

Interim Report

January 31, 2023

SeSa

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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 January 31 of each year

(Euro thousands)	2023	2022	2021	2020	2019
Revenues	2,154,663	1,739,121	1,523,733	1,336,278	1,139,359
Total revenues and other income	2,176,385	1,757,878	1,534,279	1,344,772	1,146,273
EBITDA	155,954	124,549	92,209	69,466	53,297
Adjusted operating profit (EBIT) ⁽¹⁾	121,593	97,440	68,876	52,314	40,456
EBIT (Operating Income)	108,664	89,037	63,878	49,223	38,370
Profit (loss) before taxes	99,989	84,453	62,511	46,776	36,016
Net profit for the period	71,552	60,148	43,914	32,527	25,030
Adjusted net profit (EAT) for the period attributable to the Group ⁽¹⁾	76,536	62,243	43,483	30,882	23,632

Consolidated balance sheet figures as of January 31 of every year

Total Net Invested Capital	365,852	279,102	271,280	263,405	237,189
Total Shareholders' Equity	381,054	309,542	282,576	251,566	224,628
- attributable to the shareholders of the Parent Company	350,832	287,295	263,184	235,967	213,132
- attributable to non-controlling interests	30,222	22,247	19,392	15,599	11,496
Net Financial Position reported (Net Liquidity)	(15,202)	(30,440)	(11,296)	11,839	12,561
Net Financial Position (Net Liquidity) ⁽²⁾	(199,570)	(177,753)	(102,521)	(32,823)	(12,435)

Consolidated economic ratio as of January 31 of every year

EBITDA / Total revenues and other income	7.24%	7.16%	6.05%	5.20%	4.68%
EBIT / Total revenues and other income (ROS)	5.04%	5.12%	4.19%	3.68%	3.35%
EAT attributable to the Group/ Total revenues and other income	3.12%	3.24%	2.62%	2.15%	1.94%

Market Data

	Euronext (Star)	Euronext (Star)	Euronext (Star)	Euronext (Star)	Euronext (Star)
Listing Market					
Quotation (Eu as at 31/01 each year)	124.6	159.4	96.9	50.6	26.25
Dividend per Share (Eu) ⁽⁴⁾	0.90	0.85	0 ⁽³⁾	0.63	0.60
Overall Dividend (Eu mn) ⁽⁵⁾	13.9	13.2	0 ⁽²⁾	9.762	9.297
Pay Out Ratio ⁽⁶⁾	17.7%	25.2%	0 ⁽³⁾	31%	31%
Shares Issued (in millions)	15.49	15.49	15.49	15.49	15.49
Capitalisation (Eu mn) as at 31/01	1,930.6	2,469.8	1,501.4	784.0	406.7
Market to Book Value ⁽⁷⁾	5.1	8.0	5.2	3.1	1.8
Dividend Yield (on 31/01 quotation) ⁽⁸⁾	0.8%	0.4%	0 ⁽³⁾	1.2%	2.3%
Earnings per share (basic) ⁽⁹⁾	4.37	3.64	2.59	1.86	1.43
Earnings per share (diluted) ⁽¹⁰⁾	4.35	3.63	2.58	1.85	1.43

(1) Adjusted operating profit before amortisation of client lists and know-how recognised as a result of the Purchase Price Allocation (PPA) process. Adjusted net profit attributable to the Group before amortisation of client lists and know-how recognised as a result of the PPA process, 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, 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 4,636 resource as of January 31, 2023.

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 Group is organized into 4 operating segments: Corporate, Value Added Distribution (VAD), Software and System Integration (SSI) and Business Services (BS).

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.



HRs as of January 31, 2023

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 140 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 Centre 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 and 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 and 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

A recently developed 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, with about 35,000 personal computers reconditioned in the year.

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 12,500 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, a Group company and leader in the Italian

market, as well as the 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 1,350 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 100 human resources.

Customer and 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, in particular and not only, in the Chinese digital markets through a team of 50 resources based in Shanghai.

Digital Engineering

The Business Unit is specialised in offering vertical solutions for mechanical and electronic production engineering, with additional competencies in Industry 4.0 and IoT. Thanks also to the recent acquisition of Cadlog Group Srl, it has consolidated a Pan-European player with around 150 resources covering the main European manufacturing countries (Italy, France, Spain, and Germany).

Digital Workspace

The Business Unit, dedicated to digital workspace and collaboration solutions, was developed in May 2022 thanks to the acquisition of control of Durante SpA, a company based in Milan, specialized in solutions for hybrid workspaces and integration of multimedia systems. The Business Unit operates with an organization of about 150 specialized human resources throughout the

country.

BUSINESS SERVICES SECTOR (BS)

The **Business Services Sector**, consolidated by the Base Digitale Group, is organised into 4 main vertical business lines and active in offering Security, Digital Platform and BPO solutions and Vertical Banking Applications for the Financial Services segment.

Security Solutions

Business Unit is dedicated to physical and IT security solutions for the banking and retail market. Due to the recent merger of the Citel Srl and A Plus Srl companies, the Business Unit offers integrated security management services 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.

Digital Platform

The Business Unit Digital Platform 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 110 resources.

Vertical Application

The Business Unit is dedicated to IT consultancy and the development of vertical ERP solutions for the banking sector, with a staff of about 150 resources and a R&D centre based in Parma.

Business Process Management

The Business Unit ("BDM") operates in the field of Business Process Outsourcing and Process Management on behalf of financial services sector, totalling about 200 resources.

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, 2023 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, 2023. 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, 2023 and for the corresponding period of the previous year, together with some alternative performance ratios.

The Group Interim Report as of January 31, 2023 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, 2023 are annexed hereto.

The accounting standards and the criteria adopted when preparing the Interim Report of January 31, 2023 comply with those adopted for the consolidated Group financial statements for the year ended April 30, 2022, taking into account those specifically applicable to interim situations. The Interim Report of January 31, 2023 includes the Interim Financial Report of Sesa SpA as well as the Interim Financial Reports of the subsidiaries of January 31, 2023. 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, 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, 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 amortisation of client lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation;
- **Adjusted net result** defined as 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;
- **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 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

In the nine-months period Sesa Group continues its development trend with revenues and profitability increase above the long-term track record. For the nine-months period ended January 31, 2023 Group's Revenues and Other Income were up by 23.8% Y/Y (CAGR revenues 2012-2022 +11.2%), with operating profitability (Ebitda) up by 25.2% Y/Y (CAGR Ebitda 2012-2022 +15.5%). The Group's adjusted net profit was equal to Euro 76.5 million, up by 23.0% Y/Y (CAGR EAT Adjusted 2012-2022 +19.5%). Group's Net Financial Position improved by Euro 21.8 million Y/Y thanks to positive trend in operating cash flow from a surplus of Euro 177.8 million as of January 31, 2022 to a surplus of Euro 199.6 million as of January 31, 2023.

The Group benefited from continuous investment strategy and focusing on business segments enabling technological and digital innovation (security, business applications, digital green, cloud, digital platforms) that support the growing IT demand of organizations and enterprises, as well as the positive trend in Enterprise Software, IT Services and Cloud market segments.

The Group growth was mainly organic in the period: contribution deriving from external growth (M&A) and change of perimeter equal to approximately 12% in terms of revenues and 25% in terms of profitability, compared to an average about 50% in last three years.

Investments in people, skills and technological infrastructures were relevant in the period, forming the main strategic leverage of generating sustainable value in the medium-long term for all stakeholder, as confirmed by the recent improvement in the main ESG rating.

Leveraged by hiring programmes (647 resources hired in the period from January to December 2022 + 40% Y/Y) and M&A bolt-on operations, Group reached 4,636 resources as of January 31, 2023, up by 19.5% compared to 3,878 resources as of January 31, 2022 and up by 41.4% compared to 3,278 resources as of January 31, 2021,

Over 20 industrial bolt-on M&A closed since early 2022 referred to all operating sectors of the Group.

SSI Sector completed the acquisition of Durante SpA (design and offer of Digital Workspace solutions, Collaboration and integration of multimedia), YoctoIT Srl (Cloud and Security services and solutions), Mediamente Srl (data management and analytics) and Cyres Consulting Services GmbH (technical and compliance consultancy in cyber security), Amaeco (digital solutions for energy efficiency and sustainability), Assist Informatica (software solutions for Agri-food sector) and Next Step Solutions (software solutions for local public sector).

The Business Service Sector, grown by 42.6% in the nine-months period, benefited from skills and vertical platform acquisitions for the Financial Services segment, thanks to majority stake acquisition of DVR Italia Srl (design of robotization systems), Emmedi Srl (dematerialisation and process automation solutions for the banking world) and Ever Green Mobility Rent Srl (fleet management and sustainable mobility processes). In October 2022 Group have signed a strategic partnership with Banca Sella, a reference Italian player in banking sector, for the recent establishment of BDY Srl (March 2023) offering core banking software, BPO and application solutions.

In VAD sector Computer Gross SpA strengthened its market leadership thanks to the acquisition of Altinia Distribuzione Srl, a reference player in managed printing solutions. The purchase execution is expected from May 2023.

Performance of operations

General economic trend

After the global economic acceleration reached in 2021, thanks to the exit from the health crisis and by the economic and monetary stimulus measures of governments, the year 2022 ended with a growth equal to +3.4%. In the 2023-2024 period is expected an average growth of +3% per year (source IMF - WEO, January 2023).

In Italy, after the strong GDP recovery in 2021 (+6.7% Y/Y), thanks to the economic and monetary stimulus measures and to the progressive exit from the pandemic emergency, the year 2022 ended with a growth equal to +3.9%, higher than the euro area (+3.5%). In the 2023-2024 period is expected an average GDP growth of about +0.75% per year.

On the projections for the development of the Italian economy can have positive effects the stimulus measures of the Next Generation EU programmes, reported in the National Recovery and Resilience Plan (Piano Nazionale di Ripresa e Resilienza, NRRP), aimed at promoting technological innovation, competitiveness, and digitisation 4.0 of the Italian system.

The table below represents the final results for 2017-2021 and the forecasts of GDP developments for the year 2022, 2023 and 2024 (source IMF - WEO, January 2023).

Final results and forecasts of GDP

Percentage values	Variation GDP 2017	Variation GDP 2018	Variation GDP 2019	Variation GDP 2020	Variation GDP 2021	Variation GDP 2022 (E)	Variation GDP 2023 (E)	Variation GDP 2024 (E)
World	+3.8%	+3.6%	+2.8%	-3.1%	+6.2%	+3.4%	+2.9%	+3.1%
Advanced Economies	+2.3%	+2.3%	+1.6%	-4.5%	+5.4%	+2.7%	+1.2%	+1.4%
Emerging Market	+4.8%	+4.5%	+3.6%	-2.1%	+6.7%	+3.9%	+4.0%	+4.2%
USA	+2.3%	+2.9%	+2.2%	-3.4%	+5.9%	+2.0%	+1.4%	+1.0%
Japan	+1.7%	+0.3%	+0.7%	-4.6%	+2.1%	+1.4%	+1.8%	+0.9%
China	+6.9%	+6.6%	+6.0%	+2.3%	+8.4%	+3.0%	+5.2%	+4.5%
Great Britain	+1.8%	+1.3%	+1.4%	-9.8%	+7.6%	+4.1%	-0.6%	+0.9%
Euro zone	+2.3%	+1.9%	+1.3%	-6.3%	+5.3%	+3.5%	+0.7%	+1.6%
Italy	+1.5%	+0.8%	+0.3%	-8.9%	+6.7%	+3.9%	+0.6%	+0.9%

Performance of the sector in which the Group operates

The Italian Information Technology (“IT”) market continues its own growth trend supported by annual average rates higher than those of pre-pandemic period. After a growth of +8.0% in the year 2021, the Italian IT market achieved an increase of +4.0% in the year 2022, thanks to the boost of technological innovation in the Management and Project Services segments. In 2023-2024 period it is expected an average demand growth of approximately +5.5% per year, supported among other things by the programmes of the National Recovery and Resilience Plan (“NRRP”), as well as by trend of Digital Enables as cloud, security, analytics, cognitive-A.I. (Source: Sirmi, January 2023).

Management Services is the IT market segment showing growth rates greater (annual growth double digit), that includes services and solutions of digital transformation and system integration. The trend reflects the acceleration processes of digitalisation in all of compartments and the evolution of technology mode of use, as well as the progressive penetration of Cloud Computing solutions (Source: Sirmi, January 2023).

The following table represents the Italian IT market performance in the period 2018-2021 and the forecasts for the year 2022, 2023 and 2024 (Source: Sirmi, January 2023).

Italian IT market

<i>(Euro millions)</i>	2019	2020	2021	2022E	2023E	2024E	Var. 19/18	Var. 20/19	Var. 21/20	Var. 22/21	Var. 23/22	Var. 24/23
Hardware	6,172	6,266	6,770	6,499	6,136	5,993	2.4%	1.5%	8.1%	-4.0%	-5.6%	-2.3%
Software	3,861	3,792	3,922	3,999	4,152	4,236	0.4%	-1.8%	3.4%	2.0%	3.8%	2.0%
Project Services	3,588	3,640	3,854	4,003	4,174	4,295	2.5%	1.5%	5.9%	3.9%	4.3%	2.9%
Management	6,350	6,797	7,597	8,518	9,668	11,222	7.6%	7.0%	11.8%	11.0%	13.5%	16.1%
Total IT Market	19,971	20,496	22,143	23,019	24,151	25,957	3.6%	2.6%	8.0%	4.0%	4.8%	6.7%
Cloud Computing	2,830	3,409	4,240	5,259	6,583	8,282	23.0%	20.4%	24.4%	24.0%	25.2%	25.8%
Cloud (SaaS, PaaS, IaaS)	28.2%	33.9%	39.7%	50.1%	63.6%	79.6%						

Economic highlights of Sesa Group

The reclassified consolidated income statement (in Euro thousands) for the period ended 31 January 2023 is provided below and compared with the corresponding comparative period ended 31 January 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	31/01/2023 (9 months)	%	31/01/2022 (9 months)	%	Variation 2023/22
Revenues	2,154,663		1,739,121		23.9%
Other income	21,722		18,757		15.8%
Total Revenues and Other Income	2,176,385	100.0%	1,757,878	100.0%	23.8%
Purchase of goods	(1,656,517)	76.1%	(1,345,459)	76.5%	23.1%
Costs for services and rent, leasing, and similar costs	(186,005)	8.5%	(141,736)	8.1%	31.2%
Personnel costs	(173,718)	8.0%	(142,449)	8.1%	22.0%
Other operating charges	(4,191)	0.2%	(3,685)	0.2%	13.7%
Total Purchase of goods and Operating Costs	(2,020,431)	92.8%	(1,633,329)	92.9%	23.7%
Ebitda	155,954	7.2%	124,549	7.1%	25.2%
Amortisation and depreciation of tangible and intangible assets	(24,771)		(21,933)		12.9%
Accruals and other non-monetary costs	(9,590)		(5,176)		85.3%
Adjusted Ebit⁽¹¹⁾	121,593	5.6%	97,440	5.5%	24.8%
Amortisation client lists and technological know-how (PPA)	(12,929)		(8,403)		53.9%
Ebit	108,664	5.0%	89,037	5.1%	22.0%
Net financial income and charges	(8,675)		(4,584)		89.2%
Ebt	99,989	4.6%	84,453	4.8%	18.4%
Income taxes	(28,437)		(24,305)		17.0%
Net Profit	71,552	3.3%	60,148	3.4%	19.0%
Net profit attributable to the Group	67,333	3.1%	56,262	3.2%	19.7%
<i>Net profit attributable to non-controlling interests</i>	4,219		3,886		8.6%
Adjusted Ebt⁽¹¹⁾	112,918	5.2%	92,856	5.3%	21.6%
Adjusted Net Profit⁽¹¹⁾	80,755	3.7%	66,129	3.8%	22.1%
Adjusted Net Profit attributable to the Group⁽¹¹⁾	76,536	3.5%	62,243	3.5%	23.0%

⁽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). 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), net of tax effect.

Consolidated Revenues and Other income as of 31 January 2023 is equal to Euro 2,176.4 million growing by +23.8% Y/Y, thanks to the contribution of each Group segment:

- VAD sector achieving Revenues and Other Income equal to Euro 1,703.6 million (+24.1% Y/Y), driven by the development of Digital Green, Networking and Collaboration, Security and Enterprise Software business units;
- SSI Sector achieving Revenues and Other Income equal to Euro 501.8 million (+19.7% Y/Y), thanks to the development of the main operating business units;
- Business Services Sector achieving Revenues and Other Income equal to Euro 59.5 million (+42.6% Y/Y), driven by the contribution of the Digital Platforms and Vertical Applications business units.

The consolidated Ebitda equal to Euro 156.0 million as of 31 January 2023 grows by +25.2% Y/Y, with an Ebitda margin equal to 7.2% compared to 7.1% as of 31 January 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 87.0 million (+30.2% Y/Y, Ebitda margin 5.1% vs 4.9% as of 31 January 2022 and 4.9% in FY 2022);
- SSI sector with an Ebitda of Euro 61.2 million (+21.1% Y/Y, Ebitda margin 12.2% vs 12.1% as of 31 January 2022 and 11.9% in FY 2022);
- Business Services sector with an Ebitda of Euro 4.9 million (+0.7% Y/Y, Ebitda margin 8.2% vs 11.6% as of 31 January 2022 and 9.7% in FY 2022), that reflects the investments in the period under review related to the development of digital platforms and application solutions towards customers.

Group consolidated Operating Result (Ebit) Adjusted (gross of PPA amortizations of customer lists and know-how for Eu 12.9 million) is equal to Eu 121.6 million with an increase of 24.8% Y/Y. Group consolidated Operating Result (Ebit) is equal to Eu 108.7 million, up by 22.0%, after amortizations of intangible assets for Eu 37.7 million (+24.3% Y/Y), provisions and other non-monetary costs for Eu 9.6 million (+85.3% Y/Y) and PPA amortizations for Eu 12.9 million (+53.9% Y/Y, as a result of the significant M&A investments in the last 12 months).

The consolidated Adjusted Earnings before taxes increased by 21.6%, reaching Eu 112.9 million as of 31 January 2023. The consolidated Earnings before taxes as of 31 January 2022 amounted to Eu 100.0 million, up by 18.4% Y/Y, after net financial charges of Eu 8.7 million compared to Eu 4.6 million as of 31 January 2022.

The Consolidated Adjusted Net profit (gross of amortisation of intangible assets Client Lists and Know-how and net of the related tax effect) increased by 22.1% Y/Y, achieving Eu 80.7 million as of 31 January 2023. Group consolidated net profit Adjusted as of 31 January 2023 is equal to Euro 76.5 million (Group EAT Adjusted margin 3.5%, steady Y/Y), up by 23.0% Y/Y compared to Euro 62.2 million as of 31 January 2022.

Highlights of the Group income statement and balance sheet

The reclassified balance sheet (in Euro thousands) for the period ended 31 January 2023 is provided below and compared with the comparative period of the previous year ended 30 April 2022, the figures for the period ended 31 January 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	31/01/2023	31/01/2022	30/04/2022
Intangible assets	314,243	198,876	228,280
Property, plant and equipment (rights of use included)	123,230	106,189	111,943
Investments valued at equity	15,321	13,938	14,593
Other non-current assets and deferred tax assets	32,167	30,257	32,855
Total non-current assets	484,961	349,260	387,671
Inventories	182,017	127,820	144,034
Current trade receivables	671,584	520,846	434,579
Other current assets	120,667	101,550	90,775
Current assets	974,268	750,216	669,388
Payables to suppliers	721,606	541,573	525,879
Other current payables	229,422	177,333	176,031
Short-term operating liabilities	951,028	718,906	701,910
Net working capital	23,240	31,310	(32,522)
Non-current provisions and other tax liabilities	91,389	57,142	67,573
Employee benefits	50,960	44,326	44,379
Non-current net liabilities	142,349	101,468	111,952
Net Invested Capital	365,852	279,102	243,197
Shareholders' Equity	381,054	309,542	335,159
Liquidity and other financial assets	(466,928)	(407,819)	(498,905)
Current and non-current loans	267,358	230,066	253,613
Net Financial Position	(199,570)	(177,753)	(245,292)
Financial liabilities for rights of use under IFRS 16	48,863	43,172	44,933
Liabilities to minority shareholder for equity investments ⁽¹²⁾	135,505	104,141	108,397
Total Net Financial Position Reported	(15,202)	(30,440)	(91,962)

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

The balance sheet shows an increase in net invested capital, which pass from Euro 279.1 million as of 31 January 2022 to Euro 365.9 million as of 31 January 2023, mainly as a result of:

- the increase of non-current assets, rising from Euro 349.3 million as of 31 January 2022 to Euro 485.0 million as of 31 January 2023, generated mainly by investments in corporate acquisitions
- additional reduction of net invested capital equal to Euro 23.2 million as of 31 January 2023 compared to Euro 31.3 million as of 31 January 2022, thanks to improved efficiency in the management of working capital and the progressive adoption of as -a-service models.

In the period under review, the consolidated Shareholders' Equity is further strengthened, achieving as of 31 January 2023 Eu 381.1 million, increasing from Eu 309.5 million as of 31 January 2022, thanks to earnings, net of dividend distribution and Buy-back plan.

The Net Financial Position as of 31 January 2023 is further improved from an active balance (net liquidity) of Euro 177.8 million as of 31 January 2022 to Euro 199.6 million as of 31 January 2022, thanks to the positive evolution of cash flow and net working capital management, net of M&A investments and technological infrastructure.

Consolidated Net Financial Position Reported as of 31 January 2023 is active (net liquidity) for Euro 15.2 million (Euro 30.4 million as of 31 January 2022) including (i) deferred payments of company acquisitions and liabilities to minority shareholders for M&As for Euro 135.5 million as of 31 January 2023, compared to Euro 104.1 million as of 31 January 2022, following the acceleration of corporate acquisitions, and (ii) IFRS Liabilities for Euro 48.9 million as of 31 January 2023 compared to Euro 43.2 million as of 31 January 2022. The variation of the Consolidated Net Financial Position Reported in the last 12 months reflects the positive operating cash flow that is approximately 130 million, net of M&A investments and technological infrastructure around 115 million and of dividend distribution and treasury shares buy-back for a total of Euro 27 million.

Net Financial Position	31/01/2023	31/01/2022	30/04/2022
Liquidity	(460,269)	(405,500)	(496,311)
Current financial receivables and short-term securities	(6,659)	(2,319)	(2,594)
Current loans	107,609	122,723	130,054
Short-term net financial position	(359,319)	(285,096)	(368,851)
Non-current loans	159,749	107,343	123,559
Non-current net financial position	159,749	107,343	123,559
Net Financial Position	(199,570)	(177,753)	(245,292)
Financial liabilities for rights of use under IFRS 16	48,863	43,172	44,933
Liabilities to minority shareholders for equity investments	135,505	104,141	108,397
Total Net Financial Position Reported	(15,202)	(30,440)	(91,962)

The variation of the Total Net Financial Position as of 31 January 2023 compared to the amount as of 30 April 2022 with a decrease equal to Euro 76.7 million reflects both business seasonality and consequently higher absorption of net working capital each year as of 31 January compared to 30 April, and investments realised in 9-month period, mainly related to the acquisitions and infrastructures for business development.

Results of the VAD Sector

The Value Added Distribution (VAD) Sector active in the provision of value-added technology solutions in the 9-month period achieved a growth in Revenues and Other income of 24.1%, an increase of Ebitda of 30.2% (Ebitda margin of 5.1% compared to 4.9% in FY2022) and net profit after tax of 32.0%. The growth achieved in the 9-month period is entirely organic and reflects the results of investments made in previous fiscal year and mainly the positive trend of Business Units Digital Green, Networking e Collaboration, Security and Enterprise Software. Below is provided a income statement of VAD Sector (in Euro thousands) as of 31 January 2023, compared with the comparative period of the previous year ended 31 January 2022.

VAD Sector (Euro thousands)	31 January		2022	%	Variation
	2023	%			
Third-party revenues	1,612,28		1,290,385		24.9%
Inter-sector revenues	81,277		70,852		14.7%
Total Revenues	1,693,605		1,361,237		24.4%
Other income	9,992		11,291		-11.5%
Total revenues and other income	1,703,597	100.0%	1,372,528	100,0%	24.1%
Cost for purchasing products	(1,554,524)	-91.2%	(1,256,796)	-91,6%	23.7%
Gross commercial margin	149,073	8.7%	115,732	8,4%	28.8%
Costs for services and for rent, leasing, and similar costs	(39,814)	-2.3%	(32,020)	-2,3%	24.3%
Personnel costs	(20,590)	-1.2%	(15,089)	-1,1%	36.5%
Other charges	(1,698)	-0.1%	(1,827)	-0,1%	-7.1%
Ebitda	86,971	5.1%	66,796	4,9%	30.2%
Amortisation/depreciation, provisions and other non-monetary costs	(7,644)		(5,768)		32.5%
Operating result (Ebit)	79,327	4.7%	61,028	4,4%	30.0%
Net financial income and expenses	(4,822)		(3,009)		60.3%
Profit before taxes	74,505	4.4%	58,019	4,2%	28.4%
Income Taxes	(19,407)		(16,286)		19.2%
Net result for the period	55,098	3.2%	41,733	3,0%	32.0%
Net Result attributable to non-controlling interests	801	0.0%	668		19.9%
Net Result attributable to the Group	54,297	3.2%	41,065	3,0%	32.2%
Adjusted Net Result attributable to the Group	55,189	3.2%	41,736	3,0%	32.2%

Total revenues and other income, equal to Euro 1.703.6 million as of 31 January 2023, grows by 24.1% compared to 31 January 2022. Revenue growth benefits from the strategy of focusing on value-added business areas in the market, the expansion of the solutions offered to customers and the positive trend of the Digital Green Business Unit.

The Ebitda result in the period under review is equal to Euro 87.0 million (Ebitda margin 5.1%), significantly increasing (+30.2%) compared to Euro 66.8 million (Ebitda margin 4.9%) as of 31 January 2022, thanks to the development of Gross Margin and to the sales revenue.

Net profit for the period amounted to Euro 55.1 million, with an increase of 32.0% compared to Euro 41.7 million as of 31 January 2022, thanks to the positive evolution of operating profitability, after amortisations, depreciations and provisions for Euro 7.6 million, net financial charges for Euro 4.8 million and income taxes of period for Euro 19.4 million.

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 19.7%, EBITDA by 21.1% (EBITDA margin 12.2% compared to 12.1% Y/Y). In the 9-month period as of 31 January 2023 the growth is favored by external leverage thanks to the M&A operations bolt-on realised in the last 12 months that contributed approximately of 40% in terms of revenues and 60% for Ebitda increase. Below is provided the income statement of SSI Sector riclassified (in Euro thousands) as of 31 January 2023, compared with the previous period as of 31 January 2022.

SSI Sector (Euro thousands)	31 January				
	2023	%	2022	%	Variation
Third-party revenues	484,612		407,500		18.9%
Inter-sector revenues	4,440		3,436		29.2%
Total Revenues	489,052		410,936		19.0%
Other income	12,782		8,365		52.8%
Total revenues and other income	501,834	100.0%	419,301	100.0%	19.7%
Costs for purchasing products	(175,177)	-34.9%	(150,978)	-36.0%	16.0%
Costs for services and for rent, leasing, and similar costs	(136,444)	-27.2%	(110,837)	-26.4%	23.1%
Personnel costs	(126,887)	-25.3%	(105,357)	-25.1%	20.4%
Other operating charges	(2,110)	-0.4%	(1,584)	-0.4%	33.2%
Ebitda	61,216	12.2%	50,545	12.1%	21.1%
Amortisation/depreciation, provisions and other non-monetary costs	(30,386)		(23,420)		29.7%
Operating result (Ebit)	30,830	6.1%	27,125	6.5%	13.7%
Net financial income and expenses	(3,606)		(1,258)		186.6%
Result gross of taxes	27,224	5.4%	25,867	6.2%	5.2%
Income Taxes	(8,437)		(7,582)		11.3%
Net result for the period	18,787	3.7%	18,285	4.4%	2.7%
Net result attributable to non-controlling interests	3,422		3,053		12.1%
Net result attributable to the Group	15,365	3.1%	15,232	3.6%	0.9%
Adjusted Net Result attributable to the Group	21,865	4.4%	19,457	4.6%	12.4%

The total Revenues and other income as of 31 January 2023 is equal to Euro 501.8 million with a growth of 19.7% Y/Y, while Ebitda achieves an amount equal to Euro 61.2 million, up by 21.1% Y/Y (Ebitda margin 12.2% compared to 12.1% as of 31 January 2022 and 11.9% of FY2022). The operating profitability increase is mainly due to the development of sales revenue of the main Business Units, especially in Smart Services, Digital Security, Customer Experience and Digital Workspace segments, the latter recently established after control acquisition of Durante SpA. Net profit of the Sector as of 31 January 2023 is equal to 18.8 million (+2.7% Y/Y) and reflects the operating profitability trend after amortisations, depreciations and provisions for Euro 30.4 million, growing by 29.7% Y/Y thanks to M&A operations realised during last 12 months and non-recurrent costs equal to Euro 1.1 million related to the tax claims, in addition to net financial expense of Euro 3.6 million, compared to Euro 1.3 million as of 31 January 2022, mainly following the negative dynamics of market rates. The Adjusted Net Result of the Group is equal to Euro 21.9 million, gross of amortisation of intangible assets (client lists and know-how) recorded following the PPA process, growing by 12.4% compared to Euro 19.5 million as of 31 January 2022.

Results 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, continued its growth path benefiting of skills acquisitions and vertical platform for Financial Services segment. As of 31 January 2023, Business Services Sector achieve revenues for Euro 59.5 million growing by 42.6% and Ebitda equal to Euro 4.9 million up by 0.7% Y/Y, with an Ebitda margine equal to 8.2% compared to 11.6% as of 31 January 2022 and to 9.7% of FY22, not yet reflecting the investments in the period under review related to the development of digital platforms and vertical application solutions to serve customers. The results as of 31 January 2023 reflect the start of Vertical Banking Application (“BDX”) Business Unit, specialised in IT consultancy and in development of software platform for financial services market, and the development operations realised in the first 9 months of new fiscal year in the Business Unit Digital Platform with the acquisition of the majority stake of DVR Srl, Emmedi Srl and Ever Green Mobility Rent Srl, companies dedicated to the development of digital platform and process automation for Financial Services segment. Below is provided the income statement of Business Services Sector riclassified (in Euro thousands) as of 31 January 2023, compared with the previous period as of 31 January 2022.

Business Services Sector (Euro thousands)	31 January				
	2023	%	2022	%	Variation
Third-party revenues	56,879		40,243		41.3%
Inter-sector revenues	1,716		960		78.8%
Total Revenues	58,595		41,203		42.2%
Other income	872		498		75.1%
Total revenues and other income	59,467	100.0%	41,701	100.0%	42.6%
Costs for purchasing products	(7,241)	-12.2%	(4,395)	-10.5%	64.8%
Costs for services and for rent, leasing, and similar costs	(26,567)	-44.7%	(17,357)	-41.6%	53.1%
Personnel costs	(20,466)	-34.4%	(14,972)	-35.9%	36.7%
Other operating charges	(340)	-0.6%	(156)	-0.4%	117.9%
Ebitda	4,853	8.2%	4,821	11.6%	0.7%
Amortisation/depreciation, provisions and other non-monetary costs	(4,945)		(3,592)		37.7%
Operating result (Ebit)	(92)	-0.2%	1,229	2.9%	-107.5%
Net financial income and expenses	(18)		(295)		-93.9%
Result gross of taxes	(110)	-0.2%	934	2.2%	-111.8%
Income Taxes	(592)		(169)		250.3%
Net result for the period	(702)	-1.2%	765	1.8%	-191.8%
Net result attributable to non-controlling interests	16		16		0.0%
Net result attributable to the Group	(987)	-1.7%	600	1.4%	-264.5%
Adjusted Net Result attributable to the Group	824	1.4%	1,685	4.0%	-51.1%

Business Services Sector achieves Revenues and other income equal to Euro 59.5 million (+42.6% Y/Y) favored by Vertical Banking Application (“BDX”) Business Unit contribution, entered in the consolidation perimeter in the last quarter of previous fiscal year, as well as by the acquisitions of companies during first half year referred to the Business Unit Digital Platform. The Net profit of the period as of 31 January 2023 is negative equal to Euro 702 thousands, influenced by amortisations, depreciations and provisions for Euro 4.9 million, of which Euro 2.5 million amortisations of customer lists and know how recorded following the acquisition of shares realised in the last 12 months. The Net Result Adjusted, gross of amortisations of intangible assets (Customer lists and Know how) recorded following PPA process, is positive equal to Euro 824 thousands compared to Euro 1,685 thousands as of 31 January 2022.

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 January 2023, compared with the previous period as of 31 January 2022.

Corporate Sector (Euro thousands)	31 January				
	2023	%	2022	%	Variation
Third-party revenues	844		993		-15.0%
Inter-sector revenues	9,741		13,749		-29.2%
Total Revenues	10,585		14,742		-28.2%
Other income	3,510		2,370		48.1%
Total revenues and other income	14,095	100.0%	17,112	100.0%	-17.6%
Costs for purchasing products	(50)	-0.4%	(208)	-1.2%	-76.0%
Costs for services and for rent, leasing, and similar costs	(5,213)	-37.0%	(7,136)	-41.7%	-26.9%
Personnel costs	(5,783)	-41.0%	(7,111)	-41.6%	-18.7%
Other operating charges	(135)	-1.0%	(270)	-1.6%	-50.0%
Ebitda	2,914	20.7%	2,387	13.9%	22.1%
Amortisation/depreciation, provisions and other non-monetary costs	(4,315)		(2,732)		57.9%
Operating result (Ebit)	(1,401)	-9.9%	(345)	-2.0%	306.1%
Net financial income and expenses	(44)		(22)		100.0%
Result gross of taxes	(1,445)	ns	(367)	ns	293.7%
Income Taxes	(27)		(268)		-89.9%
Net result for the period	(1,472)	ns	(635)	ns	131.8%
Net result attributable to non-controlling interests	-		-		-
Net result attributable to the Group	(1,472)		(635)		131.8%
Adjusted Net Result attributable to the Group	(1,472)	ns	(635)	ns	131.8%

Total Revenues and other income of the Sector, equal to Euro 14.1 million, shows a decrease compared to previous period (-17.6 Y/Y) mainly due to the reallocation of logistic activities in the VAD Sector occurred from 30 April 2022. The business volume of Corporate Sector as of 31 January 2023, not considering the effect of change in the sector perimeter above explained, would be growing approximately for 15%, thanks to the development of the organisation, administration and financial management, planning and control, human resource management and IT consulting services supplied by Sesa SpA to the Group companies that during the period continued expanding the user companies.

Ebitda as of 31 January 2023 is equal to Euro 2.9 million up by 22.1% compared to Euro 2.4 million as of 31 January 2022 thanks to the development of perimeter of user companies. Amortisations, depreciations, provisions and other non-monetary growing by Euro 1.6 million as of 31 January 2023 reflecting 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 net result of the period of the Sector is negative for Euro 1,472 thousands as of 31 January 2023, compared to a negative result for Euro 635 thousands as of 31 January 2022.

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 **Auditing Company**, an external body in charge of auditing the accounts, is chosen by the Shareholders' Meeting. For the nine-year period 2014-2022, this role was entrusted to the auditing firm PricewaterhouseCoopers SpA and, in line with international best practices, the process of appointing the new auditing firm for the nine-year period 2023-2031 was brought forward by one year in order to ensure a better management of the process of rotation between

auditing bodies. By resolution of the Shareholders' Meeting of 26 August 2021, the legal audit of the Sesa Group was entrusted to 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 corporate governance structure is aligned with national and international best practices and respects the principles indicated in the Corporate Governance Code of listed companies.

Sesa's business model aims at creating sustainable and shared value for all stakeholders over time.

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 the short, medium and long term in all areas related to the International <IR> Framework and 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, 2023, the number of Group employees totalled 4,636 resources (+19,5% 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).

<i>(in units)</i>	Average number of employees for the period ending 31 January		Number of employees as of 31 January		Number of employees as of 30 April
	2023	2022	2023	2022	2022
Executives	49	37	51	40	46
Middle management	381	292	390	304	372
White collar	3,782	3,244	4,016	3,451	3,547
Blue collar	93	88	87	83	98
Trainees ⁽¹³⁾	96	-	92	-	100
Total	4,401	3,660	4,636	3,878	4,163

(13) The number of trainees was first reported from the period to 30 April 2022.

Female employment represents a significant component of the business, equal to 32% at January 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 strategic governance of human capital pursues the retention of permanent resources, equal to 99% of permanent contracts, and the inclusion of young high school and university graduates undergoing training in the areas of greatest development potential.

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

- Long-standing collaborations with Professional Schools, Universities and Business Schools, (such as ITS Prodigy, 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, over 650 new resources in the Group entities, of which 55% under 30, have been recruited from universities and training schools and placed on internship and apprenticeship schemes that end with confirmation on a permanent basis with percentages close to 100%. Specifically, 92 internships and 398 apprenticeships were in place as of January 31, 2023.

Training and Development of resources

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

Over the last two years, the main training programmes have been strengthened in relevant areas, also in light of market developments such as safety and sustainability. As at 30 April 2022, 60,900 hours of training were provided, an increase of 132% 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, and the use of e-learning platforms that have enabled an 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, 2022, in continuity with previous years, the reported injury rate was 2.71% with a severity index of 0.01%.

Welfare

Over the years, a welfare model has been implemented that is able to contribute to the individual and family wellbeing of workers and improve working relations and the organisational climate, increase the organisation's level of attractiveness and generate benefits for the community in which the Group operates.

Family work-life balance, wellbeing and environmental sustainability are the cornerstones of the new 2022-2023 welfare programme, which has been further strengthened compared to the previous year's programme and is structured along the following lines:

- **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;
- **Employees' welfare:** flexible benefits to supplement employees' expenditure (food shopping, sports, wellness, culture, shopping and professional parenting services); support for housing mobility (contribution for employees who move their residence out of the family of origin); scholarships for employees' participation in part-time university degree or master courses;
- **Environmental sustainability:** support of sustainable mobility of employees for the use of public and electric transport and E-Car Sharing programmes; programmes aimed at reducing the consumption of natural resources within the Group's locations;
- **Work-life balance:** solidarity and people caring for the well-being and health of employees; company micro-credit programmes for employees access to subsidised loans; psychological and counselling desk available free of charge for employees.

In October 2022 in order to cope with the growth in energy costs, brought about by the Ukrainian crisis, among other things, the Group made available an extraordinary contribution of 400 euros as a reimbursement of household utility costs (water service, electricity or natural gas) of its workers.

The Welfare Plan benefits from the contribution of the Sesa Foundation, a non-profit organization promoted by HSE SpA (Group holding that control Sesa Group through ITH SpA) and 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, profit (loss) of companies measured using the equity method and taxes;
- profit for the period.

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 January 2023 and 31 January 2022.

<i>(Euro thousands)</i>	Period ended 31 January 2023					Period ended 31 January 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	1,612,328	484,612	56,879	844		2,154,663	1,290,385	407,500	40,243	993		1,739,121
Inter-sector revenues	81,277	4,440	1,716	9,741		97,174	70,852	3,436	960	13,749		88,997
Revenues	1,693,605	489,052	58,595	10,585	(97,174)	2,154,663	1,361,237	410,936	41,203	14,742	(88,997)	1,739,121
Other income	9,992	12,782	872	3,510	(5,434)	21,722	11,291	8,365	498	2,370	(3,767)	18,757
Total revenues and other income	1,703,597	501,834	59,467	14,095	(102,608)	2,176,385	1,372,528	419,301	41,701	17,112	(92,764)	1,757,878
Consumables and goods for resale	(1,554,524)	(175,177)	(7,241)	(50)	80,475	(1,656,517)	(1,256,796)	(150,978)	(4,395)	(208)	66,918	(1,345,459)
Costs for services and rent, leasing, and similar costs	(39,814)	(136,444)	(26,567)	(5,213)	22,033	(186,005)	(32,020)	(110,837)	(17,357)	(7,136)	25,614	(141,736)
Personnel costs	(20,590)	(126,887)	(20,466)	(5,783)	8	(173,718)	(15,089)	(105,357)	(14,972)	(7,111)	80	(142,449)
Other operating costs	(1,698)	(2,110)	(340)	(135)	92	(4,191)	(1,827)	(1,584)	(156)	(270)	152	(3,685)
Ebitda	86,971	61,216	4,853	2,914		155,954	66,796	50,545	4,821	2,387		124,549
Amortisation, depreciation, write-downs and other non-monetary costs	(7,644)	(30,386)	(4,945)	(4,315)		(47,290)	(5,768)	(23,420)	(3,592)	(2,732)		(35,512)
Operating Result (Ebit)	79,327	30,830	(92)	(1,401)		108,664	61,028	27,125	1,229	(345)		89,037
Net financial income and expense	(4,822)	(3,606)	(18)	(44)	(185)	(8,675)	(3,009)	(1,258)	(295)	(22)		(4,584)
Profit before taxes	74,505	27,224	(110)	(1,445)	(185)	99,989	58,019	25,867	934	(367)		84,453
Income taxes	(19,407)	(8,437)	(592)	(27)	26	(28,437)	(16,286)	(7,582)	(169)	(268)		(24,305)
Profit for the period	55,098	18,787	(702)	(1,472)	(159)	71,552	41,733	18,285	765	(635)		60,148
Profit attributable to non-controlling interests	801	3,422	285		(289)	4,219	668	3,053	165	-		3,886
Profit attributable to the Group	54,297	15,365	(987)	(1,472)	130	67,333	41,065	15,232	600	(635)		56,262
Profit attributable to the Group Adjusted	55,189	21,865	824	(1,472)	130	76,536	41,736	19,457	1,685	(635)		62,243

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, 2023.

Business outlook

For the remaining part of the financial year, Sesa Group will continue to invest in the development of digital skills, human resources, and innovative solutions in order to continue the long-term growth track record in financial years beyond the current one, generating sustainable value for the benefit of all stakeholders and continuing to improve the Group's sustainability profile. It is recalled the recent improvement of CDP sustainability ratings to "B" level and Ecovadis to Gold level.

In light of demand trends, investment in innovative skills and solutions, and industry aggregation capacity thanks to the rich bolt-on M&A pipeline, the Group will continue operations with a favorable outlook and expected profitability growths of more than 20% for the year to April 30, 2023, while continuing to support its stakeholders in the current phase of digital evolution in order to extend its long-term double-digit growth track record.

The Chairman of the Board of Directors

Paolo Castellacci

Annexes

Consolidated Income Statement

<i>(Euro thousands)</i>	Period ended 31 January	
	2023	2022
Revenues	2,154,663	1,739,121
Other income	21,722	18,757
Consumables and goods for resale	(1,656,517)	(1,345,459)
Costs for services and rent, leasing, and similar costs	(190,031)	(144,117)
Personnel costs	(173,718)	(142,449)
Other operating costs	(9,755)	(6,480)
Amortisation and Depreciation	(37,700)	(30,336)
Operating result	108,664	89,037
Share of profits of companies valued at equity	1,576	1,398
Financial income	13,607	3,901
Financial expenses	(23,858)	(9,883)
Profit before taxes	99,989	84,453
Income taxes	(28,437)	(24,305)
Profit for the year	71,552	60,148
of which:		
Profit attributable to non-controlling interests	4,219	3,886
Profit attributable to the Group	67,333	56,262

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	Shareholder's equity attributable to the Group	Shareholders' equity attributable to non-controlling interests	Total Shareholders' equity
At 30 April 2022	37,127	33,144	(44,978)	290,148	315,441	19,718	335,159
Profit for the year				67,272	67,272	4,280	71,552
Actuarial gain/(loss)for employee benefits – net effect			(485)		(485)	22	(463)
Comprehensive income for the year			(485)	67,272	66,787	4,302	71,089
Transactions with shareholders							
Purchase of treasury shares			(11,189)		(11,189)		(11,189)
Sale of treasury shares							
Distribution of dividends			-	(13,945)	(13,945)	(787)	(14,732)
Assignment of shares in execution of Stock Grant plan							
Stock Grant plans - shares vesting in the period			4,026		4,026		4,026
Allocation of profit for the year			3,251	(3,251)	-		-
Change in the scope of consolidation and other changes			(8,626)	(1,723)	(10,349)	7,050	(3,299)
At 31 January 2023	37,127	33,144	(58,001)	338,501	350,771	30,283	381,054

Consolidated Statement of Financial Position

	At 31 January	At 30 April
<i>(Euro thousands)</i>	2023	2022
Intangible assets	314,243	228,280
Rights of use	61,979	57,401
Property, plant and equipment	61,251	54,542
Investment property	290	290
Equity investments value at equity	15,321	14,593
Receivables for deferred tax assets	15,314	15,910
Other non-current receivables and assets	16,563	16,655
Total non-current assets	484,961	387,671
Inventory	182,017	144,034
Current trade receivables	671,584	434,579
Current tax receivables	14,040	6,651
Other current receivables and assets	113,286	86,718
Cash and cash equivalents	460,269	496,311
Total current assets	1,441,196	1,168,293
Total assets	1,926,157	1,555,964
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(58,001)	(44,978)
Profits carried forward	338,562	290,148
Total shareholders' equity attributable to the Group	350,832	315,441
Shareholders' equity attributable to non-controlling interests	30,222	19,718
Total Shareholders' equity	381,054	335,159
Non-current loans	159,749	123,559
Financial liabilities for non-current rights of use	37,077	33,849
Non current financial liabilities and commitments for purchase of shares from non-controlling interests	98,338	76,808
Employee benefits	50,960	44,379
Non-current provisions	4,817	4,240
Deferred tax liabilities	86,572	63,333
Total non-current liabilities	437,513	346,168
Current loans	107,609	130,054
Financial liabilities for current rights of use	11,786	11,084
Current financial liabilities and commitments for purchase of shares from non-controlling interests	37,167	31,589
Trade payables	721,606	525,879
Current tax payables	29,170	10,940
Other current liabilities	200,252	165,091
Total current liabilities	1,107,590	874,637
Total liabilities	1,545,103	1,220,805
Total shareholders' equity and liabilities	1,926,157	1,555,964

Consolidated Cash Flow

<i>(Euro thousands)</i>	Period ended at 31 January	
	2023	2022
Profit before taxes	99,989	84,453
Adjustments for:		
Amortisation and Depreciation	37,700	30,338
Accruals to provisions relating to personnel and other provisions	9,263	6,086
Net financial (income) expense	7,958	2,448
Profit of companies valued using the equity method	(1,421)	(1,398)
Other non-monetary entries	(3,345)	(1,369)
Cash flows generated by operating activities before changes in net working capital	150,144	120,558
Change in inventory	(36,206)	(33,891)
Change in trade receivables	(231,283)	(136,475)
Change in payables to suppliers	182,878	139,294
Change in other assets	(19,507)	(18,239)
Change in other liabilities	12,232	(9,416)
Use of provisions for risks	(1,048)	(971)
Employee benefits	(1,878)	(1,464)
Change in deferred taxes	(2,184)	(78)
Change in receivables and payables for current taxes	10,701	8,387
Interest paid	(8,107)	(3,257)
Taxes paid	(10,268)	(10,947)
Net cash flow generated by operating activities	45,475	53,501
Investments in companies net of cash acquired	(34,389)	(14,432)
Investments in property, plant and equipment	(15,965)	(12,166)
Investments in intangible assets	(7,481)	(6,504)
Investments in associated companies		(500)
Disposal in associated companies		
Non-current equity investments in other companies	(2,081)	(888)
Disposals of non-current equity investments in other companies	260	
Dividends collected	566	1,163
Interest collected	629	405
Net cash flow generated by/(used in) by investment activity	(58,461)	(32,922)
Subscription of long-term loans	112,730	28,650
Repayment of long-term loans	(64,012)	(56,233)
(Reduction)/increase in short-term loans	(31,356)	15,127
Repayment of financial liabilities for rights of use	(10,437)	(9,894)
Investments/disinvestments in financial assets	(4,065)	(400)
Treasury shares	(11,189)	(4,807)
Dividends distributed	(14,726)	(14,187)
Net cash flow generated by/(used in) financial activities	(23,055)	(41,744)
Translation difference on cash and cash equivalents		
Change in cash and cash equivalents	(36,041)	(21,164)
Opening balance of cash and cash equivalents	496,311	426,665
Closing balance of cash and cash equivalents	460,270	405,501

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, 2023, corresponds to the documentary results, books and accounting entries.

Empoli, March 13, 2023

Alessandro Fabbroni

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

Sesa

www.sesa.it

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