

Be

Think, Solve, Execute

Interim Management Report at
30 September 2017

(TRANSLATION FROM ITALIAN ORIGINAL WHICH REMAINS THE DEFINITE VERSION)

Table of contents

Corporate Bodies	3
Summary income statement and statement of financial position	4
Group Structure and Shareholders	6
Business Model and operating segments	7
Presentation criteria	9
Disclosure on operating performance	11
Other disclosures	18
Events after 30 September 2017 and business outlook	21
Financial statements	22

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*
- **Alberto Mocchi** *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 Alberto Mocchi was co-opted pursuant to art. 2386 of the Italian Civil Code on 19 July 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.

Control and Risk Committee

- **Paola Tagliavini** *Independent Chairman*
- **Alberto Mocchi** *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.

Remuneration and Appointments Committee

- **Cristina Spagna** *Independent Chairman*
- **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.

Auditing Firm

- **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	9M 2017	9M 2016
Revenue	92.7	97.9
EBITDA	11.7	11.1
EBIT	7.1	7.1
Profit (loss) before tax	5.4	4.8

Key equity and financial indicators	30.09.2017	31.12.2016
Group Shareholders' Equity	53.9	50.6
Net Invested Capital	75.8	52.7
Net Operating Working Capital (NOWC)	22.8	10.5
Net Financial Position	(21.0)	(1.6)

Revenue by operating segment	9M 2017	9M 2016
Business Consulting	70.9	73.1
ICT Solutions	19.9	22.2
ICT Professional Services	1.8	2.6
Other	0.1	0.0
TOTAL	92.7	97.9

Revenue by customer	9M 2017	9M 2016
Banks	74.8	80.4
Insurance	9.3	9.9
Industry	6.6	6.8
Public Administration	2.0	0.1
Other	0.0	0.7
TOTAL	92.7	97.9

Value of production by geographic area	9M 2017	9M 2016
Italy	54.0	58.7
DACH Region (Germany, Austria, Svizzera)	26.0	21.6
U.K.	10.4	14.8
Other	2.3	2.8
TOTAL	92.7	97.9

Group Headcount

	30.09.2017	31.12.2016
Executives	107	99
Middle Managers	118	123
White collar	858	845
Blue collar	2	2
Apprentices	19	16
TOTAL	1,104	1,085

3. Group Structure and Shareholders

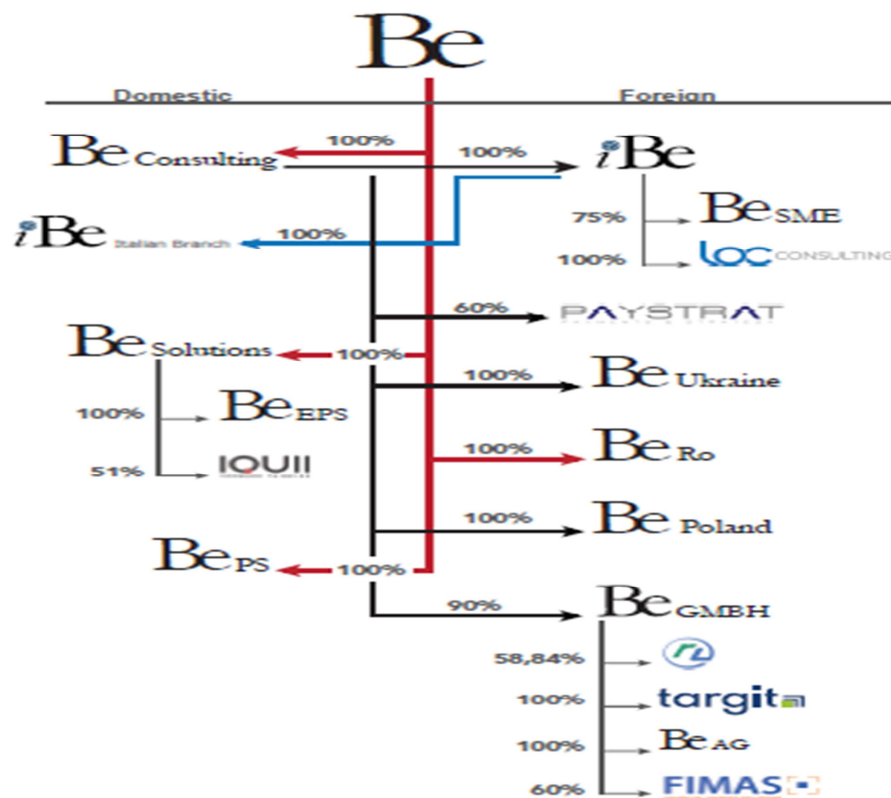
Be Group is one of the leading Italian players in the IT Consulting sector. The Group provides Business Consulting, Information Technology and Professional services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industry to improve their competitive capacity and their potential to create value. With around 1,100 employees and branches in Italy, Germany, United Kingdom, Switzerland, Austria, Poland, Ukraine, Spain and Romania, the Group recorded total revenues of Euro 92.7 million in the first nine months of 2017.

Be S.p.A., 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 following chart shows the Group structure at 30 September 2017:

- Tamburi Investment Partners S.p.A. 23,41%
- iFuture Power in Action S.r.l. 10,02%
- BNY Mellon Service Kapitalanlage GmbH 9,99%
- Achermann Stefano 5,76%
- Float 50,82%

ILLUSTRATIVA



At 30 September 2017 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
BNY Mellon Service Kapitalanlage GmbH	German	13,489,700	9.99
Stefano Achermann	Italian	7,771,132	5.76
Float		68,534,950	50.82
Total		134,897,272	100.00

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 different specialisations: Business Consulting, ICT Solutions and platforms, and ICT Professional Services.

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.

<i>No. of employees</i>	597 employees at 30 September 2017.
<i>Core business</i>	Banking, Insurance.
<i>Segment revenue at 30.09.2017</i>	Euro 70.9 million.
<i>Operating units</i>	Rome, Milan, London, Kiev, Warsaw, Munich, Vienna, Zurich, Madrid and Frankfurt.

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.
- **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. iBe TSE Limited holds 100% of the company's share capital.
- **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).** A 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. At 30 June 2017, Be Consulting S.p.A controlled 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.
- **Payments and Business Advisors S.L. (tradename Paystrat).** 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.

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.

<i>No. of employees</i>	346 <i>employees</i> at 30 September 2017.
<i>Core business</i>	Banking, Insurance, Energy e Public Administration
<i>Segment revenue at 30.09.2017</i>	Euro 19.9 million.
<i>Operating units</i>	Rome, Milan, Turin, Spoleto, Pontinia, 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 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, the management of multi-channel systems and 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. Be Solutions is 100% owner of Be Enterprise Process Solutions S.p.A.
- **Be Enterprise Process Solutions S.p.A.** a company dedicated to the development of services, solutions and platforms in the BPO/DMO area with the aim of implementing/managing:
 - o business Process Outsourcing (BPO) activities through the use of technology solutions and input from specialist resources (e.g. management of incoming and outgoing correspondence or the management of sector-specific processes);
 - o Value Added Services, i.e. innovative solutions to solve specific problems through new service models that are mainly outsourced.
- **Be Think Solve Execute RO S.r.l.** established in July 2014 and based in Bucharest. The company 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.

III. ICT PROFESSIONAL SERVICES

A pool of resources specialised in languages and technology, able to lend its professionalism to supporting critical systems or wide-scale technology upgrade plans.

<i>No. of employees</i>	115 employees at 30 September 2017.
<i>Core Businesses</i>	Banking, Industria, Public Administration.
<i>Segment revenue at 30.09.2017</i>	Euro 1.8 million.
<i>Operating units</i>	Rome, Milan, Turin.

Be Professional Services S.p.A. gathers together the Group's expertise in the most common development languages. The aim is to be involved in major developments for the leading financial institutions, providing highly-specialised professional resources.

5. Presentation criteria

The Interim Management Report at 31 September 2017, is not audited and was prepared in accordance with the provisions of art. 154-ter del D.Lgs. n. 58/1998 (Consolidated Law on Finance).

The Interim Management Report has been prepared in accordance with international accounting standards IAS/IFRS, issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission following the entry into force of European Regulation no. 1606/2002 and specifically on the basis of international accounting standard IAS 34 - Interim Financial Reporting, applicable to interim financial reports.

The Interim Management Report includes a concise disclosure on the financial statements, comprised by the income statement and the statement of financial position, the consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity. The information provided in the statement of financial position refers to 30 September 2017 and 31 December 2016. The information provided in the income statement regards the situation at 30 September 2017 and 30 September 2016. The consolidated statement of cash flows indicates cash flows during the year and classified as operating, investing or financing activities.

The figures are provided on a consolidated basis and presented on the basis of the Euro; all of the amounts are shown in thousands unless otherwise indicated and there could be differences in the unit amounts shown in the tables below due to rounding.

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

5.1 Notes regarding the scope of consolidation

The scope of consolidation includes the Parent Company Be S.p.A. and the companies under its direct or indirect control.

Compared to 31 December 2016, the scope of consolidation has been altered by the following events:

- in January 2017, the liquidation of the subsidiary A&B S.p.A. 100% owned by the Parent Company Be S.p.A. was completed. This company provided services for local public administration and has been inactive since 31 December 2016;
- in February 2017 the subsidiary Be TSE GmbH (formerly Targit GmbH) owned 60% of FIMAS GmbH;
- in February 2017 the subsidiary Be Consulting S.p.A. owned 60% of Payments and Business Advisors S.L.;
- in April, Be Consulting S.p.A. acquired the 66.67% shareholding in Be TSE GmbH owned by its subsidiary iBe Ltd and later increased its shareholding to 90% by purchasing a further 23.33% from Rudiger Borsutzki; the agreement envisages an option to purchase the remaining 10% share in 2022;
- in April, Be Consulting S.p.A. also acquired the 95% shareholding in Be Ukraine Think Solve Execute Llc from its subsidiary iBe Ltd, bringing its investment in the company to 100%;
- in May, Be Consulting S.p.A. also acquired the 93% shareholding in Be Poland Think Solve Execute from its subsidiary iBe Ltd, as well as the residual shareholdings held by third parties, corresponding to 7%, bringing its investment in the company to 100%;
- in July Be TSE GmbH also acquired shareholdings held by third parties of R&L AG partially using the put&call option, bringing its investment in the company to 58,84% from the former 55%.

5.2 Discretionary measurements and significant accounting estimates

The Interim Management Report at 30 September 2017 requires discretionary measurements and accounting estimates that have an effect on the value of statement of financial position assets and liabilities and on disclosures. The final results could differ from such estimates. The estimates are used to measure goodwill, to recognise credit risk provisions, to determine write-downs on investments or assets, amortisation and depreciation and provisions for risks and charges. The estimates and assumptions are periodically reviewed and the effects of any change are immediately reflected in the income statement.

6. Disclosure on operating performance

The Consolidated Income Statement is shown below, restated at 30 September 2017, and is compared with the corresponding period of the previous year.

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

It should be noted that the term “Value of Production” used in this report is to be intended as a synonym of the statement “Total Revenues”, used in the report “Restated Consolidated Income Statement” at paragraph 9 “Financial statements”.

6.1 Group economic performance

Value of Production amounted to Euro 92.7 million compared to Euro 97.9 million as at 30 September 2016, decreasing of Euro 5,2 million (-5.4%).

Operating revenue was Euro 91.1 million decreasing of 6.2% compared 30 September 2016 (Euro 97.1 million).

The slight worsening of operating revenue is mainly due to the ICT segment (-12,2%), while the Business Consulting segment recorded a decrease of 4.1% in operating revenue. The revenue recorded by foreign subsidiaries (corresponding to 42.2% of total operating revenue) amounted to Euro 38.4 million, decreasing of 1.3% compared to 30 September 2016 (Euro 38.9 million).

At 30 September 2017 operating costs decreased by around Euro 5.8 million compared to 30 September 2016 (-6.7%), in particular:

- service costs decreased by around Euro 6.8 million (-15.9%);
- personnel costs increased by around Euro 1.7 million (+3.9%);
- the capitalisation of costs, mainly personnel-related, incurred on software platform development projects amounted to Euro 2.7 million, up Euro 1.1 million (+65.4%).

The gross operating margin (EBITDA) was Euro 11.7 million, up 5.4% compared to 30 September 2016 (Euro 11.1 million). The EBITDA margin was 12.6%, slightly up compared to 30 September 2016.

Amortisation totalled Euro 4.6 million up 0.6 million compared to the corresponding period of previous year (Euro 3.9 million). Write-downs and provisions show a balance close to zero, compared to Euro 0.1 million at 30 September 2016.

Operating profit (loss) (EBIT) was Euro 7.1 million, in line compared to 30 September 2016 (Euro 7.1 million). The EBIT margin stood at 7.7%, up 7.2% compared to 30 September 2016.

Group Profit (loss) before tax from continuing operations was Euro 5.4 million, up 10.9% compared to Euro 4.8 million at 30 September 2016.

At 30 September 2017 discontinued operations had no impact on the income statement, therefore the costs and revenue recognised in the consolidated income statement refer solely to “continuing operations”.

The Consolidated Income Statement is shown below, restated 30 September 2017, and is compared to the amounts of the previous year.

RESTATED CONSOLIDATED INCOME STATEMENT

<i>Valori in migliaia di Euro</i>	9M 2017	9M 2016	Δ	Δ (%)
Operating revenue	91,135	97,137	(6,002)	(6.2%)
Other operating revenue and income	1,554	794	760	95.7%
Value of production	92,689	97,931	(5,242)	(5.4%)
Cost of raw materials and consumables	(173)	(191)	18	(9.4%)
Cost of services and use of third-party assets	(36,045)	(42,848)	6,803	(15.9%)
Personnel costs	(46,290)	(44,555)	(1,735)	3.9%
Other costs	(1,142)	(839)	(303)	36.1%
Internal capitalisations	2,672	1,615	1,057	65.4%
Gross Operating Margin before provisions and write-downs (EBITDA)	11,711	11,113	598	5.4%
Amortisation and depreciation	(4,573)	(3,945)	(628)	15.9%
Write-downs and provisions	(1)	(103)	102	(99.0%)
Operating Profit (Loss) (EBIT)	7,137	7,065	72	1.0%
Net financial income and expense	(990)	(1,473)	483	(32.8%)
Profit (loss) before tax from continuing operations	6,147	5,592	555	9.9%
Net profit (loss) from discontinued operations	0	0	0	n.a.
Consolidated profit (loss) before taxes	6,147	5,592	555	9.9%
Minority interests before taxes	792	764	28	3.7%
Group profit (loss) before taxes	5,355	4,828	527	10.9%

6.2 Segment reporting

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

- **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 and Payments and Business Advisors S.L.

- **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 Enterprise Process Solutions S.p.A. and Be Think Solve Execute RO S.r.l. and Iquii S.r.l.

- **ICT Professional Services**

Business Unit: active in the provision of specialised programming language, solutions and ICT architecture expertise. This business unit relates to activities performed by Be Professional Services S.p.A.

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 nine months of 2017, compared with that of the first nine months of 2016, 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 2017 - 30 September 2017

	Consulting	IT Service	Professional Services	Corporate e altre	Dismiss.	Rettif. di cons. infra-settoriale	Risultato di terzi	Totale
Operating revenue	69,621	19,798	1,715	0	0	0	0	91,135
Other revenues	1,225	124	125	81	0	0	0	1,554
Value of production	70,845	19,922	1,840	81	0	0	0	92,689
Operating Profit (Loss) (EBIT)	8,338	956	(566)	(1,551)	0	(41)	0	7,137
Net financial expense	499	(497)	(53)	4,240	0	(5,179)	0	(990)
Net profit (loss)	8,837	459	(619)	2,689	0	(5,219)	(792)	5,355

Breakdown by operating segment 1 January 2016 - 30 September 2016

	Consulting	IT Service	Professional Services	Corporate e altre	Dismiss.	Rettif. di cons. infra-settoriale	Risultato di terzi	Totale
Operating revenue	72,600	22,083	2,450	5	0	0	0	97,137
Other revenues	458	145	146	44	0	0	0	794
Value of production	73,058	22,228	2,596	49	0	0	0	97,931
Operating Profit (Loss) (EBIT)	9,443	345	(805)	(1,917)	0	0	0	7,065
Net financial expense	(929)	(575)	(74)	3,737	0	(3,631)	0	(1,473)
Net profit (loss)	8,513	(230)	(880)	1,820	0	(3,631)	(764)	4,828

The breakdown of value of production by operating segment is provided below:

Value of production by operating segment

<i>Amounts in EUR millions</i>	9M 2017	%	9M 2016	%	Δ (%)
Business Consulting	70.9	76.5%	73.1	74.7%	(3.0%)
ICT Solutions	19.9	21.5%	22.2	22.7%	(10.4%)
ICT Professional Services	1.8	1.9%	2.6	2.7%	(30.8%)
Other	0.1	0.0%	0.0	0.0%	0.0%
TOTALE	92.7	100.0%	97.9	100.0%	(5.4)%

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

- as regards Consulting business area, the slight decrease of revenues (equal to 3.0%) recorded in the first nine months of 2017 compared to the first nine months of 2016 is due to a reduction of activities on major projects;
- as regards ICT activities, revenues recorded a down of 12.5% compared to the first nine months of 2016.

The breakdown of value of production by customer type is shown below:

Value of production by customer

<i>Amounts in EUR millions</i>	9M 2017	%	9M 2016	%	Δ (%)
Banks	74.8	80.7%	80.4	82.1%	(7.0%)
Insurance	9.3	10.0%	9.9	10.1%	(6.1%)
Industry	6.6	7.1%	6.8	6.9%	(2.9%)
Public Administration	2.0	2.2%	0.1	0.1%	n.a
Other	0.0	0.0%	0.7	0.7%	n.a
TOTALE	92.7	100.0%	97.9	100.0%	(5.4)%

The breakdown of value of production by geographic area is shown below:

Value of production by geographic area

<i>Amounts in EUR millions</i>	9M 2017	%	9M 2016	%	Δ (%)
Italia	54.0	58.3%	58.7	60.0%	(8.0%)
DACH Region (Germany, Austria, Svizzera)	26.0	28.0%	21.6	22.1%	20.4%
U.K.	10.4	11.2%	14.8	15.1%	(29.7%)
Altro	2.3	2.5%	2.8	2.9%	(17.9%)
TOTALE	92.7	100.0%	97.9	100.0%	(5.4)%

At 30 September 2017 the 58.2% of value of production is originated in the domestic market and the remaining 41.8% was generated by the foreign companies.

The considerable turnover volumes of DACH Region (DE, AUT e SUI) are confirmed and the reported revenues are Euro 26.0 million, while the EEC Region (Poland, Ukraine, Romania) recorded Euro 2.3 million of revenues.

The value of production deriving from the new acquisitions (Fimas e Paystrat) amounted to Euro 4.3 million.

6.3 Group Headcount

The total number of Be Group employees at 30 September 2017 was 1,104; the following table shows Be Group employees by operating segment:

Group Headcount		30.09.2017
Consulting		597
I.C.T.Solutions		346
I.C.T. Professional Service		115
Corporate		46
TOTAL		1,104

6.4 Breakdown of Group equity and financial positions

A summary consolidated statement of financial position at 30 September 2017 is shown below, compared to the same statement at 31 December 2016.

Restated Statement of Financial Position

<i>Amounts in EUR thousands</i>	30.09.2017	31.12.2016	Δ	Δ (%)
Non-current assets	86,436	81,888	4,548	5.6%
Current assets	37,148	27,167	9,981	36.7%
Non-current liabilities	(20,307)	(23,376)	3,069	(13.1%)
Current liabilities	(27,500)	(33,013)	5,513	(16.7%)
Net Invested Capital	75,777	52,666	23,111	43.9%
SHAREHOLDERS' EQUITY	54,814	51,060	3,754	7.4%
Net Financial Position	20,963	1,606	19,357	n.a

Non-current assets are represented by goodwill (Euro 59.8 million), recognised at the time of business combinations, intangible assets (Euro 17.6 million) mostly relating to software, technical fixed assets (Euro 2.0 million), deferred tax assets (Euro 5.1 million) and receivables and other non-current assets and shareholdings in other companies (Euro 1.9 million).

Current assets recorded a rise of Euro 10.0 million compared to 31 December 2016, due mainly to the increase in trade receivables for Euro 9.3 million and the net positive impact of Euro 0.7 million resulting from the fall in inventories and to the increase of other assets and tax receivables.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 6.2 million, deferred tax liabilities of Euro 5.9 million and provisions for risks and charges of Euro 0.9 million, as well as other liabilities of Euro 7.3 million, mainly relating to discounted payables for the remaining share of the purchase price of several consolidated companies to be paid to minority or former shareholders.

Current liabilities - mostly comprised of trade payables of Euro 9.5 million and other liabilities, including advances and payables for indirect taxes totaling Euro 18.0 million - recorded an overall reduction of Euro 5.5 million.

Consolidated shareholders' equity was Euro 54.8 million, compared to Euro 51.1 million at 31 December 2016.

<i>Amounts in EUR thousands</i>	30.09.2017	31.12.2016	Δ	Δ (%)
Inventories	15	39	(24)	(61.5%)
Trade receivables	32,216	22,935	9,281	40.5%
Trade payables	(9,470)	(12,477)	3,007	(24.1%)
Net Operating Working Capital (NOWC)	22,761	10,497	12,264	n.a.
Other short-term receivables	4,917	4,193	724	17.3%
Other short-term liabilities	(18,030)	(20,536)	2,506	(12.2%)
Net Working Capital (NWC)	9,648	(5,846)	15,494	n.a.

Net financial indebtedness at 30 September 2017 was Euro 21.0 million, in line with the amount at 30 September 2016 (Euro 21.3 million) marking an increase with respect to 31 December 2016 (Euro 1.6 million).

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 leads to arranging cash outflows in advance during the first half of the year whereas collections are focused in the final quarter of the year.

Net financial indebtedness

<i>Amounts in EUR thousands</i>	30.09.2017	31.12.2016	Δ	Δ (%)
Cash and cash equivalents at bank	13,313	33,109	(19,796)	(59.8%)
A Cash and cash equivalents	13,313	33,109	(19,796)	(59.8%)
B Current financial receivables	299	192	107	55.7%
Current bank payables	(5,067)	(5,184)	117	(2.3%)
Current share of medium/long-term indebtedness	(13,360)	(14,063)	703	(5.0%)
Other current financial payables	(36)	(17)	(19)	n.a.
C Current financial indebtedness	(18,463)	(19,264)	801	(4.2%)
D Net current financial indebtedness (A+B+C)	(4,851)	14,037	(18,888)	n.a.
Non-current bank payables	(16,053)	(15,610)	(443)	2.8%
Other non-current financial payables	(59)	(33)	(26)	78.8%
E Net non-current financial indebtedness	(16,112)	(15,643)	(469)	3.0%
F Net financial position (D+E)	(20,963)	(1,606)	(19,357)	n.a.

With regard to items in the table on the consolidated net financial position, in addition to cash and cash equivalents of Euro 13.3 million, we also draw attention to:

- financial receivables amounting to Euro 0.3 million resulting from receivables due from factoring companies on receivables assigned up to 30 September 2017, the disbursement of

which took place after that date, from receivables for accrued interest on factoring paid but not relating to 30 September 2017;

- current payables to banks at 30 June 2017 amounting to around Euro 18.5 million, relating to:
 - current bank payables of Euro 18.5 million (Euro 5.2 million at 31 December 2016), mainly represented by:
 - a) Euro 2.7 million in short-term credit facilities classed as “advances to suppliers”;
 - b) Euro 2.3 million relating to the use of the short-term loan granted by Monte dei Paschi di Siena to the Parent Company, with last instalment due March 2018;
 - around Euro 13.4 million as the current portion of loans received.
- non-current financial payables of Euro 16.1 million referred mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months;
- other payables refer mainly to finance lease contracts.

6.5 Transactions with related parties

Be Board of Directors adopted new “Regulations on Related Parties” on 1 March 2014, replacing those previously approved on 12 March 2010. For further details, this document is published on the Company web site (www.be-tse.it). Note that Be Board of Directors approved a new version of the procedure on related party transactions. The Procedure has been amended pursuant to Consob Regulation on Related Party Transactions (with resolution of 22 March) aimed to align the national regulation to 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 September 2017 are: T.I.P. Tamburi Investment Partners S.p.A., IR Top S.r.l., 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 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.

Regarding Talent Garden S.p.A, the company is 1.67% owned by Be Solutions S.p.A. The Chairman, Mr. Davide Dattoli, has been appointed Director of Be S.p.A. with a resolution dated 27 April 2017 and the economic transactions occurred in the period refer to services provided to some companies of the Group.

None significant transaction with a related party occurred during the first nine months of 2017.

The figures at 30 September 2017 for related party transactions are shown below:

Receivables and payables with related parties at 30 September 2017

Correlate	<u>Receivables</u>		<u>Payables</u>	
	Trade Receivables	Other receivables	Trade Receivables	Other receivables
IR Top S.r.l.				8
T.I.P. S.p.A.				37
Talent Garden S.p.A.				3
Total Related Parties	0	0	0	48

Revenue and costs with related parties at 30 September 2017

Correlate	<u>Revenue</u>		<u>Costs</u>	
	Revenue	Other Revenue	Revenue	Other Revenue
IR Top S.r.l.				28
T.I.P. S.p.A.				55
C.Achermann				29
Talent Garden S.p.A.				10
Total Related Parties	0	0	0	122

7. Other disclosures

7.1 Main risks and uncertainties to which 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 2017-2019 for the purpose of Impairment Testing (hereinafter 2017-2019 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 2017-2019 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 and 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 2017-2019 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 September 2017 because of the incapacity to generate sufficient cash flows to satisfy those forecast and envisaged in the 2017-2019 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 summonsed third parties.

- **Risks associated with “Restructuring” activities**

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

- **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. 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.

7.1 Development activities: investment

The Group's 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 regarded developing the Group-owned technological platforms; in particular, in the first nine months of 2017, investments totalling Euro 2.7 million were made, mostly regarding the development and upgrade of the technological platforms of the insurance division by Be Solutions, the platform for the management of document processes by Be Eps, the platforms specialised in various areas of the banking industry by the Targit Group, as well as the development of the internal company IT system commissioned to Be Professional.

7.2 Significant event in the period

In July R&L AG - the payment specialist firm of Be Group in Germany – has renewed contract with the German Central Bank (Deutsche BundesBank) to further support the project of evolving payment infrastructure in the German and European environments. The amount of the new contract – which will cover two years - is Eur 1,0 million.

In September Be has signed an international Partnership Agreement with Murex, a leader in Capital Markets solutions. Through this agreement, Be becomes one of European partners of Murex and aims to boost its market share in the professional services area at a domestic and international level.

In September Be has been selected by one of the European Systemically Important Financial Institutions (SIFI) to support the management of Capital Markets ICT infrastructure. The 2017-2020 assigned contract, with a total value of Euro 11.0 million, strengthens Be positioning in a strategic area of the Financial industry. The contract includes the development activity of the infrastructure platform (over 8,000 servers and 400 hypervisors) for the next 3 years.

On September 25, 2017 Be has completed the merger of its subsidiaries operating in ICT and BPO segments, establishing - through the integration of such companies - a new entity having a combined revenue of Eur 40 mln and 450 employees, servicing the growing demand for system integration, technology solutions and process digitalisation. The merger act is due, to the effects of the civil proceedings, from October 1st, 2017; only because of article 2501 ter n. 6 of the Civil Code, the transactions of the merging company will be ascribed in the financial statement of the merging company since 1 January 2017 and from this day on the fiscal effects will become effective.

8. **Events after 30 September 2017 and business outlook**

In October Be signed a important assignment in cooperation with other leading consulting company, aimed to support Friuli Venezia Giulia Region and the Autonomous Provinces of Trento and Bolzano in monitoring projects financed by ERDF (European Regional Development Fund) and ESF (European Social Fund). The signed Framework Agreement will directly involve Be for activities in the amount of Euro 1.1 million and allows Be to launch the Advisory Unit for the Public Sector.

In light of the results recorded by Be in the first nine months of the year, it is reasonable to confirm the scenario of consolidation of our market positioning and, more in general, the targets for the period 2017-2019.

Milan, 9 November 2017.

/s/ Stefano Achermann
The Board of Directors
Chief Executive Officer

9. Financial Statements

- Consolidated Statement of Financial Position
- Restated Consolidated Income Statement
- Condensed Consolidated Statement of Cash Flows
- Statement of Changes in Consolidated Shareholders' Equity

Consolidated Statement of Financial Position

<i>Amounts in EUR thousands</i>	30.09.2017	31.12.2016
NON-CURRENT ASSETS		
Property, plant and equipment	2,022	1,968
Goodwill	59,755	55,645
Intangible assets	17,644	17,678
Equity investments in other companies	352	300
Loans and other non-current assets	1,565	1,179
Deferred tax assets	5,098	5,118
Total non-current assets	86,436	81,888
CURRENT ASSETS		
Inventories	15	39
Trade receivables	32,216	22,935
Other assets and receivables	4,091	3,401
Direct tax receivables	826	792
Financial receivables and other current financial assets	299	192
Cash and cash equivalents	13,313	33,109
Total current assets	50,760	60,468
Total discontinued operations	0	0
TOTAL ASSETS	137,196	142,356
SHAREHOLDERS' EQUITY		
Share capital	27,109	27,109
Reserves	21,468	19,219
Net profit (loss) attributable to owners of the Parent Company	5,355	4,246
Group Shareholders' equity	53,932	50,574
Minority interests:		
Capital and reserves	90	165
Net profit (loss) attributable to minority interests	792	321
Minority interests	882	486
TOTAL SHAREHOLDERS' EQUITY	54,814	51,060
NON-CURRENT LIABILITIES		
Financial payables and other non-current financial liabilities	16,112	15,643
Provision for non-current risks	892	1,122
Post-employment benefits (TFR)	6,168	6,114
Deferred taxes	5,920	6,074
Other non-current liabilities	7,327	10,066
Total Non-current liabilities	36,419	39,019
CURRENT LIABILITIES		
Financial payables and other current financial liabilities	18,463	19,264
Trade payables	9,470	12,477
Provision for current risks	30	32
Tax payables	496	920
Other liabilities and payables	17,504	19,584
Total Current liabilities	45,963	52,277
Total discontinued operations	0	0
TOTAL LIABILITIES	82,382	91,296
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	137,196	142,356

Restated Consolidated Income Statement

<i>Valori in migliaia di Euro</i>	9M 2017	9M 2016	Δ	Δ (%)
Operating revenue	91,135	97,137	(6,002)	(6.2%)
Other operating revenue and income	1,554	794	760	95.7%
Value of production	92,689	97,931	(5,242)	(5.4%)
Cost of raw materials and consumables	(173)	(191)	18	(9.4%)
Cost of services and use of third-party assets	(36,045)	(42,848)	6,803	(15.9%)
Personnel costs	(46,290)	(44,555)	(1,735)	3.9%
Other costs	(1,142)	(839)	(303)	36.1%
Internal capitalisations	2,672	1,615	1,057	65.4%
Gross Operating Margin before provisions and write-downs (EBITDA)	11,711	11,113	598	5.4%
Amortisation and depreciation	(4,573)	(3,945)	(628)	15.9%
Write-downs and provisions	(1)	(103)	102	(99.0%)
Operating Profit (Loss) (EBIT)	7,137	7,065	72	1.0%
Net financial income and expense	(990)	(1,473)	483	(32.8%)
Profit (loss) before tax from continuing operations	6,147	5,592	555	9.9%
Net profit (loss) from discontinued operations	0	0	0	n.a.
Consolidated profit (loss) before taxes	6,147	5,592	555	9.9%
Minority interests before taxes	792	764	28	3.7%
Group profit (loss) before taxes	5,355	4,828	527	10.9%

Condensed Consolidated Statement of Cash Flows

<i>Amounts in EUR thousands</i>	30.09.2017	30.09.2016
Operating activities:		
Group net profit (loss)	6,147	5,592
Adjustments of items that do not affect liquidity	3,772	5,688
<i>a) Cash flow from operating activities</i>	<i>9,919</i>	<i>11,280</i>
<i>b) Change in net working capital</i>	<i>(22,338)</i>	<i>(18,081)</i>
Gross operating cash flow (a+b)	(12,419)	(6,802)
<i>c) Cash flow generated (absorbed) by investing activities</i>	<i>(2,525)</i>	<i>(3,814)</i>
<i>d) Cash flow generated (absorbed) by financing activities</i>	<i>(4,853)</i>	<i>1,068</i>
<i>e) Cash flow generated (absorbed) by discontinued operations</i>	<i>0</i>	<i>0</i>
Total Cash flow (a+b+c+d+e)	(19,796)	(9,548)
Net cash and cash equivalents - opening balance	33,109	19,626
Net cash and cash equivalents - closing balance	13,313	10,078
Change in net cash and cash equivalents	(19,796)	(9,548)

Statement of Changes in Consolidated Shareholders' Equity

<i>Amounts in EUR thousands</i>	Share Capital	Retained earnings	Profit (loss) for the period	Group Shareholders' Equity	Minority interests	Total
SHAREHOLDERS' EQUITY AT 31.12.2015	27,109	17,864	3,455	48,428	784	49,212
Profit (loss) for the period			4,246	4,246	321	4,567
Other items of comprehensive income		(648)		(648)	10	(638)
Net comprehensive profit (loss)		(648)	4,246	3,598	331	3,929
Allocation of prior year profit (loss)		3,455	(3,455)	0	0	0
Dividend distribution		(1,500)		(1,500)	(362)	(1,862)
(Purchases)/Disposals of Minority Interests		48		48	(268)	(220)
SHAREHOLDERS' EQUITY AT 31.12.2016	27,109	19,219	4,246	50,574	486	51,060
Profit (loss) for the period			5,355	5,355	792	6,147
Other items of comprehensive income		(53)		(53)	6	(47)
Net comprehensive profit (loss)		(53)	5,355	5,302	798	6,100
Allocation of prior year profit (loss)		4,246	(4,246)	0	0	0
Dividend distribution		(1,996)		(1,996)	(350)	(2,346)
Impact of acquiring shareholdings		52		52	(52)	0
SHAREHOLDERS' EQUITY AT 30.09.2017	27,109	21,468	5,355	53,932	882	54,814