

Interim Report

July 31, 2024



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Management and auditing boards of Sesa SpA

Board of Directors

	Genere	Anno di nascita	Role	Deadline
Paolo Castellacci	♂	30/03/1947	Chairman	approval of FS as of 30 April 2027
Giovanni Moriani	♂	19/11/1957	Executive Vice Chairman	approval of FS as of 30 April 2027
Moreno Gaini	♂	14/09/1962	Executive Vice Chairman	approval of FS as of 30 April 2027
Alessandro Fabbroni	♂	03/03/1972	Chief Executive Officer	approval of FS as of 30 April 2027
Claudio Berretti	♂	23/08/1972	Non-Executive Director	approval of FS as of 30 April 2027
Giuseppe Cerati	♂	15/05/1962	Independent Director	approval of FS as of 30 April 2027
Angela Oggionni	♀	08/06/1982	Independent Director	approval of FS as of 30 April 2027
Chiara Pieragnoli	♀	11/11/1972	Independent Director	approval of FS as of 30 April 2027
Giovanna Zanotti	♀	18/03/1972	Independent Director	approval of FS as of 30 April 2027
Angelica Pelizzari	♀	18/10/1971	Independent Director	approval of FS as of 30 April 2027

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 2027
Director in charge of Internal Control: Alessandro Fabbroni	approval of FS as of 30 April 2027
Remuneration Committee	
Angela Oggionni (Chairman), Giovanna Zanotti, Claudio Berretti	approval of FS as of 30 April 2027
Sustainability Committee	
Angela Pellizzari (Chairman), Giovanna Zanotti, Alessandro Fabbroni	approval of FS as of 30 April 2027

Management Control Committee

	Role	Deadline
Giuseppe Cerati	Chairman	approval of FS as of 30 April 2027
Chiara Pieragnoli	Committee Member	approval of FS as of 30 April 2027
Giovanna Zanotti	Committee Member	approval of FS as of 30 April 2027

Supervisory Board pursuant to Law 231/2011

	Role	Deadline
Giuseppe Cerati	Chairman	approval of FS as of 30 April 2027
Chiara Pieragnoli	Committee Member	approval of FS as of 30 April 2027
Giovanna Zanotti	Committee Member	approval of FS as of 30 April 2027

Audit company

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

Highlights

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

(Euro thousands)	2024	2023	2022	2021	2020
Revenues	767,984	767,490	663,717	547,777	484,168
Total revenues and other income	782,983	776,400	669,937	552,755	487,810
EBITDA	56,609	55,763	47,571	38,460	28,349
Adjusted operating profit (EBIT) ⁽¹⁾	45,363	44,734	37,465	29,833	21,181
EBIT (Operating Income)	37,780	38,354	33,090	27,384	19,613
Profit (loss) before taxes	30,263	32,012	30,843	26,085	18,619
Net profit for the period	22,568	23,240	22,385	18,535	13,178
Net profit (EAT) for the period attributable to the Group	21,245	21,971	20,749	17,187	11,844
Adjusted net profit (EAT) for the period attributable to the Group ⁽¹⁾	26,643	26,512	23,863	18,930	12,961

Consolidated balance sheet figures as of July 31 of every year

Total Net Invested Capital	521,162	461,805	314,524	244,581	257,425
Total Shareholders' Equity	496,193	450,434	354,989	292,556	266,589
- attributable to the shareholders of the Parent Company	446,932	394,906	335,325	276,827	248,138
- attributable to non-controlling interests	49,261	55,528	19,664	15,729	18,451
Net Financial Position reported (Net Liquidity)	24,969	11,371	(40,465)	(47,975)	(9,164)
Net Financial Position (Net Liquidity) ⁽²⁾	(184,143)	(208,508)	(208,309)	(137,216)	(34,037)
EBITDA / Total revenues and other income	7.23%	7.2%	7.1%	7.0%	5.8%
EBIT / Total revenues and other income (ROS)	4.83%	4.9%	4.9%	4.9%	4.0%
Total Net Invested Capital	2.71%	2.8%	3.5%	3.1%	2.4%

Market Data

Listing Market	Euronext – Star	Euronext – Star	Euronext - Star	Euronext - Star	Euronext - Star
Quotation (Eu as at 31 January each year)	101.5	106.6	137.9	150.2	64.10
Dividend per Share (Eu) ⁽⁴⁾	1.00	1.00	0.9	0.85	(Nota 3)
Overall Dividend (Eu mn) ⁽⁵⁾	15.5	15.5	13.9	13.2	(Nota 3)
Pay Out Ratio ⁽⁶⁾	18.4%	18.4%	19.0%	25.2%	0.0%
Shares Issued (in millions)	15.49	15.49	15.49	15.49	15.49
Capitalisation (Eu mn) as at 31 January	1,572.7	1,651.7	2,136.7	2,327.3	993.2
Market to Book Value ⁽⁷⁾	3.2	3.7	6.0	8.0	3.7
Dividend Yield (on 31/01 quotation) ⁽⁸⁾	0.7%	0.9%	0.6%	0.7%	(Nota 3)
Earnings per share (basic) ⁽⁹⁾	5.07	5.47	4.76	3.39	2.46
Earnings per share (diluted) ⁽¹⁰⁾	5.05	5.45	4.74	3.37	2.46

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, net of related tax effect and non-recurring taxes from previous years, (2) Net Financial Position not including non-interest-bearing payables and commitments for deferred payments of corporate acquisitions (Earn Out, Put Option, deferred prices) and liabilities recognised in application of IFRS 16, (3) The Shareholders' Meeting of Sesa SpA of August 28, 2020 resolved not to distribute dividends considering the pandemic emergency, (4) Dividends paid in the following year from the profit for the year as at 30 April of each year, (5) Dividends gross of the portion relating to treasury shares, (6) Dividends before the share relating to treasury shares / Consolidated Net Profit attributable to shareholders, (7) Capitalisation based on share price as at 31 January each year / Consolidated Shareholders' Equity, (8) Dividend per share / Market value per share as at 30 April each year, (9) Net profit attributable to the Group at 30 April / average number of ordinary shares net of treasury shares held (10) Net profit attributable to the Group at 30 April / 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)

Group Sesa Business Model

Sesa, headquartered in Empoli (FI), active throughout Italy and present in a number of foreign countries including Germany, Switzerland, Austria, France, Spain and Romania, is at the head of a Group that represents the reference operator in Italy in the sector of technological innovation, consulting and vertical applications for the business segment, with consolidated revenues of Euro 3,210,4 million and approximately 5,700 resources as of 30 April 2024.

The Sesa Group has the mission of offering technological solutions, consulting and business applications to companies and organisations, supporting them in their digital transformation and innovation path with an organisational model in Vertical business lines and Business sectors.

The Business Sectors (SSI, Business Services, VAS and Digital Green) have a strong focus on the target market with dedicated marketing and sales structures.

Within each of the Sectors, vertical business lines are developed with specialised technical and commercial structures for market segments and areas of expertise.

CORPORATE SECTOR

The **Corporate Sector** deals with the strategic governance and operational, financial and human resources management of the Group through Sesa SpA. Specifically, Sesa SpA performs the Group's operational holding and management activities taking care of administrative and financial management, organisation, planning and control, human resources management, general affairs, corporate information systems, legal and the Group's extraordinary finance operations, with a total of about 200 rights resources. Following the recent entry into the organisation of the subsidiary Adiacent, the Corporate Sector extended its activities in the development of Customer Experience technology and application solutions to the whole of the Sesa Group. Adiacent SpA (benefit company) supplies digital transformation and customer experience services

SOFTWARE E SYSTEM INTEGRATION (SSI) SECTOR

The **Software and System Integration Sector** is active in offering Technological Innovation solutions, Digital Services and Business Applications for the Enterprise segment. 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 over 10,000 companies, 2,000 of which in foreign

countries, and an integrated offering in the following areas: Cloud Technology Services, Cyber Security, Proprietary ERP and Vertical Solutions, Enterprise Platform, Digital Workspace, Data/AI, Digital Experience.

Cloud Technology Services - Business Unit offering integrated Hybrid and Cloud Services and Infrastructure Modernization solutions in support of the digital evolution of enterprises and organisations.

Cyber Security - The Business Unit is distinguished by its expertise and specialisation in the Cyber Security sector, thanks to the services of Yarix Srl, Group company and leader in the Italian market, and the recent extension of activities on the European market with the acquisition of Wise Security Global, reference company for the cyber security solutions segment on the Spanish market.

Proprietary ERP and Vertical Solutions - Strategic Business Unit with a complete range of national proprietary ERPs and Vertical Applications specialised for the main Made in Italy districts (Sirio, Panthera, Essenzia, Sigla++), as well as applications for the food retail and mass distribution sector with the solutions of the Tekne Group companies. The ERP and Industry Solutions

Business Unit is the sector's main operational area in terms of employment, with about 1,300 resources.

Enterprise Platforms - Strategic Business Unit offering a complete range of consultancy and business integration in the field of ERP and International Verticals (SAP, Microsoft, Siemens Industry Software) made available to companies in the main Italian and European economic districts with about 400 dedicated resources.

Data Science/AI - Advanced and Predictive Analysis, Data Intelligence and applied and generative Artificial Intelligence (AI) activities are becoming increasingly important for optimising business processes, supporting the digital transformation of enterprises and organisations, and improving the way companies work and the way people live. The Business Unit was established in FY 2021 with the acquisition of the companies Analytics Network and SPS. In 2023, it incorporated the organisation of Mediamente Consulting and in 2024 that of Visualitics, resulting in the development of a team of about 200 human resources with specific skills in the Data/AI field, about 50% of whom are under the age of thirty. The activities of the Business Unit are also crucial in supporting the evolution of the skills and applications of the Sector's other skills centres in the fields of Cloud, Cyber Security and Vertical Applications.

Digital Experience - The Business Unit offers digital experience, marketing and digital strategy, and omnichannel e-commerce services through a specialised team of about 80 resources, forming a skills centre integrated with the offer of the entire SSI Sector.

Digital Workspace - Strategic Business Unit dedicated to digital workspace solutions and to solutions for Collaboration and digitisation of workstations, optimising audio and video functions in the most common contexts of use at enterprise level, with about 180 human resources. The Business Unit, set up in FY 2023 following the acquisition of Durante SpA, incorporated the solutions of Sangalli Technologie Srl in FY 2024.

SETTORE BUSINESS SERVICES (BS)

The **Business Services Sector**, consolidated by the Base Digitale Group, is organised into four main vertical Strategic Business Units and is active in offering Digital Platform, Vertical Banking Applications, Security and Consulting solutions within the scope of Securitization and the Credit Management Platform for the Financial Services segment. AI skills and tools embedded in the digital platforms offered to customers have been developed in the sector.

Base Digitale Security (BDS) - Strategic Business Unit dedicated to physical and IT security solutions for the banking and retail market, through digital platforms, monitoring and access control systems and vertical applications for the front office, with about 100 resources throughout Italy.

Base Digitale Platform (BDP) - Business Unit that develops digital skills and platforms to support the operational processes of companies and organisations in the Financial Services and Large Enterprise segments. In particular, the Strategic Business Unit offers platforms for customer service, automation and digitisation of document and operational processes, with around 350 resources.

Base Digitale Applications - Strategic Business Unit dedicated to the development of vertical software solutions on cloud platforms for the banking sector (treasury, derivatives, finance, wealth management), with a staff of over 150 human resources and a research and development centre based in Parma. It integrates the offer of BDX and BDY, a company set up following a multi-year partnership agreement with Centrico, (Banca Sella Group), active in the offering of Core Banking ERP solutions. Starting from the FY 2025, the business unit will include the offering of Advance Technology Solutions SpA, a company acquired in May 2024 with over 100 resources dedicated to the development of capital market platforms, with specific expertise in Data/AI.

Digital Base 130 Servicing - Strategic Business Unit established following entry into the Group of 130

Servicing SpA, with headquarters in Milan and a staff of 130 human resources, specialising in advisory and non-delivery master servicing services for asset management companies, institutional investors and securities brokerage firms.

VALUE ADDED SOLUTIONS (VAS) SECTOR

The **Value Added Solutions Sector** is active in the aggregation of technological solutions for the business segment, offering integrated consulting, marketing, education and technical assistance services. Computer Gross SpA, which consolidates the Sector, is the Italian leader in Value Added Distribution (48% of market share, source Sirmi year 2024) with a customer set of about 25,000 business partners active throughout 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, with a prevailing focus on Advanced Solutions (Cloud, Security, Data Center, Networking and Data/ AI Solutions) accounting for about 80% of VAS revenues in FY 2024.

Cloud, Security Software, Data Center Solutions - The Cloud, Security and Data Center offering is one of the main strategic focuses of the VAS Sector's Advanced Solutions offering and includes Public and Hybrid Cloud, Data Center and Cyber Security Technology solutions (SIEM, end point security, software encryption management) also as a service and through cloud platforms.

Data/AI Solutions - The offering of the Data/AI Business Unit includes Data Science, Advanced Analytics and Artificial Intelligence both applied and generative, with a specialized team of resources dedicated to the development of AI projects in partnership with major International Vendors, active in these fields, including

Microsoft and IBM. In particular, during FY2024: (i) Computer Gross established the first competence center in IBM watsonx in order to accelerate opportunities for business partners through enablement, demand generation, training and technical support activities; (ii) Computer Gross was the reference partner of Microsoft developing a specific focus on Copilot AI solutions.

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

Networking 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 (DG) SECTOR

Digital Green Sector - Dedicated to solutions for the production of energy from renewable sources and energy efficiency, which reduce the environmental impact of organizations, established following the acquisition of the company P.M. Service Srl in 2021. This Business Unit also integrates the company Service Technology Srl, which offers management and reconditioning services of IT products, remanufacturing and refurbishing of technology parks, with about 35,000 personal computers reconditioned.

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, 2024 is related to the first nine months of operation and represents the first financial disclosure prepared by the parent company Sesa SpA for the year ending April 30, 2025.

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, 2024 and for the corresponding period of the previous year, together with some alternative performance ratios.

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

Preparation Criteria and Accounting Standards

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

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

Alternative Performance Indicators

In order to better assess the performance and financial position of the Group and its business segments, the management of Sesa SpA uses certain alternative performance indicators that are not identified as accounting measures under the IFRS. These indicators facilitate the identification of operating trends and support business decisions; however, the determination criteria applied by the Group may not be homogeneous and therefore comparable with that adopted by other operators. The 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 periods under comparison and not to the expected performance, and should not be considered as a substitute for the indicators envisaged by the reference accounting standards (IFRS). Finally, they are prepared by maintaining continuity and homogeneity of definition and representation for all periods for which financial information is included in this document.

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

- **Ebitda (Gross Operating Margin)** is defined as the profit for the year before depreciation and amortisation, provisions for bad debts, provisions for risks, notional costs relating to stock grant plans assigned to the executive directors, financial income and expenses (excluding the fair value adjustment of liabilities for Put, Earn Out to minority shareholders and fair value revaluations in the case of step up acquisitions), profit, 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 customer 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, with the exclusion of notional costs relating to stock grant plans.
- **Operating Result (Ebit)** defined as Ebitda net of depreciation and amortisation related to tangible and intangible fixed assets, provisions for bad debts, provisions for risks, notional costs related to stock grant plans.
- **Adjusted net result** defined as net profit before (i) amortisation of customer lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation, (ii) notional costs related to the stock grant plans net of the related tax effect and (iii) taxes paid in relation to previous years.
- **Group's adjusted net result** defined as the Group's net profit before (i) amortisation of customer lists and know-how recorded in the Purchase Price Allocation of the companies acquired and included in the scope of consolidation and (ii) notional costs related to the stock grant plans net of the related tax effect and (iii) taxes paid in relation to previous years.
- **Net working capital** is the algebraic sum of inventories, trade receivables, other current assets, trade payables and other current liabilities.
- **Net invested capital** is the algebraic sum of non-current assets, net working capital and net non-current liabilities.
- **Net Financial Position (NFP)** is the algebraic sum of cash and cash equivalents, other current financial assets, and current and non-current loans.
- **Total Net Financial Position Reported** is the algebraic sum of cash and cash equivalents, other current financial assets, current and non-current loans, current and non-current financial liabilities for rights of use, and payables and commitments for the purchase of equity investments from minority shareholders. It complies with the definition of Net Financial Debt envisaged in Consob Communication no. 6064293 of July 28, 2006 and in accordance with ESMA Recommendation/2013/319.

Significant events during the period

Sesa Group continues its industrial development and, after doubling its revenues and profitability over the last 4 years, confirms its growth trend in the first quarter, despite a challenging market scenario. As of July 31, 2024 consolidated Revenues and Other Income equal to Euro 783.0 million (+0.8% Y/Y) and a Consolidated Operating Profitability (Ebitda) equal to Euro 56.6 million, up by 1.5% Y/Y, confirming its ability to attract and retain skills and specialized human capital with 6,073 resources as of July 31, 2024 (+17.1% Y/Y).

The Group continues to invest in skills and infrastructure with a focus on emerging technologies from Data/AI to Cyber Security, from Cloud to Digital Platforms as well as digital services. External lines growth pursued also in the first three months of the year with 5 new acquisitions concluded with a perimeter of approximately 240 resources, Euro 30 million annual revenues and an Ebitda margin of approximately 14%. The industrial M&A operations carried out in the quarter related in particular to the Sector SSI and Business Services.

In the SSI Sector, we note the strengthening of its skills in application consultancy on SAP platform and in Cloud services, to support the digital transformation of the Made in Italy districts through the acquisition of control of: i) Real-Time, a company active in data management and analysis software solutions, especially on the SAP Business One platform. Real-Time established about 35 years ago, has consolidated expertise in implementing business management systems and developing Business Intelligence projects. Based in Bergamo, it operates with a staff of 15 skilled human resources; ii) PV Consulting, a company active in consultancy and management solutions, in particular on the SAP HCM (Human Capital Management) platform, based in Rome with a staff of 15 specialized resources; and iii) Boot Systems SL and LBS Serveis SL, companies specialized in offering professional consultancy and solutions in the Cloud Computing and Data Center fields, with a focus on Oracle and Dell technologies. Based in Barcelona and

Andorra, it operates with approximately 20 qualified resources

In Business Sector Services should be noted the acquisition of 75% ATS Advanced Technology Solutions S.p.A. based in Milan with a team of 115 human resources, is a company focused on the development of Front and Middle software solutions and digital platforms for the Financial Services Industry, allowing the digitalization and modernisation of information systems guaranteeing and enhancing their security. The Company has distinctive application skills in the Data Science and AI fields

Key factors in the Group's growth are the people and in the first three months of the new 2025 financial year, significant investments have been made in human resources (974 resources hired in the last 12 months, mainly under 30), skills and infrastructure in line with the sustainable value generation strategy of the Group. Thanks to corporate acquisition operations and internal hiring programs, favored by the ability to attract skills, the Group's workforce as of 31 July 2024 reached 6,073 resources, up by +17.1% compared to 5,188 units at 31 July 2023 and +40.0% compared to 4,339 resources at 31 July 2022.

Sesa SpA Shareholders' Meeting held on 28 August 2024 approved the Group's Annual Integrated Report as of 30 April 2024 and the related proposal for the distribution of a dividend of Euro 1.0. Shareholders' Meeting also resolved the renewal of the authorization for the purchase and disposal of own ordinary shares for a maximum value of Euro 10 million and the appointment of the Board of Directors for the next three years in continuity with the previous composition. The President Paolo Castellacci and the directors Alessandro Fabbroni, Giovanni Moriani, Moreno Gaini, Claudio Berretti, Angela Oggionni, Chiara Pieragnoli, Angelica Pellizzari and Giovanna Zanotti were confirmed.

Performance of operations

General economic performance

After the acceleration of the global economy in 2021, the two-year period 2022-2023 ended with an average growth of +3.4% per annum. While remaining below historical averages, global expansion levels confirmed their resilience during the disinflationary process of 2022-2023. Global growth of +3.2% per annum is also expected in 2024-2025. Emerging markets continue to lead with an average growth in 2024-2025 of +4.3%, while the average growth of the advanced economies remains moderate at +1.7% (source IMF - WEO, July 2024).

The Eurozone confirms a slowdown in growth from +3.4% in 2022 to +0.5% in 2023 and +0.9% in 2024, with

an expected recovery to +1.5% in 2025 (source IMF - WEO, July 2024).

In Italy, after the strong recovery of GDP in 2021 (+7.0% Y/Y) and in 2022 (+3.7%), with rates above those of the Eurozone, 2023 ends with a significant deceleration of growth (+0.9%), while still remaining above the European average. In the two-year period 2024-2025, average growth of Italian GDP is expected to be around 0.8% per annum with inflation expected to be less than 2% (source IMF - WEO, July 24).

The following table shows the final results for 2018-2023 and forecast GDP trend for 2024 and 2025 (source: IMF - WEO, July 24).

GDP worldwide change (actual and forecast)

Percentage values	Change GDP 2018	Change GDP 2019	Change GDP 2020	Change GDP 2021	Change GDP 2022	Change GDP 2023	Change 2024 (E)	Change 2025 (E)
World	+3.6%	+2.8%	-3.1%	+6.3%	+3.5%	+3.3%	+3.2%	+3.3%
Advanced Economies	+2.3%	+1.6%	-4.5%	+5.4%	+2.6%	+1.7%	+1.7%	+1.8%
Emerging Market	+4.5%	+3.6%	-2.1%	+6.8%	+4.1%	+4.4%	+4.3%	+4.3%
USA	+2.9%	+2.2%	-3.4%	+5.9%	+1.9%	+2.5%	+2.6%	+1.9%
Japan	+0.3%	+0.7%	-4.6%	+2.2%	+1.0%	+1.9%	+0.7%	+1.0%
China	+6.6%	+6.0%	+2.3%	+8.4%	+3.0%	+5.2%	+5.0%	+4.5%
Great Britain	+1.3%	+1.4%	-9.8%	+7.6%	+4.3%	+0.1%	+0.7%	+1.5%
Euro zone	+1.9%	+1.3%	-6.3%	+5.3%	+3.4%	+0.5%	+0.9%	+1.5%
Italy	+0.8%	+0.3%	-8.9%	+7.0%	+3.7%	+0.9%	+0.7%	+0.9%

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

The world ICT market has historically been characterized by strong resilience to crises and growth rates above that of the global economy. After accelerating in 2021 (+13.4%), the ICT market continues to outperform the pre-Covid period with an average growth in the 2022-2023 period of 3.1%, boosted by the Enterprise Software (average growth +15.4%) and IT Services (average growth 11.6%) segments. Further significant market acceleration (+7.5%) is expected in 2024, fueled by the IT Services and Enterprise Software segments (Source Gartner, July 2024).

The Italian Information Technology ("IT") market confirms sustained growth with average annual rates exceeding those of the pre-pandemic period and national GDP. After the +8.0% growth recorded in the year 2021, the Italian IT market achieved a 3.3% increase in the biennium 2022-2023 supported by the Management and

Project Services segments. In the 2024-2025 biennium, demand growth is expected to accelerate at an average annual rate of 3.2%, with +3.7% in 2025. Within the IT market, the segment showing higher growth rates is Management Services (double digit annual growth), which includes digital transformation and system integration services and solutions. The trend reflects the accelerating processes of digitization in all segments and the evolution of how technology is used as well as the progressive penetration of Cloud Computing solutions (Source Sirmi, September 2024).

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

Global ICT market trend

(Bn US Dollar)	2018	2019	2020	2021	2022	2023E	2024E	Change 19/18	Change 20/19	Change 21/20	Change 22/21
Data Center System	203	208	190	227	236	293	2.5%	-8.9%	19.5%	4.0%	24.1%
Enterprise Software	457	507	732	811	974	1.097	10.9%	44.4%	10.8%	20.1%	12.6%
Devices	682	688	808	766	693	730	0.9%	17.4%	-5.2%	-9.5%	5.4%
IT Services	1.031	1.088	1.208	1.306	1.504	1.610	5.5%	11.0%	8.1%	15.2%	7.1%
Communication Services	1.365	1.386	1.459	1.423	1.492	1.537	1.5%	5.3%	-2.5%	4.8%	3.0%
Total IT Market	3.738	3.877	4.396	4.534	4.898	5.267	3.7%	13.4%	3.1%	8.0%	7.5%

Italian IT market trend

Mercato IT Italiano (Mn Eu)	2020	2021	2022	2023 E	2024 E	2025 E	Var, 20/19	Var, 21/20	Var, 22/21	Var, 23/22	Var, 24/23	Var, 25/24
Hardware	6.266	6.770	6.392	5.917	5.850	5.830	1.5%	8.1%	-5.6%	-7.4%	-1.1%	-0.3%
Software	3.792	3.922	4.073	4.123	4.160	4.210	-1.8%	3.4%	3.8%	1.2%	0.9%	1.2%
Project Services	3.640	3.854	4.019	4.186	4.300	4.455	1.5%	5.9%	4.3%	4.2%	2.7%	3.6%
Management Services	6.797	7.597	8.534	9.415	9.900	10.705	7.0%	11.8%	12.3%	10.3%	6.1%	7.2%
Totale Mercato IT	20.496	22.143	23.017	23.642	24.300	25.200	2.6%	8.0%	3.9%	2.7%	2.8%	3.7%
Cloud Computing	3.409	4.240	5.259	6.296	7.076	7.989	20.4%	24.4%	24.0%	19.7%	12.4%	12.9%
Cloud (SaaS, PaaS, IaaS) Adoption%	33.9%	39.7%	50.3%	62.7%	70.7%	79.6%						

Economic highlights of Sesa Group

The reclassified consolidated income statement (in Euro thousands) for the period ended 31 July 2024 is provided below and compared with the corresponding comparative period ended 31 July 2023. In addition to the financial quantities envisaged by IFRS, some alternative performance indicators deriving from the latter are illustrated, presented in order to allow a better valuation of trend of Group management performance and therefore must not be considered substitutes for those envisaged by the IFRS.

Reclassified profit and loss account	31/07/2024 (3 months)	%	31/07/2023 (3 months)	%	Variation 2024/23
Revenues	767,984		767,490		0.1%
Other income	14,999		8,910		68.3%
Total Revenues and Other Income	782,983	100.0%	776,400	100.0%	0.8%
Purchase of goods and software	(566,480)	72.3%	(578,003)	74.4%	-2.0%
Costs for services and rent, leasing, and similar costs	(70,822)	9.0%	(70,610)	9.1%	0.3%
Personnel costs	(86,375)	11.0%	(70,276)	9.1%	22.9%
Other operating charges	(2,697)	0.3%	(1,748)	0.2%	54.3%
Total Purchase of goods and Operating Costs	(726,374)	92.8%	(720,637)	92.8%	0.8%
Ebitda	56,609	7.2%	55,763	7.2%	1.5%
Amortisation of tangible and intangible assets	(11,131)		(9,468)		17.6%
Accruals	(115)		(1,561)		-92.6%
Adjusted Ebit⁽¹⁾	45,363	5.9%	44,734	5.8%	1.4%
Amortisation client lists and technological know-how (PPA)	(7,583)		(5,414)		40.1%
Stock grant and other non-monetary costs	0		(966)		-100.0%
Ebit	37,780	4.8%	38,354	4.9%	-1.5%
Interest income/expense, bank expenses and other financial charges	(7,778)		(7,300)		6.5%
Exchange gains/losses	130		776		-83.2%
Share of profits of companies valued at equity	131		182		-28.0%
Ebt	30,263	3.9%	32,012	4.1%	-5.5%
Income taxes	(7,695)		(8,772)		-12.3%
Net Profit	22,568	2.9%	23,240	3.0%	-2.9%
Net profit attributable to the Group	21,245		21,971		-3.3%
Net profit attributable to non-controlling interests	1,323		1,269		4.3%
Adjusted Net Profit⁽¹⁾	27,966	3.6%	27,781	3.6%	0.7%
Adjusted Net Profit attributable to the Group⁽¹⁾	26,643	3.4%	26,512	3.4%	0.5%

⁽¹⁾ Adjusted Operating Profit is defined gross of amortization of intangible assets (Customer Lists and Know how) recognized as a result of the Purchase Price Allocation (PPA) process amounting to Euro 7,583 thousand as of July 31, 2024 (+40.1% vs. Euro 5,414 thousand Y/Y). Adjusted Net Profit and Group Adjusted Net Profit are defined gross of the amortization of intangible assets (Customer Lists and Know how) recognized as a result of the PPA process and the cost related to Stock Grant Plans, net of the related tax effect and taxes related to previous years.

In the first three months of the fiscal year, Sesa achieves Consolidated Revenues and Other Income of Euro 783.0 million (+0.8% Y/Y) and a Consolidated Operating Profitability (Ebitda) of Euro 56.6 million, up 1.5% Y/Y, also confirming its ability to attract and retain skills and specialized human capital with 6,073 resources as of July 31, 2024 (+17.1% Y/Y).

The consolidated Revenues and Other Income as of July 31, 2024, is equal to Euro 783.0 million, grow by 0.8 percent compared to the previous period to July 31, 2023 due to positive dynamics of all Group Sectors with the exception of the Digital Green Sector (-48.8% Y/Y) without which the Group's Revenues and Other Income would be up by 7.1%.

The Group's Revenue and Other Income is contributed by the Group's segments with the following trends:

- SSI Sector with Revenues and Other Income amounting to Euro 214.3 million (+16.5% Y/Y), thanks to the positive performance of the main Business Units including Cloud, Vertical Applications, Cyber Security and Data Science/AI
- Business Services Sector with Revenues and Other Income of Euro 35.8 million (+26.8% Y/Y), supported by the development of digital applications and platforms dedicated to the Financial Services industry and recent acquisitions, including the company ATS active in the Vertical Applications segment for the Capital Market;
- VAS Sector with Revenues and Other Income amounting to Euro 510.6 million (+0.5% Y/Y), showing a growth substantially in line with the ICT distribution market trend (source Context, September 2024), continuing the focus on the Advanced Solutions area (Cloud, Data Center Solutions, Security, Data/AI), which make up about 80% of revenues
- Digital Green Sector with Revenues and Other Income amounting to Euro 44.2 million (-48.8% Y/Y), down compared to Q1 2024 (Revenues and Other Income amounting to Euro 86.3 million), strongly influenced by the extraordinary trend related to public incentives for energy transition, Starting from the next quarter (Q2 2025) sales are expected to stabilize.

Consolidated Ebitda increases by 1.5% Y/Y, reaching a total of Euro 56.6 million, thanks to the strategy of continuous investment and focus on emerging technologies and business segments enabling technological innovation (Cloud, Cyber Security, Digital Platforms and Data Science/AI) Ebitda margin is confirmed at 7.2%, stable Y/Y, The Group's main reference sectors contributed to the consolidated Ebitda result:

- SSI sector with an Ebitda of Euro 24.6 million (+5.9% Y/Y) and an Ebitda margin of 11.5% as of July 31, 2024 vs 12.6% as of July 31, 2023 and 12.1% in FY 2024, as a result of investments made in skills and technologies in key growth areas;
- Business Services sector with an Ebitda of Euro 5.9 million (+89.7% Y/Y) and an Ebitda margin of 16.4% as of July 31, 2024 vs. 10.9% as of July 31, 2023 and 15.9% in FY 2024, thanks to revenue development in the Vertical Applications and Consulting areas;
- VAS Sector with an Ebitda of Euro 22.4 million (+7.3% Y/Y) and an Ebitda margin of 4.4% as of July 31, 2024 vs. 4.1% as of July 31, 2023 and 4.4% in FY 2024, confirming the Sector's ability to consolidate its margins in a challenging market environment;
- Digital Green sector with an Ebitda of Euro 3.1 million (-58.9% Y/Y) and an Ebitda margin of 7.0% as of July 31, 2024 vs. 8.7% as of July 31, 2023 and 8.7% in FY 2024, declining as a result of lower revenues.

Consolidated Adjusted Operating Income (Ebit) reached a total of Euro 45.4 million (Adjusted Ebit margin 5.9% vs. 5.8% Y/Y), an increase of 1.4% Y/Y, after depreciation and amortization of tangible and intangible assets and provisions and write-downs totaling Euro 11.2 million (+2.0% Y/Y). Consolidated Operating Income (Ebit) amounted to Euro 37.8 million (-1.5% Y/Y), after amortization of intangible assets of customer lists and know how recorded as a result of the PPA process of Euro 7.6 million (+40.1% Y/Y as a result of growth in investments in corporate acquisitions).

Net Profit attributable to the Group as of July 31, 2024 was Euro 21.2 million (-3.3% Y/Y), after net financial expenses of Euro 7.5 million compared to Euro 6.3 million as of July 31, 2023 as a result of unfavorable market interest rates, taxes of Euro 7.7 million and net income attributable to minority interests of Euro 1.3 million, The trend in net financial expenses shows a significant improvement from both Euro 11.9 million in Q4 2024 and Euro 9.1 million incurred in Q3 2024.

Adjusted Net Profit attributable to the Group as of July 31, 2024 was Euro 26.6 million (Group EAT Adjusted margin 3.4%, stable Y/Y), up 0.5% Y/Y from Euro 26.5 million as of July 31, 2023.

Highlights of the Group's income statement and balance sheet

The reclassified balance sheet (in Euro thousands) for the period ended 31 July 2024 is provided below and compared with the comparative period of the previous year ended 30 April 2024, the figures for the period ended 31 July 2023 are also included in order to provide a better analysis of the balance sheet, in consideration of the seasonality that typically characterises sales revenues during the year.

Reclassified Balance Sheet	31/07/2024	31/07/2023	30/04/2024
Intangible assets	490,679	417,079	457,071
Property, plant and equipment (rights of use included)	149,227	129,794	149,819
Investments valued at equity	24,520	23,543	23,910
Other non-current assets and deferred tax assets	44,881	45,458	38,717
Total non-current assets	709,307	615,874	669,517
Inventories	162,514	181,831	156,161
Current trade receivables	548,261	559,743	571,138
Other current assets	141,650	141,062	139,079
Current assets	852,425	882,636	866,378
Payables to suppliers	616,526	635,339	638,010
Other current payables	236,722	237,064	241,779
Short-term operating liabilities	853,248	872,403	879,789
Net working Capital	(823)	10,233	(13,411)
Non-current provisions and other tax liabilities	128,679	114,278	127,136
Employee benefits	58,643	50,024	54,308
Non-current net liabilities	187,322	164,302	181,444
Net Invested Capital	521,162	461,805	474,662
Shareholders' Equity	496,193	450,434	477,345
Liquidity and other financial assets	(542,217)	(510,685)	(585,759)
Current and non-current loans	358,074	302,177	374,744
Net financial Position	(184,143)	(208,508)	(211,015)
Financial liabilities for rights of use under IFRS 16	43,921	34,944	48,132
Liabilities to minority shareholder for equity investments ⁽¹²⁾	165,191	184,935	160,200
Total Net Financial Position Reported	24,969	11,371	(2,683)

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

The balance sheets shows an increase in net invested capital, which pass from Euro 461,8 million as of 31 July 2023 to Euro 521,2 million at 31 July 2024, mainly as a result of:

- increase in non-current assets from Euro 615.9 million as of July 31, 2023 to Euro 709.3 million as of July 31, 2024, generated mainly by investments in corporate acquisitions;
- Reduction in net working capital of a negative balance of Euro 823 thousand as of July 31, 2024, compared with a positive balance of Euro 10.2 million as of July 31, 2023, due to an improvement in working capital management;

The Net Financial Position as of July 31, 2024 is active (net cash) in the amount of Euro 184.1 million compared to Euro 208.5 million as of July 31, 2023.

Consolidated Net Financial Position as of July 31, 2024 (calculated net of IFRS payables of Euro 209.1 million mainly related to deferred payments of corporate acquisitions and payables for Equity Purchase Options to minority shareholders) is a liability (net debt) of Euro 25.0 million compared to a negative Net Financial Position of €11.4 million as of July 31, 2023.

The Group confirms its ability to generate cash and long-term investment with an Operating Cash Flow in the period of the last 12 months of about Euro 145 million, net of investments in corporate acquisitions and technology infrastructure of about Euro 135 million and dividend distributions and Buy Back plans made of about Euro 25 million.

Consolidated shareholders' equity was further strengthened in the period under review, amounting to Euro 496.2 million as of July 31, 2024, up from Euro 450.4 million, thanks to the profit for the period and net of dividend distribution of Euro 15.4 million and buy-back made in the last 12 months of approximately €10 million.

Net Financial Position	31/07/2024	31/07/2023	30/04/2024
Liquidity	(532,847)	(499,978)	(577,474)
Current financial receivables and short-term securities	(9,370)	(10,707)	(8,285)
Current loans	157,374	125,970	157,155
Short-term net financial position	(384,843)	(384,715)	(428,604)
Non-current loans	200,700	176,207	217,589
Non-current net financial position	200,700	176,207	217,589
Net Financial Position	(184,143)	(208,508)	(211,015)
Financial liabilities for rights of use under IFRS 16	43,921	34,944	48,132
Liabilities to minority shareholders for equity investments	165,191	184,935	160,200
Total Net Financial Position Reported	24,969	11,371	(2,683)

The variation of the Total Net Financial Position as of 31 July 2024 compared to the figure as of 30 April 2024 with a decrease of Euro 26,9 million reflects both the seasonality of the business and consequently the higher absorption of net working capital as of July 31 compared to April 30 each year, and the investments made in the quarter, mainly related to corporate acquisitions and infrastructure for business development.

Results of the SSI Sector

The SSI Sector, which is active in offering software solutions and technological innovation for the SME and Enterprise achieved in the period under review, a growth in Revenues and Other income of 16.5%, with an increase in Ebitda of 5.9% (Ebitda margin of 11.5% compared to 12.6% as of July 31, 2023), In the quarter to July 31, 2024, growth was essentially organic with a contribution of external leverage of about 35% at the level of revenues and profitability, thanks to the bolt-on M&A transactions carried out in the last 12 months, In particular, the quarter under review benefits from the start of the consolidation of some companies of strategic importance for the future development of the business such as: (i) Real-Time, a company active in offering management and data analysis software solutions particularly on the SAP Business One platform, (ii) PV Consulting a company active in management consulting and solutions, particularly on the SAP HCM (Human Capital Management) platform, and (iii) Boot Systems SL and of LBS Serveis SL, companies based in Barcelona and Andorra that specialize in offering professional consulting and solutions in Cloud Computing and Data Center, with a focus on Oracle and Dell technologies.

Below is the reclassified profit and loss account of the SSI Sector (data in Euro thousands) as of 31 July 2024, compared to the previous period ended 31 July 2023.

SSI Sector (Euro thousands)	July 31				
	2024	%	2023	%	Variation
Third-party revenues	203,949		178,405		14.3%
Inter-sector revenues	1,377		903		52.5%
Total Revenues	205,326		179,308		14.5%
Other income	8,989		4,615		94.8%
Total revenues and other income	214,315	100.0%	183,923	100.0%	16.5%
Purchase of goods and software	(79,501)	-37.1%	(58,688)	-31.9%	35.5%
Costs for services and for rent, leasing, and similar costs	(50,846)	-23.7%	(50,702)	-27.6%	0.3%
Personnel costs	(57,909)	-27.0%	(50,482)	-27.4%	14.7%
Other operating charges	(1,452)	-0.7%	(825)	-0.4%	76.0%
Ebitda	24,607	11.5%	23,226	12.6%	5.9%
Amortisation of tangible and intangible assets	(7,648)		(7,096)		7.8%
Provision	652		(614)		206.2%
Operating result (Ebit) Adjusted	17,611	8.2%	15,515	8.4%	13.5%
Amortization of client list and know how (PPA)	(4,437)		(3,425)		29.6%
Operating result (Ebit)	13,174	6.1%	12,090	6.6%	9.0%
Net financial income and expenses	(2,071)		(2,087)		-0.8%
EBT	11,103		10,003		11.0%
Income taxes	(3,121)		(3,097)		0.8%
Net profit attributable to the Group	7,982	3.7%	6,906	3.8%	15.6%
Net profit attributable to non-controlling interests	863		1,166		-26.0%
Adjusted Net Profit	7,119		5,740		24.0%
Adjusted Net Profit attributable to the Group	10,277		8,178		25.7%

Total Revenues and Other Income as of July 31, 2024 amounted to Euro 214.3 million with a growth of 16.5% Y/Y, while Ebitda reached Euro 24.6 million, up 5.9% Y/Y (Ebitda margin 11.5% vs. 12.6% as of July 31, 2023), thanks to the positive performance of the main Business Units including Cloud, Vertical Applications, Cyber Security and Data Science/AI,

Net Profit attributable to the Group as of July 31, 2024 amounted to € 7.1 million (+24.0% Y/Y) and reflected the favorable trend in operating profitability (+5.9% Y/Y), after depreciation and amortization of Euro 11.4 million (+2.7% Y/Y), financial expenses of Euro 2.1 million (-0.8% Y/Y, substantially in line with the first quarter as of July 31, 2023) and taxes of Euro 3.1 million, Adjusted Group Net Profit, expressed before depreciation and amortization related to customer lists and know-how arising from PPA, was Euro 10.3 million up +25.7% Y/Y.

Result of the Business Services sector

The Business Services Sector, active in digital platform and vertical application offerings for the Financial Services segment, accelerates its growth path thanks to the development of application and platform revenues and IT consulting, As of July 31, 2024, the Sector achieves revenues of Euro 35.8 million up 26.8% Y/Y and an Ebitda of Euro 5.9 million (Ebitda margin of 16.4% compared to 10.9% in FY24) up 89.7% Y/Y,

The first quarter of the year benefited from the organic growth in terms of revenues and operating margins of the main BUs in the sector and recent acquisitions including the company ATS active in the Vertical Applications segment for the Capital Market.

The following is the reclassified income statement of the Business Services Sector (figures in Euro thousands) as of July 31, 2024, compared with the previous period ended July 31, 2023.

Business Services Sector <i>(Euro thousands)</i>	July 31				
	2024	%	2023	%	Variation
Third-party revenues	33,059		24,128		37.0%
Inter-sector revenues	281		2,234		-87.4%
Total Revenues	33,340		26,362		26.5%
Other income	2,460		1,862		32.1%
Total revenues and other income	35,800	100%	28,224	100.0%	26.8%
Purchase of goods and software	(1,500)	-4.2%	(2,442)	-8.7%	-38.6%
Costs for services and for rent, leasing, and similar costs	(13,953)	-39.0%	(12,764)	-45.2%	9.3%
Personnel costs	(14,287)	-39.9%	(9,746)	-34.5%	46.6%
Other operating charges	(197)	-0.6%	(182)	-0.6%	8.2%
Ebitda	5,863	16.4%	3,090	10.9%	89.7%
Amortisation of tangible and intangible assets	(1,981)		(1,248)		58.8%
Provision	(32)		(76)		-57.9%
Operating result (Ebit) Adjusted	3,850	10.8%	1,766	6.3%	118.0%
Amortization of client list and know how (PPA)	(2,256)		(1,436)		57.1%
Operating result (Ebit)	1,594	4.5%	330	1.2%	383.0%
Net financial income and expenses	(660)		(531)		24.3%
EBT	934	2.6%	(201)	-0.7%	-564.7%
Income taxes	(65)		71		-191.5%
Net profit attributable to the Group	869	2.4%	(130)	-0.5%	-768.5%
Net profit attributable to non-controlling interests	(116)		(173)		-32.9%
Adjusted Net Profit	985		43		2,1907%
Adjusted Net Profit attributable to the Group	2,591		1,065		143.2%

The Business Services Sector achieves in the period Revenues and other income of Euro 35.8 million (+26.8% Y/Y) and an Ebitda result of Euro 5.9 million (+89.7% Y/Y) favored in particular by the development of the BUs Base Digitale Security

and Base Digitale Applications, as well as the expansion of the perimeter related to the corporate investments made in the last 12 months including in particular ATS, The Ebitda margin as of July 31, 2024 reaches 16.4% compared to 10.9% Y/Y, Net Profit attributable to the Group as of July 31, 2024 is positive in the amount of Euro 985 thousand, net of depreciation and amortization of Euro 2.0 million, of which Euro 2.3 million relates to the amortization of customer lists and know how recorded as a result of the acquisitions of equity investments made in the last 12 months.

Before the amortization of intangible assets (customer lists and Know how) recognized as a result of the PPA process, the Group's Adjusted Net Profit is a positive Euro 2.6 million, up sharply from Euro 1.1 million as of July 31, 2023.

Results of the VAD Sector

The Value Added Solutions (VAS) Sector, active in the provision of value-added technology solutions, achieves in the quarter to July 31, 2024 a growth in Revenues and Other Income of 0.5%, an increase in Ebitda of 7.3% (Ebitda margin of 4.4% compared to 4.1% as of July 31, 2023) and a reduction in Adjusted Group Net Income of 6.5% due to the growth in financial income and expenses of 48.5%.

The moderate growth achieved in the quarter is broadly in line with the European ICT distribution market trend of +0.3% (source Context, September 2024) and the focus on the Advanced Solutions area (Cloud, Data Center Solutions, Security, Data/AI) continues, The VAS Sector is defined as of FY 2025 by excluding the Digital Green Business Unit from the Value-Added Solutions perimeter, For a better and clearer representation of the performance of the Sectors, the comparative data as of July 31, 2023 have been restated, The following is the reclassified Sector income statement (figures in Euro thousands) as of July 31, 2024, compared with the previous period ended July 31, 2023.

VAS Sector (Euro thousands)	July 31		2023	%	Variation
	2024	%			
Third-party revenues	483,820		480,591		0.7%
Inter-sector revenues	22,666		25,307		-10.4%
Total Revenues	506,486		505,898		0.1%
Other income	4,125		2,405		71.5%
Total revenues and other income	510,611	100%	508,303	100.0%	0.5%
Purchase of goods and software	(467,208)	-91.5%	(466,802)	-91.8%	0.1%
Gross commercial margin	43,403	8.5%	41,501	8.2%	4.6%
Costs for services and for rent, leasing, and similar costs	(11,917)	-2.3%	(12,605)	-2.5%	-5.5%
Personnel costs	(8,222)	-1.6%	(7,400)	-1.5%	11.1%
Other operating charges	(882)	-0.2%	(636)	-0.1%	38.7%
Ebitda	22,382	4.4%	20,860	4.1%	7.3%
Amortisation and depreciation	(1,231)	-0.2%	(1,060)	-0.2%	16.1%
Provision	(663)		(619)		7.1%
Operating result (Ebit) Adjusted	20,488	4.0%	19,181	3.8%	6.8%
Amortization of client list and know how (PPA)	(542)		(393)		37.9%
Operating result (Ebit)	19,946	3.9%	18,788	3.7%	6.2%
Net financial income and expenses	(4,996)		(3,364)		48.5%
EBT	14,950	2.9%	15,424	3.0%	-3.1%
Income taxes	(3,654)		(3,201)		14.2%
Net profit for the period	11,296	2.2%	12,223	2.4%	-7.6%
Net profit attributable to non-controlling interests	199		217		-8.3%
Net profit attributable to the Group	11,097		12,006		-7.6%
Adjusted Net Profit attributable to the Group	11,483		12,285		-6.5%

Total Revenues and Other Income, amounting to Euro 510.6 million as of July 31, 2024, grew by 0.5% compared to July 31, 2023, benefiting from the focus on value-added business areas of the market and the expansion of solutions offered to customers. The Ebitda result for the period under review was Euro 22, 4 million (Ebitda margin 4.4%), an increase (+7.3%) compared to Euro 20.9 million (Ebitda margin 4.1%) as of July 31, 2023, thanks to the stability of sales revenues and the development of gross margins (Gross Margin of 8.5% as of July 31, 2024 compared to 8.2% Y/Y).

Net Profit attributable to the Group amounted to Euro 11.1 million (-7.6% Y/Y), after depreciation, amortization and provisions of Euro 1.9 million (+12.8% Y/Y), financial management costs of Euro 5.0 million (+48.5% Y/Y as a result of unfavorable interest rate dynamics) and taxes for the period of Euro 3.7 million.

Results of the Digital Green Sector

The Digital Green Sector, active in solutions for the production of energy from renewable sources and energy efficiency, which reduce the environmental impact of organizations, and in services for the management and reconditioning of IT products, remanufacturing and refurbishing of technology parks. In the first quarter to July 31, 2024, the Sector recorded a decline in Revenues and Other Income (-48.8% Y/Y) and Ebitda (-58.9%) compared to the first quarter of the previous year, still strongly affected by the extraordinary trend related to public incentives for energy transition.

Below is the reclassified Digital Green Sector income statement (figures in Euro thousands) as of July 31, 2024, compared to the previous period ended July 31, 2023.

Digital Green Sector (Euro thousands)	July 31				
	2024	%	2023	%	Variation
Third-party revenues	43,402		84,226		-48.5%
Inter-sector revenues	250		1,280		-80.5%
Total Revenues	43,652		85,506		-48.9%
Other income	569		819		-30.5%
Total revenues and other income	44,221	100.0%	86,325	100.0%	-48.8%
Purchase of goods and software	(38,642)	-87.4%	(75,880)	-87.9%	-49.1%
Costs for services and for rent, leasing, and similar costs	(1,584)	-3.6%	(2,333)	-2.7%	-32.1%
Personnel costs	(763)	-1.7%	(541)	-0.6%	41.0%
Other operating charges	(141)	-0.3%	(56)	-0.1%	151.8%
Ebitda	3,091	7.0%	7,515	8.7%	-58.9%
Amortisation of tangible and intangible assets	(5)		41		-112.2%
Provision	(59)		(252)		-76.6%
Operating result (Ebit) Adjusted	3,027	6.8%	7,304	8.5%	-58.6%
Amortization of client list and know how (PPA)	(160)		(160)		0.0%
Operating result (Ebit)	2,867	6.5%	7,144	8.3%	-59.9%
Net financial income and expenses	296		(340)		187.1%
EBT	3,163		6,804		-53.5%
Income taxes	(827)		(2,525)		-67.2%
Net profit attributable to the Group	2,336	5.3%	4,279	5.0%	-45.4%
Net profit attributable to non-controlling interests	35		-		ns
Adjusted Net Profit	2,301		4,279		-46.2%
Adjusted Net Profit attributable to the Group	2,415		4,393		-45.0%

Total Revenues and Other Income as of July 31, 2024 amounted to Euro 44.2 million with a decrease of 48.8% Y/Y, while Ebitda reached Euro 3.1 million, a decrease of 58.9% Y/Y (Ebitda margin 7.0% vs 8.7% as of July 31, 2023) as a result of the reduction in sales volumes.

Net Profit attributable to the Group as of July 31, 2024 was Euro 2.3 million (-46.2% Y/Y) and reflects the unfavorable trend in operating profitability (-59.9% Y/Y), after depreciation and amortization of Euro 64 thousand (-69.7% Y/Y), net financial income of Euro 296 thousand and taxes of Euro 827 thousand, Adjusted Group Net Profit, expressed before depreciation and amortization related to customer lists and know-how arising from PPAs, amounted to Euro 2.4 million down -45.0% Y/Y.

Result of the Corporate sector

The Corporate Sector is active in strategic governance and the provision of administration, finance, control, human resources management, information systems and operating platforms services in favor of Group companies, Following the recent entry of the subsidiary Adiacent into the sector perimeter, the Corporate Sector has extended its activities in the development of Customer Experience technology and application solutions in favor of the entire Sesa Group perimeter, The following is the reclassified income statement of the Corporate Sector (figures in thousands of euros) as of July 31, 2024, compared with the previous period ended July 31, 2023.

Corporate Sector (Euro thousands)	July 31				Variation
	2024	%	2023	%	
Third-party revenues	3,754		140		2581.4%
Inter-sector revenues	5,150		3,776		36.4%
Total Revenues	8,904		3,916		127.4%
Other income	1,032		748		38.0%
Total revenues and other income	9,936	100.0%	4,664	100.0%	113.0%
Purchase of goods and software	(1,020)	-10.3%	(21)	-0.5%	4,757.1%
Costs for services and for rent, leasing, and similar costs	(2,958)	-29.8%	(1,396)	-29.9%	111.9%
Personnel costs	(5,241)	-52.7%	(2,112)	-45.3%	148.2%
Other operating charges	(51)	-0.5%	(63)	-1.4%	-19.0%
Ebitda	666	6.7%	1,072	23.0%	-37.9%
Amortisation of tangible and intangible assets	(266)		(104)		155.8%
Provision	(13)		-		Ns
Operating result (Ebit) Adjusted	387	3.9%	968	20.8%	-60.0%
Amortization of client list and know how (PPA)	(188)		-		Ns
Stock grant cost and other non-monetary costs	-		(966)		Ns
Operating result (Ebit)	199	2.0%	2	0.0%	9,850.0%
Net financial income and expenses	(96)		(20)		380.0%
EBT	103	1.0%	(18)	-0.4%	-672.2%
Income taxes	(28)		(20)		40.0%
Net profit attributable to the Group	75	0.8%	(38)	-0.8%	297.4%
Net profit attributable to non-controlling interests	1		-		Ns
Adjusted Net Profit	74		(38)		294.7%
Adjusted Net Profit attributable to the Group	208		650		-68.0%

Total revenues and other income for the Sector, amounting to Euro 9.9 million, shows an increase over the previous period (+113.0% Y/Y) due to the development of corporate services (organization, administrative and financial management, planning and control, human resources management, corporate governance, legal and IT services) and the change in the scope resulting from the entry as of April 30, 2024 of Customer Experience services provided by Adiacent SpA.

Net Profit for the period was a positive Euro 74 thousand as of July 31, 2024, compared to a negative Euro 38 thousand as of July 31, 2023.

Adjusted Group Net Profit, gross of non-monetary costs referring to amortization of customer lists and Know how, was positive in the amount of Euro 208 thousand as of July 31, 2024, compared to a positive result of Euro 650 thousand as of July 31, 2023.

Governance Model

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

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

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

implementation. It is chaired by Paolo Castellacci and it consists of 10 members (the number of which is determined by the Shareholders' Meeting on the basis of the Articles of Association): 4 directors are executive and 6 are non-executive, of which 5 are independent. The Board of Directors is also responsible for the definition of the Code of Ethics, values and the preparation of this Annual Integrated Report, which outlines policies, risks and performance on financial, environmental, people-related, social, human rights and anti-corruption issues. The composition of the Board of Directors complies with the pro tempore regulations on gender balance (out of a total of ten members, the number of women is four, all independent), and the average age of the Board members is 55. As per best practice, the role of Chairman of the Board of Directors is separate from the role of Chief Executive Officer.

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

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

The **Remuneration Committee** is an advisory and propositional body with the main task of making proposals to the Board of Directors for the definition of the policy for the remuneration of 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 functions of the Appointments Committee with those attributed to the Compensation Committee was decided for reasons of organization and internal efficiency of the Board, as well as in view of the close correlation between the responsibilities of the Company's pre-existing Compensation Committee and those due to the Appointments Committee under the Corporate Governance Code.

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

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

The composition of the management and control bodies in Sesa SpA complies with the applicable legal provisions, with specific reference to the appropriate gender distribution. For information and in-depth analysis on the structure and functioning of the corporate bodies, governance practices, and the activities of the internal body Committees, please refer to the "Report on Corporate Governance and Ownership Structures" published pursuant to Article 123-bis of the Consolidated Law on Finance on the website www.sesa.it, Section "Corporate Governance".

Long-term sustainable value creation

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

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

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

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

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

This strategic orientation is the foundation of Sesa's business model, which aims at the creation and distribution of sustainable value in the short, medium and long term in all areas related to the capitals of 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 resources 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, while improving the well-being and quality of working life of its human resources. Distinctive values such as integrity, fairness, attention to people, inclusion and sustainability guide the Group's strategy. As of April 30, 2024, the number of collaborators of the Group reached a total of 5,691 (employees and trainees of the companies included in the scope of consolidation), with an increase of 974 employees (+21% Y/Y) compared to the previous year. This confirms the long-term growth and development trend that has characterised the Sesa Group since its establishment.

As of July 31, 2024, the number of collaborators of the Group reached a total of 6,073 employees (+17% compared to the previous year), This confirms the long-term growth and development trend that has characterised the Sesa Group since its establishment.

<i>(unit)</i>	Average employees during first quarter may-july		Employees at July 31		Emplooyes at April 30
	2024	2023	2024	2023	2024
Executives	76	54	81	59	70
Middle Management	500	461	520	465	479
White collars	5,127	4,259	5,291	4,489	4,962
Blue collars	121	98	123	105	119
Trainees ⁽¹³⁾	60	81	58	70	61
Total	5,882	4,953	6,073	5,188	5,691

As of July 31, 2024, female employment constituted a significant component, amounting to 32% of the total workforce, thanks to the Group's growing commitment to gender equality policies, in a sector with technical-scientific professions that traditionally present a structural shortage of female resources.

The Group's remuneration system is defined in such a way as to guarantee equal opportunities and reduce gender gap mostly generated by the business segment where the Group is active.

The Group promotes the growth of its people through professional development and long-term retention paths (training, career path, work-life balance initiatives and corporate welfare), implementing a policy of permanent hiring of its resources which, as of April 30, 2024, represented 98% of the total workforce, selected through targeted hiring plans mainly of young high-school and university graduates.

Hiring

The Sesa Group has always been strongly committed to the selection and inclusion of human resources to support the growth of the business and the development of digital skills, the quality of work, the opportunity to collaborate on innovative projects, enhancing the diversity and capabilities of the resources. Combined with the Group's commitment to sustainable development, they constitute the key elements in the process of attracting talent, especially the youngest. The personnel recruitment and selection programme is implemented through:

- collaborations with the best Professional Schools, Universities and Business Schools, with which the Group has well-established relationships, which include internships for students or recent graduates, development of projects and degree theses;
- participation in Career Days and University events;
- social communication plans using the main talent acquisition tools, including LinkedIn and leading job sites for the sector;
- events at the Group's main offices, aimed at presenting job and professional growth opportunities for young;
- collaboration with local secondary education institutions by participating in School-Work Alternation programmes;
- academies with a specific focus on the most specialised areas of the IT sector.

The growth of the workforce recorded during the last fiscal year, with a total of 974 new hires. Of these, about 58% are young resources under 30, mostly based in Central and Northern Italy.

The Group offers numerous internship opportunities every year, giving young people with potential the chance to get to know the company and gain training experience, also through participation in school-work alternation schemes. As of July 30, 2024, 58 internships were active, including curricular and extra-curricular internships.

The total number of apprentices in vocational training and development courses increased to 476 as of April 30, 2024.

Human Resource Training

Training plays a key role in the process of enhancing the value of people, as well as being a strategic tool for aligning the professional skills of Group resources to working developments and corporate and legislative requirements. In the year ended April 30, 2024, 97,981 hours of training were provided, with an increase of 41% compared to the previous year. Training investments are focused on several key areas: ESG (Environmental, Social and Governance), essential to adopt sustainable and responsible practices; Soft Skills, essential transversal skills such as leadership, effective communication and team management; and Digital Technologies, to embrace innovations in digital technologies. Investing in training not only improves individual skills, but also strengthens the competitiveness of the entire organisation, helping to promote a corporate culture of continuous learning and professional excellence.

The training programmes also 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, and Safety in the Workplace, also activated through digital e-learning platforms, which have enabled an increasing number of people to be involved. The training plans have been developed in line with PdR 125:2022, guaranteeing the fair and equal participation in training and development of our human resources.

Healty and Safety

The Sesa Group promotes the well-being of workers through information and awareness policies and programs on workplace safety, adopting the necessary measures to prevent and/or minimize accidents, injuries and professional illnesses. The procedures are adopted to create 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.

The control measures applied to eliminate or contain risks include:

- Training programs on health and safety focusing by the different professional profiles and risk
- Individual and collective protection equipment and devices;

- Policy to guarantee the safety on the employees within the working environment,

A small number of accidents were recorded during FY 2024, almost all of which occurred while commuting between home and work, and they were all minor. The absenteeism rate is 2,83% with a severity index of 0.05%.

Welfare

The Group has been committed for over 10 years to identifying concrete initiatives aimed at promoting and increasing the individual and family wellbeing of workers through an articulated Welfare Plan. In perfect alignment with the Sesa Group's mission, principles and core values, the plan offers a range of services and programmes aimed at improving the quality of life, the work-life balance and the well-being, not only of workers, but also of their families and the communities in which they live.

The new welfare plan for the year 2024-25 has been strengthened compare the previous year plan. It provided a further boost to people's well-being, health and quality of working life, with a renewed focus on inclusion, education, sustainability and people's well-being.

The new welfare plan for 2024-25, further strengthened compared to that of the previous year, provided a further boost to people's well-being, health and quality of life, with a renewed focus on parenthood, education, sustainability and wellbeing, and new initiatives for young people.

- **Diversity and parenthood:** Diversity and parenthood: economic support when children are born, subsidies for babysitting services, pedagogy, daycare (at the Empoli location access to the Sesa Baby company crèche); subsidies for enrollment in summer schools; scholarships for the purchase of school books and IT tools for children; economic support for healthcare and social assistance for family members with disabilities,
- **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; health packages for the reimbursement of healthcare and diagnostic expenses or medicines
- **Work-life balance:** solidarity and people caring for the wellbeing and health of human resources; company microcredit programmes for access to subsidised loans; psychology and counselling helpdesk available free of charge; health packages for the reimbursement of healthcare expenses; well-being programmes and sports activities also via digital platforms
- **Environmental sustainability:** contributions dedicated to the sustainable mobility of human resources for the use of public and electric transport and E-Car Sharing programmes aimed at reducing the consumption of natural resources

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.

Significant support for the Group's welfare programmes is provided by the Sesa Foundation, a non-profit organisation set up by Sesa's founding partners in 2014 with the aim of creating a structure dedicated to social solidarity and philanthropy activities in the territories where Sesa Group companies operate.

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. Following the recent entry into the organisation of the subsidiary Adiacent, it has extended its activity in the development of Customer Experience technology and application solutions for the entire Sesa Group.
- the **VAS Sector** is active in the aggregation of technological solutions for the business segment, offering integrated consulting, marketing, education and technical assistance services. The Sector, represented by Computer Gross SpA, benefits from strategic partnerships with leading international Vendors and from the specialisation of its business units, equipped with teams with technical and digital skills, with a prevailing focus on Advanced Solutions (Cloud, Security, Data Center, Networking and Data/AI Solutions).
- the **Digital Green Sector** dedicated to solutions for the production of energy from renewable sources and energy efficiency, which reduce the environmental impact of organizations, established following the acquisition of the company P.M. Service Srl in 2021. This Business Unit also integrates the company Service Technology Srl, which offers management and reconditioning services of IT products, remanufacturing and refurbishing of technology parks
- the **Software and System Integration Sector (SSI)** is active in offering Technological Innovation solutions, Digital Services and Business Applications for the Enterprise segment. Var Group SpA, which consolidates the sector, is a reference operator in the digitisation offer for the SME and Enterprise segments with a customer base of over 10,000 companies, 2000 of which in foreign countries, and an integrated offering in the following areas: Cloud Technology Services, Cyber Security, Proprietary ERP and Vertical Solutions, Enterprise Platform, Digital Workspace, Data/AI, Digital Experience.
- The **Business Services Sector (BS)** offers Digital Platform solutions, Vertical Banking Applications, Security and Consulting solutions in the Securitization and Credit Management Platform field for the Financial Services segment. The BS Sector is managed by the subsidiary Base Digitale Group Srl.

The VAS Sector is defined starting from the FY2025 financial year, excluding the Digital Green Business Unit from the Value-Added Solutions perimeter. For a better and clearer representation of the performance of the Sectors, the comparative data as of 31 July 2023 have been restated.

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

- Revenues from third parties by operating segment;
- Ebitda as defined in section Alternative Performance Indicators;
- Net profit.

As Ebitda is not identified as an accounting measure by the IFRS (Non-GAAP Measures), its quantitative determination might not be unequivocal. Ebitda is a measure used by management to monitor and evaluate the operating performance of 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 July 31, 2024 and July 31, 2023

(Euro thousands)	Period ended July 31, 2024						Period ended July 31, 2023							
	Value Added Solution	Digital Green	Software e System Integration	Business Services	Corporate	Eliminations	Value Added Solution	Digital Green	Software e System Integration	Business Services	Corporate	Eliminations		
Third-party revenues	483.820	43.402	203.949	33.059	3.754		767.984	480.591	84.226	178.405	24.128	140		767.490
Inter-sector revenues	22.666	250	1.377	281	5.150		29.724	25.307	1.280	903	2.234	3.776		32.220
Revenues	506.486	43.652	205.326	33.340	8.904	(29.724)	767.984	505.898	85.506	179.308	26.362	3.916	(33.500)	767.490
Other income	4.125	569	8.989	2.460	1.032	(2.176)	14.999	2.405	819	4.615	1.862	748	(1.539)	8.910
Total revenues and other income	510.611	44.221	214.315	35.800	9.936	(31.900)	782.983	508.303	86.325	183.923	28.224	4.664	(35.039)	776.400
Purchase of goods and software	(467.208)	(38.642)	(79.501)	(1.500)	(1.020)	21.391	(566.480)	(466.802)	(75.880)	(58.688)	(2.442)	(21)	25.830	(578.003)
Costs for services and rent, leasing, and similar costs	(11.917)	(1.584)	(50.846)	(13.953)	(2.958)	10.436	(70.822)	(12.605)	(2.333)	(50.702)	(12.764)	(1.396)	9.190	(70.610)
Personnel costs	(8.222)	(763)	(57.909)	(14.287)	(5.241)	47	(86.375)	(7.400)	(541)	(50.482)	(9.746)	(2.112)	5	(70.276)
Other operating costs	(882)	(141)	(1.452)	(197)	(51)	26	(2.697)	(636)	(56)	(825)	(182)	(63)	14	(1.748)
Ebitda	22.382	3.091	24.607	5.863	666		56.609	20.860	7.515	23.226	3.090	1.072		55.763
Amortisation and depreciation of tangible and intangible assets	(1.231)	(5)	(7.648)	(1.981)	(266)		(11.131)	(1.060)	41	(7.097)	(1.248)	(104)		(9.468)
Provisions	(663)	(59)	652	(32)	(13)		(115)	(619)	(252)	(614)	(76)			(1.561)
Operating Result (Ebit) Adj	20.488	3.027	17.611	3.850	387		45.363	19.181	7.304	15.515	1.766	968		44.734
Amortisation client lists and technological know-how (PPA)	(542)	(160)	(4.437)	(2.256)	(188)		(7.583)	(393)	(160)	(3.425)	(1.436)	-		(5.414)
Stock Grant and other non-monetary costs												(966)		(966)
Operating Result (Ebit)	19.946	2.867	13.174	1.594	199		37.780	18.788	7.144	12.090	330	2		38.354
Net financial income and expense	(4.966)	296	(2.071)	(660)	(96)	10	(7.517)	(3.364)	(340)	(2.087)	(531)	(20)		(6.342)
Profit before taxes	14.950	3.163	11.103	934	103	10	30.263	15.424	6.804	10.003	(201)	(18)		32.012
Income taxes	(3.654)	(827)	(3.121)	(65)	(28)		(7.695)	(3.201)	(2.525)	(3.097)	71	(20)		(8.772)
Profit for the period	11.296	2.336	7.982	869	75	10	22.568	12.223	4.279	6.906	(130)	(38)		23.240
Profit attributable to non controlling interests	199	35	863	(116)	1	341	1.323	217		1.166	(173)		59	1.269
Profit attributable to the Group	11.097	2.301	7.119	985	74	(331)	21.245	12.006	4.279	5.740	43	(38)	(59)	21.971
Profit attributable to the Group Adjusted	11.483	2.415	10.277	2.591	208	(331)	26.643	12.285	4.393	8.178	1.065	650	(59)	26.512

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, 2024.

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 business applications, continuing on the path of aggregating skills and business development to support the digitalization demand of companies and organisations.

In light of the expected growth trend in the second half of the fiscal year to April 30, 2025, the expected contribution from external leverage due to the 5 acquisitions completed starting in FY25, and the expected growth in demand for digitization in the markets in which it operates, the Group confirms its previously communicated Guidance for FY 2025.

The Group will continue to strengthen its role as a key player in the digital development of businesses and organisations, confirming its commitment to developing major sustainability programmes in the areas of governance, human resources management, environmental protection and social responsibility, for the benefit of long-term value generation for all stakeholders.

The Chairman of the Board of Directors

Paolo Castellacci

Annexes



Consolidate Income Statement

<i>(Euro thousands)</i>	Period ended at 31 July	
	2024	2023
Revenues	767,984	767,490
Other income	7,427	5,865
Consumables and goods for resale	(566,480)	(578,003)
Costs for services and rent, leasing, and similar costs	(70,822)	(71,576)
Personnel costs	(86,375)	(70,276)
Other operating costs	(1,841)	(3,309)
Amortisation and Depreciation	(18,714)	(14,882)
Ebit	31,179	35,309
Profit from companies valued at equity	131	182
Financial income	11,737	9,193
Financial expenses	(12,784)	(12,672)
Profit before taxes	30,263	32,012
Income taxes	(7,695)	(8,772)
Profit of the period	22,568	23,240
of which:		
Net Profit attributable to non-controlling interests	1,323	1,269
Net Profit attributable to the Group	21,245	21,971

Consolidated Statement of Changes In Equity

<i>(Euro thousands)</i>	Share capital	Share premium reserve	Other reserves	Profits for the year and profits carried forward	Shareholders' equity attributable to the group	Shareholders' equity attributable to non-controlling interests	Total Shareholders' equity
At 30 April 2024	37,127	33,144	(48,925)	408,238	429,584	47,761	477,345
Profit for the year				21,245	21,245	1,323	22,568
Actuarial gain/(loss) for employee benefits – gross effect							
Comprehensive income for the year				21,245	21,245	1,323	22,568
Transactions with shareholders							
Purchase of treasury shares			(1,776)		(1,776)		(1,776)
Sale of treasury shares							
Distribution of dividends						(1,182)	(1,182)
Assignment of shares in execution of Stock Grant plan							
Stock Grant plans - shares vesting in the period							
Allocation of profit for the year							
Change in the scope of consolidation and other changes			(2,667)	546	(2,121)	1,359	(762)
At 31 July 2024	37,127	33,144	(53,368)	430,029	446,932	49,261	496,193

Consolidated Statement of Financial Position

<i>(Euro thousands)</i>	At 31 July	At 30 April
	2024	2024
Intangible assets	490,679	457,071
Rights of use	46,181	50,308
Property, plant and equipment	103,046	99,511
Investment property	290	290
Equity investments value at equity	24,520	23,910
Receivables for deferred tax assets	19,151	19,528
Other non-current receivables and assets	25,319	18,778
Total non-current assets	709,186	669,396
Inventory	162,514	156,161
Current trade receivables	548,261	571,138
Current tax receivables	15,493	15,584
Other current receivables and assets	135,527	131,780
Cash and cash equivalents	532,847	577,474
Total current assets	1,394,642	1,452,137
Non-current activity owned for the sale	121	121
Total assets	2,103,949	2,121,654
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(53,368)	(48,925)
Profits carried forward	430,029	408,238
Total shareholders' equity attributable to the Group	446,932	429,584
Shareholders' equity attributable to non-controlling interests	49,261	47,761
Total Shareholders' equity	496,193	477,345
Non-current loans	200,700	217,589
Financial liabilities for non-current rights of use	29,174	32,872
Non current financial liabilities and commitments for purchase of shares from non-controlling interests	140,059	134,228
Employee benefits	58,643	54,308
Non-current provisions	5,894	6,031
Deferred tax liabilities	122,785	121,105
Total non-current liabilities	557,255	566,133
Current loans	157,374	157,155
Financial liabilities for current rights of use	14,747	15,260
Current financial liabilities and commitments for purchase of shares from non-controlling interests	25,132	25,972
Trade payables	616,526	638,010
Current tax payables	17,418	9,885
Other current liabilities	219,304	231,894
Total current liabilities	1,050,501	1,078,176
Total liabilities	1,607,756	1,644,309
Total shareholders' equity and liabilities	2,103,949	2,121,654

Consolidated Statement of Cash Flows

<i>(Euro thousandsd)</i>	Period ended 31 July	
	2024	2023
Profit of the year	22,568	23,240
Adjustments for:		
Amortisation and Depreciation	18,715	14,881
Income taxes	7,695	8,772
Accruals to provisions relating to personnel and other provisions	1,515	2,839
Net financial (income) expense	8,026	6,841
Profit of companies valued using the equity method	(131)	(182)
Other non-monetary entries	(6,941)	(3,196)
Cash flows generated by operating activities before changes in net working capital	51,447	53,195
Change in inventory	(4,985)	(15,894)
Change in trade receivables	35,674	(2,722)
Change in payables to suppliers	(26,453)	30,610
Change in other assets	(1,591)	(18,739)
Change in other liabilities	(28,718)	(34,705)
Use of provisions for risks	(760)	(1,041)
Employee benefits	(771)	(795)
Change in deferred taxes	(7,216)	(1,427)
Change in receivables and payables for current taxes	7,624	7,722
Interest paid	(9,619)	(7,602)
Taxes paid	-	-
Net cash flow generated by operating activities	14,632	8,602
Investments in companies net of cash acquired	(18,389)	(9,996)
Investments in property, plant and equipment	(6,271)	(7,020)
Investments in intangible assets	(7,783)	(2,689)
Investments in associated companies	(228)	
Disposals of investments in associated companies		
Non-current investments in other companies	(75)	(1,215)
Disposals of non-current investments in other companies		26
Dividends collected	157	166
Interest collected	2,016	1,126
Net cash flow generated by/(used in) by investment activity	(30,573)	(19,602)
Subscription of long-term loans	10,000	18,000
Repayment of long-term loans	(28,483)	(20,555)
(Reduction)/increase in short-term loans	(2,692)	(19,437)
Repayment of financial liabilities for rights of use	(4,159)	(3,108)
Investments/disinvestments in financial assets	(394)	88
Treasury shares	(1,776)	(810)
Dividends distributed	(1,182)	(707)
Net cash flow generated by/(used in) financial activities	(28,686)	(26,529)
Translation difference on cash and cash equivalents		
Change in cash and cash equivalents	(44,627)	(37,529)
Opening balance of cash and cash equivalents	577,474	537,507
Closing balance of cash and cash equivalents	532,847	499,978

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, 2024, corresponds to the documentary results, books and accounting entries.

Empoli, September 12, 2024

Alessandro Fabbroni

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



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