

Interim Report

July 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 July 31 of each year

(Euro thousands)	2023	2022	2021	2020	2019
Revenues	767,490	663,717	547,777	484,168	437,751
Total revenues and other income	776,400	669,937	552,755	487,810	440,150
EBITDA	55,763	47,571	38,460	28,349	21,771
Adjusted operating profit (EBIT) ⁽¹⁾	44,734	37,465	29,833	21,181	16,917
Operating profit (EBIT)	38,354	33,090	27,384	19,613	15,928
Profit (loss) before taxes	32,012	30,843	26,085	18,619	14,816
Net profit for the period	23,240	22,385	18,535	13,178	10,214
Net profit (loss) for the period attributable to the Group	21,971	20,749	17,187	11,844	9,122
Adjusted net profit (EAT) for the period attributable to the Group ⁽¹⁾	26,512	23,863	18,930	12,961	9,826

Consolidated balance sheet figures as of July 31 of every year

Total Net Invested Capital	461,805	314,524	244,581	257,425	238,964
Total Shareholders' Equity	450,434	354,989	292,556	266,589	240,402
- attributable to the shareholders of the Parent Company	394,906	335,325	276,827	248,138	226,963
- attributable to non-controlling interests	55,528	19,664	15,729	18,451	13,439
Net Financial Position reported (Net Liquidity)	11,371	(40,465)	(47,975)	(9,164)	(1,438)
Net Financial Position (Net Liquidity) ⁽²⁾	(208,508)	(208,309)	(137,216)	(34,037)	(11,628)

Consolidated economic ratio as of July 31 of every year

EBITDA / Total revenues and other income	7.2%	7.1%	7.0%	5.8%	4.9%
EBIT / Total revenues and other income (ROS)	4.9%	4.9%	4.9%	4.0%	3.6%
EAT attributable to the Group/ Total revenues and other income	2.8%	3.5%	3.1%	2.4%	2.1%

Market Data

	Euronext (Star)	Euronext (Star)	Euronext (Star)	Euronext (Star)	Euronext (Star)
Listing Market					
Quotation (Eu as at 31/07 each year)	106.6	137.9	150.2	64.10	35.65
Dividend per Share (Eu) ⁽⁴⁾	1.00	0.9	0.85	(Nota 3)	0.63
Overall Dividend (Eu mn) ⁽⁵⁾	15.5	13.9	13.2	(Nota 3)	9.8
Pay Out Ratio ⁽⁶⁾	18.4%	19.0%	25.2%	0.0%	33.3%
Shares Issued (in millions)	15.49	15.49	15.49	15.49	15.49
Capitalisation (Eu mn) as at 31/07	1,651.7	2,136.7	2,327.3	993.2	552.4
Market to Book Value ⁽⁷⁾	3.7	6.0	8.0	3.7	2.3
Dividend Yield (on 30/04 quotation) ⁽⁸⁾	0.9%	0.6%	0.7%	(Nota 3)	1.8%
Earnings per share (basic) ⁽⁹⁾	5.47	4.76	3.39	2.46	1.90
Earnings per share (diluted) ⁽¹⁰⁾	5.45	4.74	3.37	2.46	1.89

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

Sesa Group Business Model

Sesa SpA, 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 5,200 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.



HRs as of July 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 150 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

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 15,000 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, Wise Security Global in Spain and Cyres Consulting in Germany.

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 1,000 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, recently enlarged with Visualitics a company based in Turin.

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.

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 200 human resources, created following the acquisition of Durante SpA, consolidated from May 2022 and further enlarged with the acquisition and integration of Sangalli Tecnologie, company based in Brusaporto (Bergamo) and a team of 30 human resources.

International ERP and Vertical Solutions

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 Units and is active in offering Security, Digital Platform, Vertical Applications, Master Servicing and Process Management solutions for the Financial Services segment.

Security Solutions

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

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 150 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 over 100 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

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.

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 July 31, 2023 is related to the first three months of operation and represents the first 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 July 31, 2023 and for the corresponding period of the previous year, together with some alternative performance ratios.

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

The accounting standards and the criteria adopted when preparing the Interim Report of July 31, 2023 comply with those adopted for the consolidated Group financial statements for the year ended April 30, 2023, taking into account those specifically applicable to interim situations. The Interim Report of July 31, 2023 includes the Interim Financial Report of Sesa SpA as well as the Interim Financial Reports of the subsidiaries of July 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 excluding amortisation and depreciation of customer lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation, profit (loss) of companies accounted for using the equity method, and taxes;
- **Adjusted Operating Result (Ebit)** defined as Ebitda net of amortisation and depreciation of tangible and intangible fixed assets (excluding amortisation and depreciation of client lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation), provisions for bad debts, provisions for risks, excluding notional costs relating to stock grant plans;
- **Operating Result (Ebit)** defined as Ebitda net of depreciation and amortisation, provisions for bad debts, provisions for risks, notional costs related to stock grant plans;
- **Adjusted Earnings Before Taxes** defined as earnings before tax before (i) amortisation of customer lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation and (ii) net of Stock Grant plan costs;
- **Adjusted net result** defined as net profit before (i) amortisation of customer lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation, and (ii) net of Stock Grant plan costs, net of the related tax effect;
- **Group's adjusted net result** defined as the Group's net profit before (i) amortisation of customer lists and know how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation and (ii) net of Stock Grant plan costs;
- **Net 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

The first quarter of the year as of July 31, 2023 confirms a positive start of the new financial year with double-digit growth in revenues (Revenues and Other Income +15.9%) and profitability (Ebitda +17.2%) thanks to the development of all operating sectors of the Group

The Group growth in the first quarter was mainly organic with a contribution deriving from external growth (M&A) equal to approximately 35% deriving from significant investments in company acquisition continued even in new financial year. Acquisitions performed since the beginning of 2023 are nine, with over 400 skilled human resources, revenues of Euro 50 million and an Ebitda margin of about 18%.

Industrial M&A deals completed in the first quarter referred to all operating 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 Technologie, 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.

In Business Services sector, following the Bank of Italy authorization issued on September 7, 2023, Base Digitale Group completed the acquisition of 51% of 130 Servicing, Italian reference player in advisory, digital services and pure master servicing solutions to asset

management companies, institutional investors, securities firm and financial services companies with a team of about 120 human resources.

Lastly, in VAD sector the acquisition of the majority stake of Maint System, a company focused on IT services and solutions for the Printing segment with a team of about 40 human resources. Maint System will be integrated in Altinia Distribuzione which joined the Sesa Group on May 2023 to develop the offering of professional IT printing solutions.

Group continues in the first quarter to invest in human resources, skills and infrastructures consistent with the strategy to generate sustainable value.

Due M&A acquisitions and the prosecution of the hiring programmes, leveraged by the ability to attract people, the Group continued the HR development reaching 5.188 resources as of July 31, 2023, up by 19.6% compared to 4,339 resources as of July 31, 2022 and up by 45.4% compared to 3,567 resources as of July 31, 2021.

The Shareholders' Meeting of Sesa SpA held on August 28, 2023 approved the first Integrated Annual Report as of April 30, 2023 and the related proposal to distribute a dividend of Euro 1.0 per share, up with respect to Euro 0.90 of the previous year. The Ordinary Shareholders' Meeting also approved the new the Stock Grant Plan for the 3 years period 2024-2026, the renewal of the authorisation to purchase and dispose of own ordinary shares for a maximum value of the buy back plan of Euro 10 million. The Extraordinary Shareholders' Meeting also approved to delegate the Board of Directors to a free Share Capital increase for a maximum nominal amount of Euro 491,400, with the issue of maximum n. 204,750 ordinary shares, which may be activated to serve the Stock Grant Plan 2024-2026.

Performance of operations

General economic performance

After the acceleration of the global economy in 2021, aided by the exit from the health crisis and the implementation by governments of monetary stimulus measures, 2022 ended with growth of 3.4%. An average annual growth of about +3.0% is expected in the two-year period 2023-2024. Emerging markets continue to lead with an average growth in the two-year period 2023-2024 of +4.0% while a slowdown is expected in advanced economies, from 2.7% in 2022 to 1.5% in 2023 and 1.4% in 2024 with an Euro Zone trend below 1.0% in 2023 (source IMF - WEO, July 2023).

In Italy, after strong recovery in GDP in 2021 (+7.0% Y/Y), thanks to economic stimulus policies and the gradual exit from the pandemic emergency, 2022 ended with growth of 3.7%, higher than that of the Euro Area (+3.5%). In 2023 Italian GDP is expected at +1.1%,

higher than the average European GDP (+0.9%) benefiting from the strengthened of services and tourism sectors. Average annual growth in GDP of about 1.0% is expected in the two-year period 2023-2024 (source IMF - WEO, July 2023).

Italy's growth prospects in 2023 and 2024 could be higher thanks to the rapid implementation of the initiatives envisaged in the National Recovery and Resilience Plan ("PNRR"), which aim to promote technological innovation, competitiveness, and digitization 4.0 of the Italian system.

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

GDP worldwide change (actual and forecast)

Valori percentuali	Change GDP 2017	Change GDP 2018	Change GDP 2019	Change GDP 2020	Change GDP 2021	Change GDP 2022	Change GDP 2023 (E)	Change GDP 2024 (E)
World	+3.8%	+3.6%	+2.8%	-3.1%	+6.3%	+3.5%	+3.0%	+3.0%
Advanced Economies	+2.3%	+2.3%	+1.6%	-4.5%	+5.4%	+2.7%	+1.5%	+1.4%
Emerging Market	+4.8%	+4.5%	+3.6%	-2.1%	+6.8%	+4.0%	+4.0%	+4.1%
USA	+2.3%	+2.9%	+2.2%	-3.4%	+5.9%	+2.1%	+1.8%	+1.0%
Japan	+1.7%	+0.3%	+0.7%	-4.6%	+2.2%	+1.0%	+1.4%	+1.0%
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%	-0.4%	+1.0%
Euro Zone	+2.3%	+1.9%	+1.3%	-6.3%	+5.3%	+3.5%	+0.9%	+1.5%
Italy	+1.5%	+0.8%	+0.3%	-8.9%	+7.0%	+3.7%	+1.1%	+0.9%

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

The global ICT market shows strong resilience and growth outperforming global GDP. After a strong acceleration in 2021 (+13.4 percent), the ICT market continues to outperform the pre-Covid period with an average growth in 2022-2024 of 5.3% and of 4.3% in 2023 alone, favoured by the Enterprise Software (+12.9%) and IT Services (+9.5%) segments (Source Gartner, September 2023).

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

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

Global ICT market trend

(Bn US Dollar)	2019	2020	2021	2022E	2023E	2024E	Change 19/18	Change 20/19	Change 21/20	Change 22/21	Change 23/22	Change 24/23
Data Center System	203	208	190	221	218	236	-3.3%	2.5%	-8.9%	16.7%	-1.5%	8.1%
Enterprise Software	457	507	732	811	923	1.053	9.1%	10.9%	44.4%	10.9%	13.7%	14.1%
Devices	682	688	808	766	700	748	-4.2%	0.9%	17.4%	-5.1%	-8.6%	6.9%
IT Services	1.031	1.088	1.208	1.306	1.421	1.585	3.8%	5.5%	11.0%	8.1%	8.8%	11.6%
Communication Services	1.365	1.386	1.459	1.423	1.462	1.518	-1.1%	1.5%	5.3%	-2.5%	2.7%	3.8%
Totale Mercato IT	3.738	3.877	4.396	4.528	4.723	5.140	0.6%	3.7%	13.4%	3.0%	4.3%	8.8%

Italian IT market trend

(Million di Euro)	2019	2020	2021	2022E	2023E	2024E	Change 19/18	Change 20/19	Change 21/20	Change 22/21	Change 23/22	Change 24/23
Hardware	6.172	6.266	6.770	6.392	6.216	6.221	2.4%	1.5%	8.1%	-5.6%	-2.7%	0.1%
Software	3.861	3.792	3.922	4.073	4.123	4.261	0.4%	-1.8%	3.4%	3.8%	1.2%	3.3%
Project Services	3.588	3.640	3.854	4.019	4.082	4.211	2.5%	1.5%	5.9%	4.3%	1.6%	3.2%
Management	6.350	6.797	7.597	8.534	9.410	10.573	7.6%	7.0%	11.8%	12.3%	10.3%	12.4%
Totale Mercato IT	19.971	20.496	22.143	23.017	23.832	25.266	3.6%	2.6%	8.0%	3.9%	3.5%	6.0%
Cloud Computing	2.830	3.409	4.240	5.261	6.291	7.548	23.0%	20.4%	24.4%	24.0%	21.6%	19.2%
Cloud (SaaS, PaaS, IaaS) Adoption%	28.2%	33.9%	39.7%	50.3%	61.9%	72.9%						

Economic highlights of Sesa Group

The reclassified consolidated income statement (in Euro thousands) for the period ended 31 July 2023 is provided below and compared with the corresponding comparative period ended 31 July 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	31/07/2023 (3 months)	%	31/07/2022 (3 months)	%	Variation 2023/22
Revenues	767,490		663,717		15.6%
Other income	8,910		6,220		43.2%
Total Revenues and Other Income	776,400	100.0%	669,937	100.0%	15.9%
Purchase of goods	(578,003)	74.4%	(502,980)	75.1%	14.9%
Costs for services and rent, leasing, and similar costs	(70,610)	9.1%	(60,895)	9.1%	16.0%
Personnel costs	(70,276)	9.1%	(57,258)	8.5%	22.7%
Other operating charges	(1,748)	0.2%	(1,233)	0.2%	41.8%
Total Purchase of goods and Operating Costs	(720,637)	92.8%	(622,366)	92.9%	15.8%
Ebitda	55,763	7.2%	47,571	7.1%	17.2%
Amortisation and depreciation of tangible and intangible assets	(9,468)		(8,301)		14.1%
Accruals	(1,561)		(1,805)		-13.5%
Adjusted Ebit⁽¹¹⁾	44,734	5.8%	37,465	5.6%	19.4%
Amortisation client lists and technological know-how (PPA) and other non-monetary costs	(6,380)		(4,375)		45.8%
Ebit	38,354	4.9%	33,090	4.9%	15.9%
Net financial income and charges	(6,342)		(2,247)		182.2%
Ebt	32,012	4.1%	30,843	4.6%	3.8%
Income taxes	(8,772)		(8,458)		3.7%
Net Profit	23,240	3.0%	22,385	3.3%	3.8%
Net profit attributable to the Group	21,971		20,749		5.9%
<i>Net profit attributable to non-controlling interests</i>	1,269		1,636		-22.4%
Adjusted Net Profit⁽¹¹⁾	27,781	3.6%	25,499	3.8%	8.9%
Adjusted Net Profit attributable to the Group⁽¹¹⁾	26,512	3.4%	23,863	3.6%	11.1%

⁽¹¹⁾ Adjusted Ebit and Adjusted Ebt before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA). For Euro 5,414 thousand as at July, 31 2023 (+50.3% vs Euro 3,602 thousand Y/Y) and before the non-recurring component costs of the Stock-Grant Plan for Euro 966 thousand as at July, 31 2023 (vs Euro 773 thousand Y/Y) Adjusted Net profit attributable to the Group before amortisation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA) and before the non-recurring component costs of the Stock-Grant Plan, net of tax effect.

Consolidated Revenues and Other income as of 31 July 2023 is equal to Euro 776.4 million growing by +15.9% Y/Y, thanks to the contribution of each Group segment:

- VAD sector achieving Revenues and Other Income equal to Euro 593.3 million (+13.6% Y/Y), driven by the development of Collaboration, Enterprise Software e Security Solutions business units;
- SSI Sector achieving Revenues and Other Income equal to Euro 183.9 million (+20.0% Y/Y), thanks to the development of the main operating business units and in particular of Digital Security, ERP & Vertical Solutions, Digital Workspace and Data Science;
- Business Services Sector achieving Revenues and Other Income equal to Euro 28.2 million (+53.0% Y/Y), driven by the contribution of the Digital Platforms and Vertical Applications dedicated to Financial Services industry and by the recent enlargement of the offering with master servicing services, with the start in the quarter of the consolidation of the company 130 Servicing.

The consolidated Ebitda equal to Euro 55.8 million as of 31 July 2023 grows by +17.2% Y/Y, with an Ebitda margin equal to 7.2% compared to 7.1% as of 31 July 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 28.4 million (+9.4% Y/Y, Ebitda margin 4.8% vs 5.0% as of 31 July 2022 and 4.9% in FY 2023);
- SSI sector with an Ebitda of Euro 23.2 million (+21.4% Y/Y, Ebitda margin 12.6% vs 12.5% as of 31 July 2022 and 12.1% in FY 2023);
- Business Services sector with an Ebitda of Euro 3.1 million (+97.8% Y/Y, Ebitda margin 10.9% vs 8.5% as of 31 July 2022 and 13.0% in FY 2023), that reflects the investments in the period under review related to the development of digital platforms and application solutions towards customers.

The external leverage (M&A) with the enlargement of consolidation perimeter contributed about 30% to the growth in revenue and about 35% in operating profitability, with a strong organic growth and Group capability to overperform the IT reference market trend (+3.5% expected in 2023 Year, Source Sirmi, September 2023).

Group Operating Income (Ebit) Adjusted equal to Euro 44.7 million (Ebit margin adjusted 5.8% vs 5.6% Y/Y), up by 19.4% Y/Y, after amortizations of tangible and intangible assets for Euro 9.5 million (+14.1% Y/Y) and provisions for Eu 1.6 million (-13.5% Y/Y).

Consolidated Operating Income (Ebit) equal to Euro 38.4 million, up by 15.9% Y/Y, after amortizations of intangible assets (client lists and know-how) deriving from PPA for Euro 5.4 million (+50.0% Y/Y, following the M&A investments acceleration) and after other non-monetary costs related to Stock Grant Plans for Euro 966 thousand (vs Eu 773 thousand Y/Y).

Net profit attributable to the Group as of July 31, 2023 equal to Euro 22.0 million (+5.9% Y/Y), after net financial charges equal to Euro 6.3 million compared to Euro 2.2 million as of July 31, 2022 due to the increasing trend of market interest rates, taxes for Eu 8.8 million and net profit attributable to non-controlling interests for Euro 1.3 million.

Group Adjusted Net profit after minority interests (Adjusted EAT attributable to the Group) as of July 31, 2023 is equal to Euro 26.5 million (3.4% of revenues), up by 11.1% Y/Y compared to Euro 23.9 million as of July 31, 2022 (3.6% of revenues).

Highlights of the Group income statement and balance sheet

The reclassified balance sheet (in Euro thousands) for the period ended 31 July 2023 is provided below and compared with the comparative period of the previous year ended 30 April 2023, the figures for the period ended 31 July 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	31/07/2023	31/07/2022	30/04/2023
Intangible assets	417,079	259,701	368,488
Property, plant and equipment (rights of use included)	129,794	116,306	125,901
Investments valued at equity	23,543	15,445	24,884
Other non-current assets and deferred tax assets	45,458	34,036	37,086
Total non-current assets	615,874	425,488	556,359
Inventories	181,831	162,264	158,736
Current trade receivables	559,743	483,624	530,268
Other current assets	141,062	131,390	131,274
Current assets	882,636	777,278	820,278
Payables to suppliers	635,339	546,128	586,074
Other current payables	237,064	220,031	251,318
Short-term operating liabilities	872,403	766,159	837,392
Net working capital	10,233	11,119	(17,114)
Non-current provisions and other tax liabilities	114,278	75,472	100,612
Employee benefits	50,024	46,611	48,264
Non-current net liabilities	164,302	122,083	148,876
Net Invested Capital	461,805	314,524	390,369
Shareholders' Equity	450,434	354,989	424,050
Liquidity and other financial assets	(510,685)	(472,498)	(545,500)
Current and non-current loans	302,177	264,189	306,004
Net Financial Position	(208,508)	(208,309)	(239,496)
Financial liabilities for rights of use under IFRS 16	34,944	42,942	50,075
Liabilities to minority shareholder for equity investments ⁽¹²⁾	184,935	124,902	155,740
Total Net Financial Position Reported	11,371	(40,465)	(33,681)

⁽¹²⁾ Deferred payables and commitments to minority shareholders for corporate acquisitions (Earn Out, Put Option, deferred prices) not bearing contractual interest and conditional on the achievement of long-term value generation target

The balance sheet shows an increase in net invested capital, which pass from Euro 314.5 million as of 31 July 2022 to Euro 461.8 million as of 31 July 2023, mainly as a result of:

- the increase of non-current assets, rising from Euro 425.5 million as of 31 July 2022 to Euro 615.9 million as of 31 July 2023, generated mainly by investments in corporate acquisitions;
- additional reduction of net invested capital equal to Euro 10.2 million as of 31 July 2023 compared to Euro 11.1 million as of 31 July 2022, thanks to improved efficiency in the management of working capital.

Consolidated Net Financial Position is active (net liquidity) for Euro 208.5 million compared to Euro 208.3 million as of July 31, 2022.

Consolidated Net Financial Position Reported as of July 31, 2023 (net of IFRS Liabilities for Euro 219.9 million mainly consisting of deferred payments of company acquisitions and liabilities to minority shareholders for M&As) is negative (net debt) for Euro 11.4 million compared to active Consolidated Net Financial Position Reported for Euro 40.5 million as of July 31, 2022.

The Group confirms its cash flow generation and Long Term investment capacity with a Last Twelve Months Euro 130 million operating cash flow, net of capex and M&As investment for approximately Eu 160 million and dividend distribution and treasury shares buy-back for about Euro 25 million.

In the period under review, the consolidated Shareholders' Equity is further strengthened, achieving Euro 450.4 million as of July 31, 2023, increasing from Euro 355.0 million as of July 31, 2022, thanks to the profit of the period, net of dividends distributed in the amount of Euro 13.9 million and the buy-back during the last twelve months in the amount of Euro 11 million

Net Financial Position	31/07/2023	31/07/2022	30/04/2023
Liquidity	(499,978)	(466,866)	(537,507)
Current financial receivables and short-term securities	(10,707)	(5,632)	(7,993)
Current loans	125,970	108,495	130,710
Short-term net financial position	(384,715)	(364,003)	(414,790)
Non-current loans	176,207	155,694	175,294
Non-current net financial position	176,207	155,694	175,294
Net Financial Position	(208,508)	(208,309)	(239,496)
Financial liabilities for rights of use under IFRS 16	34,944	42,942	50,075
Liabilities to minority shareholders for equity investments	184,935	124,902	155,740
Total Net Financial Position Reported	11,371	(40,465)	(33,681)

The variation of the Total Net Financial Position as of 31 July 2023 compared to the amount as of 30 April 2023 with a decrease equal to Euro 45.1 million reflects both business seasonality and consequently higher absorption of net working capital each year as of 31 July compared to 30 April, and investments realised in 3-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 3-month period achieved a growth in Revenues and Other income of 13.6%, an increase of Ebitda of 9.4% (Ebitda margin of 4.8% compared to 5.0% in FY2023) and Group Net Profit After Tax Adjusted of 2.2%. Thanks to the focus on value-added business areas, the Sector further consolidates its market share in Italy (48% of the total Data Center, Networking, and Enterprise software categories, Source Sirmi, September 2023).

The growth achieved in the 3-month period is mainly organic and reflects the results of investments made in previous fiscal years and the positive trend of Business Units Enterprise Software and Collaboration. In the first quarter of the fiscal year we start the consolidation of Altinia Distribuzione, reference player in managed printing solutions, since May 2023.

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

VAD Sector (Euro thousands)	31 July		2022	%	Variation
	2023	%			
Third-party revenues	564,817		497,964		13.4%
Inter-sector revenues	25,307		21,821		16.0%
Total Revenues	590,124		519,785		13.5%
Other income	3,224		2,689		19.9%
Total revenues and other income	593,348	100.0%	522,474	100.0%	13.6%
Cost for purchasing products	(541,402)	-91.2%	(476,146)	-91.1%	13.7%
Gross commercial margin	51,946	8.8%	46,328	8.9%	12.1%
Costs for services and for rent, leasing, and similar costs	(14,938)	-2.5%	(12,856)	-2.5%	16.2%
Personnel costs	(7,941)	-1.3%	(6,932)	-1.3%	14.6%
Other charges	(692)	-0.1%	(592)	-0.1%	16.9%
Ebitda	28,375	4.8%	25,948	5.0%	9.4%
Amortisation/depreciation	(1,019)	-0.2%	(1,097)	-0.5%	-7.0%
Provisions	(871)	-0.1%	(860)	-0.1%	1.3%
Operating result (Ebit) Adjusted	26,485	4.5%	23,991	4.0%	10.4%
Amortisation of Client list and know-how (PPA) and other non-monetary costs	(553)	-0.1%	(399)	-0.1%	38.3%
Operating result (Ebit)	25,932	4.4%	23,592	4.5%	9.9%
Net financial income and expenses	(3,704)		(1,365)		171.4%
Profit before taxes	22,228	3.7%	22,227	4.3%	0.0%
Income Taxes	(5,726)		(5,890)		-2.8%
Net result for the period	16,502	2.8%	16,337	3.1%	1.0%
Net Result attributable to non-controlling interests	217		298		-27.2%
Net Result attributable to the Group	16,285	2.7%	16,039	3.1%	1.5%
Adjusted Net Result attributable to the Group	16,678	2.8%	16,323	3.1%	2.2%

Total revenues and other income, equal to Euro 593.3 million as of 31 July 2023, grows by 13.6% compared to 31 July 2022, benefiting from the strategy of focusing on value-added business areas in the market, the expansion of the solutions offered to customers. The Ebitda result in the period under review is equal to Euro 28.4 million (Ebitda margin 4.8%), increasing (+9.4%) compared to Euro 25.9 million (Ebitda margin 5.0%) as of 31 July 2022, thanks to the development of the sales revenue with stable Gross Margin (Gross Margin equal to 8.8% as of July, 31 2023 compared to 8.9% Y/Y).

Operating result (Ebit) Adjusted is equal to Euro 26.5 million (4.5% of the revenues) growing by 10.4% compared to Euro 24.0 million (4.0% of the revenues) as of July 31, 2022.

Net Result attributable to the Group amount to Euro 16.5 million (+1.5 Y/Y), thanks to the positive evolution of operating profitability growth by 9-4% Y/Y, after amortisations, depreciations and provisions for Euro 2.5 million (+3.7% Y/Y), net financial charges for Euro 3.7 million (+171% Y/Y due to the increasing trend of market interest rates) and income taxes of period for Euro 5.7 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 20.0%, EBITDA by 21.41% (EBITDA margin 12.6% compared to 12.5% as of July, 31 2022). In the 3-month period as of 31 July 2023 the growth was mainly organic with a contribution from the external leverage for about 45% in terms of revenues and 35% in terms of profitability, thanks to the M&A operations bolt-on realised in the last 12 months, among which in particular the beginning of consolidation in the quarter under review of some strategic companies for the future develop of the business of which: (i) Wise Security Global SA, company leader of Cyber Security and Digital Identity Spanish market, (ii) Sangalli Technologie Srl focused on planning and offering Digital Workspace and Collaboration solutions, (iii) InformEtica Consulting Srl, focused on SAP consultancy in the North of Italy, (iv) Visualitics Srl, consultancy company focused on data management and analytics based in Turin. Below is provided the income statement of SSI Sector reclassified (in Euro thousands) as of 31 July 2023, compared with the previous period as of 31 July 2022.

SSI Sector (Euro thousands)	31 July				
	2023	%	2022	%	Variation
Third-party revenues	178,405		147,919		20.6%
Inter-sector revenues	903		1,335		-32.4%
Total Revenues	179,308		149,254		20.1%
Other income	4,615		3,957		16.6%
Total revenues and other income	183,923	100.0%	153,211	100.0%	20.0%
Costs for purchasing products	(58,688)	-31.9%	(47,051)	-30.7%	24.7%
Costs for services and for rent, leasing, and similar costs	(50,702)	-27.6%	(45,208)	-29.5%	12.2%
Personnel costs	(50,482)	-27.4%	(41,284)	-26.9%	22.3%
Other operating charges	(825)	-0.4%	(537)	-0.4%	53.6%
Ebitda	23,226	12.6%	19,131	12.5%	21.4%
Amortisation/depreciation	(7,096)	-3.9%	(6,336)	-4.1%	12.0%
Provisions	(615)	-0.3%	(937)	-0.6%	-34.4%
Operating result (Ebit) Adjusted	15,515	8.4%	11,858	7.7%	30.8%
Amortisation of Client list and know-how (PPA) and other non-monetary costs	(3,425)		(2,493)		37.4%
Operating result (Ebit)	12,090	6.6%	9,365	6.1%	29.1%
Net financial income and expenses	(2,087)		(620)		236.6%
Result gross of taxes	10,003	5.4%	8,745	5.7%	14.4%
Income Taxes	(3,097)		(2,591)		19.5%
Net result for the period	6,906	3.8%	6,154	4.0%	12.2%
Net result attributable to non-controlling interests	1,166		1,245		-6.3%
Net result attributable to the Group	5,740	3.1%	4,909	3.2%	16.9%
Adjusted Net Result attributable to the Group	8,178	4.4%	6,683	4.4%	22.4%

The total Revenues and other income as of 31 July 2023 is equal to Euro 183.9 million with a growth of 20.0% Y/Y, while Ebitda achieves an amount equal to Euro 23.2 million, up by 21.4% Y/Y (Ebitda margin 12.6% compared to 12.5% as of 31 July 2022), thanks to the development of sales revenues of the main Business Units with high added value such as ERP & Vertical Solutions, Digital Security, Digital Workspace and Data Science.

Net Profit of the Group as of July, 31 2023 is equal to Euro 5.7 million (16.9% Y/Y) and reflects the operating profitability trend (+21.4 Y/Y), after amortisations, depreciations and provisions for Euro 11.1 million (+14.0 Y/Y), net financial expenses of Euro 2.1 million (increased of over 200% due to the increasing trend of market interest rates) and taxes of Euro 3.1 million. The Adjusted Net Result of the Group, gross of amortisation of intangible assets (client lists and know-how) recorded following the PPA process, is equal to Euro 8.2 million growing by 22.4% Y/Y.

Results of the Business Services sector

The Business Services Sector, which offers digital platform services and vertical banking application for segment of Financial Services, accelerates its growth path thanks to the develop of vertical platform and application sales revenues and benefiting from the enlargement of the offering to the master servicing services.

As of 31 July 2023, Business Services Sector achieve revenues for Euro 28.2 million growing by 53.0% and Ebitda equal to Euro 3.1 million (Ebitda margin equal to 10.9% compared to 8.5% as of 31 July 2022 and to 8.5% of FY23) growing by 97.8% Y/Y.

Business Services Sector (Euro thousands)	31 July				Variation
	2023	%	2022	%	
Third-party revenues	24,128		17,518		37.7%
Inter-sector revenues	2,234		556		301.8%
Total Revenues	26,362		18,074		45.9%
Other income	1,862		369		404.6%
Total revenues and other income	28,224	100.0%	18,443	100.0%	53.0%
Costs for purchasing products	(2,442)	-8.7%	(1,463)	-7.9%	66.9%
Costs for services and for rent, leasing, and similar costs	(12,764)	-45.2%	(8,218)	-44.6%	55.3%
Personnel costs	(9,746)	-34.5%	(7,127)	-38.6%	36.7%
Other operating charges	(182)	-0.6%	(73)	-0.4%	149.3%
Ebitda	3,090	10.9%	1,562	8.5%	97.8%
Amortisation/depreciation	(1,248)	-4.4%	(777)	-4.2%	60.6%
Provisions	(76)	-0.3%	(9)	-0.0%	744.4%
Operating result (Ebit) Adjusted	1,766	6.3%	776	4.2%	127.5%
Amortisation of Client list and know-how (PPA) and other non-monetary costs	(1,436)	-5.1%	(710)	-3.9%	102.2%
Operating result (Ebit)	330	1.2%	66	0.4%	400.0%
Net financial income and expenses	(531)		(248)		114.1%
Result gross of taxes	(201)	-0.7%	(182)	-1.0%	10.4%
Income Taxes	71		27		163.0%
Net result for the period	(130)	-0.5%	(155)	-0.8%	16.1%
Net result attributable to non-controlling interests	(173)		93		-286.0%
Net result attributable to the Group	43	0.2%	(248)	-1.3%	117.3%
Adjusted Net Result attributable to the Group	1,065	5.8%	257	1.4%	313.6%

Business Services Sector achieves Revenues and other income equal to Euro 28.2 million (+53.0% Y/Y) and an Ebitda of Euro 3.1 million (+97.8% Y/Y), favoured by Vertical Banking Application (“BDX”) Business Unit contribution, as well as by the expansion of the offer and the scope of consolidation to the master servicing segment. The Ebitda margin as of 31 July 2023 reached 10.9% compared to 8.9% Y/Y.

Operating result (Ebit) Adjusted, gross of amortisation of intangible assets (client lists and know-how) recorded following the PPA process for Euro 1.4 million (+102.2% Y/Y) and is equal to Euro 1.8 million (6.3% of the revenues) growing by 127.5% compared to Euro 0.8 million (4.2% of the revenues) as of July 31, 2022.

Net result attributable to the Group is positive for Euro 43 thousand, net of amortizations and provisions for Euro 2.8 million, of which Euro 1.4 million was attributable to the amortisation of client lists and know-how recognised following the acquisitions of equity investments made during the year.

Adjusted Net Result attributable to the Group is positive for Euro 1.1 million (5.8% of revenues), with strong growth (+313% Y/Y) compared to Euro 257 thousand (1,4% of revenues) as of July, 31 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 July 2023, compared with the previous period as of 31 July 2022.

Corporate Sector (Euro thousands)	31 July				
	2023	%	2022	%	Variation
Third-party revenues	140		315		-55.6%
Inter-sector revenues	3,776		3,278		15.2%
Total Revenues	3,916		3,593		9.0%
Other income	748		597		25.3%
Total revenues and other income	4,664	100.0%	4,190	100.0%	11.3%
Costs for purchasing products	(21)	-0.5%	(19)	-0.5%	10.5%
Costs for services and for rent, leasing, and similar costs	(1,396)	-29.9%	(1,285)	-30.7%	8.6%
Personnel costs	(2,112)	-45.3%	(1,915)	-45.7%	10.3%
Other operating charges	(63)	-1.4%	(41)	-1.0%	53.7%
Ebitda	1,072	23.0%	930	22.2%	15.3%
Amortisation/depreciation, provisions and other non-monetary costs	(104)	-2.2%	(90)	-2.1%	15.6%
Provisions	-		-		
Operating result (Ebit) Adjusted	968	20.8%	840	20.0%	15.2%
Amortisation of Client list and know-how (PPA) and other non-monetary costs	(966)	-20.7%	(773)	-18.4%	25.0%
Operating result (Ebit)	2	0.0%	67	1.6%	-97.0%
Net financial income and expenses	(20)		(14)		42.9%
Result gross of taxes	(18)	-0.4%	53	1.0%	-134.0%
Income Taxes	(20)		(4)		400.0%
Net result for the period	(38)	-0.8%	49	1.2%	-177.6%
Net result attributable to non-controlling interests	-		-		
Net result attributable to the Group	(38)	-0.8%	49	1.1%	-177.6%
Adjusted Net Result attributable to the Group	650	13.9%	599	14.3%	8.4%

Total Revenues and other income of the Sector, equal to Euro 4.7 million, shows a increase compared to previous period (+11.3 Y/Y) thanks to the enlargement of the Group perimeter and the development of the organisation, administration and financial management, planning and control, human resources management, IT consulting services and legal & compliance services.

Amortisation of Client list and know-how (PPA) and other non-monetary costs reflects the notional cost pertaining to stock grant plan as of April, 30 2024.

The Net Result of the period of the Sector is negative for Euro 38 thousands as of 31 July 2023, compared to a positive result for Euro 49 thousands as of 31 July 2022.

The Adjusted Net Result attributable to the Group, gross of non monetary costs mainly referred to the Stock Grant Plan is positive for Euro 650 thousand as of July, 31 2023, compared to positive result for Euro 599 thousand as of July, 31 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.

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

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

implementation. Chaired by Paolo Castellacci, it is made up of ten members (whose number is determined by the Shareholders' Meeting on the basis of the provisions of the Articles of Association): four executive and six non-executive directors, five of which are independent. The Board of Directors is also responsible for the definition of the Code of Ethics, values and the preparation of this Annual Report, which outlines policies, risks and performance on financial, environmental, people-related, social, human rights and anti-corruption issues. The composition of the Board of Directors complies with the regulations in force at any given time concerning the balance between genders (out of a total of ten members there are three women, all of whom are independent), and the average age of the members of the Board is 55. In line with best practice, the role of Chairman of the Board of Directors is separate from that of Managing Director;

- **The Chief Executive Officer**, in the person of Mr. Alessandro Fabbroni, is in charge of the corporate, operational and financial management as well as the implementation of strategic guidelines.
- **The Management Control Committee** monitors the compliance with legal, regulatory and statutory provisions, the compliance with the principles of proper administration, the adequacy of organisational and accounting structures, and the functionality of the overall internal control system. The Committee, which is part of the Board of Directors, is composed of three directors who meet the requirements of honourableness and professionalism laid down in the Articles of Association and the requirements of independence laid down in Article 2409 septiesdecies.
- **The Independent Auditor**, an external entity responsible for the statutory audit of the accounts, is selected by the Shareholders' Meeting. For the nine-year period 2023 to 2031, this role has been assigned to the independent auditor KPMG SpA.

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

the recommendations of the Corporate Governance Code.

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

The Control and Risks and Related Parties Committee is a body with consultative and propositional functions which has the task of supporting, with an adequate preliminary activity, the assessments and decisions of the Board of Directors relating to the internal audit and risk management system, as well as those relating to the approval of the periodic financial reports.

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

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

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

Long-term sustainable value creation

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

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

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

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

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

Sesa's business model is based on this strategic orientation, which aims at the creation and distribution of sustainable value in 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. The SDGs identified by the Group have been traced back to the material issues for Sesa and the innovative and socio-environmental projects implemented by the Group.

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 July 31, 2023, the number of Group employees totalled 5,188 resources (+19,6% 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 unità)</i>	Average number of employees for the period ending 31 July		Number of employees as of 31 July		Number of employees as of 30 April
	2023	2022	2023	2022	2023
Executives	54	46	59	45	49
Middle Management	461	377	465	381	457
White collar	4,259	3,650	4,489	3,752	4,028
Blue collar	98	93	105	87	91
Trainees ⁽¹³⁾	81	87	70	74	92
Total	4,953	4,250	5,188	4,339	4,717

Female employment represents a significant component of the business, equal to 32% at July 31, 2023 and reflects the intrinsic characteristics of the business in which the Group operates, strongly oriented towards resources with technical-scientific skills. For years, the Group has been implementing programmes aimed at the full achievement of gender equality which, also in light of the progressive evolution of the training orientation of young resources, are determining a further progressive growth of the female quota.

The Group is committed to minimizing the pay gap between women and men with the aim of ensuring equal gender opportunities and promoting work-life balance programmes.

The Group pursues the retention of permanent resources, equal to 98% of permanent contracts as of 30 Aprile 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 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 785 new resources in the Group entities, of which 558% 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, 70 internships and apprenticeships were in place as of July 31, 2023.

Growing the total number of apprentices inserted in training plans and professional development, equal to 421 as of 31 July 2023.

Training and Development of resources

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

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

Health and Safety

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

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

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

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

Welfare

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

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

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

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

The Welfare Plan benefits from the contribution of the Sesa Foundation, 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.

Il management del Gruppo valuta le performance dei diversi settori operativi, utilizzando i seguenti indicatori:

- 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 July 2023 and 31 July 2022.

<i>(in migliaia di Euro)</i>	Period ended 31 July 2023					Period ended 31 July 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	564,817	178,405	24,128	140		767,490	497,964	147,919	17,518	315		663,717
Inter-sector revenues	25,307	903	2,234	3,776		32,220	21,821	1,335	556	3,278		26,990
Revenues	590,124	179,308	26,362	3,916	(32,220)	767,490	519,785	149,254	18,074	3,593	(26,989)	663,717
Other income	3,224	4,615	1,862	748	(1,539)	8,910	2,689	3,957	369	597	(1,392)	6,220
Total revenues and other income	593,348	183,923	28,224	4,664	(33,759)	776,400	522,474	153,211	18,443	4,190	(28,381)	669,937
Consumables and goods for resale	(541,402)	(58,688)	(2,442)	(21)	24,550	(578,003)	(476,146)	(47,051)	(1,463)	(19)	21,699	(502,980)
Costs for services and rent, leasing, and similar costs	(14,938)	(50,702)	(12,764)	(1,396)	9,190	(70,610)	(12,856)	(45,208)	(8,218)	(1,285)	6,672	(60,895)
Personnel costs	(7,941)	(50,482)	(9,746)	(2,112)	5	(70,276)	(6,932)	(41,284)	(7,127)	(1,915)		(57,258)
Other operating costs	(692)	(825)	(182)	(63)	14	(1,748)	(592)	(537)	(73)	(41)	10	(1,233)
Ebitda	28,375	23,226	3,090	1,072		55,763	25,948	19,131	1,562	930		47,571
Amortisation, depreciation, write-downs and other non-monetary costs	(2,443)	(11,136)	(2,760)	(1,070)		(17,409)	(2,356)	(9,766)	(1,496)	(863)		(14,481)
Operating Result (Ebit)	25,932	12,090	330	2		38,354	23,592	9,365	66	67		33,090
Net financial income and expense	(3,704)	(2,087)	(531)	(20)		(6,342)	(1,365)	(620)	(248)	(14)		(2,247)
Profit before taxes	22,228	10,003	(201)	(18)		32,012	22,227	8,745	(182)	53		30,843
Income taxes	(5,726)	(3,097)	71	(20)		(8,772)	(5,890)	(2,591)	27	(4)		(8,458)
Profit for the period	16,502	6,906	(130)	(38)		23,240	16,337	6,154	(155)	49		22,385
Profit attributable to non-controlling interests	217	1,166	(173)		59	1,269	298	1,245	93			1,636
Profit attributable to the Group	16,285	5,740	43	(38)	(59)	21,971	16,039	4,909	(248)	49		20,749
Profit attributable to the Group Adjusted	16,678	8,178	1,065	650	(59)	26,512	16,323	6,684	257	49		23,313

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 July 31, 2023.

Business outlook

For the remaining part of the financial year, Sesa Group will continue the aggregation process of skills and business development, continuing to invest in the specialization and application platforms to support the needed of digitalization of companies and organizations.

In light of positive results achieved in the first quarter, the contribution expected from external leverage thanks to 9 company acquisitions completed starting from January 2023 and from growth expectation of digitalization demand in the market in which it operates, the Group confirm the favourable outlook for the current fiscal year as of 30 April 2024.

The Group will continue to strengthen the role of main player in own segment, confirming the effort to develop the main sustainability programmes in the governance field, human resources management, environmental protection and social responsibility, for the benefit of generating long term value for all stakeholders.

The Chairman of the Board of Directors

Paolo Castellacci

Annexes

Consolidated Income Statement

	Periodo chiuso al 31 July	
<i>(in migliaia di Euro)</i>	2023	2022
Revenues	767,490	663,717
Other income	5,865	5,720
Consumables and goods for resale	(578,003)	(502,980)
Costs for services and rent, leasing, and similar costs	(71,576)	(61,668)
Personnel costs	(70,276)	(57,258)
Other operating costs	(3,309)	(3,038)
Amortisation and Depreciation	(14,882)	(11,903)
Operating result	35,309	32,590
Share of profits of companies valued at equity	182	393
Financial income	9,193	3,331
Financial expenses	(12,672)	(5,471)
Profit before taxes	32,012	30,843
Income taxes	(8,772)	(8,458)
Profit for the period	23,240	22,385
<i>of which:</i>		
Profit attributable to non-controlling interests	1,269	1,636
Profit attributable to the Group	21,971	20,749

Starting from period ended at 31 July 2023 the adjustment to fair value of financial liabilities such as PUT, Earn Out and deferred liabilities toward to minority shareholders have been classified through the financial income and expenses, consistently has been restated the compared period as of 31 July 2023.

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 2023	37,127	33,144	(49,810)	354,473	374,934	49,116	424,050
Profit for the year				21,971	21,971	1,269	23,240
Actuarial gain/(loss)for employee benefits – net effect			3		3	(3)	-
Comprehensive income for the year			3	21,971	21,974	1,266	23,240
Transactions with shareholders			(810)		(810)		(810)
Purchase of treasury shares							
Sale of treasury shares							
Distribution of dividends			-	-	-	(707)	(707)
Assignment of shares in execution of Stock Grant plan			966		966		966
Stock Grant plans - shares vesting in the period			-		-		-
Allocation of profit for the year			-	-	-		-
Change in the scope of consolidation and other changes			205	(2,363)	(2,158)	5,853	3,695
At 31 July 2023	37,127	33,144	(49,446)	374,081	394,906	55,528	450,434

Consolidated Statement of Financial Position

<i>(Euro thousands)</i>	At 31 July	At 30 July
	2022	2023
Intangible assets	417,079	368,488
Rights of use	36,208	63,361
Property, plant and equipment	93,586	62,540
Investment property	290	290
Equity investments value at equity	23,543	24,884
Receivables for deferred tax assets	18,362	17,893
Other non-current receivables and assets	26,330	18,427
Total non-current assets	615,398	555,883
Inventory	181,831	158,736
Current trade receivables	559,743	530,268
Current tax receivables	7,117	11,913
Other current receivables and assets	144,652	127,354
Cash and cash equivalents	499,978	537,507
Total current assets	1,393,321	1,365,778
Non-current assets held for sale	476	476
Total assets	2,009,195	1,922,137
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(49,446)	(49,810)
Profits carried forward	374,081	354,473
Total shareholders' equity attributable to the Group	394,906	374,934
Shareholders' equity attributable to non-controlling interests	55,528	49,116
Total Shareholders' equity	450,434	424,050
Non-current loans	176,207	175,294
Financial liabilities for non-current rights of use	23,630	37,374
Non current financial liabilities and commitments for purchase of shares from non-controlling interests	127,176	110,679
Employee benefits	50,024	48,264
Non-current provisions	4,911	4,794
Deferred tax liabilities	109,367	95,818
Total non-current liabilities	491,315	472,223
Current loans	125,970	130,710
Financial liabilities for current rights of use	11,314	12,701
Current financial liabilities and commitments for purchase of shares from non-controlling interests	57,759	45,061
Trade payables	635,339	586,074
Current tax payables	25,198	22,272
Other current liabilities	211,866	229,046
Total current liabilities	1,067,446	1,025,864
Total liabilities	1,558,761	1,498,087
Total shareholders' equity and liabilities	2,009,195	1,922,137

Consolidated Cash Flow

<i>(Euro thousands)</i>	Period ended at 31 July	
	2023	2022
Profit for the period	23,240	22,385
Adjustments for:		
Amortisation and Depreciation	14,881	11,903
Income taxes	8,772	8,458
Accruals to provisions relating to personnel and other provisions	2,839	2,925
Net financial (income) expense	6,841	1,697
Profit of companies valued using the equity method	(182)	(393)
Other non-monetary entries	(3,196)	455
Cash flows generated by operating activities before changes in net working capital	53,195	47,430
Change in inventory	(15,894)	(17,045)
Change in trade receivables	(2,722)	(45,388)
Change in payables to suppliers	30,610	14,847
Change in other assets	(18,739)	(40,958)
Change in other liabilities	(34,705)	23,582
Use of provisions for risks	(1,041)	(20)
Employee benefits	(795)	(998)
Change in deferred taxes	(1,427)	(1,603)
Change in receivables and payables for current taxes	7,722	8,963
Interest paid	(7,602)	(1,613)
Taxes paid	-	-
Net cash flow generated by operating activities	8,602	(12,803)
Investments in companies net of cash acquired	(9,996)	(8,772)
Investments in property, plant and equipment	(7,020)	(7,637)
Investments in intangible assets	(2,689)	(2,689)
Investments in associated companies		
Disposal in associated companies		(540)
Non-current equity investments in other companies	(1,215)	(1,575)
Disposals of non-current equity investments in other companies	26	
Dividends collected	166	106
Interest collected	1,126	141
Net cash flow generated by/(used in) by investment activity	(19,602)	(20,966)
Subscription of long-term loans	18,000	60,000
Repayment of long-term loans	(20,555)	(28,102)
(Reduction)/increase in short-term loans	(19,437)	(20,985)
Repayment of financial liabilities for rights of use	(3,108)	(3,452)
Investments/disinvestments in financial assets	88	(2,578)
Treasury shares	(810)	
Dividends distributed	(707)	(559)
Net cash flow generated by/(used in) financial activities	(26,529)	4,324
Translation difference on cash and cash equivalents		
Change in cash and cash equivalents	(37,529)	(29,445)
Opening balance of cash and cash equivalents	537,507	496,311
Closing balance of cash and cash equivalents	499,978	466,866

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 July 31, 2023, corresponds to the documentary results, books and accounting entries.

Empoli, September 14, 2023

Alessandro Fabbroni

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

The logo for Sesa, featuring the word 'Sesa' in a white, stylized, handwritten-style font. The 'S' is particularly large and has a unique shape. The background behind the logo is a dark blue gradient with a light blue wavy shape at the bottom.

Sesa SpA - HQ in Empoli (Florence), Via della Piovola 138

Share Capital Eu 37,126,927.50

VAT number, Fiscal and number of the Florence Company Register 07116910964

Ph. Number: 0039 0571 900900

Corporate website: www.sesa.it