

13. OUTLOOK FOR THE FINANCIAL YEAR 2022

The new lifestyles, working and learning patterns imposed by the pandemic have raised awareness that the path to sustainable development also includes the use of ICT products and services as enablers for inclusive development. Digital infrastructures, which are increasingly necessary to ensure that everyone can benefit from the advantages and opportunities they offer, must go hand in hand with digital training, which is needed both in the public sector (schools and public administration) and in the private sector (households and businesses) to promote real inclusive development. On all these fronts, Sogei is strongly committed to playing a leading role in a constantly evolving macroeconomic scenario.

Until a few weeks ago the positive effects of the vaccination campaigns underway, both in Italy and globally, made it possible to hypothesise, through a progressive reduction of the various restrictive measures imposed by the Authorities during 2021, a substantial normalisation of the general economic context. However, starting from the second half of 2022, the Ukrainian crisis, which precipitated on 24 February last with the invasion of Russian troops and the outbreak of a war involving, albeit not with a military commitment, the Western and in particular European economies, has drastically worsened the global climate, rapidly overshadowing even the pandemic crisis. As things stand at present (March 2022), it is difficult to say how the macroeconomic framework will change after the invasion, as the evolution of many key variables that condition the scenario remains undefined. The channels through which war affects economies are multiple: energy, trade, financial markets, confidence/expectations, refugee flows. Each of these is influenced by the duration of the crisis, the resulting political-military outcome and the consequential effects of the sanctions. All these elements are shrouded in uncertainty.

However, analysts have made initial estimates for Europe in particular, which is most directly affected by the effects of the conflict. According to these assessments, the growth rate of the Euro area in 2022 would fall, compared to pre-war assumptions, in a range of 0.3-1 percentage points, depending on the turn of events. Due to the higher exposure to Russian gas, it can be assumed that the downward revision for Italy would be higher, although not by much. Applying these corrections to the pre-war scenario, European (and Italian) growth is reduced to 3.7-3% this year; there would then be a skim in 2023 as well. These estimates are based on the assumption that the conflict will essentially impact between Q1 and Q2, with a worst-case scenario cancelling out the post-Covid wave rebound that was expected in the spring.

In this context, Sogei currently confirms, for 2022, also due to the nature of the business in which it operates (more than 95% through in-house outsourcing), the medium-term guidelines set out in the latest 2021-2023 Business Plan, presented in March 2021, (digital transformation of its Customers, improvement of service quality through creativity, innovation, functional

supervision of the PA, development of skills and investments in new technologies and digitisation), which envisages significant investments. These, on the one hand, aim to consolidate infrastructures, networks and plants, including cybersecurity and disaster recovery components, to strengthen the capacity to support the physiological growth of services and users, and, on the other hand, take into account the process of transition to the cloud to improve scalability and response times to the growing number of new customer requests.

Within this reference framework, the production and operating assumptions consolidated in the valuation of the 2022 Budget, will allow the Company's positioning with respect to Institutional Customers to be strengthened, through effective, efficient and innovative solutions, instrumental to achieving the strategic objectives of the plan and our Customers, maximising the forecast of expected revenues; they will also allow the activities related to the New Customers identified by the provisions of law (Article 51 of Legislative Decree no. 58/1998) to be enhanced. Urgent fiscal provisions and for urgent needs), also in the light of the recent regulatory changes (art. 7, Law Decree 152/2021) that have aimed, on the one hand, also to guarantee the provision of cloud services by #NoidiSogei to our Administrations Customers, and on the other hand, to continue to provide the extra-house perimeter with the services envisaged by the specific regulations according to the end-to-end technology partner model.

In 2022, there will also be a strong emphasis on evolution and research projects aimed at understanding and testing new approaches and methodologies that not only facilitate change management, but also solve everything related to innovation in a unique and original way.

Also in 2022, Sogei will be involved in the participation, as part of a temporary consortium, in the open procedure for the awarding, through a public-private partnership contract, of the construction and management of the National Strategic Hub, which aims to provide the PA, through a dedicated infrastructure at the forefront of performance and security, with Cloud technologies and infrastructure that can benefit from the highest guarantees of reliability, resilience and independence.

These actions will be supported by a strengthening of the *People Value* strategy through the generational turnover process deriving from the implementation of the Generational Value Plan and the recruitment and resignation plan, increasing the efficiency of the current workforce, optimising their allocation to activities that are remunerative and/or of added value for the Company, the implementation of internal mobility processes that favour the improvement of business activities, as well as the coverage of different roles within specific professional upskilling and reskilling paths and, lastly, continuous technological and methodological training to constantly align internal requirements, counteracting the obsolescence of job profiles and maintaining high company competitiveness.

Sogei also confirms, also for 2022, sustainability as one of the main strategic pillars, strengthening its governance through a path of consolidation of internal sustainability and the

introduction, already started in 2021, of a new Model of Digital Ethics and Sustainability in the service delivery model, and commitment through a process of enrichment of its Articles of Association with objectives of common benefit (Benefit corporation) and the acquisition of BCorp certification, as a concrete commitment to work over time to improve its impact.

With regard to climate change, Sogei will continue to work to reduce its carbon footprint through investments in energy efficiency initiatives and the consolidation of supply from renewable sources (now already at 100%), as well as through the launch of experimental projects aimed at measuring the impact of digital solutions and infrastructure (cloud, hybrid cloud) on consumption and the environment.

Based on the scenario described and the results achieved so far, Sogei expects 2022 revenues to grow by around 9% compared to the previous year and an EBITDA margin of around 14%, a profit of around 34 million Euro, investments of around 133.2 million Euro (+155% compared to 2021) and finally a cash flow value of around 19 million Euro.

