Interim Financial Report

At 30 June 2018

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(TRANSLATION FROM ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)

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1. Corporate Bodies

Board of Directors

- **Carlo Achermann** *Chairman*
- **Stefano Achermann** *Chief Executive Officer*
- **Claudio Berretti** *Director*
- **Anna Lambiase** *Director*
- **Cristina Spagna** *Independent Director*
- **Paola Tagliavini** *Independent Director*
- **Davide Dattoli** *Independent Director*
- **Gianluca Antonio Ferrari** *Independent Director*
- **Claudio Roberto Calabi** *Independent Director*

The Board of Directors was appointed by the Shareholders' Meeting of 27 April 2017 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2019. Board Director Claudio Roberto Calabi was appointed by the Shareholders' Meeting of 26 April 2018 to replace Board Director Alberto Mocchi, previously co-opted pursuant to art. 2386 of the Italian Civil Code on 19 July 2017, following the resignation of Board Director Umberto Quilici.

Board of Statutory Auditors

- **Giuseppe Leoni** *Chairman*
- **Rosita Natta** *Standing Auditor*
- **Stefano De Angelis** *Standing Auditor*
- **Roberta Pirola** *Alternate Auditor*
- **Biones Ferrari** *Alternate Auditor*

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 23 April 2015 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2017. Upon natural expiry, the Board of Statutory Auditors was renewed by the Shareholders' Meeting of 26 April 2018 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2020. In this regard, please refer to the paragraph "Events after 30 June 2018 and business outlook".

Control and Risk Committee

- **Paola Tagliavini** *Independent Chairperson*
- **Claudio Roberto Calabi** *Independent Member*
- **Gianluca Antonio Ferrari** *Independent Member*

The Control and Risk Committee was appointed by Board of Directors' resolution on 27 April 2017 for 3 years, expiring on approval of the financial statements at 31 December 2019. Director Claudio Roberto Calabi was appointed by the Board of Directors' Meeting of 3 May 2018 as member of the Control and Risk Committee to replace Director Alberto Mocchi.

Remuneration and Appointments Committee

- **Cristina Spagna** *Independent Chairperson*
- **Claudio Berretti** *Member*
- **Davide Dattoli** *Independent Member*

The appointment of the Remuneration and Appointments Committee was renewed by Board of Directors' resolution on 27 April 2017 for 3 years, expiring on approval of the financial statements at 31 December 2019.

Independent Auditors

- **Deloitte & Touche S.p.A.**
  The independent auditors received their assignment at the Shareholders' Meeting of 10 May 2012.

2. Summary income statement and statement of financial position

(amounts in EUR millions)

Key profitability indicators

	1H 2018	1H 2017
Value of production	69.1	63.0
EBITDA	9.3	8.3
EBIT	6.7	5.2
Profit (loss) before tax	6.2	4.6
Net profit (loss)	3.6	2.5

Key equity and financial indicators

	30.06.2018	31.12.2017
Group Shareholders' equity	52.3	52.8
Net Invested Capital	75.6	59.1
Net Operating Working Capital (NOWC)	28.4	13.6
Net Financial Position	(22.0)	(5.5)

Value of production by operating segment

	1H 2018	1H 2017
Business Consulting	48.0	47.7
ICT Solutions	21.1	15.2
Other	0.0	0.1
TOTAL	**69.1**	**63.0**

Value of production by customer type

	1H 2018	1H 2017
Banks	48.8	50.6
Insurance	12.9	6.6
Industry	4.4	4.6
Public Administration	1.5	1.1
Other	1.5	0.1
TOTAL	**69.1**	**63.0**

Value of production by geographic area

	1H 2018	1H 2017
Italy	41.9	37.6
DACH Region (Germany, Austria, Switzerland)	19.5	16.1
UK and Spain	6.1	7.5
Cee Region (Poland, Ukraine, Romania)	1.6	1.8
TOTAL	**69.1**	**63.0**

Group Headcount

	30.06.2018	31.12.2017
Executives	133	106
Middle managers	128	117
White-collar staff	909	875
Blue collar	2	2
Apprentices	22	14
TOTAL	**1,194**	**1,114**

3. Group Structure and Shareholders

The **Be Group** (Be for short) is one of the leading Italian players in the IT Consulting sector. The Group provides Business Consulting, Information Technology and Professional services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industry to improve their competitive capacity and their potential to create value. With around 1,200 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, the Ukraine, Spain and Romania, the Group recorded a total value of production of Euro 69.1 million in the first half of 2018.

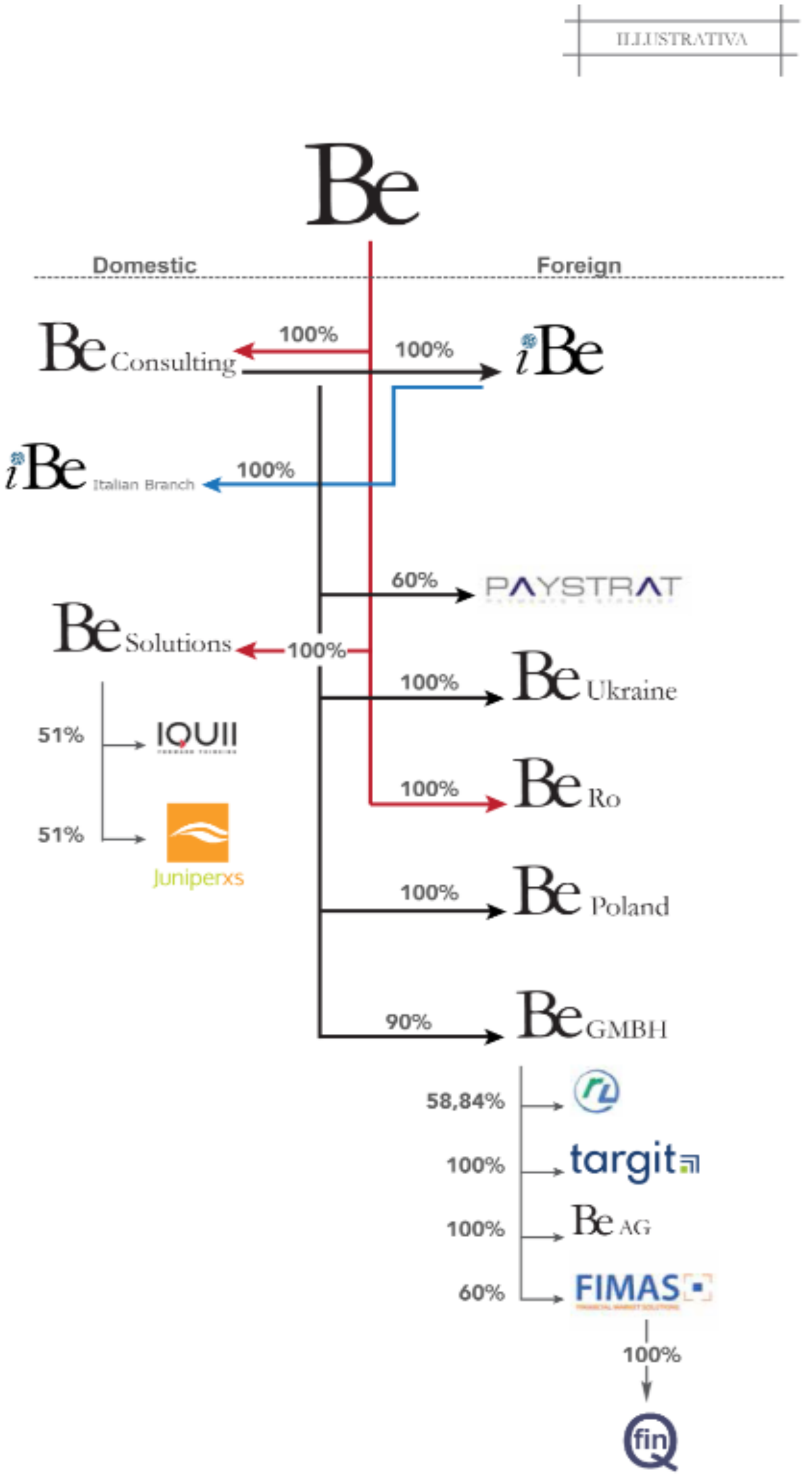
Be Think, Solve, Execute S.p.A. (**Be S.p.A.** for short), listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and coordination of operating, strategic and financial decisions of the subsidiaries and through management and control of reporting flows for the preparation of both annual and interim accounting documents.

At 30 June 2018, the number of shares outstanding totalled 134,897,272, and the shareholding structure - as indicated in disclosures pursuant to art. 120 of the "Consolidated Law on Finance" (TUF) and in relation to notices received in accordance with internal dealing regulations - was as follows:

Shareholders

	Nationality	No. of Shares	% Ordinary capital
Tamburi Investment Partners S.p.A.	Italian	31,582,225	23.41
iFuture Power in Action S.r.l.	Italian	13,519,265	10.02
Axxion S.A.	Luxembourg	13,476,237	9.99
Stefano Achermann	Italian	7,771,132	5.76
LOYS Investment S.A.	Luxembourg	6,893,251	5.11
Be Think Solve Execute S.p.A	Italian	1,516,690	1.12
Float		60,138,472	44.59
Total		**134,897,272**	**100.00**

The following chart shows the **Be Group** structure at 30 June 2018[1].



[1] *The table above does not include Paystrat Solutions SL (Pyngo), 65.26% of which is held by Payments and Business Advisors S.L (Paystrat), Confinity GmbH, 50% of which is held by Fimas Gmbh and the remaining 50% by Q-Fin GmbH, as well as the companies LOC Consulting Ltd and Be Sport, Media & Entertainment Ltd, owned by the company iBe TSE Limited, currently in liquidation.*

4. Business Model and operating segments

"Be" is a group specialising in the IT Consulting segment of the Financial Services sector. The organisation is divided by design into the different specialisations of business consulting, the provisions of solutions and platforms and the professional services of the ICT Solutions segment.

I. BUSINESS CONSULTING

The business consulting segment focuses on the capacity to support the financial services industry in implementing business strategies and/or creating important plans for change. Its specialist skills are in constant development in the areas of payment systems, planning & control methods, regulatory compliance, information gathering and corporate governance systems for financial processes and asset management;

No. of employees	663 employees at 30 June 2018.
Core business	Banking, Insurance.
Segment revenue at 30 June 2018	Euro 48.0 million.
Operating units	Rome, Milan, London, Kiev, Warsaw, Munich, Vienna, Zurich, Frankfurt, Magdeburg, Madrid.

The Group's Business Consulting segment operates through the following subsidiaries:

- **Be Consulting S.p.A.** Established in 2008, the company operates in the sector of management consulting for financial institutions. Its aim is to provide support to the Systemically Important Financial Institutions (SIFIs) in creating value, with a particular focus on changes that affect business, the IT platforms and corporate processes. Be Think, Solve, Execute holds 100% of Be Consulting S.p.A.'s share capital.
- **iBe TSE Limited.** Based in London, this company operates on the UK and European market, focusing on financial services consulting, with a customer base with high profiles on the UK and international markets. It specialises in the banking and financial sectors, particularly providing support in the field of innovation and payment services. Since 2012, Be Consulting S.p.A. has held 100% of the company's share capital. In 2014, the company changed its name from the previous Bluerock Consulting Ltd.
- **Be Sport, Media & Entertainment Ltd.** Established in August 2014 and based in London, this company is 75% owned by iBe TSE Limited and provides data analysis and enhancement services, loyalty programmes, digital distribution of proprietary content and the transformation of sports venues and large museums into cashless operations. The company has been placed into liquidation.
- **LOC Consulting Ltd.** A company whose registered office is in London, specialised in consulting services for the management of complex transformation programmes in the financial and public sectors in the UK. The company iBe TSE Limited holds 100% of this company's share capital. The company's operations have been transferred to the Parent Company and the company has been placed into liquidation.
- **Be Ukraine LLC.** Established in Kiev in December 2012, it performs consulting and development activities for core banking systems and in the areas of accounting and bank reporting. Since the second quarter of 2017, Be Consulting S.p.A. has held 100% of the company's share capital.

- **Be Poland Think, Solve and Execute, sp zo.o.** Established in Warsaw in January 2013, since the second quarter of 2017, Be Consulting S.p.A. has held 100% of the company's share capital.
- **Be Think, Solve Execute GmbH (formerly Targit GmbH).** Company based in Munich, it specialises in ICT consulting services, primarily on the German, Austrian and Swiss markets, operating through its two wholly owned subsidiaries, Targit GmbH Wien based in Vienna and Be TSE Switzerland AG based in Zurich. From the second half of 2017, Be Consulting S.p.A. controls the Group with a 90.00% interest.
- **R&L AG.** A company whose registered office is close to Munich, 58.84% of which is owned by Be Think, Solve Execute GmbH, specialised in consulting and IT solutions in the Payments sector and specifically as regards SWIFT.
- **FIMAS GmbH.** A company based in Frankfurt, 60% of which is held by Be Think, Solve Execute GmbH, specialised in consulting services and IT for asset managers, Stock Markets, CSD, clearing houses and custodian banks. The company has a 100% stake in Q-Fin Gmbh and a 50% interest in Confinity GmbH.
- **Q-FIN GmbH.** Company based in Magdeburg and operating in the area of Frankfurt, 100% held by Fimas GmbH. It offers specialised services to banks for the personalisation, parameterisation and integration of "Front-Arena", a front-office trading and risk management solution. The company has a 50% interest in Confinity GmbH.
- **Confinity GmbH.** Joint venture consisting of FIMAS and Q-FIN, operating in the specific sector of the supply - to the customers of FIMAS and Q-FIN - of temporary personnel (ANÜ – *Arbeitnehmerüberlassung*) for which it possesses the appropriate licence.
- **Payments and Business Advisors S.L.** (**Paystrat** for short). A company based in Madrid, 60% of which is held by Be Consulting S.p.A., specialised in advisory services for operators in the payments industry, in areas such as digital wallets, loyalty and market intelligence. The company has a 65.26% interest in Paystrat Solutions S.L.

II. ICT SOLUTIONS

The ICT Solutions segment is able to bring together business skills and technology solutions, products and platforms, creating theme-based business lines also as part of highly specialised segment-leading applications;

No. of employees	483 employees at 30 June 2018.
Core Businesses	Banking, Insurance, Energy and Public Administration.
Segment revenue at 30 June 2018	Euro 21.1 million.
Operating units	Rome, Milan, Turin, Spoleto, Pontinia, Pomezia, Trento, Bucharest.

The Be Group operates in the ICT Solutions segment through the following subsidiaries:

- **Be Solutions S.p.A.** aims to offer specialised system integration solutions and services for proprietary products/platforms or those of third-party market leaders. In recent years, special skills have been developed in corporate control and governance systems, in the insurance sector, in the management of multi-channel systems and in billing systems for the utilities segment. Cooperation agreements and partnerships are currently in place with a number of the major players in the ICT industry (Oracle, Microsoft, IBM). The partnerships regard: retailing of catalogue software products, access to training courses and HR certification, as well as professional training on the main product developments in the sector of the two providers. Moreover, the 2017 merger by incorporation of Be Professional Services S.p.A. and Be Enterprise Process Solutions S.p.A., companies operating in the segment of ICT services and the development of services, solutions and platforms in BPO/DMO, into Be Solutions Solve, Realize & Control S.p.A. was aimed at implementing/managing "Business Process Outsourcing", namely the outsourcing of entire business processes through the use of technological solutions and the contribution of specialised resources.

- **Be Think Solve Execute RO S.r.l.** Company established in July 2014 and based in Bucharest, it develops the Group's "near shoring" operations involving high complexity projects in the System Integration segment.
- **Iquii S.r.l.** Established in 2011, it specialises in the development of web and mobile applications, in the design of wearables and in the management of the Internet of Things; in addition, it has significant expertise in managing social media, integrated marketing and digital PR.
- **Juniper Extensible Solutions S.r.l.** Italian digital company established in May 2000 and based in the province of Trento, 51%-owned by Be Solutions S.p.A. and active in the development of web-based and multimedia software solutions in the Sports, Music and Events sectors.

5. Key events involving the Group in the first half of 2018

Important resolutions of the Shareholders' Meeting

On 26 April 2018, the Shareholders' Meeting of Be met in an ordinary session, on second call, and resolved on the following: the consolidated income statement and statement of financial position results at 31 December 2017, the income statement and statement of financial position results of the Parent Company Be S.p.A. at 31 December 2017, allocation of the profit for 2017, report on remuneration pursuant to article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998, appointment of the Board of Statutory Auditors and determination of the remuneration for the relative members, appointment of a new Director and purchase and allocation of own shares.

With regard to the purchase of own shares on 2 July 2018, the first phase of the purchase plan whose launch was disclosed to the market on 24 May 2018 has been completed; overall, during the period between 25 May 2018 and 2 July 2018, the Company purchased 1,549,048 of its ordinary shares (1,516,690 at 30 June 2018) for a total of Euro 1,382,378.38.

Events important to business development

Be signed a strategic collaboration agreement for the period 2018-2024 with a leading European group in the Bancassurance sector.

The agreement provides for the sale of the perpetual user licence of the "Life" platform already in use by the company and owned by Be. It also includes any technological developments and support and assistance services for the next seven years. The contract has a total value of Euro 11.9 million for the entire period, of which Euro 5.8 million relative to 2018 for granting of the user licence and evolutionary maintenance and the provision of professionals for its technological evolution and the relative support and assistance services.

The parties have also formalised the conditions for further adoption of the solution in other Group companies, wherever they are located. Be retains ownership rights on the platform.

In April, the Be group was selected as key partner to support one of the leading banking groups in Europe in management of the SWIFT architecture transformation programme. For two years, the activity will be assigned in successive lots which - if activated until completion of the entire programme - will have a total value of Euro 7.7 million.

This will enable Be to strengthen its strategic presence in the financial sector. The complexity of the current architecture, the high level of technical specialisation required for execution, the international presence of the institute and the capacity to transfer skills are distinctive factors of the programme.

In May, the Be Group acquired the entire capital of Q-fin GmbH through subsidiary Fimas GmbH, strengthening its presence in Germany in the Capital Market area. Q-fin, established in 2003 in Magdeburg, offers specialised services to banks for the personalisation, parameterisation and integration of "Front-Arena", a front-office trading and risk management solution. In this area, Q-fin provides support to implementation and migration projects, interfacing with other platforms (e.g., SAP), as well as operations management services. The company owns a suite of Fund Administration, Portfolio Management and Risk Management products aimed predominantly at German government funds. The main clients are major federal and investment banks in Germany. During 2017, Q-fin recorded revenues of Euro 1,700,000 and a gross operating margin (EBITDA) of Euro 350,000.

During the month of June, Be Group signed a three-year partnership agreement with Finastra, aimed at developing professional services and solutions for investment banking at the international level, with a focus on the markets of Italy, Germany, Austria, Switzerland, Great Britain and Poland. The agreement focuses on strategic projects in the Capital Markets, Treasury and Corporate Banking areas, combining Be's skills in business transformation consulting with the supply of Finastra products and solutions. With over 9,000 customers around the world, Finastra is market leader in finance software, providing financial institutions with mission critical solutions of every size, at the customer premises, housed in their own infrastructure or in the cloud.

Moreover, Be was also selected to lead implementation of the programme for adaptation to the PSD2 - Payments Service Directive 2 - regulations for all of the retail banks of a major European banking group. The Be Team will support the institute's work groups in setting up and coordinating the adaptation programme over a period of 24 months and for a total value of Euro 2 million.

Also in June, Be purchased 51% of Juniper Extensible Solutions S.r.l., Italian digital company active in the development of web-based and multimedia software solutions in the Sports, Music and Events sectors. The deal will allow the Be Group to achieve synergies in the Sport&Entertainment segment - in which the group is already present with its company IQUII - and to integrate into Juniper's customer base the entire value proposition of professional services in the Digital Strategy, Mobile & Web Development and Customer Experience & Design areas. The purchase price for the majority stake was set as Euro 457,693. The parties agreed on a "Put & Call" structure to purchase the residual capital in successive tranches within the next 7 years.

6. Group economic performance

The following table illustrates the Be Group income statement for the first half of 2018 compared with the same period of the previous year, both originating from half-year condensed consolidated financial statements prepared according to IAS/IFRS.

One of the main indicators adopted to assess the economic and financial performance of the Group is the Gross Operating Margin, or Earnings before Interest, Taxes, Depreciation & Amortisation (EBITDA) - an indicator not envisaged by the IFRS (Communication CERS/05-178b).

Also note that the operating term "Value of production" used in this report is intended to be synonymous with the item "Total Revenue" used in the "Restated Consolidated Income Statement" of the Half-year Condensed Consolidated Financial Statements at 30 June 2018.

Restated Consolidated Income Statement

Amounts in EUR thousands	**1H 2018**	**1H 2017**	**Δ**	**Δ (%)**
Operating revenue	68,416	61,608	6,808	11.1%
Other revenue and income	733	1,357	(624)	(46.0%)
Value of production	**69,149**	**62,965**	**6,184**	**9.8%**
Cost of raw materials and consumables	(106)	(127)	21	(16.5%)
Cost of services and use of third-party assets	(26,183)	(23,462)	(2,721)	11.6%
Personnel costs	(34,960)	(32,261)	(2,699)	8.4%
Other costs	(363)	(738)	375	(50.8%)
Internal capitalisations	1,801	1,948	(147)	(7.5%)
Gross Operating Margin (EBITDA)	**9,338**	**8,325**	**1,013**	**12.2%**
Amortisation and depreciation	(2,637)	(2,992)	355	(11.9%)
Write-downs and provisions	(16)	(101)	85	(84.2%)
Operating Profit (Loss) (EBIT)	**6,685**	**5,232**	**1,453**	**27.8%**
Net financial income and expense	(534)	(659)	125	(19.0%)
Profit (loss) before tax from continuing operations	**6,151**	**4,573**	**1,578**	**34.5%**
Taxes	(2,180)	(1,713)	(467)	27.3%
Net profit (loss) from continuing operations	**3,971**	**2,860**	**1,111**	**38.8%**
Net profit (loss) from discontinued operations	0	0	0	n.a.
Consolidated net profit (loss) including minority interests	**3,971**	**2,860**	**1,111**	**38.8%**
Net profit (loss) attributable to minority interests	385	393	(8)	(2.0%)
Group net profit (loss)	**3,586**	**2,467**	**1,119**	**45.4%**

The Value of production amounted to Euro 69.1 million, compared to Euro 63.0 million in the first half of 2017, for an increase of Euro 6.2 million (+9.8%).

Operating revenue was Euro 68.4 million, up 11.1% compared to 30 June 2017 (Euro 61.6 million).

The improvement in operating revenue was more significant for ICT activities overall (+40.0%), while the Business Consulting area recorded a 1.7% increase in operating revenue.

The operating revenue recorded by foreign subsidiaries (which represents 39.7% of the Group's operating revenue) amounted to Euro 27.2 million, up compared to 30 June 2017 (Euro 25.1 million, 40.8% of the Group's operating revenue).

Operating costs increased by around Euro 5.2 million compared to the first half of the previous year (+9.5%). In particular:

- service costs were around Euro 26.2 million (+11.6%);
- personnel costs totalled Euro 35.0 million (+8.4%);
- the capitalisation of costs, mainly related to personnel working on projects to develop in-house software platforms, amounted to Euro 1.8 million (-7.5%).

The Gross Operating Margin (EBITDA) was Euro 9.3 million, up 12.2% compared to 2017 (Euro 8.3 million). The EBITDA margin was 13.5% against 13.2% in the first half of 2017.

Amortisation and depreciation totalled Euro 2.6 million, down Euro 0.4 million compared to the first half of 2017 (Euro 3.0 million). The write-downs and provisions made during the period were down compared to Euro 0.1 million in the first half of 2017.

Operating profit (loss) (EBIT) was Euro 6.7 million, showing significant growth (+27.8%) compared to 30 June 2017 (Euro 5.2 million). The EBIT Margin stood at 9.7%, against 8.3% in the first half of 2017.

Profit before tax from continuing operations was Euro 6.2 million, up 34.5% compared to 30 June 2017 (Euro 4.6 million); tax for the first half of 2018 totalled Euro 2.2 million, compared to Euro 1.7 million for the first half of 2017.

Net profit was Euro 3.6 million, up sharply by 45.4% compared to Euro 2.5 million at 30 June 2017.

At 30 June 2018, discontinued operations had no impact on the income statement; therefore, the costs and revenue recognised in the restated consolidated income statement refer solely to "continuing operations".

The breakdown of the Value of production by operating segment is provided below:

Value of production by operating segment

Amounts in EUR millions	**1H 2018**	**%**	**1H 2017**	**%**	**Δ (%)**
Business Consulting	48.0	69.5%	47.7	75.7%	0.6%
ICT Solutions	21.1	30.5%	15.2	24.1%	38.8%
Other	0.0	0%	0.1	0.2%	n.a.
TOTAL	**69.1**	**100.0%**	**63.0**	**100.0%**	**9.7%**

An analysis of the breakdown of the Value of production by operating segment shows the following:

- in the Consulting segment, the value of production recorded in the first half of 2018 increased slightly against the first half of 2017;
- ICT activities overall recorded a value of production up by 38.8% compared to the first half of 2017, generated on the insurance market.

The breakdown of the Value of production by customer type is also provided below:

Value of production by customer type

Amounts in EUR millions	**1H 2018**	**%**	**1H 2017**	**%**	**Δ (%)**
Banks	48.8	70.6%	50.6	80.3%	(3.6%)
Insurance	12.9	18.7%	6.6	10.5%	95.5%
Industry	4.4	6.3%	4.6	7.3%	(4.3%)
Public Administration	1.5	2.2%	1.1	1.7%	36.4%
Other	1.5	2.2%	0.1	0.2%	n.a.
TOTAL	**69.1**	**100.0%**	**63.0**	**100.0%**	**9.7%**

The breakdown of the Value of production by geographic area is also provided below:

Value of production by geographic area

Amounts in EUR millions	**1H 2018**	**%**	**1H 2017**	**%**	**Δ (%)**
Italy	41.9	60.6%	37.6	59.7%	11.4%
DACH Region (Germany, Austria, Switzerland)	19.5	28.2%	16.1	25.6%	21.1%
UK and Spain	6.1	8.9%	7.5	11.9%	(18.7%)
Cee Region (Poland, Ukraine, Romania)	1.6	2.3%	1.8	2.8%	(11.1%)
TOTAL	**69.1**	**100.0%**	**63.0**	**100.0%**	**9.7%**

Note that during the first half of 2018, 60.6% of production was generated by the domestic market and the remaining 39.4% by the foreign market.

The significant weight of the DACH (DE, AUT and SUI) Region on the value of production is confirmed, contributing Euro 19.5 million to revenues, up 21.1% compared to the first half of 2017.

The Cee Region (Poland, Ukraine, Romania) is down compared to the corresponding period of the prior year (Euro 1.6 million, compared to Euro 1.8 million at 30 June 2017), as are the UK and Spanish markets, which generated Euro 6.1 million in the first half of 2018, compared to Euro 7.5 million in the first half of 2017.

7. Breakdown of Group equity and financial positions

A summary of the consolidated statement of financial position at 30 June 2018 is shown below, compared to the same statement at 31 December 2017.

Restated Statement of Financial Position

Amounts in EUR thousands	**30.06.2018**	**31.12.2017**	**Δ**	**Δ (%)**
Non-current assets	86,688	85,995	693	0.8%
Current assets	42,177	28,600	13,577	47.5%
Non-current liabilities	(22,884)	(22,097)	(787)	3.6%
Current liabilities	(30,420)	(33,418)	2,998	(9.0%)
Net Invested Capital	**75,561**	**59,080**	**16,481**	**27.9%**
Shareholders' Equity	53,534	53,563	(29)	(0.1%)
Net Financial Indebtedness	22,027	5,517	16,510	n.a.

Non-current assets are mostly represented by goodwill (Euro 61.9 million), recognised at the time of business combinations, intangible assets (Euro 16.9 million) mostly relating to software, technical fixed assets (Euro 1.8 million), deferred tax assets (Euro 3.7 million) and receivables and other non-current assets (Euro 2.1 million).

Current assets recorded a rise of Euro 13.6 million compared to 31 December 2017, due mainly to the increase in trade receivables for Euro 12.9 million and the increase in receivables and other current assets and tax receivables totalling Euro 0.7 million.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 7.2 million, deferred tax liabilities of Euro 6.5 million and provisions for risks and charges of Euro 2.1 million, plus other liabilities of Euro 7.1 million, predominantly referring to the remaining share of the discounted price for the future acquisition of minority interests though put&call agreements.

Current liabilities - mostly comprised of trade payables of Euro 9.7 million and other liabilities and payables and payables for indirect taxes totalling Euro 20.7 million - recorded an overall decrease of Euro 3.0 million.

Consolidated shareholders' equity was Euro 53.5 million, compared to Euro 53.6 million at 31 December 2017. The breakdown of Net working capital at 30 June 2018 is shown below:

Amounts in EUR thousands	**30.06.2018**	**31.12.2017**	**Δ**	**Δ (%)**
Inventories	14	15	1	(6.7%)
Trade receivables	38,122	25,240	7,754	30.7%
Trade payables	(9,737)	(11,667)	2,333	(20.0%)
Net Operating Working Capital (NOWC)	**28,399**	**13,588**	**10,087**	**74.2%**
Other short-term receivables	4,041	3,345	806	24.1%
Other short-term liabilities	(20,683)	(21,751)	3,022	(13.9%)
Net Working Capital (NWC)	**11,757**	**(4,818)**	**13,915**	**n.a.**

Net financial indebtedness at 30 June 2018 was Euro 22.0 million, compared to Euro 5.5 million at 31 December 2017 and Euro 18.0 million at 30 June 2017.

Note that the cash flow generation is affected by a certain degree of seasonality as regards the outlay necessary to advance activities in progress, the billing cycle and related collections, which traditionally lead to arranging cash outflows in advance in the first half of the year whereas collections are focused in the final quarter of the year.

	Amounts in EUR thousands	**30.06.2018**	**31.12.2017**	**Δ**	**Δ (%)**
	Cash and cash equivalents at bank	16,948	22,767	(5,819)	(25.6%)
A	**Cash and cash equivalents**	**16,948**	**22,767**	**(5,819)**	**(25.6%)**
B	**Current financial receivables**	**339**	**591**	**(252)**	**(42.6%)**
	Current bank payables	(9,681)	(3,789)	(5,892)	n.a.
	Current share of medium/long-term indebtedness	(12,960)	(12,968)	8	(0.1%)
	Other current financial payables	(170)	(43)	(127)	n.a.
C	**Current financial indebtedness**	**(22,811)**	**(16,800)**	**(6,011)**	**35.8%**
D	**Current Net Financial Position (A+B+C)**	**(5,524)**	**6,558**	**(12,082)**	**n.a.**
	Non-current bank payables	(16,459)	(12,021)	(4,438)	36.9%
	Other non-current financial payables	(44)	(54)	10	(18.5%)
E	**Non-current Net Financial Position**	**(16,503)**	**(12,075)**	**(4,428)**	**36.7%**
F	**Net financial position (D+E)**	**(22,027)**	**(5,517)**	**(16,510)**	**n.a.**

With regard to items in the table on the consolidated net financial position, in addition to cash and cash equivalents of Euro 16.9 million (Euro 22.8 million at 31 December 2017), we also draw attention to:

- current payables to banks at 30 June 2018 amounting to around Euro 22.8 million (Euro 16.8 million at 31 December 2017), relating to:
  - current bank payables of Euro 9.7 million (Euro 3.8 million at 31 December 2017), mainly represented by:

    a) Euro 6.1 million in short-term credit facilities classed as "advances on invoices" for Euro 1.3 million, "accounts payable to suppliers" for Euro 3.2 million and "account overdrafts" for Euro 1.6 million;

    b) Euro 3.5 million in use of the short-term loan with last instalment in April 2019;
  - the short-term portion of loans obtained for around Euro 13.0 million (Euro 13.0 million at 31 December 2017);
  - other non-current financial payables refer mainly to interest accrued and not settled and to the payable to purchase own shares relating to June, with payment to the bank in July.
- non-current financial payables of Euro 16.5 million (Euro 12.0 million at 31 December 2017), referred mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months;
- other non-current financial payables refer mainly to finance lease contracts.

8. Related Party Transactions

With regard to Related party transactions, including therein intercompany transactions, note that the same cannot be quantified as atypical or unusual, as part of the normal course of operations of Group companies. Said transactions are settled at arm's length, on the basis of the goods and services provided.

In the Notes to the Half-year Condensed Consolidated Financial Statements, the company provides the information requested by art. 154-ter of the Consolidated Law on Finance, as indicated by Consob regulation no. 17221 of 12 March 2010.

9. Other disclosures

9.1. Main risks and uncertainties to which the Be Group is exposed

Detailed below are the main risks and uncertainties that could affect the business activities, financial conditions and prospects of the Company and the Group.

- **Risks associated with "Operating Performance"**

In order to further improve operating performance, the Company believes it is important to achieve the strategic objectives of the 2017-2019 Business Plan. This Plan, updated for the three-year period 2018-2020 for the purpose of Impairment Testing (hereinafter 2018-2020 Plan), was prepared by the Directors on the basis of forecasts and assumptions inherent to future trends in operations and the reference market. The forecasts represent the best estimate of future events expected to arise and of action that management intends to take. These were estimated on the basis of final figures, orders already received or sales to be made to established customers, as such presenting a lower degree of uncertainty and therefore a higher probability of actually occurring. Vice versa, the assumptions relate to future events and action, fully or partly independent from management action. Consequently, the Directors acknowledge that the strategic objectives identified in the 2018-2020 Plan, though reasonable, present profiles of uncertainty due to the chance nature of future events occurring and the characteristics of the reference market, and also as regards the occurrence of events represented in the plan, their extent and timing.

- **Risks associated with the "Financial Position"**

The Be Group is exposed to financial risks associated with its operations, particularly interest rate risk, liquidity risk, credit risk and the risk of cash flow fluctuations. In addition, essential upkeep of the bank credit facilities held is important to the Group in order to meet its overall current funding needs and to achieve the objectives of the 2018-2020 Plan.

- **Risks associated with "Goodwill Impairment"**

The Be Group could have a negative impact on the value of its shareholders' equity if there should be any impairment to goodwill recognised in the financial statements at 30 June 2018 because of the incapacity to generate sufficient cash flows to satisfy those forecast and envisaged in the 2018-2020 Plan.

- **Risks associated with "Litigation Liabilities"**

The Be Group is involved in proceedings before various judicial authorities, divided into litigation cases as defendant - i.e. where the Company has been summoned by third parties - and cases as plaintiff where the Company has summoned third parties.

- **Risks associated with "Restructuring" activities**

In recent years, the Be Group began a restructuring of its area of business with necessary actions to reduce personnel, also through transfers. There is a risk of appeals against such actions and the proceedings have given rise to prudential allocation of provisions in the company financial statements. Uncertainty remains in any event regarding the decisions of the authorities involved.

- **Risks associated with "Competition"**

The ICT consulting market is highly competitive. A number of competitors could be able to expand their product mix to our detriment. In addition, an intensification of the level of competition could affect Group business and the option of consolidating or widening its competitive position in the reference sectors, with subsequent repercussions on business and on the income, equity and financial positions.

- **Risks associated with "Technological Change"**

The Group operates in a market characterised by profound and continuous technological changes that call for a Group capacity to adapt quickly and successfully to such developments and to the changing technology needs of its customers. Any inability of the Group in adapting to new technologies and therefore to changes in the needs of its customers could have a negative impact on operating performance.

- **Risks related to dependence on key personnel**

The Group's success depends largely on certain key personnel that have been a determining factor in its development, in particular the executive directors of the Parent Company. The Group companies also have an executive team with many years of experience in the field, playing a crucial role in managing the Group's activities. The loss of any of these key figures without a suitable replacement, and the inability to attract and retain new, qualified resources, could have a negative impact on the Group's prospects, business activities, operating performance and financial position. Management considers in any event that the Company has an operational and executive structure capable of ensuring management of corporate affairs as a going concern.

- **Risks associated with internationalisation**

As part of its internationalisation strategy, the Group could be exposed to risks typical of international operations, including those relating to changes in the political, macroeconomic, tax and/or regulatory frameworks and to fluctuating exchange rates.

9.2 Investment in research and development

The Group's research and development activities have always aimed to consolidate customer relations, develop new forms of business for them and acquire new customers. The main research and development activities conducted entail developing the Group-owned technological platforms; in particular, during the first half of 2018, investments mostly regarded the development and upgrade of the technological platforms "Universo Sirius" - relating to the management of Life and Non-life insurance portfolios, "Archivia" - relating to the management of document processes and the development of the company's internal ICT system - by Be Solutions, as well as development of the digital applications by Iquii and of the IT platforms of Paystrat, Q-Fin GmbH and Be Think, Solve Execute GmbH, specialised in various areas of the banking industry. The Be Group will continue to invest in research and development, and also plan other project opportunities. These new initiatives will aim to expand the product mix, creating technology platforms for the provision of services to its customers.

10. Events after 30 June 2018 and business outlook

In view of the results recorded by the Group in the first half of the year, it is reasonable to confirm the 2018 growth forecast for production volumes and profit and, in more general terms, the targets for internal growth and new acquisitions in 2017-2019 already announced to the market on 15 September 2016. Italy, Germany, the United Kingdom and Spain are the markets that the Group intends to pursue through external growth strategies.

No significant events occurred after the end of the half-year.

Mention only goes to completion on 2 July 2018 of the first phase of the own shares purchase plan whose launch was disclosed to the market on 24 May 2018. More specifically, the Company acquired 32,358 ordinary shares on 2 July 2018, for a total value of Euro 29,122.

Milan, 2 August 2018.

/signed/ Stefano Achermann
For the Board of Directors
Chief Executive Officer

Half-year Condensed Consolidated Financial Statements

At 30 June 2018

A. Consolidated Statement of Financial Position

Amounts in EUR thousands	**Notes**	**30.06.2018**	**31.12.2017**
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	1,839	1,918
Goodwill	*2*	61,893	59,722
Intangible assets	*3*	16,861	17,082
Equity investments in associates measured at net equity	*4*	0	32
Equity investments in other companies	*5*	329	300
Loans and other non-current assets	*6*	2,112	2,217
Deferred tax assets	*7*	3,654	4,724
Total non-current assets		**86,688**	**85,995**
CURRENT ASSETS			
Inventories	*8*	14	15
Trade receivables	*9*	38,122	25,240
Other assets and receivables	*10*	3,438	2,778
Direct tax receivables	*11*	603	567
Financial receivables and other current financial assets	*12*	339	591
Cash and cash equivalents	*13*	16,948	22,767
Total current assets		**59,464**	**51,958**
Total discontinued operations			
TOTAL ASSETS		**146,152**	**137,953**
SHAREHOLDERS' EQUITY			
Share capital		27,109	27,109
Reserves		21,654	21,177
Net profit (loss) attributable to owners of the Parent Company		3,586	4,478
Group Shareholders' equity		**52,349**	**52,764**
Minority interests:			
Capital and reserves		800	102
Net profit (loss) attributable to minority interests		385	697
Minority interests		**1,185**	**799**
TOTAL SHAREHOLDERS' EQUITY	*14*	**53,534**	**53,563**
NON-CURRENT LIABILITIES			
Financial payables and other non-current financial liabilities	*15*	16,503	12,075
Provision for non-current risks	*20*	2,074	2,244
Post-employment benefits (TFR)	*17*	7,207	6,858
Deferred tax liabilities	*18*	6,509	6,223
Other non-current liabilities	*19*	7,094	6,772
Total Non-current liabilities		**39,387**	**34,172**
CURRENT LIABILITIES			
Financial payables and other current financial liabilities	*16*	22,811	16,800
Trade payables	*21*	9,737	11,667
Provision for current risks	*20*	31	31
Tax payables	*22*	1,021	618
Other liabilities and payables	*23*	19,631	21,102
Total Current liabilities		**53,231**	**50,218**
Total discontinued operations		**0**	**0**
TOTAL LIABILITIES		**92,618**	**84,390**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**146,152**	**137,953**

The effects of related party transactions and non-recurring transactions on the consolidated income statement in accordance with Consob Resolution no. 15519 of 27 July 2006 are illustrated in a specific statement of financial position in paragraph 5.3.

B. Consolidated Income Statement

Amounts in EUR thousands	*Notes*	1H 2018	1H 2017
Operating revenue	*24*	68,416	61,608
Other revenue and income	*25*	733	1,357
Total Revenue		**69,149**	**62,965**
Raw materials and consumables	*26*	(106)	(127)
Service costs	*27*	(26,183)	(23,462)
Personnel costs	*28*	(34,960)	(32,261)
Other operating costs	*29*	(363)	(738)
Cost of internal work capitalised	*30*	1,801	1,948
Amortisation, depreciation and write-downs:			
Depreciation of property, plant and equipment	*31*	(321)	(305)
Amortisation of intangible assets	*31*	(2,316)	(2,687)
Allocations to provisions	*32*	(16)	(101)
Total Operating Costs		**(62,464)**	**(57,733)**
Operating Profit (Loss) (EBIT)		**6,685**	**5,232**
Financial income		26	25
Financial expense		(560)	(684)
Effect of measurement at equity		0	0
Total Financial Income/Expense	*33*	**(534)**	**(659)**
Profit (loss) before tax		**6,151**	**4,573**
Current income taxes	*34*	(1,019)	(795)
Deferred tax assets and liabilities	*34*	(1,161)	(918)
Total Income taxes		**(2,180)**	**(1,713)**
Net profit (loss) from continuing operations		**3,971**	**2,860**
Net profit (loss) from discontinued operations		**0**	**0**
Net profit (loss)		**3,971**	**2,860**
Net profit (loss) attributable to minority interests	*13*	**385**	**393**
Net profit (loss) attributable to owners of the Parent Company		**3,586**	**2,467**
Earnings (loss) per share:			
Basic earnings per share (Euro)	*35*	**0.03**	**0.02**
Diluted earnings per share (Euro)	*35*	**0.03**	**0.02**

The effects of related party transactions and non-recurring transactions on the consolidated income statement in accordance with Consob Resolution no. 15519 of 27 July 2006 are illustrated in a specific statement of financial position in paragraph 5.3.

C. Consolidated Statement of Comprehensive Income

Amounts in EUR thousands	**1H 2018**	**1H 2017**
Net profit (loss)	**3,971**	**2,860**
Items not subject to reclassification in the income statement:		
Actuarial gains (losses) on employee benefits	11	239
Tax effect on actuarial gains (losses)	(3)	(66)
Items subject to reclassification in the income statement		
when certain conditions are met:		
Gains (losses) on cash flow hedges	10	20
Translation gains (losses)	40	(210)
Other items of comprehensive income	**57**	**(17)**
Net comprehensive profit (loss)	**4,028**	**2,843**
Attributable to:		
Owners of the Parent Company	3,643	2,444
Minority interests	385	399

D. Consolidated Statement of Cash Flows

Amounts in EUR thousands	***Notes***	**1H 2018**	**1H 2017**
Net profit (loss)		3,971	2,860
Amortisation, depreciation and write-downs	*31*	2,637	2,992
Non-monetary changes in post-employment benefits (TFR)		680	558
Net financial expense in the income statement	*33*	556	718
Taxes for the period	*34*	1,019	795
Deferred tax assets and liabilities	*34*	1,161	918
Losses on current assets and provisions	*32*	16	101
Increase in internal work capitalised	*30*	(1,801)	(1,948)
Other non-monetary changes		10	26
Exchange rate conversion differences		11	(20)
Cash flow from operating activities		**8,260**	**6,999**
Change in inventories	*8*	1	23
Change in trade receivables	*9*	(12,578)	(8,534)
Change in trade payables	*21*	(2,057)	(2,572)
Use of bad debt provisions	*20*	(186)	(232)
Other changes in current assets and liabilities		(3,617)	(5,496)
Taxes paid		0	(98)
Post-employment benefits paid	*17*	(68)	(346)
Other changes in non-current assets and liabilities		(320)	(121)
Change in net working capital		**(19,001)**	**(17,375)**
Cash flow from (used in) operating activities		**(10,740)**	**(10,376)**
(Purchase) of property, plant and equipment net of disposals	*1*	(161)	(300)
(Purchase) of intangible assets net of disposals	*3*	(107)	(1,439)
Cash flow from business combinations net of cash acquired		(886)	(427)
(Purchase)/sale of equity investments and securities		(67)	0
Cash flow from (used in) investing activities		**(1,086)**	**(2,166)**
Change in current financial assets	*12*	388	(622)
Change in current financial liabilities	*16*	5,770	2,666
Financial expense paid		(516)	(655)
Change in non-current financial liabilities	*15*	4,417	747
Cash paid to purchase own shares	*14*	(1,353)	0
Cash paid for purchase of share pertaining to third parties		0	(852)
Distribution of dividends paid to Group shareholders	*14*	(2,698)	(1,996)
Distribution of dividends paid to minority interests	*14*	0	(350)
Change in share of minority interests	*14*	0	0
Cash flow from (used in) financing activities		**6,008**	**(1,062)**
Cash flow from (used in) discontinued operations			**0**
Cash and cash equivalents		**(5,819)**	**(13,603)**
Net cash and cash equivalents - opening balance	*13*	22,767	33,109
Net cash and cash equivalents - closing balance	*13*	16,948	19,506
Net increase (decrease) in cash and cash equivalents		**(5,819)**	**(13,603)**

The effects of related party transactions and non-recurring transactions on the consolidated income statement in accordance with Consob Resolution no. 15519 of 27 July 2006 are illustrated in a specific statement of financial position in paragraph 5.3.

E. Statement of Changes in Consolidated Shareholders' Equity

Amounts in EUR thousands	**Share capital**	**Reserves and retained earnings**	**Profit (loss) for the period**	**Group Shareholders' equity**	**Minority interests**	**Total**
SHAREHOLDERS' EQUITY AT 31.12.2016	**27,109**	**19,219**	**4,246**	**50,574**	**486**	**51,060**
Net profit (loss)			2,467	2,467	393	2,860
Other items of comprehensive income		(24)		(24)	6	(18)
Net comprehensive profit (loss)		**(24)**	**2,467**	**2,444**	**399**	**2,843**
Allocation of prior year profit (loss)		4,246	(4,246)	0		0
Dividend distribution		(1,996)		(1,996)	(350)	(2,346)
(Purchases)/Disposals of Minority Interests		46		46	(46)	0
SHAREHOLDERS' EQUITY AT 30.06.2017	**27,109**	**21,491**	**2,467**	**51,067**	**489**	**51,556**

Amounts in EUR thousands	**Share capital**	**Reserves and retained earnings**	**Profit (loss) for the period**	**Group Shareholders' equity**	**Minority interests**	**Total**
SHAREHOLDERS' EQUITY AT 31.12.2017	**27,109**	**21,177**	**4,478**	**52,764**	**799**	**53,563**
Net profit (loss)			3,586	3,586	385	3,971
Other items of comprehensive income		56		56	1	57
Net comprehensive profit (loss)		**56**	**3,586**	**3,642**	**386**	**4,028**
Allocation of prior year profit (loss)		4,478	(4,478)			0
Purchase of own shares		(1,353)		(1,353)		(1,353)
Dividend distribution		(2,698)		(2,698)		(2,698)
Other changes		(6)		(6)		(6)
SHAREHOLDERS' EQUITY AT 30.06.2018	**27,109**	**21,654**	**3,586**	**52,349**	**1,185**	**53,534**

Notes to the consolidated financial statements

1. Corporate information

The Be Group is one of the leading Italian players in the IT Consulting sector. The Group provides Business Consulting, Information Technology and Professional services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industry to improve their competitive capacity and their potential to create value. With around 1,200 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, Ukraine, Spain and Romania, in the first half of 2018 the Group recorded total revenues of Euro 69.1 million.

Be Think, Solve, Execute S.p.A. (**Be S.p.A.** for short), listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and coordination of operating, strategic and financial decisions of the subsidiaries and through management and control of reporting flows in readiness for preparation of both annual and interim accounting documents.

The Half-Year Condensed Consolidated Financial Statements at 30 June 2018 were approved for publication by the Parent Company Board of Directors on 2 August 2018.

2. Measurement criteria and accounting standards

2.1. Presentation criteria

The Half-Year Condensed Consolidated Financial Statements of the Be Group at 30 June 2018 (also referred to as the "Half-year Consolidated Financial Statements") were prepared in application of art. 154-ter of the Consolidated Law on Finance and in accordance with IAS 34 - Interim Financial Reporting. Therefore, they do not include all information required for annual financial statements and must be read together with the financial statements prepared at 31 December 2017.

The Be Group consolidated income statement is presented by using a classification of individual components based on their nature. This format complies with the management reporting method adopted by the Group and is therefore considered more representative than a presentation by item allocation, providing more reliable and more significant indications for the business sector concerned. With reference to the statement of financial position, a presentation format has been adopted that divides assets and liabilities into current and non-current, as permitted by IAS 1.

The consolidated statement of cash flows indicates cash flows during the period and classified among operating, investing and financing activities.

Cash flows from operating activities are recognised using the indirect method. The statement of changes in consolidated shareholders' equity was prepared in compliance with IAS 1. With regard to segment reporting in accordance with IFRS 8, note that in view of the Group's business operations the reference format is that for operating segments, a better description of which can be found in paragraph 2.9 "Segment reporting".

The Financial Statements and the notes to the financial statements are presented in thousands of Euro unless otherwise indicated. There could be differences in the unit amounts shown in the tables below due to rounding.

In preparing these financial statements, the Directors used going concern assumptions and therefore prepared the statements on the basis of standards and criteria applying to fully operative companies. For further information, please refer to paragraph 2.3 “Disclosure on going concern assumptions”.

The accounting principles adopted are the same as for the previous year, except for those entering into force from 1 January 2018 and adopted by the Group for the first time, i.e.:

- **IFRS 15 - Revenue from Contracts with Customers** (published on 28 May 2014 and integrated with further clarifications published on 12 April 2016) which will replace standards IAS 18 - Revenue and IAS 11 - Construction Contracts, as well as interpretations IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenues-Barter Transactions Involving Advertising Services. The standard establishes a new revenue recognition model, which will be applied to all contracts stipulated with customers, with the exception of those that fall within the scope of application of other IAS/IFRS standards such as leases, insurance contracts and financial instruments. The fundamental steps for the recognition of revenue according to the new model are:

  – identifying the contract with the customer;
  – identifying the performance obligations of the contract;
  – establishing the price;
  – allocating the price to the performance obligations of the contract;
  – the recognition criteria for revenue when the entity fulfils each performance obligation.

  The standard was applied from 1 January 2018; adoption of this standard did not have any impact on the Group’s Half-Year Condensed Consolidated Financial Statements.

- Final version of **IFRS 9 - Financial Instruments** (published on 24 July 2014). This document encompasses the results of the IASB project to replace IAS 39:

  – it introduces the new criteria for the classification and measurement of financial assets and liabilities (together with measurement of the unsubstantial changes in financial liabilities);
  – with regard to the impairment model, the new standard requires that the estimate of losses on loans be made on the basis of the expected losses model (and not on the incurred losses model used by IAS 39) using supportable information that is available without undue cost or effort, and that includes historical, current and forecast information;
  – it introduces a new hedge accounting model (increase in the types of transactions eligible for hedge accounting, change in the way that forward contracts and options are recognised when included in a hedge accounting relationship, changes to the effectiveness test).

  The standard was applied from 1 January 2018; adoption of this standard did not have any significant impact on the amounts and disclosures in the Group’s Half-Year Condensed Consolidated Financial Statements.

- Amendment to **IFRS 2 “Classification and measurement of share-based payment transactions”** (published on 20 June 2016), which contains certain clarifications regarding the recognition of the effects of vesting conditions in the presence of cash-settled share-based payments, the classification of share-based payments with the characteristics of net settlement and the recognition of changes to the terms and conditions of a share-based payment which changes the classification from cash-settled to equity-settled. The amendments were applied from 1 January 2018.

The adoption of this amendment had no effect on the Group's Half-year Condensed Consolidated Financial Statements.

- Document entitled "**Annual Improvements to IFRSs: 2014-2016 Cycle**", published on 8 December 2016 (including IFRS 1 First-Time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters, IAS 28 Investments in Associates and Joint Ventures – Measuring investees at fair value through profit or loss: an investment-by-investment choice or a consistent policy choice, IFRS 12 Disclosure of Interests in Other Entities – Clarification of the scope of the Standard) which partly integrate the pre-existing standards. The majority of the amendments were applied from 1 January 2018.

  The adoption of these amendments has had no effect on the Group's Half-year Condensed Consolidated Financial Statements.

- Amendment to **IAS 40 "Transfers of Investment Property"** (published on 8 December 2016). These amendments clarify the transfers of a property from, or to, investment property. More specifically, an entity must reclassify a property under, or from, investment property only when there is evidence of a change in use of the property. Said change must relate to a specific event that took place, and must not therefore be limited to a change in the intentions of the entity's Management. These amendments were applied from 1 January 2018.

  The adoption of these amendments has had no effect on the Group's Half-year Condensed Consolidated Financial Statements.

- **IFRIC** interpretation **22 "Foreign Currency Transactions and Advance Consideration"** (published on 8 December 2016). The objective of the interpretation is to provide guidelines for foreign currency transactions where non-monetary payments or receipts made in advance are recognised in the financial statements before the recognition of the relative asset, cost or income. The document provides indications of how an entity should establish the date of a transaction, and consequently, the exchange rate to use in the case of foreign currency transactions in which the payment is made or received in advance. IFRIC 22 has been applied since 1 January 2018.

  The adoption of these amendments has had no effect on the Group's Half-year Condensed Consolidated Financial Statements.

The following are Accounting Standards, IFRS and IFRIC amendments and interpretations endorsed by the European Union, whose application is not yet compulsory and for which the Group did not opt for early adoption at 30 June 2018.

- **IFRS 16 - Leases (published on 13 January 2016)**, which will replace IAS 17 - Leases, as well as interpretations IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to distinguish lease contracts from service contracts, identifying the following as discriminants: the identification of the asset, the right to replace the same, the right to substantially obtain all of the economic benefits resulting from the use of the asset and the right to direct the use of the asset underlying the contract. The standard establishes a single model for the recognition and measurement of lease contracts for the lessee, which entails recognising the leased asset, including operating assets, under assets in the statement of financial position, with a balancing entry of a financial payable, also giving the option of not recognising contracts that regard "low value assets" (namely lease contracts involving assets with a value of less than Euro 5,000) and those with a term of under 12 months as leases. On the contrary, the

Standard does not involve any changes for lessors. The standard is applicable from 1 January 2019, although early adoption is permitted.

The directors have launched a project for implementation of the new standard, which envisages an initial phase of detailed analysis of the contracts and of the accounting effects, and a second phase of implementation and/or adaptation of the administrative processes and accounting system. The directors have not yet defined the approach they intend to adopt from among those permitted by IFRS 16. An initial analysis conducted on active contracts relating to rent, leased vehicles and other operating assets, showed that the potential impact for the Group, considering the individual due date that cover the period between 1 July 2018 and 28 February 2030, amounts to higher financial payables of Euro 14.4 million.

- Amendment to **IFRS 9 "Prepayment Features with Negative Compensation"** (published on 12 October 2017). This document specifies that instruments which envisage an early repayment could respect the "SPPI" test also in the event in which the reasonable additional compensation payable in the case of early repayment is a negative compensation for the lender. The amendment is applicable from 1 January 2019, although early adoption is permitted.

  The standard was applied from 1 January 2018; adoption of this standard did not have any significant impact on the amounts and disclosures in the Group's Half-Year Condensed Consolidated Financial Statements.

At the reference date of these Half-year Condensed Consolidated Financial Statements, the competent bodies of the European Union have not yet completed the endorsement process required for adoption of the amendments and standards illustrated below.

- On 18 May 2017, the IASB published **IFRS 17 - Insurance Contracts**, which will replace IFRS 4 - Insurance Contracts. The objective of the new standard is to ensure that an entity provides pertinent information that truthfully represents the rights and obligations under the insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in the existing accounting standards, providing a single principle-based framework to take into account all types of insurance contracts, including the reinsurance contracts that an insurer holds. The standard is applicable from 1 January 2021, although early adoption is permitted only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.

  The directors do not expect the adoption of this standard to have a significant impact on the Group's Half-year Condensed Consolidated Financial Statements.

- On 7 June 2017, the IASB published the Interpretation document **IFRIC 23 – Uncertainty over Income Tax Treatments**. The document tackles the topic of uncertainty over the tax treatment to adopt as regards income taxes. The document envisages that uncertainties in the determination of tax liabilities or assets are reflected in the financial statements only when it is likely that the entity will pay or recover the amount in question. Furthermore, the document does not contain any new disclosure obligation but emphasises that the entity must establish whether it is necessary to provide information on the considerations made by management and regarding the uncertainty on the accounting treatment of taxes, in accordance with the provisions of IAS 1. The new interpretation is applicable from 1 January 2019, although early adoption is permitted.

  At present, the directors are assessing the potential impact that the introduction of this interpretation would have on the Group's Half-year Condensed Consolidated Financial Statements.

- Amendment to **IAS 28 "Long-term Interests in Associates and Joint Ventures"** (published on 12 October 2017). This document clarifies the need to apply IFRS 9, including the requirements relating to impairment, to other long-term interests in associates and joint ventures to which the equity method does not apply. The amendment is applicable from 1 January 2019, although early adoption is permitted.

The directors do not expect the adoption of this standard to have a significant impact on the Group's Half-year Condensed Consolidated Financial Statements.

- Document entitled **"Annual Improvements to IFRSs 2015-2017 Cycle"**, published on 12 December 2017 (including IFRS 3 Business Combinations and IFRS 11 Joint Arrangements – Remeasurement of previously held interest in a joint operation, IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity, IAS 23 Borrowing costs Disclosure of Interests in Other Entities – Borrowing costs eligible for capitalisation), which summarises the changes to several standards as part of the annual process to improve the same. The amendments are applicable from 1 January 2019, although early adoption is permitted.

  The directors do not expect the adoption of this standard to have a significant impact on the Group's Half-year Condensed Consolidated Financial Statements.

- Amendment to **IAS 19 "Plant Amendment, Curtailment or Settlement"** (published on 7 February 2018). The document clarifies how an entity must record a change (i.e., a curtailment or a settlement) in a defined benefits plan. The amendments require an entity to update its hypotheses and again measure the net asset or liability arising from the plan. Amendments clarify that after the occurrence of such an event, an entity must use updated hypotheses to measure the current service cost and interest for the rest of the reference period subsequent to the event. The amendments are applicable from 1 January 2019, although early adoption is permitted.

  The directors do not expect the adoption of this standard to have a significant impact on the Group's Half-year Condensed Consolidated Financial Statements.

- Amendment to **IFRS 10 and IAS 28 "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture"** (published on 11 September 2014). This document was published to resolve the current conflict between IAS 28 and IFRS 10 with regard to measurement of the gain or loss resulting from the sale or contribution of a non-monetary asset to a joint venture or associate in exchange for a stake in the share capital of the latter. At present, the IASB has suspended the application of this amendment.

  The directors do not expect the adoption of this standard to have a significant impact on the Group's Half-year Condensed Consolidated Financial Statements.

2.2 Discretionary measurements and significant accounting estimates

Preparation of the financial statements and related notes in application of IFRS requires that management perform discretionary measurements and accounting estimates that have an effect on the value of assets, liabilities, revenue and costs in the financial statements and disclosures. The final results could differ from such estimates. The estimates are used in measuring goodwill, in recognising credit risk provisions, in measuring property, plant and equipment and intangible assets, in determining amortisation and depreciation and in calculating taxes and provisions for risks and charges. Also note that the Directors have exercised their discretion in assessing the prerequisites for going concern assumptions. The estimates and assumptions are periodically reviewed and the effects of any change are immediately reflected in the income statement. For further information on the main accounting estimates, reference should be made to the Consolidated Financial Statements at 31 December 2017.

2.3 Disclosure on going concern assumptions

The 2018-2020 Plan was prepared on the basis of forecasts and assumptions inherent to future trends in operations and the reference market. Though reasonable, these do show profiles of uncertainty due to the questionable nature of future events and the characteristics of the market in which the Group operates. Given the above and given the contents of the paragraph 10 "Events after 30 June 2018 and business outlook" in the Management Report, the Directors consider going concern assumptions to be appropriate in preparing the Half-year Consolidated Financial Statements as no uncertainties have emerged associated with events or circumstances which, taken individually or as a whole, could give rise to doubts about the company as a going concern.

2.4 Scope of consolidation

The scope of consolidation includes the Parent Company Be S.p.A. and the companies under its direct or indirect control. Taking previous considerations into account, a list of equity investments in companies included in the scope of consolidation is provided below, as required by Consob Communication no. 6064293 of 28 July 2006:

Company name	Registered office	Share Capital	Currency	Parent Company	% interest	Minority interests
Be S.p.A.	Rome	27,109,165	EUR			
Be Consulting S.p.A.	Rome	120,000	EUR	Be S.p.A.	100%	0%
Be Solutions S.p.A.	Rome	7,548,441	EUR	Be S.p.A.	100%	0%
Be Think Solve Execute RO S.r.l.	Bucharest	22,000	RON	Be S.p.A.	100%	0%
Iquii S.r.l.	Rome	10,000	EUR	Be Solutions S.p.A.	51%	49%
Juniper Extensible Solutions S.r.l	Trento	10,000	EUR	Be Solutions S.p.A.	51%	49%
Be Poland Think, Solve and Execute sp z.o.o	Warsaw	1,000,000	PLN	Be Consulting S.p.A.	100%	0%
Be Ukraine LLC	Kiev	20,116	UAH	Be Consulting S.p.A.	100%	0%
iBe Think Solve Execute Ltd	London	91,898	GBP	Be Consulting S.p.A.	100%	0%
Payments and Business Advisors S.l.	Madrid	3,000	EUR	Be Consulting S.p.A.	60%	40%
Paystrat Solutions SL (Pyngo)	Madrid	10,265	EUR	Payments and Business Advisors S.l.	65%	35%
LOC Consulting Ltd	London	200,900	GBP	iBe TSE Ltd	100%	0%
Be Sport, Media & Entertainment Ltd	London	318,774	GBP	iBe TSE Ltd	75%	25%
Be TSE GmbH	Munich	92,033	EUR	Be Consulting S.p.A.	90%	10%
R&L AG	Munich	1,882,000	EUR	Be TSE GmbH	59%	41%
Targit GmbH	Vienna	35,000	EUR	Be TSE GmbH	100%	0%
Be TSE Switzerland AG	Zurich	100,000	CHF	Be TSE GmbH	100%	0%
FIMAS GmbH	Frankfurt	25,000	EUR	Be TSE GmbH	60%	40%
Q-FIN GmbH	Magdeburg	81,250	EUR	FIMAS GmbH	100%	0%
Confinity GmbH	Magdeburg	50,000	EUR	FIMAS GmbH	50%	0%
Confinity GmbH	Magdeburg	50,000	EUR	Q-FIN GmbH.	50%	0%

Compared to 31 December 2017, the scope of consolidation has been altered by the following events:

- in May 2018, the Be Group acquired 100% of Q-fin GmbH through subsidiary Fimas GmbH; it should also be noted that Q-fin GmbH holds a 50% stake in Confinity GmbH; following the transaction, the entire capital of Confinity GmbH is held by Group companies, specifically 50% by Q-fin GmbH and 50% by Fimas GmbH. Consequently, even the company Confinity GmbH was consolidated on a line-by-line basis rather than through the equity method previously used in the Annual Financial Report at 31 December 2017;
- in June 2018, the Be Group acquired 51% of Juniper Extensible Solutions S.r.l. through subsidiary Be Solutions S.p.A.

2.5 Principles of consolidation

The consolidation of subsidiary companies is made on the basis of their respective accounts, appropriately adjusted to bring them in line with the accounting principles adopted by the Parent Company. The end date of the financial year of the subsidiaries included in the scope of consolidation is the same as that of Be S.p.A. Subsidiaries are consolidated on a line-by-line basis, starting from their date of acquisition, namely from the date on which the Group acquired control, and are no longer consolidated from the date on which control is transferred out of the Group. In preparing the Half-year Condensed Consolidated Financial Statements, assets and liabilities are assumed on a line-by-line basis, as are the costs and revenue of the companies consolidated, at their total amount, attributing the portion of shareholders' equity and of the profit (loss) for the year relating to minority shareholders under specific items of the statement of financial position and the income statement. The book value of the equity interest in each subsidiary is eliminated against the corresponding portion of shareholders' equity of each subsidiary, including any fair value adjustments, at the acquisition date, to the relative assets and liabilities; any remaining difference that arises, if positive, is allocated to goodwill, and if negative, to the income statement. All intercompany balances and transactions, including any unrealised gains resulting from transactions performed between Group companies, are eliminated in full. The amount of gains and losses recorded with associated companies attributed to the Group are eliminated. Intercompany losses are eliminated, unless they represent impairment losses.

2.6 Conversion of financial statements into currencies other than the Euro

The assets and liabilities of foreign subsidiaries are converted into Euro at the exchange rate in force on the date of the financial statements. Income and expense are converted at average exchange rates for the year. The differences resulting from exchange rates are recorded under "Translation reserve" in Shareholders' Equity. This reserve is recognised in the Income Statement as income or as expense for the period in which the relative subsidiary was transferred.

2.7 Transactions and balances in foreign currency

Transactions in foreign currencies are recognised at the exchange rate in force on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies on the reference date of the financial statements, are converted at the exchange rate in force on said date.

The exchange rate differences generated by the derecognition of monetary items or by their conversion at different rates to those at which they were converted at the time of initial recognition are booked to the income statement. The table below shows the exchange rates used for conversion into Euro for the 2018 - 2017 half-year financial statements in foreign currencies:

Exchange rates

Currency	2018 average	30.06.2018	2017 average	30.06.2017
British Pound (GBP)	0.8797	0.8861	0.8602	0.87933
Polish Zloty (PNL)	4.2206	4.3732	4.2683	4.22590
Ukrainian Hryvnia (UAH)	32.3667	30.6868	28.9676	29.7437
Romanian Leu (RON)	4.6544	4.6631	4.5366	4.5523
Swiss Franc (CHF)	1.1699	1.1569	1.0765	1.0930

2.8 Business combinations in the reporting period

As described previously, the Be Group acquired 100% of Q-Fin GmbH in the first half of 2018, through subsidiary Fimas GmbH, and 51% of Juniper Extensible Solutions S.r.l., through subsidiary Be Solutions S.p.A., confirming its consolidation strategy for both the Italian and European markets.

- With regard to the 100% acquisition of Q-Fin GmbH, the company Fimas GmbH paid Euro 0.8 million at the time of closing. The reference values for the transaction were as follows:

Amounts in EUR thousands	Book value of the business acquired	Fair value adjustments	Fair Value
Property, plant and equipment	47		47
Intangible assets	166		166
Trade receivables	38		38
Equity investments	36		36
Other assets and receivables	37		37
Cash and cash equivalents	291		291
Financial receivables	100		100
Trade payables	(5)		(5)
Tax payables	(40)		(40)
Other liabilities and payables	(158)		(158)
NET TOTAL OF ASSETS ACQUIRED	**512**	**0**	**512**
GOODWILL			**1,269**
ACQUISITION PRICE			**1,781**
broken down as follows (amounts include discounting as at the acquisition date):			
2018 fee			(800)
Extended fee discounted including earn-out			(981)
CASH FLOW FROM THE ACQUISITION			
Payment already made			(800)
Cash and cash equivalents acquired			291
NET CASH FLOWS			**(509)**

The purchase price for 100% of the share capital was set as Euro 1,000 thousand, of which Euro 800 thousand to be paid at the time of closing and Euro 200 thousand by 31 December 2018 (corresponding to a discounted value on the acquisition date of Euro 193 thousand), plus any cash balance, which has been calculated as Euro 253 thousand (corresponding to a discounted value on the acquisition date of Euro 249 thousand).

The agreement also envisages an extra price amount to sellers based on the results recorded by the subsidiary in FYs 2018-2022. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 600 thousand (corresponding to a discounted amount at the acquisition date of Euro 537 thousand). The transaction was accounted for using the purchase cost method with effect from the date of acquisition of control. The gain of Euro 1,269 thousand generated by the acquisition was provisionally allocated to goodwill, in accordance with IFRS 3.45 and 3.46, pending a more in-depth assessment of the assets acquired.

In the period between the date of acquisition of control by the Be Group and the closing date of the Half-year Condensed Consolidated Financial Statements at 30 June 2018, the Company achieved a total revenue of Euro 728 thousand and a profit before tax of Euro 95 thousand.

- With regard to the 51% acquisition of Juniper Extensible Solutions S.r.l., the Company Be Solutions S.p.A. paid Euro 0.5 million at the time of closing. The reference values for the transaction were as follows:

Amounts in EUR thousands	**Book value of the business acquired**	**Fair value adjustments**	**Fair Value**
Property, plant and equipment	33		33
Intangible assets	1		1
Trade receivables	266		266
Equity investments	28		28
Tax receivables	1		1
Other assets and receivables	44		44
Cash and cash equivalents	169		169
Financial receivables	36		36
Post-employment benefits (TFR)	(68)		(68)
Trade payables	(122)		(122)
Long-term financial payables	(11)		(11)
Short-term financial payables	(223)		(223)
Other liabilities and payables	(145)		(145)
NET TOTAL OF ASSETS ACQUIRED	**10**	**0**	**10**
GOODWILL			**894**
ACQUISITION PRICE			**904**
broken down as follows (amounts include discounting as at the acquisition date):			
2018 fee			(546)
Extended fee discounted including earn-out			(358)
CASH FLOW FROM THE ACQUISITION			
Payment already made			(546)
Cash and cash equivalents acquired			169
NET CASH FLOWS			**(377)**

The purchase price for 51% of the share capital was set as Euro 546 thousand, to be paid fully upon closing. Note that the agreement between the parties envisages an option to acquire the remaining 49% in two later stages: 29% by May 2021 and the other 20% by May 2025.

More specifically, the put&call option envisages:

- an earn-out for the first 29% based on any positive results recorded by the subsidiary in FYs 2018 and 2020. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 180 thousand (corresponding to a discounted amount at the acquisition date of Euro 162 thousand);
- an earn-out for the second 20% based on any positive results achieved by the subsidiary in FYs 2021, 2022, 2023 and 2024. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 244 thousand (corresponding to a discounted amount at the acquisition date of Euro 195 thousand).

The transaction was accounted for using the purchase cost method with effect from the date of acquisition of control. The gain of Euro 894 thousand generated by the acquisition was provisionally allocated to goodwill, in accordance with IFRS 3.45 and 3.46, pending a more in-depth assessment of the assets acquired. In the period between the date of acquisition of control by the Be Group and the closing date of the Half-year Condensed Consolidated Financial Statements at 30 June 2018, the Company achieved a total revenue of Euro 439 thousand and a profit before tax of Euro 53 thousand.

2.9 Segment reporting

The disclosure required by IFRS 8 is provided, taking into account the organisational structure of the Group, which includes the following operating segments:

- **Business Consulting:**

  Business Unit: active in the business consulting sector. This business unit operates through Be Consulting Think, Project & Plan S.p.A., iBe Solve Execute Ltd, Be Ukraine Think, Solve, Execute S.A., Be Poland Think, Solve, Execute Sp.zo.o., Be Think, Solve Execute GmbH, Targit GmbH, Be TSE Switzerland AG, Be Sport, Media & Entertainment Ltd, Loc Consulting Ltd, R&L AG, Fimas GmbH, Q-FIN GmbH, Confinity GmbH, Payments and Business Advisors S.L. and Paystrat Solutions SL (Pyngo).

- **ICT Solutions:**

  Business Unit: active in the provision of integrated solutions and systems for the financial services, insurance and utilities sectors. This business unit covers the activities performed by Be Solutions Solve Realize & Control S.p.A., Be Think Solve Execute RO S.r.l., Iquii S.r.l. and Juniper Extensible Solutions S.r.l.

The structure of the disclosure reflects that of the reports periodically analysed by management and by the Board of Directors to manage the business and is the subject of periodic management reporting and planning. The Parent Company's activities and those of residual businesses are indicated separately. The economic position of the Group for the first half of 2018, compared with that of the first half of 2017, is reported below, separating continuing operations from discontinued operations.

The operating segment values illustrated are gross of intercompany transactions with the other Group companies from different segments, whilst the value of production by operating segment and by customer type indicated in the Management Report is shown net of all intercompany transactions between Group companies.

Breakdown by operating segment 1 January 2018-30 June 2018

	Consulting	ICT Solutions	Corporate and other	Disposals	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	49,387	23,116	2,304		(6,391)		68,416
Other revenue	1,085	247	330		(930)		733
Value of production	50,473	23,363	2,634		(7,321)		69,149
Operating Profit (Loss) (EBIT)	3,965	4,797	(2,073)		(4)		6,685
Net financial expense	(372)	(252)	4,586		(4,497)		(534)
Net profit (loss)	2,333	3,214	2,925		(4,501)	(385)	3,586

Breakdown by operating segment 1 January 2017-30 June 2017

	Consulting	ICT Solutions	Corporate and other	Disposals	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	46,863	18,371	2,233		(5,859)		61,608
Other revenue	1,179	1,268	475		(1,565)		1,357
Value of production	48,042	19,638	2,708		(7,424)		62,965
Operating Profit (Loss) (EBIT)	6,192	23	(983)		0		5,232
Net financial expense	(428)	(366)	4,155		(4,020)		(659)
Net profit (loss)	4,064	(545)	3,296		(3,955)	(393)	2,467

3. Breakdown of the main items of the Statement of Financial Position

Note 1.

Property, plant and equipment

At 30 June 2018, property, plant and equipment recorded a balance of Euro 1,839 thousand, net of cumulative depreciation, compared to Euro 1,918 thousand at 31 December 2017.

Change in historical cost

	Historical cost 2017	Business combinations	Increases	Decreases	Exchange gains/losses	Historical cost 30.06.2018
Plant and machinery	10,502	5	2			10,509
Fixtures and fittings, tools and other equipment	2,939	14	10			2,963
Other assets	23,839	132	159	(22)	9	24,117
Assets under development and advances	3		6			9
TOTAL	**37,283**	**151**	**177**	**(22)**	**9**	**37,598**

Change in accumulated depreciation

	Accumulated depreciation 2017	Business combinations	Depreciation	Decreases	Exchange gains/losses	Accumulated depreciation 30.06.2018
Plant and machinery	10,435	2	13			10,450
Fixtures and fittings, tools and other equipment	2,797	12	30			2,839
Other assets	22,133	57	278	(6)	8	22,470
TOTAL	**35,365**	**71**	**321**	**(6)**	**8**	**35,759**

	Net value 2017	Net value 30.06.2018
Plant and machinery	67	59
Fixtures and fittings, tools and other equipment	142	124
Other assets	1,706	1,647
Assets under development and advances	3	9
TOTAL	**1,918**	**1,839**

The value of fixtures and fittings, tools and other equipment includes all the Group-owned operating assets used in the production of data processing services.

The figure for other assets includes the following:

- vehicles;
- passenger cars;
- ordinary office furniture and machines;
- electronic office machines;
- leasehold improvements.

The increase in other assets during the period mainly refers to the purchase of electronic machines by Be Solutions. The decreases refer to the disposal of obsolete assets during the year.

Note 2.

Goodwill

Goodwill stood at Euro 61,893 thousand at 30 June 2018. The cash generating units (CGUs) were identified for impairment testing purposes based on the Group's reorganisation defined during 2017 and consistent with the former IFRS 8 reporting structure described in the paragraph 2.9 "Segment reporting".

The breakdown is as follows:

Goodwill

	Balance at 31.12.2017	Increases	Decreases	Exchange gains/losses	Balance at 30.06.2018
Cash generating unit (CGU)					
Business Consulting	30,911	1,269		7	32,187
ICT Solutions	28,811	895			29,706
Total	**59,722**	**2,164**	**0**	**7**	**61,893**

The increase in goodwill of Euro 2,164 thousand consists of Euro 1,269 thousand for the acquisition of 100% of Q-Fin GmbH in the first half of 2018, through subsidiary Fimas GmbH, and Euro 895 thousand relating to the acquisition of 51% of Juniper Extensible Solutions S.r.l., through subsidiary Be Solutions S.p.A. When preparing this Interim Financial Report, Company Management verified the continued reliability of the forecasts for revenue, investments and operating costs contained in the 2018-2020 Plan used to estimate value in use at 31 December 2017, in order to determine the recoverable amount of goodwill of the various cash generating units. The Directors then confirmed that the book value of goodwill recognised at 30 June 2018 is sustainable.

The analysis conducted, which takes into account the market environment, showed no signs of impairment and allows confirmation of the assumptions made in formulating the plans. For further information and a description of the impairment test procedure, reference should be made to the Notes to the "Annual Financial Report at 31 December 2017".

Note 3.

Intangible assets

At 30 June 2018, intangible assets recorded a balance of Euro 16,861 thousand, net of cumulative amortisation, compared to Euro 17,082 thousand at 31 December 2017. The changes during the reporting period, changes in accumulated amortisation and the historical cost are provided below, with amounts expressed in thousands of Euro.

Change in historical cost

	Historical cost at 31.12.2017	Increases	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Historical cost at 30.06.2018
Research and development costs	764			261			1,025
Concessions, licences and trademarks	1,631	34			4		1,669
Assets under development and advances	4,221	1,801		(3,221)	11		2,812
Other (including proprietary SW)	38,258	73		2,960	157	75	41,523
TOTAL	**44,874**	**1,908**	**0**	**0**	**172**	**75**	**47,029**

Change in accumulated amortisation

	Accumulated amortisation at 31.12.2017	Amortisation	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Accumulated amortisation at 30.06.2018
Research and development costs	633	74					707
Concessions, licences and trademarks	1,594	16					1,610
Other (including proprietary SW)	25,566	2,226			5	55	27,852
TOTAL	**27,793**	**2,316**	**0**	**0**	**5**	**55**	**30,168**

Net book value

	Net value 31.12.2017	Net value 30.06.2018
Research and development costs	131	318
Concessions, licences and trademarks	37	59
Assets under development and advances	4,221	2,812
Other (including proprietary SW)	12,692	13,672
TOTAL	**17,082**	**16,861**

At 30 June 2018, the increases in assets under development mainly refer to the development of the following ICT platforms: "Universo Sirius" by Be Solutions relating to the management of Life and Non-Life insurance portfolios of Euro 882 thousand, "Archivia" for the management of document processes of Euro 192 thousand, as well as Euro 303 thousand for the development of an internal corporate ICT system, to digital applications by Iquii of Euro 144 thousand, to the IT platforms of Paystrat of Euro 30 thousand, as well as the platforms owned by Be Think, Solve Execute GmbH and Q-Fin GmbH, specialised in various areas of the banking industry, totalling Euro 180 thousand.

The item "Other intangible assets" includes the net value of the contractual consideration linked to the long-term presence in the company of management, corresponding to Euro 1.0 million.

The residual values of individual intangible assets are considered justified on the basis of their estimated useful lives and profitability.

Note 4.

Equity investments in associates measured at net equity

Equity investments in associates measured at net equity amounted to zero, compared to Euro 32 thousand at 31 December 2017. This amount referred to the equity investment of 50% held by Fimas GmbH in Confinity GmbH. In May, the Be Group acquired 100% of Q-fin GmbH through subsidiary Fimas GmbH; Q-fin GmbH holds a 50% stake in Confinity GmbH. Following the above transaction, the entire capital of Confinity GmbH is held by Group companies, specifically 50% by Q-fin GmbH and 50% by Fimas GmbH. Consequently, even the company Confinity GmbH was consolidated on a line-by-line basis rather than through the equity method previously used at 31 December 2017.

Equity investments in associates measured at net equity

	Balance at 30.06.2018	Balance at 31.12.2017
Equity investments in associates measured at net equity	0	32
TOTAL	**0**	**32**

Note 5.

Equity investments in other companies

Equity investments in other companies mainly refer to:

- the investment of Euro 300 thousand, held via Be Solutions, in Talent Garden S.p.A., an Italian start-up, which operates in the sector of co-working and spaces for innovation, corresponding to 1.67% of share capital;
- the investment of approximately Euro 25 thousand, held via Juniper Extensible Solutions S.r.l., in Engagigo S.r.l., Italian company operating in the social media and digital market place sector, in the sports, outdoor and fitness area, corresponding to 6% of share capital.

Equity investments in other companies

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Equity investments in other companies	329	28	300
TOTAL	**329**	**28**	**300**

Note 6.

Loans and other non-current assets

Loans and other non-current assets refer to guarantee deposits paid for Euro 350 thousand and advances paid to employees in past years to be recovered on termination of their employment contracts for Euro 64 thousand.

Other non-current receivables, totalling Euro 1,179 thousand, mainly refer for Euro 348 thousand to a receivable of Be TSE GmbH from Blu IT for employee termination indemnities to be paid to employees transferred by the same, for Euro 273 thousand for a receivable of Be Solutions due from the town council of Lerarca Friddi, for which a 10-year repayment plan has been established, and for Euro 556 thousand to a receivable due to the Parent Company from a customer and not paid at the reference date of the financial statements.

A balancing entry to this last receivable is recognised under other non-current liabilities as a payable for the same amount in relation to penalties demanded by the same customer and challenged by the Group. Non-current prepaid expenses amounted to Euro 460 thousand at 30 June 2018 and mainly refer to costs incurred by Be Solutions relating to the period 2018-2027.

Other assets and receivables

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Guarantee deposits	350		352
Receivables from employees due beyond 12 months	64		70
Receivables from social security and welfare organisations	59		59
Other non-current receivables	1,179		1,310
Non-current prepaid expenses	460		426
TOTAL	**2,112**	**0**	**2,217**

Note 7.
Deferred tax assets

The deferred tax assets in the financial statements refer mainly to the Parent Company and are recognised based on the reasonable assumption that they will be recoverable, in accordance with future taxable income forecast in the three-year plan. They are calculated on the basis of prior year losses considered recoverable and on the temporary tax differences on taxable provisions for risks and differences between the book value and value for tax purposes on goodwill recognised. Deferred tax assets are calculated using the tax rates in force from 1 January 2017 (IRES 24% and IRAP 3.9%-4.26%). Please refer to Note 34 herein for further details.

Deferred tax assets

	Balance at 31.12.2017	Allocation	Utilisation	Other changes	Balance at 30.06.2018
Deferred tax assets	4,724	23	(1,087)	(6)	3,654
TOTAL	**4,724**	**23**	**(1,087)**	**(6)**	**3,654**

Note 8.
Inventories

Inventories refer mainly to the inventories of consumables of Be Solutions for Euro 11 thousand and R&L for Euro 3 thousand.

Inventories

	Balance at 30.06.2018	Balance at 31.12.2017
Inventories	14	15
TOTAL	**14**	**15**

Note 9.
Trade receivables

Trade receivables arise from goods and services produced and provided by the Group but not yet collected at 30 June 2018.

Trade receivables

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Receivables due from customers	39,852	304	26,969
Bad debt provision for receivables due from customers	(1,730)		(1,729)
TOTAL	**38,122**	**304**	**25,240**

The amount allocated in the financial statements is considered fair coverage of the credit risk.

Bad debt provision

	Balance at 30.06.2018	Balance at 31.12.2017
Opening balance	1,729	2,115
Allocations	3	464
Utilisation	(2)	(850)
TOTAL	**1,730**	**1,729**

The breakdown of receivables is shown below, by due date, net of invoices/credit notes to be issued for Euro 22,246 thousand and before the bad debt provision of Euro 1,730 thousand.

The amount outstanding for over 180 days mostly regards receivables due from the Italian Public Administration for which the appropriate credit collection measures have been taken.

	Due	0-30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
Receivables due from customers	10,593	2,523	417	172	316	3,585	17,606
Bad debt provision						(1,730)	(1,730)
TOTAL	**10,593**	**2,523**	**417**	**172**	**316**	**1,855**	**15,876**

Note 10.

Other assets and receivables

Other assets and receivables at 30 June 2018 amount to Euro 3,438 thousand and break down as follows:

Other assets and receivables

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Advances to suppliers for services	208	3	92
Receivables due from social security organisations	400		168
Receivables due from employees	368		906
VAT credits and other indirect taxes	1,086	25	706
Accrued income and prepaid expenses	1,102	17	641
Other receivables	274	36	265
TOTAL	**3,438**	**81**	**2,778**

Advances to suppliers refer to payments on account mainly to suppliers of services provided to Group companies.

Receivables due from social security organisations mainly refer to the receivable due to Be Solutions relating to the recovery of costs for welfare support systems.

Prepaid expenses amount to Euro 1,093 thousand and include the portions of costs incurred during the period but due in the subsequent period, relating to support and maintenance fees, rents, insurance premiums and lease instalments.

Note 11.

Direct tax receivables

Direct tax receivables primarily include amounts due from Italian Tax Authorities for IRAP and IRES, as well as other tax receivables due to Ibe Ltd and Be De GmbH.

Direct tax receivables

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Tax receivables	128		345
Other tax receivables	475	1	222
TOTAL	**603**	**1**	**567**

Note 12.

Financial receivables and other current financial assets

Financial receivables amounting to Euro 339 thousand refer to receivables of Euro 311 thousand due from factoring companies on assignments made up to 30 June 2018 but settled after that date and receivables of Euro 28 thousand for accrued interest on factoring related to third quarter 2018 but paid in second quarter 2018.

Financial receivables and other current financial assets

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Other financial receivables	339	136	591
TOTAL	**339**	**136**	**591**

Note 13.

Cash and cash equivalents

The balance represents cash held in current accounts at banks and post offices, and to a residual extent to cash on hand at 30 June 2018.

Note that the Be Group has adopted an automatic daily cash pooling system with the banks in order to optimise financial resources at Group level.

Cash and cash equivalents

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Bank and postal deposits	16,929	460	22,754
Cash at bank and in hand	19	0	13
TOTAL	**16,948**	**460**	**22,767**

Note 14.

Shareholders' Equity

At 30 June 2018, the Parent Company's fully paid-up share capital totalled Euro 27,109 thousand, divided into 134,897,272 ordinary shares.

On 26 April 2018, the Shareholders' Meeting approved the Financial Statements at 31 December 2017 of Be S.p.A., resolving to allocate Euro 64,977.71 of the Euro 1,299,554.13 profit for the year to the Legal Reserve and the remainder of Euro 1,234,576.42 to Profit carried forward, and to distribute a gross dividend totalling Euro 2,697,945.44, amounting to Euro 0.020 per share, drawing on the Profit carried forward for Euro 1,234,576.42 and the Extraordinary reserve for the remaining 1,463,369.02.

The payment date of the dividend was 23 May 2018 - coupon no. 8 date of 21 May 2018 and record date of 22 May 2018.

Consolidated equity reserves at 30 June 2018 amount to Euro 21,654 thousand and include the following:

- Share Premium Reserve of the Parent Company for Euro 15,168 thousand;
- Legal Reserve of the Parent Company for Euro 454 thousand;
- Treasury Shares Reserve of the Parent Company for negative Euro 1,353 thousand;
- Other Reserves of the Parent Company for Euro 1,068 thousand;
- IAS Reserves (FTA and IAS 19R) for Euro 66 thousand;
- Other Consolidation Reserves for Euro 6,251 thousand.

Stock option plans

The company has no stock option plans.

Treasury shares

Note that on 27 April 2017, an ordinary and extraordinary session of the Shareholders' Meeting of Be, was held, on second call, resolving, among other things, to approve, on the proposal of the Board of Directors, the plan to purchase and sell the Company's ordinary shares, in one or more than one tranche, on a rotational basis, up to the maximum number permitted by law (at present represented by a number of shares not exceeding 20% of share capital), to be determined also in accordance with the legal and regulatory provisions in force at the time and the share capital in hand at the time of each purchase.

The duration of the purchase plan has been set as 18 months from the date of approval of the Shareholders' Meeting.

With regard to the purchase and disposal of own shares, the first phase of the own shares purchase plan whose launch was disclosed to the market on 24 May 2018 was completed on 2 July 2018.

At 30 June 2018, the company had 1,516,690 ordinary shares in its portfolio, recognised as a deduction from shareholders' equity for Euro 1,353,256.17. Overall, during the period between 25 May 2018 and 2 July 2018, the company purchased 1,549,048 ordinary shares for a total value of Euro 1,382,378.38.

Minority interests

Minority interests amount to Euro 1,185 thousand, compared to Euro 799 thousand at 31 December 2017.

Disclosure on the Group's Minority shareholders (Non-Controlling Interests)

The following paragraphs contain financial information on companies not fully controlled by the Group, as required by the new standard IFRS 12.

The following amounts are shown prior to consolidation adjustments (amounts in Euro/thousand):

Company	% minority interest	Local currency	Total assets	Total Shareholders' Equity	Net Revenue	Net profit (loss) for the year	Total dividends distributed
Be TSE Gmbh	10.00%	EUR	9,752	4,834	7,692	12	0
R&L AG	41.16%	EUR	3,032	2,430	2,264	365	0
Fimas GmbH	40.00%	EUR	2,197	1,242	2,947	248	0
Be Sport, Media & Entertainment Ltd	25.00%	GBP	157	(838)	0	(26)	0
Payments and Business Advisors S.l. (Paystrat)	40.00%	EUR	378	(26)	212	(163)	0
Paystrat Solutions SL (Pyngo)	34.74%	EUR	26	26	0	(1)	0
Juniper S.r.l.	49.00%	EUR	605	63	439	53	0
Iquii S.r.l.	49.00%	EUR	1,460	618	1,043	170	0

Net Financial Indebtedness

The net financial indebtedness at 30 June 2018 was Euro 22,027 thousand compared to Euro 5,517 thousand at 31 December 2017; the breakdown is shown below.

Consolidated net financial position

	Amounts in EUR thousands	**30.06.2018**	**31.12.2017**	**Δ**	**Δ (%)**
	Cash and cash equivalents at bank	16,948	22,767	(5,819)	(25.6%)
A	**Cash and cash equivalents**	**16,948**	**22,767**	**(5,819)**	**(25.6%)**
B	**Current financial receivables**	**339**	**591**	**(252)**	**(42.6%)**
	Current bank payables	(9,681)	(3,789)	(5,892)	n.a.
	Current share of medium/long-term indebtedness	(12,960)	(12,968)	8	(0.1%)
	Other current financial payables	(170)	(43)	(127)	n.a.
C	**Current financial indebtedness**	**(22,811)**	**(16,800)**	**(6,011)**	**35.8%**
D	**Current Net Financial Position (A+B+C)**	**(5,524)**	**6,558**	**(12,082)**	**n.a.**
	Non-current bank payables	(16,459)	(12,021)	(4,438)	36.9%
	Other non-current financial payables	(44)	(54)	10	(18.5%)
E	**Non-current Net Financial Position**	**(16,503)**	**(12,075)**	**(4,428)**	**36.7%**
F	**Net financial position (D+E)**	**(22,027)**	**(5,517)**	**(16,510)**	**n.a.**

For comments on individual items, please refer to the content of Notes 12 and 13 above and Notes 15 and 16 below.

The effects of the amendments to international accounting standards IAS 7 made by the publication of the document “Disclosure Initiative (Amendments to IAS 7)” are shown below.

(Amounts in EUR thousands)	31.12.2017	Cash Flow[1]	Non-monetary flows				30.06.2018
			Change in Scope of Consolidation[2]	Exchange rate differences	Change in Fair Value	Other changes	
Non-current financial indebtedness	(12,075)	(4,417)	(11)	0	0		(16,503)
Current financial indebtedness	(16,800)	(5,770)	(223)	0	0	(18)	(22,811)
Current financial receivables	591	(388)	136	0	0		339
Net liabilities resulting from financing activities	**(28,284)**	(10,575)	(98)	0	0	(18)	(38,975)
Cash and cash equivalents	22,767	(6,279)	460	0	0	0	16,948
Net Financial Indebtedness	**(5,517)**	**(16,854)**	**362**	**0**	**0**	**(18)**	**(22,027)**

Note 15.

Financial payables and other non-current financial liabilities

Non-current financial payables of Euro 16,503 thousand refer mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months.

Financial payables and other non-current financial liabilities

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Non-current financial payables	16,503	11	12,075
TOTAL	**16,503**	**11**	**12,075**

The medium and long term loans outstanding at 30 June 2018 and relative maturities were as follows:

M/L term loans

Maturities	Balance at 30.06.2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4 years
Loans maturing in 2018	3,326	3,326	0	0	0	0
Loans maturing in 2019	2,571	2,359	212	0	0	0
Loans maturing in 2020	6,888	3,269	3,192	427	0	0
Loans maturing in 2021	10,631	3,347	3,373	3,276	635	0
Loans maturing in 2023	6,000	659	1,323	1,331	1,339	1,348
TOTAL LOANS	**29,416**	**12,960**	**8,100**	**5,034**	**1,974**	**1,348**

[1] Flows shown in the Statement of Cash Flows.
[2] For acquisition/disposal transactions, please refer to paragraph 2.8 “Business combinations in the reporting period”.

In the first half of the year, the group entered into new loans with collections from disbursements totalling Euro 13,500 thousand, while the repayments made amount to Euro 5,534 thousand.

Long-term financial payables include the negative impact of the application of the amortising cost and of the fair value of the IRS contract to hedge an increase of the interest rate on a variable interest rate loan granted in 2015, for a total of around Euro 3 thousand.

As regards the first half of 2018, the covenants on several loans were respected. Note that the fair value of the above loans is essentially in line with their book value.

The lending terms represent terms negotiated at different times and which mirror the loan duration, any guarantees given, market conditions and the Group's credit rating at the date of signing.

Note that the item other payables refers mainly to the long-term share of finance lease contracts.

Note 16.

Financial payables and other current financial liabilities

Current payables to banks at 30 June 2018 totalled around Euro 22,811 thousand and relate mainly to:

- current bank payables for Euro 9,681 thousand;
- Euro 12,960 thousand as the short-term portion of the medium-long term loans obtained, as per the previous table;
- Euro 170 thousand to other current financial payables, including the short-term portion of finance lease contracts (approximately Euro 19 thousand) and the short-term payable to repurchase own shares, accrued in June but settled in July (approximately Euro 93 thousand).

Financial payables and other current financial liabilities

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Current financial payables	22,811	223	16,800
TOTAL	**22,811**	**223**	**16,800**

Note 17.

Post-employment benefits (TFR)

Post-employment benefits are recognised in compliance with IAS 19 as "Defined benefit plans" and were determined on the basis of an expert actuarial calculation in line with the provisions of international accounting standards.

Changes in Post-employment benefits (TFR) regard allocations to provisions made during the period by Group companies, to the portions of TFR paid following the resignation of some employees as well as advances and the adjustment of the Provision in accordance with IAS/IFRS standards.

Post-employment benefits (TFR)

	Balance at 31.12.2017	Of which business combinations	Increases - Allocation	Decreases - Utilisation	Balance at 30.06.2018
Post-employment benefits (TFR) provision	**6,858**	68	602	(321)	**7,207**
TOTAL	**6,858**	**68**	**602**	**(321)**	**7,207**

The actuarial assumptions used for the purposes of the adjustment of the post-employment benefit provision according to IAS/IFRS standards are illustrated below.

Main Actuarial Assumptions

Annual discount rate	1.45%
Annual inflation rate	1.50%
Annual rate increase in post-employment benefits	2.63%
Annual increase in remuneration	1.00%
Frequency of benefit advances/no. of years' service	2.00%
No. of years’ service/annual turnover rate: up to 10 years	4.00%
No. of years’ service/annual turnover rate: from 10 to 30 years	4.00%
No. of years' service/annual turnover rate: over 30 years	6.00%

The additional information required by IAS 19, as amended*, is shown below:

- sensitivity analysis:

Changes in assumptions

Company	*TFR*	*turnover rate*		*inflation rate*		*discounting rate*	
		+1%	*-1%*	*+ 1/4 %*	*- 1/4 %*	*+ 1/4 %*	*- 1/4 %*
Be S.p.A.	169	168	170	171	166	165	172
Be Consulting S.p.A.	2,558	2,515	2,607	2,631	2,487	2,471	2,649
IQUII S.r.l.	107	105	109	110	104	103	111
Be Solutions S.p.A.	3,123	3,112	3,135	3,162	3,084	3,061	3,187

*The sensitivity analysis only refers to the Group’s Italian companies, as not relevant or applicable to Foreign companies.

- indication of the contribution to the next year* and the average financial duration of the obligation for defined benefit plans:

Company	**Service Cost**	**Duration of the plan**
Be S.p.A.	0	9.4
Be Consulting S.p.A.	783	22.0
IQUII S.r.l.	61	22.2
Be Solutions S.p.A.	0	8.7

**The service cost is zero, in application of the approach adopted by the Company with an average of at least 50 employees over the course of 2006.*

Note 18.

Deferred tax liabilities

The deferred tax liabilities and related changes during the period are mainly attributable to temporary differences between the book value and the value recognised for tax purposes to goodwill and post-employment benefits.

Specifically, with regard to goodwill, the difference arises - in application of IAS/IFRS - because these assets are not amortised whereas they are tax deductible to the extent of 1/18 per year. Deferred tax liabilities are calculated using the tax rates in force on 1 January 2017 (IRES 24% and IRAP 3.9%-4.82%).

Deferred tax liabilities

	Balance at 31.12.2017	Increases	Decreases	Other changes	Exchange difference	Balance at 30.06.2018
Deferred tax liabilities	6,223	194	(97)	187	2	6,509
TOTAL	**6,223**	**194**	**(97)**	**187**	**2**	**6,509**

Note 19.

Other non-current liabilities

At 30 June 2018, other non-current liabilities were Euro 7,094 thousand.

Other non-current liabilities

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Other non-current liabilities	7,094		6,772
TOTAL	**7,094**		**6,772**

This item mainly refers to:

- Euro 374 thousand relating to the portion of the residual discounted price for the future acquisition of minority interests in Be TSE GmbH;
- Euro 671 thousand relating to the portion of the residual discounted price for the future acquisition of minority interests in R&L AG;
- Euro 1,247 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Iquii S.r.l.;
- Euro 1,806 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Payments and Business Advisors S.l.;
- Euro 1,545 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Fimas;
- Euro 430 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Q-fin;

- Euro 363 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Juniper;
- Euro 556 thousand refers to the payable for penalties received from Bassilichi in 2009, which the Parent Company has fully disputed;
- Euro 102 thousand relating to the long-term deferrals of Be Solutions.

Note 20.

Provision for current and non-current risks

At 30 June 2018, provisions for risks and charges refer to the following:

- provisions for pending disputes with employees for Euro 52 thousand, of which Euro 36 thousand relating to the Parent Company and Euro 16 thousand to the subsidiary Be Solutions. The utilisation of provisions during the period relates to the Parent Company and the subsidiaries Be Solutions and Be Consulting, essentially referring to the conclusion of disputes with employees;
- other provisions for risks and charges mainly refer to the Parent Company and regard pending disputes with third parties in proceedings before Judicial Authorities of Euro 451 thousand and provisions of Euro 1,571 thousand for the variable emoluments of executive directors and key partners on achievement of the three-year objectives envisaged.

The table below shows the changes that occurred in the period in question:

Current and non-current provisions

	Balance at 31.12.2017	Reclassification	Increases	Decreases	Exchange gains/losses	Balance at 30.06.2018
Provision for penalties	31					31
Provision for personnel risks	223		16	(187)		52
Other provisions for future risks and charges	2,021				1	2,022
TOTAL	**2,275**	**0**	**16**	**(187)**	**1**	**2,105**

Note 21.

Trade payables

Trade payables arise from the purchase of goods or services with payment due within 12 months.

These amounts refer essentially to the services and equipment supplied and lease instalments.

Trade payables

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Trade payables	9,737	127	11,667
TOTAL	**9,737**	**127**	**11,667**

Note 22.

Tax Payables

The balance at 30 June 2018 relates to residual tax payables and to the allocation of the portion for 2018 of IRES and IRAP, in addition to the income tax of foreign companies, classified under other tax payables.

Tax payables

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
IRES tax payables	263		29
IRAP tax payables	205		22
Other tax payables	553	40	567
TOTAL	**1,021**	**40**	**618**

Note 23.

Other liabilities and payables

Other liabilities and payables totalled Euro 19,631 thousand at 30 June 2018, as shown below:

Other liabilities and payables

	Balance at 30.06.2018	Of which business combinations	Balance at 31.12.2017
Social security and welfare payables	1,679	18	2,375
Payables to employees	5,645	108	2,955
Payables for VAT and withholding tax	3,427	113	5,867
Accrued expenses and deferred income	1,287	28	1,249
Other payables	7,593	36	8,656
TOTAL	**19,631**	**303**	**21,102**

Social security and welfare payables amounting to Euro 1,679 thousand relate to contributions payable by the company. Payables to employees include amounts due for additional months' salaries accrued at 30 June 2018 and for leave and permitted absences accrued but not used.

Accrued expenses and deferred income, amounting to Euro 1,288 thousand mainly refer to deferred revenue receivable on invoices collectible in the reporting period subsequent to 30 June 2018.

Other payables, totalling Euro 7,593 thousand, refer, for Euro 5,000 thousand, to the guarantee deposit received in relation to the signature of a framework agreement with a leading bank, plus advances from customers and payments on account on multi-year contracts and outstanding payables on exit incentives already established during the period and to the amount due to directors.

This item also includes Euro 567 thousand relating to the short-term consideration for the acquisition of a minority shareholding in Q-fin GmbH, Euro 329 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Be TSE GmbH, and Euro 307 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in LOC Consulting Ltd.

4. Breakdown of the main items of the Income Statement

Note 24.

Operating revenue

Revenue accrued during the reporting period was from activities, projects and services performed on behalf of Group customers and amounts to Euro 68,416 thousand, compared to Euro 61,608 thousand during the same period of the prior year; revenue originating from foreign companies amounted to Euro 27,194 thousand.

For further details on business performance, reference should be made to the "Management Report".

Operating revenue

	H1 2018	H1 2017
Operating revenue	68,416	61,608
TOTAL	**68,416**	**61,608**

Note 25.

Other revenue and income

Other revenue and income totalled Euro 733 thousand at 30 June 2018, compared to Euro 1,357 thousand at 30 June 2017.

This item includes ordinary contingent assets, the recovery of costs advanced to customers, insurance reimbursements, invoicing to employees for the use of company cars and other income of a residual nature.

Other revenue and income

	H1 2018	H1 2017
Other revenue and income	733	1,357
TOTAL	**733**	**1,357**

Note 26.

Cost of raw materials and consumables

This item includes the costs incurred and related changes for the purchase of consumables such as stationery, paper, toner, etc., and to goods purchased for resale as part of the services provided to customers.

Cost of raw materials and consumables

	H1 2018	H1 2017
Change in inventories of raw materials and consumables	1	23
Purchase of raw materials and consumables	105	104
TOTAL	**106**	**127**

Note 27.

Service costs

Service costs include all costs incurred for services received from professionals and businesses. They also include the fees paid to Directors.

Service costs

	H1 2018	H1 2017
Service costs	26,183	23,462
TOTAL	**26,183**	**23,462**

Service costs break down as follows:

Service costs

	H1 2018	H1 2017
Transport	68	21
Outsourced and consulting services	16,207	15,117
Remuneration of directors and statutory auditors	1,196	1,166
Marketing costs	2,311	1,424
Cleaning, surveillance and other general services	370	424
Maintenance and support services	140	144
Utilities and telephone charges	658	638
Consulting - administrative services	1,310	1,425
Bank and factoring charges	273	314
Insurance	176	102
Rental and leasing	2,219	2,064
Other miscellaneous services	1,255	623
TOTAL	**26,183**	**23,462**

Note that outsourced and consulting services include the costs of services received from technical and ICT professionals used by the Group to provide its own services to customers.

Rental and leasing regards the costs incurred by the Group for the use of registered securities and properties it does not own, based on signed lease and rental agreements.

Note 28.

Personnel costs

The figure shown represents the total personnel-related cost incurred by the Group in the first half of 2018.

Wages and salaries include amounts due to employees for additional months' salaries accrued and for leave and permitted absences accrued but not used.

Social security contributions include all pay-related contributions envisaged by law; Post-employment benefits relate to the provision accrued during the period (in this regard see also note 16 "Post-employment benefits (TFR)"), while Other personnel costs include personnel-related costs such as membership fees paid on behalf of employees, indemnities and compensation, fringe benefits disbursed by the company in various forms to certain employee categories and luncheon vouchers (*tickets restaurant*).

Personnel costs

	H1 2018	H1 2017
Wages and salaries	26,152	23,474
Social security contributions	6,711	5,796
Post-employment benefits	1,486	1,456
Other personnel costs	611	1,535
TOTAL	**34,960**	**32,261**

The number of employees at 30 June 2018, broken down by category, is illustrated in the following table:

Description	No. in current period
Executives	133
Middle managers	128
White-collar staff	909
Blue collar	2
Apprentices	22
Total	**1,194**

Note 29.

Other operating costs

This item includes all costs of a residual nature, other than those recognised under items that have already been commented upon.

Specifically, the item includes contingent liabilities for Euro 134 thousand mainly referring to undeclared contingent assets relating to this period and other operating costs for Euro 23 thousand referring to membership fees, fines, penalties on services provided and indirect taxes for Euro 206 thousand.

Other operating costs

	H1 2018	H1 2017
Other operating costs	363	738
TOTAL	**363**	**738**

Note 30.

Cost of internal work capitalised

Capitalised costs refer to the suspension of costs relating mainly to personnel involved in the development of proprietary software platforms, described in more detail in note 3.

Cost of internal work capitalised

	H1 2018	H1 2017
Cost of internal work capitalised	1,801	1,948
TOTAL	**1,801**	**1,948**

Note 31.

Amortisation, depreciation and write-downs

Amortisation and depreciation are calculated according to the deterioration of assets and recognised to a specific provision, reducing the value of the individual assets.

Amortisation, depreciation and write-downs

	H1 2018	H1 2017
Depreciation of property, plant and equipment	321	305
Amortisation of intangible assets	2,316	2,687
TOTAL	**2,637**	**2,992**

Note 32.

Allocations to provisions

Allocations to provisions for risks concern Be Solutions for disputes with employees.

Allocations to provisions

	H1 2018	H1 2017
Allocation to Provision for personnel risks and penalties	16	101
TOTAL	**16**	**101**

Note 33.

Financial income and expense

Financial income is represented by bank interest income mainly accrued by foreign companies.

The financial expense includes bank interest expense for advances on invoices and current account overdrafts, factoring transactions and interest expense due on outstanding loans for approximately Euro 360 thousand, in addition to the financial component of post-employment benefits measured according to IAS/IFRS for approximately Euro 52 thousand and discounting charges of approximately Euro 152 thousand.

Financial management income and expense

	H1 2018	H1 2017
Financial income	26	25
Financial expense	(564)	(634)
Gains (Losses) on foreign currency transactions	4	(50)
TOTAL	**(534)**	**(659)**

Note 34.

Current income taxes, deferred tax assets and liabilities

Current taxes relating to the period include Euro 339 thousand for IRAP tax and IRES tax plus the income tax for foreign affiliates for a total of Euro 680 thousand.

Note that the Parent Company and Italian subsidiaries have jointly adopted the national tax consolidation regime pursuant to Article 117 et seq. of the Consolidated Income Tax Act (TUIR).

Current income taxes, deferred tax assets and liabilities

	H1 2018	H1 2017
Current taxes	1,019	795
Deferred tax assets and liabilities	1,161	918
TOTAL	**2,180**	**1,713**

Note 35.

Earnings per share

The basic earnings per share is calculated by dividing the profit/loss for the period pertaining to owners of the Parent Company by the average number of ordinary shares outstanding during the period.

The result and disclosures on shares used to calculate the basic negative earnings per share are provided below.

Earnings per share

	H1 2018	H1 2017
Profit (loss) from continuing operations pertaining to owners of the Company	3,586	2,467
Profit (loss) from discontinued operations pertaining to owners of the Company	0	0
Profit (loss) attributable to owners of the Parent Company	3,586	2,467
Total no. shares	134,897,272	134,897,272
Number of treasury shares held	1,516,690	-
Number of ordinary shares outstanding	133,380,582	134,897,272
Basic earnings per share pertaining to owners of the Parent Company	EUR 0.03	EUR 0.02
Diluted earnings per share	EUR 0.03	EUR 0.02

5. Other disclosures

5.1. Potential liabilities and disputes pending

The "Be" Group is involved in certain legal proceedings with various third parties, and in labour law disputes relating to dismissals challenged by Company employees. Also on the basis of opinions expressed by its legal advisors, the Group has allocated provisions for risks totalling Euro 534 thousand, considered sufficient to cover liabilities that could arise from these disputes.

5.1.1. Litigation with Group as defendant

The Group is involved in certain legal proceedings before various judicial authorities:

- provisions relating to litigation with employees were supplemented, following utilisation of the provision during the year;
- other disputes: with regard to the Bassilichi Group (formerly Saped Servizi S.p.A.), with relation to which a trade receivable due to the group is being disputed, at this stage of proceedings, there are reasonable grounds that the arguments submitted by Be S.p.A. will be accepted.

5.2. Non-recurring income and charges

In the period under analysis, the Be Group did not recognise any non-recurring charges pursuant to Consob Resolution no. 15519 of 27 July 2006.

5.3. Related Party Transactions

The Company's Board of Directors adopted the "Regulations on Related Parties" on 1 March 2014, replacing the one previously approved on 12 March 2010. For further details, this document is published on the Company web site (www.be-tse.it). Note that the Be's Board of Directors has approved a new version of the procedure for transactions with the Company's related parties. The Procedure was changed in order to reflect some changes made by Consob to the Regulation for Related Party Transactions (approved on 22 March 2017) in order to align domestic legislation with that envisaged by the "Market Abuse Regulation".

With regard to Related party transactions, including therein intercompany transactions, note that the same cannot be quantified as atypical or unusual, as part of the normal course of operations of Group companies. Said transactions are settled at arm's length, on the basis of the goods and services provided.

The Be Group's related parties with which economic and equity transactions were recognised at 30 June 2018 are: T.I.P. Tamburi Investment Partners S.p.A., IR Top S.r.l. and Talent Garden S.p.A.

With regard to Messrs Stefano Achermann and Carlo Achermann and the companies controlled by them - Carma Consulting S.r.l., iFuture S.r.l. and Innishboffin S.r.l. - the economic transactions that took place in the period substantially refer only to fees paid for the positions of Executive and Company Director of Group companies and, like remuneration for other members of the Board of Directors and Board of Statutory Auditors, are not included in the following tables.

With regard to Talent Garden S.p.A., in which the Be Solutions S.p.A. Group holds an investment of 1.67% of the share capital, note that the Chairman of the Board of Directors, Mr. Davide Dattoli was appointed a Board Director of the Parent Company Be S.p.A. by a deed dated 27 April 2017, and the economic transactions performed in the period refer to services provided to several Group companies.

The following tables illustrate the Group's costs and revenue, payables and receivables due to/from related parties:

Receivables and payables with related parties at 30 June 2018

		Receivables			***Payables***	
	Trade and other receivables	**Other receivables**	***Financial receivables***	**Trade and other payables**	***Other payables***	***Financial payables***
Related Parties						
T.I.P. S.p.A.				18		
Talent Garden				4		
IR Top				6		
Total Related Parties				**28**		

Receivables and payables with related parties at 31 December 2017

		Receivables			***Payables***	
	Trade and other receivables	**Other receivables**	***Financial receivables***	**Trade and other payables**	***Other payables***	***Financial payables***
Related Parties						
T.I.P. S.p.A.				18		
Talent Garden				4		
IR Top				6		
Total Related Parties	**0**	**0**	**0**	**28**		**0**

Revenue and costs with related parties in the first half of 2018

		Revenue			***Costs***	
	Revenue	**Other revenue**	***Financial income***	**Services**	***Other costs***	***Financial expense***
Related Parties						
T.I.P. S.p.A.				30		
C. Achermann				19		
Talent Garden				22		
IR Top				15		
Total Related Parties	**0**	**0**	**0**	**86**	**0**	**0**

Revenue and costs with related parties in the first half of 2017

	Revenue	*Revenue* Other revenue	*Financial income*	Services	*Costs* *Other costs*	*Financial expense*
Related Parties						
T.I.P. S.p.A.	0			37		
C. Achermann				19		
IR Top				17		
Total Related Parties	**0**	**0**	**0**	**73**	**0**	**0**

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, the impact of related party transactions is illustrated below in table format:

Relevance of related party transactions

STATEMENT OF FINANCIAL POSITION	**30.06.2018**	**Absolute value**	**%**	**31.12.2017**	**Absolute value**	**%**
Trade receivables	38,122		0%	25,240	0	0%
Other assets and receivables	3,438		0%	2,778	0	0%
Cash and cash equivalents	16,948		0%	22,767	0	0%
Financial payables and other liabilities	66,039		0%	56,749	0	0%
Trade payables	9,737	28	0%	11,667	28	0%
INCOME STATEMENT	**1H 2018**	**Absolute value**	**%**	**1H 2017**	**Absolute value**	**%**
Operating revenue	68,416		0%	61,608	0	0%
Service and other costs	26,546	86	0%	24,200	73	0%
Net financial expense	534		0%	659	0	0%

The consolidated statement of financial position and consolidated income statement indicating the related parties, in accordance with Consob Resolution no. 15519 of 27 July 2006, are provided below.

Consolidated Statement of Financial Position

(in accordance with Consob resolution no. 15519 of 27 July 2006)

Amounts in EUR thousands	30.06.2018	Of which related parties	31.12.2017	Of which related parties
NON-CURRENT ASSETS				
Property, plant and equipment	1,839		1,918	
Goodwill	61,893		59,722	
Intangible assets	16,861		17,082	
Equity investments in associates measured at net equity	0		32	
Equity investments in other companies	329		300	
Loans and other non-current assets	2,112		2,217	
Deferred tax assets	3,654		4,724	
Total non-current assets	**86,688**		**85,995**	
CURRENT ASSETS				
Inventories	14		15	
Trade receivables	38,122		25,240	
Other assets and receivables	3,438		2,778	
Direct tax receivables	603		567	
Financial receivables and other current financial assets	339		591	
Cash and cash equivalents	16,948		22,767	
Total current assets	**59,464**		**51,958**	
Total discontinued operations				
TOTAL ASSETS	**146,152**		**137,953**	
SHAREHOLDERS' EQUITY				
Share capital	27,109		27,109	
Reserves	21,654		21,177	
Net profit (loss) attributable to owners of the Parent Company	3,586		4,478	
Group Shareholders' equity	**52,349**		**52,764**	
Minority interests:				
Capital and reserves	800		102	
Net profit (loss) attributable to minority interests	385		697	
Minority interests	**1,185**		**799**	
TOTAL SHAREHOLDERS' EQUITY	**53,534**		**53,563**	
NON-CURRENT LIABILITIES				
Financial payables and other non-current financial liabilities	16,503		12,075	
Provisions for risks	2,074		2,244	
Post-employment benefits (TFR)	7,207		6,858	
Deferred tax liabilities	6,509		6,223	
Other non-current liabilities	7,094		6,772	
Total Non-current liabilities	**39,387**		**34,172**	
CURRENT LIABILITIES				
Financial payables and other current financial liabilities	22,811		16,800	
Trade payables	9,737	28	11,667	28
Provision for current risks	31		31	
Tax payables	1,021		618	
Other liabilities and payables	19,631		21,102	
Total Current liabilities	**53,231**	**28**	**50,218**	**28**
Total discontinued operations	**0**		**0**	
TOTAL LIABILITIES	**92,618**	**28**	**84,390**	**28**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**146,152**		**137,953**	**28**

Consolidated Income Statement

Amounts in EUR thousands	1H 2018	Of which related parties	Of which non-recurring income (charges)	1H 2017	Of which related parties	Of which non-recurring income (charges)
Operating revenue	68,416			61,608		
Other revenue and income	733			1,357		
Total Revenue	**69,149**			**62,965**		
Raw materials and consumables	(106)			(127)		
Service costs	(26,183)	(86)		(23,462)	(73)	
Personnel costs	(34,960)			(32,261)		
Other operating costs	(363)			(738)		
Cost of internal work capitalised	1,801			1,948		
Amortisation, depreciation and write-downs:						
Depreciation of property, plant and equipment	(321)			(305)		
Amortisation of intangible assets	(2,316)			(2,687)		
Allocations to provisions	(16)			(101)		
Total Operating Costs	**(62,464)**	(86)		**(57,733)**	**(73)**	
Operating Profit (Loss) (EBIT)	**6,685**	(86)		**5,232**	**(73)**	
Financial income	26			25		
Financial expense	(560)			(684)		
Effect of measurement at equity	0			0		
Total Financial Income/Expense	**(534)**			**(659)**		
Profit (loss) before tax	**6,151**	(86)		**4,573**	**(73)**	
Current income taxes	(1,019)			(795)		
Deferred tax assets and liabilities	(1,161)			(918)		
Total Income taxes	**(2,180)**	**0**		**(1,713)**	**0**	
Net profit (loss) from continuing operations	**3,971**	**(86)**		**2,860**	**(73)**	
Net profit (loss) from discontinued operations	**0**			**0**		
Net profit (loss)	**3,971**			**2,860**		
Net profit (loss) attributable to minority interests	**385**			**393**		
Net profit (loss) attributable to owners of the Parent Company	**3,586**			**2,467**		

5.4. Management of financial risk: objectives and criteria

The Company's main financial instruments, other than derivatives, include bank loans, finance leases and rental agreements with a purchase option, demand and short-term bank deposits. The main objective of these instruments is to fund the operations of the Company and of the Group. The Company and the Group have various financial instruments, such as trade payables and receivables, resulting from its operations.

The Company and the Group have not performed any transactions in derivatives, unless to hedge interest rate risk.

- **Exchange rate risk**

  The Company and the Group are exposed to the risk of fluctuations in the following exchange rates: Euro/GBP, Euro/UAH, Euro/PLN, Euro/RON and Euro/CHF, with regard to consolidation of the economic and equity amounts of iBe Solve Execute Ltd, Be Sport, Media & Entertainment Ltd, LOC Consulting Ltd, Be Ukraine Think, Solve, Execute S.A., Be Poland Think, Solve, Execute Sp.zo.o., Be Think Solve Execute RO and the Be DE Group. In view of the events associated with the United Kingdom's process of exiting from the European Union ("Brexit"), the Group could be exposed to potential risks, at present not quantifiable or foreseeable, linked amongst other things to a write-down of its assets held in GBP. Management has implemented appropriate monitoring activities in order to react quickly to any negative effects.

- **Risk of change in price of raw materials**

  The Group is not exposed to the risk of fluctuations in raw materials prices.

- **Credit risk**

  Credit risk represents the Group's exposure to potential losses resulting from the failure of the counterparty to fulfil its commercial and financial obligations.

  Given the nature of its customers (mainly banks and the public administration), credit risk mainly relates to delays in collecting receivables from Public Administration customers and to any disputes (see note 9 and paragraph 5.1). In this regard, the Company and the Group carefully consider the use of all instruments, including any legal action, to ensure the prompt collection of receivables from Public Administration customers.

  The maximum theoretical exposure to credit risk for the Group at 30 June 2018 is represented by the book value of the financial assets taken from the condensed financial statements.

  The Group has ongoing transactions to free up trade receivables without recourse.

- **Interest rate risk**

  As the Company has loans in Euro at a floating interest rate, it believes that its exposure to any rise in interest rates may increase future financial expense. A swap contract has been drawn up to hedge interest rate risk on an unsecured loan obtained of Euro 7 million, for a duration of 5 years. The tables included in the sections on current and non-current financial payables show the book value, by maturity, of the Company's and Group's financial instruments that are exposed to interest rate risk.

- **Liquidity risk**

  Liquidity risk is defined as the possibility that the Group is not able to maintain its payment commitments, due to the inability to raise new funds, or to be forced to incur very high costs to meet its commitments. The Be Group's exposure to this risk is represented above all by the loan agreements in place. At present, it has short and medium/long-term loans with banking financial counterparties. In addition, in the event of need, the Group may arrange other short-term bank loans. For details of the features of current and non-current financial liabilities, see notes 15 and 16 "Financial liabilities". The two main factors that determine the Group's liquidity situation are on one hand, the resources generated or absorbed by operating and investing activities, and on the other the maturity and renewal characteristics of the payable or of the liquidity of the financial loans and market conditions. From an operating perspective, the Group manages liquidity risk by monitoring cash flows, obtaining adequate credit lines and maintaining an adequate level of available resources. The management of operating cash flows, of the main loan transactions and of the company's liquidity is centralised and performed by the Group's treasury companies, with the objective of guaranteeing the effective and efficient management of the financial resources. The maturity characteristics of financial payables are illustrated in Notes 15 and 16, while with regard to trade payables, the amount due within the following year is shown on the financial statements.

According to Management, the funds currently available, in addition to those that will be generated by operating and funding activities, including the current funds available on credit lines, will enable the Group to meet its requirements relating to investment, the management of working capital and the repayment of debts when the same are due, and will assure an appropriate level of operating and strategic flexibility.

5.5. Positions deriving from atypical or unusual transactions

In the first half of 2018, the Group did not undertake any atypical or unusual transactions as defined in Consob Communication DEM/6064293.

6. Events after the reporting period at 30 June 2018

No significant events occurred after the end of the half-year.

Mention only goes to completion on 2 July 2018 of the first phase of the own shares purchase plan whose launch was disclosed to the market on 24 May 2018. More specifically, the Company acquired 32,358 ordinary shares on 2 July 2018, for a total value of Euro 29,122.

Milan, 2 August 2018.

/signed/ Stefano Achermann
For the Board of Directors
Chief Executive Officer

Certification of Half-year Condensed Consolidated Financial Statements pursuant to art. 81-ter, Consob Regulation no. 11971 of 14 May 1999, as amended

1. Having considered the provisions of art. 154-bis, paragraphs 3 and 4, Italian Legislative Decree 58 of 24 February 1998, the undersigned, Stefano Achermann as Chief Executive Officer and Manuela Mascarini as Executive in charge of preparing the company's accounting documents of "Be Think, Solve, Execute S.p.A.", or "Be S.p.A.", hereby confirm:

- the adequacy in relation to the business characteristics, and
- the effective application of administrative accounting procedures adopted in the first half of 2018 when preparing the Half-year Condensed Consolidated Financial Statements.

2. It is also confirmed that:

2.1. the consolidated financial statements:

a) were prepared in compliance with international accounting standards endorsed by the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council dated 19 July 2002;

b) correspond with the accounting entries and records;

c) provide a true and fair view of the equity, economic and financial position of the issuer and its consolidated companies;

2.2. the management report contains a reliable analysis of references to significant events occurring in the first half of 2018 and their impact on the results of operations, as well as of the position of the issuer and its consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 2 August 2018.

/signed/ Manuela Mascarini
Executive in charge of preparing
the company's accounting documents

Manuela Mascarini

/signed/ Stefano Achermann
Chief Executive Officer

Stefano Achermann