+0.5% Y/Y) and reflects higher net financial charges equal to Euro 14.1 million compared to Euro 3.9 million as of October 31, 2022 due to the increasing trend of market interest rates and higher taxes, equal to Eu 19.3 million as of October 31, 2023. Net profit attributable to non-controlling interests equal to Euro 2.6 million, up 10.6% from 31 October 2022.

Group Adjusted Net profit after minority interests (Adjusted EAT attributable to the Group) as of October 31, 2023 is equal to Euro 50.1 million (3.3% of revenues), up by 9.1% Y/Y compared to Euro 45.9 million as of October 31, 2022 (3.5% of revenues).

Highlights of the Group's income statement and balance sheet

The reclassified balance sheet (in Euro thousands) for the period ended 31 October 2023 is provided below and compared with the comparative period of the previous year ended 30 April 2023, the figures for the period ended 31 October 2022 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.

Reclassified Balance Sheet	31/10/2023	31/10/2022	30/04/2023
Intangible assets	435,374	282,066	368,488
Property, plant and equipment (rights of use included)	135,225	119,041	125,901
Investments valued at equity	25,109	15,832	24,884
Other non-current assets and deferred tax assets	38,545	34,242	37,086
Total non-current assets	634,253	451,181	556,359
Inventories	170,292	165,984	158,736
Current trade receivables	519,266	441,175	530,268
Other current assets	123,917	131,575	131,274
Current assets	813,475	738,734	820,278
Payables to suppliers	561,617	537,065	586,074
Other current payables	215,750	181,358	251,318
Short-term operating liabilities	777,367	718,423	837,392
Net working Capital	36,108	20,311	(17,114)
Non-current provisions and other tax liabilities	121,052	81,237	100,612
Employee benefits	49,147	48,607	48,264
Non-current net liabilities	170,199	129,844	148,876
Net Invested Capital	500,162	341,648	390,369
Shareholders' Equity	442,805	352,144	424,050
Liquidity and other financial assets	(433,611)	(445,238)	(545,500)
Current and non-current loans	280,178	255,748	306,004
Net financial Position	(153,433)	(189,490)	(239,496)
Financial liabilities for rights of use under IFRS 16	39,394	45,124	50,075
Liabilities to minority shareholder for equity investments ⁽¹²⁾	171,396	133,870	155,740
Total Net Financial Position Reported	57,357	(10,496)	(33,681)

⁽¹²⁾ Non-interest bearing payables and commitments to minority shareholders for the purchase of company shareholdings (deferred prices, Earn Out, Put Option).

The balance sheets shows an increase in net invested capital, which pass from Euro 341.6 million as of 31 October 2022 to Euro 500.2 million as of 31 October 2023, mainly as a result of:

- The increase of non-current assets, rising from Euro 451.2 million as of 31 October 2022 to Euro 634,3 million as of 31 October 2023, generated mainly by investments in corporate acquisitions;
- The increase of net invested capital, equal to Euro 36.1 million as of 31 October 2023 compared to Euro 20.3 million at 31 October 2022, which reflects a slight deterioration in management efficiency with a ratio Net Working Capital / Revenues equal to 1.2% as of 31 October 2023 compared to 0.8% Y/Y, generated by the deterioration of the macroeconomic scenario.

The Net Financial Position as of 31 October 2023 is positive (net liquidity) for Euro 153.4 million compared to Euro 189.5 million at 31 October 2022 thanks to the growing of the Net working capital, from Euro 20.3 million to Euro 36.1 million at 31 October 2023, thanks to the increase of revenues in the period, and increase investment in M&A with a total non-current asset that increase from Euro 451.2 million as of 31 October 2022 to Euro 634.3 million at 31 October 2023.

The Net Financial Position Reported as of 31 October 2023 (calculated as of net of IFRS liabilities for Euro 210.8 million mainly consisting of deferred payments of company acquisitions and liabilities to minority shareholders for M&A) is passive (net debt) for Euro 57.4 million compared to a positive result for Euro 10.5 million at 31 October 2022 with a contraction that reflect the increased IFRS debt resulting from the acceleration of M&A investments.

The Group confirms its ability to generate cash and investment in the long term with a Operating Cash Flow of last 12 monthts that is approximately Euro 130 million, net of M&A investments and technological infrastructure around Euro 175 million, dividend distribution and Buy Back's plans made for approximately Euro 21 millions.

Shareholders' Equity, at 31 October 2023 is equal to Euro 442.8 million and increased up from Euro 352.1 million, thanks to profit for the period and the dividend distribution of approximately Euro 17 million and buy-back made in the last 12 months for approximately Euro 7 million.

Net Financial Position	31/10/2023	31/10/2022	30/04/2023
Liquidity	(422,808)	(436,428)	(537,507)
Current financial receivables and short-term securities	(10,803)	(8,810)	(7,993)
Current loans	147,627	103,035	130,710
Short-term net financial position	(285,984)	(342,203)	(414,790)
Non-current loans	132,551	152,713	175,294
Non-current net financial position	132,551	152,713	175,294
Net Financial Position	(153,433)	(189,490)	(239,496)
Financial liabilities for rights of use under IFRS 16	39,394	45,124	50,075
Liabilities to minority shareholders for equity investments	171,396	133,870	155,740
Total Net Financial Position Reported	57,357	(10,496)	(33,681)

Results of the VAD Sector

The Value Added Distribution (VAD) Sector active in the provision of value-added technology solutions in the first half year achieved a growth in Revenues and Other income of 11.9%, an increase of Ebitda of 13.9% (Ebitda margin of al 5.1% compared to 5.0% Y/Y), thanks to the focus on value-added business area, the sector further consolidates the market in Italy equal to 48% of the total categories Data Center, Networking, and Enterprise software (source Sirmi, November 2023).

The growth achieved in the first half year is entirely organic thanks to the positive trend among the others of the Unit Enterprise Software and Collaboration business unit. During the first half year has started the consolidation of Altinia Distribuzione Srl and Maint System, reference operator in the offer of managed printing solutions.

Below is provided an income statement of VAD Sector (in Euro thousands) as of 31 October 2023, compared with the comparative period of the previous year ended 31 October 2022.

VAD Sector (Euro thousands)	31 October				Variation
	2023	%	2022	%	
Third-party revenues	1,076,392		967,802		11.2%
Inter-sector revenues	52,871		40,602		30.2%
Total Revenues	1,129,263		1,008,404		12.0%
Other income	6,088		6,380		-4.6%
Total revenues and other income	1,135,351	100.0%	1,014,784	100.0%	11.9%
Cost for purchasing products	(1,033,061)	-91.0%	(924,156)	-91.1%	11.8%
Gross commercial margin	102,290	9.0%	90,628	8.9%	12.9%
Cost for services and for rent, leasing and similar costs	(28,245)	-2.5%	(26,063)	-2.6%	8.4%
Personnel costs	(15,122)	-1.3%	(12,855)	-1.3%	17.6%
Other charges	(1,200)	-0.1%	(1,029)	-0.1%	16.9%
Ebitda	57,723	5.1%	50,681	5.0%	13.9%
Amortisation and depreciation	(2,211)	-0.2%	(2,258)	-0.2%	-2.1%
Provision	(2,484)	-0.2%	(2,072)	-0.2%	19.9%
Operating result (Ebit) Adjusted	53,028	4.7%	46,351	4.6%	14.4%
Amortization of client list and know how (PPA) and other non-monetary cost	(1,149)	-0.1%	(802)	-0.1%	43.2%
Operating result (Ebit)	51,879	4.6%	45,549	4.5%	13.9%
Net financial income and expenses	(8,316)	-0.7%	(2,682)	-0.3%	210.1%
Profit before taxes	43,563	3.8%	42,867	4.2%	1.6%
Income Taxes	(13,051)	-1.1%	(11,277)	-1.1%	15.7%
Net result for the period	30,512	2.7%	31,590	3.1%	-3.4%
Net Result attributable to non-controlling interests	485	0.0%	563	0.1%	-13.9%
Net Result attributable to the Group	30,027	2.6%	31,027	3.1%	-3.2%
Adjusted Net Result attributable to the Group	30,845	2.7%	31,598	3.1%	-2.4%

Total revenues and other income, equal to Euro 1,135.4 million as of 31 October 2023, grows by 11.9% compared to 31 October 2022. Revenue growth benefits from the strategy of focusing on value-added business areas in the market and the expansion of the solutions offered to customers.

The Ebitda result in the period under review is equal to Euro 57.7 million (Ebitda margin 5.1%), increased (+13.9%) compared to Euro 50.7 million (Ebitda margin 5.0%) as of 31 October 2022, thanks to the development of Gross Margin and to the sales revenue.

Net profit for the period amounted to Euro 30.8 million, with a decrease of 2.4% Y/Y compared to Euro 31.6 million as of 31 October 2022, due to increased financial cost, with net financial income and expenses equal to Euro 8.3 million during the period under review, in increase compared to Euro 2.6 million as of 31 October 2022 due to the growth of interest rate and for the management of working capital, and for income taxes equal to Euro 13.1 million, growing compared to Euro 11.2 million compared to the previous half year.

Below is provided a balance sheet of VAD Sector (in Euro thousands) as of 31 October 2023, compared with the comparative period of the previous year ended 31 October 2022. Together with the comparative figures for the year ended 30 April 2023, the figures for the period ended 31 October 2022 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.

Reclassified Balance Sheet	31/10/2023	31/10/2022	30/04/2023
Intangible fixed assets	41,838	29,041	30,456
Tangible fixed assets (right of use)	55,481	49,941	49,152
Investments carried at equity	12,549	11,408	11,900
Other non-current receivables and assets and deferred tax assets	9,368	9,126	9,830
Total non-current assets	119,236	99,516	101,338
Inventories	124,553	133,368	126,186
Trade receivables	346,528	303,139	344,480
Other current assets	37,209	49,070	47,325
Current assets for the year	508,290	485,577	517,991
Trade receivables	439,879	417,548	455,459
Other current assets	41,548	49,359	58,078
Short-term liabilities for the year	481,427	466,907	513,537
Net working capital	26,863	18,670	4,454
Provision and other non-current tax liabilities	15,538	11,663	12,028
Employee benefits	3,758	3,141	3,017
Net non-current liabilities	19,296	14,804	15,045
Net Invested Capital	19,296	103,382	90,747
Shareholders' Equity	321,585	282,051	315,351
Liquidity and other financial assets	(313,245)	(284,690)	(369,209)
Current and non-current financial debt	90,015	74,254	108,542
Net Financial Position	(223,230)	(210,436)	(260,667)
Financial liabilities rights of use IFRS 16	8,133	21,283	20,280
Liabilities to minority shareholders for equity investments	20,315	10,484	14,773
Net Financial Position Reported	(194,782)	(178,669)	(225,614)

The Net Financial Position improved from a positive balance of Euro 210.4 as of 31 October 2022 to a positive balance of Euro 223.2 million as of 31 October 2023.

Shareholders' Equity further strengthened during the period under review, reaching a total of Euro 321.6 million as of 31 October 2023, compared to Euro 282.1 million as of 31 October 2022.

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 21.6% Y/Y, Ebitda by 22.1% Y/Y. In the first half year as of 31 October 2023 the growth is favored by external leverage thanks to the M&A operations bolt-on realised in the last 12 months (10 operations) that contributed approximately of 40% in terms of revenues and Ebitda. In particular has started the consolidation of some companies with strategic relevance for the growing of the future business like (i) Wise Security Global SA, company specialised in spanish market in the sector of cybersecurity and digital identity, (ii) Sangalli Tecnologie Srl specialised in the design and offer of solutions of digital workspace and collaboration (iii) InformEtica Consulting Srl, company specialised in consulting on platform SAP in south Italy and (iv) Visualitics Srl, company specialised in the management and data analysis and Data Science, located in Torino.

Below is provided the income statement of SSI Sector reclassified (in Euro thousands) as of 31 October 2023, compared with previous period as of 31 October 2022.

Settore SSI	31 October				
<i>(Euro thousands)</i>	2023	%	2022	%	Variazione
Third-party revenues	356,107		293,145		21.5%
Inter-sector revenues	1,947		2,562		-24.0%
Total Revenues	358,054		295,707		21.1%
Other income	10,175		7,125		42.8%
Total revenues and other income	368,229	100.0%	302,832	100.0%	21.6%
Costs for purchasing products	(119,718)	-32.5%	(98,282)	-32.5%	21.8%
Costs for services and for rent, leasing, and similiar costs	(101,210)	-27.5%	(85,212)	-28.1%	18.8%
Personnel costs	(99,991)	-27.2%	(79,373)	-26.2%	26.0%
Other operating charges	(1,855)	-0.5%	(2,731)	-0.9%	-32.1%
Ebitda	45,455	12.3%	37,234	12.3%	22.1%
Amortisation and depreciation	(14,329)	-3.9%	(12,727)	-4.2%	12.6%
Provision	(913)	-0.2%	(1,872)	-0.6%	-51.2%
Operating result (Ebit) Adjusted	30,213	8.2%	22,635	7.5%	33.5%
Amortization of client list and know how (PPA) and other non-monetary cost	(8,121)	-2.2%	(5,298)	-1.7%	53.3%
Operating result (Ebit)	22,092	6.0%	17,337	5.7%	27.4%
Net financial income and expenses	(4,417)	-1.2%	(776)	-0.3%	469.2%
Gross Result	17,675	4.8%	16,561	5.5%	6.7%
Income taxes	(5,702)	-1.5%	(5,323)	-1.8%	7.1%
Net result for the period	11,973	3.3%	11,238	3.7%	6.5%
Net result attributable to non-controlling interests	2,463	0.7%	1,845	0.6%	33.5%
Net result attributable to the Group	9,510	2.6%	9,393	3.1%	1.2%
Adjusted Net Result attributable to the Group	15,291	4.2%	13,164	4.3%	16.2%

The total Revenues and other income as of 31 October 2023 is equal to Euro 368.2 million with a growth of 21.6% Y/Y, while Ebitda achieves an amount equal to Euro 45.5 million, up by 22.1% Y/Y (Ebitda margin 12.3% Y/Y and equal to 12.1% in FY2023). The increase in operating profitability is favoured by the development of the main Business Unit, between which in particular Digital Cloud, ERP & Vertical applications, Digital Security and Data Science. At gross profit of amortization of intangible asset client list and Know How recognised in the consolidation process for Euro 8.1 million, the

Adjusted Net Result of the group is equal to Euro 15.3 million with a growth of 16.2% compared to Euro 13.2 milioni as of 31 October 2022.

The reclassified balance sheet of the SSI Sector (in Euro thousands) as of 31 October 2023 is provided below. Together with the comparative figures for the year ended 30 April 2023, the figures for the period ended 31 October 2022 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.

Reclassified Balance Sheet	31/10/2023	31/10/2022	30/04/2023
Intangible assets	263,519	188,334	226,030
Property, plant and equipment (rights of use included)	63,003	56,964	63,102
Investments carried at equity	12,679	4,620	13,103
Other non-current receivables and assets and deferred tax assets	16,113	15,120	14,582
Total non-current assets	355,314	265,038	316,817
Inventories	42,305	30,276	29,746
Trade receivables	177,339	147,685	195,468
Other current assets	80,041	59,244	80,521
Current assets for the period	299,685	237,205	305,735
Trade payables	152,175	130,686	160,538
Other current payables	141,679	101,531	162,943
Short-term liabilities for the period	293,854	232,217	323,481
Net working capital	5,831	4,988	(17,746)
Provisions and other non-current tax liabilities	74,266	51,100	62,664
Employee benefits	38,070	38,380	38,319
Net non-current liabilities	112,336	89,480	100,983
Net Invested Capital	248,809	180,546	198,088
Shareholders' Equity	67,175	40,236	57,046
Liquidity and other financial assets	(94,620)	(123,920)	(143,832)
Current and non-current loans	142,637	145,423	154,478
Net Financial Position (Net Liquidity)	48,017	21,503	10,646
Financial liabilities for rights of use under IFRS 16	24,539	18,882	24,343
Liabilities to minority shareholders for equity investments	109,078	99,925	106,053
Total Net Financial Position Reported	181,634	140,310	141,042

The Net Financial Position as of 31 October 2023 is negative for Euro 48.0 million, higher compared to Euro 21.5 million as of 31 October 2022 and reflects mainly the technology and M&A investments realised during last 12 months net of the generation of operating cash flow.

The Shareholders' equity is equal to Euro 67.2 million increasing compared to Euro 40.2 million as of 31 October 2022 thanks to profits of the period.

Result of the Business Services sector

The Business Services Sector, which offers business process outsourcing, security, digital platform services to the finance and large enterprise segments and vertical banking application for segment of Financial Services, accelerated its growth path benefiting of skills acquisitions and vertical platform for Financial Services segment.

As of 31 October 2022 Business Service sector achieve revenues and other income for Euro 55.0 milioni growing by 38.6% Y/Y and Ebitda equal to Euro 7.8 milioni (Ebitda margin 14.2% vs 8.8% Y/Y and 13.0% of FY2023) growing by 121.8% Y/Y. The first half of year reflect especially of the consolidation contribution of 130 Servicing SpA, key player in the advisory offer, master servicing and solutions for asset management and security brokerage companies. Below is provided the income statement of Business Services Sector riclassified (in Euro thousands) as of 31 October 2023, compared with the previous period as of 31 October 2022.

Business Services Sector (Euro thousands)	31 October				
	2023	%	2022	%	Change
Third-party revenues	50,065		37,325		34.1%
Inter-sector revenues	767		1,442		-46.8%
Total Revenues	50,832		38,767		31.1%
Other income	4,191		941		345.4%
Total revenues and other income	55,023	100.0%	39,708	100.0%	38.6%
Costs for purchasing products	(4,268)	-7.8%	(5,455)	-13.7%	-21.8%
Costs for services and for rent, leasing, and similar costs	(23,723)	-43.1%	(17,201)	-43.3%	37.9%
Personnel costs	(18,770)	-34.1%	(13,335)	-33.6%	40.8%
Other operating charges	(473)	-0.9%	(205)	-0.5%	130.7%
Ebitda	7,789	14.2%	3,512	8.8%	121.8%
Amortisation and depreciation	(2,285)	-4.2%	(1,575)	-4.0%	45.1%
Provision	(74)	-0.1%	(17)	0.0%	335.3%
Operating result (Ebit) Adjusted	5,430	9.9%	1,920	4.8%	182.8%
Amortization of client list and know how (PPA) and other non-monetary cost	(3,653)	-6.6%	(1,615)	-4.1%	126.2%
Operating result (Ebit)	1,777	3.2%	305	0.8%	482.6%
Net financial income and expenses	(1,350)	-2.5%	(406)	-1.0%	232.5%
Gross Result	427	0.8%	(102)	-0.3%	518.6%
Income taxes	65	0.1%	(452)	-1.1%	114.4%
Net result for the period	492	0.9%	(554)	-1.4%	188.8%
Net result attributable to non-controlling interests	(434)	-0.8%	144	0.4%	401.4%
Net result attributable to the Group	926	1.7%	(698)	-1.8%	232.7%
Adjusted Net Result attributable to the Group	3,526	6.4%	452	1.1%	680.1%

As of 31 October 2023 the Sector achieve revenues and other income to Euro 55.023 million (+38.6% Y/Y) and Ebitda equal to Euro 7.789 million (Ebitda margin is equal to 14.2% compared to 8.8% in FY23 growing by 121.8% Y/Y).

At gross profit of amortization of intangible asset client list and Know How recognised in the consolidation process for Euro 3,653 million, the Adjusted Net Result of the group is equal to Euro 3,526 million with a significant growth of 680.1% compared to Euro 452 million as of 31 October 2022.

The reclassified balance sheet of the Business Services Sector (in Euro thousands) as of 31 October 2023 is provided below. Together with the comparative figures for the year ended 30 April 2023, the figures for the period ended 31 October 2022 are also included, in order to provide a better analysis of the balance sheet.

Reclassified balance sheet	31/10/2023	31/10/2022	30/04/2023
Intangible assets	130,055	64,816	112,077
Property, plant and equipment (rights of use included)	15,183	11,517	12,225
Investments carried at equity	128	129	128
Other non-current receivables and assets and deferred tax assets	5,496	4,047	4,971
Total non-current assets	150,862	80,509	129,046
Inventories	3,949	2,748	3,319
Trade receivables	37,518	24,251	27,400
Other current assets	9,223	21,539	6,073
Current assets for the period	50,690	48,538	36,792
Trade payables	24,834	29,312	18,260
Other current payables	20,961	23,699	21,433
Short-term liabilities for the period	45,795	53,011	39,693
Net working capital	4,895	(4,473)	(2,901)
Provisions and other non-current tax liabilities	31,364	18,686	26,082
Employee benefits	5,537	4,948	4,921
Net non-current liabilities	36,901	23,634	31,003
Net Invested Capital	118,856	52,402	95,497
Shareholders' Equity	42,342	18,091	43,141
Liquidity and other financial assets	(18,761)	(34,655)	(30,562)
Current and non-current loans	47,103	36,061	42,984
Net Financial Position (Net Liquidity)	28,342	1,406	12,422
Financial liabilities for rights of use under IFRS 16	6,204	4,704	5,065
Liabilities to minority shareholders for equity investments	41,968	23,416	34,869
Total Net Financial Position Reported	76,514	29,526	52,356

The Net Financial Position as of 31 October 2023 is passive for Euro 28,342 thousand compared to a negative balance equal to Euro 1,406 thousands as of 31 October 2022 mainly due to equity investments realised during 12 months net of generation of operating cash flow.

The Shareholders' Equity is equal to Euro 42,342 thousand as of 31 October 2023, growing compared to Euro 18,091 thousands as of 31 October 2022 mainly due by profit in the period.

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. Below is provided the income statement of Corporate Sector reclassified (in Euro thousands) as of 31 October 2023, compared with the previous period as of 31 October 2022.

Corporate Sector <i>(Euro thousands)</i>	31 October				
	2023	%	2022	%	Change
Third-party revenues	292		499		-41.5%
Inter-sector revenues	7,431		6,470		14.9%
Total Revenues	7,723		6,969		10.8%
Other income	1,612		1,223		31.8%
Total revenues and other income	9,335	100.0%	8,192	100.0%	14.0%
Costs for purchasing products	(39)	-0.4%	(35)	-0.4%	11.4%
Costs for services and for rent, leasing, and similar costs	(2,746)	-29.4%	(2,373)	-29.0%	15.7%
Personnel costs	(4,127)	-44.2%	(3,560)	-43.5%	15.9%
Other operating charges	(128)	-1.4%	(91)	-1.1%	40.7%
Ebitda	2,295	24.6%	2,133	26.0%	7.6%
Amortisation and depreciation	(311)	-3.3%	(188)	-2.3%	65.4%
Provision					
Operating result (Ebit) Adjusted	1,984	21.3%	1,945	23.7%	2.0%
Amortization of client list and know how (PPA) and other non-monetary cost	(2,692)	-28.8%	(2,308)	-28.2%	16.6%
Operating result (Ebit)	(708)	-7.6%	(363)	-4.4%	95.0%
Net financial income and expenses	(51)	-0.5%	(29)	-0.4%	75.9%
Gross Result	(759)	-8.1%	(392)	-4.8%	93.6%
Income taxes	(630)	-6.7%	(625)	-7.6%	0.8%
Net result for the period	(1,389)	-14.9%	(1,017)	-12.4%	36.6%
Net result attributable to non-controlling interests	-	-	-	-	-
Net result attributable to the Group	(1,389)	-14.9%	(1,017)	-12.4%	36.6%
Adjusted Net Result attributable to the Group	527	5.6%	626	7.6%	-15.8%

Total Revenues and other income of the Sector, equal to Euro 9,355 thousands, show an increase compared to previous period (+14% Y/Y) mainly due to the expansion of the group perimeter and development of service organization, administration, finance, control, human resource and management of IT systems and legal services.

Ebitda as of 31 October 2023 is equal to 2,295 thousands up by 7.6% compared to Euro 2,133 thousands as of 31 October 2022 thanks to the development of perimeter of user companies. Amortisations of client list and know how (PPA), depreciation and other non-monetary cost, growing by 2,308 thousand as of October 2022 to Euro 2,692 thousand as of 31 October 2023, reflect 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.

The Adjusted Net Result, at the gross of non-monetary cost related to stock grant plant, is positive for Euro 527 thousands as of 31 October 2023, compared to a positive result for Euro 626 thousands as of 31 October 2022.

The reclassified balance sheet of the Corporate Sector (in Euro thousands) as of 31 October 2023 is provided below. Together with the comparative figures for the year ended 30 April 2023, the figures for the period ended 31 October 2022 are also included, in order to provide a better analysis of the balance sheet.

Reclassified balance sheet	31/10/2023	31/10/2022	30/04/2023
Intangible assets	321	233	283
Property, plant and equipment (rights of use included)	1,558	619	1,431
Investments carried at equity	702	768	702
Other non-current receivables and assets and deferred tax assets	100,522	96,552	99,565
Total non-current assets	103,103	98,172	101,981
Inventories			
Trade receivables	16,353	11,826	12,930
Other current assets	7,158	5,799	758
Current assets for the period	23,511	17,625	13,688
Trade payables	9,272	9,007	4,460
Other current payables	13,057	7,651	9,148
Short-term liabilities for the period	22,329	16,658	13,608
Net working capital	1,182	967	80
Provisions and other non-current tax liabilities	125	28	78
Employee benefits	1,782	2,138	2,007
Net non-current liabilities	1,907	2,166	2,085
Net Invested Capital	102,378	96,973	99,977
Shareholders' Equity	105,715	98,646	101,442
Liquidity and other financial assets	(4,308)	(1,973)	(1,897)
Current and non-current loans	417		
Net Financial Position (Net Liquidity)	(3,891)	(1,973)	(1,897)
Financial liabilities for rights of use under IFRS 16	518	255	387
Liabilities to minority shareholders for equity investments	36	45	45
Total Net Financial Position Reported	(3,337)	(1,673)	(1,465)

The Shareholders' Equity as of 31 October 2023 is equal to Euro 105.7 million, compared to Euro 98.6 million as of 31 October 2022 for effect of the profit of the period and net to the dividend distribution made in September 2023 for Euro 15.5 million.

The Net Financial position is positive (net liquidity) and amounted to 3.9 million compared to 2.0 million as of 31 October 2022.

Main risks and uncertainties to which the Group and Sesa S.p.A are exposed

The Sesa Group adopts specific procedures for the management of risk factors that may influence the Group's economic, equity and financial situation. These procedures are the result of company management based on the values of the Group's code of ethics (integrity, honesty, fairness, professionalism, business continuity and attention to people) focused on pursuing sustainable growth goals for stakeholders.

External risks

RISKS ASSOCIATED WITH THE MACROECONOMIC ENVIRONMENT AND THE IT MARKET

With reference to operating risks, these are attributable to the possible unfavourable trend of the external environment, characterised by general economic and IT sector conditions, which show a correlated trend and a weak growth trend. The ICT market is linked to the economic performance of industrialised countries, where demand for high-tech products is higher. An unfavourable economic development at national or international level could negatively influence the growth in demand for IT with consequent repercussions on the Group's activity and on its economic, equity and financial situation.

Despite the weak demand (macroeconomic context and IT market) recorded in recent years, increased by the spread of the Covid-19 pandemic and the consequent potential negative effect on business performance, the Group confirms its ability to grow by outperforming the reference market with a trend of sustainable development of revenues and profits.

The IT market is also characterised by a high degree of competition, with the Group facing national operators in addition to multinational competitors. If the Group is unable to generate added value from its own sales, competing with its main competitors, this could have a negative impact on the economic, equity and financial situation. The Group addresses this risk by expanding its value-added offering to customers, supplying competitive, efficient and innovative services.

Lastly, the IT market is subject to intense technological evolution and, as a result, to a constant transformation of the professional skills required. To achieve a competitive edge on the IT market, continuous development of skills and products is required, along with the strategic management of relations with international vendors. The Group carries out a continuous, major analysis of market trends and opportunities in order to anticipate the evolution of customer needs through the development of internal skills, the aggregation of external specialisations and investments in research and development.

GLOBAL IMPACT OF THE WAR IN UKRAINE

In compliance with ESMA recommendations, published on March 14, 2022, Sesa continues to oversee the Ukraine war impact on the financial markets and the sanctions adopted against Russia, undertaking where appropriate to:

- disclose as soon as possible any privileged information regarding the crisis impacts on fundamentals, prospects and financial situation, in line with the full transparency required by the Market Abuse Regulation, unless the conditions for delaying disclosure are met; and
- provide information, as far as possible on qualitative and quantitative basis, on the current and foreseeable direct and indirect effects of the crisis on business activities, exposures to affected markets, supply chains, financial situation and economic performance in financial reports, if not yet approved, and in the Annual Shareholders' Meeting or interim financial reports. The Group was not significantly affected by the Ukrainian war.

RISKS ASSOCIATED WITH THE COVID-19 PANDEMIC

The period ended as of October 2023 was still affected by Covid-19 emergency, with a direct impact on companies, including Sesa Group, limiting their operations level.

Although the emergency state, approved by the Italian Council of Ministers on January 31, 2020, and progressively extended, has ended on March 31, 2022, Sesa Group continued to monitoring activity aimed at assessing the real and potential effects of Covid-19 on activities, financial situation and economic performance.

Since the beginning of the pandemic emergency, Sesa Group has analysed and monitored the implementation and application of the measures adopted in response to Covid-19 pandemic, in compliance with the provisions of the competent authorities.

Sesa Group continues to oversee the events evolution with extreme attention, in order to adopt, if necessary, promptly further mitigating measures.

ENVIRONMENTAL RISKS

Climate change is increasingly perceived as a challenge to be addressed immediately and - where possible - to be turned into an opportunity. As a result of climate change, companies are faced with a number of significant challenges: increased operating costs, asset impairment and reduced demand for goods and services. When assessing risks, therefore, it is necessary to analyse the geopolitical and market context in detail, with a thorough, organic and prompt risk assessment.

In June 2019, the "European Commission's new guidelines on reporting climate change related information" were published, with a list of risks for companies caused by climate change, divided into physical and transition risks.

Sesa can gain a competitive advantage by looking at the development of new technologies, and the development of energy efficient products and services. Lastly, to combat the threat of climate change, Sesa acts in parallel to mitigate the effects of climate change (actions aimed at the reduction of climate-changing gases) and adapt to the consequent impact (protection of its assets against the impacts of climate change).

Internal risk

RISKS RELATED TO DEPENDENCE ON KEY PERSONNEL:

The Group's success, activity and development depend significantly on certain key managers, including the executive directors of Sesa SpA. The loss of one of these key figures without adequate replacement, as well as the inability to attract and retain qualified new resources, could have negative effects on the Group's economic and financial prospects and results. The Group addresses this risk by implementing loyalty strategies and long-term incentive plans based on medium-term equity-based remuneration plans. The management believes that Sesa SpA and the Group have an operational structure capable of ensuring continuity in the management of corporate affairs.

RISKS ASSOCIATED WITH CONCENTRATION AND DEPENDENCE ON DISTRIBUTION CONTRACTS AND THE ABILITY TO NEGOTIATE AND MAINTAIN DISTRIBUTION CONTRACTS WITH VENDORS OVER TIME

This risk factor is of importance for the main subsidiary of the Group, Computer Gross S.p.A., which is reference operator in value-added distribution and partner of the leading manufacturers of IT solutions for the Italian market. The main distribution contracts signed with the Vendors are entered into on a non-exclusive basis, have a short-term duration (usually one or two years), are tacitly renewed and are configured as strategic assets. The Group addresses this risk by offering vendors pre and after-sales services with qualified personnel and by gradually expanding the portfolio of the vendors,

increasingly diversifying the concentration of the brands distributed. It should be noted that the closing rates of distribution contracts have historically been close to zero, confirming the Group's ability to establish long-term strategic partnerships with its suppliers.

RISKS ASSOCIATED WITH FAILURE TO COMPLY WITH CONTRACTUAL AND COMPLIANCE COMMITMENTS

The Group offers IT solutions and services with a high technological content and enters into agreements that may envisage the application of penalties in relation to compliance with deadlines, performance (SLA) and quality standards which, if not met, could have a negative impact on its economic and financial situation. To mitigate this risk, the Group has adopted procedures for managing and monitoring the services provided and has taken out appropriate insurance policies.

In relation to compliance risks, the Group has adopted policies and procedures, including the adoption of the Compliance Model under Law 231/2001, for the parent company and its main subsidiaries, aimed at minimising compliance risks (particularly tax and legal risks).

Market risks

CREDIT RISK

The credit risk is represented by the exposure of Group companies to potential losses that may arise from the failure by customers to fulfil their obligations. The credit risk deriving from normal operation of Group companies with customers is monitored and hedged on an ongoing basis using information, customer assessment procedures and credit risk hedging instruments (insurance and factoring transactions without recourse). A specific provision for doubtful accounts is created and monitored on a regular basis. As stated in the "Risks associated with the Covid-19 pandemic" paragraph, the precautions already in place to control the credit risk were strengthened following the spread of the pandemic.

LIQUIDITY RISK

At certain times during the financial year, the ordinary operations of the Sesa Group companies generate a need for working capital and, consequently, financial exposure. At the end of the quarter, however, the Group supported a financial requirement generated by the seasonal nature of the business and by the increase in net working capital. The liquidity risk is hedged by regularly planning cash requirements and the relative financing through loans and credit lines mainly centralised in the Group's three main operating companies, Computer Gross SpA, Var Group SpA and Base Digitale Srl.

INTEREST RATE RISK

Exposure to the interest rate risk arises from the fact that Group companies perform a commercial activity characterised by a negative working capital cycle (calculated as the difference between short-term operating liabilities and short-term operating assets) at certain times of the year. This generates a pro-tempore financial exposure to the banking system due to the need to finance working capital requirements. These requirements are covered by floating rate loans and credit lines, the cost of which is subject to changes in interest rates.

As of October 31, 2022, the Group did not have any interest rate derivatives in place. In light of the current trend in interest rates and the moderate level of average annual indebtedness, the Group's risk management policy does not envisage the use of derivative contracts to hedge the interest rate risk. In relation to the Group's low level of indebtedness the sensitivity analyses, aimed at assessing the impact of a potential fluctuation in interest rates on the Group's economic and financial situation, show insignificant results.

EXCHANGE RATE RISK

Group companies do not operate on foreign markets to a significant extent, essentially using the euro as the currency for the management of commercial and financial transactions. The purchase of goods and IT products in foreign currencies, mainly centralised at Computer Gross S.p.A., relates exclusively to the US dollar.

It should also be noted that there are no derivative transactions in foreign currencies, but forward currency purchase transactions to hedge the exchange rate risk relating to payables in foreign currencies to some suppliers. In relation to the Group's limited foreign exchange operations and the hedging activity of the risk itself, carried out through forward transactions, the Group reported insignificant results in the sensitivity analyses aimed at evaluating a hypothetical appreciation/depreciation of the Euro.

PRICE RISK

The Group does not hold any financial instruments or stocks listed on equity markets at 31 October 2023 with the exception of Sesa SpA's own shares deducted from shareholders' equity. With regard to the risk of inventory write-downs, the Group companies operating in the distribution and marketing of IT products monitor this management profile through regular surveys and analyses in relation to the possible existence of a risk of obsolescence of goods in order to determine actions aimed at containing it. It should also be noted that the value of inventories at 31 October 2023 was essentially centralised in Computer Gross S.p.A. and Var Group S.p.A..

Governance Model

Sesa adopts a governance model aimed at fostering the creation of sustainable long-term value and a virtuous collaboration between company and stakeholders. The Group's objective is to pursue sustainable success through the creation of long-term value for the benefit of all stakeholders, as also formalised in the company's Articles of Association. Furthermore, Sesa acts within the reference framework of the United Nations Universal Declaration of Human Rights, the fundamental Conventions of the ILO and on the basis of its Code of Ethics, which is also an integral part of the Organisational Model pursuant to Legislative Decree no. 231/2001. Specifically, Sesa adopts, as of August 2021, a **one-tier system of administration and control**, which provides for the appointment by the Shareholders' Meeting of a Board of Directors, which is responsible for the management of the company, and which appoints from among its members a management control committee that exercises control over the proper exercise of administration. The Board of Directors guides the company by pursuing its sustainable success also by defining the strategies of the Group company.

To this end, it should be noted that, on July 12, 2022, also in accordance with the work carried out during the last financial year by the **Operational Corporate Sustainability Committee**, the Board of Directors also set up an internal **Sustainability Committee**, with advisory and propositional functions to support the Board and the CEO in matters relating to sustainability.

- **The Shareholders' Meeting** is the body that forms and expresses the company's will, subsequently implemented by the Board of Directors. It is made up of the Shareholders, who periodically meet to pass resolutions in the manner and on matters defined by the law and the Company's Articles of Association. The most important tasks of the Shareholders' Meeting include the choice of the members of the Board of Directors and the Management Control Committee, as well as the approval of the Statutory and Consolidated Financial Statements;

- **The Board of Directors** carries out the strategic supervision of the Group and verifies its implementation. Chaired by Paolo Castellacci, it is made up of ten members (whose number is determined by the Shareholders' Meeting on the basis of the provisions of the Articles of Association): four executive and six non-executive directors, five of which are independent. The Board of Directors is also responsible for the definition of the Code of Ethics, values and the preparation of this Annual Report, which outlines policies, risks and performance on financial, environmental, people-related, social, human rights and anti-corruption issues. The composition of the Board of Directors complies with the regulations in force at any given time concerning the balance between genders (out of a total of ten members there are three women, all of whom are independent), and the average age of the members of the Board is 55. In line with best practice, the role of Chairman of the Board of Directors is separate from that of Managing Director;
- **The Chief Executive Officer**, in the person of Mr. Alessandro Fabbroni, is in charge of the corporate, operational and financial management as well as the implementation of strategic guidelines.
- **The Management Control Committee** monitors the compliance with legal, regulatory and statutory provisions, the compliance with the principles of proper administration, the adequacy of organisational and accounting structures, and the functionality of the overall internal control system. The Committee, which is part of the Board of Directors, is composed of three directors who meet the requirements of honourableness and professionalism laid down in the Articles of Association and the requirements of independence laid down in Article 2409 septiesdecies.
- **The Independent Auditor**, an external entity responsible for the statutory audit of the accounts, is selected by the Shareholders' Meeting. For the nine-year period 2023 to 2031, this role has been assigned to the independent auditor KPMG SpA.

Within the board, Sesa has also established three internal board committees: Appointments and Remuneration, Audit and Risks, Sustainability. The three internal board committees are set up in accordance with the recommendations of the Corporate Governance Code.

The Appointments and Remuneration Committee is a proactive advisory body with the main task of making proposals to the Board of Directors for the definition of the remuneration policy for Directors and executives with strategic responsibilities. The purpose of the Committee is also to ensure the transparency and balanced composition of the Board, guaranteeing an adequate number of independent directors. The integration of the Appointment Committee's functions with those attributed to the Remuneration Committee was decided for reasons of organisation and internal efficiency of the Board, as well as in consideration of the close correlation between the competences of the Company's pre-existing Remuneration Committee and those attributed to the Appointment Committee pursuant to the Corporate Governance Code.

The Control and Risks and Related Parties Committee is a body with consultative and propositional functions which has the task of supporting, with an adequate preliminary activity, the assessments and decisions of the Board of Directors relating to the internal

audit and risk management system, as well as those relating to the approval of the periodic financial reports.

The Sustainability Committee has the task of assisting the Board of Directors with investigative, propositional and consultative nature, in evaluations and decisions relating to sustainability issues, also understood as Environmental, Social and Governance, connected to the exercise of the company's activity and its dynamics of interaction with all stakeholders, to corporate social responsibility, to the examination of scenarios for the preparation of the strategic plan also based on the analysis of relevant issues for the generation of long-term value.

The composition of the management and control bodies in Sesa SpA complies with the applicable legal provisions, with specific reference to the appropriate gender distribution.

For information and in-depth analysis on the structure and functioning of the corporate bodies, governance practices, and the activities of the internal body Committees, please refer to the "Report on Corporate Governance and Ownership Structures" published pursuant to Article 123-bis of the Consolidated Law on Finance on the website www.sesa.it, in the "Corporate Governance" Section.

Long-term sustainable value creation

Sesa's business model is based on sustainable growth, transparency, valorisation of talent and diversity, protecting the environment and generating value for stakeholders. The industrial development plan and ESG objectives coexist and are interconnected in order to bring a concrete contribution to the achievement of the Sustainable Development Goals defined by the United Nations.

Sesa's business model aims at creating sustainable and shared value for all stakeholders over time. Underlying the business model are the six capitals pillars (financial, infrastructural, organisational, human, relational, social, and environmental) on which the organisation depends to guarantee the quality of the services provided.

In line with this evolution, Sesa is implementing an integrated value creation approach by developing a virtuous circle between corporate mission and value generation for stakeholders.

In particular, the commitment to articulate an innovative and distinctive offer led Sesa to the development of an integrated model of shared value creation, achieved by valorising:

- **the human capital** by enabling people to constantly improve their skills and understanding within the Group's strategy;
- **the social and environmental capital** by monitoring and minimising the impact of its activities on environmental resources and on the communities in which the Group operates;
- **the relational capital** by sharing behavioural and relational values with partners, suppliers and stakeholders
- **the organisational and financial capital** by enhancing the development of its services through research and innovation processes along the entire chain.

Sesa's business model is based on this strategic orientation, which aims at the creation and distribution of sustainable value in response to the global challenges defined by the 17 UN Sustainable Development Goals to which the company concretely contributes.

People

Human resources are a core value of the Sesa Group and the most relevant stakeholder in terms of value generation and distribution. The skills and specialisations of human capital are the basis of the Group's ability to offer innovative technological and digital solutions to support businesses and organisations.

The Sesa Group promotes programmes and activities to develop professionalism and diversity and improve the wellbeing and quality of working life of its human resources, applying distinctive values such as integrity, fairness, attention to people, inclusion and sustainability that guide the Group's strategy in human capital management.

As of October 31, 2023, the number of Group employees totalled 5,367 resources (+21% Y/Y), 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).

	Average number of employees for the period ending 31 October		Number of employees as of 31 October		Number of employees as of 30 April
(in units)	2023	2022	2023	2022	2023
Executives	55	46	63	47	49
Middle Management	424	382	466	392	457
White collar	4,164	3,692	4,635	3,836	4,028
Blue collar	100	90	109	82	91
Trainees ⁽¹³⁾	87	89	94	77	92
Total	4,833	4,299	5,367	4,434	4,717

Female employment represents a significant component of the business, equal to 33% at October 31, 2023 and 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 minimizing the pay gap between women and men with the aim of ensuring equal gender opportunities and promoting work-life balance programmes.

The Group pursues the retention of permanent resources, equal to 98% of permanent contracts as of 30 April 2023, implemented through hiring plan for young high school and university graduates, with development and loyalty tools (training, career plans, work life balance initiatives and welfare programmes).

Hiring

The Sesa Group carries out the selection process on systematic basis and hires those human resources in support of the business growth and to develop digital skills. The work quality, the opportunity to collaborate on innovative projects, valuing diversity and the skills of resources, together to the Group commitment towards a sustainable development, represent the key elements in the attraction process of talents, especially for the youngest.

The hiring program and selection of resources is implemented through:

- Long-standing collaborations with Professional Schools, Universities and Business Schools, (such as ITS Prodigio, operational from September 2022 within the Empoli technology hub) with which the Group has well-established relationships, including internships for students or recent graduates, project development and dissertations;
- Participation in Career Days and University events;
- Social communication plans using the main recruiting tools, including LinkedIn and leading recruitment sites;
- Hiring events at the Group's main offices, aimed at presenting job opportunities and professional growth for young graduates;
- Collaboration with local secondary education institutions by participating in School-Work Alternation programmes.

Over the last 12 months, about 850 new resources in the Group entities, of which 56% under 30, have been recruited from universities and training schools. The Group offer a lot of internship opportunities every year, giving to youngest resources the possibility to know the company reality and lives a training experience with partnership of school - work alternation plans. Specifically, 94 internships and apprenticeships were in place as of October 31, 2023.

Growing the total number of apprentices inserted in training plans and professional development, equal to 461 as of 31 October 2023.

Training and Development of resources

Training plays a key role in the process of enhancing the value of people, as well as being a fundamental tool for developing the professional skills of Group resources. Over the last three years, the main training programmes have been strengthened in relevant areas, also in light of market developments such as safety and sustainability. As of April 30, 2023, 69,511 hours of training were provided, an increase of 14% compared to the previous year, with a focus on technical, sustainability and soft skills.

The training programmes include a significant component managed centrally by the Parent Company's training office with reference to specific topics on issues such as personal data protection (GDPR-General Data Protection Regulation), Cyber Security, Sustainability, Diversity and Compliance, activated through digital e-learning platforms that have enabled an ever-increasing number of resources to be involved.

Health and Safety

The 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.

It should be noted that in the last Financial Year ended April 30, 2023, lower than previous years, the reported injury rate was 2.28% with a severity index of 0.04%.

Welfare

The Group is committed over 10 years to find initiative that promotes and increase the individual and family well being of workers through an articulate Welfare plan. Welfare plan combines perfectly mission, principles and key values of Sesa, enabling use of services and programmes aimed to improving life quality, the work life balance and the well being of workers, their family and the community in which they live.

The new Welfare plan for years 2023-24, strengthened than previous year, provide an additional impulse to well being, health and quality of people's working lives, with new focus on parenthood, education, sustainability and well being and new initiatives for younger people.

- **Diversity and parenthood:** support for the birth of children with financial assistance for childbirth and contributions for baby-sitting, pedagogy, and nursery services (at the Empoli site in the company nursery Sesa Baby); scholarships for the purchase of schoolbooks, for participation in summer centres for employees' children; contributions for the purchase of information tools for employees' children; and financial support for health and social assistance for disabled family members;
- **Well-being and education:** flexible benefits to supplement food shopping, for sports activities, culture, well-being and parenting services; contributions for the purchase of IT tools; support for housing mobility; scholarships for attendance of university and for the purchase of textbooks; international education and Erasmus programmes.
- **Environmental sustainability:** grants dedicated to the sustainable mobility of human resources for the use of public and electric transportation and E-Car Sharing schemes aimed at reducing the consumption of natural resources.
- **Work-life balance:** solidarity and people caring for the well-being and health of human resources; corporate Microcredit programmes for access to subsidised loans; psychology and counselling desk available free of charge; health packages for the reimbursement of healthcare expenses; well-being programmes and sports activities, also through digital platforms

Among the main welfare programmes are those in favour of employees' children up to three years of age: the Sesa Group protects maternity and return to work by supporting parents through the organisation of the Sesa Baby company crèche, within the Empoli Technological Hub, also through monthly contributions for the children of employees of other Group locations who attend the crèche.

The Welfare Plan benefits from the contribution of the Sesa Foundation, oriented to carry out philanthropy events, education and assistance initiatives for the benefit of the Group's human capital and social communities. These interventions 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.

Transactions with Related Parties and Group companies

Economic transactions between Group companies take place at market prices and are eliminated in the consolidation process. Transactions entered into by Group companies with related parties in accordance with IAS 24 were conducted at market conditions and mutual economic convenience.

During the period under analysis, however, there were no significant transactions with related parties.

Significant events occurring after the end of the half-year

On 30 November 2023, BDX SpA, a wholly-owned subsidiary of Base Digitale Group Srl, signed a partnership agreement with Gellify, a leading operator in the consulting sector for innovation and digital transformation, to develop an open finance platform in the Wealth Management field with the establishment of DataCoreX Srl, 66% owned by BDX and 34% owned by Gellify, with the aim of further expanding the range of products and solutions for the Financial Services market.

On 13 December 2023, the wholly-owned subsidiary Var Group SpA signed a binding agreement for the acquisition of a further interest in Essedi Consulting Srl, increasing its share capital from 19% to 60% and thereby expanding its expertise in the application consulting sector on the Sap platform, supporting the digital transformation of the Made in Italy districts. Essedi Consulting Srl, with registered office in Cernusco sul Naviglio (MI), has about Euro 1.5 million in expected revenues

in FY 2023 and an Ebitda margin of 20%, about 20 human resources specialising in solutions and services on the Sap S/4HANA platform, with experience in roll-out, training and start-up of projects in Europe and South-East Asia, and a focus on adopting Cloud-based solutions.

No other significant events occurred after the end of the semester ended 31 October 2023.

Outlook

The Group will continue to invest in the development of the digital skills of its human capital, pursuing a strategy of sustainable value generation for all stakeholders based on a business model that combines technology, business applications, integration and consulting services.

In the light of the results achieved in the first semester, the expected contribution from external leverage thanks to the 13 acquisitions finalised as of January 2023, and expectations of growth in demand for digitisation in the markets in which it operates, the Group confirms its favourable outlook for the current financial year ending 30 April 2024.

The Group will continue to strengthen its role as a reference player in its industry, confirming its commitment to develop key sustainability programmes in the areas of governance, management of human resources, environmental protection and social responsibility, benefiting the generation of long-term value for all stakeholders.

The Chairman of the Board of Directors

Paolo Castellacci

Chief Executive Officer

Alessandro Fabbroni

Condensed Consolidated Half- Year Financial Statements at 31 October 2023



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Consolidate Income Statement

(Euro thousands)	Note	Periodo ended 31 October	
		2023	2022
Revenues	5	1,482,856	1,298,771
Other income	6	11,676	11,039
Consumables and goods for resale	7	(1,108,148)	(988,164)
Costs for services and rent, leasing, and similar costs	8	(141,302)	(119,380)
Personnel costs	9	(137,987)	(109,119)
Other operating costs	10	(7,084)	(7,622)
Amortisation and Depreciation	11	(32,058)	(24,463)
Operating result		67,953	61,062
Share of profits of companies valued at equity		764	851
Financial income	12	19,635	9,174
Financial expenses	12	(27,446)	(12,326)
Profit before taxes		60,906	58,761
Income taxes	13	(19,318)	(17,628)
Profit for the year		41,588	41,133
of which:			
Profit attributable to non-controlling interests		2,636	2,385
Profit attributable to the Group		38,952	38,748
Earnings per share - basic (in Euro)	23	2,52	2,51
Earnings per share - diluted (in Euro)	23	2,51	2,50

As of 1 May 2023, the adjustment to the fair value of financial liabilities for PUT, Earn Out and deferred debts to minority shareholders has been reclassified as financial income and expense, and the comparative period as at 31 October 2022 has been consistently reclassified.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro thousands)	Note	Period ended 31 October	
		2023	2022
Profit for the period		41,588	41,133
Items that cannot be reclassified to the income statement			
Actuarial gain/loss for employee benefits - Gross effect	23	1,660	(609)
Actuarial gain/loss for employee benefits - Tax effect	23	(399)	145
Comprehensive income for the period		42,849	40,669
Of which:			
Comprehensive income attributable to non-controlling interests		2,759	2,406
Comprehensive income attributable to the Group		40,090	38,263

Consolidated Statement of Financial Position

		At 31 October	At 30 April
(Euro thousands)	Note	2023	2023
Intangible assets	14	435,374	368,488
Rights of use	15	40,712	63,361
Property, plant and equipment	16	94,513	62,540
Investment property	17	290	290
Equity investments value at equity		25,109	24,884
Receivables for deferred tax assets		18,533	17,893
Other non-current receivables and assets	18	19,246	18,427
Total non-current assets		633,777	555,883
Inventory	19	170,292	158,736
Current trade receivables	20	519,266	530,268
Current tax receivables		17,286	11,913
Other current receivables and assets	18	117,434	127,354
Cash and cash equivalents	21	422,808	537,507
Total current assets		1,247,086	1,365,778
Non-current activity owned for the sale		476	476
Total assets		1,881,339	1,922,137
Share capital		37,127	37,127
Share premium reserve		33,144	33,144
Other reserves		(44,247)	(49,810)
Profits carried forward		371,174	354,473
Total shareholders' equity attributable to the Group		397,198	374,934
Shareholders' equity attributable to non-controlling interests		45,607	49,116
Total Shareholders' equity	22	442,805	424,050
Non-current loans	24	132,551	175,294
Financial liabilities for non-current rights of use	24	26,624	37,374
Non current financial liabilities and commitments for purchase of shares from non-controlling interests	25	133,136	110,679
Employee benefits	26	49,147	48,264
Non-current provisions	27	5,177	4,794
Deferred tax liabilities		115,875	95,818
Total non-current liabilities		462,510	472,223
Current loans	24	147,627	130,710
Financial liabilities for current rights of use	24	12,770	12,701
Current financial liabilities and commitments for purchase of shares from non-controlling interests	25	38,260	45,061
Trade payables		561,617	586,074
Current tax payables		28,272	22,272
Other current liabilities	28	187,478	229,046
Total current liabilities		976,024	1,025,864
Total liabilities		1,438,534	1,498,087
Total shareholders' equity and liabilities		1,881,339	1,922,137

Consolidated Statement of Cash Flows

(Euro thousands)	Nota	Period ended 31 October	
		2023	2022
Profit before taxes		41,588	41,133
Adjustments for:			
Amortisation and Depreciation	11	32,058	24,461
Accruals to provisions relating to personnel and other provisions	13	19,318	17,628
Net financial (income) expense		6,370	6,586
Profit of companies valued using the equity method	12	14,906	3,547
Other non-monetary entries		(764)	(851)
Profit before taxes		(5,609)	(45)
Cash flows generated by operating activities before changes in net working capital		107,867	92,459
Change in inventory	19	(4,355)	(20,312)
Change in trade receivables	20	38,184	(3,699)
Change in payables to suppliers		(45,779)	855
Change in other assets		16,188	(36,367)
Change in other liabilities		(56,152)	(21,058)
Use of provisions for risks	27	(1,337)	(1,166)
Employee benefits	26	(2,304)	(1,645)
Change in deferred taxes		(3,366)	(1,821)
Change in receivables and payables for current taxes		627	6,439
Interest paid	12	(16,491)	(3,600)
Taxes paid		(13,244)	(9,661)
Net cash flow generated by operating activities		19,838	425
Investments in companies net of cash acquired		(34,298)	(9,862)
Investments in property, plant and equipment	16	(12,177)	(11,663)
Investments in intangible assets	15	(4,366)	(4,287)
Investments in associated companies		(925)	(559)
Non-current equity investments in other companies		(1,917)	(2,450)
Disposals of non-current equity investments in other companies		270	210
Dividends collected		564	393
Interest collected		2,036	354
Net cash flow generated by/(used in) by investment activity		(50,813)	(27,864)
Subscription of long-term loans		20,552	77,730
Repayment of long-term loans		(37,141)	(53,966)
(Reduction)/increase in short-term loans		(22,529)	(20,763)
Repayment of financial liabilities for rights of use		(21,388)	(6,903)
Investments/disinvestments in financial assets		35	(3,075)
Treasury shares		(6,267)	(10,741)
Dividends distributed		(16,986)	(14,726)
Net cash flow generated by/(used in) financial activities		(83,724)	(32,444)
Translation difference on cash and cash equivalents			
Change in cash and cash equivalents		(114,699)	(59,883)
Opening balance of cash and cash equivalents	21	537,507	496,311
Closing balance of cash and cash equivalents		422,808	436,428

Consolidated Statement of Changes In Equity

<i>(Euro thousands)</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 interests	Total Shareholders' equity
At 30 April 2023	37,127	33,144	(49,810)	354,473	374,934	49,116	424,050
Profit for the year				38,952	38,952	2,636	41,588
Actuarial gain/(loss)for employee benefits – gross effect			1,498		1,498	162	1,660
Actuarial gain/(loss)for employee benefits – tax effect			(360)		(360)	(39)	(399)
Comprehensive income for the year			1,138	38,952	40,090	2,759	42,848
Transactions with shareholders							
Purchase of treasury shares			(6,267)		(6,267)		(6,267)
Sale of treasury shares							
Distribution of dividends				(15,495)	(15,495)	(1,491)	(16,986)
Assignment of shares in execution of Stock Grant plan							
Stock Grant plans - shares vesting in the period			2,692		2,692		2,692
Allocation of profit for the year			5,943	(5,943)			
Change in the scope of consolidation and other changes			2,057	(813)	1,244	(4,777)	(3,533)
At 31 October 2023	37,127	33,144	(44,247)	371,174	397,198	45,607	442,805

<i>(Euro thousands)</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 interests	Total Shareholders' equity
At 30 April 2023	37,127	33,144	(44,978)	290,148	315,441	19,718	335,159
Profit for the year				38,748	38,748	2,385	41,133
Actuarial gain/(loss)for employee benefits – gross effect			(638)		(638)	29	(609)
Actuarial gain/(loss)for employee benefits – tax effect			153		153	(8)	145
Comprehensive income for the year			(485)	38,748	38,263	2,406	40,669
Transactions with shareholders							
Purchase of treasury shares			(10,741)		(10,741)		(10,741)
Sale of treasury shares							
Distribution of dividends				(13,945)	(13,945)	(782)	(14,727)
Assignment of shares in execution of Stock Grant plan							
Stock Grant plans - shares vesting in the period			2,308		2,308		2,308
Allocation of profit for the year			3,251	(3,251)			
Change in the scope of consolidation and other changes			(8,649)	903	(7,746)	7,222	(524)
At 31 October 2023	37,127	33,144	(59,294)	312,603	323,580	28,564	352,144

Notes to the Condensed Consolidated Half-Year Financial Statements

1. General Information

SESA S.p.A. (hereinafter “SESA”, the “Company” or the “Parent Company”) is a company incorporated and domiciled in Italy, with registered office in Empoli, at no. 138 Via Piovola, organised in compliance with the legal system of the Italian Republic.

It should be noted that Sesa SpA has been listed on the Electronic Stock Market (MTA, *Mercato Telematico Azionario*) of Borsa Italiana S.p.A. since 22 October 2013.

The Company and its subsidiaries (jointly the “Group”) operate in Italy in the Information Technology sector and, in particular, in the value-added distribution of software and hardware (Value Added Distribution or VAD), in the offer of IT services and consultancy aimed at training and supporting businesses as end-users of IT (Software and System Integration or SSI), and in the provision of process outsourcing, security and digital transformation for the financial and large enterprise sector (Business Services). The Company is controlled by ITH SpA, which holds 52.8% of the shares with voting rights.

These Condensed Consolidated Half-Year Financial Statements were approved by the Company’s Board of Directors on 19 December 2022 and reviewed by KPMG SpA.

2. Summary of Accounting Standards

The main accounting criteria and standards applied in the preparation of these Condensed Consolidated Half-Year Financial Statements at 31 October 2023 are illustrated below.

2.1 Base of Preparation

The Condensed Consolidated Half-Year Financial Statements at 31 October 2023 were drawn up in compliance with IAS 34, concerning interim financial reporting. IAS 34 allows the preparation of the financial statements in “condensed” form, on the basis of a minimum level of reporting which is significantly less detailed than that envisaged by the International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union (hereinafter “IFRS”), where a complete version of the financial statements, prepared in compliance with IFRS, has been published previously. The Condensed Consolidated Half-Year Financial Statements at 31 October 2023 were drawn up in “short” form and must therefore be read jointly with the Group consolidated financial statements for the year ended 30 April 2023, prepared in compliance with IFRS.

The Condensed Consolidated Half-Year Financial Statements have been prepared under the going concern assumption, in that the Directors have verified that there are no financial, management or other indicators such as to indicate critical issues regarding the Group’s ability to fulfil its obligations in the foreseeable future and particularly in the next 12 months. A description of how the Group manages financial risks is contained in note 3 on “Financial risk management”.

The Consolidated financial statements have been prepared and presented in Euro, which is the currency of the prevailing economic environment in which the Group operates. All amounts included in this document, unless otherwise indicated, are stated in Euro thousands.

The financial statement schedules and relative classification criteria adopted by the Group within the scope of the options envisaged by IAS 1 Presentation of Financial Statements are indicated below:

- The statement of financial position has been prepared by classifying assets and liabilities according to the "current/non-current" criterion;
- The income statement has been prepared by classifying operating costs by type;
- The statement of comprehensive income includes, in addition to the profit for the period resulting from the income statement, other changes in shareholders' equity items attributable to transactions not entered into with Company shareholders;
- The statement of cash flows shows the cash flows from operating activities according to the "indirect method".

The Management has evaluated all the specific requests for information and has reported in the condensed consolidated interim financial statements the information deemed relevant in accordance with the definition of IAS 1.7.

The Condensed Consolidated Half-Year Financial Statements have been prepared on the basis of the conventional historical cost criterion, except for the valuation of financial assets and liabilities, where the application of the fair value criterion is required.

Assets and liabilities have been shown separately and without offsets.

Assets is classified as current when:

- the asset is expected to be realised, or is expected to be sold or used in the ordinary course of the entity's operating cycle;
- is held primarily to be traded;
- it is expected that it will take place within twelve months of the closing date of the financial year;
- these are cash or cash equivalents, unless they are precluded from being exchanged or used to settle a liability for at least twelve months from the reporting date.

A liability is classified as current when:

- the liability is expected to be settled in the normal operating cycle of the entity;
- is held primarily to be traded;
- must be settled within twelve months of the closing date of the financial year; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

2.2 Scope of Consolidation and Consolidation Criteria

The Condensed Consolidated Half-Year Financial Statements at 31 October 2023 include the Company's Interim Financial Statements, as well as the Interim Financial Statements of the subsidiaries at 31 October 2023. These interim financial statements were properly adjusted, where necessary, to align them with the IFRS.

The companies included in the scope of consolidation at 31 October 2023 are detailed in the annexes, which are an integral part of the Condensed Consolidated Half-year Financial Statements.

2.3 Valuation Criteria

The accounting policies and consolidation criteria adopted when preparing the Condensed Consolidated Half-Year Financial Statements at 31 October 2023 comply with those adopted for the consolidated financial statements for the year ended 30 April 2023, taking into account those specifically applicable to the interim situations.

The preparation of the Condensed Consolidated Half-Year Financial Statements requires the directors to make estimates and assumptions that affect the values of the assets and liabilities booked and the relative reporting, as well the potential

assets and liabilities at the reporting date. The estimates and related assumptions are based on previous experiences and other factors that are considered reasonable in the case in hand and are implemented when the book value of the assets and liabilities cannot be easily deduced from other sources. The final totals may, therefore, differ from these estimates. Estimates and assumptions are reviewed on a regular basis and the effects of every change are reflected in the income statement when this is related solely to the specific financial period. If the review concerns both the current and future financial periods, the change is carried in the period in which the review is carried out and in the related future periods. The totals could differ significantly from these estimates following possible changes in the factors considered in the calculation of said estimates. Certain evaluation processes, particularly those that are more complex, such as the calculation of any impairment of non-current assets, are usually carried out completely only when drawing up the annual consolidated financial statements, with the exception of cases in which there are indicators that require an immediate estimate of any updates. It should be noted, with regard to the liability relating to staff severance indemnities, that an independent actuarial appraisal was carried out at 31 October 2023, in compliance with IAS 19.

2.4 Fair value estimate

The fair value of financial instruments listed on an active market is based on the market prices at the reporting date. The fair value of instruments that are not listed on an active market is determined using valuation techniques based on a series of methods and assumptions linked to market conditions at the balance sheet date. The following table shows the classification of the fair values of financial instruments on the basis of the following hierarchical levels:

Level 1: Fair value determined with reference to listed (unadjusted) prices on active markets for identical financial instruments;

Level 2: Fair value determined using valuation techniques with reference to variables observable on active markets;

Level 3: Fair value determined using valuation techniques with reference to variables that cannot be observed on active markets.

The fair value of forward transactions in foreign currency (forward) at 31 October 2023 is of level 2, while the fair value of the capitalisation policies held in portfolio is of level 1.

2.5 Seasonality

While the economic performance of the Sesa Group is not affected by significant seasonal or cyclic changes in overall annual sales, it is influenced by the lack of standardised distribution of costs and revenues in the different months of the year. This is why the analysis of the half-year results and income, equity and financial indicators cannot be considered fully representative, and it would, therefore, be incorrect to consider the half-year indicators as a proportional share of the whole year.

2.6 Newly issued accounting standards

Newly issued accounting standards

The Group did not adopt in advance any principles, interpretation or improvement issued but not yet in force.

In addition to the principles described below, which came into force on 1 January 2023, there is also the introduction of IFRS 17 Insurance Contracts and its amendments, which does not apply to the Sesa Group.

Deferred taxes related to asset and liability related to a individual transaction (amendments to IAS 12)

The amendments restrict the scope of the exemption to the initial recognition of deferred taxes in order to exclude transactions that give rise to equal and countervailable temporary differences, such as in the case of leases and decommissioning obligations. The amendments will enter into force from the periods beginning on 1 January 2023. The deferred tax assets and liabilities relating to leases and decommissioning obligations will therefore have to be recognised from the beginning of the first comparative period submitted, recognising any cumulative effect as an adjustment to retained earnings or among other component of equity at that date. For all other transactions, the changes apply to transactions that occur after beginning of the first period presented. The group is currently assessing the impact that the changes will have on the financial position; the analyses carried out at the moment don't expect an effect on retained earnings and the Group will recognise the asset and the deferred tax liability separately.

Definition of accounting estimate – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, introducing a definition of "accounting estimates". The amendments clarify the distinction changes in accounting policies and correction of errors, and clarify how entities use measurement and input techniques to develop accounting estimates. The amendments are effective for period beginning on or after 1 January 2023 and apply to changes in accounting policies and to changes in accounting estimates that occur from or after the beginning of that period. Early application is permitted even if the change is made well-know. These changes have not had any significant impact on the Group.

Accounting Policy Disclosures - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to GAAP disclosure. The amendments aim to help entities provide information on the most useful accounting policies by replacing the requirement for entities to disclose their "significant" accounting policies with the requirement to disclose their "relevant" accounting policies; in addition, guidance is added on how entities apply the concept of materiality when making decisions on disclosure of accounting policies. Amendments to IAS 1 are applicable from periods beginning or after 1 January 2023, early application is permitted, as the amendments to the IFRS Practice Statement 2 Making Materiality Judgements provide non-compulsory guidance on the application of the definition of material to the disclosure of accounting policies, no effective date is required for such amendments. The Group is currently assessing the impact of the amendments to determine the effect they will have on the disclosure of Group accounting policies to be presented in the Annual Consolidated Financial Statements at 30 April 2024.

IFRS 17 - Insurance Contracts - Issued by the IASB in May 2017, the new standard will replace IFRS 4 and will be applicable as of 1 January 2023.

Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS17): published in December 2021, its purpose is to indicate transition options relating to comparative information on financial assets presented at the time of initial application of IFRS17. The amendments apply to financial statements for financial years beginning on 1 January 2023. These amendments did not have a significant impact on the condensed consolidated interim financial statements.

3. Financial Risk Management

The Group's assets are exposed to the following risks: market risk (defined as exchange and interest rate risk), credit risk, liquidity risk and capital risk.

The Group's risk management strategy aims to minimise potential negative effects on the Group's financial performance. Some types of risk are mitigated by using derivative instruments. Risk management is centralised in the treasury function, which identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The treasury function provides indications for monitoring risk management, as well as indications for specific areas, concerning interest rate risk, exchange rate risk and the use of derivative and non-derivative instruments.

MARKET RISK

The Group is exposed to market risks with regard to interest rates and exchange rates.

Interest Rate Risk

Exposure to interest rate risk mainly derives from the fact that Group companies carry out a commercial activity characterised by a financial requirement during certain periods of the year. This need is hedged through the assignments of receivables, loans and credit lines at floating rates. The Group did not consider it appropriate to enter into specific financial instruments to hedge interest rate risks, as the same would result, on the whole, particularly costly compared to benefits (if any), considering the current level of financial indebtedness and interest rates.

The amount of floating rate debt not hedged against the interest rate risk represents the main risk element due to the possible impact on the income statement as a result of an increase in market interest rates.

On the basis of an analysis of the Group's indebtedness, it should be noted that all long-term and short-term debts as at 31 October 2023 are at floating rates.

Exchange rate risk

The Group is active almost exclusively on the European market and its limited exposure to exchange rate risk is related to a few minor purchases and sales of goods in US dollars. In order to reduce the exchange rate risk deriving from expected assets, liabilities and cash flows in foreign currencies, the Group uses forward contracts to hedge cash flows in currencies other than the Euro. The Group mainly establishes the exchange rates of the functional currencies of the Group companies (Euro) against the US dollar, as some purchases and sales of consumables and goods are denominated in US dollars. In fact, it is the Group's policy to hedge, where possible, commercial forecast flows in US dollars deriving from certain or highly probable contractual commitments. The maturity of existing forward contracts does not exceed 12 months. The instruments adopted by the Group do not meet all the requirements necessary to be recorded in accordance with the rules of hedge accounting. At 31 October 2023, there were 122 forward currency purchase contracts (US dollars) entered into by Computer Gross SpA, 77 of which had a positive fair value of Euro 1,225 thousand and 45 had a negative fair value of Euro 62 thousand.

CREDIT RISK

Credit risk essentially derives from receivables from customers. The credit risk relating to financial positions relative to transactions in derivative instruments is considered marginal, in that the counterparties are selected within the scope of primary financial institutions. As regards credit risk relating to the management of financial and cash resources, the Group has procedures in place to ensure that the Group companies entertain relations with high-profile and secure independent counterparties.

To mitigate the credit risk related to commercial counterparties, and therefore customers, the Group has implemented procedures to ensure that sales of products take place with customers considered reliable on the basis of past experience

and available information. Furthermore, the Group constantly monitors its commercial exposure and ensures that receivables are collected in compliance with the contractual deadlines.

With reference to trade receivables, the riskiest situation concerns relations with resellers. The collections and payment times of these receivables are, therefore, monitored constantly. The amount of financial assets considered doubtful and not significant is however hedged by appropriate accruals to the provision for bad debts.

The following table provides a breakdown of current receivables from customers at 31 October 2023 and 30 April 2023, grouped by overdue amounts, net of the portion of the provision for bad debts covering performing loans.

	At 31 October 2023	At 30 April 2023
Yet to mature	430,273	416,978
Expired by 0-90 days	62,378	83,119
Expired by 91-180 days	13,747	14,079
Expired by 180-360 days	5,957	13,652
Expired by over 360 days	6,911	2,440
Total	519,266	530,268

For the management of credit risk, it should be noted that the Group uses the credit insurance instrument on a significant portion of trade receivables.

LIQUIDITY RISK

Liquidity risk is associated with the Group's ability to fulfil its commitments deriving mainly from financial liabilities. Prudent management of the liquidity risk arising from the Group's normal operations implies maintaining an adequate level of cash and cash equivalents and the availability of funds obtainable through an adequate amount of credit lines.

CAPITAL RISK

The Group's goal in term of capital risk management is mainly to safeguard business continuity so as to guarantee returns for shareholders and benefits for other stakeholders. The Group also aims to maintain an optimal capital structure in order to reduce the cost of borrowing.

Segment Information

The criteria applied to identify the business segments reported are in line with the methods used by management to manage the Group. In particular, the structure of the business segments 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 dimension 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, centralised within Sesa SpA. 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 innovation solutions and IT services, with focus on the Data Centre, Enterprise Software, Networking and Collaboration, Security and Cloud Computing segments. The VAD Sector is managed by the wholly-owned subsidiary Computer Gross SpA;
- **the Software and System Integration (SSI) Sector** offers technological innovation and digital transformation solutions for 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 and digital transformation services for the finance 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 expense excluding the fair value adjustment of deferred price liabilities, Put, Earn Out to minority shareholders, profit (loss) of companies measured using the equity method and taxes.

For the purposes of representing Ebitda in the sector disclosure, some accounting items have been reclassified, including:

- Stock grant cost: reclassified from "Costs for services and rent, leasing, and similar costs" to "Amortization of client list and know how (PPA) and other non-monetary cost";
- Fair value adjustment of deferred price liabilities, Put, Earn Out to minority shareholders: reclassified from "Financial income/expenses" to "Other income".

As Ebitda is not identified as an accounting measure by the IFRSs (Non-GAAP Measures), its quantitative determination might be fuzzy. Ebitda is a measure used by management to monitor and evaluate the operating performance of 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 the financial information by operating sector for the period ended 31 October 2023 and 31 October 2022.

(Euro thousands)	Period ended October 31, 2023					Period ended October 31, 2022						
	Value Added Distribution	Software e System Integration	Business Services	Corporate	Eliminations	Value Added Distribution	Software e System Integration	Business Services	Corporate	Eliminations		
Third-party revenues	1,076,392	356,107	50,065	292		1,482,856	967,802	293,145	37,325	499		1,298,771
Inter-sector revenues	52,871	1,947	767	7,431		63,016	40,602	2,562	1,442	6,470		51,076
Revenues	1,129,263	358,054	50,832	7,723	(63,016)	1,482,856	1,008,404	295,707	38,767	6,969	(51,076)	1,298,771
Other income	6,088	10,175	4,191	1,612	(3,303)	18,763	6,380	7,125	941	1,223	(2,704)	12,965
Total revenues and other income	1,135,351	368,229	55,023	9,335	(66,319)	1,501,619	1,014,784	302,832	39,708	8,192	(53,780)	1,311,736
Consumables and goods for resale	(1,033,061)	(119,718)	(4,269)	(39)	48,939	(1,108,148)	(924,156)	(98,282)	(5,455)	(35)	39,764	(988,164)
Costs for services and rent, leasing, and similar costs	(28,245)	(101,210)	(23,722)	(2,746)	17,313	(138,610)	(26,063)	(85,212)	(17,201)	(2,373)	13,777	(117,072)
Personnel costs	(15,122)	(99,991)	(18,770)	(4,127)	23	(137,987)	(12,855)	(79,373)	(13,335)	(3,560)	4	(109,119)
Other operating costs	(1,200)	(1,855)	(473)	(128)	44	(3,612)	(1,029)	(2,731)	(205)	(91)	62	(3,994)
Ebitda	57,723	45,455	7,789	2,295		113,262	50,681	37,234	3,512	2,133	(173)	93,387
Amortisation and depreciation of tangible and intangible assets	(2,211)	(14,329)	(2,285)	(311)		(19,136)	(2,258)	(12,727)	(1,575)	(188)		(16,748)
Provisions	(2,484)	(913)	(74)			(3,471)	(2,072)	(1,872)	(17)			(3,961)
Operating Result (Ebit) Adj	53,028	30,213	5,430	1,984		90,655	46,351	22,635	1,920	1,945	(173)	72,678
Amortisation client lists and technological know-how (PPA) and other non-monetary costs	(1,149)	(8,121)	(3,653)	(2,692)		(15,615)	(802)	(5,298)	(1,615)	(2,308)		(10,023)
Operating Result (Ebit)	51,879	22,092	1,777	(708)		75,040	45,549	17,337	305	(363)	(173)	62,655
Share of profits of companies valued at equity	383	381				764	454	398	(1)			851
Net financial income and expense	(8,699)	(4,798)	(1,350)	(51)		(14,898)	(3,136)	(1,174)	(406)	(29)		(4,745)
Profit before taxes	43,563	17,675	427	(759)		60,906	42,867	16,561	(102)	(392)	(173)	58,761
Income taxes	(13,051)	(5,702)	65	(630)		(19,318)	(11,277)	(5,323)	(452)	(625)	49	(17,628)
Profit for the period	30,512	11,973	492	(1,389)		41,588	31,590	11,238	(554)	(1,017)	(124)	41,133
Profit attributable to non controlling interests	485	2,463	(434)		122	2,636	563	1,845	144		(167)	2,385
Profit attributable to the Group	30,027	9,510	926	(1,389)	(122)	38,952	31,027	9,393	(698)	(1,017)	43	38,749
Profit attributable to the Group Adjusted	30,844	15,292	3,526	527	(122)	50,067	31,598	13,165	451	625	43	45,882

(Euro thousands)	Period ended October 31, 2023					Period ended October 31, 2022						
	Value Added Distribution	Software e System Integration	Business Services	Corporate Eliminations		Value Added Distribution	Software e System Integration	Business Services	CorporateEliminations			
Intangible assets	41,838	263,519	130,055	321	(359)	435,374	29,041	188,334	64,816	233	(358)	282,066
Right of use	8,400	23,993	7,807	512		40,712	33,559	18,416	5,898	249		58,122
Property, plant and equipment	47,081	39,010	7,376	1,046		94,513	16,382	38,548	5,619	370		60,919
Investment property	281			9		290	281			9		290
Investments valued at equity	12,549	12,679	128	702	(949)	25,109	11,408	4,620	129	768	(1,093)	15,832
Deferred tax assets	6,293	6,997	3,180	2,036	27	18,533	6,026	5,699	2,237	706	(36)	14,632
Other non-current receivables and assets	2,673	9,116	1,961	98,477	(92,981)	19,246	2,819	9,421	1,810	95,837	(90,567)	19,320
TOTAL NON-CURRENT ASSETS	119,115	355,314	150,507	103,103	(94,262)	633,777	99,516	265,038	80,509	98,172	(92,054)	451,181
Inventories	124,553	42,305	3,949		(515)	170,292	133,368	30,276	2,748		(408)	165,984
Current trade receivables	346,528	177,339	37,518	16,353	(58,472)	519,266	303,139	147,685	24,251	11,826	(45,726)	441,175
Current tax receivables	2,821	8,109	1,075	5,281		17,286	2,146	4,942	532	4,987		12,607
Other current receivables and assets	35,607	78,839	8,148	1,877	(7,037)	117,434	49,997	60,039	21,007	812	(4,077)	127,778
Cash and cash equivalents	312,026	87,713	18,761	4,308		422,808	281,617	118,183	34,655	1,973		436,428
TOTAL CURRENT ASSETS	821,535	394,305	69,451	27,819	(66,024)	1,247,086	770,267	361,125	83,193	19,598	(50,211)	1,183,972
Non-current assets held for sale	121		355			476						
TOTAL ASSETS	940,771	749,619	220,313	130,922	(160,286)	1,881,339	869,783	626,163	163,702	117,770	(142,265)	1,635,153
Share capital	40,000	3,800	6,625	37,127	(50,425)	37,127	40,000	3,800	6,231	37,127	(50,031)	37,127
Share premium reserve		4,050	17,318	33,144	(21,368)	33,144		4,051	16,212	33,144	(20,263)	33,144
Other reserves and profits carried forward	274,966	40,744	(5,701)	35,444	(18,526)	326,927	236,029	15,708	(8,173)	28,375	(18,630)	253,309
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	314,966	48,594	18,242	105,715	(90,319)	397,198	276,029	23,559	14,270	98,646	(88,924)	323,580
Shareholders' equity attributable to non-controlling interests	6,619	18,581	24,100		(3,693)	45,607	6,022	16,677	8,606		(2,741)	28,564
TOTAL SHAREHOLDERS' EQUITY	321,585	67,175	42,342	105,715	(94,012)	442,805	282,051	40,236	22,876	98,646	(91,665)	352,144
Non-current loans	6,499	91,338	34,714			132,551	28,497	95,803	28,399		14	152,713
Non-current financial liabilities for right of use	5,964	16,223	4,221	216		26,624	18,418	12,199	2,964	133		33,714
Non-current liabilities to minority shareholders for equity investments	15,208	82,403	35,525			133,136	6,806	76,787	18,712			102,305
Employee benefits	3,758	38,070	5,537	1,782		49,147	3,141	38,380	4,948	2,138		48,607
Non-current provisions	914	3,602	661			5,177	640	3,181	625			4,446
Deferred tax liabilities	14,624	70,664	30,704	125	(242)	115,875	11,023	47,919	18,061	28	(240)	76,791
Total non-current liabilities	46,967	302,300	111,362	2,123	(242)	462,510	68,525	274,269	73,709	2,299	(226)	418,576
Current loans	83,516	51,299	12,389	417	6	147,627	45,757	49,620	7,662		(4)	103,035
Current financial liabilities for right of use	2,169	8,316	1,983	302		12,770	2,865	6,683	1,740	122		11,410
Current liabilities to minority shareholders for equity investments	5,107	26,675	6,442	36		38,260	3,678	23,138	4,704	45		31,565
Payables to suppliers	439,879	152,175	24,834	9,272	(64,543)	561,617	417,548	130,686	29,312	9,007	(49,488)	537,065
Current tax payables	17,102	8,657	1,873	630	10	28,272	15,134	6,932	1,266	133	10	23,475
Other current liabilities	24,446	133,022	19,088	12,427	(1,505)	187,478	34,225	94,599	22,433	7,518	(892)	157,883
TOTAL CURRENT LIABILITIES	572,219	380,144	66,609	23,084	(66,032)	976,024	519,207	311,658	67,117	16,825	(50,374)	864,433
TOTAL LIABILITIES	619,186	682,444	177,971	25,207	(66,274)	1,438,534	587,732	585,927	140,826	19,124	(50,600)	1,283,009
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	940,771	749,619	220,313	130,922	(160,286)	1,881,339	869,783	626,163	163,702	117,770	(142,265)	1,635,153

5 Revenues

Group revenues are generated mainly in Italy. Among the revenues generated abroad, we highlight mainly those of the German subsidiaries PBU CAD-Systeme GmbH, Cimtech GmbH, Icos GmbH and CadLog GmbH, of the Swiss WSS IT Sagl, of the Romanian Beenear Srl, and of the subsidiary based in China Fen Wo Shanghai Ltd.

The revenues item is detailed as follows:

(Euro thousands)	Period ended October 31	
	2023	2022
Sale of solutions, software and accessories	1,175,187	1,056,239
Development of software and other services	175,543	122,174
Hardware and software assistance	108,318	89,247
Marketing activities	9,151	8,118
Other sales	14,657	22,993
Total	1,482,856	1,298,771

Group revenues recorded an increase of 14,2% Y/Y of which approximately 35% generated thanks to the contribution of external leverage (M&A) and changes in the scope of consolidation and the remaining 65% from organic growth.

6 Other Income

This item breaks down as follows:

(Euro thousands)	Period ended October 31	
	2023	2022
Transport activities	1,399	1,200
Capital gains on disposals	223	168
Commissions	1,241	1,256
Leases and rents	636	588
Training courses	375	82
Other income	7,802	7,745
Total	11,676	11,039

The Other income item refers mainly to marketing contributions from suppliers and recovery of expenses.

7 Consumables and goods for resale

This item breaks down as follows:

(Euro thousands)	Period ended October 31	
	2023	2022
Purchase of hardware	724,358	737,283
Purchase of software	379,911	248,299
Consumables and other purchases	3,879	2,582
Total	1,108,148	988,164

The trend in this item continues to be proportional to the increase in turnover of the Group companies.

8 Costs for Services and rent, leasing and similar costs

The item in question is detailed as follows:

(Euro thousands)	Period ended October 31	
	2023	2022
Technical assistance for hardware and software maintenance	46,637	36,633
Consulting activities	33,035	29,322
Agents' commissions and contributions	7,481	6,554
Rentals and hires	4,545	3,567
Marketing	8,530	6,472
Transport	4,931	4,417
Insurance policies	2,821	2,146
Utilities	1,942	1,712
Logistics and warehouse storage	814	1,043
Support and training expenses	3,315	1,190
Maintenance	5,057	5,307
Other service expenses	22,194	21,017
Total	141,302	119,380

Costs for services and rent, leasing and similar costs amounted to Euro 141,302 thousands, up by in crescita Euro 21,922 thousands (+18%) compared to October 31, 2022. The change in the item is attributable to the increase in business volume. Consulting activities includes the notional cost related to the annual stock grant plan assignment to executive directors with the approval of the financial statements as at 30 April 2024 for Euro 2,692 thousand compared to Euro 2,302 thousand as at 31 October 2022.

9 Personnel Costs

This item breaks down as follows:

(Euro thousands)	Period ended October 31	
	2023	2022
Wages and salaries	98,511	76,622
Social security contributions	26,362	21,239
Contributions to pension funds	5,423	5,201
Reimbursements and other personnel costs	7,691	6,057
Total	137,987	109,119

The following table shows the average and precise number of the Group's employees:

	Average number of employees at 31 October		Precise number of employees at 31 October		Number of employees at 31 October
(in units)	2023	2022	2023	2022	2023
Executives	55	46	63	47	49
Middle Management	424	382	466	392	457
White collar	4,164	3,692	4,635	3,836	4,028
Blue collar	100	90	109	82	91
Trainees ¹	87	89	94	77	92
Total	4,833	4,299	5,367	4,434	4,717

10 Other Operating Charges

This item breaks down as follows:

	Period ended October 31	
(Euro thousands)	2023	2022
Accrual to provision for bad debts (net of recoveries)	3,085	3,611
Charges and commissions for the assignment of receivables without recourse	414	344
Duties and taxes	953	661
Capital losses on disposals	90	29
Losses not covered by the provision for bad debts		38
Provisions for risks and charges	387	350
Other operating costs	2,155	2,589
Total	7,084	7,622

From 1 May 2023 the adjustment to the fair value of financial liabilities for PUT, Earn Out and deferred debts towards minority shareholders has been reclassified from the item "other operating costs" to financial income and expenses. The comparative period has been reclassified accordingly to 31 October 2022.

11 Amortisation and Depreciation

The item in question is detailed as follows:

	Period ended October 31	
(Euro thousands)	2023	2022
Intangible assets	16,938	11,473
Depreciation of the right of use	6,834	5,716
Property, plant and equipment	8,247	7,274
Write-down of intangible assets	39	
Total	32,058	24,463

¹ The number of trainees was first reported from the period to 30 April 2022.

Amortisation of intangible assets included Euro 12,923 thousand (Euro 7,715 thousand at 31 October 2022) relating to the client lists and technological know-how items, resulting from the allocation of the difference in value between the cost for acquisitions of companies recently included in the scope of consolidation and the related book value of equity.

The change in the depreciation of property, plant and equipment, which rose from Euro 7,274 thousand at 31 October 2022 to Euro 8,247 thousand at 31 October 2023, refers to investments in technological infrastructures and software for the provision of IT services. Depreciation of the right of use, in compliance with IFRS16, pass from Euro 5,716 thousand at 31 October 2022 to Euro 6,834 thousand at 31 October 2023, mainly due to the enlargement of the Group's consolidation perimeter.

12 Financial Income and Expenses

This item breaks down as follows:

(Euro thousands)	Period ended October 31	
	2023	2022
Interest expense on sales of receivables	(5,816)	(1,324)
Expenses and commissions for sales of receivables with recourse	(281)	(406)
Bank and loan interest expense	(10,675)	(2,276)
Other financial expense	(6,607)	(1,803)
Financial expenses related to severance indemnities	(887)	(523)
Total financial expenses	(24,266)	(6,332)
Interest income on other short-term receivables	698	284
Other financial income	12,866	2,704
Bank interest income	1,338	70
Dividends from shareholdings	436	222
Total financial income	15,338	3,280
Total financial income and expenses (a)	(8,928)	(3,052)
Exchange losses	(3,180)	(5,994)
Exchange gains	4,297	5,894
Total exchange gains and losses (b)	1,117	(100)
Net financial expenses (a+b)	(7,811)	(3,152)

Financial income and expenses increased from a net negative balance of Euro 3,152 thousand at 31 October 2022 to negative balance of Euro 7,811 thousand at 31 October 2023 the increase in turnover and the negative trend in interest rates.

The items and Other financial expense and Other financial income include the adjustment to the fair value of commitments for deferred prices, Earn Out and Put Options issued to minority shareholders. For further information, please refer to note 25. Exchange management at 31 October 2023 recorded a net positive balance of Euro 1,117 thousand compared to a net negative balance of Euro 100 thousand at 31 October 2022.

13 Income Taxes

Income taxes at 31 October 2023 are equal to Euro 19,318 and are based on the best estimate of taxes in accordance with the legislation in force.

<i>(Euro thousands)</i>	At October 31, 2023	At October 31, 2022
Current taxes	21,647	19,260
Deferred taxes	(2,329)	(1,632)
Taxes related to previous fiscal years		
Total	19,318	17,628

14 Intangible Assets

This item and related changes break down as follows

<i>(Euro thousands)</i>	Client list	Software and other intangible assets	Technological know- how	Total
Balance at 30 April 2023	110,381	17,507	240,600	368,488
<i>Of which:</i>				
- <i>historical cost</i>	135.361	71.173	269.704	476.238
- <i>accumulated amortisation</i>	(24.980)	(53.666)	(29.104)	(107.750)
Change in the scope of consolidation	15,986	5,675	57,836	79,497
Investments	1,650	1,888	828	4,366
Amortisation	(5,045)	(4,054)	(7,878)	(16,977)
Reductions				
Balance at 31 October 2023	126,272	17,716	291,386	435,374
<i>Of which:</i>				
- <i>historical cost</i>	152.622	78.936	328.391	559.949
- <i>accumulated amortisation</i>	(29.650)	(57.920)	(37.005)	(124.575)

The balance of intangible assets at 31 October 2023 mainly consists of customer lists and technological know-how which increased during the year mainly following the entry into the scope of consolidation of the companies recently purchased net of accumulated amortisation.

As envisaged by the impairment indicators analysis procedure, the assessment of the presence of any impairment indicators traceable through internal or external sources of information was carried out at the end of the year, and if such indicators were found, the Group conducted an impairment test on the value of the intangible assets associated with the related CGUs. The analysis of the Group's economic and financial performance, the evolution of the reference market and the reorganisation operations out did not reveal any impairment of intangible assets. Additional information on changes in the scope of consolidation is given in the Business Combinations section.

15 Rights of Use

This item and related changes break down as follows:

(Euro thousands)		Rights of Use
Balance at 30 April 2023		63,361
<i>Of which:</i>		
- historical cost		94.271
- accumulated amortisation		(30.910)
Change in the scope of consolidation		4,354
Investments		6,267
Reductions		
Amortisation		(6,835)
Other movements		(26,436)
Balance at 31 October 2023		40,711
<i>Of which:</i>		
- historical cost		70.221
- accumulated amortisation		(29.510)

The item "Other movements" includes the reclassification relating to the early redemption of the leasing of the Computer Gross SpA 's property in Via Piovola in Empoli.

16 Property, plant and equipment

This item and related changes break down as follows:

(Euro thousands)	Land	Buildings	Office equipment	Leasehold improvements	Other property, plant and equipment	Total
Balance at 30 April 2023	3,566	10,964	27,006	9,182	11,822	62,540
<i>Of which:</i>						
- historical cost	3,566	14.075	90.845	18.887	38.794	162.601
- accumulated amortisation		(3.111)	(63.839)	(9.705)	(26.972)	(103.627)
Change in the scope of consolidation		210	466	100	830	1,606
Investments		1,129	3,488	465	3,882	8,964
Reductions						
Amortisation		(488)	(5,450)	(504)	(1,805)	(8,247)
Other movements	7,400	22,250				29,650
Balance at 31 October 2023	10,966	34,065	25,510	9,243	14,729	94,513
<i>Of which:</i>						
- historical cost	10.966	44.447	93.707	15.985	43.492	208.597
- accumulated amortisation		(10.382)	(68.197)	(6.742)	(28.763)	(114.084)

As reported above, in the Right of Use section, the item "Other movements" of Land and Buildings includes the reclassification relating to the early redemption of the Computer Gross SpA's property in Via Piovola in Empoli.

17 Investment Property

This item and related changes break down as follows:

<i>(Euro thousands)</i>	Lands	Buildings	Total
Balance at 30 April 2023	281	9	290
<i>Of which:</i>			
- historical cost	281	10	291
- accumulated depreciation		(1)	(1)
<i>Investments</i>			
<i>Disinvestments</i>			
<i>Depreciation</i>			
Balance at 31 October 2023	281	9	290
<i>Of which:</i>			
- historical cost	281	10	291
- accumulated depreciation		(1)	(1)

The “Investment Property” item includes the value of land and buildings held by the Group for investment purposes. In particular, two agricultural plots of land in Villanova (Empoli) and an apartment for office use in Rome, all of which are fully owned.

18 Other current and non-current receivables and assets

This item breaks down as follows:

<i>(Euro thousands)</i>	AI 31 October 2023	AI 30 April 2023
Non-current receivables from others	3,688	3,964
Non-current equity investments in other companies	13,369	12,380
Non-current securities	4	72
Non-current receivables for guarantees given	417	
Other non-current tax receivables	1,768	1,961
Non-current receivables from associated companies	-	50
Total other non-current receivables and assets	19,246	18,427
Current receivables from others	35,555	30,672
Other current tax receivables	5,928	11,321
Accrued income and prepaid expenses	64,723	77,358
Other current securities	10,800	7,993
Current receivables from non-consolidated group companies	428	10
Total other current receivables and assets	117,434	127,354

The change in accrued income and prepaid expenses reflects the different temporal accrual of revenues at 30 April compared to 31 October.

The item Other current securities includes financial instruments (mutual funds, policies and others) that are readily liquidated.

19 Inventories

This item breaks down as follows:

	At 31 October	At 30 April
(Euro thousands)	2023	2023
Finished products and goods for resale	163,195	153,235
Work in progress and semi-finished products	7,097	5,501
Total	170,292	158,736

Finished products and goods for resale are shown net of the write-down provision for obsolescence, which underwent the following changes during the period:

(Euro thousands)	Provision for obsolescence of finished products and goods for resale
Balance at 30 April 2023	1,702
Net change	92
Balance at 31 October 2023	1,794

20 Current Trade Receivables

This item breaks down as follows:

	At 31 October	At 30 April
(Euro thousands)	2023	2023
Trade receivables	547,782	564,489
Provision for bad debts	(31,453)	(35,281)
Trade receivables net of the provision for bad debts	516,329	529,208
Receivable from associates	2,937	1,060
Total current trade receivables	519,266	530,268

The table below shows changes in the provision for bad debts:

(Euro thousands)	Provision for bad debts
Balance at 30 April 2023	35,281
Accrual to provisions	3,146
Use and other changes	(7,314)
Change in the scope of consolidation	340
Balance at 31 October 2023	31,453

21 Cash and Cash Equivalents

	At 31 October	At 30 April
(Euro thousands)	2023	2023
Bank and post office deposits	419,853	536,845
Cheques	12	11
Cash	2,943	651
Total cash and cash equivalents	422,808	537,507

22 Shareholders' Equity

Share Capital

At 31 October 2023, the fully subscribed and paid-up share capital of the Parent Company amounted to Euro 37,127 thousand and consisted of 15,494,590 ordinary shares, all with no nominal value. The Company has no Warrants nor shares other than ordinary shares.

As of October 31, 2023, Sesa SpA held n. 24.043 treasury shares, equating to 0.524% of the share capital. The Stock Grant Plan 2024-2026 envisages the allocation of 59,250 ordinary shares to the beneficiaries upon reaching the targets set for April 30, 2024.

23 Earnings per Share

The following table shows the calculation of basic and diluted earnings per share.

(in Euro, unless otherwise specified)	At 31 October	
	2023	2022
Profit for the period – attributable to the Group in Euro thousands	38,952	38,748
Average number of ordinary shares (*)	15,480,044	15,425,369
Earnings per share – basic	2,52	2,51
Average number of ordinary shares and warrant (**)	15,494,590	15,494,590
Earnings per share – diluted	2,51	2,50

(*) Monthly weighted average of outstanding shares, net of treasury shares in portfolio.

(**) Monthly weighted average of outstanding shares, net of treasury shares in portfolio and including the impact of Stock Options/Grants Plans.

24 Current, Non-current Loans and right of use

The table below provides a breakdown of this item at 31 October 2023 and 30 April 2023:

At 31 October 2023

(Euro thousands)	Within 12 months	Between 1 e 5 years	Over 5 yearsi	Total
Long-term loans	108,994	132,551		241,545
Short-term loans	37,652			37,652
Debts and commitments for the purchase of shares in minority shareholders	38,260	116,810	16,326	171,396
Advances received from factoring companies	981			981
Financial liabilities for rights of use	12,770	23,224	3,400	39,394
Total	198,657	272,585	19,726	490,968

At 30 April 2023

(Euro thousands)	Within 12 months	Between 1 e 5 years	Over 5 yearsi	Total
Long-term loans	78,473	175,294		253,767
Short-term loans	51,475			51,475
Debts and commitments for the purchase of shares in minority shareholders	45,061	91,357	19,322	155,740
Advances received from factoring companies	762			762
Financial liabilities for rights of use	12,701	26,109	11,265	50,075
Total	188,472	292,760	30,587	511,819

The “advances received from factoring companies” item refers to advances granted by factoring companies against receivables from customers assigned in the period that did not meet the requirements for the derecognition of financial assets.

The table below summarises the main outstanding loans:

(Euro thousands)

Funding entity	Original amount	Company funded	New loan	Expiry	Rate applied	At 31 October	
						2023	Of which current
BNL BNP Paribas SpA	40,000	Var Group S,p,A,	apr-22	apr-27	Euribor 6m +0,75%	28,000	8,000
BNL BNP Paribas SpA	25,000	Base Digitale Group S,p,A,	may-22	may-2t	Euribor 6m +0,75%	20,000	5,000
Intesa Sanpaolo SpA	25,000	Var Group S,p,A,	may-22	may-27	Euribor 6m +0,75%	20,000	5,000
Banca Popolare Emilia Romagna SpA	20,000	Var Group S,p,A,	apr-23	jun-27	Euribor 3m +1,25%	20,000	5,000
Banca MPS SpA	15,000	Var Group S,p,A,	sep-22	dec-27	Euribor 6m +0,95%	14,039	3,047
Credito Emiliano S,p,A,	15,000	Computer Gross S,p,A,	nov-22	nov-27	Euribor 3m +0,90%	12,915	2,804
Banco Popolare di Milano S,p,A,	12,000	Var Group S,p,A,	mar-22	mar-27	Euribor 3m +1,10%	8,564	2,294
Banco Popolare di Milano S,p,A,	10,000	Base Digitale Group S,p,A,	jun-23	jun-28	Euribor 3m +1,25%	9,552	1,842
Crédit Agricole Italia S,p,A,	10,000	Computer Gross S,p,A	dec-22	dec-26	Euribor 3m +0,85%	8,125	2,500
Intesa Sanpaolo SpA (ex UBI)	10,000	Computer Gross S,p,A	may-22	may-27	Euribor 6m +0,75%	8,000	2,000

At 31 October 2023 and 30 April 2023, the Group's financial debt was represented mainly by loans raised in euros. A summary of the Group's net financial position is provided below:

(Euro thousands)

	At 31 October 2023	At 30 April 2023
A. Cash	2943	651
B. Cash and cash equivalents	419,865	536,856
C. Other current financial assets	10,803	7,993
D. Liquidity (A) + (B) + (C)	433,611	545,500
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	38,633	52,237
F. Current portion of non-current financial debt	160,024	136,235
G. Current financial debt (E) + (F)	198,657	188,472
H. Net current financial debt (G) - (D)	(234,954)	(357,028)
I. Non-current financial debt (excluding the current portion and debt instruments)	292,311	323,347
J. Non-current financial debt (I)	292,311	
K. Net financial debt (G) + (J)	57,357	(33,681)

The trend of Net Financial Position mainly reflects the seasonality of the business, characterised by higher absorption of net working capital at 31 October than at 30 April of every year.

25 Debts and commitments for the purchase of shares in minority shareholders

Below is the handling of debts for commitments for acquisitions of minority shareholdings during the year. Please note that this item consists of deferred price payables, Earn Out and Put options outstanding in the acquisition transactions carried out by the Group companies

	At April 30, 2023	New in	Payments	Adjustment P&L			Adjustment on Equity	At October 31, 2023
				Income	Cost	Inter		
Deferred Price	34,823	18,180	(7,206)	(4,032)				41,765
Earn Out	29,050	2,488	(8,820)	(4,230)	844			19,332
PUT options	91,867	30,015	(5,349)	(2,122)	1,743	758	(6,613)	110,299
Total debt and commitments for the purchase of shares in minority shareholders	155,740	50,683	(21,375)	(10,384)	2,587	758	(6,613)	171,396

The detail of the portion of debt maturing within 12 months is as follows:

	At 31 October 2023	At 30 April 2023
Current liabilities and commitments for the acquisition of shareholdings in minority shareholders	38,260	45,061
Non-current liabilities and liabilities on acquisition of holdings in minority shareholders	133,136	110,679
Total	171,396	155,740

26 Employee Benefits

This item includes the provision for severance indemnities (TFR) for employees of Group companies in Italy.

Changes in this item are detailed as follows:

(Euro thousands)	At 31 October 2023	At 30 April 2023
Opening balance	48,264	44,379
Service cost	2,898	5,100
Interest on bonds	887	1,092
Uses and advances	(2,830)	(3,718)
Actuarial loss/(gain)	(1,661)	(2,088)
Change in the scope of consolidation and purchase of business branches	1,589	3,499
Closing balance	49,147	48,264

The actuarial assumptions used to estimate defined benefit pension plans are detailed in the following table:

	At 31 October	At 30 April
(Euro thousands)	2023	2023
Economic assumptions		
Rate of inflation	2.00%	5.9% in 2023, 2.3% in 2024, 2.0% from 2025
Discount rate	4.09%	3.56%
TFR increase rate	3.00%	5.9% in 2023, 3.2% in 2024, 3.0% from 2025

27 Provisions for Risks and Charges

Changes in these items are detailed as follows:

(Euro thousands)	Provision for agents' pension plans	Other risk provisions	Total
At 30 April 2023	2,487	2,307	4,794
Change in the scope of consolidation	322	67	389
Accruals to provisions	74	387	461
Uses	(237)	(230)	(467)
Releases			
At 31 October 2023	2,646	2,531	5,177

28 Other Current Liabilities

This item breaks down as follows:

	At 31 October	At 30 April
(Euro thousands)	2023	2023
Accrued expenses and deferred income	85,884	131,454
Tax payables	26,401	22,962
Payables to personnel	38,371	36,034
Other payables	18,126	17,489
Payable to social security institutions	7,586	8,262
Advances from customers	11,025	10,930
Forward contracts payable	85	1,915
Total other current liabilities	187,478	229,046

The change in accruals and deferrals reflects the different temporal accrual of revenues at 30 April compared to 31 October,

Further information

Potential Liabilities

We are not aware of the existence of tax disputes or proceedings that could have significant repercussions on the Group's economic and financial situation.

Commitments

As at 31 October 2023, the Group had not undertaken any commitments not reflected in the financial statements.

Business Combinations

Among the business combinations carried out during the period, we report the details of the most significant below.

In the SSI Sector, the acquisition of control of: (i) Visualitics, with registered office in Turin, a Data Science company with a workforce of about 40 human resources, specialising in data management and analysis in support of strategic business decisions (ii) Wise Security Global, with registered office in Spain and a workforce of 120 human resources, specialising in IT security, Cyber Security services and digital identity solutions developed in-house (iii) Sangalli Tecnologie, with registered office in Bergamo and a workforce of about 30 human resources, specialising in the design and offer of digital workspace solutions, collaboration and integration of multimedia systems (iv) InformEtica, with registered office in Verona and a workforce of about 40 human resources, specialising in application consultancy on the SAP platform, and (v) Trias Mikroelektronik, with registered offices in Krefeld (Germany) and Iasi (Romania) and business operations in Austria and Switzerland, specialising in software solutions for electronic design (EDA) with a team of about 15 human resources.

In the Business Services sector, following the authorisation received from the Bank of Italy, the acquisition of control of 130 Servicing, a leading player in Italy in advisory services and master servicing solutions for the management of securitisation transactions, with registered office in Milan, a customer set of asset management and securities brokerage companies and a workforce of about 130 human resources, was finalised.

Lastly, in the VAD sector, we should mention the acquisition of control of Maint System, a company specialising in offering business IT services and solutions for the Printing segment, with a workforce of about 40 human resources. Maint System will be integrated into the supply perimeter of Altinia Distribuzione, a company consolidated from 1 May 2023 and operating in the Printing sector.

Euro thousands	Altinia Distribuzione SpA	Informatica Consulting Srl	Visualitics Srl	Sangalli Tecnologie Srl	Wise Security Global SL	130 Servicing SpA	Otcada Mex	Maint System Srl	Trias GmbH	Xautomata GmbH	Total
Intangible assets	6,548	4,194	7,186	7,121	20,849	23,553		6,179	3,424	443	79,497
Property, plant and equipment	355	64	51	399	361	310	45	9	12		1,606
Other current and non-current assets	291	367	744	18	589	3,352	16	187	396	22	5,982
Inventory	5,204			1,542	455						7,201
Trade receivables	13,665	1,208	1,003	1,708	2,343	7,949	264	1,120	215	792	30,267
Cash and cash equivalents	3,814	1,933	666	1,654	12	2,920	504	1,573	1,316	69	14,461
Assets purchased	29,877	7,766	9,650	12,442	24,609	38,084	829	9,068	5,363	1,326	139,014
Non-current loans	3,496	578	5	439	579						5,097
Employee benefits	563		122	224				153			1,062
Current loans	2,248			195	1,027	7					3,477
Deferred tax liabilities	1,876	1,208	2,048	2,042	5,701	6,711		1,780	986	32	22,384
Trade payables	11,374	1,035	356	2,231	623	3,038	2	1,605	234	824	21,322
Other liabilities	642	1,414	1,013	1,710	1,177	3,177	127	157	611	313	10,341
Provisions	116	214				575	19		409		1,333
Liabilities purchased	20,315	4,449	3,544	6,841	9,107	13,508	148	3,695	2,240	1,169	65,016
Non controlling interest											
Net assets purchased	9,562	3,317	6,106	5,601	15,502	24,576	681	5,373	3,123	157	73,998
Price	9,562	3,317	6,106	5,601	15,502	24,576		5,373	3,123	157	73,317
Cash and cash equivalents	3,814	1,933	666	1,654	12	2,920	504	1,573	1,316	69	14,461
Financial liabilities and commitments for purchase of shares from non-controlling interests	(6,819)	(1,814)	(4,042)	(4,101)	(11,291)	(16,672)		(3,873)			(48,612)
Investments in companies net of cash acquired	(1,071)	(430)	1,398	(154)	4,199	4,984	(504)	(73)	1,807	88	10,244

Events Occurring After the End of the period

For information relating to events occurring after 31 October 2023, please refer to the Report on Operations.

Balance Sheet drawn up in compliance with Consob resolution no. 15519 of 27 July 2006

<i>(Euro thousands)</i>	At 31 October 2023	of which with related parties	% impact
Intangible assets	435,374		
Rights of use	40,712		
Property, plant and equipment	94,513		
Investment property	290		
Equity Investments valued at equity	25,109		
Deferred tax assets	18,533		
Other non-current receivables and assets	19,246		
Total non-current assets	633,777		
Inventory	170,292		
Current trade receivables	519,266	4,745	0.9%
Current tax receivables	17,286		
Other current receivables and assets	117,434	29	0.0%
Cash and cash equivalents	422,808		
Total current assets	1,247,086	4,774	0.4%
Non-current assets held for sale	476		
Total assets	1,881,339	4,774	0.3%
Share capital	37,127		
Share premium reserve	33,144		
Other reserves	(44,247)		
Profits carried forward	371,174		
Total shareholders' equity attributable to the Group	397,198		
Shareholders' equity attributable to non-controlling interests	45,607		
Total Shareholders' equity	442,805		
Non-current loans	132,551		
Financial liabilities for non-current rights of use	26,624		
Non-current liabilities to minority shareholders for equity investments	133,136		
Employee benefits	49,147	71	0.1%
Non-current provisions	5,177		
Deferred tax liabilities	115,875		
Total non-current liabilities	462,510	71	0.0%
Current loans	147,627		
Financial liabilities for current rights of use	12,770		
Current liabilities to minority shareholders for equity investments	38,260		
Trade payables	561,617	3,438	0.6%
Current tax payables	28,272		
Other current liabilities	187,478	146	0.1%
Total current liabilities	976,024	3,584	0.4%
Total liabilities	1,438,534	3,655	0.3%
Total shareholders' equity and liabilities	1,881,339	3,655	0.2%

Income Statement drawn up in compliance with Consob resolution no. 15519 of 27 July 2006

Revenues refer mainly to commercial transactions concluded at market conditions with associated companies operating in the IT market. Similarly, costs for services and rent, leasing and similar costs are related to supplies of IT services provided by associated companies of the Sesa Group.

<i>(Euro thousands)</i>	At 31 October 2023	of which with related parties	% impact
Revenues	1,482,856	5,050	0.3%
Other income	11,676	11	0.1%
Consumables and goods for resale	(1,108,148)	(686)	0.1%
Costs for services and rent, leasing, and similar costs	(141,302)	(9,867)	7.0%
Personnel costs	(137,987)	(641)	0.5%
Other operating charges	(7,084)		
Amortisation and Depreciation	(32,058)		
Operating result	67,953	(6,133)	(9.0%)
Share of profits of companies valued at equity	764		
Financial income	19,635	1	0.0%
Financial expenses	(27,446)	(5)	0.0%
Profit before taxes	60,906	(6,139)	(10.1%)
Income taxes	(19,318)		
Profit for the period	41,588		
<i>of which:</i>			
Profit attributable to non-controlling interests	2,636		
Profit attributable to the Group	38,952		

List of Subsidiaries and Associated Companies

Subsidiaries

Held by	Company	Registered office	Share capital in Euro	Percentage held at	
				31-oct-23	30-apr-23
PLURIBUS SRL	ALBALOG SRL	Sesto Fiorentino (FI)	11,000	100.0%	100.0%
VAR GROUP SPA	ALDEBRA SPA	Trento (TN)	273,657	75.5%	75.5%
VAR ONE SRL	ALFASAP SRL	Roma (RM)	20,000	51.0%	51.0%
COMPUTER GROSS SPA	ALTINIA DISTRIBUZIONE SPA	Casale sul Sile (TV)	1,000,000	55.0%	n.a.
VAR GROUP SPA	ADDFOR INDUSTRIALE SRL	Empoli (FI)	10,000	80.0%	80.0%
ADIACENT SRL	ADVIEW SRL	Empoli (FI)	10,000	Fusione in Adiacent Srl	
ADIACENT SRL	AFB NET SRL	Ponte San Giovanni (PG)	15,790	62.0%	62.0%
ADIACENT SRL	ADIACENT INTERNATIONAL SRL	Empoli (FI)	10,100	60.4%	60.4%
ADIACENT INTERNATIONAL SRL	ADIACENT APAC LIMITED	Hong Kong(HKG)	70,000 hkd	75.0%	75.0%
ADIACENT INTERNATIONAL SRL	ADIACENT ESPANA SL	Madrid (ESP)	3,006	100.0%	n.a.
VAR INDUSTRIES SRL	AMAECO SRL	Fiorano Modenese (MO)	20,000	65.0%	65.0%
DATA SCIENCE SRL	ANALYTICS NETWORK SRL	Casalecchio di Reno (BO)	40,000	100.0%	100.0%
VAR GROUP SPA	APRA SPA	Jesi (AN)	151,520	87.5%	87.5%
APRA SPA	APRA COMPUTER SYSTEM SRL	Pesaro (PS)	98,200	100.0%	55.0%
SEBIC INVESTMENTS SRL	ARGON PRODUZIONE SRL	Pescara (PE)	10,000	100.0%	100.0%
APRA SPA	ASSIST INFORMATICA SRL	Basta Umbra (PG)	95,800	51.0%	51.0%
BDM SRL	AUSILIA SRL	Firenze (FI)	500,000	Fusione in Bdm Srl	
SESA SPA	BASE DIGITALE GROUP SRL	Firenze (FI)	6,625,200	90.1%	87.3%
BASE DIGITALE GROUP SRL	BDM SRL	Firenze (FI)	5,435,000	100.0%	100.0%
BASE DIGITALE GROUP SRL	BDX SPA	Collecchio (PR)	50,000	55.0%	55.0%
BASE DIGITALE GROUP SRL	BDY SPA	Firenze (FI)	3,000,000	51.0%	51.0%
BASE DIGITALE GROUP SRL	BASE DIGITALE PLATFORM SRL	Firenze (FI)	20,000	99.5%	99.5%
BASE DIGITALE GROUP SRL	BDS SPA	Firenze (FI)	2,300,000	93.3%	93.0%
DIGITAL SECURITY SRL				3.0%	3.0%
DI,TECH SPA	BEENEAR SRL	Iasi(ROM)	4,442,650 RON	100.0%	100.0%
VAR BMS SPA	B4TECH SHPK	Tirana (ALB)	10,000	97.0%	97.0%
VAR GROUP SPA				69.8%	69.8%
YARIX SRL	BLOCKIT SRL	Padova (PD)	27,400	30.2%	30.2%
VAR4INDUSTRIES SRL	CADLOG GROUP SRL	Milano (MI)	100,000	100.0%	n.a.
VAR GROUP SPA	CADLOG GROUP SRL	Milano (MI)	100,000	n.a.	60.0%
CADLOG GROUP SRL	CADLOG GMBH	Eching (GER)	25,565	100.0%	100.0%
CADLOG GROUP SRL	CADLOG SL	Madrid (ESP)	3,000	100.0%	100.0%
CADLOG GROUP SRL	CADLOG SAS	Tremblay-en-France(FRA)	10,000	100.0%	100.0%
PBU CAD-Systeme GMBH	CIMTEC GMBH	Großheirath (GER)	25,000	Fusione in PBU	
BASE DIGITALE GROUP SRL	CENTOTRENTA SERVICING SPA	Milano (MI)	7,215,000	52.5%	n.a.
YOCTOIT SRL				25.0%	n.a.
VAR4YOU SRL	CONSORZIO QONOS	Empoli (FI)	10,000	25.0%	n.a.
TECHNOLOGY CONSULTING SRL				25.0%	n.a.
ADIACENT SRL				3.6%	3.6%
YARIX SRL				3.6%	3.6%
GENCOM SRL				3.6%	3.6%
DATEF SRL				3.6%	3.6%
VAR4YOU SRL				3.6%	3.6%
LEONET4CLOUD SRL				3.6%	3.6%
NGS SRL				3.6%	n.a.
DIGITAL SECURITY SRL				3.6%	3.6%
VAR BMS SPA				3.6%	3.6%
VAR NEXT SRL				3.6%	3.6%
NEBULA SRL				3.6%	3.6%
VAR ENGINEERING SRL	CONSORZIO VAR GROUP	Empoli (FI)	57,843	3.6%	3.6%
MF SERVICES SRL				3.6%	3.6%
APRA SPA				3.6%	3.6%
WSS ITALIA SRL				3.6%	3.6%
EVOTRE SRL				3.6%	n.a.
ZERO 12 SRL				3.6%	3.6%
DURANTE SRL				3.6%	n.a.
MY SMART SERVICES SRL				3.6%	3.6%
MEDIAMENTE CONSULTNG SRL				3.6%	3.6%
PALITALSOFT SRL				3.6%	3.6%
TECNOLOGY CONSULTING SRL				3.6%	3.6%
VAR GROUP SPA				3.6%	3.6%
DIGITAL SECURITY SRL	CYRES CONSULTING SERVICES GMBH	Monaco (GER)	25,000	73.5%	73.5%
CYRES CONSULTING SERVICES GMBH	CYRES Consulting Baltics, SIA	Riga (LV)	3,181	100.0%	n.a.
CYRES CONSULTING SERVICES GMBH	CYRES Consulting India Privated Limited	Bengaluru (IND)	11,270	98.0%	n.a.
CYRES CONSULTING SERVICES GMBH	CYRES Consulting Austria GmbH	Graz(AUT)	17,500	100.0%	n.a.
VAR GROUP SPA	DATA SCIENCE SRL	Empoli (FI)	134,000	80.6%	80.6%
MY SMART SERVICES SRL	DATEF SPA	Bolzano (BZ)	126,000	51.0%	51.0%
VAR GROUP SPA	DIGITAL GDO SRL	Empoli (FI)	1,000,000	95.6%	95.6%
BEENEAR SRL				10.0%	10.0%
DI,TECH SPA	DI VALOR SOLUÇÕES EM TECNOLOGIA E CONSULTORIA LTDA	Jardim Das Perdizes(BRA)	375,000 Reais	90.0%	90.0%
VAR GROUP SPA	DURANTE SPA	Cormano (MI)	1,000,000	51.0%	51.0%
VAR PRIME SRL	DYNAMICS BUSINESS SOLUTIONS SRL	Caserta (CE)	11,765	100.0%	100.0%
VAR GROUP SPA				60.5%	60.5%
VAR ONE SRL	VAR4TEAM SRL	Bergamo (BG)	253,000	14.2%	14.2%
SESA SPA	VALUE 4CLOUD SRL	Empoli (FI)	50,000	100.0%	100.0%
COMPUTER GROSS SPA	CLEVER CONSULTING SRL	Milano (MI)	36,057	53.2%	55.0%
VAR GROUP SPA	VAR BMS SPA	Milano (MI)	1,562,500	80.9%	80.9%
APRA SPA	CENTRO 3 CAD SRL	Jesi (AN)	10,000	80.0%	80.0%
COMPUTER GROSS SPA	KOLME SRL	Milano (MI)	156,250	66.4%	63.4%
ALTINIA DISTRIBUZIONE SPA	MAINT SYSTEM SRL	Milano (MI)	10,000	60.0%	n.a.
SAILING SRL	MERSY SRL	Empoli (FI)	10,000	100.0%	100.0%
SESA SPA	COMPUTER GROSS SPA	Empoli (FI)	40,000,000	100.0%	100.0%
COMPUTER GROSS SPA	COMPUTER GROSS NESSOS SRL	Empoli (FI)	52,000	60.0%	60.0%
VAR GROUP SPA	COSESA SRL	Empoli (FI)	15,000	100.0%	100.0%
PLURIBUS SRL	DELTA PHI SIGLA SRL	Empoli (FI)	99,000	100.0%	100.0%
DIGITAL GDO SRL	DI,TECH SPA	Bologna (BO)	2,575,780	100.0%	100.0%
VAR GROUP SPA	DIGITAL CLOUD SRL	Empoli (FI)	83,144	82.4%	82.4%
DURANTE SPA	DIGITAL INDEPENDENT SRL	Milano (MI)	95,000	100.0%	100.0%
VAR GROUP SPA	DIGITAL SECURITY SRL	Empoli (FI)	119,161	75.7%	75.7%
BASE DIGITALE PLATFORM SRL	DIGITAL STORM SRL	Milano (MI)	25,000	100.0%	60.0%
DURANTE SPA	DIGITAL WORKSPACE SRL	Empoli (FI)	170,000	Fusione in Durante	
BASE DIGITALE PLATFORM SRL	DVR ITALIA SRL	Torino (To)	22,222	81.3%	72.0%
BDS SPA	BDS FACTORY SRL	Empoli (FI)	41,600	100.0%	100.0%
BDS SPA	EMMEDI SRL	Udine (UD)	121,000	51.0%	n.a.
BASE DIGITALE PLATFORM SRL	EMMEDI SRL	Udine (UD)	121,000	n.a.	51.0%
APRA SPA	EUROLAB SRL	Fermo (AP)	10,400	55.0%	55.0%
BDX SRL	EURO FINANCE SYSTEMS SA	Parigi (FRA)	150,000	50.1%	50.1%

BASE DIGITALE PLATFORM SRL	EVER GREEN MOBILITY RENT SRL	Scandicci (FI)	10,000	52.0%	52.0%
APRA SPA	EVOTRE SRL	Jesi (AN)	210,000	56.0%	56.0%
ADIACENT SRL	ENDURANCE SRL	Bologna (BO)	15,600	Fusione in Adiacent Srl	100.0%
ADIACENT INTERNATIONAL SRL	FEN WO (SHANGAI) MANAGEMENT CONSULTING CO., LTD	Shanghai	202,426	55.3%	55.3%
DIGITAL SECURITY SRL	GENCOM SRL	Forlì (FO)	84,800	100.0%	100.0%
CENTOTRENTA SERVICING SPA	HYPERMAST SRL	Milano (MI)	10,000	100.0%	n.a.
BASE DIGITALE PLATFORM SRL	IFM INFOMASTER SPA	Genova (GE)	661,765	94.7%	89.3%
COMPUTER GROSS SPA	ICOS SPA	Ferrara (FE)	706,580	77.8%	81.3%
ICOS SPA	ICOS Deutschland GmbH	Munchen	1,100,000	92.5%	100.0%
COMPUTER GROSS SPA	ICT LOGISTICA SRL	Empoli (FI)	775,500	66.7%	66.7%
VAR GROUP SPA				33.3%	33.3%
SESA SPA	IDEA POINT SRL	Empoli (FI)	10,000	100.0%	100.0%
DATEF SRL	INDUSTRIAL CYBER SECURITY SRL	Bolzano (BZ)	50,000	70.0%	70.0%
VAR ONE SRL	INFORMETICA CONSULTING SRL	San MartinoBuon Albergo (VR)	120,000	100.0%	n.a.
ADIACENT INTERNATIONAL SRL	ALISEI CONSULTING LDT	Shanghai (CHli)	200,000 CNY	100.0%	100.0%
VAR GROUP SPA	INFOLOG SPA	Modena (MO)	300,000	67.3%	51.0%
MF SERVICES SRL				25.0%	25.0%
VAR NEXT SRL	ISD NORD SRL	Frascati (RM)	15,790	25.0%	25.0%
MY SMART SERVICES SRL				20.0%	20.0%
VAR GROUP SPA	KLEIS SRL	Torino (TO)	10,400	51.0%	51.0%
DIGITAL SECURITY SRL				10.0%	10.0%
EVER GREEN MOBILITY RENT	MR FLEET SRL	Scandicci (FI)	250,000	100.0%	51.0%
DIGITAL CLOUD SRL				49.0%	49.0%
LEONET4CLOUD SRL	NEBULA SRL	Empoli (FI)	22,000	51.0%	51.0%
COMPUTER GROSS SPA	COLLABORATION VALUE SRL	Empoli (FI)	20,000	58.0%	58.0%
DIGITAL CLOUD SRL	LEONET4CLOUD SRL	Empoli (FI)	60,000	100.0%	100.0%
DATA SCIENCE SRL	MEDIAMENTE CONSULTING SRL	Empoli (FI)	10,000	100.0%	100.0%
MY SMART SERVICES SRL	M.F. SERVICES SRL	Campagnola Emilia (RE)	1,000,000	70.0%	70.0%
VAR GROUP SPA	MY SMART SERVICES SRL	Empoli (FI)	200,000	97.5%	100.0%
PALITALSOFT SRL	NEXT STEP SOLUTION SRL	Collecchio (PR)	30,000	55.0%	55.0%
DIGITAL SECURITY SRL	NGS SRL	Padova (PD)	10,000	100.0%	100.0%
BDX SRL	OMIGRADE SERVIZI SRL	Colecchio (PR)	46,800	100.0%	100.0%
ADIACENT SRL	OTCADA MEX S DE RL DE DV	Guadalajara, Jalisco, Messico	10,000 MXN	100.0%	100.0%
PALITALSOFT SRL	PAL IFM SRL	Catanzaro (CZ)	50,000	55.0%	55.0%
APRA SPA	PALITALSOFT SRL	Jesi (AN)	135,000	55.0%	55.0%
TECH VALUE SRL	PBU CAD-SYSTEME GmbH	Aichach(GER)	26,100	60.0%	60.0%
VAR ONE SRL	PEGASO SRL	Piacenza (PC)	51,480	Fusione in Var One	100.0%
VAR GROUP SPA	PLURIBUS SRL	Empoli (FI)	50,000	91.0%	91.0%
COMPUTER GROSS SPA	P.M. SERVICE S.R.L.	Pontassieve (FI)	145,928	70.0%	70.0%
VAR4TEAM SRL	PRAGMA ACG SRL	Bergamo (BG)	50,000	100.0%	n.a.
VAR GROUP SPA	PRAGMA PROGETTI SRL	Torino (TO)	100,000	100.0%	36.0%
SISTHEMA SPA	SOFTHARE	Tunisi (TUN)	250000 TND	99.0%	99.0%
LEONET4CLOUD SRL	VAR EVOLUTION SRL	Empoli (FI)	66,667	31.8%	31.8%
VAR INDUSTRIES SRL				31.8%	31.8%
SESA SPA				27.3%	27.3%
VAR GROUP SPA				50.7%	50.7%
BDM SRL	ADIACENT SRL	Empoli(FI)	1,096,136	0.4%	0.4%
APRA SPA				6.9%	6.9%
DIGITAL GDO SRL	SAILING SRL	Reggio Emilia (RE)	10,000	100.0%	100.0%
DURANTE SPA	SANGALLI TECNOLOGIE SRL	Brusaporto (BG)	25,000	55.0%	n.a.
PM SERVICE SRL	SEBIC INVESTMENTS SRL	Pontassieve (FI)	10,000	100.0%	100.0%
ADIACENT SRL	SEMIO SRL	Empoli (FI)	20,000	100.0%	100.0%
MAINT SYSTEM SRL	SERTECMA SRL	Milano (MI)	10,000	100.0%	n.a.
COMPUTER GROSS SPA	SERVICE TECHNOLOGY SRL	Arezzo (AR)	technol	55.0%	55.0%
SESA SPA	SESA GMBH	Monaco (GER)	100,000	100.0%	100.0%
VAR ONE SRL	VAR ONE NORD EST SRL	Pordenone (PN)	158,690	100.0%	100.0%
VAR GROUP SPA	SISTHEMA SPA	Milano (MI)	1,046,860	53.3%	53.3%
DATA SCIENCE SRL	SPS SRL	Bologna (BO)	10,400	100.0%	100.0%
VAR GROUP SPA	TALENT WARD SRL	Empoli (FI)	50,000	80.0%	80.0%
CADLOG GMBH	TRIAS Mikroelektronik GMBH	Krefeld (GER)	25,565	100.0%	n.a.
TRIAS Mikroelektronik GMBH	TRIAS Mikroelektronik Schweiz GMBH	Zurigo (CH)	20,000 CHF	100.0%	n.a.
TRIAS Mikroelektronik GMBH	TRIAS Mikroelektronik Osterreich GMBH	Linz (AUT)	35,000	100.0%	n.a.
TRIAS Mikroelektronik GMBH	TRIAS Microelectronics SRL	Iasi (ROM)	18,400 Ron	90.0%	n.a.
BDX SRL	T&O SRL	Colecchio (PR)	10,000	65.0%	65.0%
ADIACENT SRL	SUPERRESOLUTION SRL	Empoli (FI)	10,000	51.0%	51.0%
BASE DIGITALE PLATFORM SRL	TECNIKE' SRL	Arezzo (AR)	10,000	51.0%	51.0%
TECH VALUE SRL	TEKNO SERVICE SRL	Milano (MI)	14,000	60.0%	n.a.
TECH VALUE IBERICA SRL	TECH VALUE DELS PIRINEUS S.L.	Andorra la Vella (AND)	3,000	100.0%	100.0%
VAR4INDUSTRIES SRL	TECH VALUE SRL	Milano (MI)	311,620	60.4%	n.a.
VAR GROUP SPA	TECH VALUE SRL	Milano (MI)	311,620	n.a.	61.0%
TECH VALUE SRL	TECH VALUE IBERICA SRL	Milano (MI)	50,000	100.0%	100.0%
VAR GROUP SPA	VAR4INDUSTRIES SRL	Empoli (FI)	100,000	83.5%	n.a.
VAR GROUP SPA	VAR 4 ADVISORY SPA	Empoli (FI)	80,000	68.8%	68.8%
VAR PRIME SRL	VAR 4 RETAIL SRL	Treviso (TV)	23,529	85.0%	85.0%
MY SMART SERVICES SRL	VAR ENGINEERING SRL	Empoli (FI)	160,000	96.6%	96.6%
SESA SPA	VAR GROUP SPA	Empoli (FI)	3,800,000	100.0%	100.0%
VAR GROUP SPA	VAR GROUP SUISSE SA	Lugano (CH)	100,000 CHF	75.0%	100.0%
VAR GROUP SPA	VAR GROUP SRL	Empoli (FI)	100,000	Fusione in Var Group Spa	100.0%
DIGITAL CLOUD SRL				45.0%	45.0%
DI.TECH SPA	VAR HUB SRL	Empol (FI)i	33,333	55.0%	55.0%
VAR BMS SPA	VAR ONE SRL	Empoli (FI)	255,364	96.7%	96.7%
VAR GROUP SPA	VAR PRIME SRL	Empoli (FI)	138,479	98.5%	100.0%
APRA SPA				2.5%	2.5%
SAILING SRL				2.5%	2.5%
SISTHEMA SPA	VAR INDUSTRIES SRL	Milano (MI)	214,286	45.0%	45.0%
VAR ENGINEERING SRL				10.0%	10.0%
VAR GROUP SPA				21.0%	21.0%
MY SMART SERVICES SRL	VAR NEXT SRL	Treviso (TV)	10,000	85.0%	85.0%
MY SMART SERVICES SRL	TECHNOLOGY CONSULTING SRL	Bolzano (BZ)	200,000	100.0%	100.0%
MY SMART SERVICES SRL	VAR4YOU SRL	Empoli (FI)	30,000	100.0%	100.0%
DATA SCIENCE SRL	VISUALITICS SRL	Torino (TO)	10,582	59.5%	n.a.
DIGITAL SECURITY SRL	YARIX SRL	Montebelluna (TV)	30,000	100.0%	100.0%
MY SMART SERVICES SRL	YOCTOIT SRL	Monza (MB)	152,000	52.1%	52.1%
DIGITAL SECURITY SRL	WISE SECURITY GLOBAL SL	Madrid (SPA)	3,250	51.0%	n.a.
WSS ITALIA SRL	WSS IT sagl	Camorino (CH)	20,000 CHF	100.0%	100.0%
VAR ENGINEERING SRL	WSS ITALIA SRL	Milano (MI)	35,000	100.0%	55.0%
DIGITAL CLOUD SRL	XAUTOMATA TECHNOLOGY GMBH	Klagenfurt (AUT)	40,000	76.3%	76.3%
APRA SPA	Z3 ENGINEERING SRL	Lanciano (CH)	10,500	35.0%	35.0%
VAR ONE SRL				25.0%	25.0%
DIGITAL CLOUD SRL	ZERO12 SRL	Padova (PD)	10,101	100.0%	100.0%

Associated Companies

Held by	Company	Registered office	Share capital in Euro	Percentage held at	
				31-oct-23	30-apr-23
VAR PRIME SRL	4CONSULTING SRL	Limena (PD)	20,000	20.0%	20.0%
MY SMART SERVICES SRL	AD CONSULTING SRL	Modena (MO)	1,050,000	19.0%	n.a.
COMPUTER GROSS SPA	ATTIVA SPA	Brendola (VI)	4,680,000	21.0%	21.0%
VAR INDUSTRIES SRL	BEATREEX SRL	Milano (MI)	12,350	20.1%	20.1%
SESA SPA	C.G.N. SRL	Milano (MI)	100,000	47.5%	47.5%
COMPUTER NESSOS SRL	COLLABORA SRL	Vinci (FI)	15,000	29.0%	29.0%
VAR GROUP SPA	DOTDIGITAL SRL	Empoli (FI)	50,000	50.0%	50.0%
COLLABORATION VALUE SRL	EMME&MME INFORMATICA SRL	Lastra a Signa (FI)	94,500	19.4%	n.a.
APRA SPA	EVIN SRL	Ascoli Piceno (AP)	30,000	20.0%	20.0%
VAR GROUP SPA	FINCHAIN SRL	Empoli (FI)	10,000	50.0%	50.0%
GENCOM SRL	GENDATA SRL	Forlì (FC)	50,000	20.0%	20.0%
ADIACENT SRL	G.G. SERVICES SRL	Pontedera (PI)	10,200	33.3%	33.3%
VAR GROUP SPA	GWAY SRL	Paderno Dugnano (MI)	150,000	30.0%	30.0%
DATEF SRL	INOVA Q GMBH	Vienna (AUT)	51,646	45.0%	45.0%
VAR BMS SPA	INNORG SRL	Torino (TO)	12,000	50.0%	50.0%
M.F. SERVICES SRL	ISD ITALY SRL	Frascati (RM)	24,000	14.3%	14.3%
MY SMART SERVICES SRL	ISO SISTEMI SRL	Genova (GE)	63,000	14.3%	14.3%
VAR BMS SPA	LABOVAR SRL	Instrana (TV)	50,000	41.7%	41.7%
VAR GROUP SPA	LAGUNAROCK SRL	Pontedera (PI)	10,000	49.0%	49.0%
ADIACENT SRL	LAW ON CHAIN S.R.L.	Colecchio (PR)	50,000	35.0%	35.0%
BDX SRL	M.K. ITALIA SRL	Empoli (FI)	100,000	30.6%	30.6%
VAR GROUP SPA	MTS&CARE	Gorlago (BG)	10,000	45.0%	45.0%
MY SMART SERVICES SRL	NIVOLA SRL	Biella (BI)	11,100,000	45.0%	45.0%
VAR GROUP SPA	NOA SOLUTION SRL	Cagliari (CA)	118,000	49.0%	49.0%
LEONET4CLOUD SRL	S.A. CONSULTING SRL	Milano (MI)	10,000	24.0%	24.0%
COMPUTER GROSS SPA	SISTEMI MANAGERIALI SRL	Pratovecchio Stia (AR)	12,000	30.0%	30.0%
APRA SPA	SO WINE SRL	Verona (VR)	10,000	33.1%	33.1%
VAR GROUP SPA	STUDIO 81 DATA SYSTEM SRL	Roma (RM)	18,504	35.0%	35.0%
TECH-VALUE SRL	TEKNO SERVICE SRL	Galbiate (LC)	10,000	50.0%	50.0%
ADIACENT SRL	THE GREENWATCH SRL	Milano (MI)	10,000	n.a.	44.0%
GENCOM SRL	T-STATION ACADEMY SRL	Forlì (FC)	25,000	35.0%	35.0%
VAR GROUP SPA	URBANFORCE S.C.A.R.L.	Empoli (FI)	28,000	40.0%	40.0%
ADIACENT SRL	VAR ALFA SRL	Udine (UD)	50,000	28.6%	28.6%
VAR BMS SPA	VAR & ENGINFO SRL	Empoli (FI)	70,000	14.3%	14.3%
VAR GROUP SPA	VAR IT SRL	Parma (PR)	50,000	25.0%	25.0%
MY SMART SERVICES SRL	VSH SRL	Empoli (FI)	50,000	30.0%	30.0%
SISTHEMA SPA	WEBGATE ITALIA SRL	Milano (MI)	40,000	22.0%	22.0%
APRA SPA	WINLAKE ITALIA SRL	Novi Ligure (AL)	10,200	44.0%	44.0%
				30.0%	30.0%
				33.3%	33.3%

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

1. The undersigned Paolo Castellacci, in his capacity as Chairman of the Board, and Alessandro Fabbroni, in his capacity as Financial Reporting Manager of Sesa SpA, taking into account that envisaged by article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, hereby certify:

- The adequacy in relation to the characteristics of the business, and
- The effective application of the administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements at 31 October 2023.

2. The assessment of the adequacy of the administrative and accounting procedures for the preparation of the Condensed Consolidated Half-Year Financial Statements at 31 October 2023 was carried out in compliance with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents a framework of reference generally accepted at international level.

3. It is also certified that:

3.1 The Condensed Consolidated Half-Year Financial Statements:

a) have been prepared in compliance with the applicable international accounting standards recognised by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) correspond to the results of the accounting books and records;

c) provide a true and fair representation of the financial position, results of operations and cash flows of the issuer and of all the companies included within the scope of consolidation.

3.2 The Report on Operations includes a reliable analysis of the significant events that took place during the first six months of the current year and the impact of these events on the Company's Condensed Consolidated Half-Year Financial Statements, together with a description of the main risks and uncertainties for the second half of the year. The Interim Report on Operations also includes a reliable analysis of information on significant transactions with related parties.

Empoli, 19 December 2023

Paolo Castellacci
Chairman of the Board of Directors

Alessandro Fabbroni
Chief Executive Officer
Financial Reporting Manager

Independent Auditor's Report



(Translation from the Italian original which remains the definitive version)

Sesa Group

**Review of condensed interim consolidated financial
statements as at 31 October 2023**

(with independent auditors' report thereon)

KPMG S.p.A.

22 December 2023



KPMG S.p.A.
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

*To the shareholders of
Sesa S.p.A.*

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Sesa Group, comprising the statement of financial position as at 31 October 2023, the income statement and the statements of comprehensive income, cash flows, changes in equity for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of the review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Sesa Group as at and for the six months

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

Ancona Bari Bergamo
Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
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20124 Milano MI ITALIA



Sesa Group

*Report on review of condensed interim consolidated financial statements
31 October 2023*

ended 31 October 2023 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Florence, 22 December 2023

KPMG S.p.A.

(signed on the original)

Giuseppe Pancrazi
Director of Audit



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Share Capital Eu 37,126,927.50

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