

Interim Report

January 31, 2024

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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 (Presidente), 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

Audit company

		Deadline
Company entrusted with the statutory audit	KPMG SpA	approval of FS as of 30 April 2024

Highlights

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

(Euro thousands)	2024	2023	2022	2021	2020
Revenues	2,368,320	2,154,663	1,739,121	1,523,733	1,336,278
Total revenues and other income	2,396,110	2,176,385	1,757,878	1,534,279	1,344,772
EBITDA	180,275	155,954	124,549	92,209	69,466
Adjusted operating profit (EBIT) ⁽¹⁾	145,914	125,619	97,440	68,876	52,314
EBIT (Operating Income)	121,207	108,664	89,037	63,878	49,223
Profit (loss) before taxes	97,074	99,989	84,453	62,511	46,776
Net profit for the period	68,616	71,552	60,148	43,914	32,527
Adjusted net profit (EAT) for the period attributable to the Group ⁽¹⁾	84,178	79,402	62,243	43,483	30,882

Consolidated balance sheet figures as of January 31 of every year

Total Net Invested Capital	532,896	365,852	279,102	271,280	263,405
Total Shareholders' Equity	470,428	381,054	309,542	282,576	251,566
- attributable to the shareholders of the Parent Company	418,737	350,832	287,295	263,184	235,967
- attributable to non-controlling interests	51,691	30,222	22,247	19,392	15,599
Net Financial Position reported (Net Liquidity)	62,468	(15,202)	(30,440)	(11,296)	11,839
Net Financial Position (Net Liquidity) ⁽²⁾	(148,325)	(199,570)	(177,753)	(102,521)	(32,823)
EBITDA / Total revenues and other income	7.61%	7.24%	7.16%	6.05%	5.20%
EBIT / Total revenues and other income (ROS)	5.12%	5.04%	5.12%	4.19%	3.68%

Market Data

Listing Market	Euronext – Star	Euronext - Star	Euronext - Star	Euronext - Star	Euronext - Star
Quotation (Eu as at 31 January each year)	126.1	124.6	159.4	96.9	50.6
Dividend per Share (Eu) ⁽⁴⁾	1.00	0.90	0.85	(Nota 3)	0.63
Overall Dividend (Eu mn) ⁽⁵⁾	15.5	13.9	13.2	(Nota 3)	9,762
Pay Out Ratio ⁽⁶⁾	18.4%	17.7%	25.2%	(Nota 3)	31%
Shares Issued (in millions)	15.49	15.49	15.49	15.49	15.49
Capitalisation (Eu mn) as at 31 January	1,953.9	1,930.6	2,469.8	1,501.4	784.0
Market to Book Value ⁽⁷⁾	4.2	5.1	8.0	5.2	3.1
Dividend Yield (on 31/01 quotation) ⁽⁸⁾	0.8%	0.8%	0.4%	0 ⁽³⁾	1.2%
Earnings per share (basic) ⁽⁹⁾	4.19	4.37	3.64	2.59	1.86
Earnings per share (diluted) ⁽¹⁰⁾	4.19	4.35	3.63	2.58	1.85

(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 and non-recurring taxes from previous years. (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 31 January 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, headquartered in Empoli (FI), is active throughout Italy and present in a number of foreign countries including Germany, Switzerland, Austria, France, Spain, Romania, China and Mexico. Sesa Group represents the reference operator in Italy in the sector of technological innovation and digital services for the business segment with about 5,600 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 and sales 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 170 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 model 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.

Device e Digital Workspace

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. The Business Unit, which achieved a strong acceleration from the start up date, thanks to the business combination of P.M. Service Srl, a company specialises 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 E 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 10,000 companies and an integrated offering in the following areas: Cloud Technology Services and Security Solutions, ERP and Industry Solutions, Digital Engineering, Customer and Business Experience, Data Science.

Cloud Technology Services and Security Solutions

The Business Unit offer includes 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 in Italy, as well as for digital cloud solutions offered in private, public and hybrid modes.

ERP & Vertical Solutions

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 & Business Experience

The Customer and Business Experience Business Unit, 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, specifically, and not only, on Chinese digital markets through a team of resources based in Shanghai.

Var4Industries

The 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

International ERPs and Vertical Applications specialised for the Made in Italy districts with approximately 400 resources.

BUSINESS SERVICES SECTOR (BS)

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

Base Digitale Security - BDS

Strategic Business Unit dedicated to physical and IT security solutions for the banking and retail market, including through digital platforms, access control systems, and front office IT solutions, with more than 100 resources in the country.

Base Digitale Platform - BDP

Aggregates expertise and digital platforms to support the operational processes of Financial Services organizations and operators. The Strategic Business Unit in particular offers platforms for customer service, automation and digitization of document and operational processes, with about 150 resources.

Base Digitale Experience - BDY

The Business Unit is dedicated to IT consultancy and the development of vertical ERP solutions for the banking sector, with a staff of over 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

The Strategic Business Unit provides business process management solutions for credit institutions, insurance companies and utilities, with about 200 specialized 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 Group's Interim Report on Operations as of January 31, 2024 is related to the first nine months of operation and represents the third financial disclosure prepared by the parent company Sesa SpA for the year ending April 30, 2024.

For a better assessment of the Group's income and financial performance, this document presents the reclassified balance sheet, cash flow statement and income statement for the period ended January 31, 2024 and for the corresponding period of the previous year, together with some alternative performance ratios.

The Group Interim Report as of January 31, 2024 is not subject to audit.

Preparation Criteria and Accounting Standards

Sesa Group's Interim Report on Operations (referred to hereinafter also as the “Interim Report”) has been prepared in compliance with article 154-bis, paragraph 5 of Legislative Decree no. 58/1998 as well as the pertinent Consob regulations. The Interim Report has been prepared in compliance with the International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (“IASB”), approved by the European Union and in force at the time of approval. The Group's balance sheet, cash flow statement and income statement as of January 31, 2024 are annexed hereto.

The accounting standards and the criteria adopted when preparing the Interim Report of January 31, 2024 comply with those adopted for the consolidated Group financial statements for the year ended April 30, 2024, taking into account those specifically applicable to interim situations. The Interim Report of January 31, 2024 includes the Interim Financial Report of Sesa SpA as well as the Interim Financial Reports of the subsidiaries of January 31, 2024. These interim financial reports have been adjusted, where necessary, to align them with the IFRS

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.

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 evaluation of PUT option and Earn Out financial liabilities as well as fair value adjustment in step up acquisition), 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, (ii) net of Stock Grant plan costs, net of the related tax effect and (iii) non-recurring taxes from previous years;
- **Group's adjusted net result** defined as the Group's 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, (ii) net of Stock Grant plan costs and (iii) non-recurring taxes from previous years;
- **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 current and non-current. 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 32-382-1138 of 4 March 2021 as recommended by CONSOB in n.5/12 communication.

Significant events during the period

For the nine-months periods ended January 31, 2024 Sesa Group show double-digit growth (Revenues and Other Income +10.1% Y/Y) and profitability (Ebitda +15.6% Y/Y), thanks to the development of all operating sectors of the Group.

The Group growth was mainly organic in the nine-month period with a contribution deriving from external growth (M&A) equal to 40%, thanks to the 13 aggregation operations carried out in 2023 and 1 in 2024 with a perimeter of more than new 500 resources and annual revenues of about 65 million euros, which covered all sectors of the Group.

In SSI sector is notable the majority stake acquisition of: i) Visualitics, company focused in data science with 40 resources skilled in data management and analytics to support corporate strategy business decision, (ii) Wise Security Global, based in Barcelona, Bilbao, Madrid, Pamplona and Zaragoza (Spain) with a team of 120 human resources providing IT services, cyber security services and digital identity solutions internally developed, (iii) Sangalli Tecnologie, based in Brusaporto (Bergamo), with a team of about 30 human resources and co-workers, operating both in Italy and in the international market, is focused on offering digital workspace and collaboration solutions and integration of multimedia systems and (iv) InformEtica Consulting, reference player in application consulting on Sap platform with a team of 40 human resources (v) Trias Mikroelektronik, with offices in Krefeld (Germany) and Iasi (Romania) and operations in Austria and Switzerland, specializes in electronic design software (EDA) solutions with a team of about 15 human resources, and (vi) SmartCAE, based in Florence and 15 specialized resources, develops engineering software solutions on Siemens Industries Software platforms (Simcenter 3D, StarCCM+, Simcenter Femap, Simcenter Nastran).

In Business Services sector, following the Bank of Italy authorization, the acquisition of control of 130 Servicing, based in Milan, a leading player in Italy in advisory services and master servicing solutions for the

management of securitization transactions, with a customer set of asset management and securities brokerage companies and a workforce of about 130 human resources, was finalized.

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 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 programs (about 1,000 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 5,560 resources at 31 January 2024, up del 20% compared to 4,636 resources at 31 January 2023 and to 43% compared to 3,878 resources at 31 January 2022.

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 authorization 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, the two-year period 2022-2023 ended with an average growth of +3.3% annual. Also in the two-year period 2024-2025 are expected global growth equal to annual +3.1%. Emerging markets remain leading with an average growth in 2024-2025 of +4.1% while the average growth of advanced economies remains moderate at +1.6%. The Eurozone confirms a slowdown in growth from +3.4 percent in 2022 to +0.5 percent in 2023 and +0.9 percent in 2024, with an expected recovery in 2025 to +1.7 percent (source FMI - WEO, January 2024).

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 2024-2025 (source FMI - WEO, January 24).

The following table shows the final results for 2018-2023 and forecast GDP trend for 2024 and 2025 (source FMI - WEO, January 2024).

GDP worldwide change (actual and forecast)

Percentage values	Change GDP 2018	Change GDP 2019	Change GDP 2020	Change GDP 2021	Change GDP 2022	Change GDP 2023	Change 2024 (E)	Change 2025 (E)
World	+3.6%	+2.8%	-3.1%	+6.3%	+3.5%	+3.1%	+3.1%	+3.2%
Advanced Economies	+2.3%	+1.6%	-4.5%	+5.4%	+2.6%	+1.6%	+1.5%	+1.8%
Emerging Market	+4.5%	+3.6%	-2.1%	+6.8%	+4.1%	+4.1%	+4.1%	+4.2%
USA	+2.9%	+2.2%	-3.4%	+5.9%	+1.9%	+2.5%	+2.1%	+1.7%
Japan	+0.3%	+0.7%	-4.6%	+2.2%	+1.0%	+1.9%	+0.9%	+0.8%
China	+6.6%	+6.0%	+2.3%	+8.4%	+3.0%	+5.2%	+4.6%	+4.1%
Great Britain	+1.3%	+1.4%	-9.8%	+7.6%	+4.3%	+0.5%	+0.6%	+1.6%
Euro Zone	+1.9%	+1.3%	-6.3%	+5.3%	+3.4%	+0.5%	+0.9%	+1.7%
Italy	+0.8%	+0.3%	-8.9%	+7.0%	+3.7%	+0.7%	+0.7%	+1.1%

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

The world ICT market has historically been characterized by strong resilience to crises and growth rates above that of the global economy. After accelerating in 2021 (+13.4%), the ICT market continues to outperform the pre-Covid period with an average growth in the 2022-2023 period of 3.1%, boosted by the Enterprise Software (average growth +11.7%) and IT Services (average growth 7.0%) segments. Further significant market acceleration (+6.8%) is expected in 2024, fueled by the IT Services and Enterprise Software segments (Source Gartner, february 2024).

The Italian Information Technology ("IT") market confirms sustained growth with average annual rates exceeding those of the pre-pandemic period and national GDP. After the +8.0% growth recorded in the year 2021, the Italian IT market achieved a 3.2% increase in the biennium 2022-2023 supported by the Management and Project Services segments. In the 2024-2025 biennium,

demand growth is expected to accelerate at an average annual rate of 6.3%, with +6.9% in 2025. Supporting the growth among others are the programs of the National Recovery and Resilience Plan ("NRP") as well as the development trend of Digital Enablers such as cloud, security, analytics, A.I. (Source Sirmi, February 2024). Within the IT market, the segment showing higher growth rates is Management Services (double digit annual growth), which includes digital transformation and system integration services and solutions. The trend reflects the accelerating processes of digitization in all segments and the evolution of how technology is used as well as the progressive penetration of Cloud Computing solutions (Source Sirmi, February 2024).

The following tables depict world (Source Gartner, February 2024) and Italian IT market trends (Source Sirmi, February 2024) in the period 2019-2023 and forecasts for the years 2024 and 2025.

Global ICT market trend

(Bn US Dollar)	2019	2020	2021	2022	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	243	261	-3.3%	2.5%	-8.9%	19.8%	7.1%	7.5%
Enterprise Software	457	507	732	811	913	1,029	9.1%	10.9%	44.4%	10.9%	12.5%	12.7%
Devices	682	688	808	766	700	732	-4.2%	0.9%	17.4%	-5.1%	-8.7%	4.6%
IT Services	1,031	1,088	1,208	1,306	1,382	1,501	3.8%	5.5%	11.0%	8.1%	5.8%	8.7%
Communication Services	1,365	1,386	1,459	1,423	1,441	1,473	-1.1%	1.5%	5.3%	-2.5%	1.2%	2.3%
Total IT Market	3,738	3,877	4,396	4,534	4,723	4,998	0.6%	3.7%	13.4%	3.1%	3.2%	6.8%

Italian IT market trend

(Euro Milion)	2020	2021	2022E	2023E	2024E	2025E	Change 20/19	Change 21/20	Change 22/21	Change 23/22	Change 24/23	Change 25/24
Hardware	6,266	6,770	6,392	6,024	6,028	6,122	1.5%	8.1%	-5.6%	-5.8%	0.1%	1.6%
Software	3,792	3,922	4,073	4,123	4,261	4,452	-1.8%	3.4%	3.8%	1.2%	3.3%	4.5%
Project Services	3,640	3,854	4,019	4,186	4,382	4,625	1.5%	5.9%	4.3%	4.2%	4.7%	5.5%
Management	6,797	7,597	8,534	9,415	10,415	11,643	7.0%	11.8%	12.3%	10.3%	11.0%	11.4%
Total IT Market	20,496	22,143	23,017	23,748	25,121	26,843	2.6%	8.0%	3.9%	3.2%	5.8%	6.9%
Cloud Computing	3,409	4,240	5,261	6,297	7,407	8,668	20.4%	24.4%	24.0%	19.7%	17.6%	17.0%
Cloud (SaaS, PaaS, IaaS) Adoption%	33.9%	39.7%	50.3%	61.9%	63.0%	64.5%						

Economic highlights of Sesa Group

The reclassified consolidated income statement (in Euro thousands) for the period ended 31 January 2024 is provided below and compared with the corresponding comparative period ended 31 January 2023. 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	31/01/2024 (9 months)	%	31/01/2023 (9 months)	%	Variation 2024/23
Revenues	2,368,320		2,154,663		9.9%
Other income	27,790		21,722		27.9%
Total Revenues and Other Income	2,396,110	100.0%	2,176,385	100.0%	10.1%
Purchase of goods	(1,768,636)	73.8%	(1,656,517)	76.1%	6.8%
Costs for services and rent, leasing, and similar costs	(221,609)	9.2%	(186,005)	8.5%	19.1%
Personnel costs	(219,426)	9.2%	(173,718)	8.0%	26.3%
Other operating charges	(6,164)	0.3%	(4,191)	0.2%	47.1%
Total Purchase of goods and Operating Costs	(2,215,835)	92.5%	(2,020,431)	92.8%	9.7%
Ebitda	180,275	7.52%	155,954	7.17%	15.6%
Amortisation and depreciation of tangible and intangible assets	(29,875)		(24,771)		20.6%
Accruals	(4,486)		(5,564)		-19.4%
Adjusted Ebit⁽¹¹⁾	145,914	6.1%	125,619	5.8%	16.2%
Amortisation client lists and technological know-how (PPA) and other non-monetary costs	(24,707)		(16,955)		45.7%
Ebit	121,207	5.1%	108,664	5.0%	11.5%
Net financial income and charges	(24,133)		(8,675)		178.2%
Ebt	97,074	4.1%	99,989	4.6%	-2.9%
Income taxes	(28,458)		(28,437)		0.1%
Net Profit	68,616	2.9%	71,552	3.3%	-4.1%
Net profit attributable to the Group	64,892	2.7%	67,333	3.1%	-3.6%
Net profit attributable to non-controlling interests	3,724		4,219		-11.7%
Adjusted Net Profit⁽¹¹⁾	87,902	3.7%	83,621	3.8%	5.1%
Adjusted Net Profit attributable to the Group⁽¹¹⁾	84,178	3.5%	79,402	3.6%	6.0%

⁽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 20,220 thousand as at January, 31 2024 (+56.4% vs Euro 12,929 thousand Y/Y) and before the non-recurring component costs of the Stock-Grant Plan for Euro 4,487 thousand as at January, 31 2024 (+11.5% vs Euro 4,026 thousand Y/Y). Adjusted Net Profit and 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 and the payment of non-recurring taxes relating to previous years for Euro 1,700 thousand.

The consolidated Revenues and Other Income as of January 31, 2024, is equal to Euro 2,396.1 million, increased by +10.1% Y/Y thanks to the contribution of each Group segments:

- VAD Sector achieving Revenues and Other Income equal to Euro 1,805.1 million (+6.0% Y/Y), driven by the development of Collaboration, Enterprise Software and Security Solutions Business Units;
- SSI sector achieving Revenues and Other Income equal to Euro 609.3 milioni (+21.4% 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 83.3 million (+40.0% Y/Y) thanks to the development of applications and digital platforms dedicated to the Financial Services industry.

Thanks to revenue growth in higher value-added areas, consolidated Ebitda increased by +15.6% Y/Y, reaching a total of Euro 180.3 million, with an Ebitda margin of 7.52% up from 7.17% as of January 31, 2023. All of the Group's reporting segments contributed to the consolidated Ebitda result:

- VAD sector with an Ebitda of Euro 91.6 million (+5.4% Y/Y) and an Ebitda margin of 5.1% in line with that as of Jan. 31, 2023 and vs. 4.9% in FY 2023;
- SSI sector with an Ebitda of Euro 74.5 million (+21.7% Y/Y) and an Ebitda margin of 12.2% in line with that as of Jan. 31, 2023 and vs. 12.1% in FY 2023;
- Business Services sector with an Ebitda of Euro 11.1 million (+129.1% Y/Y) and an Ebitda margin of 13.4% vs. 8.2% as of January 31 2023 and 13.0% in FY 2023.

External leverage (M&A) together with perimeter changes contributed about 40% to the development of the results for the period at the level of revenues and operating profitability, with the confirmation of solid organic growth and the Group's ability to overperform the IT reference market trend (+3.2% in the year 2023, source Sirmi, February 2024).

Group Operating Income (Ebit) Adjusted equal to Euro 145.9 million (Ebit margin adjusted 6.1% vs 5.8% Y/Y), up by 16.2% Y/Y, after amortizations of tangible and intangible assets for Euro 29.9 million (+20.6% Y/Y) and provisions for Eu 4.5 million (-19.4% Y/Y).

Consolidated Operating Income (Ebit) equal to Euro 121.2 million, up by 11.5% Y/Y, after amortizations of intangible assets (client lists and know-how) deriving from PPA for Euro 20.2 million (+56.4% Y/Y, following the M&A investments acceleration) and after other non-monetary costs related to Stock Grant Plans for Euro 4.5 million (vs Eu 4 million Y/Y).

Net Profit attributable to the Group as of 31 January 2024 amounted to Euro 64.9 million (-3.6% Y/Y), after net financial expenses of Euro 24.1 million compared to Euro 8.7 million as at 31 January 2023, which increased significantly due to the increasing trend of market interest rates, taxes of Euro 28.5 million and net profit attributable to minority interests of Euro 3.7 million.

Group Adjusted Net Profit as of 31 January 2024 was Euro 84.2 million (Group EAT Adjusted margin 3.5%), an increase of 6.0% Y/Y compared to Euro 79.4 million as of 31 January 2023 (3.6% of revenues).

Highlights of the Group's income statement and balance sheet

The reclassified balance sheet (in Euro thousands) for the period ended 31 January 2024 is provided below and compared with the comparative period of the previous year ended 30 April 2023, the figures for the period ended 31 January 2023 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	31/01/2024	31/01/2023	30/04/2023
Intangible assets	446,752	314,243	368,488
Property, plant and equipment (rights of use included)	139,969	123,230	125,901
Investments valued at equity	24,005	15,321	24,884
Other non-current assets and deferred tax assets	47,166	32,167	37,086
Total non-current assets	657,892	484,961	556,359
Inventories	189,954	182,017	158,736
Current trade receivables	683,815	671,584	530,268
Other current assets	125,342	120,667	131,274
Current assets	999,111	974,268	820,278
Payables to suppliers	696,099	721,606	586,074
Other current payables	252,697	229,422	251,318
Short-term operating liabilities	948,796	951,028	837,392
Net working Capital	50,315	23,240	(17,114)
Non-current provisions and other tax liabilities	124,017	91,389	100,612
Employee benefits	51,294	50,960	48,264
Non-current net liabilities	175,311	142,349	148,876
Net Invested Capital	532,896	365,852	390,369
Shareholders' Equity	470,428	381,054	424,050
Liquidity and other financial assets	(492,422)	(466,928)	(545,500)
Current and non-current loans	344,097	267,358	306,004
Net financial Position	(148,325)	(199,570)	(239,496)
Financial liabilities for rights of use under IFRS 16	41,799	48,863	50,075
Liabilities to minority shareholder for equity investments ⁽¹²⁾	168,994	135,505	155,740
Total Net Financial Position Reported	62,468	(15,202)	(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 365.9 million as of 31 January 2023 to Euro 532.9 million at 31 January 2024, mainly as a result of:

- increase in non-current assets from Euro 485.0 million as of 31 January 2023 to Euro 657.9 million as of 31 January 2024, mainly generated by investments in corporate acquisitions;
- increase in net working capital of Euro 50.3 million as of 31 January 2024 compared to Euro 23.2 million as of 31 January 2023, due to a slight decrease in efficiency in working capital management and the development of sales revenue.

The Net Financial Position as of 31 January 2024 was positive (net liquidity) in the amount of Euro 148.3 million compared to Euro 199.6 million as of 31 January 2023, confirming the Group's strong financial strength and its ability to continue to invest in growth. The decrease in net liquidity as of 31 January 2024 mainly reflects higher investments in corporate acquisitions.

Consolidated Net Financial Position as of 31 January 2024 (calculated net of IFRS payables of Euro 210.8 million mainly relating to deferred payments of corporate acquisitions and payables for equity purchase options to minority shareholders) was negative (net debt) in the amount of Euro 62.5 million, compared to a positive Net Financial Position of Euro 15.2 million as of 31 January 2023, with a decrease reflecting, among other things, higher IFRS payables as a result of the acceleration of investments in M&A.

The Group confirms its ability to generate cash and long-term investments with an Operating Cash Flow in the last 12 months of about Euro 120 million, net of investments in corporate acquisitions and technological infrastructures of about Euro 175 million and dividend distributions and Buy Back plans of about Euro 25 million.

In the period under review, consolidated shareholders' equity was further strengthened, which amounted to Euro 470.4 million as at 31 January 2024, up from Euro 381.1 million, thanks to the profit for the period and net of dividend distribution and the buy-back carried out in the last 12 months for about Euro 25 million.

Net Financial Position	31/01/2024	31/01/2023	30/04/2023
Liquidity	(482,077)	(460,269)	(537,507)
Current financial receivables and short-term securities	(10,345)	(6,659)	(7,993)
Current loans	163,311	107,609	130,710
Short-term net financial position	(329,111)	(359,319)	(414,790)
Non-current loans	180,786	159,749	175,294
Non-current net financial position	180,786	159,749	175,294
Net Financial Position	(148,325)	(199,570)	(239,496)
Financial liabilities for rights of use under IFRS 16	41,799	48,863	50,075
Liabilities to minority shareholders for equity investments	168,994	135,505	155,740
Total Net Financial Position Reported	62,468	(15,202)	(33,681)

The variation of the Total Net Financial Position as of 31 January 2024 compared to the figure as of 30 April 2023 with a decrease of Euro 96.1 million reflects both the seasonality of the business and consequently the higher absorption of net working capital as at 31 January compared to 30 April each year, and investments made during the nine-month period, mainly related to acquisitions and infrastructure for business development.

Results of the VAD Sector

The Value Added Distribution (VAD) Sector active in the provision of value-added technology solutions, posted a 6.0% growth in Revenues and Other Income for the quarter, a 5.4% increase in Ebitda (Ebitda margin of 5.08% compared to 5.11% as of 31 January 2023) and a 7.0% decrease in Adjusted Group Net Profit, mainly due to interest rate trends. Thanks to the focus on value-added business areas, the Sector further consolidated its market share in Italy (48% of total Data Centre, Networking, and Enterprise software categories, source: Sirmi, February 2024).

The growth achieved in the 9 months was mainly organic thanks to the investments made in previous years and the positive performance of the Enterprise Software and Collaboration Business Units. During the first nine months of the year, the consolidation of Altinia Distribuzione Srl, a reference operator in the offer of managed printing solutions, was started, effective from May 2023. Below is the reclassified segment income statement (figures in Euro thousands) as of 31 January 2024, compared to the previous period ended 31 January 2023.

VAD Sector (Euro thousands)	January 31				
	2024	%	2023	%	Variation
Third-party revenues	1,699,978		1,612,328		5.4%
Inter-sector revenues	95,620		81,277		17.6%
Total Revenues	1,795,598		1,693,605		6.0%
Other income	9,483		9,992		-5.1%
Total revenues and other income	1,805,081	100.0%	1,703,597	100.0%	6.0%
Costs for purchasing products	(1,642,462)	-91.0%	(1,554,524)	-91.2%	5.7%
Gross commercial margin	162,619	9.0%	149,073	8.7%	9.0%
Costs for services and for rent, leasing, and similar costs	(44,540)	-2.5%	(39,814)	-2.3%	11.9%
Personnel costs	(24,166)	-1.3%	(20,590)	-1.2%	17.4%
Other operating charges	(2,268)	-0.1%	(1,698)	-0.1%	33.6%
Ebitda	91,645	5.08%	86,971	5.11%	5.4%
Amortisation and depreciation	(3,420)		(3,374)		1.3%
Provision	(2,768)		(3,016)		-8.2%
Operating result (Ebit) Adjusted	85,457	4.7%	80,581	4.7%	6.1%
Amortization of client list and know how (PPA) and other non-monetary cost	(1,859)		(1,254)		48.3%
Operating result (Ebit)	83,598	4.6%	79,327	4.7%	5.4%
Net financial income and expenses	(14,262)		(4,822)		195.7%
Gross Result	69,336	3.8%	74,505	4.4%	-6.9%
Income taxes	(20,258)		(19,407)		4.4%
Net result for the period	49,078	2.7%	55,098	3.2%	-10.9%
Net result attributable to non-controlling interests	758		801		-5.4%
Net result attributable to the Group	48,320	2.7%	54,297	3.2%	-11.0%
Adjusted Net Result attributable to the Group	51,343	2.8%	55,189	3.2%	-7.0%

Total revenues and other income equal to Euro 1,805 million as of 31 January 2024, an increase of 6.0% compared to 31 January 2023, benefiting from the focus on value-added business areas in the market and the expansion of the solutions offered to customers.

The Ebitda result for the period under review amounted to Euro 91.6 million (Ebitda margin 5.08%), up (+5.4%) compared to Euro 87.0 million (Ebitda margin 5.11%) as at 31 January 2023, due to the development of sales revenue and the growth in the related gross margin (Gross Margin of 9.0% as at 31 January 2024 compared to 8.7% Y/Y).

Net Profit for the period amounted to Euro 48.3 million, with a decrease 11.0% Y/Y, after depreciation, amortisation and provisions of Euro 1.9 million (+48.3% Y/Y) and financial management costs of Euro 14.3 million (+195% Y/Y, negatively impacted by the trend in interest rates and taxes for the period of Euro 20.3 million.

Adjusted Group Net Profit, expressed gross of depreciation and amortisation related to customer lists and know-how arising from PPAs, net of the related adjusted tax effect, was Euro 51.3 million, down 7.0% from Euro 55.2 million as of 31 January 2023.

Result of the SSI sector

The SSI Sector, which is active in offering software solutions and technological innovation for the SME and Enterprise segments, achieved a 21.4% growth in Revenue and Other Income during the period under review, with an increase in Ebitda by 21.7% (Ebitda margin of 12.22% compared to 12.20% as of 31 January 2023). In the nine-month period to 31 January 2024, growth was essentially organic with an external leverage contribution of approximately 45% in terms of revenue and profitability, thanks to the bolt-on M&A transactions carried out in the last 12 months, including in particular the start of the consolidation in the period under review of certain companies of strategic importance for the future development of the business such as (i) Wise Security Global SA, a reference operator in the Spanish market in the cybersecurity and digital identity services sector (ii) Sangalli Tecnologie Srl active in the design and offer of digital workspace and collaboration solutions (iii) InformEtica Consulting Srl, operating in application consultancy on the Sap platform in Northern Italy (iv) Visualitics Srl, a leading operator in the field of data management and analysis and in the Data Science sector, based in Turin (v) Soft System Srl, operating in software development, vertical applications and integrated systems for the SME segment throughout Italy, with a focus in the Triveneto region (vi) Smart CAE, an operator in the engineering sector, providing solutions for performance simulation in the field of structural thermo-fluid dynamics and composite materials. Below is the reclassified profit and loss account of the SSI Sector (data in Euro thousands) as of 31 January 2024, compared to the previous period ended 31 January 2023.

SSI Sector (Euro thousands)	January 31				
	2024	%	2023	%	Variation
Third-party revenues	590,792		484,612		21.9%
Inter-sector revenues	2,919		4,440		-3.6%
Total Revenues	593,711		489,052		21.4%
Other income	15,577		12,782		21.9%
Total revenues and other income	609,288	100.0%	501,834	100.0%	21.4%
Costs for purchasing products	(210,830)	-34.6%	(175,177)	-34.9%	20.4%
Costs for services and for rent, leasing, and similar costs	(161,615)	-26.5%	(136,444)	-27.2%	18.4%
Personnel costs	(159,500)	-26.2%	(126,887)	-25.3%	25.7%
Other operating charges	(2,870)	-0.5%	(2,110)	-0.4%	36.0%
Ebitda	74,473	12.22%	61,216	12.20%	21.7%
Amortisation and depreciation	(22,243)		(18,733)		18.7%
Provision	(1,539)		(2,522)		-39.0%
Operating result (Ebit) Adjusted	50,691	8.3%	39,961	8.0%	26.9%
Amortization of client list and know how (PPA) and other non-monetary cost	(12,830)		(9,131)		40.5%
Operating result (Ebit)	37,861	6.2%	30,830	6.1%	22.8%
Net financial income and expenses	(7,837)		(3,606)		117.3%
Gross Result	30,024	4.9%	27,224	5.4%	10.3%
Income taxes	(8,289)		(8,437)		-1.8%

Net profit attributable to the Group	21,735	3.6%	18,787	3.7%	15.7%
Net profit attributable to non-controlling interests	3,681		3,422		7.6%
Adjusted Net Profit ⁽¹¹⁾	18,054	3.0%	15,365	3.1%	17.5%
Adjusted Net Profit attributable to the Group ⁽¹¹⁾	27,187	4.5%	21,865	4.4%	24.3%

Total Revenues and Other Income as of 31 January 2024 equal to Euro 609.3 million, up 21.4% Y/Y, while Ebitda reached Euro 74.5 million, up 21.7% Y/Y (Ebitda margin 12.22% vs. 12.20% as at 31 January 2023), due to the revenue growth of the main high value-added Business Units.

The Group's Net Profit for the year ended 31 January 2024 was Euro 18.1 million (+17.5% Y/Y), reflecting the favourable trend in operating profitability (+22.8% Y/Y), after amortisation and depreciation totalling Euro 36.6 million (+20.4% Y/Y), financial expenses of Euro 7.8 million (up 117% due to the unfavourable trend in interest rates) and taxes of Euro 8.3 million. Adjusted Group Net Profit, expressed before amortisation and depreciation relating to customer lists and know-how deriving from PPA, net of the related adusted tax effect, was Euro 27.2 million, up +24.3% Y/Y.

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 January 2024, the Sector achieved revenue and other income of Euro 83.3m, up 40.0% Y/Y, and an Ebitda of Euro 11.1m (Ebitda margin of 13.4% compared to 8.2% as of 31 January 2023), up 129.1% Y/Y.

The first nine months of the year also benefited from the contribution of the consolidation of 130 Servicing SpA, a leading player in the provision of advisory, services and master servicing solutions for asset management and securities brokerage companies. Below is the reclassified income statement of the Business Services Sector (figures in Euro thousands) as of 31 January 2024, compared to the previous period ended 31 January 2023.

Business Services Sector	January 31				
<i>(Euro thousands)</i>	2024	%	2023	%	Variation
Third-party revenues	76,899		56,879		35.2%
Inter-sector revenues	1,321		1,716		-23.0%
Total Revenues	78,220		58,595		33.5%
Other income	5,056		872		479.8%
Total revenues and other income	83,276	100.0%	59,467	100.0%	40.0%
Costs for purchasing products	(6,757)	-8.1%	(7,241)	-12.2%	-6.7%
Costs for services and for rent, leasing, and similar costs	(35,306)	-42.4%	(26,567)	-44.7%	32.9%
Personnel costs	(29,179)	-35.0%	(20,466)	-34.4%	42.6%
Other operating charges	(914)	-1.1%	(340)	-0.6%	168.8%
Ebitda	11,120	13.4%	4,853	8.2%	129.1%
Amortisation and depreciation	(3,738)	-4.5%	(2,375)		57.4%
Provision	(179)		(26)		588.5%
Operating result (Ebit) Adjusted	7,203	8.7%	2,452	4.1%	193.8%
Amortization of client list and know how (PPA) and other non-monetary cost	(5,530)		(2,544)		117.4%
Operating result (Ebit)	1,673	2.0%	(92)	-0.2%	1.918.5%
Net financial income and expenses	(1,982)		(18)		Ns
Gross Result	(309)	-0.4%	(110)	-0.2%	180.9%
Income taxes	102		(592)		117.2%
Net profit attributable to the Group	(207)	-0.2%	(702)	-1.2%	70.5%

Net profit attributable to non-controlling interests	(715)		285		-350.9%
Adjusted Net Profit ⁽¹¹⁾	508	0.6%	(987)	-1.7%	151.5%
Adjusted Net Profit attributable to the Group ⁽¹¹⁾	4,445	5.3%	824	1.4%	439.4%

Group Shareholders' Net Profit at 31 January 2024 amounted to Euro 508 thousand (+151.5% Y/Y) and reflected the favorable trend in operating profitability (+1,918.5% Y/Y), after amortisation and depreciation of Euro 5.5 million (+117.4% Y/Y), financial expenses of Euro 2.0 million (up due to the unfavorable trend in interest rates) and taxes with a positive balance of Euro 102 million. Adjusted Group Net Profit, expressed before amortisation and depreciation relating to customer lists and know-how deriving from PPA, net of the related adjusted tax effect, was Euro 4.4 million, up +439.4% Y/Y.

Result of the Corporate sector

The Corporate Sector, operating in strategic governance and the provision of administration, finance, control and human resource and management of IT systems and platforms services to the Group, with a total of about 170 resources.

Below is provided the income statement of the Corporate Sector (in Euro thousands) as of 31 January 2024, compared to the previous period ended 31 January 2023.

Corporate Sector (Euro thousands)	January 31				
	2024	%	2023	%	Variation
Third-party revenues	651		844		-22.9%
Inter-sector revenues	11,013		9,741		13.1%
Total Revenues	11,664		10,585		10.2%
Other income	4,411		3,510		25.7%
Total revenues and other income	16,075	100.0%	14,095	100.0%	14.0%
Costs for purchasing products	(57)	-0.4%	(50)	-0.4%	14.0%
Costs for services and for rent, leasing, and similar costs	(6,184)	-38.5%	(5,213)	-37.0%	18.6%
Personnel costs	(6,628)	-41.2%	(5,783)	-41.0%	14.6%
Other operating charges	(169)	-1.1%	(135)	-1.0%	25.2%
Ebitda	3,037	18.9%	2,914	20.7%	4.2%
Amortisation and depreciation	(475)		(289)		64.4%
Provision					
Operating result (Ebit) Adjusted	2,562	15.9%	2,625	18.6%	-2.4%
Amortization of client list and know how (PPA) and other non-monetary cost	(4,487)		(4,026)		11.5%
Operating result (Ebit)	(1,925)	-12.0%	(1,401)	-9.9%	37.4%
Net financial income and expenses	(52)		(44)		18.2%
Gross Result	(1,977)	-12.3%	(1,445)	-10.3%	36.8%
Income taxes	(13)		(27)		-51.9%
Net profit attributable to the Group	(1,990)	-12.4%	(1,472)	-10.4%	-35.2%
Net profit attributable to non-controlling interests					
Adjusted Net Profit ⁽¹¹⁾	(1,990)	-12.4%	(1,472)	-10.4%	35.2%
Adjusted Net Profit attributable to the Group ⁽¹¹⁾	1,204	7.5%	1,394	9.9%	-13.6%

Total revenue and other income of Euro 16.1 million shows an increase compared to the comparison period (+14.0% Y/Y) and an Ebitda of Euro 3.0 million (Ebitda margin of 18.9% compared to 20.7% as of 31 January 2023), up 4.2% Y/Y, due

to the expansion of the group perimeter and development of organisation, administrative, financial and planning and control services, human resources management, IT consulting and legal & compliance services.

Amortisation of customer lists and know-how (PPA) and other non-monetary costs, up from Euro 4.0 million as of 31 January 2023 to Euro 4.5 million as of 31 January 2024, reflect the accrual of the notional cost related to the 2024 annual stock grant plan for the Company's executive directors.

Adjusted Group Net Profit, gross of non-cash costs mainly related to the stock grant plan, was positive at Euro 1.2 million as of 31 January 2024, compared to a positive result of Euro 1.4 million as of 31 January 2023.

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.

In this regard, it should be noted that on 12 July 2022, based also on the work carried out during the last financial year **by the Corporate Sustainability Operations Committee**, the Board of Directors established an internal **Sustainability Committee** with advisory and proposal-making functions to support the Board and the CEO in the field of sustainability.

The **Shareholders' Meeting** is the body in which the company's will is formed and expressed, then implemented by the Board of Directors. It is composed of the shareholders who meet from time to time to pass resolutions in the manner and on matters defined by the provisions of the law and the Articles of Association of the Company. Among the most important tasks of the Shareholders' Meeting are the selection of the members of the Board of Directors and the Management Control Committee, as well as the approval of the annual financial statements.

The **Board of Directors** carries out the strategic supervision of the Group and verifies its implementation. It is chaired by Paolo Castellacci and it consists of 10 members (the number of which is determined by the

Shareholders' Meeting on the basis of the Articles of Association): 4 directors are executive and 6 are non-executive, of which 5 are independent. The Board of Directors is also responsible for the definition of the Code of Ethics, values and the preparation of this Annual Integrated 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 pro tempore regulations on gender balance (out of a total of ten members, the number of women is four, all independent), and the average age of the Board members is 55. As per best practice, the role of Chairman of the Board of Directors is separate from the role of Chief Executive Officer.

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: Remuneration, Control and Risk, and Sustainability. The three internal board committees are set up in accordance with the recommendations of the Corporate Governance Code.

The **Remuneration Committee** is an advisory and consulting 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. In addition to the provisions of

the Remuneration Policy, the Remuneration Committee is entrusted with the tasks set forth in the principles of the Corporate Governance Code.

The **Control and Risk Committee** is a body with advisory and consulting functions that has the task of supporting, with an adequate preliminary activity, the evaluations and decisions of the Board of Directors relating to the internal control and risk management system, as well as those relating to the preparation of periodic financial reports.

The role of the **Sustainability Committee** is to assist the Board of Directors with investigative functions, of a 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, Section "Corporate Governance".

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 January 31, 2024, the number of Group employees totalled 5,560 resources (+20% 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 January, 31		Number of employees as of January, 31		Number of employees as of April, 30
(in units)	2024	2023	2024	2023	2023
Executives	59	49	68	51	49
Middle Management	463	381	468	390	457
White collar	4,421	3,782	4,814	4,016	4,028
Blue collar	107	93	122	87	91
Trainees ⁽¹³⁾	90	96	88	92	92
Total	5,139	4,401	5,560	4,636	4,717

Female employment represents a significant component of the business, equal to 32% at January 31, 2024 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 950 new resources in the Group entities, of which 55% 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, 88 internships and apprenticeships were in place as of January 31, 2024

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.

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 fair value adjustment of deferred price liabilities, Put, Earn Out to minority shareholders, and fair value adjustment in step up acquisition) and 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 and fair value adjustment in step up acquisition: 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 January 31, 2024 and January 31, 2023.

	Period ended January 31, 2024					Period ended January 31, 2023						
(Euro thousands)	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	1,699,978	590,792	76,899	651		2,368,320	1,612,328	484,612	56,879	844		2,154,663
Inter-sector revenues	95,620	2,919	1,321	11,013		110,873	81,277	4,440	1,716	9,741		97,174
Revenues	1,795,598	593,711	78,220	11,664	(110,873)	2,368,320	1,693,605	489,052	58,595	10,585	(97,174)	2,154,663
Other income	9,483	15,577	5,056	4,411	(6,737)	27,790	9,992	12,782	872	3,510	(5,434)	21,722
Total revenues and other income	1,805,081	609,288	83,276	16,075	(117,610)	2,396,110	1,703,597	501,834	59,467	14,095	(102,608)	2,176,385
Consumables and goods for resale	(1,642,462)	(210,830)	(6,757)	(57)	91,470	(1,768,636)	(1,554,524)	(175,177)	(7,241)	(50)	80,475	(1,656,517)
Costs for services and rent, leasing, and similar costs	(44,540)	(161,615)	(35,306)	(6,184)	26,036	(221,609)	(39,814)	(136,444)	(26,567)	(5,213)	22,033	(186,005)
Personnel costs	(24,166)	(159,500)	(29,179)	(6,628)	47	(219,426)	(20,590)	(126,887)	(20,466)	(5,783)	8	(173,718)
Other operating costs	(2,268)	(2,870)	(914)	(169)	57	(6,164)	(1,698)	(2,110)	(340)	(135)	92	(4,191)
Ebitda	91,645	74,473	11,120	3,037		180,275	86,971	61,216	4,853	2,914		155,954
Amortisation and depreciation of tangible and intangible assets	(3,420)	(22,243)	(3,738)	(475)		(29,875)	(3,374)	(18,733)	(2,375)	(289)		(24,771)
Provisions	(2,768)	(1,539)	(179)			(4,486)	(3,016)	(2,522)	(26)			(5,564)
Operating Result (Ebit) Adj	85,457	50,691	7,203	2,562		145,914	80,581	39,961	2,452	2,625		125,619
Amortisation client lists and technological know-how (PPA) and other non-monetary costs	(1,859)	(12,830)	(5,530)	(4,487)		(24,707)	(1,254)	(9,131)	(2,544)	(4,026)		(16,955)
Operating Result (Ebit)	83,598	37,861	1,673	(1,925)		121,207	74,505	27,224	(110)	(1,445)	(185)	99,989
Net financial income and expense	(14,262)	(7,837)	(1,982)	(52)		(24,133)	(4,822)	(3,606)	(18)	(44)	(185)	(8,675)
Profit before taxes	69,336	30,024	(309)	(1,977)		97,074	74,505	27,224	(110)	(1,445)	(185)	99,989
Income taxes	(20,258)	(8,289)	102	(13)		(28,458)	(19,407)	(8,437)	(592)	(27)	26	(28,437)
Profit for the period	49,078	21,735	(207)	(1,990)		68,616	55,098	18,787	(702)	(1,472)	(159)	71,552
Profit attributable to non controlling interests	758	3,681	(715)			3,724	801	3,422	285		(289)	4,219
Profit attributable to the Group	48,320	18,054	508	(1,990)		64,892	54,297	15,365	(987)	(1,472)	130	67,333
Profit attributable to the Group Adjusted	51,343	27,187	4,445	1,204		84,179	55,189	21,865	824	1,394	130	79,402

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 quarter

There are no further significant events after the end of the quarter as of January 31, 2024.

Business outlook

For the remaining part of the financial year, Sesa Group will continue to invest in the development of digital specialisations, human resources and business applications, continuing on the path of aggregating skills and business development to support the digitalisation demand of companies and organisations.

In light of the demand trend, the investments in innovative skills and solutions made in the first 9 months of the year and the industrial aggregation capacity also through the use of external leverage, the Group confirms the favourable outlook for the year ending 30 April 2024 with growth of about 10% in consolidated revenues and in the range between 15.5% and 17.5% in Ebitda, continuing to support its stakeholders in the current phase of digital evolution and continuing its path of sustainable growth.

The Chairman of the Board of Directors

Paolo Castellacci

Annexes

Consolidate Income Statement

Periodo ended 31 January

(Euro thousands)	2024	2023
Revenues	2,368,320	2,154,663
Other income	18,718	18,325
Consumables and goods for resale	(1,768,636)	(1,656,517)
Costs for services and rent, leasing, and similar costs	(226,096)	(190,031)
Personnel costs	(219,426)	(173,718)
Other operating costs	(10,650)	(9,755)
Amortisation and Depreciation	(50,095)	(37,700)
Operating result	112,135	105,267
Share of profits of companies valued at equity	656	1,576
Financial income	24,334	17,004
Financial expenses	(40,051)	(23,858)
Profit before taxes	97,074	99,989
Income taxes	(28,458)	(28,437)
Profit for the year	68,616	71,552
of which:		
Profit attributable to non-controlling interests	3,724	4,219
Profit attributable to the Group	64,892	67,333

From the period ended at 31 July 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 January 2023 has been consistently reclassified.

At 31 January 2024, financial income includes exchange gains of Euro 5,248 thousand, compared to Euro 11,486 thousand at 31 January 2023, and financial expenses include exchange losses of Euro 4,875 thousand, compared to Euro 11,084 thousand at 31 January 2023.

Consolidated Statement of Changes In Equity

(Euro thousands)	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				64,892	64,892	3,724	68,616
Actuarial gain/(loss) for employee benefits – gross effect			1,156		1,156	106	1,262
Comprehensive income for the year			1,156	64,892	66,048	3,830	69,878
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			4,487		4,487		4,487
Allocation of profit for the year			5,943	(5,943)			
Change in the scope of consolidation and other changes			(4,021)	(949)	(4,970)	236	(4,734)
At 31 January 2024	37,127	33,144	(48,512)	396,978	418,737	51,691	470,428

Consolidated Statement of Financial Position

	At 31 January	At 30 April
(Euro thousands)	2024	2023
Intangible assets	446,752	368,488
Rights of use	42,992	63,361
Property, plant and equipment	96,977	62,540
Investment property	290	290
Equity investments value at equity	24,005	24,884
Receivables for deferred tax assets	18,528	17,893
Other non-current receivables and assets	28,227	18,427
Total non-current assets	657,771	555,883
Inventory	189,954	158,736
Current trade receivables	683,815	530,268
Current tax receivables	23,044	11,913
Other current receivables and assets	112,643	127,354
Cash and cash equivalents	482,077	537,507
Total current assets	1,491,533	1,365,778
Non-current activity owned for the sale	121	476
Total assets	2,149,425	1,922,137
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(48,512)	(49,810)
Profits carried forward	396,978	354,473
Total shareholders' equity attributable to the Group	418,737	374,934
Shareholders' equity attributable to non-controlling interests	51,691	49,116
Total Shareholders' equity	470,428	424,050
Non-current loans	180,786	175,294
Financial liabilities for non-current rights of use	28,147	37,374
Non current financial liabilities and commitments for purchase of shares from non-controlling interests	137,450	110,679
Employee benefits	51,294	48,264
Non-current provisions	5,906	4,794
Deferred tax liabilities	118,111	95,818
Total non-current liabilities	521,694	472,223
Current loans	163,311	130,710
Financial liabilities for current rights of use	13,652	12,701
Current financial liabilities and commitments for purchase of shares from non-controlling interests	31,544	45,061
Trade payables	696,099	586,074
Current tax payables	30,074	22,272
Other current liabilities	222,623	229,046
Total current liabilities	1,157,303	1,025,864
Total liabilities	1,678,997	1,498,087
Total shareholders' equity and liabilities	2,149,425	1,922,137

Consolidated Statement of Cash Flows

	Period ended 31 January	
(Euro thousands)	2024	2023
Profit before taxes	68,616	71,152
Adjustments for:		
Amortisation and Depreciation	50,094	37,700
Income taxes	28,458	28,437
Accruals to provisions relating to personnel and other provisions	8,053	9,263
Net financial (income) expense	22,986	7,958
Profit of companies valued using the equity method	(656)	(1,421)
Other non-monetary entries	(5,028)	(3,345)
Cash flows generated by operating activities before changes in net working capital	172,523	150,144
Change in inventory	(23,949)	(36,206)
Change in trade receivables	(121,034)	(231,283)
Change in payables to suppliers	84,280	182,878
Change in other assets	19,592	(19,507)
Change in other liabilities	(23,984)	12,232
Use of provisions for risks	(1,444)	(1,048)
Employee benefits	(3,019)	(1,878)
Change in deferred taxes	(5,355)	(2,184)
Change in receivables and payables for current taxes	(3,329)	10,701
Interest paid	(25,641)	(8,107)
Taxes paid	(22,703)	(10,268)
Net cash flow generated by operating activities	45,937	45,475
Investments in companies net of cash acquired	(49,599)	(34,389)
Investments in property, plant and equipment	(18,865)	(15,965)
Investments in intangible assets	(9,921)	(7,481)
Investments in associated companies		
Disposals of investments in associated companies		
Disposals of non-current activity owned for the sale	355	
Non-current investments in other companies	(2,250)	(2,081)
Disposals of non-current investments in other companies	290	260
Dividends collected	476	566
Interest collected	3,524	629
Net cash flow generated by/(used in) by investment activity	(75,990)	(58,461)
Subscription of long-term loans	65,552	112,730
Repayment of long-term loans	(54,979)	(64,012)
(Reduction)/increase in short-term loans	14,211	(31,356)
Repayment of financial liabilities for rights of use	(25,601)	(10,437)
Investments/disinvestments in financial assets	(327)	(4,065)
Treasury shares	(7,247)	(11,189)
Dividends distributed	(16,986)	(14,726)
Net cash flow generated by/(used in) financial activities	(25,377)	(23,055)
Translation difference on cash and cash equivalents		
Change in cash and cash equivalents	(55,430)	(36,041)
Opening balance of cash and cash equivalents	537,507	496,311
Closing balance of cash and cash equivalents	482,077	460,270

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

The Executive in charge of preparation of the corporate accounting documents declares, pursuant to article 154-bis of the Consolidated Law on Finance, that the accounting disclosure contained in the Sesa Group’s Interim Report on Operations as at January 31, 2024, corresponds to the documentary results, books and accounting entries.

Empoli, March 14, 2024

Alessandro Fabbroni

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



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