

Be

Interim Management Report
at 30 September 2018

(TRANSLATION FROM ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)

Table of contents

Interim Management Report at 30 September 2018

Corporate Bodies	3
Summary income statement and statement of financial position	4
Group Structure and Shareholders	5
Business Model and Operating segments	7
Presentation criteria	9
Disclosure on Operating performance	10
Other disclosures	18
Events after 30 September 2018 and business outlook	20
Financial statements	21

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.

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

	9M 2018	9M 2017
Value of production	103.7	92.7
EBITDA	12.7	11.7
EBIT	8.3	7.1
Group profit (loss) before tax	6.7	5.4

Key equity and financial indicators

	30.09.2018	31.12.2017
Group Shareholders' equity	55.4	52.8
Net Invested Capital	82.4	59.1
Net Operating Working Capital (NOWC)	31.7	13.6
Net Financial Position	(25.4)	(5.5)

Value of production by operating segment

	9M 2018	9M 2017
Business Consulting	72.9	70.8
ICT Solutions	30.3	21.8
Other	0.5	0.1
TOTAL	103.7	92.7

Value of production by customer type

	9M 2018	9M 2017
Banks	77.4	74.8
Insurance	17.3	9.3
Industry	6.7	6.6
Public Administration	2.3	2.0
Other	0.0	0.0
TOTAL	103.7	92.7

Value of production by geographic area

	9M 2018	9M 2017
Italy	62.6	54.0
DACH Region (Germany, Austria, Switzerland)	29.6	26.0
UK and Spain	9.1	10.4
Cee Region (Poland, Ukraine, Romania)	2.4	2.3
TOTAL	103.7	92.7

Group Headcount

	30.09.2018	31.12.2017
Executives	131	99
Middle managers	137	123
White-collar staff	914	845
Blue collar	2	2
Apprentices	19	16
TOTAL	1,203	1,085

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 industries 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, in the first nine months of 2018 the Group recorded a total value of production of Euro 103.7 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 for the preparation of both annual and interim accounting documents.

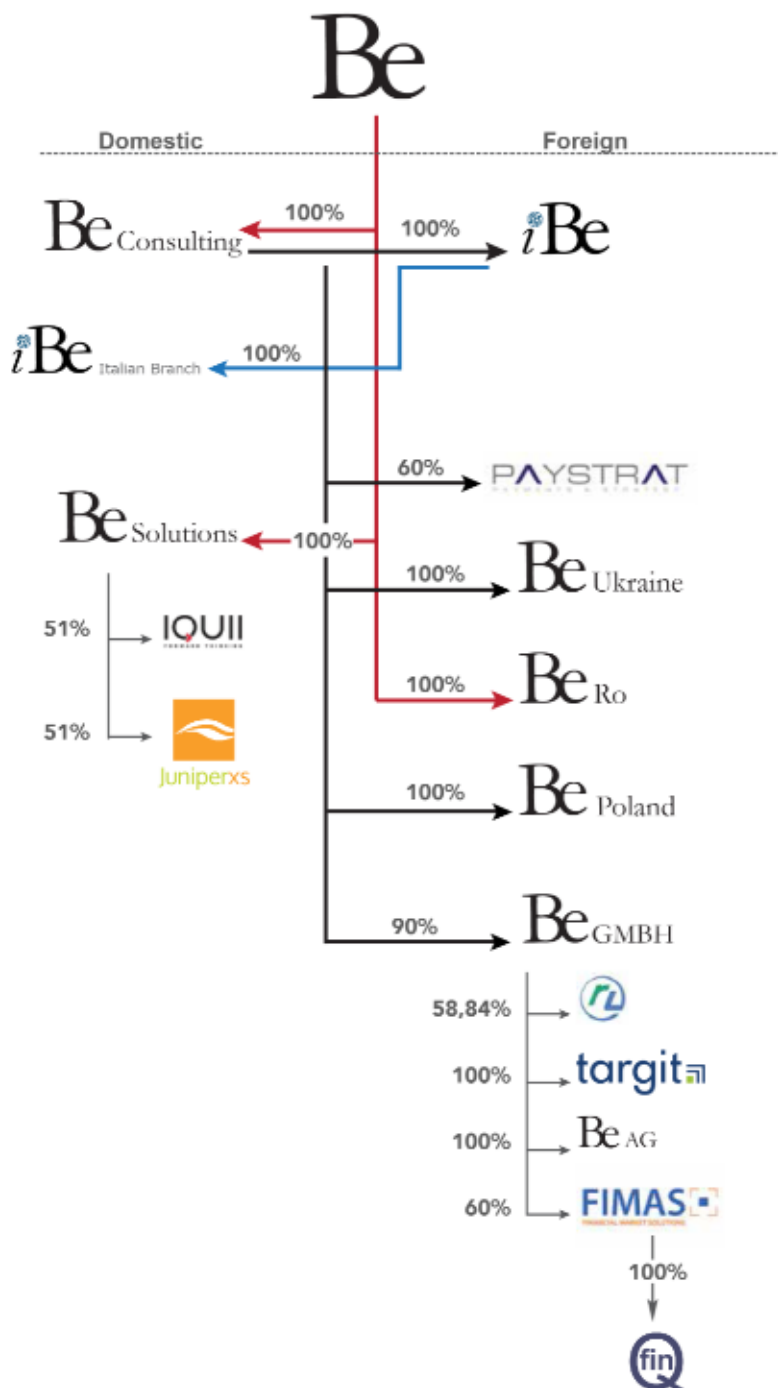
At 30 September 2018, the number of shares issued totalled 134,897,272 (of which 1,549,048 own shares in its portfolio), and the shareholding structure - as indicated in disclosures pursuant to art. 120 of the "Consolidated Law on Finance" (TUF) and in relation to notices received in accordance with 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	1,549,048	1.15
Float		60,106,114	44.56
Total		134,897,272	100.00

The following chart shows the **Be Group** structure at 30 September 2018¹.

ILLUSTRATIVA



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 provision 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;

Number of employees	669 employees at 30 September 2018.
Core business	Banking, Insurance.
Segment revenue at 30 September 2018	Euro 72.9 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 quarter 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;

Number of employees	487 employees at 30 September 2018.
Core Businesses	Banking, Insurance, Energy and Public Administration.
Segment revenue at 30 September 2018	Euro 30.3 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. Presentation criteria

The Interim Management Report at 30 September 2018 is not audited and was prepared in accordance with the provisions of art. 154-ter of Italian Legislative Decree no. 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 of the income statement, statement of financial position, statement of cash flows and statement of changes in shareholders’ equity. The information provided in the statement of financial position refers to 30 September 2018 and 31 December 2017. The information provided in the income statement regards the situation at 30 September 2018 and 2017 and refers to the pre-tax position. The reclassified consolidated statement of cash flows indicates cash flows during the period and classified among operating, investing and financing activities.

The data are provided on a consolidated basis and presented in thousands of Euro (the functional currency) unless otherwise indicated. 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 Interest, Tax, Depreciation & Amortisation (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 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 the 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 the subsidiary Be Solutions S.p.A.

5.2 Discretionary measurements and significant accounting estimates

The Interim Management Report at 30 September 2018 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, and to determine 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 following table illustrates the Be Group income statement for the first nine months 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", pursuant to paragraph 9 "Financial Statements".

6.1 Group economic performance

The Value of production amounted to Euro 103.7 million, compared to Euro 92.7 million at 30 September 2017, for an increase of Euro 11.0 million (+11.8%).

Operating revenue was Euro 102.3 million, up 12.2% compared to 30 September 2017 (Euro 91.1 million).

The improvement in operating revenue was more significant for ICT activities overall (+40.5%), while the Business Consulting area recorded a 3.6% increase in operating revenue.

The revenue recorded by foreign subsidiaries amounted to Euro 41.1 million, corresponding to 39.6% of total operating revenue (41.8% at 30 September 2017).

Operating costs, consisting of costs for consumables, services, personnel and other expenses, amounted to Euro 93.6 million, for an increase of around Euro 10.0 million compared to 30 September 2017 (+11.9%); in particular:

- service costs were around Euro 39.8 million (+10.5%);
- personnel costs totalled Euro 53.0 million (+14.4%).

The capitalisation of costs, mainly related to personnel working on projects to develop in-house software platforms, amounted to Euro 2.7 million (+0.6%).

The Gross Operating Margin (EBITDA) was Euro 12.7 million, up 8.7% compared to 30 September 2017 (Euro 11.7 million). The EBIT margin was 12.3% against 12.6% at 30 September 2017.

Amortisation and depreciation totalled Euro 3.8 million, down Euro 0.8 million compared to 30 September 2017 (Euro 4.6 million). During the period in question, write-downs and provisions amounted to Euro 0.6 million, compared to an essentially zero value during the corresponding period of the prior year.

Operating Profit (Loss) (EBIT) was Euro 8.3 million, up 16.9% compared to 30 September 2017 (Euro 7.1 million). The EBITDA margin stood at 8.1%, compared to 7.7% at 30 September 2017.

Consolidated profit (loss) before tax including minority interests was Euro 7.5 million, up 22.1% compared to Euro 6.1 million recorded at 30 September 2017.

Group profit (loss) before tax was Euro 6.7 million, up 25.3% compared to 30 September 2017 (Euro 5.4 million).

At 30 September 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 Consolidated Income Statement is shown below, restated at 30 September 2018, and is compared to the amounts of the previous year.

Restated Consolidated Income Statement

<i>Amounts in EUR thousands</i>	9M 2018	9M 2017	Δ	Δ (%)
Operating revenue	102,277	91,135	11,142	12.2%
Other revenue and income	1,380	1,554	(174)	(11.2%)
Value of production	103,657	92,689	10,968	11.8%
Cost of consumables	(127)	(173)	46	(26.6%)
Cost of services and use of third-party assets	(39,837)	(36,045)	(3,792)	10.5%
Personnel costs	(52,951)	(46,290)	(6,661)	14.4%
Other costs	(697)	(1,142)	445	(39.0%)
Internal capitalisations	2,687	2,672	15	0.6%
Gross Operating Margin (EBITDA)	12,732	11,711	1,021	8.7%
Amortisation and depreciation	(3,788)	(4,573)	785	(17.2%)
Write-downs and provisions	(600)	(1)	(599)	n.a.
Operating Profit (Loss) (EBIT)	8,344	7,137	1,207	16.9%
Net financial income and expense	(837)	(990)	153	(15.5%)
Profit (loss) before tax from continuing operations	7,507	6,147	1,360	22.1%
Profit (loss) before tax from discontinued operations	0	0	0	n.a.
Consolidated profit (loss) before tax including minority interests	7,507	6,147	1,360	22.1%
Profit (loss) before tax attributable to minority interests	798	792	6	0.8%
Group profit (loss) before tax for the period	6,709	5,355	1,354	25.3%

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 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 positions of the Group by operating segment for the first nine months of 2018 compared with the corresponding period of 2017 are 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 “Summary income statement and statement of financial position” and in the tables below is shown net of all intercompany transactions between Group companies.

Breakdown by operating segment 1 January 2018-30 September 2018

	Consulting	ICT Solutions	Corporate and other	Disposals	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	74,461	33,276	3,247	0	(8,707)	0	102,277
Other revenue	1,580	326	978	0	(1,504)	0	1,380
Value of production	76,041	33,602	4,225	0	(10,211)	0	103,657
Operating Profit (Loss) (EBIT)	6,058	6,141	(3,855)	0	0	0	8,344
Net financial expense	(585)	(384)	4,630	0	(4,498)	0	(837)
Profit (loss) before tax	5,472	5,757	776	0	(4,498)	(798)	6,709

Breakdown by operating segment 1 January 2017-30 September 2017

	Consulting	ICT Solutions	Corporate and other	Disposals	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	69,848	26,905	3,220	0	(8,838)	0	91,135
Other revenue	1,388	1,438	564	0	(1,836)	0	1,554
Value of production	71,236	28,342	3,785	0	(10,674)	0	92,689
Operating Profit (Loss) (EBIT)	8,338	390	(1,551)	0	(41)	0	7,137
Net financial expense	499	(550)	4,240	0	(5,179)	0	(990)
Profit (loss) before tax	8,837	(160)	2,689	0	(5,219)	(792)	5,355

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

Value of production by operating segment

<i>Amounts in EUR millions</i>	9M 2018	%	9M 2017	%	Δ (%)
Business Consulting	72.9	70.3%	70.8	76.4%	3.0%
ICT Solutions	30.3	29.2%	21.8	23.5%	39.0%
Other	0.5	0.5%	0.1	0.1%	n.a.
TOTAL	103.7	100.0%	92.7	100.0%	11.8%

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 nine months of 2018 increased significantly (+3.0%) against the value recorded in the first nine months of 2017;

- ICT activities overall recorded a value of production up by 39.0% compared to the corresponding period 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

<i>Amounts in EUR millions</i>	9M 2018	%	9M 2017	%	Δ (%)
Banks	77.4	74.6%	74.8	80.7%	3.5%
Insurance	17.3	16.7%	9.3	10.0%	86.0%
Industry	6.7	6.5%	6.6	7.1%	1.5%
Public Administration	2.3	2.2%	2.0	2.2%	15.0%
TOTAL	103.7	100%	92.7	100.0%	11.8%

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

Value of production by geographic area

<i>Amounts in EUR millions</i>	9M 2018	%	9M 2017	%	Δ (%)
Italy	62.6	60.4%	54.0	58.3%	15.9%
DACH Region (Germany, Austria, Switzerland)	29.6	28.5%	26.0	28.0%	13.8%
UK and Spain	9.1	8.8%	10.4	11.2%	(12.5%)
Cee Region (Poland, Ukraine, Romania)	2.4	2.3%	2.3	2.5%	4.3%
TOTAL	103.7	100.0%	92.7	100.0%	11.8%

Lastly, note that during the first nine months of 2018, 60.4% of production was generated by the domestic market and the remaining 39.6% by the foreign market. The significant weight of the DACH (DE, AUT and SUI) Region on the value of production is confirmed, contributing Euro 29.6 million to revenues, up 13.8% compared to the first nine months of 2017.

The UK and Spanish markets are down compared to the corresponding period of the prior year (Euro 9.1 million, compared to Euro 10.4 million at 30 September 2017), and the Cee Region (Poland, Ukraine, Romania) showed slight growth (+4.3%), generating Euro 2.4 million in the first nine months of 2018, compared to Euro 2.3 million in the same period of 2017.

6.3 Personnel

The total number of Be Group employees at 30 September 2018 was 1,203. The following table shows Be Group employees by operating segment:

Group Headcount

	30.09.2018
Consulting	669
I.C.T. Solutions	487
Corporate	47
TOTAL	1,203

6.4 Breakdown of Group Equity and Financial Positions

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

Restated Statement of Financial Position

<i>Amounts in EUR thousands</i>	30.09.2018	31.12.2017	Δ	Δ (%)
Non-current assets	87,679	85,995	1,684	2.0%
Current assets	45,169	28,600	16,569	57.9%
Non-current liabilities	(23,382)	(22,097)	(1,285)	5.8%
Current liabilities	(27,101)	(33,418)	6,317	(18.9%)
Net Invested Capital	82,365	59,080	23,285	39.4%
Shareholders' Equity	56,985	53,563	3,422	6.4%
Net Financial Indebtedness	25,380	5,517	19,863	n.a.

Non-current assets are mostly represented by goodwill (Euro 61.9 million), recognised at the time of business combinations, intangible assets (Euro 16.8 million) mostly relating to software, technical fixed assets (Euro 1.9 million), deferred tax assets (Euro 4.7 million) and receivables and other non-current assets (Euro 2.0 million).

Current assets recorded a rise of Euro 16.6 million compared to 31 December 2017, due mainly to the increase in trade receivables for Euro 14.7 million and the increase in receivables and other current assets and tax receivables totalling Euro 1.9 million.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 7.2 million, deferred tax liabilities of Euro 6.4 million and provisions for risks and charges of Euro 2.7 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 through put&call agreements.

Current liabilities - mostly comprised of trade payables of Euro 8.3 million and other liabilities and payables and payables for indirect taxes totalling Euro 18.8 million - recorded an overall decrease of Euro 6.3 million.

Consolidated shareholders' equity was Euro 57.0 million, compared to Euro 53.6 million at 31 December 2017.

The breakdown of Net working capital at 30 September 2018 is shown below:

<i>Amounts in EUR thousands</i>	30.09.2018	31.12.2017	Δ	Δ (%)
Inventories	15	15	0	0.0%
Trade receivables	39,971	25,240	14,731	58.4%
Trade payables	(8,274)	(11,667)	3,393	(29.1%)
Net Operating Working Capital (NOWC)	31,712	13,588	18,124	n.a.
Other short-term receivables	5,183	3,345	1,838	54.9%
Other short-term liabilities	(18,827)	(21,751)	2,924	(13.4%)
Net Working Capital (NWC)	18,068	(4,818)	22,886	n.a.

Net financial indebtedness at 30 September 2018 was Euro 25.4 million, compared to Euro 5.5 million at 31 December 2017 and Euro 21.0 million at 30 September 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 nine months of the year whereas collections are focused in the final quarter of the year.

<i>Amounts in EUR thousands</i>	30.09.2018	31.12.2017	Δ	Δ (%)
Cash and cash equivalents at bank	9,328	22,767	(13,439)	(59.0%)
A Cash and cash equivalents	9,328	22,767	(13,439)	(59.0%)
B Current financial receivables	39	591	(552)	(93.4%)
Current bank payables	(8,980)	(3,789)	(5,191)	n.a.
Current share of medium/long-term indebtedness	(11,389)	(12,968)	1,579	(12.2%)
Other current financial payables	(29)	(43)	14	(32.6%)
C Current financial indebtedness	(20,398)	(16,800)	(3,598)	21.4%
D Current Net Financial Position (A+B+C)	(11,031)	6,558	(17,589)	n.a.
Non-current bank payables	(14,280)	(12,021)	(2,259)	18.8%
Other non-current financial payables	(69)	(54)	(15)	27.8%
E Non-current Net Financial Position	(14,349)	(12,075)	(2,274)	18.8%
F Net financial position (D+E)	(25,380)	(5,517)	(19,863)	n.a.

With regard to items in the table on the consolidated net financial position, in addition to cash and cash equivalents of Euro 9.3 million (Euro 22.8 million at 31 December 2017), we also draw attention to:

- current payables to banks at 30 September 2018, equal to around Euro 20.4 million (Euro 16.8 million at 31 December 2017), relating to:
 - current bank payables of Euro 9.0 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 1.0 million, “accounts payable to suppliers” for Euro 3.5 million and “account overdrafts” for Euro 1.6 million;
 - b) Euro 2.7 million in use of the short-term loan with last instalment in April 2019;
 - the current portion of loans received for around Euro 11.4 million (Euro 13.0 million at 31 December 2017);
 - other non-current financial payables, referring mainly to interest accrued and not collected.
- non-current financial payables of Euro 14.3 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, referring mainly to finance lease contracts.

6.5 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 2018) 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 September 2018 are: T.I.P. Tamburi Investment Partners S.p.A., Ir Top Consulting 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 September 2018

	<i>Receivables</i>			<i>Payables</i>		
	<i>Trade and other receivables</i>	<i>Other receivables</i>	<i>Financial receivables</i>	<i>Trade and other payables</i>	<i>Other payables</i>	<i>Financial payables</i>
Related Parties						
T.I.P. S.p.A.				18		
Talent Garden				4		
IR Top Consulting				3		
Total Related Parties	0	0	0	25	0	0

Revenue and costs with related parties at 30 September 2018

	<u>Revenue</u>			Services	<u>Costs</u>	
	Revenue	Other revenue	Financial income		Other costs	Financial expense
Related Parties						
T.I.P. S.p.A.				45		
C. Achermann				29		
Talent Garden				97		
IR Top Consulting				22		
Total Related Parties	0	0	0	193	0	0

7. Other disclosures

7.1 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 actions, 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 September 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 the 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.

7.2 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 nine months 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.

7.3 Significant events in the third quarter of 2018

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.

8. Events after 30 September 2018 and business outlook

Be Think Solve, Execute S.p.A. (Be or the Company) announces the launch of the second phase of the own shares purchase plan, in execution of the authorisation resolved by the Shareholders’ Meeting of 26 April 2018. During this second phase, the company may purchase a maximum number of ordinary shares of the Issuer for a total value of Euro 1.5 million. The second phase of the purchase plan will begin on 22 October 2018 and end on 31 December 2018.

In view of the results recorded by the Group in the first nine months 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.

Milan, 8 November 2018.

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

9. Financial statements

- A. Consolidated Statement of Financial Position
- B. Restated Consolidated Income Statement
- C. Condensed Consolidated Statement of Cash Flows
- D. Statement of Changes in Consolidated Shareholders' Equity

A. Consolidated Statement of Financial Position

<i>Amounts in EUR thousands</i>	30.09.2018	31.12.2017
<i>NON-CURRENT ASSETS</i>		
Property, plant and equipment	1,914	1,918
Goodwill	61,885	59,722
Intangible assets	16,785	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	2,046	2,217
Deferred tax assets	4,720	4,724
Total non-current assets	87,679	85,995
<i>CURRENT ASSETS</i>		
Inventories	15	15
Trade receivables	39,971	25,240
Other assets and receivables	4,171	2,778
Direct tax receivables	1,012	567
Financial receivables and other current financial assets	39	591
Cash and cash equivalents	9,328	22,767
Total current assets	54,536	51,958
Total discontinued operations	0	0
TOTAL ASSETS	142,215	137,953
<i>SHAREHOLDERS' EQUITY</i>		
Share capital	27,109	27,109
Reserves	21,570	21,177
Net profit (loss) attributable to owners of the Parent Company	6,709	4,478
Group Shareholders' equity	55,388	52,764
Minority interests:		
Capital and reserves	800	102
Net profit (loss) attributable to minority interests	798	697
Minority interests	1,598	799
TOTAL SHAREHOLDERS' EQUITY	56,986	53,563
<i>NON-CURRENT LIABILITIES</i>		
Financial payables and other non-current financial liabilities	14,349	12,075
Provision for non-current risks	2,682	2,244
Post-employment benefits (TFR)	7,231	6,858
Deferred tax liabilities	6,410	6,223
Other non-current liabilities	7,059	6,772
Total non-current liabilities	37,731	34,172
<i>CURRENT LIABILITIES</i>		
Financial payables and other current financial liabilities	20,398	16,800
Trade payables	8,274	11,667
Provision for current risks	31	31
Tax payables	220	618
Other liabilities and payables	18,575	21,102
Total current liabilities	47,498	50,218
Total discontinued operations	0	0
TOTAL LIABILITIES	85,229	84,390
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	142,215	137,953

B. Restated Consolidated Income Statement

<i>Amounts in EUR thousands</i>	9M 2018	9M 2017	Δ	Δ (%)
Operating revenue	102,277	91,135	11,142	12.2%
Other revenue and income	1,380	1,554	(174)	(11.2%)
Value of production	103,657	92,689	10,968	11.8%
Cost of consumables	(127)	(173)	46	(26.6%)
Cost of services and use of third-party assets	(39,837)	(36,045)	(3,792)	10.5%
Personnel costs	(52,951)	(46,290)	(6,661)	14.4%
Other costs	(697)	(1,142)	445	(39.0%)
Internal capitalisations	2,687	2,672	15	0.6%
Gross Operating Margin (EBITDA)	12,732	11,711	1,021	8.7%
Amortisation and depreciation	(3,788)	(4,573)	785	(17.2%)
Write-downs and provisions	(600)	(1)	(599)	n.a.
Operating Profit (Loss) (EBIT)	8,344	7,137	1,207	16.9%
Net financial income and expense	(837)	(990)	153	(15.5%)
Profit (loss) before tax from continuing operations	7,507	6,147	1,360	22.1%
Profit (loss) before tax from discontinued operations	0	0	0	n.a.
Consolidated profit (loss) before tax	7,507	6,147	1,360	22.1%
Profit (loss) before tax attributable to minority interests	798	792	6	0.8%
Group profit (loss) before tax for the period	6,709	5,355	1,354	25.3%

C. Condensed Consolidated Statement of Cash Flows

<i>Amounts in EUR thousands</i>	30.09.2018	30.09.2017
Operating activities:		
Profit (loss) for the period	7,507	6,147
Adjustments of items that do not affect liquidity	3,385	3,772
<i>a) Cash flow from operating activities</i>	<i>10,892</i>	<i>9,919</i>
<i>b) Change in net working capital</i>	<i>(24,119)</i>	<i>(22,338)</i>
Operating cash flow (a+b)	(13,226)	(12,419)
<i>c) Cash flow generated (absorbed) by investing activities</i>	<i>(1,621)</i>	<i>(2,525)</i>
<i>d) Cash flow generated (absorbed) by financing activities</i>	<i>1,409</i>	<i>(4,853)</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)	(13,439)	(19,796)
Net cash and cash equivalents - opening balance	22,767	33,109
Net cash and cash equivalents - closing balance	9,328	13,313
Change in net cash and cash equivalents	(13,439)	(19,796)

D. Statement of Changes in Consolidated Shareholders' Equity

<i>Amounts in EUR thousands</i>	Share capital	Reserves and retained earnings	Profit (loss) for the period/year	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)			4,478	4,478	697	5,175
Other items of comprehensive income		(346)	0	(346)	7	(339)
Net comprehensive profit (loss)		(346)	4,478	4,132	704	4,836
Allocation of prior year profit (loss)		4,246	(4,246)	0	0	0
Dividend distribution		(1,996)		(1,996)	(350)	(2,346)
(Purchases)/Disposals of Minority Interests		54		54	(41)	14
SHAREHOLDERS' EQUITY AT 31.12.2017	27,109	21,177	4,478	52,764	799	53,563
Profit (loss) before tax			6,709	6,709	798	7,507
Other items of comprehensive income		1	0	1	1	2
Total profit (loss) before tax		1	6,709	6,709	799	7,509
Allocation of prior year profit (loss)		4,478	(4,478)	0	0	0
Purchase of own shares		(1,382)		(1,382)		(1,382)
Dividend distribution		(2,698)		(2,698)		(2,698)
Other changes		(6)		(6)		(6)
SHAREHOLDERS' EQUITY AT 30.09.2018	27,109	21,570	6,709	55,388	1,598	56,986