



DOCUMENT D'INFORMATION

REGISTRATION OF SHARES FOR NEGOTIATIONS ON EURONEXT GROWTH PARIS THROUGH PRIVATE PLACEMENT

September 2018

The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF). This document was therefore not endorsed by the AMF.

L'opération proposée ne nécessite pas de visa de l'Autorité des Marchés Financiers (AMF). Ce document n'a donc pas été soumis au visa de l'AMF (Autorité des Marchés Financiers).

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www.mybestgroup.it

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Advisor and Listing sponsor



Global advisors

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a Regulated Market

Attention
Preliminary Information

Droit français :

Décret n°2006-557 du 16 mai 2006 modifiant le chapitre 1er du titre 1er du livre IV de la partie réglementaire du code monétaire et financier.

Le Premier ministre,

Sur le rapport du ministre de l'économie, des finances et de l'industrie,

Vu le code des assurances ;

Vu le code monétaire et financier, notamment son article L. 411-2 ;

Vu le code de la mutualité ;

Vu le code de la sécurité sociale ;

Vu l'ordonnance n° 45-2710 du 2 novembre 1945 relative aux sociétés d'investissement ;

Vu l'ordonnance n° 96-50 du 24 janvier 1996 relative au remboursement de la dette sociale, notamment son article 1er ;

Vu la loi n° 72-650 du 11 juillet 1972 modifiée portant diverses dispositions d'ordre économique et financier, notamment son article 4 ;

Vu la loi n° 85-695 du 11 juillet 1985 portant diverses dispositions d'ordre économique et financier, notamment son article 1er ;

Vu la loi n° 2005-842 du 26 juillet 2005 pour la confiance et la modernisation de l'économie,

Décète :

Art. 1er. – Les articles D. 411-1 et D. 411-2 du code monétaire et financier sont remplacés par les articles D. 411-1 à D. 411-4 ainsi rédigés :

« Art. D. 411-1. –

I. – Ont la qualité d'investisseurs qualifiés au sens de l'article L. 411-2 lorsqu'ils agissent pour compte propre :

« 1° Les établissements de crédit et les compagnies financières mentionnés respectivement à l'article L. 511-9 et à l'article L. 517-1 ;

« 2° Les institutions et services mentionnés à l'article L. 518-1 ;

« 3° Les entreprises d'investissement mentionnées à l'article L. 531-4 ;

« 4° Les sociétés d'investissement mentionnées à l'article 6 de l'ordonnance du 2 novembre 1945 susvisée ;

« 5° Les organismes de placement collectif mentionnés à l'article L. 214-1 et les sociétés de gestion d'organisme de placement collectif mentionnées à l'article L. 543-1 ;

« 6° Les sociétés d'assurance et les sociétés de réassurance mentionnées, respectivement, au premier alinéa de l'article L. 310-1 et à l'article L. 310-1-1 du code des assurances ;

« 7° Les sociétés de groupe d'assurance mentionnées à l'article L. 322-1-2 du code des assurances ;

« 8° Les institutions de prévoyance mentionnées à l'article L. 931-1 du code de la sécurité sociale ;

- « 9° Le fonds de réserve pour les retraites mentionnées à l'article L. 135-6 du code de la sécurité sociale ;
- « 10° Les mutuelles et unions de mutuelles relevant du livre II du code de la mutualité autres que celles mentionnées à l'article L. 510-2 du même code ;
- « 11° Les compagnies financières holdings mixtes mentionnées à l'article L. 517-4 et au 9o de l'article L. 334-2 du code des assurances ;
- « 12° Les Etats membres de l'Organisation de coopération et de développement économiques ;
- « 13° La Banque centrale européenne et les banques centrales des Etats membres de l'Organisation de coopération et de développement économiques ;
- « 14° Les organismes financiers internationaux à caractère public auxquels la France ou tout autre Etat membre de l'Organisation de coopération et de développement économiques fait partie ;
- « 15° La Caisse d'amortissement de la dette sociale instituée par l'article 1er de l'ordonnance du 24 janvier 1996 susvisée ;
- « 16° Les sociétés de capital-risque mentionnées à l'article 1er de la loi du 11 juillet 1985 susvisée ;
- « 17° Les sociétés financières d'innovation mentionnées au III de l'article 4 de la loi du 11 juillet 1972 susvisée ;
- « 18° Les intermédiaires en marchandises ;
- « 19° Les entités remplissant au moins deux des trois critères suivants :
 - « – effectifs annuels moyens supérieurs à 250 personnes ;
 - « – total du bilan supérieur à 43 millions d'euros ;
 - « – chiffre d'affaires ou montant des recettes supérieur à 50 millions d'euros.« Ces critères sont appréciés au vu des derniers comptes consolidés ou, à défaut, des comptes sociaux, tels que publiés et, le cas échéant, certifiés par les commissaires aux comptes.
- « II. – Ont également la qualité d'investisseurs qualifiés, lorsqu'ils agissent pour compte propre et à partir du jour de réception de l'accusé de réception attestant de leur inscription sur le fichier mentionné à l'article D. 411-3 :
 - « 1° Les entités qui remplissent au moins deux des trois critères suivants :
 - « – effectifs annuels moyens inférieurs à 250 personnes ;
 - « – total du bilan inférieur à 43 millions d'euros ;
 - « – chiffre d'affaires ou montant des recettes inférieur à 50 millions d'euros« Ces critères sont appréciés au vu des derniers comptes consolidés ou, à défaut, des comptes sociaux, tels que publiés et, le cas échéant, certifiés par les commissaires aux comptes. La décision d'inscription sur le fichier mentionné à l'article D. 411-3 est prise, selon le cas, par le Conseil d'Administration, par le directoire, par le ou les gérants, ou par l'organe de gestion de l'entité ;
 - « 2° Les personnes physiques remplissant au moins deux des trois critères suivants :
 - « – la détention d'un portefeuille d'instruments financiers d'une valeur supérieure à 500 000 EUR ;
 - « – la réalisation d'opérations d'un montant supérieur à 600 EUR par opération sur des instruments financiers, à raison d'au moins dix par trimestre en moyenne sur les quatre trimestres précédents ;
 - « – l'occupation pendant au moins un an, dans le secteur financier, d'une position professionnelle exigeant une connaissance de l'investissement en instruments financiers.
- « III. – Ont également la qualité d'investisseur qualifié :

« 1° Les entités mentionnées au I lorsqu'elles agissent pour le compte d'un organisme de placement collectif ou d'un investisseur qualifié appartenant à l'une des catégories mentionnées au I ou au II ;

« 2° Les prestataires de services d'investissement lorsqu'ils agissent dans le cadre d'une activité de gestion de portefeuille pour le compte de leur mandant.

« Art. D. 411-2. – Ont également la qualité d'investisseurs qualifiés les personnes physiques ou entités reconnues investisseurs qualifiés dans les Etats parties à l'accord sur l'Espace économique européen, conformément aux dispositions de la directive 2003/71/CE du 4 novembre 2003.

« Art. D. 411-3. – Les personnes ou entités mentionnées au II de l'article D. 411-1 qui en font la demande et déclarent sous leur responsabilité réunir les critères mentionnés au II de l'article D. 411-1 sont inscrites dans un fichier tenu par l'Autorité des marchés financiers selon les modalités fixées par son règlement général. Ces personnes ou entités peuvent renoncer à tout moment à leur qualité d'investisseur qualifié en accomplissant les formalités fixées par le règlement général de l'Autorité des marchés financiers.

« Art. D. 411-4. – Le seuil mentionné au dernier alinéa du II de l'article L. 411-2 est fixé à 100. »

Art. 2. – Le ministre de l'économie, des finances et de l'industrie est chargé de l'exécution du présent décret, qui sera publié au Journal officiel de la République française.

Fait à Paris, le 16 mai 2006.

Par le Premier ministre : Dominique de Villepin Le ministre de l'économie, des finances et de l'industrie, Thierry Breton

In this *Document d'Information*, the Company and all its subsidiaries (presented in the section 1.8.1) are defined all together and stated hereinafter the "Group".

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1 Information on the issuer

1.1 Responsible person

1.1.1 Persons in charge of the *Document d'Information*

The person below assumes responsibility for the completeness and truthfulness of the data and information contained in the *Document d'Information*:

Fabio REGOLO

Chairman and CEO of MyBest Group

Email: fabio.regolo@mybestgroup.it

1.1.2 Persons in charge of the financial Information

The person below assumes responsibility for the completeness and truthfulness of the financial information:

Fabio REGOLO

Chairman and CEO of MyBest Group

Email: fabio.regolo@mybestgroup.it

1.1.3 Certification of the responsible person

"I declare that, to the best of my knowledge and having adopted all reasonable due diligence for this purpose, the information contained in the Admission Document are, accurate, have no omissions that alter their meaning and includes all relevant information".

Fabio REGOLO

Chairman and CEO of MyBest Group

1.2 Legal statutory auditors

1.2.1 Primary statutory auditors

Deloitte & Touche S.p.A.

Via Tortona, n. 25, 20144 Milano (MI)

Date of appointment: 17/09/2015

Term of office: 3 years

Expiry date of current mandate: 17/09/2018

1.2.2 Substitute statutory auditors

Not applicable.

1.2.3 Statutory auditors having resigned, having been dismissed or not renewed

Not applicable.

1.3 Selected financial information

The tables below present MyBest Group's main information on consolidated financial statements for 2015, 2016 and 2017.

Income statement:

In €k		2015	2016	2017
Sales		30 756	24 352	26 112
	% growth	n.a.	-21%	7%
EBITDA		2 020	1 890	4 144
	% margin	7%	8%	16%
EBIT		(3 971)	(4 610)	(1 171)
	% margin	-13%	-19%	-4%
Net Income		(5 290)	(4 953)	(2 323)

Balance sheet:

In €k	2015	2016	2017
Intangible assets	26 003	22 557	20 180
Tangible assets	4 430	4 049	3 860
Financial assets	52	72	46
Stocks	379	190	95
Accounts receivables	12 126	14 051	12 907
Cash & equivalents	2 479	279	1 945
Others	475	171	161
Total asset	45 944	41 369	39 194

In €k	2015	2016	2017
Total equity	13081	8 245	5 956
Provisions	666	741	735
Financial debt	17937	17 809	19 001
Accounts payables	14218	14 515	13 297
Others	42	59	205
Total liabilities & equity	45 944	41 369	39 194

1.4 Risks disclosures

Investors are invited to take into consideration all the information contained in the *Document d'Information*, including the risk factors described, before deciding to subscribe or acquire shares of the Company. The Company has reviewed risks that could have an adverse effect on the Group, its business, financial position, results, perspective or ability to achieve its objectives. The Group considers that at the date of the *Document d'Information*, there are no other significant risks other than those presented in the section 1.4 of this *Document d'Information*.

The attention of investors is however drawn to the fact that the list of risks and uncertainties described below is not exhaustive. Other risks or uncertainties that are unknown or whose realization is not considered, as the *Document d'Information* date, likely to have an adverse effect on the Group, its business, its financial position, its results or its perspective, may exist or become significant factors that could have an adverse effect on the Group, its business, financial position, results, development or perspective.

1.4.1 Risks related to the issuer

1.4.1.1 Risks associated with the use of business agents and sales representatives for the sale and promotion

As of the *Document d'Information* date, the Group relies on a network of business agents and sales representatives which support the Group salesforce based on agreements. In some cases, exclusively for its purpose.

The Group's success is linked to the ability of its distribution network to sell and promote, the services of the Group's Customers. Although the Company believes it has set up an effective distribution network over time. The Group is exposed to the risk of not being able to maintain relations with current sales representatives, or to develop new ones, or to replace and / or modify the agreements currently in place with some of its agents.

The Group could also be involved by agents in disputes aimed at recognizing a permanent employment relationship. In the event of a dispute, the employment relationship could be recognized if the agents' activities are carried out under the direction of the Group without being characterized by autonomy. Although the Group adopts all caution aimed at respecting the autonomy of agents, it cannot be ruled out that any redevelopment of these relationships may have possible negative effects on the Group's activities, as well as on the Group's economic and financial position.

1.4.1.2 Risks related to the concentration of turnover on some Group Customers

The Group's activities largely depend on the revenues linked to commissions received on products/services offered by a limited number of clients. In particular, at December 31, 2016, the first 3 and 5 Customers accounted for 85% and 95% of Group revenues respectively, while at December 31, 2017 respectively, 69% and 89% of Group revenues.

The loss of a relevant client or of a part of the turnover generated by a relevant client, or the missed or delayed payment of the fees owed by those clients for the services provided by the Group could negatively affect its economic results and financial position.

In addition, the Group signs contracts with its clients for different duration, even for a short period. There is no certainty either of the continuation of the relations, nor of the possible renewal at the natural expiry. Furthermore, even in the event of renewal, there is no certainty that the Group will be able to obtain contractual conditions at least similar to those of current contracts. Any problems in commercial relations with main clients could therefore have negative effects on the balance sheet, income statement and financial position as well as on the Group's forecasts.

Any progressive or sudden loss of its clients or the inability to attract new ones could reduce the Group's competitive capacity and affect its growth perspective, with possible negative effects on the Group's economic, and financial situation.

1.4.1.3 Risks related to the implementation of the Group's development strategies

The Issuer's ability to increase its revenues and levels of profitability and pursue its growth and development objectives depends mainly on the success of implementing its growth and development strategy.

In this context, the Group intends to pursue its growth path in order to consolidate its competitive position. The main lines of development on which the business plan is based on (i) increasing investments in marketing activities; (ii) expand the sales network of the Direct channel; (iii) to strengthen the Group's call center structure.

The Group's development strategies may involve significant risks and uncertainties and, therefore, there is no guarantee that the development strategies adopted will be successful or that circumstances which have negative effects on its economic, and financial situation will not occur.

It should also be noted that the implementation of the Group's strategy also depends on factors that cannot be controlled by the Group itself, such as, for example, the performance of the Italian economy, the performance of the reference markets, the Group's financial resources (also with respect to other financial needs) and consideration of opportunities for the use of financial resources to support investments in the framework of expected results.

If the Group is unable to pursue their own growth strategies or if it were not able to achieve its growth strategy on time, or if the basic assumptions on which the strategy is based is not correct, the Group's ability to increase its revenues and profitability could be affected and this could have a negative effect on its economic situation and financial position.

1.4.1.4 Risks related to the defense and violation of the Group's intellectual property rights

At the date of the *Document d'information*, the Group owns several Internet domains and national, international trademarks relating to the its activity. The protection of intellectual property rights and in particular brands and domains (also as a result of new acquisitions), is relevant to the success of the Group. The Group may be forced to significantly increase the resources necessary to the protection of its intellectual property rights. Furthermore, registration does not preclude that the Group's intellectual property rights may be challenged and / or claimed by third parties.

The Group believes that it has taken the necessary measures for the protection of its intellectual property rights. However, it is not possible to exclude any disputes that could lead to legal actions concerning these rights, with possible negative effects on the economic, and financial situation of the Group.

1.4.1.5 Risks related to personal data collected through its activity

As part of its business, the Issuer is in many cases and in particular with loyalty programs, lead to process and collect personal data of end users in compliance with the applicable regulatory. The processing of personal data, namely the collection, storage and the use of the data, until their cancellation, are regulated activities and protected by the relevant authority.

By carrying out its own comparative activity of services and products, the Group collects, stores and manages confidential information, including personal data of end users and employees, and uses cookie technology in order to monitor users' browsing activity. As a result, Group operations are subject to data protection laws and privacy laws and industry standards. The data collected by the Group must be collected, used, processed and stored in accordance with these laws and regulations.

In the case that the Issuer is held responsible for any cases of personal data breach, this could give rise to claims for damages as well as the administrative sanctions by the Authority for the protection of personal data, with possible negative effects on the Issuer's image and on its economic, asset and financial situation.

1.4.1.6 Risks related to the operation of IT systems

The activity on which the Group operate is closely related to the use of IT systems, which are exposed to multiple operational risks, such as equipment failures, work interruptions or connectivity, programming errors, illicit conduct by third parties and / or exceptional events that, could force the Group to suspend or interrupt its activity, with significant negative effects on the economic, equity and financial situation of the Group.

The Group commits significant financial resources to strengthen its IT security and to protect itself against cyber-attacks. Although the Group has not suffered any cyber-attacks that led to data loss, however the Group cannot provide any guarantee that these measures are able to efficiently protect data held by the Group from any type of cyber-attacks or other criminal activities in the future. The loss of data could discourage end users from providing their personal data to the Group and could result in a reduction in traffic on their websites, leading to possible significant disputes and with possible negative effects on the Group's economic, and financial situation.

It should be noted that in the last three years there have not been any significant episodes of service interruption, piracy or infiltration on its network that could compromise the normal operations of the Group.

1.4.1.7 Risks related to dependence on traffic

Related to the activities carried out by the Web channel, the traffic and views on the websites managed by the Group depend on the awareness and appreciation of the services offered by the Group. Any form of negative publicity as well as the inability to maintain and strengthen the position of the Group's brands may influence its ability to maintain and attract final consumers. Considering that the Group's activities and growth depend on the visibility and trust of the final consumers in its brands, it is important for the Group to invest in the growth of the brands themselves and increase their ability to attract end users, and other advertisers. Should the Group not be able to obtain such results, this could adversely affect the strength and perception of the Group's brands, as well as its ability to maintain and increase traffic on its websites.

In order to increase the recognition of its website, the Group carries out advertising campaigns both through traditional means of communication and through its website and social media. However, the inability of the Issuer to continue to attract a sufficient level of visitors on the sites managed by the Group, at reasonable and commercially competitive costs, could have negative consequences for the Group's activities and its economic, financial situation and forecasted results.

During the year ended December 31, 2016, the total costs incurred for advertising and promotional activities had an impact on the Group's total revenues of 3.1%.

During the year ended December 31, 2017, the total costs incurred for advertising and promotional activities had an impact on the Group's total revenues of 1.8%.

1.4.2 Risks related to the activity of the issuer

1.4.2.1 Risks related to the competition

The Issuer's market, with specific regard to the price comparison and switching economy sector, is characterized, by a growing degree of competitiveness, due to the thickness of the billing related to advertising activity. The specific segments of the market in which the Group operates are characterized by a high level of competition and the presence of a large number of national and international operators.

In particular, current or potential competitors of the Group have or may have greater financial resources and higher market shares than the Group itself. In some cases, main competitors may be able to bring to market in a short time compared to those of the Group new comparison systems, particularly developed from a technological point of view, to make them gain market share.

The intensification of competitive pressure and the possible inadequacy of the actions taken could lead the Group to modify its development objectives, and / or to have negative effects on its economic, and financial situation.

If the Group is unable to face, by relying on its core competencies, the possible strengthening of existing competitors or the entry of new operators into the sector, such situation could have a negative impact on the Group's market position and have negative effects on its asset and/or financial situation.

1.4.2.2 Risks related to the regulation and regulation of the business sectors in which the Group operates

The Group's activities are subject to Italian and Spanish regulations, as well as community legislation and regulations, including fiscal nature. Moreover, the Group operates in a market where regulatory framework of reference is in constant evolution.

In this context, any more restrictive changes, also at the interpretative level, of the regulatory and / or regulatory concerning taxation, of privacy on the Internet, could have significant negative effects on the result and financial situation of the Group. As part of the performance of its activities, the Group is subject to regulatory on misleading and comparative advertising, unfair commercial practices and the violation of consumer rights.

In addition, the adoption of new legislative that change the current regulatory framework, the emergence of more restrictive guidelines by the competent authorities or the adoption of particularly sanctioning policies, may lead to difficulty complying with the rules or generate an increase in costs, charges or levels of responsibility leading to significant costs for the Group.

1.4.2.3 Country risks

The Company's current business focuses, for nearly 98% of its turnover, on the Italian markets. If economic and / or political conditions deteriorate rapidly in this country, the Company's performance may be significantly affected.

The Company seeks to implement a strategy of diversification of its country risk which corroborates its plan for international expansion, notably by increasing its revenues in other European countries.

1.4.2.4 Risks related to the algorithm used by search engines

The search engines work within complex algorithms that determine the position of a website on the engine pages according to the best correspondence between the research type out by the user and the contents available on the website.

The success and growth of the Group relies on its ability to improve and maintain the positioning of its own websites and / or its suppliers on the basis of the best correspondence between the research carried out and the contents available on the web. Therefore, the Group's success and growth are closely linked to the ability of the Group and its suppliers to interpret the algorithms underlying the search engines.

If the Group and/or its suppliers are not able to adapt themselves to the possible modification of the algorithms underlying the search engines or to the discovery of new algorithms different from those currently used, it could occur negative effects on the Group's economic and financial situation.

1.4.2.5 Risks related to innovation

The switching economy sector in which the Group operates is characterized by rapid technological development and is affected by the competitive pressure deriving from the development of technologies due to a rapid expansion of the market in question of products and services.

The possible inability to develop new technologies and, therefore, to adapt shortly to changes in the needs of end users, could have negative effects on the activity and on the economic, asset and financial situation of the Group.

New technologies could limit or reduce the Group's activities and / or favor the development and growth of new operators, with the result that the contracts stipulated between the various companies belonging to the Group and its clients could not be renewed.

In order to maintain its competitiveness on the market, the Company is organized to maintain, therefore, an adequate adjustment capacity to face rapid technological changes and to constantly innovate in order to respond to changing market needs.

Any failure or difficulty of the Issuer to interpret these trends, as well as in dealing with competition by adapting to technological developments could result in a decrease in the Company's competitive position and have negative impact on its economic, and financial situation.

1.4.3 Financial risks

1.4.3.1 *Liquidity risk associated with the Group's financial indebtedness*

Liquidity risk represents the risk that the Group will have difficulty to meet its repayment requirement. The Group's approach to managing liquidity risk is to ensure, that to the extent possible, it will always have sufficient liquidity to meet its liabilities.

At December 31, 2017, the Group's consolidated financial debt exposure (without taking into account €5m convertible bonds) was €13,943k, while at the date of the present document the consolidated financial exposure amounted to €12,481k¹.

The breakdown of due financial repayment over the next 5 years is shown in the table below:

Indebtedness (k€)	
Consolidated financial debt (without convertible bonds)	12,481
of which due within 2018	1,837
of which due in 2019	2,319
of which due in 2020	3,090
of which due in 2021	1,930
of which due in 2022	220

Also, in consideration of the amount of financial debt, the full repayment of financial debts will rely on the Group's ability to generate positive operating cash flows or to obtain new financial resources.

Any failure with the ability of the Group to comply with the maturities of existing financial debts could entail the request of creditors of default interest, or the immediate repayment of the loans granted with consequent negative effects on the economic, and financial position of the Group.

1.4.3.2 *Risks associated with the Group's trade payables*

At December 31, 2017, the Group's consolidated trade payable exposure to suppliers amounted to €6,550k, of which €1,916k overdue by more than 90 days. The Group constantly monitors the amount held, with a managerial policy aimed at avoiding disruption of supplies or services and / or legal problems, in particular those essential to ordinary business of the Company.

¹ Financial data not audited

However, it is not possible to exclude a liquidity risk on the Issuer deriving from creditors' initiatives aimed at recovering past due receivables from the latter, with possible negative consequences on the Group's economic and / or financial situation.

1.4.3.3 Risks associated with the Group's accounts receivable

At December 31, 2017, the Group's accounts payable from third parties amounted to €5,430k, of which €1,106k are represented by accounts receivable overdue by more than 90 days.

At the same date, the Issuer had established in its consolidated financial statements a provision of €241k related to the above risk.

In consideration of the above it is not possible to exclude that there are possible delays, with the need to finance the related need for working capital also through new bank loans or alternative forms of financing, or non-recoveries of provision, with consequent negative effects on the economic, and financial situation of the Group.

1.4.3.4 Risks of interest rate

Fluctuations in interest rates may be increasing or reducing the costs of existing loans. Risk exists on the loan agreements recorded in the statement of financial position, on which interest accrues at a variable rate described in 2017 financial statement.

1.4.3.5 Risks related to exchange rates

All the Group's financing activities are handled in Euros, so the Group does not incur any currency risk at this stage.

1.4.3.6 Dilution risk

The Company may in the future issue financial instruments giving access to the capital. Any issue would create a dilution risk on current MyBest Group capital structure.

In addition, if the Company decides to raise new capital otherwise than stated in the present document, to finance its development by issuing new shares or other financial instruments that may eventually give access to the Company's capital, the shareholders may be diluted.

1.4.4 Main insurance contracts and risks coverage

MyBest has two insurance contracts with ALLIANZ one covering potential Director and Administrator liabilities for a maximum of EUR 1,500 thousand and the second one covering potential legal liabilities for a maximum of EUR 199 thousand.

1.5 Information about the issuer

1.5.1 History and evolution of the Issuer's business

1.5.1.1 *Company name*

The Company name is **MyBest Group S.p.A.**

1.5.1.2 *Business register and REA registration numbers*

The Issuer is registered in the Milan Business Register, identification number 04227580968, and in the Milan Economic Administrative Register (REA), identification number MI-1735084.

1.5.1.3 *Date of incorporation and duration*

The Issuer was established on 27 January 2004 by Daniele Viganò and Alessandro Vito Maria Malerba, with deed received by Mr. Salvo Morsello, Notary in Milan, repertory no. 45667, deed no. 16025.

Pursuant to Article 4 of the article of association, the Company shall exist until 31 December 2050, and such period may be extended by resolution of the extraordinary shareholders' meeting.

1.5.1.4 *Headquarter, legal form and reference legislation*

Headquarter:

The headquarter of the Company is established in:

Viale Casiraghi 359,
Sesto San Giovanni (Milan)
ITALY

Legal form:

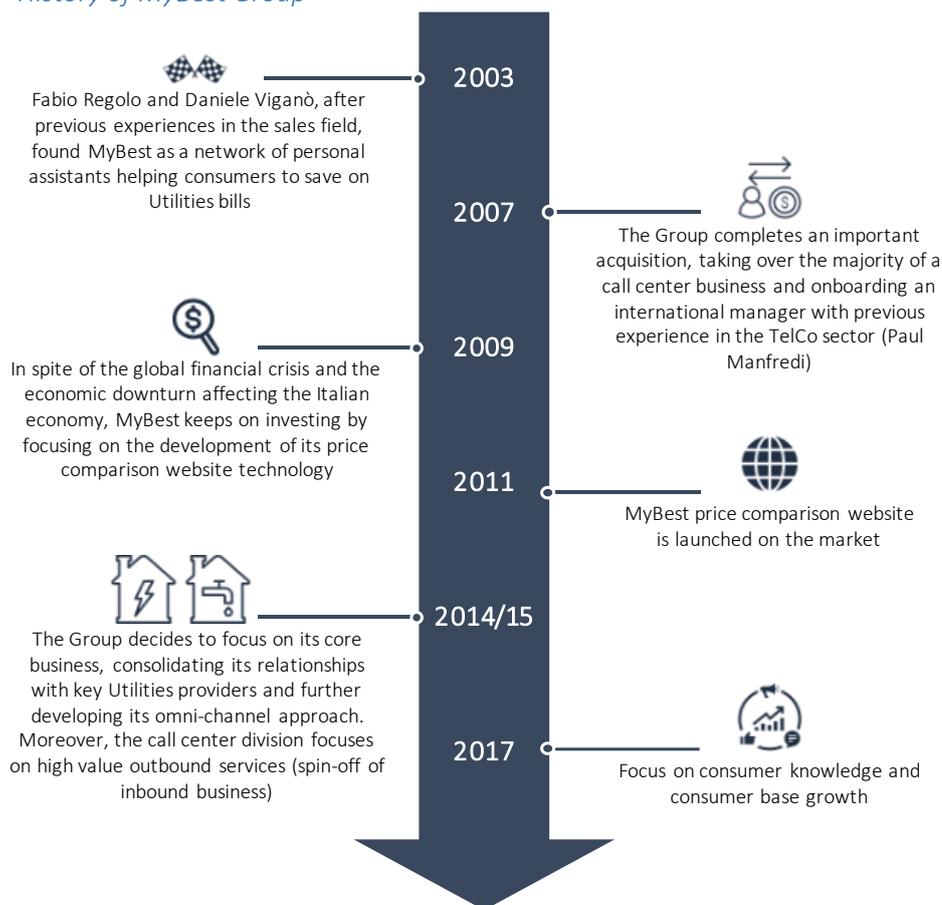
The issuer is a joint-stock Company incorporated under Italian law and called MyBest Group.

This name must appear on all acts, invoices, advertisements, publications, letters, orders, web site and other documents, in electronical form or not, from the Company, immediately preceded or followed by the words “società per azioni” in Italian or “société anonyme” in French, or the abbreviation “S.p.A.” in Italian and “SA” in French, with precise indication of Company headquarters and adding the business identification number.

Reference legislation:

The Company operates on the basis of Italian law.

1.5.1.5 History of MyBest Group



1.5.2 Investments

1.5.2.1 Main investments during the last two fiscal years

The following is a breakdown of the investments in intangible, tangible and financial assets made by the Group during the 2017 fiscal year ended 31/12/2017, compared with the investments made during 2016 fiscal year ended 31/12/2016.

K€	31/12/2017	31/12/2016
Investments in intangible assets		
Investments in Database and customer acquisition	3,699	2,603

1.5.2.2 Main current and envisaged investments

At the date of the *Document d'Information*, there are no significant future investments that have already been committed by the Issuer.

1.6 Activity description

1.6.1 Company presentation

Following the liberalization of utility services and the consequent multiplication of operators and tariffs offered, Fabio Regolo and Daniele Viganò took the opportunity to create a group that could be, for utility providers, an effective tool for the promotion of their offers and acquisition of new clients, and, for consumers, a platform able to provide them with the necessary information to identify the offers best suited to their needs.

To this purpose, in 2003, Fabio Regolo and Daniele Viganò founded MyBest Direct (formerly Key21 Italia Trading Company S.p.A.) with the aim of creating a sales network able to reach end users with quality information.

Today, the Group operates as an omni-channel "saving platform", offering end users, mainly through its online channel, a free service that helps them to identify the most advantageous economic offers and the products best suited to their needs in the following sectors: (i) electricity supply; (ii) gas supply; (iii) telephony; (iv) pay-TV and Internet TV.

At the same time, the Group promotes and sale through its online and offline channels the sale of its client's product within the sectors mentioned above. Allowing them to enhance their distribution structure and to take advantage of an effective model of both customer acquisition and promotion of new products and/or services, and thus acting as a strategic interlocutor.

Below is a sample of MyBest Group's clients which benefit from the services of the Group:



During the financial year ended on 31 December 2016, approximately 290,000 new users changed their supplier using the services offered by the Group, while about 100,000 users signed a contract for the supply of a new service with the same supplier.

During the financial year ended on 31 December 2017, approximately 260,000 new users changed their supplier using the services offered by the Group, while about 80,000 users signed a contract for the supply of a new service with the same supplier.

1.6.2 Overview of the activity

The Group's business model in the switching economy sector is based on an omni-channel strategy that allows it to exploit the opportunities for integration between its online and offline channels and to attract end users.

The Group operates mainly as a "saving platform" through the following channels:

- i. the Web channel, through the website www.mybest.it;
- ii. the Direct channel, consisting of its network of sales agents distributed throughout the country;
- iii. the Contact channel, consisting of the call center owned by the Group or by third-party call centers, with which the Group has an affiliation relationship, or an agreement signed for the sale and promotion of its Customers' products.

The Group also provides end users with consultancy services aimed at assisting them in analyzing bills and costs related to active utilities and supporting them in their choices, providing all necessary information to enable end users to identify the product best suited to their needs among many offers proposed by the main utilities, telephone companies and pay and Internet TV service providers.

As of 31 December 2017, the Group's clients include no. 23 utilities, telephony and Pay and Internet TV service providers (such as A2A, ENEL, ENI, Edison, TIM, Tiscali, Vodafone, Infostrada, Mediaset, SKY, Premium), with which it generally stipulates agency or partnership agreements with a commission taking into account the number of contracts signed by end users through the Group.

The following table shows the number of contracts activated and the average commission fee for each sector at a consolidated level, net of revenues and costs between Group companies.

	31/12/2017	31/12/2016
Energy		
Revenues (in k€)	12,976	12,963
Net contracts	169,239	194,347
Average commission fee	77	67
Telecommunications		
Revenues (in k€)	7,045	5,082
Net contracts	47,254	52,196
Average commission fee	149	97
Pay-TV		
Revenues (in k€)	3,091	3,652
Net contracts	40,442	48,280
Average commission fee	76	76

1.6.3 Activity description

The Group operates mainly as a "saving platform" through the following channels:



The Web channel, managed through the company MyBest Option S.r.l.;



The Contact channel, managed through the company MyBest Contact S.r.l.;



The Direct channel, managed through the company MyBest Direct S.r.l.;

In 2015 the Group also launched a B2B business line aimed at offering end user, mainly small and medium-sized enterprises, a strategic consulting service in the field of social media marketing:



The strategic consulting, managed through the subsidiary MyBest Marketing S.r.l.

The Web channel

The Group offers online comparison services through the www.mybest.it website. The website was launched in 2011 and allows end users to view a wide range of offers, selected taking into account their needs, and a free and, as far as possible, independent telephone support.

The online platform allows end users to choose the type of service for which they want to receive information and customize the search in order to select the products that meet their needs and to compare them rapidly and easily. The products selected based on the search criteria identified by end users are displayed by ascending order of cost.

The Group updates the product offers on a daily basis in order to provide the end user with an efficient comparison service updated to the latest tariff proposed by the Group Customers and other major national operators. The Customers provide the Group with all the necessary information concerning the tariff plans offered to users from time to time, while with regard to the products and tariffs offered by operators which have not signed a business agreement with the Group, the updating activity is carried out every day by the Group based on the public information available.

The comparison activity carried out by the Group through the Web channel uses the price offered to single users as a reference parameter. This parameter therefore operates as an objective criteria on qualifying the different offers by Customers and other main utilities. In particular, the product sheets can be compared based on the price recalculated over the same period in order to make it easier for consumers to identify price differences, between offers and utilities that apparently have different timings.

After identifying the most suitable offer, final users may send a request to receive all they necessary information about the product. If the end users choose products offered by the Customers, the Group operator accesses the Customer's operating systems selected by the end user and checks whether the type of offer can be activated for the specified user (the so called end-to-end management). If the selected offer is not among those offered by the Group's Customers, the user is redirected to the website of the selected operator.

End-to-end process management allows the Group to finalize the activation of the selected offer directly with end users. After obtaining the user's consent, the agreements with the Customers of the Group allow its operators to formalize the agreement with the applicant by entering the necessary information for the activation of the offer in the customer's operating systems. The activation procedure will in any case be finalized by the Customer which, after signing the contract, will contact the end user.

The following table shows the main data relating to the Web channel as of 31 December 2017 and 31 December 2016.

	31/12/2017	31/12/2016
Net activations	32,675	33,454
Average revenue (€)	146	129

In 2017, through the web channel, net activations, namely the contracts validated and effectively activated in the operating systems of the partner Customers were 32,675, while in 2016 they amounted to 33,454. The average revenue for each net activation was equal to €146 in 2017, while in 2016 it was equal to €129.

The Contact channel

The Group also offers end users free assistance and consulting services for customer offers, also through a specific telephone sales structure. end users can contact the toll-free number found on the website and receive information in relation to the products they are interested in.

Through the Contact channel, the Group's commercial structure periodically contacts end users in the Group's database to verify their interest in activating the previously selected offer, or to examine their needs and send them any new offers.

Other end users are contacted by the Group's commercial telephone structure on the basis of the information provided by the Customers, which identify the target of the end users to be contacted and the type of offer or products to be submitted to them. In this case, the Group operators promote exclusively the products selected by the Customer.

The following table shows the main data relating to the Contact channel as of 31 December 2017 and 31 December 2016.

	31/12/2017	31/12/2016
Net activations	188,120	216,769
Average revenue (€)	74	61

In 2017, through the Contact channel, net activations, namely the contracts validated and effectively activated in the operating systems of the partner Customers were 188,120, while in 2016 they amounted to 216,769. The average revenue for each net activation was equal to €74 in 2017, while in 2016 it was equal to €61.

The Direct channel

The Direct channel consists of the Group's sales network operating throughout the country. To date, the Group has at its disposal a branched infrastructure consisting of about 450 sales agents.

The sales agents of the Group constantly monitor the area and contact potential end users both through door-to-door meetings and through promotional stands installed in busy areas (e.g. shopping centers). During these meetings, sales managers check the needs of end users and illustrate, for each sector (i) electricity supply; (ii) gas supply; (iii) telephone; (iv) pay-TV and Internet TV - the Customer's offers that can be activated through the Direct channel, providing free assistance for the selected offers. During these meetings, sales managers can provide end user with a free assistance service for the analysis of their bill in order to identify the most suitable offer for their needs and consumption habits. Sales managers also inform end users of the possibility to be contacted by the Group's call center to receive information any additional offers by the Group Customers.

After identifying the product and the offer to be activated, the end users sign a contract with the Customer, containing data on the characteristics of the user and the desired product. The contract is transmitted to the Group's centralized commercial structure so that it can verify, through the Customer's operating systems, that the product selected by the end user can be activated and, if the outcome is positive, contact the end user to finalize the process. After uploading all the information concerning the final user and the utility in the Customer's operating system, the latter will activate the selected service.

The following table shows the main data relating to the direct channel as of 31 December 2017 and 31 December 2016.

	31/12/2017	31/12/2016
Net activations	36,140	44,600
Average revenue	122	92

In 2017, through the Direct channel, net activations, namely the contracts validated and effectively activated in the operating systems of the partner Customers were 36,140, while in 2016 they amounted to 44,600. The average revenue for each net activation was equal to €122 in 2017, while 2016 it was equal to €92.

Social media marketing consulting services

In 2015, following the establishment of the company MyBest Marketing Srl, the Group launched a service offered to companies, that is a strategic social media marketing consulting service, through which it takes care of social media communication and advertising activities (e.g. Facebook and Google Plus).

In particular, taking advantage of the experience gained in the switching economy sector and the analysis of the preferences of end users, the Group assists small and medium-sized enterprises in the planning of online advertising campaigns (digital advertising) providing the necessary advice for the selection of channels through which advertising messages are channeled. The Group provides its Customers with specialized consultants with expertise in defining communication strategies and coordinating the implementation of online media plans.

1.6.4 Company's positioning

According to the Company, the following factors distinguish its competitive positioning.

- i. Consolidated relationship with the main operators.
Over the years, the Group has managed to consolidate a stable business relationship with the main national operators in the electricity and gas supply, telephony, pay-TV and Internet TV sectors, making sure to provide users with a wide range of products and services.
- ii. End-to-end management of the process of acquisition of new end users for Customers.
The agreements signed with the Customers are based on the Group's ability to access the Customer's operating systems and to manage the entire process of activation of the offer and stipulation of the contract with end users. End-to-end management allows the Group to speed up the process and reduce the time required to stipulate agreements with end users, thus removing any further formal steps with Customers.
- iii. Ability to operate through an omni-channel platform.
Which allows the Group to offer its Customers an integrated offer platform that can contact end users either through the online channel (Web) or through the offline channel (Direct and Contact). The implementation of an omni-channel strategy allows the Group to expand, through different sales channels, the base of the end users to whom to propose the Groups Customers' offers and products.
- iv. Highly experienced sales network.
The Group uses a sales network that is highly qualified and in line with the omni-channel strategy outlined by the Group. The Group organizes, also with the help of its Customers, frequent training meetings and sessions for its consultants, in order to offer end users an independent and specialized consultancy service. The high experience of the sales network is also guaranteed by the checks that are periodically carried out by Clients to assess the adequacy of the procedures implemented by the Group and the sales network updating policy adopted by the Group. In addition, over the years the Group has implemented incentive programs and a process of endorsement of internal resources in order to increase loyalty.
- v. Large database owned by the Group.
The Group has a large and accurate database that allows it to effectively implement cross-selling and up-selling strategies for products offered by Customers. The database consists of already acquired contacts, is increased with the acquisition of new contacts and is periodically developed. With respect to the contracts signed with the end users in the Group's database, the average revenue per user activated was equal to EUR 126.
- vi. Experienced management team.
The Group's management has proven experience both in the switching economy sector and in the digital sector, which was able to interpret the evolution of the reference sector and manage the process of growth and development of the Group over the years. This expertise has been further strengthened and developed over the last few years by hiring managers who, with their experience, could contribute to the achievement of the Group's growth objectives.

1.6.5 Business model

The Group's business model is based on the interaction between online and offline channels, according to an omni-channel strategy that allows it to contact end users and propose products offered by Customers through the different Group channels.

The business model consists of the following phases:

i. Attracting visitors to the website and encouraging them to call the toll-free number

For the Group and for companies operating in the switching economy sector, marketing and advertising activities are a key tool for encouraging end users to use the Group's services. In this context, the Group creates advertising campaigns aimed at explaining the benefits deriving from the comparison between the offers proposed by major utility and telephone companies offered by the Group and encouraging users to visit the website or contact the toll-free number.

Marketing and communication activities are planned during the year in order to increase the visibility of the Group's services and the "MYBEST" brand. In order to reach a broad consumer target, the Group uses different communication tools, including press, television and Internet advertising.

In 2016, in order to promote and strengthen the visibility of the services offered, the Group opened the first "MyBest Store" saving center in Bologna (Italy). End users can go to the "MyBest Store" and ask the Group's consultants for all the necessary information on the supplier and on the offers that meet their needs.

ii. Sending of requests by end users through the website / acquiring new potential end users through the commercial network

End users access the website (or contact the toll-free number) to get information, offers for utility and telephony services and use search filters to identify the offers related to the product they are interested in. If end users are interested in receiving more information about the offer, they can send a request to be contacted by the Group's operators and receive a free consultation on the identified offer and any other offers that can be activated.

If an offer from one of the Customers is selected, end users can activate the offer through the Group's consultant, who accesses the Customer's operating systems and completes the activation of the offer and the service selected by the end user.

The acquisition of new potential end users for Customers is also carried out through the Group's sales network, which, as of 31 December 2017 consists of approximately 450 sales agents, distributed throughout Italy. The sales network is coordinated by a Central Sales Department (based in Rome and Milan) which is responsible for monitoring the activities of the commercial network, ensuring that they comply with the guidelines defined by the Group and managing the 4 Commercial Departments. Each Commercial Department is supervised and coordinated by an area manager, who manages the network of sales agents of each area through office managers. As of 31 December 2017, there are 12 office managers and each office manager are responsible for monitoring and controlling the activities carried out by the sales agents, the correct application of the operating procedures by individual agents and compliance by the same with the guidelines set by the Group.

To support its office managers, the Group implements a variable incentive program calculated on the turnover of its area of competence. Each office manager also manages "MyBest Points", where meetings with sales agents and the training sessions by the commercial structure are held.

Through the sales network, the Group presents the offers for services offered by Customers to end users. The Group's sales agents illustrate to the end users, at the point of sale or at the user's home, the Customers' offers, providing users with the necessary advice in relation to the products or services that can be activated at their home. The sales manager, upon authorization by the end user, collects user data, which are then transmitted to the central management and entered in the Group database.

Generally, according to the agreements made with the sales agents, they are paid a commission calculated on the contract proposals accepted by the Group Customer. Sales agents work independently and are required to respect the principles of transparency, fairness and good faith in commercial operations. Moreover, based on the agreements, sales agents shall not directly or indirectly promote the sale of products and/or services of companies competing with the Company, or to carry out other activities in competition with the Group activities.

The Group organizes frequent training sessions and meetings for sales agents, to ensure that the sales network is always up to date with regard to rates and offers that can be activated in the individual areas of competence.

iii. Managing the requests sent by final users

End users can ask, by accessing the website, to be contacted to receive more information about a specific offer. After the request has been sent, the end users are contacted by a Group operator who offers the final user a free, qualified and personalized consulting service for the selected offer.

The information concerning the end users contacted by the offline commercial network is transmitted to the centralized commercial structure, so that the latter can carry out the necessary checks on users and complete the activation process.

The Group is able to manage the entire activation phase of the offer selected by end users, if one of the Customers' offers is selected. According to the agreements signed with Customers, the operators have the possibility to access the operating systems of the same, to verify that the offer can be activated for a specific user, and to enter in the system all the information necessary to activate the selected offer.

Generally, the Group signs short-term agreements with its Customers (in particular agency agreements or partnership agreements), which provide for a remuneration for Customers, that is a commission calculated taking into account the number of contracts signed with final users.

In particular, the various types of contracts signed with commercial Customers include:

- Agency agreements, by virtue of which the Company or one of its subsidiaries, as agents, steadily promotes the stipulation of contracts concerning the supply of goods and services provided by its Customers, including the provision of ancillary and related services as well as accessory services. Through these contracts, the Group maintains its entrepreneurial autonomy, being able to choose the methods and timing for the fulfillment of its contractual obligations. Such methods include the comparison of prices and offers on its website, promotion through its call center service or direct sales network and the use of special help desks to which end users can turn. As for remuneration, the principal pays specific commissions to the agents for each deal concluded thanks to their work. In some cases, the Group may receive an emolument for all contracts concluded within three months of early termination of the contract, unless the contract has been terminated due to the agent's breach of contract.

Generally, these contracts do not have an expiration date and the agent's activity carried out is not exclusive, therefore the Customers can freely access the reference territory, directly or through other external collaborators, including other agents. The contracts in question also

provide for express termination clauses, which give the proponent the right to avail of the remedy for the automatic termination of the contract, where the Group does not fulfill specific obligations under the contract, as well as indemnity clauses obliging the Group to hold Customers harmless from any disputes or claims made by third parties.

- Commercial collaboration agreements, under which the Group undertakes to permanently promote the activation of services provided by the reference Customer, including all related and ancillary services. As a service provider, the Group can choose the methods and timing of the assigned activities, using its price comparison website, its call center service or its direct sales network and help desks made available to users. The Group's activities are remunerated on the basis of a fixed annual fee and an amount, as a commission, accrued following each subscription to the products made available by the Customer.

These agreements are stipulated without any exclusivity for both parties and generally have an annual term, unless the Group reaches the maximum amount set in the contract before the expiration date, through the services provided. The agreements in question usually include penalty clauses, in the event of non-compliance with the agreement provisions by the Group, as well as resolution clauses in favor of Customers and indemnities, pursuant to which the Group undertakes to indemnify the Customer from any claim or request made by a third party.

- Service agreements, by means of which the Group undertakes to provide the following services: (i) inclusion and updating on the search engine that compares the characteristics of the offers provided by Customers; (ii) acquisition of potential new data sheets of the end users of the services offered by Customers; (iii) illustration of the contents of the offer and proposal for the stipulation of service supply contracts; (iv) activation of the service. The Group's profit depends on the achievement of specific sales targets periodically shared by the parties.

Usually these agreements have a fixed term, with no possibility of automatic renewal once expired. They also include cancellation clauses, by which the parties recognize and accept the right to withdraw from the contract by simple written notice, with the exclusion of any type of responsibility for the withdrawing party towards the other. Some agreements also include the so-called change of control clauses granting the Customer the right to withdraw from the contract if there is a change in the company's corporate structure.

iv. Carrying out up-selling and cross-selling activities for Customers' products

Data provided by end users are collected and managed through a centralized database. The Group uses the information contained in the database to carry out its cross-selling and up-selling activities. In this context, the Group's operators contact the end users to submit to them the additional offers proposed by the Group's Customers. Net contracts activated with respect to the proprietary database amounted to 1071 in 2016 (0.2% of the total) and to 817 in 2017 (equal to 0.1% of the total).

1.7 The switching economy market

Over the last few years, the increase in competition among operators and the increase in the variety of offers for utility and telephony services has led end users to evaluate the different offers with the aim of reducing supply costs. The diversification of offers and the tendency of users to evaluate and choose among them resulted in the growth of the so-called switching economy, that is, an economy in which consumers, by changing their preferences, change the reference operator in various economic sectors, such as, for example, electricity and gas, telephony and pay-TV and internet TV sectors, to find offers that are more competitive or better suited to their individual needs.

The term Switching Economy is used to describe the growing number of consumers who decide to opt for a different supplier of goods or services due to a dissatisfaction linked to different factors that affect consumer choices (such as the price paid or perceived quality), mainly through specialized operators such as MyBest.

In the electricity and gas sector, this diversification of offers will be further incentivized to abolish the enhanced protection service, that is the tariff regime established by the Electricity Authority for Gas and the Water System (Aeegsi). The abolition of the so-called protected market, regulated by Law no. 124 of 4 August 2017, will allow, starting from 1 July 2019, the definitive transition to the free market of electricity and gas, with an expected increase in offers by operators in the sector.

The ever-wider range of choices available to consumers, the ever-increasing competition among service providers and a greater accessibility to information for consumers, have drastically increased the bargaining power of consumers, thus changing their attitudes and purchasing behavior.

The evolution of the web has further magnified this phenomenon, making consumers more open to offers from service providers and more responsive to market changes.

According to a survey from mUp Research in 2016², there were about 19 million Italians who changed at least one supplier in 2015 and saved an average of EUR 625 each.

With reference to the sectors in which MyBest operates today, the results of this survey showed that, in 2015, the Italians who changed mobile telephony operator were about 7.5 million, those who changed their energy supplier were about 6.8 million, those who changed their fixed telephone line or ADSL provider were about 6.1 million and those who changed their Pay TV service provider were about 550 thousand.

The survey conducted by mUp Research also showed that 57% of Italians who managed to cut domestic expenses in the last year said they had used online comparators and offers.

More specifically, MyBest is one of the leading operators in the Switching Economy in Italy, with particular reference to the utility sector, and mainly energy and telecommunications, is one of the main market players with c. €24m of Sales at the end of 2017. Other key players in the Switching Economy in Italy are, for example, Facile.it (a leader in the insurance field) with around EUR 66m of sales at the end of 2017³ and Gruppo MutuiOnline (a leader in the field of mortgages) with about EUR 153m in sales at the end of 2017⁴.

The main sectors of application of the Switching Economy in which MyBest operates have, according to the Company, a significant growth potential to be exploited by the Group in order to consolidate its market position and to achieve an important growth over the next few years.

More specifically, the energy sector (electricity and gas) will be affected by a significant regulatory changing, with the mandatory transition to the free market which, will be concluded by July 1st, 2019. This discontinuity will have a significant impact both on energy suppliers, which will try to convince end users to use the same supplier, and on consumers who must necessarily change the type of energy contract, being asked to decide whether to keep the same supplier or change it.

²Press release of 26 April 2016

³Facile.it S.p.A. press release on 23 May 2018

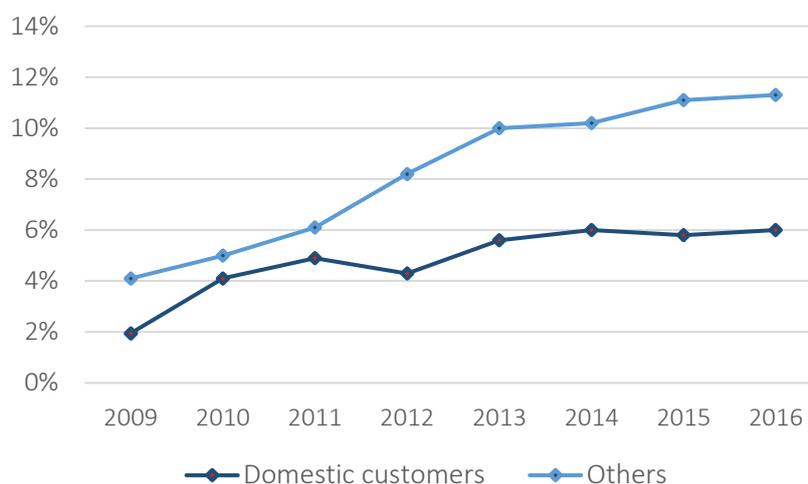
⁴Gruppo Mutui Online S.p.A. Consolidated budget as of 31 December 2017.

MyBest will be able to benefit from the possibility of accessing a significantly broader consumer base, since all consumers, now under the protected regime, will have to move to the free market. Specifically, on the basis of the data provided by the 2017 Annual report on the status of services and activities carried out published by the Authority for Electricity, Gas and the Water System (AEEGSI):

- with reference to the electricity segment, about 20 million contracts to date under the protected regime will have to be switched to the free market;
- with reference to the gas segment, about 12 million contracts to date under the protected regime will have to be switched to the free market.

Moreover, according to the Company, once the transition to the free market is completed, MyBest will be able to benefit from the application of the commercial dynamics linked to the turnover rates of contracts in the energy sector (churn rates) on a consumer basis that will be significantly wider than the current basis.

As for the gas sector, for example, as reported by the electricity, gas and water system Authority for in its last "Annual report on the status of services and activities carried out (2017) in the 2009-2016 period, there has been a significant increase in the switching rate for Italian consumers.



Switching rates of domestic end users and other users since 2009

Source: Annual survey on regulated sectors

Even the telecommunications sector in Italy, to date significantly underdeveloped compared to other countries, in terms of both technological infrastructures and technological innovations, will probably be affected, in the next years, by a process of rapid evolution that aims at bringing Italy to the same level as other major European countries. In this regard, just think of the priority development of optical fiber systems, currently available only in limited areas in the country, or the growing popularity of LTE/4G technology or even the development of 5G technology.

Finally, according to the Company, thanks to its strong credibility built up over time among consumers in the energy and telecommunications sectors, to the growing requests for money saving opportunities by consumers in several sectors at the same time and to the possibility of exploiting a remarkable proprietary database, there will have an opportunity for an adjacency expansion for MyBest, for example, in the mortgage or consumer finance sectors, by starting to build market shares that will allow it to gradually diversify its offers range.

1.7.1 Competitive positioning

The Italian Switching Economy market consists mainly of three verticals:

- Mortgages
- Insurance
- Utilities

For each vertical, the Main Operator can be identified, MyBest Group is the Primary Operator for the utility segment, while GruppoMutuiOnline and Facile.it are the main operators for the mortgage and insurance segment, respectively. The main market players pursued a growth strategy based on expanding the offer to the Switching Economy adjacent verticals. Nevertheless, their positioning on the Issuer's market remains negligible; specifically, the 2016 revenues generated by GruppoMutuiOnline in its utility comparison activity (extra mortgages, insurance and e-commerce) are approximately €2m out of a total of €138m⁵. Facile.it, on the other hand, generated about EUR 6m out of a total of €56m in 2016⁶ in its utility comparison activity.

Mybest business model differs from its competitors for its omni-channel structure; consumers who want to «save on bills» contacts MyBest through MyBest Option ("MBO") offer comparison website. Then they are supported by MyBest Contact ("MBC") Contact Center and/or by MyBest Direct ("MBD") sales agents. Another distinguishing element of the Issuer's business model is the fact that the contract between Consumers and Industrial Customers (Utilities) is stipulated directly by the Issuer; this way, Customers become a Company "asset". This is a distinctive feature compared to competitors, while making a comparison service available to end users, are essentially lead generators, which means that users choose the most suitable rate and the system redirects users to the systems of the selected operator.

Other secondary players operating in the utility vertical, besides Facile.it and Gruppo MutuiOnline, are:



⁵GruppoMutuiOnline financial statements on 31/12/2016, Other revenues Broking Division

⁶Facile.it financial statements on 31/12/2016

Other secondary players active in the insurance vertical are:



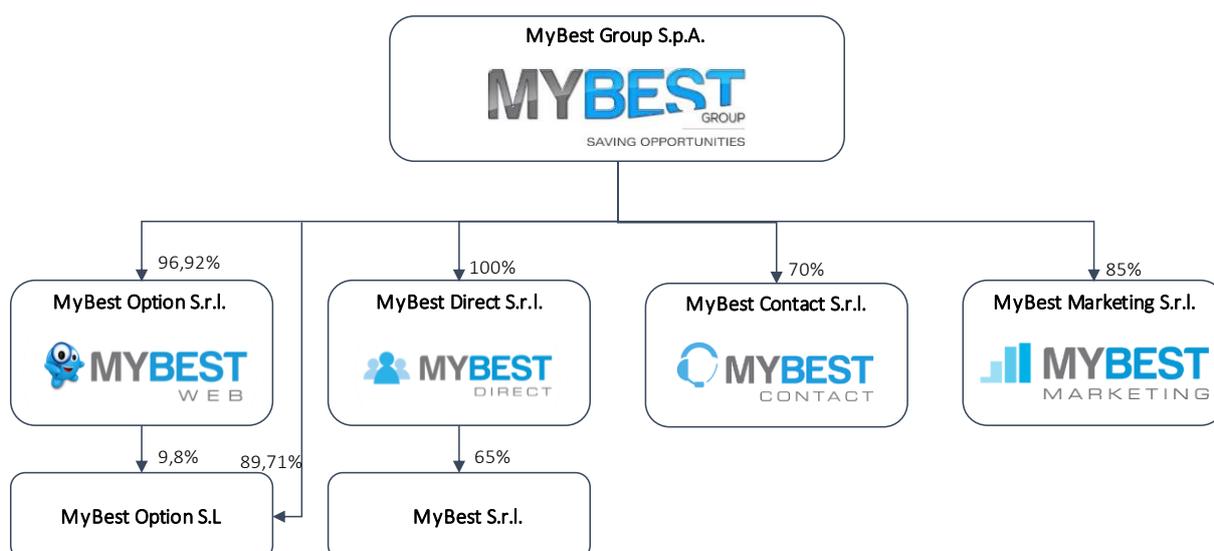
Other secondary players active in the mortgage vertical are:



1.8 Organizational chart

1.8.1 Legal organization chart

The issuer organizational chart on the date of the *Document d'Information*:



1.8.2 Companies within the Group

On the Date of the *Document d'Information*, the Issuer leads a Group consisting of the following companies:

Company name	Registered office	Stake held directly or indirectly by the Issuer
MyBest Direct S.r.l.	Sesto San Giovanni (MI), viale Casiraghi 359	100%
MyBest Contact S.r.l.	Sesto San Giovanni (MI), viale Casiraghi 359	70%
MyBest Marketing S.r.l.	Sesto San Giovanni (MI), viale Casiraghi 359	85%
MyBest Option S.r.l.	Sesto San Giovanni (MI), viale Casiraghi 359	96,92%
MyBest S.r.l.	Sesto San Giovanni (MI), viale Casiraghi 359	65%
MyBest Option S.L.	Cl Travesera De Dalt, 128, Bajos 3 Barcelona (Spain)	99,51% (also through MyBest Option S.r.l. holding 9,8%)

1.9 Real estate properties and equipment

In 2009 the Group purchase the building that hosts the registered office and administrative headquarters of the entire Group, located in Sesto San Giovanni (MI), Viale Casiraghi 345/355/359, with approximately 2,000 m² in total, previously partly leased.

The purchase value was equal to approximately €2.8m, the property is encumbered by a first and second-rank mortgage in favor of Intesa Sanpaolo S.p.A.

The property is currently leased to Group companies for €60,000 and to the third-party company I.V.A.S. S.r.l. for €56,000.

"Other assets" amounts to €369k and is composed mainly of furniture, fixtures and electronic office machines. In 2017, investments were made in purchases fixtures for the Palermo headquarters and the Bologna store.

1.10 Review of the financial situation

The summary financial information presented below has been extracted from the financial statements for the years ended December 31, 2016 and December 31, 2017 which are included in section 1.20 of the present *Document d'Information*.

Profit and loss statement:

€k	31/12/2017	31/12/2016
Revenue from sales and services	24 001	22 029
Change in inventories of finished products	(95)	(190)
Increases in internal work capitalized	82	175
Other revenue and income	2 124	2 337
Total Income	26 112	24 352
<i>% growth</i>	<i>7%</i>	<i>-21%</i>

The Group income is composed of:

- **Revenue from sales and services** accounting for €24,001k (+9% vs. 2016)
- **Change in inventories of finished products** accounting for €-95k (-50% vs. 2016)
- **Increases in internal work capitalized** accounting for €82k (-53% vs. 2016)
- **Other revenue and income** accounting for €2,124k (-9% vs. 2016)

This growth is mainly explained by the rise of income generated by MyBestOption S.r.l. (+ €1,494k) which consists solely of revenue from services generated in favor of Multi-utility partners.

€k	31/12/2017	31/12/2016
Operating charges	(18 428)	(19 581)
Personnel expenses	(3 042)	(2 545)
Others expenses	(498)	(337)
EBITDA	4 144	1 890
<i>% margin</i>	<i>16%</i>	<i>8%</i>

The Group has managed its operating expenses despite a rise in sales which demonstrates its ability to generate profitability. EBITDA margin has doubled to 16% during the period exceeding €4.1m.

€k	31/12/2017	31/12/2016
Amortization, depreciation and impairment	(5 028)	(6 448)
Provisions for risks	(286)	(52)
EBIT	(1 171)	(4 610)
<i>% margin</i>	<i>-4%</i>	<i>-19%</i>

This increase is reflected in EBIT, which progresses by 15 points between 2016 and 2017.

€k	31/12/2017	31/12/2016
Financial result	(860)	(1 073)
Adjustments	39	(121)
Taxes	(331)	850
Net income	(2 323)	(4 954)
<i>% margin</i>	<i>-9%</i>	<i>-20%</i>

The financial year ending 31 December 2017 closed with a loss of €2.3m compared to the loss of €4.9m for the last year ending 31 December 2016.

Balance sheet:

€k	31/12/2017	31/12/2016
Intangible assets	20 180	22 557
Tangible assets	3 860	4 049
Financial assets	46	72
Total fixed assets	24 085	26 678
Stocks	95	190
Accounts receivables	12 907	14 051
Cash & cash equivalents	1 945	279
Total current assets	14 947	14 520
Others	162	171
Total assets	39 194	41 369

The total fixed assets have slightly decrease on the period accounting for €24m (-10% vs. 2016)

The total current assets remain stable, with a decrease of 8% of the accounts receivable compensated by an increase of €1.7m of the Cash & cash equivalents account.

Total assets amount to €39m as of 31 December 2017.

€k	31/12/2017	31/12/2016
Share	2 463	2 463
Share premium	10 161	10 161
Reserve	6 449	6 353
Retained earnings	(10 794)	(5 778)
Profit (loss) for the year	(2 323)	(4 954)
Total equity	5 956	8 245
Provision for risks and charges	735	742
Financial debt	19 001	17 809
Accounts payables	13 297	14 515
Total debts	32 298	32 324
Others	204	59
Total liabilities	39 194	41 369

Total equity has been impacted by the loss of almost €5m accounting for year ending 31 December 2016.

Financial debts have raised from €17.8 to €19.0m (+7% vs. 2016), mainly due to:

- A convertible bond loan issued by parent company MyBest Group S.p.A. and subscribed on March 1st, 2017 for €3m;
- The deconsolidation of the debt of PLA S.r.l. for EUR -1.2m.

1.11 Information on shareholders equity and indebtedness

1.11.1 Information on equity and liquidity sources of the Company

	Share capital	Share premium reserve	Legal Reserve	Extraordinary reserve	Merger surplus reserve	Liquidation adjustments	Treasury shares reserve	Consolidation reserve	Reserve for hedges of expected cash flows	Profit & losses (Forward)	Negative reserve	Profit & Losses for the year	Total Equity	Non controlling interests	Total consolidated
01 January 2016	2 421 501	9 536 855	524 120	5 526 947	2 300 948	-	-	6 375	(79 312)	(196 423)	(1815 613)	(5 581 966)	12 643 432	437 523	13 080 955
Allocation of profit	-	-	-	-	-	-	-	-	-	(5 581 966)	-	5 581 966	-	-	-
Capital contributions	41 093	624 603	-	-	-	-	-	-	-	-	-	-	665 696	-	665 696
Fair value of derivatives	-	-	-	-	-	-	-	-	79 312	-	-	-	79 312	-	79 312
Dividends accrued and or paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(300 000)	(300 000)
Liquidation adjustments	-	-	-	-	-	(321 063)	-	-	-	-	-	-	(321 063)	-	(321 063)
Other changes	-	-	-	-	-	-	-	(6 375)	-	-	-	-	(6 375)	-	(6 375)
Results	-	-	-	-	-	-	-	-	-	-	-	(5 015 573)	(5 015 573)	-	(5 015 573)
Situation at 31 December 2016	2 462 594	10 161 458	524 120	5 526 947	2 300 948	(321 063)	-	-	-	(5 778 389)	(1 815 613)	(5 015 573)	8 045 429	137 523	8 182 952
Allocation of profit	-	-	-	-	-	-	-	-	-	(5 015 573)	-	5 015 573	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	35 000	35 000
Fair value of derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends accrued and or paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquidation adjustments	-	-	-	(321 063)	-	321 063	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Results	-	-	-	-	-	-	-	-	-	-	-	(2 543 983)	(2 543 983)	220 590	(2 323 393)
Situation at 31 December 2017	2 462 594	10 161 458	524 120	5 205 884	2 300 948	-	-	-	-	(10 793 962)	(1 815 613)	(2 543 983)	5 501 446	393 113	5 894 559

MyBest Group has successfully realized a private placement transaction hereinafter the "Private Placement" since December 31st, 2017. The Private Placement completed in July 2018 has allowed the Company to raise €2.451m of new shares. More details of this transaction are available in section 2.1.3 of this *Document d'Information*. The Company has also realized a bonds conversion of two historical issues hereinafter the "Bonds Conversion" since December 31st, 2017, more details of this transaction are available in section 2.1.4. The total equity of MyBest Group at the date of the *Document d'Information* is composed of 6 668 619 shares.

1.11.2 Details of the cash flow

1.11.2.1 Cash flow from operation

€k	31/12/2017	31/12/2016
Net Income	(2 544)	(5 016)
Income taxes	331	(850)
Interest expense/(income)	860	1 073
D&A	4 790	6 046
Cash flow before changes in working capital	3 437	1 253
Change in working capital	76	(343)
Other adjustments	(1 237)	(1 075)
Cash flow from operation	2 276	(164)

Cash flow from operation is enhanced by non-cash items which reduces the net income such as D&A (Depreciation & Amortization) mainly related to Goodwill and other intangible fixed asset depreciation.

1.11.2.2 Cash flow from Investments

€k	31/12/2017	31/12/2016
Intangible asset acquisition	(3 597)	(2 603)
Intangible asset disposal	0	0
Tangible asset acquisition	(96)	(26)
Tangible asset disposal	0	0
Financial asset acquisition	0	(36)
Financial asset disposal	26	676
Change in consolidation scope	1 815	0
Cash flow from Investments	(1 852)	(1 989)

Investments within the Group are mainly composed of investments in the expansion of the contacts database and related to customer acquisition.

On 29 June 2017, MyBest Group S.p.A. sold 100% of the shares owned by PLA S.r.l. in liquidation to the parent For2net S.r.l. at a price of EUR 1. The transaction changed the consolidation scope of MyBest Group at 30 June 2017.

1.11.2.3 Cash flow from financing

€k	31/12/2017	31/12/2016
Increase/(Decrease) in short-term payables to banks	265	(1 580)
Increase/(Decrease) in bonds	3 000	0
Opening of loans	34	1 873
(Repayment of loans)	(815)	(253)
Change in consolidation scope	(1 242)	0
Capital increase	0	566
Cash flow from Financing	1 242	605

Following the capital increase in 2015, the Company has realized a second capital increase in 2016 of €566k, with a nominal value of EUR 0.5 each.

On 30 January 2017, the extraordinary shareholders' meeting was held for the issue of a second convertible bond loan up to €3m. This has significantly impacted the 2017 cash flow from financing.

On 29 June 2017, MyBest Group S.p.A. sold 100% of the shares owned by PLA S.r.l. in liquidation to the parent For2net S.r.l. at a price of EUR 1. The transaction changed the consolidation scope of MyBest Group at 30 June 2017.

1.11.3 Information on loan conditions and financing structure

€k -31/12/2016	Within 12 month	Beyond 12 month	Beyond 60 month
Convertible bonds	0	2 000	0
Payables for shareholders' contributions	105	0	0
Payables to banks	10 111	4 301	1 219
Payables to other lenders	8	0	0
Advances	65	0	0
Total	10 289	6 301	1 219

€k -31/12/2017	Within 12 month	Beyond 12 month	Beyond 60 month
Convertible bonds	0	5 000	0
Payables for shareholders' contributions	34	0	0
Payables to banks	9 090	3 866	987
Payables to other lenders	15	0	0
Advances	9	0	0
Total	9 148	8 866	987

Gearing ratio as of December 31st, 2017 is equal to 3,5x.

At the date of the present document and as described in section 2.1.4 convertible bonds have been fully converted into shareholders equity and is no longer part of MyBest Group debt. Gearing ratio is thus improving to 1.3x following the conversion.

1.11.4 Restriction to the use of funds

At the date of the present documents, there are no restrictions on the use of funds by the Company.

1.11.5 Off balance sheet items

Off balance sheet items at 31/12/2017 towards off perimeter companies.

Bank	Type of Guarantee	Guarantee	PLA	4U Servizi
Veneto Banca	Limited guarantee	500		500
Intesa San Paolo	Guarantee comfort letter	2.250	1.250	1.000
BCC Sesto SG	Limited guarantee	1.300		1.300
ICCREA		5.155		5.155
Total		9.205	1.250	7.955

Off balance sheet items exposure at 31/12/2017 towards off perimeter companies.

Bank	Type of Guarantee	Guarantee	PLA	4U Servizi
Veneto Banca	Limited guarantee	481		481
Intesa San Paolo	Guarantee comfort letter	2.007	1.250	757
BCC Sesto SG	Limited guarantee	-		-
ICCREA		3.608		3.608
Total		6.096	1.250	4.846

1.12 Research & Development, brands and licenses

1.12.1 Brands

All the brands owned by the Group are listed below:

N°	Brand Number of registration	Owner	Classification*	Expiry date
1	MYBEST.IT EU n. 011265626	MYBEST OPTION S.R.L	35, 38	15.10.2022
2	MYBESTOPTION.IT EU n. 010437507	MYBEST OPTION S.R.L	35, 38	23.11.2021
3	CrediOne IT. n. 1377717	MYBEST GROUP S.P.A	35, 36, 38	09.06.2019
4	Debt Check-up IT. n. 1361046	MYBEST GROUP S.P.A	35, 36, 38	11.03.2019
5	Debt Solver IT. n. 1361047	MYBEST GROUP S.P.A	35, 36, 38	11.03.2019
6	Key21 Consulenti Multiutility IT. n. 1276360	MYBEST GROUP S.P.A	35, 36, 38	28.06.2017
7	MyBestOption IT. n. 1324795	MYBEST GROUP S.P.A	35, 38	24.11.2018
8	Ventuno World IT. n. 1395441	MYBEST GROUP S.P.A	35, 36, 38, 39	16.12.2019
9	Key21 EU n. 003507721	MYBEST GROUP S.P.A	38	31.10.2023
10	Key21 EU n. 006039432	MYBEST GROUP S.P.A	35, 36, 38	26.06.2017
11	Key21 Multiutility Franchising EU n. 006094742	MYBEST GROUP S.P.A	35, 36, 38	12.07.2017
12	Key21 Multiutility Network EU n. 006656111	MYBEST GROUP S.P.A	35, 36, 38	08.02.2018
13	Key21 Multiutility Network Affiliato EU n. 006690028	MYBEST GROUP S.P.A	35, 36, 38	22.02.2018
14	Key21 Multiutility Office EU n. 006656151	MYBEST GROUP S.P.A	35, 36, 38	08.02.2018
15	Key21 Multiutility Point EU n. 006656086	MYBEST GROUP S.P.A	35, 36, 38	08.02.2018
16	MyBest Group Saving Opportunities EU n. 014037675	MYBEST GROUP S.P.A	35, 36, 38, 39	07.05.2025
17	4U ITALIA CONTACT CENTER EU n. 012865961	MYBEST CONTACT S.R.L	35	12.05.2024
18	IMPRESA21 EU n. 010125235	MYBEST DIRECT S.R.L	35, 36, 38, 41, 42	15.07.2021

*Details of the classification:

35: Advertising; Advertising; Business management; Business administration Advertising; Advertising; Business management; Business administration.

36: Assurance services; Insurance; Monetary affairs; Real estate affairs.

38: Telecommunications.

39: Transport; packaging and storage of goods; travel arrangement.

41: Education; Providing of training; Provision of entertainment services; Entertainment.

42: Scientific and technological services and research and design relating thereto; Scientific and technological services and research and design relating thereto; Industrial analysis and research services.

1.12.2 Web sites

The Group owns, directly or through its subsidiaries, several numbers of domains names which relates to its web activity. As of 31 December 2017, the Group own 88 domains names such as: www.mybestgroup.it, www.mybestdirect.com, www.mybestoption.fr, www.key21.it, etc.

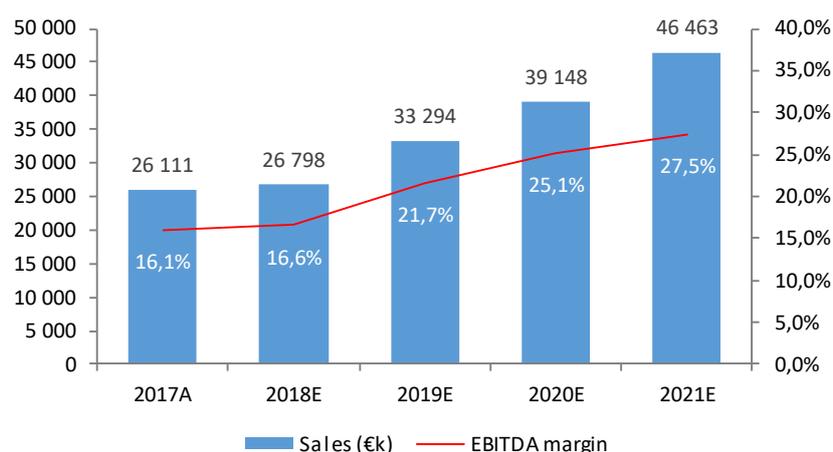
1.13 Information on trends

1.13.1 Trends, uncertainties, requests, commitments or known facts that could reasonably have significant repercussions on the Issuer's forecast for at least the current year.

At the date of the *Document d'Information*, the Issuer has no specific information on trends, uncertainties, requests, commitments or facts that could reasonably have significant repercussions on the forecast of the Issuer.

1.13.2 Profit forecast and estimates

The issuer prepared a business plan presenting the activity forecasted until 2021. The Group is relying on the transition to the free market of electricity and gas scheduled in 2019 in Italy:



1.14 Administrative, executive and supervisory bodies

1.14.1 Direction of the Company

The Company is a limited company under Italian law with a Board of Directors, which operates in accordance with its article of association, as set out in section 1.21.2 of this *Document d'Information*.

1.14.1.1 Board of Directors

The Board of Directors of the Company, at the Date of the *Document d'Information*, is made up of 5 (five) members, they have been appointed by the general meeting of June 29th, 2017 and subsequently integrated on the September 18th, 2017 and will remain in charge until the date for the approval of the financial statements as of December 31st, 2019.

Andrea Bonora have been appointed on May 2018 after the resignation of a former board member Maurizio Santacroce.

Antonello Bonuglia has been appointed on July 2018 after the resignation of a former board member Michaella Castelli.

The current members of the Board of Directors are indicated in the table below:

Name	Age	Mandate	Function
Fabio Regolo	53	Chairman	Chairman and CEO
Daniele Viganò	53	Administrator	Non-executive administrator
Andrea Bonora	57	Administrator	Non-executive administrator
Paolino Manfredi	58	Administrator	COO
Antonello Bonuglia	52	Administrator	CFO

FABIO REGOLO

He began his career as sales manager of the Tecnocasa Group, a leading company in the real estate sector. In 1986 he founded the real estate brokerage company Gruppo Professionecasa. Subsequently, he was involved in the process of liberalization of the telecommunications market at the I@T SpA Group, a group operating in Italy and in Spain in the distribution of public utility services, of which he became vice president and general manager. In September 2003 he founded with Daniele Viganò Ventuno Group, active in the distribution of its own and third-party services, addressed to families and businesses, holding the position of president of the holding company.

DANIELE VIGANÒ

After working as a sales consultant from 1987 to 1990 in a company distributing products in the pharmaceutical market, in 1990, with a partner, he founded his first company dedicated to the importation of products and services made in the USA, still in the pharmaceutical sector. From July 1998 he was National Commercial Director and then Vice-President of the I@T S.p.A. Group. From the end of 1999, for the same group, he led the process of expansion and internationalization of the sales network within the newly liberalized telecommunications market in Spain. In 2003, with Fabio Regolo, he founded Ventunogroup, today MyBest Group, and in 2010 developed the technology of MyBestOption Srl in Barcelona, with the MyBest.it portal.

ANDREA BONORA

Majored in Electronic Engineering, with a master's degree in general management, he worked in Olivetti Group for 10 years since 1989, playing roles in diverse activity areas, from planning to logistics, from sales management to marketing. He worked in Infostrada SpA from 1999 until 2002, when they went in with Wind Telecommunications SpA, where he held responsibility for planning, marketing and inbound, outbound and digital sales channels. From 2013 to 2018 he became General Manager of Illumia SpA, the biggest family owned company in the Italian energy retail market. Here, he promoted the development of the company, widening the perimeter on new businesses and additional market areas. Illumia customer base is over 200.000 clients, with company 2017 revenues of 947m€ and Ebitda of 15,4m€.

PAULINO MANFREDI

In 1983 he starts as a special projects manager for BT Europe plc, taking care of a project to implement data networks. He then held other direct positions including that of technical design director in 1987,

product & program manager, responsible for the development and launch of projects in the United States and, therefore, general manager for the development and technological development of technical projects in Europe. From 1999 to 2000 he was Director of the Customer & IT division of Blu S.p.A. and since 2000 has managed a start-up in London, Vine Telecom, taking care of the strategic development and customer service. At the same time, from 2000 to 2003 he was Vice President of South Europe of 7C Ltd. and CEO of 7C Italia S.p.A., of which he was the founder, and led to the implementation of the Alitalia call center service. In 2002 he managed the sale of the company to Almaviva S.p.A.

ANTONELLO BONUGLIA

Antonello Bonuglia started working as an auditor for Mazars SpA, a global company specialized in auditing, consulting and accounting in 1989. In 1997, he moved to Carlo Tassara SpA Group, an Italian-based group operating in the finance and industrial sector, with the role of financial and managing director until 2000. Between 2000 and 2003 he joined I@T SpA Group, which main focus stands in the public service providers sector, and became its managing and financial director. From September 2003 to July 2017 Antonello Bonuglia was the CEO of Mybestgroup SpA Group, actively involved in the utility and e-commerce industry.

1.14.1.2 Other mandates

Name	Company	Function
Fabio Regolo	For2Net S.r.l.	Counsellor
Daniele Viganò	For2net S.r.l.	Chairman of the board of directors
Paolino Manfredi	4U Servizi S.p.A.	President
	7C Italia S.r.l.	Director
	HY BLA call S.r.l.	Director
	Paul Manfredi LTD	Director
Antonello Bonuglia	4U Servizi S.p.A.	CEO
	Bestiket	Statutory Auditor
	Memetech	Statutory Auditor
	Consorzio Nord Est	Statutory Auditor
	Gorla	Statutory Auditor
	Gesafin	Statutory Auditor
	Aenne Press	Statutory Auditor

1.14.2 Conflicts of interest among the administrative, executive and supervisory bodies

At the Date of the *Document d'Information*, to the knowledge of the Issuer, except for the information below, none of the members of the Board of Directors or of the Board of Statutory Auditors has any conflicts of interest between the obligations towards the Company and its private interests and / or other obligations.

At the Date of the *Document d'Information* the following directors hold, directly or indirectly, a stake in the Issuer's capital:

- Fabio Regolo, Chairman of the Board of Directors, owns 50% of the share capital of For2Net, which holds 58.2% of the Issuer's capital;

- Daniele Viganò, member of the Board of Directors, owns 50% of the share capital of For2Net, which holds 58.2% of the Issuer's capital;
- Paolino Manfredi, member of the Board of Directors, owns 0.6% of the Issuer's capital directly and 0.7% indirectly through PML.

1.15 Compensation and benefits

1.15.1 Compensation of the Administrators and Executive Board

It should be noted that the members of the Board of Directors of the Group companies received fees for EUR 257,417 for services rendered in 2017, while the Board of Statutory Auditors received fees for EUR 17,152.

The fees owed to the Independent Auditors Deloitte & Touche S.p.A. amount to EUR 55,683.

1.15.2 Amounts provisioned or otherwise recognized by the issuer or its subsidiaries for the purpose of paying pensions, retirement or other benefits

Not applicable.

1.16 Functioning of the administrative and executive bodies

On March 7, 2018 the Board of Directors resolved to confer the following powers to the Chairman of the Board of Directors, Fabio Regolo:

1. to keep and sign the company's correspondence within the limits of its powers;
2. to draw up, conclude, sign and execute contracts, within the maximum amount of EUR 100,000.00 (one hundred thousand) annual for each contract and within the total annual limit of EUR 500,000.00 (five hundred thousand) with single signature and above these amounts with the combined signature of the Chairman or the Managing Director, including by way of example the following:
 - contracts for the purchase, sale and exchange of movable property and goods other than financial instruments, related to the company's business, including future assets, motor vehicles and other goods subject to matriculation;
 - leases, including works, subleases, leases, rental and leasing of movable property;
 - procurement, subcontracting, supply and supply contracts;
 - contracts for the shipment and transport of people and goods on land, sea and sky;
 - insurance contracts for any risk;
 - contracts of mandate, commission, agency with or without representation;
3. to draw up, conclude, sign and execute, within the maximum limit of EUR 100,000.00 (one hundred thousand) annual for each contract and within the total annual limit of EUR 500,000.00

(five hundred thousand) with single signature and above limits with the combined signature of the Chairman or Managing Director, consultancy contracts (legal, tax, technical, etc.), marketing and information systems;

4. accept, impose and agree, in any of the subcontracts. 2) and 3) and with the same single or combined signature, terms, conditions, clauses, prices, fees, commissions, commissions, pay them and request them, also in the process of adjustment and compensation, releasing and obtaining receipts in due form;
5. withdraw, cancel, terminate, enter into transactions and terminate any of the sub-contracts. 2) and 3) and with the same single or combined signature, even against the payment and collection of indemnities;
6. preparation of the budgets and business plans to be submitted for approval and / or modification by the Board of Directors;
7. issue, sign and receipt, invoices, debit and credit notes, receive them; achieve recognition and settlement of accounts, granting rebates, extensions and discounts; accept agreements drawn from suppliers of the company, discounting, collecting, receipt, protesting bills and securities to the order, as well as doing any other transaction inherent to that;
8. management of all relationships with credit institutions and, within the limits of credit granted for credit lines, overdrafts or overdrafts of current accounts for an amount not exceeding EUR 250,000.00 (two hundred and fifty thousand) for each operation with signature single and up to EUR 1,000,000 (one million) with the combined signature of the Chairman or Managing Director; withdrawing sums, issuing bank checks to third parties, requesting checks from third parties, providing for transfer and credit of sums to third parties, signing and filing checks, bank drafts, money orders banking, postal and telegraph services to third parties, requesting guarantees for sureties in favor of suppliers; turn for the discount and the credit on the current accounts of the company bills, tracts and in general any other title to the order; arrange transfers of sums to other company accounts within the limits of credits granted in any form; require, by giving receipt, capitals, interests, sums, values, amounts of money orders and bank, mandates, and any certificate of credit from individuals, Banks, Public Administrations, Post Offices or any other natural or legal person; to carry out factoring transactions and in any case to dispose of receivables, including by way of sale;
9. negotiate, stipulate contracts for hiring employees other than executives and / or each employee and / or project collaborator with an annual total remuneration of more than EUR 100,000.00 (one hundred thousand) (the "Personnel"); negotiating and determining the terms and conditions of the employment relationship of the Personnel, including the negotiation of remuneration policies and promotions; adopt disciplinary measures of the Personnel; resolve work and collaboration relationships with the Personnel Company;
10. represent the company before the Tax Authorities, with the express right to sign and present declarations for IRPEG, IRAP, VAT, declarations of the substitutes of tax and any other declaration required by law or by the tax offices, request and agree reimbursements of taxes and fees, stipulate judicial agreements and / or estimates with the tax administration, make payments and collect refunds, appeal tax and tax assessments before the Tax Commissions and

Administrative Offices of any kind and degree, perform all operations excluded and excepted, provided for by the respective special laws, and perform any other deed relevant to the matter considered in the interest of the company;

11. to represent the company in any relationship with social security, welfare, accident, Labor offices, Labor Inspectorates;
12. to represent the company before any administrative authority to obtain the issuance of licenses, authorizations, permits, registrations or certificates, also in relation to trademarks and patents, to present to any competent authority and to sign applications and communications, assuming their ownership and responsibilities as well as for any other activity necessary for the pursuit of the corporate purpose;
13. carry out any operation with the Public Automotive Registry, requesting transfers, updates and identification of situations, validly signing the relative deeds or documents on behalf of the company;
14. to represent the company, both actively and passively, before any judicial and administrative authority, in any seat and degree of jurisdiction including the Court of Cassation, appointing lawyers and prosecutors to the disputes, providing them with appropriate powers and electing domiciles with them;
15. obligations and powers related to the role of "Employer" of the Company's business complex, pursuant to and for the purposes of Legislative Decree no. n. 81 of 2008 and subsequent additions and amendments (hereinafter, the "Legislative Decree 81/2008"), with the right to appoint one or more "Employers Delegates" pursuant to art. 16 of Legislative Decree. 81/2008 and to grant him the necessary powers so that they can - in the name and on behalf of the Company - comply with the obligations regarding the prevention of accidents, hygiene and safety in the workplace, with reference to the Company's business complex, delegated pursuant to and in compliance with art. 17 of Legislative Decree. 81/2008;
16. all powers concerning environmental protection, protection of noise, electromagnetic, water, air pollution and soil pollution, following the fulfillment of current regulations, including the power to organize and coordinate company functions in the field of ecology and protection from the environment, as well as management of waste produced by or in any case pertinent to the social activity and its disposal, with wide power of sub-delegation, involving also the attribution of powers of representation and powers of independent management of financial resources for the concrete implementation of the sub-delegation, to employees or collaborators, if deemed appropriate according to the need for technical specialization or particular professional qualification
17. all the powers to identify, inside or outside the company organization, names of persons endowed with the necessary qualifications, who, by experience, ability and reliability, provide a suitable guarantee of full compliance with the pro tempore provisions in force on the matter processing of personal data, including the security profile, and proceed to their appointment as responsible for the processing of personal data for the Company pursuant to Article 29 of the d. Lgs. 30 June 2003, n. 196, as amended (the "Privacy Code"), attributing to them the

responsibilities and obligations due in any case to the legal representative of the Company and to the Board of Directors;

18. confer mandates and issue powers of attorney to employees of the company and to third parties within the scope of the powers specified above.

1.16.1 Date of expiry of the Board of directors

The Board of Directors, appointed by resolutions of the general meeting adopted on June 29, 2017 and subsequently completed on September 18, 2017, will expire on the date of approval of the financial statements for the year end December 31, 2019.

1.17 Employees

1.17.1 Evolution of the workforce

The following table summarizes the Issuer's employees for the years 2016 and 2017, by category:

Qualification	31/12/2016	31/12/2017
Senior executives	0	1
Director	2	0
Employees and workers	63	102
Apprentices and trainees	2	0
Collaborators	404	417
Total	471	520

1.17.2 Participation and stock option

At the Date of the *Document d'Information*, the employees, do not hold directly or indirectly a participation or stock option for the subscription / purchase of shares of the Issuer.

1.18 Main shareholders

1.18.1 Breakdown of equity

As of the Date of the *Document d'Information*, according to the shareholders' register, as well as on the basis of the other information available to the Company, the shareholders breakdown is shown in the table below:

Name - Shareholdes	Shares	%
For2Net Srl	2 859 312	42.9%
Vero Srl	239 815	3.6%
Lombardi Roberto	232 000	3.5%
Mediolanum	230 316	3.5%
Atlantiscom Srl	197 019	3.0%
Valiante Giulio	157 635	2.4%
Alisa Srl	124 125	1.9%
Lumafra Srl	124 124	1.9%
Arca	116 000	1.7%
Bertazzone	114 186	1.7%
Torrents Rotelli Jaime	111 471	1.7%
Botifol Rodriguez Jorge Emiliano	98 809	1.5%
Others < 1.5%	2 063 807	30.9%
TOTAL	6 668 619	100%

1.18.2 Voting rights

At the Date of the *Document d'Information*, the Issuer has only issue ordinary shares; there are no shares carrying other rights than ordinary shares.

1.18.3 Shareholders' agreements

At the Date of the *Document d'Information*, the Issuer is not aware of any shareholders' agreements or agreements whose implementation may result in a change in the Issuer's control structure.

1.18.4 Information concerning thresholds crossed

In accordance with Article 4.3. of the Euronext Growth Market Rules, entered into force on June 30th, 2017, the Company is required to disclose to the public:

- (i) within five (5) trading days after the day on which it becomes aware, the crossing up or down, by any person acting alone or jointly, of thresholds representing fifty percent (50%) or ninety-five percent (95%) of the capital or voting rights;
- (ii) within five (5) trading days after the day on which it becomes aware, the capital transactions of its managers or directors.

According to Article 4.4. of the non-harmonized rules applicable to the Euronext Growth market in Paris, of the Euronext Growth market rules, the direct or indirect crossing of the threshold of 50% of the voting rights or capital by a person, acting alone or jointly, must lead to public offer under the conditions set by the AMF General Regulation.

Articles 236-1, 236-3 and 236-7 and Chapter VII of Book II of the General Regulations of the Autorité des Marchés Financiers are applicable to the Company.

Title III of Book II of the AMF General Regulation dealing with public offering is applicable to the Company for a period of three years following the admission of its shares to Euronext Growth.

1.18.5 Information concerning the control of the Company

Fabio Regolo, Chairman of the Board of Directors and Daniele Viganò, member of the Board of Directors owns respectively half of the capital of For2Net, the majority shareholder of the Company.

1.18.6 Agreements that may result in a change in the control of the Company

At the Date of the *Document d'Information*, the Issuer is not aware of any agreements whose implementation may result in a change in the Issuer's control structure.

1.19 Related party transactions

1.19.1 Operations with subsidiaries

The Issuer maintains relations with his subsidiaries, mainly for the purpose of providing commercial, legal and financial assistance, management control, general administration, public relations assistance and, in some cases, general services. These relations are governed by annual contracts. An exclusive agreement is generally agreed for the benefit of the Company.

At the Date of the *Document d'Information*, contracts are expiring on 31 December 2018, with the following subsidiaries:

- MyBest Contact for a fee equal to 1.1% of the value of the production of the latter that will be recorded in the 2018 financial year;
- MyBest Direct for a total amount, to be determined on the basis of the costs resulting of such services, indicated presumptively in EUR 120,000 excluding VAT
- MyBest Option S.L., for a total amount, to be determined on the basis of the costs resulting of such services, indicated presumptively in EUR 36,000 excluding VAT
- MyBest Marketing, for a total amount, to be determined on the basis of the costs resulting of such services, indicated presumptively in EUR 54,000 excluding VAT
- MyBest Option for a total amount, to be determined on the basis of the costs resulting of such services, indicated presumptively in EUR 180,000 excluding VAT

1.19.2 Statutory auditor's report on related party transactions

Not applicable.

1.20 Financial information

1.20.1 Financial accounts year ending 31 December 2017

1.20.1.1 Consolidated balance sheet

MYBEST GROUP S.p.A.
Registered Office in Via Fratelli Casiraghi 359, Milan
Share Capital € 2,462,593.50 fully paid in
Registered with the Company Register of Milan - Tax Code and VAT no. 04227580968
Milan REA no. 2111455

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2017

STATEMENT OF FINANCIAL POSITION AND COMPARISON WITH 31 DECEMBER 2016

ASSETS	<u>31/12/2017</u>	<u>31/12/2016</u>
A) SHARE CAPITAL PROCEEDS TO BE RECEIVED		
- amount not called	7 740	-
TOTAL SHARE CAPITAL PROCEEDS TO BE RECEIVED (A)	<u>7 740</u>	<u>-</u>
B) FIXED ASSETS:		
I - Intangible fixed assets		
1) Start-up and expansion costs	17 913	25 212
2) Development costs	-	13 934
3) Industrial patent and intellectual property rights	140 322	223 970
4) Concessions, licenses, trademarks and similar rights	50 179	58 020
5) Goodwill	13 434 398	15 403 901
6) Fixed assets under construction and advances	499 290	312 255
7) Other	6 037 806	6 520 002
Total intangible fixed assets	<u>20 179 909</u>	<u>22 557 294</u>
II - Tangible fixed assets		
1) Land and buildings	3 443 947	3 565 335
2) Property, plant and equipment	22 130	26 267
3) Industrial and commercial equipment	24 715	31 888
4) Other assets	369 092	425 377
5) Fixed assets under construction and advances	-	-
Total tangible fixed assets	<u>3 859 883</u>	<u>4 048 867</u>
III - Financial fixed assets		
1) Investments in		
a) unconsolidated subsidiaries		36 490
d-bis) other companies	25 175	25 175
2) Receivables		
d-bis) From others	11 345	10 019
3) Other securities	9 187	-
Total financial fixed assets	<u>45 707</u>	<u>71 684</u>
TOTAL FIXED ASSETS (B)	<u>24 085 499</u>	<u>26 677 845</u>

C) CURRENT ASSETS:		
I - Inventories		
4) Finished products and goods	94 758	189 517
Total inventories	<u>94 758</u>	<u>189 517</u>
II - Receivables:		
1) from clients		
due within the following year	5 430 063	7 115 551
	<u>5 430 063</u>	<u>7 115 551</u>
2) from unconsolidated subsidiaries		
due within the following year	0	46 237
	<u>0</u>	<u>46 237</u>
3) from associates		
due within the following year	-	-
	<u>-</u>	<u>-</u>
4) from parent companies		
due within the following year	516 761	264 281
	<u>516 761</u>	<u>264 281</u>
5) from companies subject to the control of parents		
due within the following year	0	-
	<u>0</u>	<u>-</u>
5-bis) tax receivables		
due within the following year	1 151 987	989 763
	<u>1 151 987</u>	<u>989 763</u>
5-ter) deferred tax assets		
due within the following year	2 021 977	2 088 042
	<u>2 021 977</u>	<u>2 088 042</u>
5-quater) from others		
due within the following year	3 786 247	3 547 103
	<u>3 786 247</u>	<u>3 547 103</u>
Total receivables	<u><u>12 907 036</u></u>	<u><u>14 050 977</u></u>
III - Current financial assets		
6) other securities	-	-
Total current financial assets	<u>-</u>	<u>-</u>
IV - Cash and cash equivalents		
1) bank and postal deposits	1 941 458	273 905
3) cash on hand	3 644	5 528
Total cash and cash equivalents	<u>1 945 102</u>	<u>279 433</u>
TOTAL CURRENT ASSETS (C)	<u><u>14 946 896</u></u>	<u><u>14 519 927</u></u>
D) ACCRUED INCOME AND PREPAID EXPENSES	<u>154 353</u>	<u>171 154</u>
TOTAL ASSETS	<u><u>39 194 488</u></u>	<u><u>41 368 926</u></u>

LIABILITIES

A) EQUITY:		
I - Share capital	2 462 594	2 462 594
II - Share premium reserve	10 161 458	10 161 458
III - Revaluation reserve	-	-
IV - Legal reserve	524 121	524 120
V - By-law reserves	-	-
VI - Other reserves, shown separately:	-	-
Extraordinary reserve	5 205 885	5 526 947
b) other reserves	-	-
Merger surplus reserve	2 300 948	2 300 948
d) Capital contribution	-	-
Consolidation reserve	-	(321 063)
Liquidation adjustments	-	-
VII - Reserve for hedges of expected cash flows	-	-
VIII - Retained earnings (losses carried forward)	(10 793 965)	(5 778 389)
IX - Profit (loss) for the year	(2 543 983)	(5 015 573)
X - Negative reserve for treasury shares in portfolio	<u>(1 815 613)</u>	<u>(1 815 613)</u>
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	5 501 444	8 045 429
Share capital and reserves attributable to non-controlling interests	234 135	137 523
Profit (loss) attributable to non-controlling interests	<u>220 590</u>	<u>61 612</u>
TOTAL EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	454 725	199 135
TOTAL CONSOLIDATED EQUITY (A)	5 956 169	8 244 564

B) PROVISIONS FOR RISKS AND CHARGES		
2) for taxes, including deferred taxes	-	-
3) financial derivative liabilities	81 834	120 692
4) other	337 812	346 654
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	419 646	467 346
C) POST-EMPLOYMENT BENEFITS	315 852	274 185
D) PAYABLES:		
2) convertible bonds		
due within the following year	-	-
due beyond one year	5 000 000	2 000 000
	5 000 000	2 000 000
3) payables for shareholders' contributions		
due within the following year	34 000	105 000
	34 000	105 000
4) payables to banks		
due within the following year	9 090 166	10 110 591
due beyond one year	4 853 400	5 520 098
	13 943 565	15 630 689
5) payables to other lenders		
due within the following year	14 816	8 285
	14 816	8 285
6) advances		
due within the following year	8 998	65 097
	8 998	65 097
7) payables to suppliers		
due within the following year	6 550 299	8 698 263
	6 550 299	8 698 263
9) payables to unconsolidated subsidiaries		
due within the following year	(0)	22 295
	(0)	22 295
11) payables to parent companies		
due within the following year	433 535	129 044
	433 535	129 044
11-bis) payables to companies subject to the control of parent		
due within the following year	-	-
	-	-
12) tax payables		
due within the following year	3 899 191	3 381 182
due beyond one year	-	-
	3 899 191	3 381 182
13) payables to welfare and social security entities		
due within the following year	1 042 365	595 917
14) other payables	1 042 365	595 917
	1 371 683	1 688 180
due within the following year	1 371 683	1 688 180
	1 371 683	1 688 180
TOTAL PAYABLES (D)	32 298 451	32 323 952
E) ACCRUED EXPENSES AND DEFERRED INCOME	204 371	58 879
TOTAL LIABILITIES	39 194 488	41 368 926

1.20.1.2 Consolidated Income statement

INCOME STATEMENT AND COMPARISON WITH 2016	<u>31/12/2017</u>	<u>31/12/2016</u>
A) VALUE OF PRODUCTION:		
1) revenue from sales and services	24 000 899	22 029 314
2) changes in work in progress, semi-finished and finished products	(94 758)	(189 517)
3) changes in contract work in progress	-	-
4) increases in internal work capitalized	82 111	175 217
5) other revenue and income, with grants related to income shown separately. with grants related to income shown separately.	2 124 004	2 337 093
<i>- of which grants related to income</i>	-	-
TOTAL VALUE OF PRODUCTION (A)	<u>26 112 255</u>	<u>24 352 107</u>
B) PRODUCTION COSTS:		
6) for raw and ancillary materials, consumables and goods	(39 752)	(38 103)
7) for services	(17 817 646)	(19 055 263)
8) for rentals and leases	(570 942)	(487 180)
9) for personnel:		
a) wages and salaries	(2 231 597)	(1 991 255)
b) social security charges	(569 134)	(504 827)
c) post-employment benefits	(123 876)	(118 325)
d) retirement and kindred obligations	(57 875)	(32 312)
e) other costs	(59 740)	102 195
10) amortization, depreciation and impairment:		
a) amortization of fixed intangible assets	(4 119 326)	(4 512 756)
b) depreciation of fixed tangible assets	(278 680)	(293 693)
c) other impairment of fixed assets	(20 441)	(948 457)
d) write-down of receivables under current assets and cash and cash equivalents	(610 000)	(693 153)
11) changes in raw and ancillary materials, consumables and goods	-	-
12) provisions for risks	(286 220)	(51 592)
13) other provisions	-	-
14) sundry operating charges	(497 773)	(337 200)
TOTAL PRODUCTION COSTS (B)	<u>(27 282 999)</u>	<u>(28 961 921)</u>
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	<u>(1 170 744)</u>	<u>(4 609 814)</u>

C) FINANCIAL INCOME AND CHARGES:

15) income from investments:		
a) from subsidiaries	2 232	-
b) from associates	-	-
c) from other companies	-	-
d) tax credit on dividends	-	-
16) other financial income:		
a) from receivables recorded under fixed assets:	-	-
- from unconsolidated subsidiaries	-	-
- from associates	-	-
- from parent companies	-	-
b) from securities booked in fixed assets	92	-
c) from securities under current assets other than equity investments	-	45 379
d) income other than above		
- from subsidiaries	-	-
- from associates	-	-
- from parent companies	-	-
- of companies subject to the control of parents	-	-
- other	315	482
- exchange rate gains	-	-
17) interest and other financial charges:		
- to subsidiaries	-	-
- to associates	-	-
- to parent companies	-	-
- to banks	-	-
- to banks, non-current	-	-
- to bondholders	-	-
- other	(862 786)	(1 119 358)
- exchange charges and losses		
DIFFERENCE BETWEEN FINANCIAL INCOME AND CHARGES (15+16-17)	<u>(860 148)</u>	<u>(1 073 497)</u>

D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES:

18) reversals:	-	-
a) of investments	-	-
b) of non-current financial assets	-	-
c) of securities under current assets	-	-
d) of derivative financial instruments.	38 858	-
19) write-down:		
a) of investments	-	-
b) of non-current financial assets	-	-
c) of securities under current assets	-	-
d) of derivative financial instruments	-	(120 692)
TOTAL ADJUSTMENTS (18-19)	<u>38 858</u>	<u>(120 692)</u>

PROFIT (LOSS) BEFORE TAXES (A-B+C+D)

(1 992 034) **(5 804 003)**

20) income taxes for the year:

current, deferred and prepaid		
a) current taxes	(885 025)	(410 841)
b) prior-years' taxes	(7 212)	29 257
c) deferred/prepaid taxes	96 745	1 231 626
d) tax consolidation income	464 133	-

21) CONSOLIDATED PROFIT (LOSS) FOR THE YEAR

(2 323 393) **(4 953 961)**

RESULT ATTRIBUTABLE TO THE OWNERS OF THE PARENT
RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

(2 543 983) (5 015 573)
220 590 61 612

1.20.1.3 Consolidated cash flow statement

	2017	2016
B) Cash flow from operations (indirect method)		
Profit (loss) for the year	(2 543 983)	(5 015 573)
Income taxes	331 359	(850 042)
Interest expense/(income)	860 148	1 073 497
(Dividends)		0
(Gains)/Losses from the disposal of assets		
1) Profit (loss) for the year before income taxes, interest, dividends and gains/losses from disposals	(1 352 476)	(4 792 118)
Adjustments for non-monetary items that did not have a balancing item in the net working capital		
Allocations to provisions	286 220	51 592
Amortization and depreciation	4 398 006	4 806 449
Impairment losses	20 441	948 457
Value adjustments to financial assets and liabilities of derivative financial instruments that do not entail monetary changes	(38 858)	120 692
Other upward/(downward) adjustments for non-monetary items	123 876	118 325
- Allocations to post-employment benefits	123 876	118 325
- Other upward/(downward) adjustments		
Total adjustments for non-monetary items that did not have a balancing item in the net working capital	4 789 684	6 045 515
2) Cash flow before changes in net working capital	3 437 208	1 253 397
Changes in net working capital		
Decrease/(Increase) in inventories	94 759	189 516
Decrease/(Increase) in receivables from clients	1 685 488	(636 484)
Increase/(Decrease) in payables to suppliers	(2 197 533)	(184 991)
Decrease/(Increase) in accrued income and prepaid expenses	16 801	296 633
Increase/(Decrease) in accrued expenses and deferred income	145 492	16 563
Other decreases/(Other increases) in net working capital	331 345	(24 111)
- Decrease (increase) in receivables from parents, subsidiaries and associates	(206 243)	(126 259)
- Increase (decrease) in payables to parents, subsidiaries and associates	282 196	61 163
- Other decreases (increases)	255 393	40 985
Total changes in net working capital	76 352	(342 874)
3) Cash flow after changes in net working capital	3 513 560	910 523
Other adjustments		
Interest received/(paid)	(860 148)	(1 073 497)
(Income taxes paid)		
Dividends received		0
(Use of provisions)		(529 249)
Other receipts/(payments)	(82 208)	527 989
- (Post-employment benefits paid)	(82 208)	(106 560)
- Other		634 549
Change in consolidation scope	(295 062)	
Total other adjustments	(1 237 418)	(1 074 757)
Cash flow from operations (A)	2 276 141	(164 234)

B) Cash flow from investing activities		
Tangible fixed assets		
(Acquisitions)	(96 328)	(25 667)
Disposals		
Intangible fixed assets		
(Acquisitions)	(3 597 152)	(2 603 129)
Disposals		
Change in consolidation scope	1 815 135	
Financial fixed assets		
(Acquisitions)		(36 490)
Disposals	25 997	24 482
Current financial assets		
(Acquisitions)		0
Disposals		651 830
(Purchase of business units net of cash and cash equivalents)		
Disposal of business units net of cash and cash equivalents		
Cash flow from investing activities (B)	(1 852 349)	(1 988 974)

C) Cash flow from financing activities		
Loan capital		
Increase/(Decrease) in short-term payables to banks	264 629	(1 580 016)
Receipts (payments) deriving from the issue (from repayment) of bonds	3 000 000	
Opening of loans	34 000	1 873 000
- to non-controlling interests	0	1 768 000
- to Shareholders	34 000	105 000
(Repayment of loans)	(815 197)	(253 257)
- to non-controlling interests	(710 197)	(253 257)
- to Shareholders	(105 000)	0
Change in consolidation scope	(1 241 555)	0
Equity		
Capital increase against payment		565 696
(Repayment of principal)		
Disposal/(Purchase) of treasury shares		
(Dividends and advances on dividends paid)		
Cash flow from financing activities (C)	1 241 877	605 423
(Increase) decrease in cash and cash equivalents (A+/-B+/-C)	1 665 669	(1 547 785)
Exchange rate effects on cash and cash equivalents		0
Cash and cash equivalents, beginning of year		
Bank and postal deposits	273 905	1 825 420
Cheques		
Cash on hand	5 528	1 798
Total cash and cash equivalents, beginning of year	279 433	1 827 218
Of which not available for use		0
Cash and cash equivalents, end of year		
Bank and postal deposits	1 941 458	273 905
Cheques		0
Cash on hand	3 644	5 528
Total cash and cash equivalents, end of year	1 945 102	279 433

1.20.1.4 Basis of preparation of the Group Consolidated Financial Statements

The Consolidated Financial Statements of Mybest Group S.p.A. for the year ended 31 December 2017 are composed of the Statement of Financial Position, the Income Statement, the Cash Flow Statement and the Explanatory Notes.

The Company is not required to prepare consolidated financial statements as the group, headed by the subholding MyBest Group S.p.A., does not exceed the aggregate limits set out in Legislative Decree 127/91 art. 27; additionally, Mybest Group is a sub holding controlled by For2net S.r.l., which is required to prepare consolidated financial statements.

The criteria adopted for the preparation of the consolidated financial statements of Mybest Group S.p.A. comply with the regulations contained in Legislative Decree no. 127/91 (which transposed VII EEC Directive of 1983 into Italian law), interpreted in light of the accounting standards in force in Italy issued by the Italian Accounting Body (specifically, OIC 17 Consolidated Financial Statements and Equity method) and, where lacking, those adopted by the International Accounting Standards Board (IASB).

The accounting policies of the Consolidated Financial Statements of Mybest Group S.p.A. are in line with those used to prepare the financial statements of the companies included in the consolidation scope, except for the required adjustments to harmonize the policies.

The Consolidated Financial Statements are accompanied by the Directors' Report on Operations, prepared by the Directors of the Parent Company.

These Explanatory Notes consist of:

- Basis for presentation and accounting policies regarding the Group;
- Information on the Group statement of financial position;
- Information on the Group income statement.

All the amounts used for consolidation purposes have been drawn from the financial statements of the individual controlled entities, prepared by the respective Directors, in accordance with the national accounting standards adopted by the Parent Company. All intra-group balances and transactions have been written off.

1.20.1.5 Description of the basis for preparation and accounting policies of the Group Consolidated Financial Statements

The Group Consolidated Financial Statements are composed of the financial statements of the subholding parent Mybest Group S.p.A., as well as the financial statements of the companies over which the Parent has the right to exercise direct or indirect (through its subsidiaries and associates) control, also in conjunction with other entities, pursuant to art. 2359 of the Italian Civil Code. The companies combined at 31 December 2017 are all those in which:

- the majority of votes that can be exercised in the Ordinary Shareholders' Meeting are held;
- votes sufficient for exercising a dominant influence are held.

Furthermore, as set out in the above legislation, companies that are under dominant influence due to specific contractual obligations with the parent have also been consolidated.

Subsidiaries are consolidated from the date when control was effectively acquired by the Group, and cease to be consolidated from the date when control is lost by the Group. All financial statements assessments have been made on a going concern basis.

The Group Consolidated Financial Statements are composed of the financial statements of Mybest Group S.p.A., the Parent Company, and of the Italian and foreign companies in which the Parent Company directly or indirectly holds over 50% of the Share Capital.

The details of the companies included in the consolidation scope are shown in the attached Organization Chart.

The financial statements used for consolidation purposes are those prepared by the administrative bodies and submitted to the supervisory bodies of the individual companies, duly reclassified, for consistency with the presentation criteria adopted by the Parent Company and in line with national practice.

1.20.1.6 Significant events in the period

- Through document dated 13 January 2017, before the Notary Alfonso Colombo, index 166,533, Mybest S.r.l. was established, controlled 65% by Mybestdirect S.r.l., it too operating in the distribution of switching economy services in <<face to face>> mode. The new company in which Mybestdirect S.r.l. holds control was established as part of a business expansion strategy, narrowing the risks typical of the technical-operational integration of different companies, and with the aim of distributing products and services in the same line of business of Mybestdirect S.r.l., and of embarking on an even more effective loyalty program involving the sales Management on which the company places reliance, a program considered crucial from a medium-term perspective in this field.
- On 30 January 2017, again as part of the plans for the development and consolidation of the Group, an Extraordinary Shareholders' Meeting was held for the issue of a Convertible Bond Loan (CBL) of up to a maximum of EUR 3 million, intended not only for "qualified investors", as set out in the previous CBL issued in 2015, pursuant to Consob Regulation 11971 of 1999.

In brief, the main characteristics of the Convertible Bond Loan are as follows:

- the bonds were issued as dematerialized registered securities with Monte Titoli S.p.A. with a nominal value (equal to the issue price) of EUR 1,000;
- the Minimum Subscription Lot is equal to EUR 1,000;
- the bond loan has a duration of 48 (forty-eight) months
- starting from the issue date, the gross fixed interest rate will be equal to a monthly 7% of the nominal value of the bonds;
- in the event of the admittance to trading on a regulated market or on a multilateral trading facility ("IPO") of the company's ordinary shares, or in the event of a "Change of Control", the Bonds will be automatically converted into conversion shares based on a Conversion Ratio to be decided, considering the final placement or sale price of the shares in the event of a "Change of Control". On occurrence of such events, the bondholders will be entitled to a discount to apply to the final placement or sale price of the shares, equal to 15%

The loan was fully subscribed and paid by 31 December 2017

- On 29 June 2017, MyBest Group S.p.A. sold 100% of the shares owned by PLA S.r.l. in liquidation to the parent For2net S.r.l. at a price of EUR 1. The transaction changed the consolidation scope of MyBest Group at 30 June 2017. The main accounting effects of the deconsolidation are explained in the notes to the relevant items.

1.20.1.7 Consolidation criteria

The main criteria adopted for the preparation of the Group Consolidated Financial Statements at 31 December 2017 are the following:

- Assets and liabilities of consolidated companies and income and charges in the income statement are included in the consolidated financial statements according to the line-by-line method.
- The carrying amount of the controlling interests held by the Parent Company or by the other consolidated companies is written off against the relevant equity.
- Equity and profit/loss attributable to non-controlling interests of the consolidated subsidiaries are shown separately in specific items of Consolidated Equity and of the Consolidated Income Statement.
- The differences between purchase cost of the investments and equity of the subsidiaries have been charged to consolidated equity under "Consolidation Reserve". This difference was calculated at 1 January 2015, assuming that for all the companies consolidated at 31 December 2017, control had taken place on that date using as control percentage the percentage recognized at year end. If the difference is positive, as the purchase cost exceeds the relevant equity, it is charged to the higher amount of the assets to which it is attributable, or to the asset item of the Consolidation Difference, as goodwill and amortized based on the life span of the recoverable amount (10 years) if deemed appropriate to amortize it.
- Receivables and payables and costs and revenue among consolidated companies have been written off.
- Dividends distributed among consolidated companies have been written off.

Capital gains and losses from transactions among consolidated companies, if significant and relating to goods posted in assets at year end, as not yet realized, have been written off.

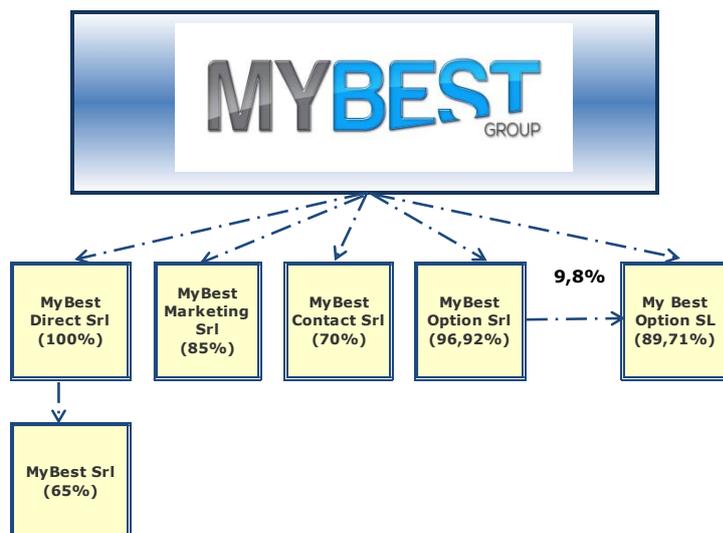
In the translation of financial statements denominated in currencies other than the €, if any, the items of the statement of financial position are translated at year-end exchange rates, while those in the income statement are translated at the average exchange rates of the year.

Any translation difference between the result of the year from the income statement (translated at the average rate) versus the translation of the result of the year from the statement of financial position (translated at the year-end rate) has been included in a specific reserve called "Translation reserve".

In addition to the parent company Mybest Group S.p.A., the companies included in the consolidation scope at 31 December 2017 are:

- a. MybestDirect S.r.l. (former Key21 Italia Trading Company S.p.A.);
- b. MybestOption S.r.l. (former MybestOption S.p.A.);
- c. MybestContact S.r.l. (former 4U Italia S.r.l.);
- d. MybestOption SL – Key21 SL;
- e. MybestMarketing S.r.l.;
- f. Mybest S.r.l.

Further details on consolidation percentages are shown in the following chart:



1.20.1.8 Accounting policies

The accounting standards adopted in the preparation of the Group Consolidated Financial Statements comply with the criteria set out in art. 2423-bis and art. 2426 of the Italian Civil Code and with OIC guidelines.

Group Consolidated Financial Statements items have been valued on a prudential, accrual and going concern basis, and in a manner consistent with the principles of truthfulness, fairness and clarity, taking account of the guidelines in the paragraph below.

The evaluation criteria under art. 2426 of the Italian Civil Code comply with those used in the preparation of the prior-year Group Consolidated Financial Statements; no exceptional events took place such as to make use of the exceptions pursuant to art. 2423 bis, second paragraph and art. 2423, fourth paragraph of the Italian Civil Code.

Mybest Group reported a loss attributable to the owners of the parent of EUR 2,323 thousand (EUR 4,954 thousand at 31 December 2016) and a net financial debt of EUR 17,026 thousand (EUR 17,464 thousand at 31 December 2016), of which EUR 7,139 current (EUR 9,839 thousand at 31 December 2016), with equity attributable to the owners of the parent of EUR 5,501 thousand (EUR 8,045 thousand at 31 December 2016). (The decrease in current debt is due mainly, for EUR 1,242 thousand, to the deconsolidation of the debt of PLA S.r.l. in liquidation following disposal of the investment on 29 June 2017).

In preparing the consolidated financial statements, the Directors paid particular attention to those elements that could influence the development plans, providing disclosure in the notes, specifically on liquidity, assessing the risk for the Company to guarantee current operations and the fulfillment of current obligations in the foreseeable future

The 2018-2021 business plan shows steady levels of profitability in the first half of 2018, improving (over the period of the plan, the Group will produce profits again) especially from 2019, thanks to the future benefits expected following the regulatory developments in competition (Law 4, August 2017, no. 124 containing the "Annual Law on the Market and on Competition"), which is expected to impact significantly on volumes traded; the plan envisages profitability starting from 2019, in addition to the generation and production of cash flows consistent with the provisions of the plan. Additionally, as

explained in "Payables to banks", in first quarter 2018, the rescheduling of the expected payment of financial debts was finalized, regarding instalment amount and repayment schedule. This activity involved the Parent Company and all the subsidiaries as part of a plan to balance repayment commitments regarding the bank debt at Group level.

Additionally, in order to assess any impairment of intangible fixed assets, the Group has performed a specific impairment test using the "Unlevered Discounted Free Cash Flow" method. Specifically, the cash flows under the 2018-2021 Business Plan have been discounted and include the effects of the new contract concluded with Telecom Italia S.p.A. by the subsidiary Mybest S.r.l., whose initial results have been considered only prudentially starting from 2019, when the relevant revenue can be effectively accounted for, despite the contract being effective and coming into force as from 1 July 2017.

As explained in the notes, the Extraordinary Shareholders' Meeting held on 30 January 2017 approved the issue of a second Convertible Bond Loan up to a maximum of EUR 3 million intended not only for "qualified investors", as provided for in the previous CBL issued in 2015, pursuant to Consob Regulation 11971 of 1999; the subscription period of such bond ended on 31 December 2017 with its full subscription.

Additionally, a process at the Mybest Group level is nearing completion, with the purpose of seeking alternative structured financing options by implementing extraordinary transactions, also envisaging the opening of the share capital to non-controlling interests, including through the listing on a regulated market. The above process should be completed in July 2018.

Despite the above uncertainties and as mentioned above, the Directors believe there are no significant uncertainties regarding the Group's ability to operate as a going concern in the foreseeable future and, therefore, the consolidated financial statements at 31 December 2017 have been prepared on a going concern basis.

The valuation criteria adopted are the following:

a) Intangible fixed assets

Intangible fixed assets are recorded at their historical purchase cost, including any ancillary charges incurred. The purchase cost is systematically amortized on a straight-line basis to take account of the residual possibility of use.

Start-up and expansion costs are recorded in the assets if they are deemed to have long-term useful life and are systematically amortized over the period of their expected future use (five years); costs for industrial patent rights, for concessions, licenses and trademarks, which are long-term, are recorded in the assets and amortized over the period of their expected future use (18 years).

Other intangible fixed assets are amortized over the period of their future use (five years).

Goodwill is amortized based on its useful life (estimated for ten years).

b) Tangible fixed assets

Tangible fixed assets are recorded at purchase or production cost, including any ancillary charges.

Tangible fixed assets, the use of which is limited in time, have been depreciated, if the conditions are met, in accordance with the following rates:

Description	Rates (%)
Land and buildings	3
Office equipment and furniture	12
Electronic equipment	20
Motor vehicles	25
Specific plant	20

For fixed assets acquired during the year and used, the depreciation rate is reduced to 50%.

All allocations made for depreciation have been made considering the residual possibility of use of the related assets.

Ordinary maintenance expenses are fully charged to the Income Statement. Incremental maintenance expenses are attributed to the relevant asset and depreciated according to the residual possibility of use.

c) Financial fixed assets

Financial fixed assets, consisting of investments in other companies, held with the intention of retaining them indefinitely in the portfolio, are valued at purchase or subscription cost including ancillary charges, minus any principal repayments, adjusted for impairment losses determined adopting the same methods used for tangible assets. When the reasons for the write-downs no longer apply, the investments are written back to the extent they were previously written down and the effect is recorded in the income statement. Risks deriving from any losses exceeding equity are recognized in a specific provision commensurate to the investor's commitment to meet the legal or implied obligations of the investee company or to cover its losses.

d) Impairment losses (Impairment test)

On each reporting date, the Group performs an impairment test to verify that the assets recorded in the financial statements are carried at no more than their recoverable amount under OIC 9. In the presence of impairment indicators, the recoverable amount for such assets is estimated to determine the amount of the impairment. In implementation of the OIC 9 method, MyBest Group has identified cash-generating units representing the smallest identifiable group of assets capable of generating largely independent cash flows in the consolidated financial statements.

For the purposes of preparing the consolidated financial statements at 31 December 2017, an impairment test on the CGUs was performed in relation to the allocated net capital employed (including goodwill), such as:

- CGU MyBest Option;
- CGU MyBest Option SL;
- CGU MyBest Contact;
- CGU MyBest Direct;
- CGU MyBest Marketing.

The possibility of recovering the amounts booked is verified by comparing the net book value of the Net Capital Employed of the individual CGUs, with the value in use represented by the current value of cash flows estimated to derive from the continual use of the assets associated with the CGUs, and their attributable terminal value.

Every six months, the Group reviews the book value of its property, plant, equipment, intangible assets and investments to determine whether there are any signs of impairment. If so, the recoverable amount of the assets is estimated to determine the impairment loss.

For the purposes of the impairment test on CGUs performed on closing of the 2017 consolidated financial statements, the Value in Use was considered as Recoverable Amount, determined by applying the Unlevered Discounted Cash Flow method, presumed to derive from the continual use of the assets, and possibly from the value of their disposal at the end of their useful life. The above cash flows were drawn from the 2018-2021 Business Plan. At the end of the 4-year explicit period of the Plan, a terminal value was considered using the perpetual annuity method, i.e. considering the cash flows generated by operations in the event of business continuity beyond the explicit plan period. Perpetual annuity is presumed with a growth (g-rate) equal to the expected inflation rate for Italy of 1.21%.

As discount rate of expected cash flows, a different Weighted Average Cost of Capital ("WACC") was used for each CGU to adjust its risk (values between 8.64% and 9.23%).

The results of the impairment tests on the amounts of the above companies confirmed the adequacy of the amounts booked.

Specifically, the result of the test shows that the amounts booked were basically steady also in the sensitivity analyses carried out in respect of the following parameters:

- Change in the WACC rate of +/-1%;
- Change in the g-rate growth rate (terminal value growth rate) of +/-1%.
- Joint change in the WACC rate and g-rate growth rate of +/-1%.

e) Receivables and payables

Under the new OIC 15, receivables are recognized in the financial statements according to the amortized cost method, taking account of the time factor.

The company has however valued receivables with maturity below 12 months at their presumed realizable value instead of the above amortized cost method, since the effects are considered immaterial. The adjustment of the nominal value of receivables to their presumed realizable value is obtained by means of an allowance for impairment determined on the basis of specific analyses carried out to identify reasonably expected losses due to non-collection.

Under OIC 19, payables are recognized in the financial statements according to the amortized cost method, taking account of the time factor. Payables with maturity below 12 months are valued at their nominal value as, in such a case, the amortized cost method is not applied since the effects are deemed immaterial. Payables are shown at nominal value, which corresponds to the actual obligation on the company.

There are no trade receivables/payables falling due beyond five years.

f) Cash and cash equivalents

Cash and cash equivalents are assets that are available on demand or at very short term, with good outcome and subject to no collection charges. These are basically cash in hand and bank deposits on demand.

g) Accruals and prepayments

Accruals and prepayments include portions of costs and revenue pertaining to the year, but collectable in subsequent years, and portions of costs and revenue incurred before year end, but pertaining to subsequent years, recognized on an accrual basis.

For accruals and prepayments extending over one year, the conditions at which they were originally booked have been verified and changed where necessary.

h) Other liabilities and sundry provisions

Provisions for risks and charges are set aside to cover losses or liabilities of a specific nature, which are certain or likely to arise, but the amount or date of occurrence of which cannot be determined at year-end. The allocations reflect the best possible estimate based on the information available.

The risks for which the onset of a liability is merely a possibility are disclosed in the notes to the provisions, but no allocation is made on a specific provision for risks and charges. For risks deemed of a remote nature, no allocation is made, nor is any mention made in the notes to the provisions for risks and charges.

Allocations to the provisions for risks and charges are recorded primarily in the income statement cost items of the relevant classes (B, C or D). Whenever the correlation between the nature of the allocation and one of the items with the above classes is not feasible, the allocations for risks and charges are recorded under items B12 and B13 of the income statement.

i) Post-employment benefits

Post-employment benefits are indemnities payable for commitments accrued at year end in favor of employees, calculated in compliance with the law and with current employment contracts.

l) Costs and revenue

Costs and revenue are shown according to the principle of prudence and on an accrual basis.

Revenue from the sale of services relating to the core business is recognized net of returns, discounts, rebates and premiums, and of taxes related directly to the provision of services. Revenue for services rendered is recognized on their completion and/or accrual. Dividends are recorded at the date of their approved distribution.

Transactions with related parties were settled at arm's length.

m) Current and deferred taxes

For IRES purposes, Mybest Group S.p.A. acts as the consolidating entity for the 2017-2019 three-year period in the Tax Consolidation Scheme under art. 117 and ensuing articles of the TUIR (Consolidated Income Tax Law). In the Income Statement, the item Taxes shows the charge (or income) to be paid (or received) of the consolidated companies for the transfer to your company of taxable income (or tax loss).

Lastly, in the attached assets/liabilities and financial situation, no exceptions were made to the principles for preparing the financial statements pursuant to art. 2423, paragraph 4 of the Italian Civil Code, nor were any value adjustments or provisions made exclusively in application of tax regulations.

Deferred tax assets, or prepaid taxes, are recognized for all deductible temporary differences and, until the decision on the National Tax Consolidation Scheme is made, for any tax losses carried forward to the extent that it is probable that adequate taxable income will be available against which the deductible temporary differences and tax losses carried forward can be utilized.

1.20.1.9 Assets

Intangible fixed assets:

At 31 December 2017, intangible fixed assets amount to EUR 20,179,908 (EUR 22,557,294 at 31 December 2016).

The relevant details and changes in 2017 are shown below:

	Start-up and expansion costs	Development costs	Industrial patent and intellectual property rights	Concessions, licenses, trademarks and similar rights	Goodwill	Fixed assets under construction and advances	Other intangible fixed assets	Total
Historical cost	204,728	271,503	1,219,759	463,521	21,199,946	312,255	15,868,558	39,540,270
Depreciation fund	(179,516)	(257,569)	(995,789)	(405,501)	(5,796,045)	-	(9,348,556)	(16,982,976)
Carrying amount at 31/12/2016	25,212	13,934	223,970	58,020	15,403,901	312,255	6,520,002	22,557,294
Increases	2,660	-	21,600	-	-	499,290	3,175,710	3,699,259
Write-downs	-	-	(20,441)	-	-	-	(102,105)	(122,546)
Cost reclassification	-	-	-	-	-	(312,255)	312,255	-
Amortization	(9,959)	(13,934)	(65,168)	(7,841)	(1,969,503)	-	(2,052,921)	(4,119,326)
Decreases	-	-	(19,638)	-	-	-	-	(19,638)
Change in consolidation scope	-	-	-	-	-	-	(1,815,135)	(1,815,135)
Historical cost	207,388	271,503	1,220,917	463,521	21,199,946	499,290	19,254,418	43,116,982
Depreciation fund	(189,475)	(271,503)	(1,080,595)	(413,342)	(7,765,548)	-	(13,216,612)	(22,937,075)
Carrying amount at 31/12/2017	17,913	-	140,322	50,179	13,434,398	499,290	6,037,806	20,179,908

The change versus the prior year in "start-up and expansion costs" and "industrial patent and intellectual property rights" is due mainly to amortization in the period and the increase in start-up costs and for the application software of the new company MyBest S.r.l..

The change versus the prior year in "development costs" and "concessions, licenses, trademarks and similar rights" is due exclusively to amortization in 2017 amounting to EUR 13,934.

At 31 December 2017, "goodwill" amounts to EUR 13,434,398 (EUR 15,403,901 at 31 December 2016) and consists of:

- 1) Merger deficit of EUR 136,164, down versus the prior year due exclusively to the recognition of amortization. The item was recorded following the recognition of the merger deficit in prior years following merger transactions between the parent company MyBest Group S.p.A. and its subsidiaries.

The gross value, amounting to EUR 340,410, is amortized over ten years.

- 2) For EUR 2,332,300 generated following purchase of the outbound business unit from 4U Servizi S.p.A. for the price paid and the related adjustment, as well as for compensation paid to the seller for the transaction. The item was recorded for the amount of EUR 3,689,000 and is amortized on a straight-line basis over ten years. The change versus 31 December 2016 is due to amortization.

- 3) The consolidation difference (positive difference between the value of the investment recorded in the financial statements of the parent MyBest Group S.p.A. and the related equity share held by the above parent at the date of first consolidation, net of amortization) amounts to EUR 10,965,933 (EUR 12,532,495 at 31 December 2016). The change versus the prior year is due mainly to amortization in 2017 of EUR 1,566,562. The consolidation difference is amortized over 10 years.

The changes in consolidation difference broken down by company are shown below:

Company	31.12.2016	Increases	Decreases for amortization	Write-downs	31.12.2017
MyBest Direct S.r.l.	7,746,021	-	968,252	-	6,777,769
MyBest Contact S.r.l.	327,516	-	40,940	-	286,576
MyBest Option S.r.l.	2,888,781	-	361,098	-	2,527,683
MyBest Option S.L.	1,570,177	-	196,272	-	1,373,905
	12,532,495	-	1,566,562	-	10,965,933

"Fixed assets under construction and advances" amount to EUR 499,290 and refer, for EUR 51,678 to the development of the "Customer Relationship Management" (CRM) software functional to the organization of the entire sales process from the pre-sale phase, thanks to the procurement, analysis and classification tools of prospects, complemented with the tools for directing the sales phase with the analysis of customer characteristics and needs and groupings in lists based on the criteria selected and defined by the company and, for EUR 447,612, to expenses related to the listing project which, at 31.12.2017, has yet to be completed.

"Other intangible fixed assets" amounts to EUR 6,037,806 (EUR 6,520,002 at 31 December 2016). The change is due mainly to:

- 1) Increases from the capitalization of long-term charges for EUR 1,288,048. Long-term charges refer to costs directly attributable to the portion of variable revenue deriving from sales carried out in the year for the ENI partner, and are capitalized to correlate the cost items (through the relating amortization) to revenue deriving from the additional token that is issued monthly for each activated user until the supply relationship between the ENI partner and the user is in place. Given the average duration of the relationship, the amortization period lasts five years;
- 2) Increases from the capitalization of costs incurred in 2017 for investments in the expansion of the contacts database of EUR 1,880,764. All costs for the development of the consented contacts database are capitalized based on the expectation of future expected revenue that they will generate and the ability to evaluate the future economic benefit in favor of the Group;
- 3) Decreases from the capitalization of the long-term charges of prior-years of the ENI partner of Mybest Direct S.r.l. for EUR 102,105;
- 4) Reclassification of fixed assets under construction of the prior year relating to the development of the "Customer Relationship Management" (CRM) software for EUR 312,255.
- 5) Decreases from amortization in 2017 for EUR 2,052,921;
- 6) Decreases from the deconsolidation of PLA S.r.l. in liquidation for EUR 1,815,135;

In order to determine any impairment losses, it should be noted that there were no such indicators of impairment as to modify the assessments made at 31 December 2017. Accordingly, the Directors deem that the medium/long-term conservative assessments used for the purposes of the impairment test, with regard to the outlook of activities up to 2017, still stand.

Tangible fixed assets

At 31 December 2017, tangible fixed assets amount to EUR 3,859,884 (EUR 4,048,867 at 31 December 2016).

The relevant details and changes in 2017 are shown below:

	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Total
Historical cost	4,448,062	248,862	47,818	1,506,293	6,251,035
Depreciation fund	(882,727)	(222,595)	(15,930)	(1,080,916)	(2,202,168)
Carrying amount at 31/12/2016	3,565,335	26,267	31,888	425,377	4,048,867
Increases	-	10,503	-	85,826	96,328
Decreases	-	-	-	-	-
Write-downs	-	(6,632)	-	-	(6,632)
Depreciation	(121,388)	(8,008)	(7,173)	(142,111)	(278,680)
Use of depreciation fund	-	-	-	-	-
Reclassification of depreciation fund	-	-	-	-	-
Historical cost	4,448,062	252,733	47,818	1,592,119	6,340,732
Depreciation fund	(1,004,115)	(230,603)	(23,103)	(1,223,027)	(2,480,848)
Carrying amount at 31/12/2017	3,443,947	22,130	24,715	369,092	3,859,884

"Land and Buildings" changed in 2009 following the purchase of the building that hosts the registered office and administrative headquarters of the entire Group, from the subsidiary Key 21 Italia Trading Company S.p.A. (now Mybestdirect S.r.l.), located in Sesto San Giovanni (MI), Viale Casiraghi 345/355/359, equal to approximately 2,000 m² in total, previously partly leased.

The purchase value was equal to approximately EUR 2,805,000, as per deed signed by the Notary Colombo dated 8 July 2009, index no. 140,729 and folder no. 21,944, plus related charges and extraordinary maintenance expense of EUR 143 thousand; additionally, a portion of the merger deficit of EUR 1,500,000 is to be calculated as an increase.

The property is encumbered by a first and second-rank mortgage in favor of Intesa Sanpaolo S.p.A. regarding both the outstanding mortgage loan with such bank (see "Payables" - "bank payables" section) and the unsecured loan contracted in April 2012.

Regarding the required disclosure under art. 2427, point 22 of the Italian Civil Code, the company has no finance leases in progress involving a transfer to the lessee of the main share of the risks and benefits associated with such assets.

The property is currently leased to Group companies for EUR 60,000, and to the third-party company I.V.A.S. S.r.l. for EUR 56,000.

"Other assets" amounts to EUR 369,092 and is composed mainly of furniture, fixtures and electronic office machines. In 2017, investments were made in purchases of fixtures for the Palermo headquarters and the Bologna store.

Financial fixed assets

At 31 December 2017, financial fixed assets amount to EUR 45,707 (EUR 71,684 at 31 December 2016) and are mainly composed of:

1) investments in other companies for EUR 25,175 (EUR 25,175 at 31 December 2016).

The item refers to the shares held by the company in Banco di Credito Cooperativo, in Veneto Banca and in BCC Banca di Credito Cooperativo di Aversa.

2) receivables from others for EUR 11,345 (EUR 10,019 at 31 December 2016);

3) other securities for EUR 9,187.

Finished products and goods

At 31 December 2017, the item amounts to EUR 94,759 (EUR 189,517 at 31 December 2016), representing the value of the final inventories of Mybestdirect S.r.l. (former Key21 Italia S.p.A.) related to mobile phones and modems purchased from the partner H3G S.p.A. for resale in prior years and unsold at 31.12.2017.

Receivables

Receivables recorded under current assets at 31 December 2017 amount to EUR 12,907,036 (EUR 14,050,977 at 31 December 2016) and are classified as follows:

	31/12/2017	31/12/2016	change
Receivables from clients	5,430,063	7,115,551	(1,685,488)
Receivables from unconsolidated subsidiaries	-	46,237	(46,237)
Receivables from parent companies	516,761	264,281	252,480
Tax receivables	1,151,987	989,763	162,224
Prepaid taxes	2,021,977	2,088,042	(66,065)
Receivables from others	3,786,248	3,547,103	239,145
Total	12,907,036	14,050,977	(1,143,941)

The table below shows the receivables broken down by due date:

	within 12 months	beyond 12 months	beyond 60 months	Total
Receivables from clients	5,430,063	-	-	5,430,063
Receivables from subsidiaries	-	-	-	-
Receivables from parent companies	516,761	-	-	516,761
Tax receivables	1,151,987	-	-	1,151,987
Prepaid taxes	2,021,977	-	-	2,021,977
Receivables from others	3,786,248	-	-	3,786,248
Total	12,907,036	-	-	12,907,036

Receivables from clients

At 31 December 2017, the item amounts to EUR 5,430,063 (EUR 7,115,551 at 31 December 2016) and consists of receivables for invoices issued and to be issued for services rendered prior to 31.12.2017. Receivables from clients are recorded net of an allowance for impairment of EUR 241,052.

The change in the item versus 31 December 2016 is due mainly to the offsetting of receivables against payables of approximately EUR 2 million, governed by an agreement concluded by MyBestContact S.r.l. on 23 May 2017.

All amounts at today's date are regularly invoiced and cashed in, or the collection of which is certain within the first half of 2018, except for the amount set aside in the allowance for impairment at 31 December 2017.

The Group's receivables are due basically from multi-utility partners, which are regularly collected at their contractual deadlines.

Receivables from clients consist mainly of receivables due from MyBestContact S.r.l. for EUR 2,594 thousand, from MyBestOption S.r.l. for EUR 580 thousand, from MyBest Group S.p.A. for EUR 438 thousand, from MyBestDirect S.r.l. for EUR 731 thousand, from MyBestMarketing S.r.l. for EUR 640 thousand, from MyBestOption SL for EUR 148 thousand, and from MyBest S.r.l. for EUR 299 thousand.

The receivables from MyBestContact S.r.l. refer to invoices issued before 31 December 2017 for EUR 1,633,156, invoices to issue at 31 December 2017 for EUR 1,073,599, credit notes to issue for EUR 72,331 and the allowance for impairment for EUR 40,000; the item mainly includes receivables from trade partners such as Eni S.p.A. Gas & Power Division for EUR 1,827,934, Mediaset Premium for EUR 279,662 and Vodafone Italia S.p.A. for EUR 167,212.

The receivables from MyBestOption S.r.l. refer to invoices issued before 31 December 2017 for EUR 279,643, to invoices to issue for EUR 306,520, and to credit notes to issue for EUR 6,028, relating to receivables entirely from Italian clients.

The receivables from MyBest Group S.p.A. refer mainly to receivables recorded for the following counterparties:

4U Servizi S.p.A. for EUR 229,876;

BestTicket S.r.l. for EUR 68,410.

The receivables from MyBestDirect S.r.l. refer to invoices issued before 31 December 2017 for EUR 399,234 and to invoices to issue for EUR 532,561, relating to receivables entirely from Italian clients. Receivables from clients are recorded net of an allowance for impairment of EUR 201,052.

The receivables from MyBestMarketing S.r.l. refer to invoices issued before 31 December 2017 for EUR 644,238, to credit notes to issue for EUR 5,294, and to invoices to issue for EUR 1,270, relating to receivables entirely from Italian clients.

The receivables from MyBest S.r.l. refer to invoices to issue for EUR 299,098, relating to receivables from Telecom Italia S.p.A..

Credit risk. The area is subject to credit risk, given that a debtor may generate an economic and financial loss by not fulfilling the payment obligation.

There is no significant concentration of credit risk on other receivables.

Receivables from parent companies

At 31 December 2017, the item amounts to EUR 516,761 (EUR 264,281 at 31 December 2016) and consists mainly of trade receivables for EUR 487,726 from the parent For2net S.r.l., holder of the supply contract with Telecom Italia S.p.A., to which it charges services provided, and of financial receivables of EUR 29,035 from the parent For2net S.r.l.

Tax receivables

At 31 December 2017, the item amounts to EUR 1,151,987 (EUR 989,763 at 31 December 2016). The item consists mainly of (i) EUR 907,103 for withholding taxes on commission income IRES receivables and of (ii) EUR 39,270 for IRAP receivables.

It should be noted that the company has written down IRAP receivables arising from the reimbursement applications submitted in 2012 for EUR 193,991 as they are deemed non-recoverable.

Receivables for prepaid taxes

At 31 December 2017, the item amounts to EUR 2,021,977 (EUR 2,088,042 at 31 December 2016). The amount is due mainly to tax losses accrued under the Group tax consolidation scheme, and to prepaid taxes calculated on the deferred deduction from the amortization of goodwill and trademarks in Mybestcontact S.r.l., both for IRES and IRAP purposes.

Prepaid taxes have been deemed recoverable in light of the business plan and the related recovery plan prepared by the Directors.

Receivables from others

At 31 December 2017, the item amounts to EUR 3,786,249 (EUR 3,547,103 at 31 December 2016). The item consists mainly of:

- 1) receivables of MyBestDirect S.r.l. amounting to EUR 442,175, referring mainly to receivables for termination indemnities accrued from principal companies (FIRR), and to receivables for supplemental agents' termination indemnities accrued from principal companies for EUR 195,942, net of an allowance for impairment for supplemental agents' termination indemnities for EUR 36,947. The item is recorded net of an allowance for impairment of EUR 169,080, allocated to cover other receivables whose realization is deemed uncertain.
- 2) receivables from others pertaining to MyBest Group amount to EUR 1,143,055. The item consists mainly of receivables from 4U Servizi S.p.A. for EUR 238,291 referring to payment of 2013 Group VAT, of receivables from Fairway S.r.l. for EUR 86,405 referring to the sale of an IRES receivable generated by the failed deduction of IRAP and requested for reimbursement pursuant to art. 2, paragraph 1 quater DLN 201/2011, of receivables for EUR 388,023 purchased from the subsidiary MyBestDirect S.r.l. for a consideration equal to 90% of the nominal value, with the aim of managing the collection with utmost efficiency and cost effectiveness, assisted by a primary law firm tasked with court and out-of-court debt collection, and of receivables from directors for EUR 207,037. Receivables from others in MyBest Group are recorded net of an allowance for impairment of EUR 129,030 referring to part of the receivables from Fairway S.r.l. whose recoverability is deemed uncertain.
- 3) receivables pertaining to MyBestContact S.r.l. amount to EUR 1,926,994, referring mainly to receivables for termination indemnities accrued from principal companies (FIRR), and to receivables for supplemental agents' termination indemnities accrued from principal companies

for EUR 2,060,772, net of an allowance for impairment for supplemental agents' termination indemnities for EUR 288,502.

- 4) receivables pertaining to MyBestOption S.r.l. amount to EUR 405,253. The item consists mainly of receivables for termination indemnities accrued from principal companies (FIRR), and to receivables for supplemental agents' termination indemnities accrued from principal companies for EUR 475,102, net of an allowance for impairment for supplemental agents' termination indemnities for EUR 244,551.

Cash and cash equivalents

The item amounts to EUR 1,945,102 (EUR 279,433 at 31 December 2016) and consists of available cash at end 2017 of EUR 3,644 and of cash on current bank accounts of EUR 1,941,458.

Accrued income and prepaid expenses

At 31 December 2017, the item amounts to EUR 154,353 (EUR 171,154 at 31 December 2016); the item consists of prepayments from insurance premiums, maintenance fees and advertising costs accrued after 31 December 2017.

1.20.1.10 Equity

Equity attributable to the owners of the Parent amounts to EUR 5,501,445 at 31 December 2017 (EUR 8,045,429 at 31 December 2016).

Equity attributable to non-controlling interests amounts to EUR 454,725 (EUR 199,135 at 31 December 2016).

The change in equity is shown below:

	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Merger surplus reserve	Liquidation adjustments	Treasury share reserve	Consolidation reserve	Reserve for hedges of expected cash flows	Profit (losses) for treasury share portfolio	Negative reserve for treasury share portfolio	Profit (losses) for the year	Total equity attributable to the owners of the Parent	Share capital and reserves attributable to non-controlling interests	Profit (loss) attributable to non-controlling interests	Total equity attributable to non-controlling interests	Total consolidated equity
Situation at 1 January 2016*	2,421,501	9,536,855	524,120	5,526,947	2,300,948	-	-	6,375	79,312	196,423	1,815,613	5,581,966	12,643,432	145,979	291,544	437,523	13,080,955
Allocation of profit	-	-	-	-	-	-	-	-	-	5,581,966	-	5,581,966	-	291,544	291,544	-	665,696
Capital contributions	41,093	624,603	-	-	-	-	-	-	-	-	-	-	665,696	-	-	-	665,696
Fair value of derivatives	-	-	-	-	-	-	-	-	79,312	-	-	-	79,312	-	-	-	79,312
Dividends accrued and/or paid	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	-	300,000	300,000
Liquidation adjustments	-	-	-	-	-	321,063	-	-	-	-	-	-	321,063	-	-	-	321,063
Other changes	-	-	-	-	-	-	-	6,375	-	-	-	6,375	-	-	-	-	6,375
Result at 31 December 2016	2,462,594	10,161,458	524,120	5,526,947	2,300,948	321,063	-	6,375	79,312	196,423	1,815,613	5,015,573	8,045,429	137,523	61,612	199,135	8,244,564
Allocation of profit	-	-	-	-	-	-	-	-	-	5,015,573	-	5,015,573	-	61,612	61,612	-	35,000
Capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	35,000	-	35,000	35,000
Fair value of derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends accrued and/or paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquidation adjustments	-	-	-	-	-	321,063	-	321,063	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Result at 31 December 2017	2,462,594	10,161,458	524,120	5,205,884	2,300,948	-	-	-	-	10,793,962	1,815,613	2,543,983	5,501,446	234,135	220,599	454,725	5,956,171

Following approval by the Shareholders' Meeting of MyBest Group S.p.A. on 30 November 2015 of the resolution on the share capital increase from EUR 2,346,248 to EUR 2,469,735 with subscription by 31 December 2016 of new shares with a nominal value of EUR 0.5 each, with a total, unchanged premium of EUR 7.6 per share, it should be noted that, after the subscription of no. 150,504 new shares for a value, including premium, of EUR 1,219,082 in 2015, in 2016 a further no. 82,186 new shares for a value, including premium, of EUR 665,696 were subscribed. Accordingly, at 31 December 2016, the share capital amounts to EUR 2,462,593.50 and the share premium reserve to EUR 10,161,458.

Mention should be made that in 2016, following placement in liquidation of PLA S.r.l. (former Poinx S.r.l.), the item "Liquidation adjustments" was set up in Consolidated Equity under Other Reserves for EUR 321,063, in compliance with OIC 5 *Liquidation financial statements*. This item included the accounting effects of the valuations made on each asset and liability item for the first liquidation financial statements. As mentioned in "Significant events in the period", on 29 June 2017 the disposal

of 100% of the investment in PLA S.r.l. in liquidation was formalized; the "Liquidation adjustments" reserve was therefore covered by using the extraordinary reserve.

The loss attributable to the Group in 2017 amounts to EUR 2,543,983. The profit attributable to non-controlling interests in 2017 amounts to EUR 220,590.

Provisions for risks and charges

The item amounts to EUR 419,646 (EUR 467,346 at 31 December 2016) and refers mainly to the (i) recognition of the fair value of derivative financial instruments, as set out in "OIC 32 - derivative financial instruments" for EUR 81,834 (EUR 120,692 at 31 December 2016); to a (ii) provision for risks related to a possible dispute with a client for EUR 50,000; to a (iii) provision for risks related to a possible dispute with personnel for EUR 283,000; to a (iv) provision for doubtful accounts of MybestMarketing S.r.l. for EUR 4,812.

The following table shows the disclosure required by art. 2427-bis of the Italian Civil Code. The tables refer to derivative contracts managed for speculative purposes at 31 December 2017:

Counterparty	Type	Number of contract	Currency	Signing date	Maturity date	Relevant initial notional amount	Market to market at 31 December 2016	Market to market at 31 December 2017
INTESA SANPAOLO	IRS	604050491	EUR	5 Apr 2006	31 Mar 2021	1,582,000	57,572	35,520
VENETO BANCA	IRS	5420825	EUR	4 Jun 2012	11 May 2022	1,833,350	63,120	46,314
							120,692	81,834

Post-employment benefits

Post-employment benefits amount to EUR 315,852 at 31 December 2017 (EUR 274,185 in the prior year) and reflect the Group's actual payable to employees on such date, net of advances paid.

The changes in the item are shown below:

	31/12/2016	Advances for the year	Utilization for the year	31/12/2017
Post-employment benefits	274,185	123,877	(82,210)	315,852

1.20.1.11 Payables

At 31 December 2017, payables amount to EUR 32,298,450 (EUR 32,323,952 at 31 December 2016) and can be detailed as follows:

	31/12/2017	31/12/2016	change
Convertible bonds	5,000,000	2,000,000	3,000,000
Payables for shareholders' contributions	34,000	105,000	(71,000)
Payables to banks	13,943,565	15,630,689	(1,687,124)
Payables to other lenders	14,816	8,285	6,531
Advances	8,998	65,097	(56,099)
Payables to suppliers	6,550,299	8,698,263	(2,147,964)
Payables due to unconsolidated subsidiaries	-	22,295	(22,295)
Payables to parent companies	433,535	129,044	304,491
Tax payables	3,899,191	3,381,182	518,009
Payables to social sec. inst.	1,042,365	595,917	446,448
Other payables	1,371,681	1,688,180	(316,499)
Total	32,298,450	32,323,952	- 25,502

The table below shows payables split up by due date:

	within 12 months	beyond 12 months	beyond 60 months	Total
Convertible bonds	-	5,000,000	-	5,000,000
Payables for shareholders' contributions	34,000	-	-	34,000
Payables to banks	9,090,166	3,865,956	987,443	13,943,565
Payables to other lenders	14,816	-	-	14,816
Advances	8,998	-	-	8,998
Payables to suppliers	6,550,299	-	-	6,550,299
Payables due to unconsolidated subsidiaries	-	-	-	-
Payables to parent companies	433,535	-	-	433,535
Tax payables	3,899,191	-	-	3,899,191
Payables to social sec. inst.	1,042,365	-	-	1,042,365
Other payables	1,371,681	-	-	1,371,681
Total	22,445,051	8,865,956	987,443	32,298,450

Convertible bonds

The item at 31 December 2017 amounts to EUR 5,000,000 (EUR 2,000,000 at 31 December 2016) and consists of two convertible bond loans (CBLs):

- 1) CBL 1 of EUR 2,000,000 issued by the parent company MyBest Group S.p.A. and subscribed on 19 May 2015 with a duration of 60 months. The interest rate charged on the convertible bonds for the first 24 months is 6.5% and for the next 12 months is 8%;
- 2) CBL 2 of EUR 3,000,000 issued by the parent company MyBest Group S.p.A. and subscribed on 1 March 2017 with a duration of 48 months. The interest rate charged is 7%.

The convertible bonds generated interest expense in 2017 of EUR 213,739.

Payables for shareholders' contributions

At 31 December 2017, the item amounts to EUR 34,000 (EUR 105,000 at 31 December 2016). At 31 December 2016, the loan referred to an interest-free loan granted to the parent company MyBest Group S.p.A. by the shareholders Fabio Regolo and Gian Luca Sichel, fully repaid in the first few months of 2017.

At 31 December 2017, the loan referred to an interest-free loan granted to the parent company MyBest S.r.l. by the shareholder Fabio Regolo, fully repaid in January 2018.

Payables to banks

At 31 December 2017, the item amounts to EUR 13,943,565 (EUR 15,630,689 at 31 December 2016). The amount reflects Group payables to banks at 31 December 2017 and is divided into EUR 9,090,166 current portion and EUR 4,853,400 non-current portion.

Payables to banks	31.12.2017	31.12.2016	change
Current account bank payables	3,962,357	5,338,016	(1,375,658)
Loan payables	9,981,208	10,292,673	(311,465)
<i>current</i>	5,127,808	4,772,575	355,233
<i>non-current</i>	4,853,400	5,520,098	(666,698)
Total	13,943,565	15,630,689	(1,687,124)

The decrease is due mainly - for EUR 1,241,555 - to the deconsolidation of the debt of PLA S.r.l. in liquidation following disposal of the investment on 29.06.2017.

Shown below are the payables to banks split up by consolidated company:

- 1) Payables to banks pertaining to MyBestDirect S.r.l. amount to EUR 5,159,821, of which EUR 3,349,909 current and EUR 1,809,912 non-current loans.

Payables to banks	31.12.2017	31.12.2016	change
Current account bank payables	1,613,771	1,443,719	170,052
Loan payables	3,546,050	3,801,687	-255,637
<i>current</i>	1,736,138	2,605,241	-869,103
<i>non-current</i>	1,809,912	1,196,446	613,466
Total	5,159,821	5,245,406	- 85,585

The loan payable of MyBestDirect S.r.l. at 31 December 2017 amounts to EUR 3,546,050, of which EUR 1,809,912 non-current referring to the following loans:

Unsecured mortgage loan Banca di Credito Cooperativo Società Cooperativa 005/212486/56: granted on 01.03.2016 for EUR 300,000, duration 48 months, including 6-month grace period, to settle current account debt exposure; monthly instalment repayment, 3-month Euribor floating rate, average previous month, and 3% spread.

The residual debt at 31.12.2017 is EUR 196,446, of which EUR 85,677 current and EUR 110,769 non-current.

The loan is secured by the parent company MyBest Group S.p.A. through a general guarantee of EUR

780,000.

The above loan agreement is guaranteed by the obligation not to incur in events that are detrimental to the company and to the Parent, under penalty of forfeiture of the acceleration clause.

Loan Banca Intesa San Paolo S.p.A. 10404: approved on 22.12.2015 for EUR 1,499,800, duration 36 months starting from 31.01.2017, to repay the same amount in arrears on the credit facility for contract advances; repayment in quarterly instalments, floating nominal annual rate 1.87% calculated on the monthly average, previous month, of the 3-month Euribor (365 basis) plus 2.00 percentage points for the entire duration of the extension.

The residual debt at 31.12.2017 amounts to EUR 1,499,800, of which EUR 500,000 in default instalments, EUR 500,000 within the year and EUR 499,800 beyond the year.

As a result of the current account credit facilities, for contract advances and the above loan 10404, the parent company Mybest Group S.p.A. has issued a surety letter to Banca Intesa San Paolo S.p.A. of EUR 2,000,000 to secure all the obligations on Mybestdirect S.r.l..

Loan Banca Intesa San Paolo S.p.A.: approved on 22.12.2015 for EUR 89,000, duration 10 months starting from 31.01.2016 to repay the same amount in arrears on the facility for invoice advances; repayment in quarterly instalments, floating nominal annual rate 1.87% calculated on the monthly average, previous month, of the 3-month Euribor (365 basis) plus 2.00 percentage points for the entire duration of the extension.

The residual debt at 31.12.2017 is EUR 66,750 fully expired.

On 14 March 2018, the company signed a rescheduling plan with Banca Intesa San Paolo S.p.A. as part of a framework renegotiation agreement coordinated by the Holding involving all Group companies; the unsecured exposure at the signing date of the rescheduling amounted to EUR 2,255,048. The rescheduling, which envisages repayment of the existing debt within 48 months from stipulation, has amended the existing repayment plan; repayment will be made in equal monthly payments up to 2021, not below EUR 500,000 in 2018 and 2019, and EUR 600,000 in 2020 and 2021 until full repayment. The interest rate will be equal to the sum of: 1) nominal fixed amount 2.00%, and 2) floating amount equal to the one-month Euribor, 360 basis. In case of failed payment on the established maturity dates, the interest rate on the amount due and on the unpaid amount will be equal to the sum of: 1) nominal fixed amount 4.00%, and 2) floating amount equal to the one-month Euribor, 360 basis.

The parent company Mybest Group S.p.A. has confirmed to secure the debt by means of a surety.

Following the subscription of the above rescheduling, it should be noted that the loan, starting from 31 December 2018, is subject to compliance with covenants based on indicators such as: Debt/EBITDA. It should be noted that, in the event of non-compliance with the covenants, the acceleration clause no longer applies.

In the first few months of 2017 the position was renegotiated with Unicredit Banca: following revocation of the facility of EUR 1,955,357 on 16/09/2016 and subsequent transfer to non-performing of the total amount, plus interest, as a result of subsequent talks with the Bank and submission of a settlement proposal, the Bank accepted a full repayment plan over 48 months starting from April 2017 through

monthly payments with annual repayment of interest accrued calculated at the legal rate in force from time to time. The plan, agreed on, approved and signed by Unicredit Banca S.p.A. on 03.02.2017, provides for single payments of EUR 20,000 from April 2017 to February 2018, single payments of EUR 40,000 from March 2018 to February 2021, in addition to two instalments of EUR 175,000 each to be paid in March 2018 and March 2019, and the last settlement instalment of EUR 24,342.

The repayment plan is secured by the parent company Mybest Group S.p.A. through a first-demand patronage of EUR 2,730,000.

To date, the repayment plan has been met.

Loan Veneto Banca S.p.A.: In May 2017, the company submitted a proposal to Veneto Banca S.p.A. to dilute the repayment amount of EUR 916,000 at 31.12.2017, which envisaged a repayment plan effective from September 2017 with monthly payments and requested duration of 48 months, alignment of the interest rate applied to the agreements previously concluded with the other Lenders; no denial was ever received, but a letter in which the Lender confirmed its situation of difficulty owing to placement in liquidation and to unawareness of the legal entity that would have assessed the company's request; as a result, no forecast has been made on processing times.

At the date of this document, the Company has received notice from SGA S.p.A. of being the assignee "without recourse" of a set of receivables originally held by Veneto Banca S.p.A., including the receivables deriving from the Company's exposure to the above bank.

The company is therefore working to conclude an agreement with SGA S.p.A. on a new repayment proposal through instalments.

2) Payables to banks of MyBest Group S.p.A. amount to EUR 4,889,774 and are split up as follows:

Payables to banks	31.12.2017	31.12.2016	change
Current account bank payables	986,027	746,267	239,761
Loan payables	3,903,747	3,935,683	-31,936
<i>current</i>	1,728,775	1,239,906	488,869
<i>non-current</i>	2,174,972	2,695,777	-520,805
Total	4,889,774	4,681,950	207,825

The loan payable of MyBest Group S.p.A. at 31 December 2017 amounts to EUR 3,903,747, of which EUR 2,174,972 non-current referring to the following loans:

Mortgage loan Intesa 61292387/9444738. The debt arose in July 2009, following purchase of the property of the subsidiary MyBestDirect S.r.l. (former Key 21 Italia Trading Company S.p.A.), with relating assumption of the remaining debt (total assumption EUR 1,314,995).

On 26.01.2016, the mortgage loan was renegotiated for the total residual amount of EUR 836,687; total duration was amended from 180 months to 240 months, with new deadline set at 31.03.2026. Repayment is in monthly instalments, the rate is charged with an annual nominal fixed amount of 3.50 percentage points (spread).

The residual debt at 31.12.2017 is EUR 817,500, of which EUR 130,287 in default instalments, EUR 80,194 current and EUR 607,019 non-current.

The mortgage is secured by a first-level mortgage collateral on the property owned by the company.

On 14 March 2018, the company signed a rescheduling plan with Banca Intesa San Paolo S.p.A. as part of a framework renegotiation agreement coordinated by the Parent involving all Group companies; the unsecured exposure at the signing date of the rescheduling amounted to EUR 817,500. The rescheduling envisages suspension of the payment of the mortgage instalments regarding only the principal amount for no. 22 instalments up to 31/12/2019, changing, therefore, its duration. The suspension period includes overdue, unpaid or partly paid instalments, the principal amount of which is EUR 146,380, payable no later than 31/12/2020. Payment of the residual debt based on the original repayment schedule.

Mortgage Loan Intesa 61151235: amount granted on 11 April 2012, EUR 2,000,000. On 26.01.2016, the mortgage loan was renegotiated for the total residual amount of EUR 1,666,158; total duration was amended from 120 months to 180 months, with new deadline set at 11.04.2027. Repayment is in monthly instalments, the rate is charged with an annual nominal fixed amount of 3.50 percentage points (spread).

The mortgage is secured by a second-level mortgage collateral on the property owned by the company, and was taken out for partial rescheduling of the debt position and for development schemes of the subsidiaries, specifically Poinx S.p.A. and MBO S.r.l..

The residual debt at 31/12/2016 is EUR 1,633,484, of which EUR 224,600 in default instalments, EUR 140,932 current and EUR 1,267,952 non-current.

On 14 March 2018, the company signed a rescheduling plan with Banca Intesa San Paolo S.p.A. as part of a framework renegotiation agreement coordinated by the Parent involving all Group companies; the unsecured exposure at the signing date of the rescheduling amounted to EUR 1,633,484. The rescheduling envisages suspension of the payment of the mortgage instalments regarding only the principal amount for no. 21 instalments up to 31/12/2019, changing, therefore, its duration. The suspension period includes overdue, unpaid or partly paid instalments, the principal amount of which is EUR 270,250, payable no later than 31/12/2020. Payment of the residual debt based on the original repayment schedule.

Unsecured Mortgage Loan Iccrea 1466: Amount granted on 07/10/2013 EUR 1,000,000, duration 36 months; maturity was set at 30.09.2016; the contract envisaged a 6-month grace period with floating 3-month Euribor rate plus 5% spread. The residual debt at 31/12/2017 is EUR 129,709 fully expired.

Securities deposited on the BCC securities account have been placed as collateral for the loan, as mentioned above. Also as collateral, on 01/10/2013 the subsidiary MyBestDirect S.r.l. (former Key 21 Italia Trading Company S.p.A.) issued a surety of the same amount of the loan.

This transaction was equally made to assure greater flexibility in the implementation of group investments.

A renegotiation is currently underway for a rescheduling plan with Iccrea Bancalmpresa S.p.A., which envisages repayment of the existing debt within 12 months from stipulation, with repayment through equal monthly payments up to 30 April 2019.

Loan Intesa c/a 10401: approved on 22.12.2015 for EUR 1,316,665, duration 36 months starting from 31.01.2016 and ending 31.10.2019. The plan envisages an initial payment at 16.01.2016 for the portion of accrued interest of EUR 116,665 and subsequent 48 quarterly instalments; as per contract, nominal annual rate 1.87% calculated on the monthly average, previous month, of the 3-month Euribor (365 basis) plus 2.00 percentage points for the entire duration of the extension.

The repayment plan was negotiated to redefine the use of cash lines.

The residual debt at 31.12.2017 is EUR 1,323,053, of which EUR 716,665 in default instalments, EUR 306,388 current and EUR 300.000 non-current.

On 14 March 2018, the company signed a rescheduling plan with Banca Intesa San Paolo S.p.A. as part of a framework renegotiation agreement coordinated by the Parent involving all Group companies; the unsecured exposure at the signing date of the rescheduling amounted to EUR 512,000, following a repayment made on such date of EUR 811,000. The rescheduling, which envisages repayment of the existing debt within 33 months from stipulation, has amended the existing repayment plan; repayment will be made in equal monthly payments up to 2020, not below EUR 100,000 in 2018 and 2019, and EUR 285,000 in 2020 until full repayment. The interest rate will be equal to the sum of: 1) nominal fixed amount 2.00%, and 2) floating amount equal to the one-month Euribor, 360 basis. In case of failed payment on the established maturity dates, the interest rate on the amount due and on the unpaid amount will be equal to the sum of: 1) nominal fixed amount 4.00%, and 2) floating amount equal to the one-month Euribor, 360 basis.

Following the subscription of the above rescheduling, it should be noted that the loan, starting from 31 December 2018, is subject to compliance with covenants based on indicators such as: Debt/EBITDA. It should be noted that, in the event of non-compliance with the covenants, the acceleration clause no longer applies.

Loan Veneto Banca S.p.A.: In May 2017, the company submitted a proposal to Veneto Banca S.p.A. to dilute the repayment amount of EUR 698,770 at 31.12.2017, which envisaged a repayment plan effective from September 2017 with monthly payments and requested duration of 48 months, alignment of the interest rate applied to the agreements previously concluded with the other Lenders; no denial was ever received, but a letter in which the Lender confirmed its situation of difficulty owing to placement in liquidation and to unawareness of the legal entity that would have assessed the company's request; as a result, no forecast has been made on processing times.

At the date of this document, the Company has received notice from SGA S.p.A. of being the assignee "without recourse" of a set of receivables originally held by Veneto Banca S.p.A., including the receivables deriving from the Company's exposure to the above bank.

The company is therefore working to conclude an agreement with SGA S.p.A. on a new repayment proposal through instalments.

To date, MyBest Group S.p.A., through sureties and letters of patronage, fully secures the bank exposure of its subsidiaries, which totals EUR 12 million at 31.12.2017, of which EUR 6.71 million guaranteed for

the subsidiary MyBestDirect (former Key21 Italia), EUR 4.0 million for the subsidiary MyBestContact (former 4U Italia), and EUR 1.29 million for the subsidiary MyBestOption.

- 3) Payables to banks of MyBestContact S.r.l. amount to EUR 3,052,935 and are composed of the following payables:

Payables to banks	31.12.2017	31.12.2016	change
Current account bank payables	1,731,784	1,623,856	107,928
Loan payables	1,321,151	1,757,689	-436,538
<i>current</i>	722,691	646,499	76,192
<i>non-current</i>	598,460	1,111,190	-512,730
Total	3,052,935	3,381,545 -	328,610

The loan payable of MyBestContact S.r.l. at 31 December 2017 amounts to EUR 1,321,151, of which EUR 598,460 non-current referring to the following loans:

Unsecured mortgage loan Banca di Credito Cooperativo Società Cooperativa 005/212487/57: granted on 01.03.2016 for EUR 1,025,000, duration 48 months, including 6-month grace period, to settle current account debt exposure and to settle the loan of the parent company Mybestgroup S.p.A.; monthly instalment repayment, 3-month floating Euribor rate, average previous month, and 3% spread.

The residual debt at 31.12.2017 is EUR 695,214, of which EUR 316,754 current and EUR 378,460 non-current.

The loan is secured by the parent company Mybest Group S.p.A. with a specific surety of EUR 1,855,000.

The above loan agreement is secured by the obligation not to incur in events that are detrimental to the company and to the Parent, under penalty of forfeiture of the acceleration clause.

Loan Banca Intesa San Paolo S.p.A. 10402: approved on 22.12.2015 for EUR 658,376.94 effective from 31.01.2017 to repay the same amount in arrears on the credit facility for contract advances; the plan envisages an initial payment at 15/01/2016 of the portions of interest accrued of EUR 54,000 and subsequent 36 quarterly instalments; as per contract, floating nominal annual rate 1.87% calculated on the monthly average, previous month, of the 3-month Euribor (365 basis) plus 2.00 percentage points for the entire duration of the extension.

The residual debt at 31.12.2017 is EUR 550,000, of which EUR 110,000 in default instalments, EUR 220,000 current and EUR 220,000 non-current.

As a result of the current account credit facilities, for contract advances and the above loan 10404, the parent company Mybest Group S.p.A. has issued a surety letter to Banca Intesa San Paolo S.p.A. of EUR 1,500,000 to secure all the obligations on Mybestcontact S.r.l..

It should be noted that on 14 March 2018, the company signed a rescheduling plan with Banca Intesa San Paolo S.p.A. as part of a framework renegotiation agreement coordinated by the Parent involving all Group companies; the unsecured exposure at the signing date of the rescheduling amounted to EUR 2,218,521. The rescheduling, which envisages repayment of the existing debt within 48 months from stipulation, has amended the existing repayment plan; repayment will be made in equal monthly

payments up to 2021, not below EUR 220,000 in 2018 and 2019, and EUR 861,000 in 2020 and 2021 until full repayment. The interest rate will be equal to the sum of: 1) nominal fixed amount 2.00%, and 2) floating amount equal to the one-month Euribor, 360 basis. In case of failed payment on the established maturity dates, the interest rate on the amount due and on the unpaid amount will be equal to the sum of: 1) nominal fixed amount 4.00%, and 2) floating amount equal to the one-month Euribor, 360 basis.

The parent company Mybest Group S.p.A. has confirmed to secure the debt by means of a surety.

Following the subscription of the above rescheduling, it should be noted that the loan, starting from 31 December 2018, is subject to compliance with covenants based on indicators such as: Debt/EBITDA. It should be noted that, in the event of non-compliance with the covenants, the acceleration clause no longer applies.

Loan Veneto Banca S.p.A.: approved on 16.10.2015 for EUR 150,000, duration 12 months starting from 30.11.2015, to settle current account debt exposure; monthly instalment repayment, floating nominal annual rate 5% calculated on the 6-month Euribor (365 basis) end of previous quarter.

The residual debt at 31.12.2017 is EUR 75,938 composed entirely of default payments.

In May 2017, the company proposed Veneto Banca S.p.A. to dilute the repayment amount under a repayment plan with monthly payments and alignment of the interest rate applied to the agreements previously concluded with the other Lenders; no denial was ever received, but a letter in which the Lender confirmed its situation of difficulty owing to placement in liquidation and to unawareness of the legal entity that would have assessed the company's request; as a result, no forecast has been made on processing times.

At the date of this document, the Company has received notice from SGA S.p.A. of being the assignee "without recourse" of a set of receivables originally held by Veneto Banca S.p.A., including the receivables deriving from the Company's exposure to the above bank.

The company is therefore working to conclude an agreement with SGA S.p.A. on a new repayment proposal through instalments.

- 4) Payables to banks of MyBestOption S.r.l. amount to EUR 827,292. The item consists of the following payables:

Payables to banks	31.12.2017	31.12.2016		change
Current account bank payables	128,733	316,000	-	187,267
Loan payables	698,559	760,954		-62,395
<i>current</i>	428,503	244,269		184,234
<i>non-current</i>	270,056	516,685		-246,629
Total	827,292	1,076,954	-	249,662

The loan payable of MyBestOption S.r.l. at 31 December 2017 amounts to EUR 698,559, of which EUR 270,056 non-current referring to the following loans:

Unsecured mortgage loan Banca di Credito Cooperativo Società Cooperativa 005/212488/58: granted on 28.01.2016 for EUR 280,000, duration 48 months, including 6-month grace period, to settle current account debt exposure; monthly instalment repayment, 3-month Euribor floating rate, average previous month, and 3% spread.

The residual debt at 31.12.2017 is EUR 196,442, of which EUR 93,058 current and EUR 103,384 non-current.

The loan is secured by the parent company Mybest Group S.p.A. through a general guarantee of EUR 585,000.

The above loan agreement is secured by the obligation not to incur in events that are detrimental to the company and to the Parent, under penalty of forfeiture of the acceleration clause.

Loan Banca Intesa San Paolo S.p.A. 10403: approved on 22.12.2015 for EUR 500.000, duration 36 months starting from 31.01.2017, to repay the same amount in arrears on the credit facility for “Wind” contract advances; repayment in quarterly instalments, floating nominal annual rate 1.87% calculated on the monthly average, previous month, of the 3-month Euribor (365 basis) plus 2.00 percentage points for the entire duration of the extension.

The residual debt at 31.12.2017 is EUR 500,000, of which EUR 166,664 in default instalments, EUR 166,664 current and EUR 166,664 non-current.

As a result of the current account credit facilities, for contract advances and the above loan 10403, the parent company Mybest Group S.p.A. has issued a surety letter to Banca Intesa San Paolo S.p.A. of EUR 700.000 to secure all the obligations on Mybestoption S.r.l.

On 14 March 2018, the company signed a rescheduling plan with Banca Intesa San Paolo S.p.A. as part of a framework renegotiation agreement coordinated by the Parent involving all Group companies; the unsecured exposure at the signing date of the rescheduling amounted to EUR 549,524. The rescheduling, which envisages repayment of the existing debt within 48 months from stipulation, has amended the existing repayment plan; repayment will be made in equal monthly payments up to 2021, not below EUR 170,000 in 2018 and 2019, and EUR 142,000 in 2020 and 2021 until full repayment. The interest rate will be equal to the sum of: 1) nominal fixed amount 2.00%, and 2) floating amount equal to the one-month Euribor, 360 basis. In case of failed payment on the established maturity dates, the interest rate on the amount due and on the unpaid amount will be equal to the sum of: 1) nominal fixed amount 4.00%, and 2) floating amount equal to the one-month Euribor, 360 basis.

The parent company Mybest Group S.p.A. has confirmed to secure the debt by means of a surety.

Following the subscription of the above rescheduling, it should be noted that the loan, starting from 31 December 2018, is subject to compliance with covenants based on indicators such as: Debt/EBITDA. It should be noted that, in the event of non-compliance with the covenants, the acceleration clause no longer applies.

The residual amount of EUR 13,744 refers to the current bank payable of the Spanish company MBO S.L. for EUR 12,022; of MyBestMarketing S.r.l. for EUR 1,706; and of MyBest S.r.l. for EUR 16.

Management of financial risk. Interest rate risk.

Fluctuations in interest rates may impact on the increase or reduction in costs of existing loans. Risk exists on the loan agreements recorded in the statement of financial position, on which interest accrues at a floating rate. The payable on MyBest Group is entirely at a floating rate.

Management of financial risk. Exchange rate risk.

As MyBest Group's business is not carried out in currencies other than the €, it is not exposed to exchange rate risks.

Management of financial risk. Liquidity risk.

Liquidity risk is the likelihood that MyBest Group may be unable to raise the financial resources required to guarantee current operations and fulfill current obligations.

To this end, thanks also to the support of appropriate IT tools, a regular check is made on forecast financial needs, putting in place all the necessary actions to raise the required resources.

The actions put in place to strengthen the financial structure, in addition to the future cash flows from operations generated in line with the forecasts of the 2018-2021 development plan, which indicates an improvement in profitability as early as the next year and a return to profit over the period of the plan, as explained further in the previous paragraph on "Business continuity", are deemed to satisfy investment needs, to manage working capital, and to repay maturing debt, allowing the growth of subsidiaries.

Payables to other lenders

The item at 31 December 2017 amounts to EUR 14,816 (EUR 8,285 at 31 December 2016). The payable is composed mainly of payables to banks for credit cards.

Advances

The item at 31 December 2017 amounts to EUR 8,998 (EUR 65,097 at 31 December 2016), referring mainly to advances received from clients.

Payables to suppliers

The item at 31 December 2017 amounts to EUR 6,550,299 (EUR 8,698,263 at 31 December 2016).

The area consists of payables for commissions and advisory accrued before 31 December 2017. The item comprises the assessment of invoices and credit notes to receive.

The amount refers to payables to third-party suppliers on the following Group companies:

- 1) Mybest Group S.p.A. for EUR 999,817;
- 2) Mybestcontact S.r.l. for EUR 2,603,330;
- 3) Mybestoption S.r.l. for EUR 1,471,236;
- 4) Mybestdirect S.r.l. for EUR 183,238;
- 5) Mybestmarketing S.r.l. for EUR 267,638;
- 6) Mybestoption S.L. for EUR 128,586;
- 7) Mybest S.r.l. for EUR 896,454.

The change in payables to suppliers versus 31 December 2016 is due mainly to the offsetting of receivables against payables of approximately EUR 2 million, governed by an agreement concluded by MyBestContact S.r.l. on 23 May 2017.

Suppliers risk

The item is subject to suppliers' risk, since a supplier may generate an economic and operating loss by not meeting contractual obligations. The Company directly manages such risk towards strategic suppliers through a conservative policy of managing relations with its sub-agents and suppliers.

Payables to parent companies

Payables to parent companies at 31 December 2017 amount to EUR 433,535 (EUR 129,044 at 31 December 2016) and refer to trade payables due to the parent company For2net S.r.l..

Tax payables

Tax payables amount to EUR 3,899,191 at 31 December 2017 (EUR 3,381,182 at 31 December 2016). The item increased versus 31 December 2016 due mainly to 2017 unpaid VAT payables.

The item consists mainly of:

- EUR 1,462,998 on Mybestcontact S.r.l. (EUR 1,581,437 at 31 December 2016) referring mainly to VAT payables of EUR 667,578; the IRAP payable of EUR 442,804 and payables to the tax authorities for instalments granted of EUR 207,396;
- EUR 138,921 on the parent company Mybest Group S.p.A. (EUR 80,378 at 31 December 2016) composed mainly of payables of EUR 51,199 relating to payables to the tax authorities for withholding taxes, of EUR 37,316 referring to payables to the tax authorities for instalments granted, and of EUR 50,449 from payables for 2015 IRES surpluses and 2017 IMU paid in first quarter 2018;
- EUR 825,961 on Mybestdirect S.r.l. (EUR 1,008,232 at 31 December 2016) composed mainly of IRPEF payables for self-employed workers for EUR 523,265, of VAT payables for EUR 73,443 and IRPEF payables for employees for EUR 11,145 in addition to EUR 144,200 relating to prior-years' tax instalments;
- EUR 856,350 on Mybestoption S.r.l. (EUR 578,246 at 31 December 2016). The amount consists mainly of VAT payables for EUR 514,485, of payables to the tax authorities for instalments granted for EUR 248,267 and of IRPEF payables for employees for EUR 41,286.
- EUR 471,736 on Mybest S.r.l. composed mainly of IRPEF payables for self-employed workers for EUR 216,555, of VAT payables for EUR 149,254 and of payables for instalments granted for EUR 37,322.

Payables to social security institutions

The item at 31 December 2017 amounts to EUR 1,042,365 (EUR 595,917 at 31 December 2016), consisting of payables to social security institutions (INPS and Enasarco) for charges arising from the pension rights of the subjects who operate in service distribution.

The item increased versus 31 December 2016 mainly for 2017 unpaid INPS payables.

The breakdown by company consists mainly of:

- EUR 507,159 on MyBestContact S.r.l. consisting mainly of INPS payables for employees and associates for EUR 463,190, of which EUR 284,058 subject to instalment payments;
- EUR 50,649 on the parent company MyBest Group S.p.A. consisting mainly of INPS payables for employees and associates for EUR 39,212, of which EUR 22,086 subject to instalment payments;
- EUR 62,927 on the parent company MyBestOption S.r.l. consisting mainly of INPS payables for employees and associates for EUR 48,836;
- EUR 184,395 on MyBest S.r.l., consisting of Enasarco payables for EUR 6,287, INPS payables for associates for EUR 66,759, INPS payables for employees and associates for EUR 23,659, and INPS payables for agents for EUR 108,062;
- EUR 224,615 on MyBestDirect S.r.l., consisting of Enasarco payables for EUR 190,484 and INPS payables for employees and associates for EUR 24,836, of which EUR 6,703 subject to instalment payments.

The amount of the Enasarco payable consists of a portion of EUR 178,146 in arrears, for which the company at the date of these notes has already applied for gradual repayment through monthly payments envisaging settlement in 48 months.

Other payables

The item at 31 December 2017 amounts to EUR 1,371,683 (EUR 1,688,180 at 31 December 2016). The change versus 31 December 2016 is due mainly to the reclassification of the payable of EUR 214,383 for tax consolidation to PLA S.r.l. in liquidation, whose shares were sold on 29 June 2017 to For2net S.r.l..

The payable is composed mainly of:

- EUR 812,602 of MyBestContact S.r.l., consisting mainly of payables to non-controlling interests of EUR 403,000 for undistributed dividends (EUR 103,000 relating to dividends on 2014 profit and EUR 300,000 to dividends on 2015 profit), of payables for employee salaries and for compensation to contract workers;
- EUR 66,178 of MyBestDirect S.r.l., consisting mainly of deferred charges relating to employees and of payables relating to employee salaries;
- EUR 96,800 of MyBestOption S.r.l., consisting mainly of deferred charges relating to employees and of payables for employee salaries and for compensation to contract workers;
- EUR 38,695 of MyBest S.r.l., consisting mainly of payables for compensation to contract workers;
- EUR 355,490 of MyBest Group S.p.A., consisting mainly of payables to PLA S.r.l. in liquidation for EUR 214,383, of deferred charges relating to employees, and of payables for employee salaries.

Accrued expenses and deferred income

The item at 31 December 2017 amounts to EUR 204,371 (EUR 58,879 at 31 December 2016). The amount consists mainly of accruals for interest expense on mortgages and for the bond coupon payable in May 2018, and of deferred income of invoices issued at 31 December 2017 but pertaining to the subsequent year.

1.20.1.12 Income statement

2017 reported a consolidated loss of EUR 2,323,393 (EUR 4,953,961 at 31 December 2016), of which EUR 2,543,983 attributable to the owners of the Parent (EUR 5,015,573 at 31 December 2016), and a profit attributable to non-controlling interests of EUR 220,590 (profit of EUR 61,612 at 31 December 2016).

The value of production came to EUR 26.1 million versus EUR 24.3 million in 2016.

Value of production

In 2017, revenue from sales and services amounts to EUR 24,000,898, up by EUR 1,971,584 versus 2016, classified as follows:

Value of production	31/12/2017	31/12/2016	change
Revenue from sales and services	24,000,898	22,029,314	1,971,584
Change in inventories of finished products	(94,758)	(189,517)	94,759
Increases in internal work capitalized	82,111	175,217	(93,107)
Other revenue and income	2,124,004	2,337,093	(213,090)
Total	26,112,255	24,352,107	1,760,146

The geographical breakdown of revenue from sales and services and by asset category is shown below (in €m):

Description	31/12/2017	31/12/2016	% change
Revenue Italy multiutility door-to-door	4.21	4.12	2%
Revenue Italy multiutility call center	13.85	13.27	4%
Revenue Spain multiutility	0.40	0.57	-30%
Revenue via web MyBestOption	4.61	3.12	48%
Revenue via web PLA/Mybestmarketing	0.84	0.89	-6%
Revenue other business	0.09	0.06	50%
Total revenue from sales and services	24.00	22.03	9%

The total item of revenue for services refers mainly to:

MyBestContact S.r.l. The company achieved total revenue of EUR 13,853,842 (EUR 13,269,820 at 31.12.2016) from commissions recognized for the stipulation of supply contracts with the debtor counterparty. The breakdown is as follows:

	31/12/2017	31/12/2016
ENI	9,384,766	8,083,956
MEDIASET	2,204,997	2,615,830
VODAFONE	2,144,723	2,306,330
TELECOM JET	-	-
4U SERVIZI FEE OX8	6,670	111,482
EDISON Consumer	63,986	105,188
OPTIMA	24,694	
SIMPLE AGENCY	14,882	-
4U SERVIZI for A2A	8,095	22,585
DOVEECOMEMICURO		8,259
PRONTOSEAT		6,808
TISCALI		5,200
ASSISTENZA CASA		3,731
Other (miscellaneous)	1,029	451
	13,853,842	13,269,820

MyBestDirect S.r.l. Revenue from door-to-door multi-utility operations amounts to EUR 2,925,756 (EUR 4,122,567 at 31.12.2016). This refers to service revenue generated as follows:

	31/12/2017	31/12/2016
ENEL COMMISSIONS	2,281,008	43,646
TELECOM COMMISSIONS	407,613	329,008
VODAFONE COMMISSIONS	237,135	994,915
ENI COMMISSIONS	-	2,749,916
MEDIASET COMMISSIONS	-	-
SERVICES OTHER CLIENTS	-	5,000
SALE OF MOBILE PHONES	-	82
	2,925,756	4,122,567

MyBest S.r.l. Revenue from door-to-door multi-utility operations amounts to EUR 1,287,511. This refers to service revenue generated as follows:

	31/12/2017
TELECOM COMMISSIONS	1,287,511
	-
	1,287,511

MyBestOption S.r.l. Revenue from sales of EUR 4,609,821 (EUR 3,115,940 at 31.12.2016) consists solely of revenue from services generated in favor of Multi-utility partners as follows:

	31/12/2017	31/12/2016
TELECOM	2,439,359	1,212,825
MEDIASET	836,362	932,730
TISCALI	308,524	427,949
ENEL	281,905	33,620
VEESIBLE	229,500	
WIND CONSUMER	176,210	135,190
ENI	141,793	174,723
ILLUMIA	67,785	17,763
SIMPLE AGENCY-SKY	64,250	107,708
KADEBA	11,820	4,450
WAVEMAKER_per VODAFONE	9,620	
HERACOMM	7,715	
VIZEUM	5,482	1,120
KETCHUP	5,176	
SORGENIA	4,253	42,620
WEKIWI	4,138	3,770
EVIVA	1,630	
GENIALLOYD	259	822
E-BUSINESS	-	2,856
WIDIBA	-	1,100
Other	14,040	16,694
	4,609,821	3,115,940

Increases in internal work capitalized

The item amounts to EUR 82,111 at 31 December 2017 and includes the capitalization underway in "B.I.6 Assets under construction and advances" of costs incurred in 2017 by MyBestContact S.r.l. for investments in the development of the "CRM".

Other revenue and income

The item amounts to EUR 2,124,004 at 31 December 2017 (EUR 2,337,093 at 31 December 2016), consisting mainly of termination indemnities for EUR 443,641, of Franchisee revenue for EUR 431,798 and of royalties for EUR 369,271.

Production costs

In 2017, production costs amount to EUR 27,283,000, down by EUR 1,678,921 versus 2016, classified as follows:

Production costs	31/12/2017	31/12/2016	change
raw and ancillary materials, consumables and goods	39,752	38,103	1,649
services	17,817,645	19,055,263	- 1,237,618
rentals and leases	570,942	487,180	83,762
personnel	3,042,221	2,544,524	497,697
amortization and depreciation	4,398,006	4,806,449	- 408,443
impairment losses on non-current assets	20,441	948,457	- 928,016
impairment losses	610,000	693,153	- 83,153
provisions for risks	286,220	51,592	234,628
other operating charges	497,773	337,200	160,573
Total	27,283,000	28,961,921	- 1,678,921

Costs for raw and ancillary materials, consumables and goods

The item amounts to EUR 39,752 at 31 December 2017 (EUR 38,103 at 31 December 2016) and consists mainly of consumables. The item is in line with the prior year.

Service costs

The item amounts to EUR 17,817,645 (EUR 19,055,263 at 31 December 2016) as detailed below:

Service costs	31.12.2017	31.12.2016		Change
Franchisee services	6,807,207	6,881,467	-	74,260
Project-based contracts	2,874,846	2,937,887	-	63,041
DtD network commissions	2,260,605	2,670,059	-	409,454
Sales-administrative advisory	1,797,329	1,471,077		326,252
Utilities	1,020,757	980,423		40,334
Marketing and advertising expenses	452,876	580,422	-	127,546
Travel and associated expenses	374,474	311,944		62,530
General expenses	341,648	484,217	-	142,569
Other advisory	340,363	521,138	-	180,775
Legal, notary, tax and labour advisory	315,838	279,046		36,792
Directors' fees	314,106	247,385		66,721
Back office services	237,246	884,843	-	647,597
Other	164,011	120,028		43,983
Enasarco contributions on commission income	163,444	146,485		16,959
Cleaning and security costs	91,993	96,129	-	4,136
Purchase of services for resale	82,229	109,060	-	26,831
Call center services	80,952	74,834		6,118
Fees to the Board of Statutory Auditors and to the Independent Auditor	72,835	58,989		13,846
Marketing	21,128	173,759	-	152,631
Store expenses	2,873	10,820	-	7,947
Maintenance services	885	15,251	-	14,366
Total	17,817,645	19,055,263	-	1,237,618

The change in the item versus the prior year is explained mainly by the trend of the value of production and is related to the termination of the telephone traffic reselling business of Mybestcontact S.r.l., as it is deemed to be not so lucrative.

Rentals and leases

The item amounts to EUR 570,942 at 31 December 2017 (EUR 487,180 at 31 December 2016), consisting mainly of rentals and of leases for the business premises of Group companies.

Personnel expense

The item amounts to EUR 3,042,221 (EUR 2,544,524 at 31 December 2016). The change versus the prior year is due mainly to the hiring of staff in MyBestContact S.r.l..

Amortization, depreciation and impairment

The item amounts to EUR 5,028,447 (EUR 6,448,059 in 2016) and consists of:

- 1) Amortization of intangible fixed assets for EUR 4,119,326, down by EUR 393,430 versus the prior year.
- 2) Depreciation of property, plant and equipment for EUR 278,680, down by EUR 15,013 versus the prior year.
- 3) Other write-downs of fixed assets amount to EUR 20,441 (EUR 948,457 in the prior year).

- 4) Write-downs of receivables included in current assets and of cash and cash equivalents for EUR 610,000 (EUR 693,153 in the prior year). The item under review includes the write-down of receivables included in current assets for the following amounts:
 - a. receivables from others for EUR 40,000 referring to receivables from PLA S.r.l. in liquidation, whose recoverability is deemed uncertain;
 - b. impairment of receivables from clients for ISC for EUR 570,000.

Provisions for risks

Reference should be made to the section "Provisions for risks and charges".

Other operating charges

The item amounts to EUR 497,773 (EUR 337,200 at 31 December 2016), consisting mainly of insurance costs, fines, penalties and IMU.

Financial income and charges

The item amounts to EUR -860,148 (EUR -1,073,497 in the prior year) and consists of:

- 1) income from investments for EUR 2,232 referred to the disposal of PLA S.r.l. in liquidation
- 2) other financial income for EUR 407 referring to:
 - a. income on Banca Popolare di Sondrio securities for EUR 92
 - b. bank interest income for EUR 315.
- 3) financial charges for EUR 862,786 referring mainly to:
 - a. interest expense on bank debts for EUR 511,352;
 - b. interest expense on mortgages for EUR 93,585;
 - c. interest expense on bonds for EUR 213,739;
 - d. interest expense on derivatives for EUR 44,110.

Value adjustment of financial assets and liabilities

The item amounts to EUR +38,858 and refers to the change in the fair value of derivative financial instruments.

Income taxes for the year

Income taxes for the year amount to EUR -331,359 and refer to current taxes for EUR 885,025, to the provision for deferred tax assets for EUR 96,745, to negative taxes relating to prior years for EUR -7,212, and to income from tax consolidation for EUR 464,133.

Average headcount

The average number of Group employees in 2017 amounts to 98 units (72 in the prior year). The average number of Group contract workers in 2017 was 414 (427 in the prior year).

Fees to directors, statutory auditors and independent auditors

It should be noted that the members of the Board of Directors of the Group companies received fees for EUR 257,417 for services rendered in 2017, while the Board of Statutory Auditors received fees for EUR 17,152.

The fees owed to the Independent Auditors Deloitte & Touche S.p.A. amount to EUR 55,683.

Securities issued by Group companies

The company has not issued dividend-bearing shares, nor bonds convertible into shares or similar instruments, except as explained in these notes.

Financial instruments

Reference should be made to the paragraph "Convertible bonds" and "Equity".

Agreements not resulting from the Statement of Financial Position

Pursuant to art. 2427, point 22-ter of the Italian Civil Code, it should be noted that there are no agreements not resulting from the statement of financial position.

Significant events after year end

On 14 March 2018, a number of agreements were concluded to reschedule the unsecured debt with Banca Intesa San Paolo S.p.A. as part of a framework renegotiation agreement coordinated by the Parent involving the following Group companies: Mybest Group S.p.A., MyBest Option, MyBest Direct and MyBest Contact regarding the overall debt exposure (current and non-current) of each of these companies towards Intesa Sanpaolo. It should be noted that the above agreement, as from 31 December 2018, is secured by the obligation to comply with economic and financial parameters (so-called Financial covenants) based on indicators, such as: Debt/EBITDA; and the obligation not to incur in events that are detrimental to the above Group companies involved in the agreement. It should be noted that, in the event of non-compliance with the covenants, the acceleration clause no longer applies.

Reference should be made to the paragraph on Loan payables for details on the financial repayment renegotiated with Banca Intesa San Paolo S.p.A.

1.20.1.13 Board of directors

Fabio Regolo	Chairman of the Board of Directors
Paul Manfredi	Director
Daniele Viganò	Director
Andrea Bonora	Director
Michaela Castelli	Independent Director

I THE UNDERSIGNED, CHAIRMAN OF THE BOARD OF DIRECTORS OF "MYBEST GROUP" S.P.A., AWARE OF THE LEGAL LIABILITIES PROVIDED FOR IN THE EVENT OF FALSE STATEMENTS, CERTIFY, PURSUANT TO ART. 47 DPR 445/2000, THAT THE ELECTRONIC COPIES OF THE DOCUMENTS ATTACHED HERETO CORRESPOND TO THE DOCUMENTS FILED IN THE RECORDS OF THE COMPANY.

Sesto San Giovanni, 22 June 2018

1.20.2 Reports of the auditors on the financial year ending 31 December 2017



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mybest Group S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**Opinion**

We have audited the consolidated financial statements of Mybest Group S.p.A. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2017, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Mybest Group S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

Without qualifying our report, we note the following matters reported by the Directors in the explanatory notes: MyBest Group reports a loss of €2,544k as at December 31, 2017 (€5,016k as at December 31, 2016) and a net financial debt of 17,026 thousand (€17,464k as at December 31, 2016), of which, €7,139k is classified as short-term (€9,839 as at December 31, 2016) against Group shareholders' equity of €5,501 (€8,045k as at December 31, 2016).

As described in the explanatory notes, in preparing the consolidated financial statements as at December 31, 2017, the Directors paid particular attention to those factors that could influence the Group's development plans, providing information in the explanatory notes to the consolidated financial statements. In particular, the 2018-2021 business plan shows steady levels of earnings in the first half of 2018, improving (over the period of the plan, the Group will produce profits again) especially from 2019 thanks to the expected future benefits following regulatory developments in competition matters

(Law 4, August 2017, no. 124 containing the "Annual Law on the Market and on Competition"), which are expected to have a significant impact on volumes traded; the plan forecasts profitability starting from 2019 in addition to the generation and production of cash flows consistent with the provisions of the plan.

Other matters

This report is not issued for statutory purposes due to the fact that Mybest Group S.p.A is exempted from the preparation of the consolidated financial statements pursuant to art. 27 of Legislative Decree 127/1991

Responsibilities of the Directors for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance the Italian law governing financial statements and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE & TOUCHE S.p.A.

Signed by

Dario Righetti

Partner

Milan, Italy

June 25, 2018

This report has been translated into the English language solely for the convenience of international readers.

1.20.3 Financial accounts year ending 31 December 2016

1.20.3.1 Consolidated balance sheet

MYBEST GROUP S.p.A.
Registered office in Milan, Via Fratelli Casiraghi 359
Share Capital € 2.462.593,50 fully paid
Registered in the Milan business register - Tax code/VAT 04227580968
Milan R.E.A. registration no. 2111455

FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016

BALANCE SHEET AND COMPARISON WITH 31 DECEMBER 2015

ASSETS	<u>31/12/2016</u>	<u>31/12/2015</u>
A) SUBSCRIBED CAPITAL, UNPAID		
- paid-up amount	-	7 500
TOTAL SUBSCRIBED CAPITAL, UNPAID (A)	-	7 500
B) FIXED ASSETS:		
I - Intangible assets		
1) Installation and expansion costs	25 212	31 372
2) Development costs	13 934	55 133
3) Industrial patent rights and intellectual property rights	223 970	382 860
4) Grants, licenses, trademarks and similar rights	58 020	237 514
5) Goodwill	15 403 901	18 381 751
6) Assets under construction and advances	312 255	-
7) Other	6 520 002	6 914 657
Total intangible assets	22 557 294	26 003 287
II - Tangible fixed assets		
1) Lands and buildings	3 565 335	3 685 520
2) Systems and machinery	26 267	121 576
3) Industrial and commercial facilities	31 888	34 232
4) Other assets	425 377	588 719
Total tangible assets	4 048 867	4 430 047
III - Financial fixed assets		
1) Investments in		
a) unconsolidated subsidiaries	36 490	-
d-bis) other companies	25 175	25 175
2) Receivables		
d-bis) From others	10 019	27 001
Total financial assets	71 684	52 176
TOTAL FIXED ASSETS (B)	26 677 845	30 485 510

C) CURRENT ASSETS:

I - Inventories		
1) Finished products and goods	189 517	379 033
Total inventories	<u>189 517</u>	<u>379 033</u>
II - Receivables:		
1) from customers		
due within the next financial year	7 115 551	6 479 067
	<u>7 115 551</u>	<u>6 479 067</u>
2) from unconsolidated subsidiaries		
due within the next financial year	46 237	103 936
	<u>46 237</u>	<u>103 936</u>
3) from parent companies		
due within the next financial year	264 281	80 323
	<u>264 281</u>	<u>80 323</u>
4-bis) tax receivables		
due within the next financial year	989 763	1 713 139
	<u>989 763</u>	<u>1 713 139</u>
4-ter) pre-paid taxes		
due within the next financial year	2 088 042	1 242 360
	<u>2 088 042</u>	<u>1 242 360</u>
4-quater) from others		
due within the next financial year	3 547 103	2 507 092
	<u>3 547 103</u>	<u>2 507 092</u>
Total receivables	<u>14 050 977</u>	<u>12 125 917</u>
III - Financial assets that are not considered as fixed assets		
other receivables	-	651 830
Total financial assets that are not considered as fixed assets	-	<u>651 830</u>
IV - Cash equivalents		
1) bank and postal deposits	273 905	1 825 420
2) money and cash values	5 528	1 798
Total Cash Equivalents	<u>279 433</u>	<u>1 827 218</u>
TOTAL CURRENT ASSETS (C)	<u>14 519 927</u>	<u>14 983 998</u>
D) ACCRUALS	<u>171 154</u>	<u>467 787</u>
TOTAL CURRENT ASSETS	<u>41 368 926</u>	<u>45 944 795</u>

LIABILITIES

A) NET EQUITY:		
I - Capital	2 462 594	2 421 501
II - Share premium reserve	10 161 458	9 536 855
III - Legal reserve	524 120	524 120
IV - Other reserves, clearly indicated:		
Extraordinary reserve	5 526 947	5 526 947
Merger surplus reserve	2 300 948	2 300 948
- Liquidation adjustments	(321 063)	
Consolidation reserves	-	6 375
V - Reserve for expected cash flow hedging	-	(79 312)
VI - Profit (loss) carried forward	(5 778 389)	(196 423)
VII - Profit (loss) for the year	(5 015 573)	(5 581 966)
VIII - Negative reserve for treasury shares held in the portfolio	(1 815 613)	(1 815 613)
TOTAL GROUP NET EQUITY	8 045 429	12 643 432
Capital and reserves pertaining to minority shareholders	137 523	145 979
Profit (loss) pertaining to minority shareholders	61 612	291 544
MINORITY SHAREHOLDER'S TOTAL NET EQUITY	199 135	437 523
TOTAL CONSOLIDATED NET EQUITY (A)	8 244 564	13 080 955
PROVISIONS FOR RISKS AND CHARGES		
B)		
1) for taxes, including deferred taxes	-	324 999
2) passive derivatives	120 692	79 312
3) other	346 654	-
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	467 346	404 311
C) EMPLOYED WORKERS SEVERANCE INDEMNITIES	274 185	262 420

D) Paybles:

1) convertible bonds		
due within the next financial year	-	-
due after the next financial year	2 000 000	2 100 000
	<u>2 000 000</u>	<u>2 100 000</u>
2) payables to shareholders for loans		
due within the next financial year	105 000	-
	<u>105 000</u>	<u>-</u>
3) payables to banks		
due within the next financial year	10 110 591	8 129 565
due after the next financial year	5 520 098	7 566 397
	<u>15 630 689</u>	<u>15 695 962</u>
4) payables to other lenders		
due within the next financial year	8 285	48 408
	<u>8 285</u>	<u>48 408</u>
5) advances		
due within the next financial year	65 097	2 340
	<u>65 097</u>	<u>2 340</u>
6) payables to suppliers		
due within the next financial year	8 698 263	8 459 417
	<u>8 698 263</u>	<u>8 459 417</u>
7) payables to non-consolidated subsidiaries		
due within the next financial year	22 295	7 500
	<u>22 295</u>	<u>7 500</u>
8) payables to parent companies		
due within the next financial year	129 044	82 676
	<u>129 044</u>	<u>82 676</u>
9) tax payables		
due within the next financial year	3 381 182	1 864 574
	<u>3 381 182</u>	<u>1 864 574</u>
10) payables to social security institutions		
due within the next financial year	595 917	752 750
	<u>595 917</u>	<u>752 750</u>
11) other payables		
due within the next financial year	1 688 180	3 141 166
	<u>1 688 180</u>	<u>3 141 166</u>
TOTAL PAYABLES (D)	<u>32 323 952</u>	<u>32 154 793</u>
E) DEFERRALS	58 879	42 316
TOTAL LIABILITIES	<u>41 368 926</u>	<u>45 944 795</u>

1.20.3.2 Consolidated income statement

**REVENUE AND LOSS ACCOUNT
 AND COMPARISON WITH 2015**

	<u>2016</u>	<u>2015</u>
A) PRODUCTION VALUE:		
1) Revenues from sales and services	22 029 314	28 655 951
2) changes in inventories of work in progress, semi-finished and finished products	(189 517)	-
3) Capitalisation of costs for internal works	175 217	-
4) other revenues and income, with separate indication of the operating gr - of which contributions for operating expenses	2 337 093 -	2 100 240 -
TOTAL PRODUCTION VALUE (A)	<u>24 352 107</u>	<u>30 756 191</u>
B) PRODUCTION COSTS:		
1) for raw materials, ancillary materials, consumables and goods	(38 103)	(51 044)
2) for services	(19 055 263)	(25 015 189)
3) for use of third party assets	(487 180)	(442 273)
4) for staff:		
a) wages and salaries	(1 991 255)	(1 848 483)
b) social charges	(504 827)	(523 461)
c) severance indemnities	(118 325)	(123 621)
d) pension liabilities and similar	(32 312)	(60 122)
e) other costs	102 195	(9 087)
5) depreciation and write-downs:		
a) amortization of intangible assets	(4 512 756)	(4 990 364)
b) amortization of tangible assets	(293 693)	(332 428)
c) other write-downs of fixed assets	(948 457)	(668 686)
d) writedowns of receivables included in current assets and liquid assets	(693 153)	-
6) changes in inventories of raw materials, ancillary materials, consumables and goods	-	-
7) provisions for risks	(51 592)	-
8) other provisions	-	-
9) other management expenses	(337 200)	(662 900)
TOTAL PRODUCTION COSTS (B)	<u>(28 961 921)</u>	<u>(34 727 658)</u>
DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS (A-B)	<u>(4 609 814)</u>	<u>(3 971 467)</u>

C) FINANCIAL INCOME AND EXPENSES:

1) income from investments:		
a) from subsidiaries	-	95 556
d) tax credit on dividends	-	-
2) Other financial income:		
a) deriving from receivables recorded in fixed assets:	-	-
- from unconsolidated subsidiaries	-	1 334
- from related companies	-	-
- from parent companies	-	-
b) from securities registered in fixed assets	-	-
c) from securities included in current assets that are not considered as €	45 379	193 217
d) other income:		
- from subsidiaries	-	-
- from related companies	-	-
- from parent companies	-	-
- from companies subject to control by parent companies	-	-
- other	482	937
- foreign exchange gains	-	-
3) interest and other financial charges:		
- to subsidiaries	-	-
- to related companies	-	-
- to parent companies	-	-
- to banks	-	-
- to medium / long-term credit institutions	-	-
- to bondholders	-	-
- other	(1 119 358)	(1 386 856)
- foreign exchange charges and losses		

DIFFERENCE BETWEEN FINANCIAL INCOME AND EXPENSES (1+2-3)

(1 073 497)	(1 095 812)
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D) VALUE ADJUSTMENTS OF FINANCIAL ASSETS AND LIABILITIES:

Write-downs:

a) of investments	-	(345 375)
b) of derivatives	(120 692)	-

TOTAL ADJUSTMENTS

(120 692)	(345 375)
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EARNING BEFORE TAX (A-B+C+-D)

(5 804 003)	(5 412 654)
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income taxes for the year:

a) current taxes	(410 841)	(838 394)
b) taxes relating to previous years	29 257	37 157
c) deferred / prepaid taxes	1 231 626	923 469

21) CONSOLIDATED PROFIT (LOSS) FOR THE YEAR

(4 953 961)	(5 290 422)
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PROFIT FOR THE GROUP

(5 015 573)	(5 581 966)
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PROFIT FOR MINORITY INTERESTS

61 612	291 544
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1.20.3.3 Consolidated cash flow statement

	Reported amount
A) Cash from operating activities (indirect method)	
Profit (loss) for the year	-5 015 573
Income taxes	-850 042
Passive/(active) interest	1 073 497
(Dividends)	
(Gains)/ Losses deriving from the sale of assets	
1) Profit (loss) for the year before income taxes, interest, dividends and gains / losses from the sale of assets	-4 792 118
Adjustments for non-monetary items that did not have a counterpart in the net working capital	
Provisions	51 592
Depreciation of fixed assets	4 806 449
Write-downs for impairment losses	948 457
Value adjustments to financial assets and liabilities of derivatives that do not involve monetary operations	120 692
Other adjustment for increasing/decreasing non-monetary items	118 325
- Provisions for TFR (severance indemnity)	118 325
- Other adjustments for increase/ decrease	
Total adjustments for non-monetary items that did not have a contra-entry in net working capital	6 045 515
2) Financial flow before changes in net working capital	1 253 397
Changes in net working capital	
Decrease / (Increase) in inventories	189 516
Decrease / (Increase) in receivables from customers	-636 484
Decrease / (Increase) in payables to suppliers	-184 991
Decrease / (Increase) in accruals	296 633
Decrease / (Increase) in deferrals	16 563
Other decreases / (Other increases) in net working capital	-24 111
- Decrease (increase) in receivables from parent companies, subsidiaries and related companies	-126 259
- Increase (decrease) in payables to parent companies, subsidiaries and related companies	61 163
- Other decreases (increases)	40 985
Total changes in net working capital	-342 874
3) Financial flow after changes in net working capital	910 523
Other adjustments	
Received / (paid) interests	-1 073 497
(Paid income taxes)	
Dividends collected	
(Use of provisions)	-529 249
Other receipts / (payments)	527 989
- (Severance indemnity payment)	-106 560
- Other	634 549
Total other adjustments	-1 074 757
Financial flow of operating activities (A)	-164 234
B) Cash flows arising from investment activities	
Tangible fixed assets	
(Investments)	-25 667
Disinvestments	
Intangible fixed assets	
(Investments)	-2 603 129
Disinvestments	
Financial fixed assets	
(Investments)	-36 490
Disinvestments	24 482
Financial assets that are not considered as fixed assets	
(Investments)	
Disinvestments	651 830
(Acquisition of business units net of cash and cash equivalents)	
Sale of business units net of cash and cash equivalents	
Financial flow of investment activities (B)	-1 988 974

C) Cash flows arising from financing activities	
Third party financing	
Increase / (Decrease) in short-term payables to banks	-1 580 016
New financing	1 873 000
- to third parties	1 768 000
- to shareholders	105 000
(Financing repayment)	-253 257
- to third parties	-253 257
- to shareholders	
Equity	
Paid capital increase	565 696
(Capital repayment)	
Sale / (purchase) of treasury shares	
(Dividends and payments on paid dividends)	
Financial flow of financing activities (C)	605 423
Increase (decrease) in cash and cash equivalents (A+/-B+/-C)	-1 547 785
Foreign exchange effect on cash and cash equivalents	
Cash and cash equivalents at the beginning of the year	
Bank and postal deposits	1 825 420
Checks	
Cash and cash equivalents in hand	1 798
Total cash and cash equivalents at the beginning of the year	1 827 218
Of which not freely usable	
Cash and cash equivalents at the end of the year	
Bank and postal deposits	273 905
Checks	
Cash and cash equivalents on hand	5 528
Totale cash and cash equivalents at the beginning of the year	279 433
Of which not freely usable	

1.20.3.4 Criteria for consolidation of financial statements

The Consolidated Financial Statements of MyBest Group S.p.A. as 31 December 2016 consists of the Balance Sheet, the Income Statement, the Cash Flow Statement and the Explanatory Notes.

The Company is not required to draft the consolidated financial statements as the group belonging to MyBest Group S.p.A. sub-holding company does not exceed the aggregated limits established by article 27 of Legislative Decree no. 127/91, and Mybest Group is a sub-holding company controlled by For2net S.r.l., which is required to draft the consolidated financial statements.

The criteria for consolidation of the Financial Statements of Mybest Group S.p.A. comply with the regulations contained in Legislative Decree no. 127/21, interpreted in light of the accounting standards in force in Italy (in particular of OCI 17 of the Commission for Statutory Accounting Principles) and, where missing, those adopted by the International Accounting Standards Board (IASB).

The main change to be reported in the financial statements concerns the implementation, by Legislative Decree no.139 dated 18 August 2015 (the so-called "Decreto Bilanci"), of Directive 2013/34/EU. The provision has significantly changed the regulation of the financial statements of joint-stock companies. The provisions contained therein apply to financial statements relating to financial years starting from 1 January 2016. As a result of the aforementioned amendments, the Italian Accounting Body (O.I.C.) has updated the national accounting standards, to incorporate the new regulations.

In this regard, please refer to the paragraph on the "Effects deriving from the application of the new national accounting standards".

The evaluation criteria for the Consolidated Financial Statements of MyBest Group S.p.A. are consistent with those used for the preparation of the financial statements of the companies included in the

consolidation perimeter, except for the adjustments necessary to achieve consistency of the criteria themselves.

The Consolidated Financial Statements of the Group are accompanied by the Management Report prepared by the Directors of the parent company.

These Explanatory Notes consist of:

- Criteria for evaluating and describing the Group situation;
- Information on the Group statement of assets and liabilities;
- Information on the Group income statement.

All the values used for the consolidation were taken from the income statement and statement of assets and liabilities of the individual controlled companies, prepared by the respective Directors, in compliance with the national accounting standards adopted by the parent company. All intra-group balances and transactions were eliminated.

1.20.3.5 Explanation of criteria for assessing and drafting the consolidated financial statement of the Group

The Group consolidated financial statements include, therefore, the financial statements of MyBest Group S.p.A., which is the parent and sub-holding company, and the financial statements of companies over which the parent company has the right to exercise, directly or indirectly (through its subsidiaries and associates), control, also along with other bodies, pursuant to article 2359 of the Civil Code, except for Poinx Iberia S.L.U, which is going into Liquidation, fully controlled by PLA S.r.l. which is going into Liquidation, whose financial statements are irrelevant for the purposes of the true and correct representation of the Group's consolidated financial statements; the investment was therefore valued according to the cost criterion, adjusted, where required, to take account of permanent losses in value, consistently with the provisions of the Civil Code (art. 2426) and the Italian accounting principle OIC 9 *Impairment of tangible and intangible assets issued for public consultation* that better identifies the elements making up the cost and meaning of the term "impairment of assets". For all the Group companies, the following votes were aggregated:

- the majority of the votes that can be exercised in the ordinary meeting;
- the votes sufficient to exercise a dominant influence.

Furthermore, as required by the same legislation, companies that are under dominant influence due to particular contractual obligations were also consolidated.

The subsidiaries, with the exception of Poinx Iberia S.L.U, which is going into Liquidation, are consolidated from the date on which control was effectively transferred to the Group and cease to be consolidated from the date on which control is transferred outside the Group. All financial statements assessments were made on the basis of the continuation of the business activity.

The Consolidated Financial Statements of MyBest Group include the financial statements of the company Mybest Group S.p.A. (formerly Ventuno Group SpA, and Totality Group SpA), the Parent Company, and of Italian and foreign companies in which the Parent Company owns, directly or indirectly, more than 50% of the Share Capital.

The details of the companies included in the scope of consolidation are shown in the attached Organizational Chart.

The financial statements used for consolidation purposes are those prepared by the administrative bodies and submitted to the control bodies of the individual companies, appropriately reclassified, in order to make them the presentation form complying with the criteria followed by the Parent Company and in line with national standards.

1.20.3.6 Significant events occurred in the financial year 2016

With the resolution of the Extraordinary Shareholders' Meeting held on 18 May 2016, the subsidiary POINX Srl was put into liquidation, with the consequent change in the company name to PLA S.r.l. into liquidation: the investment already written down in 2015 for an amount of EUR 2,536,222 was written down in 2016 for the residual amount of EUR 1,287,608. In the financial statements of the parent company as of 31 December 2016, therefore, the value of the investment was completely eliminated.

Starting from 24 June 2016, the investee company's activities were limited to the management of the liquidator which performs the necessary actions for the liquidation of assets and the payment of liabilities while preserving the value of the company, including its provisional budget, and with a focus on profits.

As of 31.12.2016, the provision for liquidation costs and charges amount to EUR 295,062, since EUR 124,938 were used.

1.20.3.7 Consolidation criteria

The main criteria adopted for the preparation of the Group consolidated financial statements as of 31 December 2016 are as follows:

- The assets and liabilities of the consolidated companies and income and charges in the income statement are included in the consolidated financial statements according to the line-by-line method.
- The carrying value of the controlling interests held by the Parent Company or by other consolidated companies is eliminated against the related shareholders' equity.
- The portions of shareholders' equity and net income pertaining to minority shareholders of the consolidated subsidiaries are shown separately in specific items of the Consolidated Shareholders' Equity and the Consolidated Income Statement.
- The differences between the acquisition cost of the investments and the shareholders' equity of the subsidiaries were reported as part of the consolidated shareholders' equity under *Consolidation reserve*. This difference was calculated on 1 January 2015 based on the assumption that for all the companies consolidated as of 31 December 2016, the control took place on that date using the percentage found at the end of the financial year as a percentage of control. If the difference is positive, as the acquisition cost exceeds the pertinent shareholders' equity, it is charged to the greater value of the assets to which it is attributable or to the Consolidated Difference active item, as goodwill and amortized on the basis of the value recovery duration (10 years), where required.
- Credit and debit items and costs and revenues between consolidated companies were eliminated.
- Dividends distributed to consolidated companies were eliminated.

Capital gains and losses deriving from transactions between consolidated companies and related to assets included in the balance sheet at the end of the financial year, as not yet defined, if significant, were eliminated.

For the conversion of financial statements expressed in currencies other than the Euro, if required, the balance sheet items were converted at year-end exchange rates while those in the income statement were converted at the average exchange rates for the year.

Any difference in the conversion between the result of the financial year (converted to the average rate) compared to the conversion of the result for the year taken from the balance sheet (converted to the final rate) was included in a specific reserve called "Conversion reserve".

In addition to the parent company Mybest Group S.p.A., the companies included in the consolidation area are:

- a) MybestDirect Srl (formerly Key21 Italia Trading Company S.p.A.);
- b) MybestOption Srl (formerly MybestOption S.p.A.);
- c) MybestContact Srl (formerly 4U Italia S.r.l.);
- d) MybestOption SL;
- e) MybestMarketing Srl.
- f) PLA S.r.l. into Liquidation.

For more details on the percentages of consolidation, please refer to the following diagram:



1.20.3.8 Assessment criteria

The accounting principles for consolidation of the Group Financial Statement comply both with the criteria set out in articles 2423-bis and 2426 of the Civil Code, and with the OIC requirements.

The valuation of the items was carried out in compliance with the general criteria of prudence, competence, clarity and correctness and always based on business continuity.

Evaluation criteria pursuant to article 2426 of the Italian Civil Code comply with those used in the preparation of the Group's consolidated financial statements for the previous year, and no exceptional events have occurred which have made it necessary to resort to exemptions pursuant to art. 2423-bis, second paragraph and 2423, fourth paragraph of the Civil Code.

In compliance with Article 35 of Legislative Decree 127/91, it should be noted that the scope of consolidation of MyBest Group as of 31 December 2016, although not modified with respect to the

previous financial year, includes the initial liquidation balance sheet of the subsidiary PLA S.r.l. into liquidation, which was drawn up in compliance with the Civil Code regulations and on the basis of criteria consistent with the liquidation in full compliance with the civil and tax regulations in force, and taking into account the indications provided by accounting principle OIC no. 5 *Liquidation balance sheets*.

On the basis of the settlement criteria, all assets were recorded at their presumed realizable value and all liabilities were recorded at the presumed settlement value. The accounting effects deriving from the application of the aforementioned criteria to the consolidated financial statements have been reported in the notes in correspondence with the affected items.

As a result of the liquidation status, the business continuity has ceased: to date no significant events have emerged regarding the evaluation criteria adopted by the liquidator such as to make sure there are uncertainties in relation to the realization of assets, to the occurrence of any other liquidation costs or the occurrence of contingencies.

In light of the foregoing, the consolidated financial statements as at 31 December 2016 include the item "Liquidation adjustments" among the components of the consolidated shareholders' equity of EUR 321,063 as well as the provision for liquidation costs and charges as a component of the provision for risks and charges equal to EUR 295.062.

Business continuity

MyBest Group recorded a loss for the year ended on 31 December 2016 of €4,954 (as of 31 December 2015 €5,290k) partly due to the write-down of the goodwill arising from the consolidation of the subsidiary PLA S.r.l. into liquidation for €657k and a net financial indebtedness equal to €17,456k, of which €10,111k in the short term, compared to the indebtedness of €15,969k recorded as of 31 December 2015, against an equity attributable to the Group equal to €8,045k (€12,643k as of 31 December 2015).

Therefore, in drafting the consolidated financial statements, the directors have paid particular attention to those factors that could influence the development plans, providing information in the notes to the financial statements, in particular on liquidity, assessing the risk for the Group to guarantee current operations and fulfilment of current obligations.

The business plan developed for the 2017 - 2021 period already shows an improvement in profitability for the next financial year (in the development of the plan years the Group returns to producing profits) and a cash flow production consistent with the renegotiations partly already finalized in 2016 and in the first few months of 2017 and in part currently being finalized with credit institutions on the date of these notes, as described in detail in the "Payable to banks"; the re-modulation of the financial debts made in terms of the amount of the instalments to be repaid and of expected repayment terms, is an activity that involved the Parent Company and all the subsidiaries as part of a program aimed at balancing the commitments to repay bank debts at the Group level.

It should also be noted that already in 2014 and 2015, actions were taken to balance and consolidate the financial and equity structure of the Group, promoted and implemented by the Directors.

In 2014 a first increase in paid capital brought the share capital from EUR 1,000,000 to EUR 2,000,000 with subscription and full payment by the shareholders.

In the year 2015, the share capital was increased to EUR 2,346,248.50 with the issue of 692,497 shares and with a share premium of EUR 8,393,050.97.

As part of operations aimed at developing the Group, on 1 April 2015, a first convertible bond loan was issued up to a maximum of €10m to be offered to "qualified investors" pursuant to Consob Regulation 11971 of 1999.

The subscription period of this bond ended on 26 May 2015 with a subscribed and paid amount of €2.2m, of which €0.2m were subsequently converted into shares following a share capital increase on 30.11.2015.

On 30 January 2017, the extraordinary shareholders' meeting was held for the issue of a second convertible bond loan up to a maximum of €3m not reserved for "qualified investors" only, as provided for in the previous POC issued in 2015, pursuant to Consob Regulation 11971 of 1999; the subscription period of this bond will end on 31 December 2017.

A process within MyBest Group is also being implemented, aimed at finding alternative financing methods structured through the creation of extraordinary transactions, also providing for the opening of the capital to third party partners to be carried out, possibly through listing on a regulated market, as discussed more detail in the management report.

Despite the uncertainties mentioned above, as described and based on what has been specified, the directors believe that the company operates under business continuity conditions and, therefore, the financial statements as of 31 December 2016 were drawn up according to operation criteria.

The valuation criteria used are the following:

a) Intangible assets

Intangible assets are recorded at the historical acquisition cost, including any accessory charges incurred. This cost is systematically reduced by depreciation calculated on a straight-line basis determined with reference to residual possibility of use.

Start-up and expansion costs are recorded as assets if they are deemed to have long-term usefulness and are systematically amortized over the period of their expected future usefulness (five years); costs for industrial patent rights, for concessions, licenses, trademarks, are recorded as assets because of their multi-year cost and amortized over the period expected for their future usefulness (18 years).

The item "other intangible assets" is amortized over the period of their future usefulness (five years).

Goodwill is amortized according to its useful life (estimated over ten years).

b) Tangible assets

Tangible fixed assets are recorded at purchase or production cost, including any ancillary charges.

The amortization of tangible fixed assets, whose use is limited in time, has been carried out, if the conditions are met, in accordance with the following rates:

Description	Rate (%)
Lands and buildings	3
Office furniture and machines	12
Electronic machines	20
Motor vehicles	25

Special plants/systems	20
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It should be noted that for any assets acquired during the year and used, the depreciation rate is reduced to 50%.

All the amortization provisions refer to the residual possibility of use of the related assets.

Ordinary maintenance costs are fully charged to the Income Statement. Incremental maintenance costs are attributed to the source of income to which they refer and amortized in relation to the residual possibility of use of the same.

c) Financial fixed assets

Financial fixed assets consisting of investments in other companies and in the subsidiary PLA S.r.l. into liquidation (formerly Poinx S.r.l.) and Poinx Iberia S.L.U. into liquidation, held with the intention of keeping them in the portfolio indefinitely, are valued according to the purchase or subscription cost criteria including accessory charges, from which any capital repayments are deducted, and which may be adjusted for losses in value determined with same modalities indicated for tangible assets. When the reasons for the write-downs cease to exist, the investments are revalued within the limits of the write-downs and the effect is charged to the income statement. Any risk deriving from any losses exceeding shareholders' equity is covered by a specific provision to the extent that the investor is committed to fulfil legal or implicit obligations towards the investee company or in any case to cover its losses.

d) Impairment of long-lived assets (Impairment test)

At the closing date of all financial statements, the Group performs an impairment test in order to verify that the assets recorded in the financial statements are recorded at a value not higher than the recoverable value according to the provisions of OIC 9. Where there are indicators of impairment, the recoverable amount of these assets is estimated to determine the amount of the write-down. By applying the methodology set forth in OIC 9, MyBest Group Group has identified cash-generating units, which represent the smallest identifiable group of assets capable of generating largely independent cash flows in the consolidated financial statements.

For the purposes of preparing the consolidated financial statements as of 31 December 2016, the impairment test on the CGUs was performed in relation to the allocated net invested capital (including goodwill), such as:

- CGU MyBest Option;
- CGU MyBest Option SL;
- CGU MyBest Contact;
- CGU MyBest Direct;
- CGU MyBest Marketing.

The recoverability of the recorded values is verified by comparing the net carrying amount of the Net Invested Capital of individual cash generating units with the use value represented by the current value of the cash flows that is estimated to derive from the continuous use of the assets making up the cash generating units themselves, and their attributable terminal value.

Every six months, the Group reviews the economic values of its tangible and intangible assets and investments to determine whether these assets have suffered impairment or not. If so, the recoverable amount of these assets is estimated to determine the amount of the write-down.

For the purposes of the impairment test on CGUs performed when closing the 2016 consolidated financial statements, the Value in Use, determined by applying the "*Unlevered Discounted Cash Flow*" financial method, which is presumed to derive from the continuous use of the assets, and possibly FROM the value of their disposal at the end of their useful life, was considered as Recoverable Amount. The aforementioned cash flows were taken from the 2017-2021 Business Plan. At the end of the 5-year explicit period of the Plan, a terminal value was considered through the perpetuity method, that is considering the cash flows generated by the company management in the event of continuity beyond the explicit plan period. It was hypothesized that this perpetual income will show a growth (g-rate) equal to the expected inflation rate for Italy of 1.21%.

The Weighted Average Cost of Capital (or "WACC") differentiated for each CGU in order to adjust its risk (values between 6.92% and 8.10%) was used as the discount rate of expected flows.

The results of the *impairment tests* on the values of the aforementioned companies confirmed the adequacy of these values recorded in the financial statements.

In particular, the result of the test shows a substantial stability of the values recorded in the financial statements also in the sensitivity analyses carried out with reference to the following parameters:

- Change in the WACC rate of +/- 1%;
- Change in the g-rate growth rate (terminal value growth rate) of +/- 1%.
- Joint change in the WACC rate and the g-rate growth rate of +/-1%.

e) Receivables and payables

According to the new OIC 15, receivables must be recorded in the financial statements according to the amortized cost criterion, taking into account the time factor.

However, the company has assessed the receivables with a maturity of less than 12 months at the presumed realization value instead of the aforementioned amortized cost criterion, since the effects are considered as irrelevant. The adjustment of the nominal value of receivables to their presumed realizable value is obtained by means of a provision for doubtful debts determined on the basis of specific analyses carried out to identify reasonably foreseeable losses due to non-collection.

According to accounting principle O.I.C. 19, payables must be recorded in the financial statements according to the amortized cost criterion, taking into account the time factor. Payables due after 12 months are valued at their nominal value because in such a case the amortized cost criterion is not applied since the effects are deemed not relevant. Payables are shown at their nominal value, which corresponds to the actual company obligation.

There are no trade receivables/payables with a duration of more than five years.

f) Cash and cash equivalents

Cash and cash equivalents include numerical values, that is those values that meet the requirements of availability on demand or in the very short term, the confirmation of the transactions and the absence of collection costs. This is basically cash in hand and sight bank deposits.

g) Accrued income and prepaid expenses

Accrued income and prepaid expenses include portions of costs and revenues pertaining to the year, but payable in subsequent financial years and portions of costs and revenues incurred before the end of the year, but pertaining to subsequent financial years, under the accrual basis of accounting.

For multi-year accrued income and prepaid expenses, the conditions that determined their original registration were verified, making, where necessary, the appropriate changes.

h) Other liabilities and other funds

Provisions for risks and charges are allocated to cover losses or liabilities of a specific nature, of certain or probable existence, but whose amount or date of occurrence can not be determined at the end of the financial year. The allocations reflect the best possible estimate based on the elements available.

The risks for which the emergence of a liability is only possible are indicated in the notes to the funds, without allocating any provision for risks and charges. For risks considered as remote, no provision was allocated and no provisions are mentioned in the notes to the funds for risks and charges.

Provisions for risks and charges are recorded primarily under income statement items of the relevant classes (B, C or D). Whenever this correlation between the nature of the provision and one of the items in the aforementioned classes is not applicable, the provisions for risks and charges are recorded under items B12 and B13 of the income statement.

i) Severance indemnities

Severance indemnities are indemnities to be paid to employees for their actual work at the end of the financial year, calculated in compliance with the law and the current employment contracts.

j) Costs and revenues

They are illustrated according to the principle of prudence and economic competence.

Revenues from the sale of services relating to core business are calculated net of returns, discounts, rebates and premiums, as well as taxes directly connected with the provision of services. Revenues for the provision of services are calculated as complete and/or accrued. Dividends are recorded as of the date when distribution decisions were made.

Transactions with related parties took place at normal market conditions.

k) Current and deferred taxation

For the purposes of IRES (taxes on corporate income), MyBest Group (formerly Ventuno Group S.p.A. and Totality Group S.p.A.) acts as a consolidator for Tax Consolidation, pursuant to article 117 and subsequent of T.U.I.R. (Italian consolidated law on income tax). Therefore, the Income Statement shows, under the Taxes items, the charge (or income) to be paid (or received) by the consolidated companies for the transfer of taxable income (or tax loss) to your company.

Finally, it should be noted that no deviations from financial statement drafting principles pursuant to article 2423, paragraph 4 of the Civil Code were required, and not value adjustments were made or provisions were required exclusively in application of tax laws.

Deferred tax assets are calculated against all deductible temporary differences and, until the application of the National Tax Consolidation, against any tax losses carried forward to the extent that the existence

of adequate future taxable income that may make the use of deductible temporary differences and carry-forward tax losses applicable is probable.

l) Provisions for liquidation costs and charges

These provisions are used to indicate the total amount of costs and charges that are expected to be incurred for the entire duration of the liquidation, net of the proceeds expected to be achieved, which provide coverage, albeit partial, of those costs and charges.

All the costs, charges and income relating to the liquidation management and accruing on the liquidation start date and up to the end date were recorded.

The provisions for costs and liquidation costs does not include costs and charges that are not associated with the liquidation management and which could not be calculated, due to lack of the necessary information. The counterpart has not been recorded in the income statement but is instead included in the "Liquidation adjustments" account (charged to Equity).

m) Liquidation adjustments

The item includes the differences between operating values and settlement values of assets and liabilities and is found in the "Equity adjustments" item. It includes, therefore, the valuation adjustments with respect to the directors' management report, as well as the balance of the provisions for liquidation costs and charges.

1.20.3.9 Assets

Intangible assets

As of 31 December 2016, intangible assets amount to EUR 22.557.294 (EUR 26.003.287 on 31 December 2015).

The related details and changes during 2016 are shown below:

	Costi di impianto ed ampliamento	Costi di sviluppo	Dritti di brevetto industriale e di utilizzazione opere di ingegno	Concessioni, licenze, marchi e diritti simili	Avviamento	Immobilizzazioni in corso e accosti	Altre immobilizzazio ni immateriali	Totale
Costo storico	200.752	271.508	1.267.568	605.982	22.085.505	-	13.588.910	38.025.215
Fondo ammortamento	(169.380)	(216.370)	(884.703)	(368.468)	(3.703.754)	-	(6.679.253)	(12.021.928)
Valore netto al 31/12/2015	31.372	55.138	382.865	237.514	18.381.751	-	6.914.657	26.003.287
Incrementi	4.018	-	-	7.469	4.738	312.255	2.274.648	2.603.128
Svalutazioni	(42)	-	(47.803)	(149.930)	(890.298)	-	(448.292)	(1.536.365)
Ammortamenti	(10.136)	(41.199)	(111.088)	(37.083)	(2.092.290)	-	(2.221.011)	(4.512.757)
Costo storico	204.770	271.508	1.267.568	613.451	22.090.243	312.255	15.868.558	40.628.343
Fondo ammortamento	(179.558)	(257.569)	(1.043.593)	(555.431)	(6.686.342)	-	(9.348.556)	(18.071.049)
Valore netto al 31/12/2016	25.212	13.934	223.975	58.020	15.403.901	312.255	6.520.002	22.557.294

The change with respect to the previous year related to the item "development costs" is mainly due to the reclassification from the item "research, development and advertising costs" to the item "other intangible assets" of the costs incurred in the previous years for the expansion of the database contacts required for the company's activities and equal to EUR 5,139,436. Please note that, as of 1 January 2016, following the implementation of a new law (Legislative Decree no. 139/2015), capitalization is allowed only for development costs. Since the development resulted in the production of a right that is susceptible to legal protection, such as the authorized contact database, the related costs have been reclassified under the item considered as more appropriate to the type of intangible asset produced.

Based on the assessments made on individual asset and liability items in the first liquidation report of the investee company PLA S.r.l., intangible fixed assets amounting to EUR 678,531 were adjusted as they were not considered non-monetizable for liquidation purposes.

As of 31 December 2016, the "goodwill" item amount to EUR 15,403,901 (EUR 18,381,751 as of 31 December 2015) and consisted of:

- 1) Merger deficit amounting to EUR 170,205, decreased by EUR 34,041 compared to the previous year exclusively for the accounting of depreciation. The item was recorded following the recognition of the merger deficit occurrence in previous years following merger transactions between the parent company MyBest Group S.p.A. and its subsidiaries.

The gross value, equal to EUR 340,410, is amortized over ten years.

- 2) EUR 2.701.200 generated following the purchase of the outbound company branch by 4U Servizi S.p.A. as the price paid and the related adjustment as well as the indemnities paid to the seller in relation to the transaction. This item was recorded with a value of EUR 3,689,000 and is amortized on a straight-line basis over ten years. The change compared to 31 December 2015 is due to amortization.
- 3) Consolidation difference (positive difference between the value of the investment recorded in the financial statements of the parent company MyBest Group SpA and the related share of equity held by the aforementioned parent company on the date of first consolidation, net of depreciation) amounting to EUR 12.532.495 (EUR 14.849.083 as of 31 December 2015). The change with respect to the previous year is mainly due to the depreciation for 2016 of EUR 1,659,699 and the write-down of the consolidation difference referring to the company PLA S.r.l. into liquidation for EUR 656,889. It must be specified that the consolidation difference is amortized over 10 financial years.

The changes in the consolidation difference broken down by company are shown below:

Società	31.12.2015	Incrementi	Decrementi per ammortamento	Svalutazione	31.12.2016
MyBest Direct S.r.l.	8.714.274	-	968.253	-	7.746.021
MyBest Contact S.r.l.	368.455	-	40.939	-	327.516
My Best Option S.r.l.	3.245.141	4.738	361.098	-	2.888.781
MyBest Option S.L.	1.782.213	-	212.036	-	1.570.177
PLA S.r.l. in liquidazione	739.000	-	82.111	656.889	-
	14.849.083	4.738	1.664.437	656.889	12.532.495

"Assets under construction and advances" amount to EUR 312.255 and refer to the development of the "Customer Relationship Management" (C.R.M) software for managing relationships with Customers, required for the organization of the entire sales process from the presale phase, thanks to the tool for analysis and classification of potential Customers combined with tools to direct the sales phase with analysis of the characteristics and needs of end users and groupings in lists based on the criteria selected and defined by the company.

Other intangible fixed assets amount to EUR 6.520.002 (EUR 6.914.657 as of 31 December 2015). The change is mainly due to:

- 1) increases in the capitalization of multi-year charges of EUR 638,064. Multi-year charges refer to costs directly attributable to the portion of revenues deriving from sales activities carried out during the year for the partner ENI represented by the additional commission that is paid monthly for each user activated as long as the supply relationship between the ENI partner and the user persists. Considering the average duration of the relationship, the amortization period is calculated as five years;
- 2) increases in the capitalization of costs incurred in 2016 for investments in the expansion of the contact database equal to EUR 1,521,568. All costs for the development of the database of authorized contacts are capitalized according to the expectation of future expected revenues that they will generate and the ability to assess the future economic benefit for the Group;
- 3) the amortization for the financial year 2016 equal to EUR 2.221.011;
- 4) the EUR 200,946 write-down of the charges capitalized as of 31 December 2015 relating to a previous listing project that was unsuccessful and whose benefits, are, therefore, no longer considered as possible.

It should be noted that, according to national accounting standards for the determination of possible losses in the value of assets (the so-called *impairment*), the Company performed, based on the multi-year plans approved by the investee companies, an impairment test on investment loads.

For the purposes of identifying, as of 31 December 2016, any impairment of the investments recorded in the financial statements, the Company applied the financial method consisting in discounting the future cash flows (the "*Unlevered Discounted Cash Flow*" method) of the investee companies based on the 2017-2021 Business Plan. At the end of the Plan 5-year explicit period, a terminal value was considered using the perpetuity growth method, that is based on cash flows generated by company management in the event of continuity beyond the explicit plan period. It was hypothesized that this perpetual income shows a growth (g-rate) equal to the expected inflation rate for Italy equal to 1.21%.

The weighted average cost of capital (or "WACC") differentiated for each shareholding, in order to adjust its risk (values between 6.92% and 8.10%), was used as the discount rate of expected flows. The value of cash flows, net of each company's net financial position, as established by current practice and methodology, was compared with the carrying amount of the investments as of 31 December 2016.

The results of the *impairment tests* on the values of the aforementioned companies confirmed that the values recorded in the financial statements are consistent.

In particular, the result of the test shows a substantial stability of the values recorded in the financial statements also in the sensitivity analyses carried out with reference to the following parameters:

- Change in the WACC rate of +/- 1%;
- Change in the g-rate growth rate (growth rate of the terminal value) of +/- 1%.
- Joint change in the WACC rate and the g-rate growth rate of +/-1%.

Finally, it should be noted that the estimates and data of the plan to which the parameters indicated above are applied are determined by the Company's management based on past experience and expectations regarding the developments in the markets on which the companies of MyBest Group operate. In particular, for the company MyBestDirect S.r.l. the plan includes the effects of the new contract signed with Telecom Italia S.p.A. by the subsidiary MyBest S.r.l. whose first results were

considered only prudentially starting from 2019, when it will be possible to accurately account for the related revenues, even though the contract takes effect on 1 July 2017.

The estimate of the recoverable value of the investments requires discretion and use of estimates by the management. The circumstances and events that could cause a further check for impairment losses will be monitored constantly by the Company's management.

Tangible fixed assets

As of 31 December 2016, intangible assets amount to EUR 4.048.867 (EUR 4.430.047 as of 31 December 2015).

The related details and changes occurred during 2016 are shown below:

	Terreni e Fabbricati	Impianti e macchinari	Attrezzature industriali e commerciali	Altri beni	Totale
Costo storico	4.446.878	236.637	43.326	1.495.472	6.222.313
Fondo ammortamento	(761.358)	(115.061)	(9.094)	(906.753)	(1.792.266)
Valore netto al 31/12/2015	3.685.520	121.576	34.232	588.719	4.430.047
Incrementi	1.184	12.225	4.492	10.821	28.722
Decrementi	-	-	-	(6.645)	(6.645)
Svalutazioni	-	(96.308)	-	(16.846)	(113.154)
Riclassificazione costo	-	-	-	-	-
Ammortamenti	(121.369)	(11.226)	(6.836)	(154.262)	(293.693)
Utilizzo f.do ammortamento	-	-	-	3.590	3.590
Costo storico	4.448.062	248.862	47.818	1.506.293	6.251.035
Fondo ammortamento	(882.727)	(222.595)	(15.930)	(1.080.916)	(2.202.168)
Valore netto al 31/12/2016	3.565.335	26.267	31.888	425.377	4.048.867

The "Land and Buildings" item amount increased in 2009 following the purchase of the building, where the group's registered and administrative headquarters are located, by the subsidiary Key 21 Italia Trading Company S.p.A. (now MyBestDirect S.r.l.), located in Sesto San Giovanni (MI), Viale Casiraghi 345/355/359, for a total of about 2,000 square metres, previously partially leased.

The purchase value was about EUR 2,805,000, as per deed signed by Notary Colombo on 8 July 2009, repertory no. 140,729 and deed no. 21,944, to which additional charges and extraordinary maintenance expenses are to be added for a total of €143k and a portion, which is part of the merger deficit, equal to EUR 1,500,000, is to be calculated as increasing.

During the 2016 financial year, the item in question recorded increases for EUR 1,184 and amortization for EUR 121,369, determining a net value of the property as of 31 December 2016 of EUR 3,565,335, in line with the market value of the same.

The property is burdened by a first and second degree mortgage in favor of Intesa San Paolo S.p.A. in relation both to the mortgage loan with the same bank (see the section "Payables" - "payables to banks" section) and the unsecured loan formalized in April 2012.

In relation to the information required pursuant to article 2427, paragraph 22 of the Civil Code, there are no financial leasing operations in progress, involving the transfer to the lessee of the main part of the risks and benefits associated with said assets.

The property is currently leased to group companies for EUR 60,000, and to the third company I.V.A.S. Srl for an amount of EUR 56,000.

Based on the assessments made on the individual asset and liability items in the first liquidation report, during 2016, following the liquidation of the company PLA S.r.l. (formerly Poinx S.r.l.) tangible fixed assets for EUR 22,532 were adjusted for liquidation to align them with the realizable value.

The change, with respect to the previous year, in the "plant and machinery" item is mainly due to the devaluation of the photovoltaic plant, for EUR 90.622, no longer required by the Group.

The "other assets" item amounts to EUR 425,377 and it consists mainly of furniture, furnishings and electronic office machines.

Financial fixed assets

As of 31 December 2016, financial assets amount to EUR 71,684 (EUR 52,176 as of 31 December 2015) and consisted mainly of:

1) investments in unconsolidated subsidiaries amounting to EUR 36.490 (EUR 0 as of 31 December 2015) relating to the waiver of coverage of losses on the 2015 financial statements of the company "Poinx Iberia S.L. into liquidation".

2) investments in other companies amounting to EUR 25.175 (EUR 25.175 as of 31 December 2015).

The item refers to the shares held by the company in the BCC Banco di Credito Cooperativo and in Veneto Banca.

3) other receivables amounting to EUR 10.019 (EUR 27.001 as of 31 December 2015).

Inventories of finished products and goods

As of 31 December 2016, the item amount to EUR 189,517 (EUR 379,033 as of 31 December 2015), and represented the value of the final inventories of the company MyBestDirect S.r.l. (formerly Key21 Italia Spa) relating to mobile phones and modems purchased from the partner H3G S.p.a. for resale during previous years and not yet sold as of 31.12.2016.

Receivables

The receivables recorded under current assets as of 31 December 2016 amount to EUR 14,050,977 (EUR 12,125,917 as of 31 December 2015) and can be classified as follows:

	31/12/2016	31/12/2015	variazione
Crediti verso clienti	7.115.551	6.479.067	636.484
Crediti verso imprese controllate non consolidate	46.237	103.936	(57.699)
Crediti verso imprese controllanti	264.281	80.323	183.958
Crediti tributari	989.763	1.713.139	(723.376)
Imposte anticipate	2.088.042	1.242.360	845.682
Crediti verso altri	3.547.103	2.507.092	1.040.011
Totale	14.050.977	12.125.917	1.925.060

The table below shows receivables based on their collectability:

	entro 12 mesi	oltre 12 mesi	oltre 60 mesi	Totale
Crediti verso clienti	7.115.551	-	-	7.115.551
Crediti verso imprese controllate	46.237	-	-	46.237
Crediti verso imprese controllanti	264.281	-	-	264.281
Crediti tributari	989.763	-	-	989.763
Imposte anticipate	2.088.042	-	-	2.088.042
Crediti verso altri	3.547.103	-	-	3.547.103
Totale	14.050.977	-	-	14.050.977

Receivables from Customers

As of 31 December 2016 "receivables from Customers" amount to EUR 7.115.551 (EUR 6.479.067 as of 31 December 2015), and consist of receivables for invoices issued and to be issued for services provided before 31.12.2016. Receivables from Customers are recorded net of a provision for doubtful accounts of EUR 201,052 and accrued in 2016 to MyBestDirect Srl.

All amounts, as of today's date, are regularly invoiced and collected or will be recovered within the first half of 2017, except for the amount allocated to the provision for doubtful accounts as of 31 December 2016.

The Group's receivables consists mainly of receivables from multi-utility partners, which are regularly collected according to contractual deadlines.

Receivables from Customers mainly consist of receivables due to MyBestContact Srl amounting to €5,323k, receivables due to MyBestOption Srl amounting to €581k, receivables due to MyBest Group Spa amounting to €325k, receivables due to MyBestDirect Srl amounting to €231k, receivables due to MyBestMarketing Srl amounting to €310k, receivables due to MyBestOption S.L. amounting to €81k and receivables due to PLA S.r.l. into liquidation amounting to €264k.

Receivables due to MyBestContact Srl consist of invoices already issued before 31 December 2016 for EUR 3.838.680 and invoices to be issued as of 31 December 2016 for EUR 1,484,470; as of the date of this report, these invoices are regularly issued and all invoices are regularly paid. The item in question mainly includes receivables from commercial partners, including Eni S.p.A. Gas & Power Division for EUR 1.245.072, Vodafone Italia S.p.A. for EUR 236,642 and Mediaset Premium for EUR 214,526.

Receivables due to MyBestOption Srl consist of invoices issued before 31 December 2016 for EUR 307.890 and invoices to be issued for EUR 273.511 and refer exclusively to receivables from Italian Customers.

Receivables due to MyBest Group Spa mainly refer to receivables from the following counterparties:

- 1) 4U Servizi S.p.A. for EUR 223.926;
- 2) BestTicket S.r.l. for EUR 68.410.

Receivables due to MyBestDirect Srl consist of invoices issued before 31 December 2016 for EUR 113.447 and invoices to be issued for EUR 319.054 and refer exclusively to receivables from Italian

Customers. Receivables from Customers are recorded net of a provision for doubtful accounts of EUR 201.052 and accrued in 2016.

Receivables due to MyBestMarketing Srl consist of invoices issued before 31 December 2016 for EUR 311.906, for credit notes to be issued (EUR 5.413) and invoices to be issued for EUR 3.477, and refer exclusively to receivables from Italian Customers.

Credit risk.

The area is subject to credit risk, since debtor can cause an economic and financial loss by not fulfilling their payment obligations.

There are no significant concentrations of credit risk on other receivables.

Receivables from unconsolidated subsidiaries

As of 31 December 2016, "receivables from unconsolidated subsidiaries" amount to EUR 46,237 (EUR 103,936 as of 31 December 2015), and consist of trade and financial receivables from subsidiaries and from the non-consolidated company Poinx Iberia S.L. into liquidation.

Receivables from parent companies

As of 31 December 2016 "receivables from parent companies" amount to EUR 264.281 (EUR 80.323 as of 31 December 2015), and consist of trade receivables amounting to EUR 235.247 due to the parent company For2net S.r.l., which signed the supply contract with Telecom Italia SpA to which the parent company charges the services provided and financial receivables amounting to EUR 29,034 due to the parent company For2net Srl.

Tax receivables

As of 31 December 2016, "tax receivables" amount to EUR 989.763 (EUR 1.713.139 as of 31 December 2015). The item mainly consists of (i) IRES tax receivables amounting to EUR 865.887 and (ii) IRAP tax receivables amounting to EUR 70.919.

The decrease in the item amount, compared to the previous year, is mainly due to the sale, for EUR 345.178, of tax receivables due from the IRAP reimbursement application to be paid to the company Fairway S.r.l.

It should be noted that, during 2016, the company wrote down IRAP receivables arising from the reimbursement requests submitted in 2012 for EUR 194,235 as they are considered as unrecoverable.

Pre-paid tax receivables

As of 31 December 2016, "pre-paid tax receivables" amount to EUR 2.088.042 (EUR 1.242.360 as of 31 December 2015). The change is mainly due to tax losses accrued as a result of the Group tax consolidation in 2016 and prepaid taxes calculated on the deductibility deferred by the amortization of goodwill and trademarks of MyBestContact Srl, both for IRES and IRAP purposes.

As of 31 December 2016, deferred tax assets refer to tax losses amounting to 1.9 million euros.

Deferred tax assets were considered as recoverable based on the business plan and the related recovery plan prepared by the Directors, which highlights the reabsorption of the same.

Other receivables

As of 31 December 2016, other receivables amount to EUR 3.547.103 (EUR 2.507.092 as of 31 December 2015), with an increase, compared to 31 December 2015, due to receivables to be collected by the subsidiary MyBestContact S.r.l. for agency relationships amounting to EUR 373,455 and receivables amounting to EUR 394,520 purchased by MyBest Group SpA from the subsidiary MyBestDirect S.r.l. at 90% of their nominal value with the aim of managing their recovery as efficiently and economically as possible, under the existing agreement with a primary law firm in charge of debt collection, both extrajudicial and judicial.

The item consists mainly of:

1) receivables to be collected by MyBestDirect Srl amounting to EUR 387.026, consisting mainly of indemnity receivables for relationship termination from principal companies (FIRR) and receivables for supplementary customer indemnity from principal companies amounting to EUR 94,980. "Other receivables" are recorded net of a provision for doubtful accounts of EUR 169,080, which was accrued in 2016 to cover other receivables whose collection is uncertain.

2) other receivables to be collected by MyBest Group amounting to EUR 967.395 euro. The item consists mainly of receivables from 4U Servizi Spa amounting to EUR 238.291 for the payment of the Group VAT in 2013, receivables from Fairway S.r.l. amounting to EUR 86.405 for the transfer of Ires receivables generated due to the non-deduction of IRAP whose reimbursed was request pursuant to article 2, paragraph 1 quater of Decree-law no. 201/2011, receivables amounting to EUR 394,520 purchased by the subsidiary MyBestDirect S.r.l. at 90% of their nominal value with the aim of managing their recovery as efficiently and economically as possible, under the existing agreement with a primary law firm in charge of debt collection, both extrajudicial and judicial, and receivables from directors amounting to EUR 207.037. MyBest Group other receivables are recorded net of a provision for doubtful accounts of EUR 129.030 referring to part of the receivables from Fairway S.r.l. whose collection is uncertain.

3) receivables to be collected by MyBestContact Srl amount to EUR 1.771.872. The item consists mainly of indemnity receivables for relationship termination (FIRR), and amounts to EUR 1.698.741, to be paid to the company for the agency activity carried out.

4) receivables to be collected by MyBestOption Srl amount to EUR 405.253. The item consists mainly of indemnity receivables for relationship termination from principal companies (FIRR) and receivables for supplementary customer indemnity from principal companies amounting to EUR 352.966.

Financial assets not considered as fixed assets

As of 31 December 2015, the "financial assets not considered as fixed assets" item amount to EUR 651.830 and consisted of bonds:

- a) for EUR 150.000 identified as Isin IT0004953417, purchased on 27/09/2013;
- b) for EUR 500.000 identified as Isin IT0005027583, purchased on 11/09/2013.

As of 31 December 2016, the item in question amounts to EUR 0 and the change compared to the previous year is mainly due to the sale of all the bonds in the portfolio for a total of EUR 686.765, resulting in a capital gain of EUR 34,935 (registered as the "Other financial income").

Cash equivalents

The item amounts to EUR 279.433 (EUR 1.827.218 as of 31 December 2015) and consists of cash equivalents available at the end of 2016 amounting to EUR 5.528 and current bank account balances amounting to EUR 273.905.

	31/12/2016	31/12/2015	variazione
Depositi bancari e postali	273.905	1.825.420	(1.551.515)
Denaro e valori in cassa	5.528	1.798	3.730
Totale	279.433	1.827.218	(1.547.785)

Accruals

As of 31 December 2016, accruals amount to EUR 171.154 (EUR 467.787 as of 31 December 2015), and the item consists of prepaid expenses relating to insurance premiums and maintenance fees for 2017.

1.20.3.10 Net Equity

As of 31 December 2016, the Group's net equity amount to EUR 8.045.429 (EUR 12.643.432 as of 31 December 2015).

Shareholders' equity attributable to non-controlling interests, on the other hand, amounts to EUR 199.135 (EUR 437.523 as of 31 December 2015).

The operations involving the shareholders' equity are reported below:

	Capitale sociale	Riserva sovrappiù azionaria	Riserva Iphg	Riserva straordinaria	Riserva di riserva di bilancio	Riserva di liquidazione	Riserva azioni proprie	Riserva di consolidamento	Riserva per operazioni di capitale da (non) finanziare (non) (non) (non) (non)	Uti (perdite) / profitti (guadagni)	Riserva equiva azioni proprie in portafoglio	Utilizzazioni / differenzio	Totale patrimonio netto di Gruppo	Capitale Riserva di Iphg	Uti (perdite) di Iphg	Totale patrimonio netto di Iphg	Totale patrimonio netto consolidato
Situazione al 31 dicembre 2015	2.321.961	923.605	92.128	6.701.230	2.000.000	-	1.805.633	6,75	-	196.323	-	6.903.966	12.643.432	18.979	201.531	131.523	12.875.930
Riserva per nuove azioni proprie (Riserva Iphg)	-	-	-	1.805.633	-	-	-	-	-	-	-	-	-	-	-	-	-
Riserva per nuove acquisizioni proprie in portafoglio (Azioni Iphg)	-	-	-	-	-	-	-	-	-	1.805.633	-	-	1.805.633	-	-	-	1.805.633
Fee value Redimevoli	-	-	-	-	-	-	-	-	-	-	-	-	79.312	-	-	-	79.312
Situazione al 1 gennaio 2016*	2.321.961	923.605	92.128	6.906.907	2.000.000	-	6,75	79.312	-	196.323	-	6.903.966	12.643.432	18.979	201.531	131.523	12.875.930
Distribuzione dividendi	-	-	-	-	-	-	-	-	-	5.501.966	-	5.501.966	-	291.541	-	291.541	-
Variazioni azioni in controcapitale	61.863	621.603	-	-	-	-	-	-	-	-	-	663.466	-	-	-	-	663.466
Fee value Redimevoli	-	-	-	-	-	-	-	-	-	-	-	-	79.312	-	-	-	79.312
Dividendi maturati e distribuiti	-	-	-	-	-	-	-	-	-	-	-	-	-	100.000	-	-	100.000
Risultato di liquidazione	-	-	-	-	-	-	321.063	-	-	-	-	-	321.063	-	-	-	321.063
Altre Variazioni	-	-	-	-	-	-	-	6,75	-	-	-	-	6,75	-	-	-	6,75
Risultato al 31 dicembre 2016	-	-	-	-	-	-	-	-	-	5.015.573	-	-	5.015.573	-	61.612	61.612	4.953.961
Situazione al 31 dicembre 2016	2.383.824	985.208	92.128	6.906.907	2.000.000	-	321.063	-	-	5.079.309	-	6.903.970	8.045.429	18.979	61.612	199.135	8.215.564

* Prospetto di distribuzione in liquidazione emesso il 31 dicembre 2015 relativo ai crediti (passività) proprii emessi in contropartita agli utili di 1 gennaio 2016 relativi ai crediti (passività) proprii emessi in contropartita.

Following the approval by MyBest Group SpA shareholders' meeting held on 30 November 2015, of the resolution concerning the share capital increase from EUR 2,346,248 to EUR 2,469,735 with subscription, by 31 December 2016, of new shares with a nominal value of EUR 0.5, with a total and invariable premium of EUR 7.6 per share, it should be noted that, after signing 150,504 new shares at a counter-value, including the share premium, of EUR 1,219,082 in 2015, during 2016 another 82,186 new shares were subscribed at a counter-value, including the share premium, of EUR 665,696. As a result, as of 31 December 2016 the share capital amounts to EUR 2,462,594 and the share premium reserve amounts to EUR 10,161,458.

As explained in the paragraph "Significant events occurred in 2016", in 2016, following the liquidation of the company PLA S.r.l. (formerly Poinx S.r.l.), the "Liquidation adjustments" item was added to the Consolidated Shareholders' Equity for EUR 321,063, in compliance with national accounting principle OIC 5 Liquidation Balance Sheet. The item reflects the accounting effect of the liquidation write-downs.

The item reflects the accounting effect of the write-down of fixed assets for EUR 701,063, of the provision for costs and liquidation costs of EUR 380,000 and the write-off of debit positions due to agreements with some suppliers for EUR 295,062.

The “negative reserve for treasury shares held in the portfolio” was established against the 143,868 treasury shares held by the Company as of 31 December 2015 (no change occurred in 2016 with regard to the item in question) in compliance with the changes in the accounting standards.

- The new version of OIC 28 also incorporates the legislative changes concerning article 2357-ter of the Civil Code. Pursuant to the amended article 2357-ter of the Italian Civil Code, treasury shares are no longer recorded as assets of the company with an unavailable reserve of equity as a contra-entry, but directly as a reduction in the shareholders' equity through a negative reserve. Therefore, in the new version of OIC 28, the purchase (and sale) of treasury shares is considered as a decrease (or increase) in equity. The change in shareholders' equity between 31 December 2015 and 1 January 2016 is based on the aforementioned legislative changes.

According to the reference accounting principle “OIC 32 - derivative financial instruments”, a specific reserve had been recorded in the shareholders' equity called "Reserve for expected cash flow hedges" that included the negative fair value of the derivative financial instrument, designated as hedging on 31 December 2015, generated as part of the hedging of expected cash flows, for EUR 79.312. The contra-entry is represented by the recognition of a provision for risks and charges called "passive derivatives" of the same amount.

Following the renegotiation of the loans associated with the stipulation of derivative financial contracts (for more details, see the "payables to banks" paragraph) and in the absence of a Group policy for the management of risks related to the fluctuation of interest rates, as of 31 December 2016, derivatives were classified as "non-hedging".

Consequently:

- 1) the "Reserve for expected cash flow hedging" recorded on 31 December 2015 for EUR 79,312 was fully recorded in the income statement under "adjustments to the value of financial assets and liabilities”;
- 2) the change in the fair value of the financial instrument referred to in the previous point equal to EUR 21,740 was recorded while keeping the net amount of EUR 57,572 relating to this derivative with Intesa San Paolo entered in the provision for "Financial derivatives”;
- 3) the amount of EUR 63.120 referring to the derivative financial instrument entered into with Veneto Banca S.p.A. was entered in the provision for "Non-hedging passive derivatives”.

As a result, "Passive derivatives" are included in the provisions for risks and charges for a total of EUR 120,692 and are recorded in the 2016 income statement as "Derivative value adjustments" for EUR 120,692.

The following table shows the information required by art. 2427-bis of the Italian Civil Code. The tables refer to derivative contracts managed for speculative purposes as of 31 December 2016:

Controparte	Tipologia	Numero contratto	Divisa	Data di stipula	Data di scadenza	Nozionale iniziale di riferimento	Market to market al 31 dicembre 2015	Market to market al 31 dicembre 2016
INTESA SANPAOLO	IRS	604050491	EUR	5-apr-2006	31-mar-2021	1.582.000	- 79.312	- 57.572
VENETO BANCA	IRS	5420825	EUR	4-giu-2012	11-mag-2022	1.833.350	- 71.670	- 63.120
							- 150.982	- 120.692

It should be noted that, following the distribution of dividends, as per the minutes of the Shareholders' Meeting of 29 June 2016, by MyBestContact S.r.l. belonging to the third English partner Paul Manfredi Limited for EUR 300.000, the minority shareholders' equity is reduced by the same amount.

The 2016 loss pertaining to the Group amounts to EUR 5,015,573. The profit for 2016 attributable to non-controlling interests amounts to EUR 61,612.

Provisions for risks and charges

The "Provisions for risks and charges" item amounts to EUR 467.346 (EUR 404.311 as of 31 December 2015) and refers mainly to (i) the recognition of the fair value of derivatives, as indicated by accounting principle "OIC 32 - derivative financial instruments" for EUR 120,692 (EUR 79,312 as of 31 December 2015), to (ii) a provision for risks connected to a probable dispute with a customer for EUR 50.000 and to a (iii) provision for liquidation costs and charges of the company PLA S.r.l. into liquidation for EUR 295,062. This provision includes the allocation of the liquidation charges and costs estimated by the liquidator in accordance with national accounting principle OIC 5, please refer to the paragraph "Significant events occurred in 2016" for more details.

As of 31 December 2015, a tax provision of EUR 324,999 was recorded, of which EUR 218,024 deriving from an assessment by the Revenue Agency for the fiscal year 2008. This amount was fully used during 2016 after paying the sums due.

Reserve for severance indemnities

As of 31/12/2016, the reserve for severance indemnities amounts to EUR 274.185 (EUR 262.420 in the previous financial year). Details on this items are reported below:

	31/12/2015	Acc.ti dell'esercizio	Utilizzo dell'esercizio	31/12/2016
Trattamento di fine rapporto lavoro subordinato	262.420	114.966	(103.201)	274.185

1.20.3.11 Payables

As of 31 December 2016, payables amount to EUR 32,323,952 (EUR 32,154,793 as of 31 December 2015) and can be detailed as follows:

	31/12/2016	31/12/2015	variazione
Obbligazioni convertibili	2.000.000	2.100.000	(100.000)
Debiti verso soci per finanziamenti	105.000	-	105.000
Debiti verso banche	15.630.689	15.695.962	(65.273)
Debiti verso altri finanziatori	8.285	48.408	(40.123)
Acconti	65.097	2.340	62.757
Debiti verso fornitori	8.698.263	8.459.417	238.846
Debiti verso imprese controllate non consolidate	22.295	7.500	14.795
Debiti verso controllanti	129.044	82.676	46.368
Debiti tributari	3.381.182	1.864.574	1.516.608
Debiti verso istituti prev.	595.917	752.750	(156.833)
Altri debiti	1.688.180	3.141.166	(1.452.986)
Totale	32.323.952	32.154.793	169.159

The table below shows payables by their collectability:

	entro 12 mesi	oltre 12 mesi	oltre 60 mesi	Totale
Obbligazioni convertibili	-	2.000.000	-	2.000.000
Debiti verso soci per finanziamenti	105.000	-	-	105.000
Debiti verso banche	10.110.591	4.301.189	1.218.909	15.630.689
Debiti verso altri finanziatori	8.285	-	-	8.285
Acconti	65.097	-	-	65.097
Debiti verso fornitori	8.698.263	-	-	8.698.263
Debiti verso imprese controllate non consolidate	22.295	-	-	22.295
Debiti verso controllanti	129.044	-	-	129.044
Debiti tributari	3.381.182	-	-	3.381.182
Debiti verso istituti prev.	595.917	-	-	595.917
Altri debiti	1.688.180	-	-	1.688.180
Totale	24.803.854	6.301.189	1.218.909	32.323.952

Convertible bonds

As of 31 December 2016, this item amounts to EUR 2.000.000 (EUR 2.100.000 as of 31 December 2015) and consists of a convertible bond loan issued by the parent company MyBest Group S.p.A. and signed on 19 May 2015, with a duration of 60 months. The change compared to the previous year is represented by the repurchase on 7 January 2016 of 100,000 bonds and the conversion of the related receivable into share capital for EUR 6,173 and into the share premium reserve for EUR 93,827 euros through the issuance, by the company, of 12,346 shares.

The interest rate applied to convertible bonds for the first 24 months is equal to 6.5% and has determined interest expense for the year 2016 of EUR 130.254.

Payables to shareholders for loans

As of 31 December 2016, this item amounts to EUR 105.000 (not found as of 31 December 2015) and refers to an interest-free loan granted to the parent company MyBest Group S.p.A. by Fabio Regolo and Gian Luca Sichel.

The loan was granted for EUR 30,000 in May 2016, subsequently increased by EUR 100,000 in September 2016 and then repaid for EUR 25,000 in December 2016. The loan outstanding as of 31 December 2016 was fully repaid in the first few months of 2017.

Payables to banks

As of 31 December 2016, the "payables to banks" item amounts to EUR 15.630.689 (EUR 15.695.962 as of 31 December 2015). The amount is the amount due to banks of the Group as of 31.12.2016 and is divided into short-term payables equal to EUR 10,110,591 and long-term payables equal to EUR 5,520,098.

Debiti verso banche	31.12.2016	31.12.2015	variazione
Debiti bancari di conto corrente	5.338.015	6.624.862	-1.286.847
Debiti per finanziamenti	10.292.674	9.071.100	1.221.574
<i>di cui a breve termine</i>	<i>4.772.576</i>	<i>1.504.703</i>	<i>3.267.873</i>
<i>di cui a lungo termine</i>	<i>5.520.098</i>	<i>7.566.397</i>	<i>-2.046.299</i>
Totale	15.630.689	15.695.962	- 65.273

Below are the amounts due to banks divided by consolidated companies:

- 1) Payables to banks of the company MyBestDirect Srl amount to EUR 5,245,406, of which EUR 4,048,960 in the short term and EUR 1,196,446 euros in the medium- and long-term.

Debiti verso banche	31.12.2016	31.12.2015	variazione
Debiti bancari di conto corrente	1.443.719	1.738.532	(294.813)
Debiti per finanziamenti	3.801.687	3.638.990	162.697
<i>di cui a breve termine</i>	2.605.241	528.990	2.076.251
<i>di cui a lungo termine</i>	1.196.446	3.110.000	(1.913.554)
Totale	5.245.406	5.377.522	(132.116)

As of 31 December 2016, payables for loans of the company MyBestDirect Srl amount to EUR 3.801.687, of which EUR 1.196.446 in the long term referring to the following loans:

- Unsecured loan issued by Banca di Credito Cooperativo Società Cooperativa 005/212486/56: issued on 01.03.2016 for an amount equal to EUR 300.000, with a duration of 48 months, including 6 months of pre-amortization aimed at extinguishing current account debt; monthly instalment repayment, 3 month Euribor rate, previous month spread of 3%.

The residual debt as at 31.12.2016 is equal to EUR 279,594, of which EUR 83,148 in the short term and EUR 196,996 in the long term.

The loan is guaranteed by the parent company, MyBest Group S.p.A. with a general surety of EUR 780.000.

- Loan issued by Banca Intesa San Paolo S.p.A. 10404: approved on 22.12.2015 for an amount equal to EUR 1,499,800, with a duration of 36 months starting from 31.01.2017, aimed at repaying the same amount in arrears on the credit line for contract advance; quarterly repayment in installments, variable annual rate of 1.87% determined in relation to the monthly average, previous month, of the 3-month Euribor (365 basis) increased by 2.00 percentage points for the entire duration of the extension.

The residual debt as of 31.12.2016 is equal to EUR 1,499,800 of which EUR 499,800 in the short term and EUR 1,000,000 in the long term.

Depending on current account credit lines, contract advance and the aforementioned loan 10404, a patronage security of EUR 2,000,000 in favor of Banca Intesa San Paolo SpA is issued by the parent company Mybest Group SpA, to guarantee all the obligations pertaining to MyBestDirect Srl.

- Loan issued by Banca Intesa San Paolo S.p.A.: approved on 22.12.2015 for an amount equal to EUR 89,000, with a duration of 10 months starting from 31.01.2016, aimed at repaying the same amount in arrears on the advance payment line; quarterly repayment in instalments, variable annual rate of 1.87% determined in relation to the monthly average, previous month, of the 3-month Euribor (365 basis) increased by 2.00 percentage points for the entire duration of the extension.

The residual debt as of 31.12.2016 is equal to EUR 66,936 entirely in the short term.

- It should be noted that in the first few months of 2017, the debt situation with Unicredit Banca was renegotiated: following the revocation of the allocation of EUR 1,955,357.15 on 16/09/2016 and the subsequent transfer to non-performing amount of the total amount plus interest, following subsequent contacts with the Institute and the submission of a settlement proposal, the Bank accepted a 48-month full repayment plan starting from April 2017 divided into monthly payments with the annual repayment of accrued interest calculated at the legal rate in force at the time. The approved plan was approved and signed by Unicredit Banca S.p.A. on 03.02.2017 and provides for the payment of EUR 20,000.00 each from April 2017 to February 2018, payments equal to EUR 40,000.00 each from March 2018 until full repayment, in addition to two instalments of EUR 175.000,00 each to be paid in March 2018 and March 2019. The repayment plan is guaranteed by the parent company MyBest Group S.p.A. with patronage - first demand commitment of EUR 2,730,000. To date, the repayment plan has been regularly amortized.

Please note that the negotiation with Veneto Banca S.p.A. in relation to a proposal submitted by the company in May 2017 for the subdivision of the amount due for reimbursement with a repayment plan with a duration of 48 months is still in progress.

It should be noted that the renegotiation with Banca Intesa San Paolo S.p.A. of the current account and advance payment lines expired on 30/06/2016 subject to a reimbursement proposal being finalized on the date of these notes by the Bank, is still in progress.

- 2) Payables to banks of the company MyBest Group Spa amount to EUR 4,681,950 and are detailed as follows:

Debiti verso banche	31.12.2016	31.12.2015	variazione
Debiti bancari di conto corrente	746.267	2.079.126	(1.332.859)
Debiti per finanziamenti	3.935.683	3.956.377	(20.694)
<i>di cui a breve termine</i>	1.239.906	672.030	567.876
<i>di cui a lungo termine</i>	2.695.777	3.284.347	(588.570)
Totale	4.681.950	6.035.503	(1.353.553)

Payables for loan of the company MyBest Group Spa as of 31 December 2016 amount to EUR 3,935,683, of which EUR 2,695,777 in the long term referring to the loans shown below:

- Intesa mortgage loan 61292387/9444738. The debt arose in July 2009, following the acquisition of the property of the subsidiary MyBestDirect Srl (formerly Key 21 Italia Trading Company S.p.A.), with the relative transfer of the residual debt (total amount EUR 1.314.994,26).

On 26.01.2016 the mortgage was renegotiated for the total residual amount of EUR 836,687 and the total duration was changed from 180 months to 240 months, therefore the final deadline is 31.03.2026. The repayment is in monthly instalments, the rate is applied with a nominal fixed annual fee of 3.50 percentage points (spread).

The residual debt as of 31.12.2016 is equal to EUR 817.500, of which EUR 130,287 in the short term and EUR 687,214 in the long term.

The mortgage is backed by a first-level mortgage guarantee on the building owned by the company.

- Intesa mortgage Loan 61151235: value paid on 11 April 2012 for a total amount of EUR 2,000,000. On 26.01.2016 the loan was renegotiated for the total residual amount of EUR 1,666,158 and the total duration was changed from 120 to 180 months, therefore the final deadline is 11.04.2027. The repayment is in monthly instalments, the rate is applied with a nominal fixed annual fee of 3.50 percentage points (spread).

The mortgage is backed by a second-level mortgage guarantee on the building owned by the company and was stipulated connected to a partial restructuring of the debt position and to the development operations of the subsidiaries, in particular Poinx S.p.A. and MBO S.r.l.

The residual debt as of 31/12/2016 is equal to EUR 1,633,484, of which EUR 224,921 in the short term and EUR 1,408,563 in the long term.

- Iccrea unsecured loan 1466: Amount paid on 07/10/2013 for a total of EUR 1,000,000 and a duration of 36 months, therefore the deadline was 30.09.2016; the contract set a period of 6 months pre-amortization and a variable rate of 3-month Euribor plus a spread of 5%. The residual debt as of 12/31/2016 is EUR 129,709 exclusively in the short term.

This loan is backed by BCC securities, as described above, and a surety equal to the value of the loan was issued by the subsidiary MyBestDirect Srl (formerly Key 21 Italia Trading Company S.p.A.) on 10/01/2013.

This transaction was also aimed at a greater flexibility in relation to the feasibility of the Group investments.

A negotiation with the Institute is currently under way to reschedule the 24 month repayment plan.

- Intesa 10401 account loan: approved on 22.12.2015 for an amount of EUR 1,316,665 to be paid in 36 months with effect from 31.01.2016 and deadline by 31.10.2019. The plan provides for a first payment on 16.01.2016 for the portion of accrued interest equal to EUR 116,665 and another 48 instalments at quarterly intervals; the contractual rate is variable and equal to 1.87% annual nominal determined based on the monthly average, previous month of the 3-month Euribor (365 basis) increased by 2.00 percentage points for the entire duration of the extension.

The repayment plan was negotiated to remodel the use of cash lines.

The residual debt as of 31.12.2016 is equal to EUR 1,316,665, of which EUR 716.665 in the short term and EUR 600,000 in the long term.

It should be noted that the negotiations with Banca Intesa San Paolo S.p.A. are currently being finalized as of the date of this not, and are aimed at rescheduling the repayment plan for the amount accrued so far of EUR 566,665.

It should be noted that the negotiation with Veneto Banca S.p.A. following a proposal submitted in May 2017 for the dilution of the amount due by monthly instalments for a total of 48 months is still in progress.

To date, MyBest Group Spa fully guarantees, with securities and patronage securities, the bank exposure of its subsidiaries, which amount to 13.25 million euros as of 31.12.2016, including 6.71 million euros

for the subsidiary MyBestDirect (formerly Key21 Italy), 4.0 million euros for the subsidiary MyBestContact (formerly 4U Italy); 1.29 million euros for the subsidiary MyBestOption and 1.25 million euros for the subsidiary PLA S.r.l. into Liquidation.

3) Payables to banks of the company MybestContact Srl amount to EUR 3.381.545 and consist of:

Debiti verso banche	31.12.2016	31.12.2015	variazione
Debiti bancari di conto corrente	1.623.856	1.481.733	142.123
Debiti per finanziamenti	1.757.689	926.922	830.767
<i>di cui a breve termine</i>	646.499	266.922	379.577
<i>di cui a lungo termine</i>	1.111.190	660.000	451.190
Totale	3.381.545	2.408.655	972.890

As of 31 December 2016, payables for loans of the company MyBestContact Srl amount to EUR 1.757.689, of which EUR 1.111.190 in the long term, referring to the following loans:

- Unsecured loan issued by Banca di Credito Cooperativo Società Cooperativa 005/212487/57: issued on 01.03.2016 for an amount equal to EUR 1.025.000, with a duration of 48 months, including 6 months of pre-amortization aimed at extinguishing current account debts and the sum financed by the parent company MyBest Group S.p.A.; monthly installment repayment, 3 month Euribor rate, previous month spread of 3%.

The residual debt as at 31.12.2016 is equal to EUR 955.279, of which EUR 284.089 in the short term and EUR 671.190.

The loan is guaranteed by the parent company, MyBest Group S.p.A. with a special surety of EUR 1.855.000.

- Loan issued by Banca Intesa San Paolo S.p.A.10402: approved on 22.12.2015 for an amount equal to EUR 658.376,94 starting from 31.01.2017, aimed at repaying the same amount in arrears on the credit line for contract advance; the plan provides for a first payment on 15/01/2016 for the interest accrued equal to EUR 54,000 and another 36 installments at quarterly intervals, the contracted rate is variable and equal to 1.87% annual nominal determined in relation to the monthly average, previous month of the 3-month Euribor (365 basis) increased by 2.00 percentage points for the entire duration of the extension.

The residual debt as of 31.12.2016 is equal to EUR 714,000, of which EUR 274,000 in the short term and EUR 440,000 in the long term.

Depending on current account credit lines, contract advance and the aforementioned loan 10402, a patronage security of EUR 1.500.000 in favor of Banca Intesa San Paolo SpA is issued by the parent company Mybest Group SpA, to guarantee all the obligations pertaining to MyBestContact S.r.l.

- Loan issued by Veneto Banca S.p.A.: approved on 16.10.2015 for an amount equal to EUR 150.000, a duration of 12 months, starting from 30.11.2015, aimed at extinguishing current account debts; monthly instalment repayment, variable annual nominal rate of 5% determined

in relation to the 6-month Euribor (365 basis) at the end of the previous quarter.

The residual debt as of 31.12.2016 is equal to EUR 88.410 and consists exclusively of default payments.

The parent company MyBest Group S.p.a. issued a limited general security of EUR 650.000.

It should be noted that the negotiation with Veneto Banca S.p.A. following a proposal submitted in May 2017 for the dilution of the amount due by monthly instalments for a total of 48 months is still in progress.

It should be noted that the renegotiation with Banca Intesa San Paolo S.p.A. of the current account and advance payment lines expired on 30/06/2016 subject to a reimbursement proposal being finalized on the date of these notes by the Bank, is still in progress.

- 4) Payables to banks of the company MyBestOption Srl amount to EUR 1.076.954. The item consists of:

Debiti verso banche	31.12.2016	31.12.2015	variazione
Debiti bancari di conto corrente	316.000	538.319	(222.319)
Debiti per finanziamenti	760.954	500.000	260.954
<i>di cui a breve termine</i>	244.269	0	244.269
<i>di cui a lungo termine</i>	516.685	500.000	16.685
Totale	1.076.954	1.038.319	38.635

Payables for loans of the company MyBestOption Srl as of 31 December 2016 amount to EUR 760.954, of which EUR 516.685 in the long term referring to the following loans:

- Unsecured loan issued by Banca di Credito Cooperativo Società Cooperativa 005/212488/58: issued on 28.01.2016 for an amount of EUR 280.000, with a duration of 48 months, including 6 months of pre-amortization aimed at extinguishing current account debts; monthly instalment repayment, 3 month Euribor rate, previous month spread of 3%.

The residual debt as at 31.12.2016 is equal to EUR 260.954, of which EUR 77.605 in the short term and EUR 183.349 in the long term.

The loan is guaranteed by the parent company, MyBest Group S.p.A. with a general surety of EUR 585.000.

- Loan issued by Banca Intesa San Paolo S.p.A. 10403: approved on 22.12.2015 for an amount of EUR 500.000, with a duration of 36 months starting from 31.01.2017, aimed at repaying the same amount in arrears on the credit line for “Wind” contract advance; three-month installment repayment, variable annual nominal rate of 1.87% determined in relation to the monthly average, previous month, of the 3-month Euribor (365 basis) increased by 2.00 percentage points for the entire duration of the extension.

The residual debt as of 31.12.2016 is equal to EUR 500.000, of which 166.664 in the short term and EUR 333.336 in the long term.

Depending on current account credit lines, contract advance and the aforementioned loan 10403, a patronage security of EUR 700.000 in favor of Banca Intesa San Paolo SpA is issued by the parent company Mybest Group SpA, to guarantee all the obligations pertaining to MyBestOption S.r.l..

It should be noted that the renegotiation with Banca Intesa San Paolo S.p.A. of the current account and advance payment lines expired on 30/06/2016 subject to a reimbursement proposal being finalized on the date of these notes by the Bank, is still in progress.

Current account payables of EUR 50,000 referring to the relationship with Unicredit Banca S.p.A. are now fully repaid and any amount due to the financial institution was paid.

- 5) Payables to banks of the company PLA S.r.l. into liquidation amount to EUR 1.240.019. The item consists of:

Debiti verso banche	31.12.2016	31.12.2015	variazione
Debiti bancari di conto corrente	1.203.359	769.694	433.665
Debiti per finanziamenti	36.660	48.810	(12.150)
<i>di cui a breve termine</i>	36.660	36.760	(100)
<i>di cui a lungo termine</i>	0	12.050	(12.050)
Totale	1.240.019	818.504	421.515

On 31 December 2016, payables for loans of the company PLA S.r.l. into liquidation amount to EUR 36.660 in the short term referring to the following loans:

- Loan issued by Banca Intesa San Paolo S.p.A.: approved on 22.12.2015 for an amount of EUR 49.000, with a duration of 12 months starting from 31.01.2016, aimed at repaying the same amount in arrears on the credit line for invoice advance; three-month instalment repayment, variable annual nominal rate of 1.87% determined in relation to the monthly average, previous month, of the 3-month Euribor (365 basis) increased by 2.00 percentage points for the entire duration of the extension.

The residual debt as of 31.12.2016 is equal to EUR 36.660 in the short term.

The loan is guaranteed by the parent company MyBest Group S.p.A. with a patronage security of EUR 1.250.000.

It should be noted that the renegotiation with Banca Intesa San Paolo S.p.A. of the current account payment line expired on 30/06/2016 subject to a reimbursement proposal being finalized on the date of these notes by the Bank, is still in progress.

- 6) The remaining part, equal to EUR 4,816, refers to the short-term bank debt of the Spanish company MBO S.L. for EUR 4.615 and of the company MyBestMarketing Srl. for EUR 201.

Financial Risk Management. Interest rate risk.

The change in interest rates could have an impact on the increase or reduction in costs of existing loans. The risk exists for the loan contracts recorded in the balance sheet, on which interest accrues at a variable rate. The debt of the MyBest Group is entirely at a variable rate.

Financial Risk Management. Exchange rate risk.

MyBest Group does not operate with currencies other than the Euro and therefore there is no exchange risk.

Financial Risk Management. Liquidity risk.

Liquidity risk is the possibility that MyBest Group is unable to find the financial resources necessary to guarantee current operations and the fulfilment of current obligations.

To this end, thanks also to the support of adequate IT tools, the forecast financial needs are periodically checked, putting in place all the necessary actions to obtain the necessary resources.

We believe that the actions undertaken to consolidate the financial structure, in addition to the cash flow that will be generated by management in line with the forecasts of the 2017-2021 development plan, which shows an improvement in the profitability already in the next year and more remarkable profits in the following years of the plan, as better explained in the previous paragraph on "Business continuity", will allow to satisfy investment needs, manage working capital and repay debts, thus allowing the development of the subsidiaries.

Payables to other lenders

As of 31.12.2016, the "payables to other lenders" item amounts to EUR 8.285 (EUR 48.408 as of 31 December 2015). The debt consists mainly of payables to banks for credit cards.

Advances

As of 31.12.2016, the "advances" item amounts to e 65.097 (EUR 2.340 as of 31 December 2015), and refers mainly to advances received from Customers.

Payables to suppliers

As of 31.12.2016, the "payables to suppliers" item amounts to EUR 8.698.263 (EUR 8.459.417 as of 31 December 2015).

It consists of payables for commissions and consultancy accrued before 31.12.2016, and includes assessed invoices and credit notes to be paid.

The amount refers to the payables to third party suppliers to be paid by:

- 1) MyBest Group Spa for EUR 774.380;
- 2) MyBestContact Srl for EUR 5.023.847;
- 3) MyBestOption Srl for EUR 1.676.017;
- 4) MyBestDirect Srl for EUR 739.668;
- 5) MyBestMarketing Srl for EUR 205.277;
- 6) MyBestOption S.L. for EUR 82.419;

7) PLA S.r.l. into liquidation for EUR 196.655.

Supplier risk

The item is subject to supplier risk, since a supplier may cause an economic and operating loss by not fulfilling its contractual obligations. The Company directly manages this risk associated with suppliers deemed strategic through a special policy for management of relationships with its sub-agents and suppliers.

Payables to unconsolidated subsidiaries

As of 31 December 2016, the “payables to unconsolidated subsidiaries” item amounts to EUR 22.295 (EUR 7.500 as of 31 December 2015) and refers to trade payables due to the company “Poinx Iberia S.L. into Liquidation”.

Payables to parent companies

Payables to parent companies amount to EUR 129.044 (EUR 82.676 as of 31 December 2015) and refer to trade payables accrued in 2016 due to the parent company For2net S.r.l.

Tax payables

As of 31 December 2016, tax payables amount to EUR 3.381.182 (EUR 1.864.574 as of 31 December 2015). The item consists of the Group tax payables due to the Tax Authority.

It consists mainly of:

- EUR 1.581.437 to be paid by MyBestContact S.r.l. for a VAT debt of EUR 1,162,785 and an IRAP debt of EUR 287,585.
- EUR 80.378 to be paid by the parent company MyBest Group S.p.A., consisting mainly of payables by the next year for EUR 36,100 relating to payables to the tax authority for withholding taxes, EUR 15,374 for VAT and EUR 28,879 referring to payables to tax authorities for instalments, granted in 2016, of VAT payables for the year 2014;
- EUR 1.008.231 to be paid by the company MyBestDirect S.r.l., consisting mainly of payables for self-employed workers IRPEF for EUR 481,153, VAT payables for EUR 280,056 and payables for employed workers IRPEF equal to EUR 15,906, as well as EUR 178,497 for instalments of previous year taxes;
- EUR 578.246 to be paid by MyBestOption S.r.l.. The amount consists of mainly VAT payables for EUR 507.073 and payables for employed workers IRPEF equal to EUR 51.053;

Payables to social security institutions

As of 31 December 2016, the “Payables to social security institutions” item amounts to EUR 595.917 (EUR 752.750 as of 31 December 2015), the amount consists of amounts due to social security institutions (INPS and Enasarco), for charges related to the contribution positions of the subjects operating in the field of service distribution.

The divided by company consists mainly of:

- EUR 226.756 to be paid by the company MyBestContact S.r.l., consisting mainly of payables to INPS for salaries for the year and for deferred salaries, in addition to payables to INAIL.

- EUR 44.375 to be paid by the parent company MyBest Group S.p.A., consisting mainly of payables to INPS for salaries for the year and for deferred salaries, in addition to payables to INAIL.

Please note that during the year the company obtained the instalment of the INPS debt accrued in June 2016. As of 31 December 2016, the INPS debt instalments amount to EUR 11,505;

- EUR 268.223 to be paid by the company MyBestDirect S.r.l., consisting of payables to Enasarco for EUR 197.814, payables to INPS for employed workers and collaborators for EUR 23.659 and payables to INPS for agent amounting to EUR 37.834. The amount of payables to Enasarco consists of a portion of EUR 178,146 in arrears for which the company, as of the date of this note, has already started a process with the institution for the gradual repayment with monthly payments for the full amount in 48 months.

Other payables

As of 31 December 2016, the “other payables” item amounts to EUR 1.688.180 (EUR 3.141.166 as of 31 December 2015). The amount consists of different group liabilities and consists mainly of:

- EUR 771.732 to be paid by the company MyBestContact S.r.l., consisting mainly of payables to minority shareholders for EUR 494,000 related to undistributed dividends (EUR 194,000 related to the dividend approved for 2014 profits and EUR 300,000 of dividend approved for 2015 profits), payables for salaries to employees and compensation for project workers;
- EUR 90.168 to be paid by the company MyBestDirect S.r.l., consisting mainly of deferred charges relating to employees and payables to salaried employees;
- EUR 115.766 to be paid by the company MyBestOption S.r.l., consisting mainly of deferred charges relating to employees and payables to salaried employees;
- 634.287 to be paid by the company PLA S.r.l. into liquidation, consisting mainly of payables for commercial transactions related to the couponing activity that the company is managing as part of the liquidation plan.

Accrued charges and deferred income

As of 32 December 2016, the “accrued charges and deferred income” item amounts to EUR 58.879 (EUR 42.316 as of 31 December 2015). The amount consists mainly of interest on current account liabilities and interest expense on loans for the year 2016 but pertaining to the financial year 2017.

1.20.3.12 Profit and Loss statement

The 2016 financial year recorded a consolidated loss of EUR 4,953,961 euros (EUR 5,290,422 as of 31 December 2015) of which EUR 5,505,573 (EUR 5,581,966 as of 31 December 2015) pertaining to the Group and a positive result pertaining to third parties of EUR 61,612 (EUR 291,544 as of 31 December 2015).

The value of production amount to EUR 24.3 million compared to EUR 30.8 million in 2015. The decrease was 21.10% and is mainly due to the cessation of non-profitable activities (telephone traffic reseller) and lower revenues on some partners linked to changes in the validation, invoicing and other exogenous factors that affected the volumes of activity and the liquidation of the company “PLA S.r.l. into liquidation”, which caused a EUR 1.6 million decrease in revenues compared to the previous year.

In particular, please note that.

1. in the first months of 2016 Eni (one of the Group's major trading partners) changed the validation criteria of contracts signed by Customers through MyBest in order to ensure compliance of the processes regarding data processing with the provisions of the competent authorities. These changes led to an increase in the fall rates of the contracts paid to MyBest and the consequent need to adapt the internal processes of the Group to these new rules. The adjustment of internal validation processes allowed to normalize the fall rates of the contracts already recorded in the second half of 2016;
2. there were lower sales related to the Vodafone partner compared to the year 2015 following the change in the criteria for paying the commissions linked to the activities carried out, previously calculated on the volumes of contracts loaded which, started from 2016, are calculated on the volume of contracts activated.
3. there were fewer sales linked to other commercial partners: for example, Mediaset in 2015, thanks to the exclusive offer of the Champions League package for the 2015-2018 three-year period for Mediaset Premium pay TV, recorded a high number of subscriptions not replicated in the year 2016.

Production value

In 2016, the value of production amounts to EUR 24,352,107, with a decrease by EUR 6,404,084 compared to 2015, classified as follows:

Valore della produzione	31/12/2016	31/12/2015	variazione
Ricavi delle vendite e delle prestazioni	22.029.314	28.655.951	(6.626.637)
Variazione delle rimanenze dei prodotti finiti	(189.517)	-	(189.517)
Incrementi di immobilizzazioni per lavori inter	175.217	-	175.217
Altri ricavi e proventi	2.337.093	2.100.240	236.853
Totale	24.352.107	30.756.191	(6.404.084)

The breakdown of revenues from sales and services according to asset classes is shown below (in million euros):

Descrizione	31/12/2016	31/12/2015	Var. (%)
Ricavi Italia attività Multiutility door to door	4,12	4,64	-11%
Ricavi Italia attività Multiutility call center	13,27	18,76	-29%
Ricavi Spagna attività multiutility	0,57	0,69	-17%
Ricavi attività via web MyBestOption	3,12	2,78	12%
Ricavi attività via web PLA / Mybestmarketing	0,89	1,70	-48%
Ricavi altre attività	0,06	0,08	-29%
Totale ricavi delle vendite e prestazioni	22,03	28,66	-23%

The total revenue from services is mainly attributable to the following companies:

MyBestContact S.r.l. The company recorded revenues for a total of EUR 13,269,820 (EUR 18,762,588 as of 31.12.2015) referring to the commissions paid for supply contracts signed with the debtor. The detail of such revenues is summarized below:

	2016	2015
ENI	8.083.956	7.872.454
MEDIASET	2.615.830	4.426.798
VODAFONE	2.306.330	2.984.095
TELECOM JET	-	2.491.754
4U SERVIZI FEE OX8	111.482	-
EDISON	105.188	945.750
4U SERVIZI A2A	22.585	-
DOVEECOMEMICURO	8.259	-
PRONTOSEAT	6.808	-
TISCALI	5.200	-
ASSISTENZA CASA	3.731	24.937
Altri	451	16.800
	13.269.820	18.762.588

The decrease in revenues is mainly due to lower sales linked to the partner Mediaset, which in 2015, thanks to the exclusive offer of the Champions League package for the 2015-2018 three year period for Mediaset Premium pay TV, recorded a high number of subscriptions which was not replicated in 2016, and also due to the termination, at the end of 2015, of the telephone traffic reselling activity as it was not sufficiently profitable.

MyBestDirect S.r.l. Revenues for the performance of the company in question amount to EUR 4,122,567 (EUR 4,639,837 as of 31.12.2015). The latter refer to the revenues of the services generated as follows:

	2016	2015
ENI	2.749.916	3.392.301
VODAFONE	994.915	828.096
TELECOM	329.008	98.212
MEDIASET	-	304.115
ENEL	43.646	-
Altri	5.000	4.711
FASTWEB	-	12.402
VENDITA CELLULARI	82	-
	4.122.567	4.639.837

MyBestOption S.r.l. Revenues from sales of EUR 3,115,940 (EUR 2,782,363 as of 31 December 2015) consist exclusively of revenues from services generated for Multi-utility partners, as reported below:

	2016	2015
TELECOM	1.212.825	1.084.981
MEDIASET	932.730	894.150
TISCALI	427.949	95.000
ENI	174.723	288.651
WIND CONSUMER	135.190	320.050
SKY	103.487	61.770
ENEL	33.620	21.990
SORGENIA	42.620	-
ILLUMIA	17.763	470
KADEBA	4.450	-
SIMPLE AGENCY	4.221	-
WEKIWI	3.770	-
E-BUSINESS	2.856	-
VIZEUM	1.120	-
WIDIBA	1.100	-
GENIALLOYD	822	-
VODAFONE	-	5.340
ING DIRECT	-	1.250
GDF SUEZ	-	349
GAS NATURAL	-	2.500
Altri	16.694	5.862
	3.115.940	2.782.363

Capitalization of costs for internal works

As of 31 December 2016, the item amounts to EUR 175.217 and includes the capitalization under way referred to in the item "B.I.6 Assets under construction and payments on account" of costs incurred in 2016 by MyBestContact S.r.l. relating to investments for the development of "C.R.M.".

Other revenues and income

As of 31 December 2016, the "other revenues and income" item amounts to EUR 2.337.093 (EUR 2.100.240 as of 31 December 2015) and consists mainly of FIRR and supplementary customer indemnity related to agency mandates, of revenues from Franchisees, and of royalties to third parties.

Production costs

In 2016, production costs amount to EUR 28,961,921, with a decrease by EUR 5,765,737 compared to 2015 and are classified as follows:

Costi della produzione	31/12/2016	31/12/2015		variazione
per materie prime, sussidiarie, di consumo e di merci	38.103	51.044	-	12.941
per servizi	19.055.263	25.015.189	-	5.959.926
per godimento di beni di terzi	487.180	442.273		44.907
per il personale	2.544.524	2.564.774	-	20.250
ammortamenti	4.806.449	5.322.792	-	516.343
svalutazioni immobilizzazioni	948.457	668.686		279.771
svalutazione crediti	693.153			693.153
accantonamenti per rischi	51.592			51.592
oneri diversi di gestione	337.200	662.900	-	325.700
Totale	28.961.921	34.727.658	-	5.765.737

Cost for raw materials, ancillary materials, consumables and goods

Costs for raw materials, ancillary materials, consumables and goods, as of 31 December 2016, amount to EUR 38,103 (EUR 51,044 as of 31 December 2015), and consist mainly of consumables. The item is in line with the previous year.

Costs for services

Costs for services amount to EUR 19.055.263 (EUR 25.015.189 in 2015), as detailed below:

Costi per servizi	31.12.2016	31.12.2015		Variazione
Prestazioni franchisee	6.881.467	9.164.237	-	2.282.770
Co.co.pro	2.937.889	3.624.624	-	686.735
Provvigioni rete DtD	2.670.059	4.551.158	-	1.881.099
Consulenze commerciali amministrative	1.471.077	984.053		487.025
Utenze	980.423	874.422		106.000
Servizi di Back Office	884.843	-		884.843
Spese di marketing e pubblicità	580.422	287.146		293.276
Altre consulenze	521.138	451.345		69.793
Spese generali	484.217	880.522	-	396.305
Spese per viaggi e trasferte	311.944	571.337	-	259.393
Consulenze legali, notarili, fiscali e del lavoro	279.046	299.065	-	20.019
Compensi amministratori	247.385	286.381	-	38.996
Marketing	173.759	59.605		114.155
Contributi Enasarco su Provvigioni attive	146.485	152.084	-	5.600
Altro	120.028	230.888	-	110.861
Acquisto servizi per rivendita	109.060	108.757		303
Spese di pulizia e vigilanza	96.129	53.252		42.877
Servizi call center	74.834	2.368.350	-	2.293.516
Compensi collegio sindacale e revisori contabili	58.989	63.876	-	4.887
Servizi di manutenzione	15.251	4.087		11.164
Spese Store	10.820	-		10.820
Totale	19.055.263	25.015.189	-	5.959.926

The change in the item compared to the previous year is mainly due to the trend in the value of production and is linked to the cessation of the telephone traffic reselling activity carried out by MyBestContact S.r.l., which was considered as not sufficiently profitable.

Costs related to the use of third party assets

Costs related to the use of third-party assets as of 31 December 2016 amount to EUR 487,180 (EUR 442,273 in the previous year) and mainly consist of rents and use of third-party assets, that is the offices of the Group companies.

Staff costs

The “staff costs” item amounts to EUR 2.544.524 (EUR 2.564.774 as of 31 December 2015). The item is in line with the previous year.

Amortization and depreciation

The “amortization and depreciation” item amounts to EUR 6.448.059 (EUR 5.991.478 in 2015) and consists of:

- 1) Amortization of intangible assets for EUR 4,512,756, with an increase by EUR 477,608 compared to the previous year.
- 2) Amortization of tangible assets for EUR 293.693, with a decrease by EUR 38.735 compared to the previous year.
- 3) Other write-downs of fixed assets amount to EUR 948,457 (EUR 668,686 in the previous year). The change in the item with respect to the previous year is due to a write-down of EUR 200,946 euros for MyBest Group of the charges capitalized as of 31 December 2015 relating to the previous "listing project", whose benefits are no longer considered as achievable, since the project was not completed; and to the write-down of the photovoltaic plant for MyBestContact, amounting to EUR 90.622, no longer required by the Group.

The write-down of the goodwill derives from the consolidation of the subsidiary PLA S.r.l. into liquidation for EUR 656,889.

- 4) Write-downs of receivables included in current assets and liquid assets for EUR 693,153. The item under examination includes the write-down of receivables included in current assets for the following amounts:
 - a. other receivables amounting to EUR 297.866 and referring mainly to part of the receivables from Fairway S.r.l. whose collection is deemed to be uncertain;
 - b. IRAP receivables arising from repayment requests submitted in 2012 for EUR 194.235.
 - c. depreciation of receivables from customer amounting to EUR 201.052.

Provisions for risks

Please refer to the paragraph “provisions for risks and charges.

Other operating expenses

The “other operating expenses” item amounts to EUR 337.200 (EUR 662.900 in 2016) and mainly consists of insurance costs, fines, penalties and IMU.

Financial income and expenses

The “financial income and expenses” item has a negative value of EUR 1.073.497 (negative value of 1.095.812 in the previous year) and consists of:

- 1) Other financial income amounting to EUR 45,861 referring to:
 - a. gains on the sale of securities for €34,935 (please refer to the paragraph “financial assets that are not considered as fixed assets”);
 - b. coupons accrued on BCC and BTP bonds amounting to EUR 10,444;
 - c. bank interest income amounting to EUR 482.
- 2) financial expenses amounting to EUR 1.119.358 and referring mainly to:
 - a. interest expense on bank debts of EUR 699.836
 - b. interest expense on loans of EUR 94.379
 - c. interest expense on bonds of EUR 130.254;
 - d. interest expense on derivatives of EUR 194.889.

Value adjustments of financial assets and liabilities

The “value adjustments of financial assets and liabilities” item has a negative value of EUR 120.692 (and a negative value of EUR 345.375 in the previous year) and refers to the fair value of derivatives amounting to EUR 120.692 (please refer to the paragraph “Net equity”).

Taxes for the year

Income taxes for the year have a positive value of EUR 850,042 and refer to current taxes for EUR 410,841 and the provision for deferred tax assets for EUR 1,231,626 and taxes for previous years for EUR 29,257.

Average number of employees

The average number of employees of the Group in 2016 is 72 (79 in the previous year). The average number of project workers of the Group in 2016 is 427 units (428 in the previous year).

Remunerations for directors, statutory auditors and auditing companies

It should be noted that, the members of the Board of Directors of the companies of the Group received, for their work in 2016, remunerations amounting to EUR 201,700, while the Board of Statutory Auditors EUR 14,000.

The fees due to the independent auditor Deloitte & Touche S.p.A amount to EUR 36,000.

Securities issued by the Group companies

The company does not have dividend shares or bonds that can be converted into shares or similar securities except for those included in this note.

Financial instruments

Please refer to the paragraph “convertible bonds” and “Net equity”.

Agreements not resulting from the Balance Sheet

Pursuant to art. 2427, point 22-ter of the Civil Code, it should be specified that there are no agreements not resulting from the balance sheet.

Effects resulting from the application of new national accounting principles

In compliance with the new OIC 29 accounting principle, the Company has illustrated, according to the new national accounting standards and only for comparative purposes, the balance sheet and the income statement for the year ending on 31 December 2015.

In order to illustrate the effects of the transition to the new national accounting standards on the Company's financial statements, the following documents were drafted:

- income reconciliation statement for the net equity as of 31 December 2015, prepared according to the previous version of the national accounting standards, and the one drafted according to the new national accounting standards on 1 January 2016;
- notes to the reconciliation statements;
- for comparative purposes only, the balance sheet and the income statement for the year ended on 31 December 2015.

First application provisions

In general, according to the new national accounting standards, any effects deriving from the changes made with respect to the previous version of the accounting standard can be prospectively included in the financial statements. Therefore, the components of the items referring to transactions whose their effects on the financial statements have not been fully determined may continue to be accounted for in accordance with the previous standard, unless otherwise indicated in the first application provisions of the new national accounting standards.

The following accounting standards, on the other hand, were applied retroactively by the Company, based on the relevant first application provisions:

- OIC 32: entirely.
- OIC 28: treasury shares.

Reconciliation statements for the net equity as of 31 December 2015 drawn up according to the previous national accounting standards and that as the one drawn up on 1 January 2016 according to the new national accounting standards and the loss reported for the year 2015

The items and amounts recalculated in the reconciliation statement for the value of the net equity as of 31 December 2015, expressed according to the previous national accounting standards and the one as of 1 January 2016 resulting from the application of the new national accounting standards are commented on below.

	Capitale sociale	Riserva sovrappiù azionaria	Riserva legale	Riserva straordinaria	Strumenti finanziari	Strumenti di capitale proprio	Riserva di accantonamento	Riserva per operazioni di gestione di breve termine (non finanziarie)	Utile (perdita) post-impresario	Riserva per operazioni di gestione di lungo periodo	Utile (perdita) differenziale	Totale patrimonio netto di Gruppo	Capitale sociale	Utile (perdita) di IGA	Totale patrimonio netto di IGA	Totale patrimonio netto consolidato	
Situazione al 31 dicembre 2015	2.121.961	9.236.895	92.128	6.791.234	2.268.938	-	1.895.643	6.276	-	196.223	-	6.961.796	12.218.227	18.979	261.231	131.923	12.976.988
Riclassifica riserva azioni proprie (Ritorno IFRS)	-	-	-	1.915.643	-	-	1.915.643	-	-	-	-	-	-	-	-	-	-
Riclassifica riserva equitazione proprie in patrimonio (Ritorno IFRS)	-	-	-	-	-	-	-	-	-	1.817.613	-	1.817.613	-	-	-	-	1.817.613
Fax valore (debito)	-	-	-	-	-	-	-	79.312	-	-	-	79.312	-	-	-	-	79.312
Situazione al 1 gennaio 2016*	2.121.961	9.236.895	92.128	8.706.877	2.268.938	-	6.276	79.312	196.223	1.817.613	-	6.961.796	12.218.227	18.979	261.231	131.923	12.976.988

* Prospetto di riconciliazione tra il patrimonio netto al 31 dicembre 2015 (valore secondo i principi contabili nazionali) e quello al 1 gennaio 2016 (valore secondo i nuovi principi contabili nazionali)

Treasury shares: pursuant to article 2357-ter of the Civil Code, treasury shares are no longer recorded in the assets of the company with an unavailable reserve of equity as a contra-entry, but directly as a reduction in the net equity through a negative reserve. Therefore, in the new version of OIC 28, the purchase of treasury shares is considered as a decrease in net equity. The change in net equity between 31 December 2015 and 1 January 2016 includes the aforementioned legislative changes.

According to the reference accounting principle "OIC 32 - derivative financial instruments", a specific reserve was recorded in the shareholders' equity called "Reserve for expected cash flow hedges" that included the negative fair value of the derivative financial instrument, designated as hedging on 31 December 2015, generated as part of the hedging of expected cash flows, for EUR 79.312. The contra-entry is represented by the recognition of a provision for risks and charges called "passive derivatives" of the same amount.

For more details, please refer to the paragraph "Net equity".

Effects on the restated 2015 balance sheets and income statement

Below are the comments on the adjustments/reclassifications relating to the restated balance sheet as of 31 December 2015 and to the restated statement of income for 2015:

- elimination of extraordinary items: following the elimination of the section relating to extraordinary positive and negative components of income, the Company restated the extraordinary components in the revenue or cost by nature items;
- effect of the valuation of derivatives at fair value, as previously described;
- effects pursuant to Article 2357-ter of the Italian Civil Code regarding treasury shares, as previously described;
- reclassification of receivables/payables to unconsolidated subsidiaries (Poinx Iberia S.L. into liquidation);
- elimination of the intangible assets item "consolidation difference", replaced by the "goodwill" item, referring to any goodwill arising from the allocation of the positive cancellation difference (article 33, paragraph 3, of Legislative Decree 127/1991);
- reclassification from the "research, development and advertising costs" item to the item "other intangible assets" of costs incurred in previous years for the expansion of the database required for the Group's operations for EUR 5.139.436;
- reclassification of deferred tax assets and provisions for taxes, including deferred taxes, for the purpose of a more correct representation of the Group's equity and economic situation;

The Board of Directors

Mr. Fabio Regolo	Chairman of the Board of Directors
Mr. Maurizio Santacroce	CEO
Mr. Paul Manfredi (engineer)	Member
Mr. Daniele Viganò	Member
Mrs. Michaela Castelli (lawyer)	Independent member

I, THE UNDERSIGNED, CHAIROMAN OF THE BOARD OF DIRECTORS OF THE COMPANY “MYBEST GROUP” SPA, AWARE OF THE CRIMINAL LIABILITY IN CASE OF FALSE STATEMENT, HEREBY CERTIFY, PURSUANT TO ARTICLE 47 OF PRESINDETIAL DECREE 445/2000, THE CORRESPONDENCE OF THE TECHNICAL COPIES OF THE DOCUMENTS HEREBY ATTACHED TO THIS PAPERWORK TO THE DOCUMENTS STORED AS RECORDS BY THE COMPANY.

Sesto San Giovanni, 5 October 2017

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mybest Group S.p.A.

Report on the audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MyBest Group S.p.A. and its subsidiaries (the "MyBest Group"), which comprise the consolidated balance sheet as at December 31, 2016, the consolidated statement of income and statement of cash flows for the year then ended and the explanatory notes.

Management's Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with the Italian law governing financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11 of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the MyBest Group as at December 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with the Italian law governing financial statements.

Emphasis of matters

Without qualifying our report, we note the matters reported by the Directors in the explanatory notes: MyBest Group reports a loss of €5,016k as at December 31, 2016 (€5,582k as at December 31, 2015) and a net financial debt of €17,456k (of which €10,111k for short-term loans), compared to the financial indebtedness of €15,969k reported as at 31 December 2015, against Group shareholders' equity of €8,045k (€12,643k as at December 31, 2015).

As broadly described in the explanatory notes, in preparing the consolidated financial statements as at December 31, 2016, the Directors paid particular attention to those factors that could influence the development plans, providing information in the explanatory notes to the consolidated financial statements. In particular, on liquidity risk, the Directors highlight that the business plan developed for the period 2017 - 2021 already shows an improvement in profitability and a production of cash flows in line with the renegotiations, partly finalized in 2016 and currently being finalized in 2017, with credit institutions.

Consequently, the Directors inform that, despite the uncertainties regarding the achievement of the aforementioned business plan, the Group operates on a going concern and therefore the preparation of the consolidated financial statements as at December 31, 2016 is considered appropriate with the operating criteria.

Other Matter

This report is not issued for statutory purposes due to the fact that MyBest Group S.p.A. is exempted from the preparation of the consolidated financial statements pursuant to art. 27 of Legislative Decree. 127/1991.

DELOITTE & TOUCHE S.p.A.

Signed by
Dario Righetti
Partner

Milan, Italy
October 6, 2017

This report has been translated into the English language solely for the convenience of international readers.

1.20.5 Date of the latest financial information

The latest financial information audited is the financial statements for the year ended December 31, 2017 presented in section 1.20.1 of this Document.

These financial statements have been audited by the Company's statutory auditors, the reports is presented in section 1.20.2 of this Document.

1.20.6 Dividend policy

The Company has not distributed any dividends in the last three years.

1.20.7 Litigation and arbitration

The Group is currently involved in civil or administrative judicial proceedings. It is highlighted that, relatively to the current passive claims, there exists an overall total petitem of 2,92 million euros. Currently, the Board of Directors has not considered necessary the creation of a risk fund, as they believe the possibility of the claim to turn unsuccessful to be possible or remote. Thus, they have not recorded any provisions in the balance sheet to face the claims' eventual losses, according to the relevant accounting principles. Regarding the most relevant passive procedures, it is worth mentioning the following:

1. MyBest Direct, MyBest Option, the issuer, which is a former Inova associate, and other companies not belonging to the MyBest Group, have been sued by Edison Energia s.p.a. before the Tribunal of Milan in connection with a claim for damages amounting to EUR 405,000.00, in addition to any further damages assessed and determined by the Judge on an equitable basis and to the costs incurred by the plaintiff as a consequence of the alleged violation by the defendant of articles 98 and 99 of IP Code as well as of art. 2598 of the civil code. By order dated February 20, 2018, the Single Judge, deeming the case ready for the decision based on the parties' defenses and on the documents submitted and seeing fit to refer to the Tribunal the assessment on the need for a technical expertise, set the hearing for the parties to state their final claims on January 15th, 2019. The issuer believes the risk of unsuccessful claims to be average or possible.
2. My Best is a defendant in the appeal proceedings pending before the Court of Appeal of Florence in connection with the claim amounting to approximately €1.76m brought by the appellant based on the alleged unfair competition conduct by MyBest Direct and Consiagas Servizi Energetici spa; for such claim, it is considered that the risk of losing the case is low or remote, given the favorable outcome of the first instance proceedings, as per the decision issued by the Tribunal of Prato on January 9, 2013.

Furthermore, it is worth mentioning that, in case those claims reveal to be unsuccessful, the Group might be subject to relevant negative consequences, both in relation to its current financial and balance sheet situation and to its own reputation and image.

1.21 Complementary information

1.21.1 Share capital

1.21.1.1 Capital issued

At the date of the *Document d'Information*, the share capital issued is equal to EUR 3 334 309.50 fully subscribed and paid, consisting of 6 668 619 shares.

1.21.1.2 Shares not representative of the capital

At the date of the *Document d'Information*, the Issuer has not issued shares that are not representative of the capital, nor participatory financial instruments not having a voting right, or having limited voting rights.

1.21.1.3 Treasury shares

At the date of the *Document d'Information*, the Issuer holds directly 144 340 treasury shares.

1.21.1.4 Convertible, exchangeable and warrantable bonds

On 1 April 2015 and on 30 January 2017, the Issuer issued two convertible bonds, respectively the "2015 POC" and the "2017 POC". Those bonds have been converted into shares capital following the admission on Euronext Growth resulting of a creation of 1 260 000 shares.

At the date of the *Document d'Information*, no bonds instruments that could lead to share capital were granted from the Issuer.

1.21.1.5 Indication of any rights and / or purchase on the Issuer's capital

At the date of the *Document d'Information*, no option rights were granted on shares or other financial instruments of the Issuer.

1.21.2 Articles of Association

Article 1 - Company name

The Company name is:

"MYBEST GROUP S.P.A."

Article 2 - Corporate objectives

The corporate objectives include:

- a) investments in companies, bodies, companies, consortia and associations, both Italian and foreign, as well as the following activities:
 - granting of loans in any form, provided that this activity does not involve "public institutions";
 - collection, payment and transfer of funds, with the related charging and crediting of the related charges and interests, as long as within the Company Group;
 - technical, administrative, accounting and financial coordination of investee companies;
- b) purchase, sale, exchange, leasing, of both civil and industrial real estates, as well as the administration and management of the Company properties.

- c) distribution activity, on its behalf or on behalf of third parties, of consumer goods and services of any nature for individuals, professionals and companies operating in all sectors; and in particular production and distribution of telecommunications and Internet services; wholesale and retail trade, as well as import-export, of telecommunication products, Internet and digital TV, in compliance with the applicable provisions.

In order to meet the corporate objectives, the Company can organize the distribution using direct and indirect sales networks, franchising, affiliation, agencies and corners. The Company can also launch publishing and multimedia initiatives, distribute editorial and advertising products and, as an instrumental activity, organize training courses for individuals, professionals and companies operating in all sectors.

The Company can sign agency contracts of all kinds;

- d) creation and management of databases; marketing activities including telephone marketing and market research; provision of services for consumers, companies and public and private bodies also through "call centers" and "contact centers", sale of products and / or services on behalf of third parties, assistance and training for direct communication, promotion and distribution of services, on its behalf or as an intermediary agency, all in compliance with the protempore regulations in force; it may also, for its activities, build commercial affiliation systems.

The collection of savings among public bodies other than the issuance of bonds and other forms permitted by law and the purchase and sale by means of a public offer of financial instruments governed by the T.U.I.F. (Legislative Decree no. 58 of 24 February 1998) are expressly excluded from the Company activities.

Article 3 - Registered office

The Company is based in the municipality of Sesto San Giovanni (MI).

By resolution of the Administrative Body and according to the law, secondary offices, branches, agencies or local units may be established, modified or suppressed.

Article 4 - Duration

The Company is incorporated on the date of the deed of incorporation until 31 December 2050 and may be extended by resolution of the shareholders' meeting.

The right of withdrawal is not granted to shareholders who did not participate in the approval of resolutions regarding the extension of the term of the business.

Article 5 - Shareholders domicile

The shareholder's domicile for their relations with the Company is elected at the last address resulting from the register of shareholders.

Any changes will be considered as effective by the Company only if they result from a written communication from the Shareholders, with acknowledgment of receipt by the Company itself.

Article 6 - Share capital⁷

The share capital is EUR 2.462.593,50 (two million four hundred sixty-two thousand five hundred and ninety-three/fifty) divided into 4.925.187 (four million nine hundred twenty-five thousand one hundred eighty-seven) ordinary shares with no nominal value.

The extraordinary shareholders' meeting held on 1 April 2015 approved to increase, for the conversion of bonds into shares, in one or more instalments, the share capital, issuing, for the "MyBest Group 2015 - 2020" bond loan with a nominal value of EUR 10,000,000.00, approved by the shareholders' meeting, a maximum number of 20,000,000 ordinary shares with a nominal value of EUR 0.50 each, by issuing as many MYbest Group S.p.A. ordinary shares as required for compliance with the bonds into shares "Conversion Ratio", as required by the Loan Regulation attached to the meeting minutes as "Attachment B"; the Ratio of Conversion of the bonds into shares will be determined according to (i) the value of the bondholder's bond investment and (ii) the final placement price of "Mybest Group spa" shares upon their admission to trading on a Regulated Market or a multilateral trading facility or the purchase price of the shares of the issuing Company in the event of a "Change of Control ", as defined in letter (b) of article 8.1 of the Loan Regulation, with the application of a discount, according to the calculation methods provided for by said Regulation; the shares will be allocated to the holders of convertible bonds upon conversion, if and when the conditions set forth in the Loan Regulation for the application of the conversion right are fulfilled.

On 20 October 2015, the extraordinary shareholders' meeting announced the final signing of the "MyBest Group 2015 - 2020" loan limited to the amount of EUR 2,200,000.00, reducing accordingly to EUR 2,200,000.00 the increase in share capital for conversion purposes and reducing the number of shares to 4,400,000, with a nominal value of EUR 0.5 each, to be issued when converting bonds into shares.

On 30 January 2017, the extraordinary shareholders' meeting resolved to increase the share capital for a maximum of EUR 3,000,000.00 to serve the conversion of bonds into shares, issuing, for the "MyBest Group Convertendo 2017-2021" bond loan with a nominal value of EUR 3.000.000,00 approved by the shareholders' meeting, a maximum number of 6,000,000 ordinary shares with a nominal value of EUR 0.50 each, by issuing as many MyBest Group s.p.a. ordinary shares as needed for compliance with the bonds into shares "Conversion Ratio", as required by the Loan Regulation attached to the meeting minutes as "Attachment B"; the Ratio of Conversion of the bonds into shares will be determined according to (i) the value of the bondholder's bond investment, (ii) the final placement price of "Mybest Group spa" shares upon their admission to trading on a Regulated Market or a multilateral trading facility or on another market (iii) the purchase price of the shares of the issuing Company in the event of a "Change of Control ", as defined in letter (b) of article 8.1 of the Loan Regulation, with the application of a discount, according to the calculation methods provided for by said Regulation; the shares will be allocated to the holders of convertible bonds upon conversion, if and when the conditions set forth in the Loan Regulation for the application of the conversion right are fulfilled.

The extraordinary shareholders' meeting may grant to the directors the right to increase the share capital pursuant to art. 2443 of the Civil Code.

Financing by shareholders is permitted, as long as in compliance with the reference laws and regulations.

⁷ Exact number of shares at the date of the present document following the Bonds Conversion and the Private Placement is 6 668 619

Article 7 - Shares

The shares are indivisible and can be freely transferred both in Italy and abroad.

The shares may be subjected to the dematerialization regime and placed in the centralized management system of the financial instruments referred to in articles 80 and subsequent, pursuant to Legislative Decree no. 58/1998 (T.U.F.).

Article 8 - The Shareholders' meeting

The Shareholders' meeting, duly constituted, represents the universality of the shareholders and its resolutions, taken in compliance with the law and with this deed of incorporation, and are binding for all shareholders even if they do not participate or dissent.

The shareholders' meeting can be ordinary and extraordinary in accordance with the law and meets to deliberate on matters that concern it, as established by law or by this deed of incorporation.

It can be called and held in Italy, even in a place other than the registered office, or in another country of the European Union.

The annual ordinary meeting must be called by the Administrative Body within 120 (one hundred and twenty) days from the closing date of the financial year.

Where there is a need to draw up consolidated financial statements that require special requirements relating to the Company structure and objectives, the meeting may be called within 180 (one hundred and eighty) days from the closing date of the financial year.

The extraordinary shareholders' meeting is called for the resolutions that concern it when the directors deem it more appropriate.

Resolutions concerning the issuance of bonds, even if not convertible into shares, must be made by the extraordinary shareholders' meeting.

Subject to legal limits, the Administrative Body is responsible for resolutions related to the establishment or suppression of secondary offices, branches, units, local agencies or offices, however named, in Italy and abroad, and the merger resolution case envisaged by Article 2505 of the Civil Code.

The Administrative Body may refer the aforementioned decisions to the Shareholders' Meeting, if it deems it appropriate.

The meeting must also be called without delay when a request is made pursuant to the law.

Article 9 - Convocation notice for Shareholders' meetings

Both ordinary and extraordinary meetings are called by publishing the convocation notice containing the place, day and time of the meeting and the list of matters to be discussed in the Notice Sheet of the Official Gazette of the Italian Republic or in one of these financial newspapers: "Il Sole 24 ore", "MF Milano Finanza" or "Italia Oggi" no less than fifteen days before the date set for the meeting.

This notice may contain the date for any second convocation in case the first convocation is not successful.

As long as the Company does not make use of the risk capital market, the meeting may be called by means of a notice sent by registered letter, fax, email or other means, at the place and address specified in the shareholders' register, provided that proof of receipt is provided at least five days before the meeting.

In the absence of the aforementioned formalities, the meeting is deemed to be duly constituted when the entire share capital is represented and the majority of the members of the Administrative and Control Bodies participate in it; in this case, each of the participants can object to the discussion of the matters on which he/she is not sufficiently informed and the resolutions approved must be promptly notified to the members of the administrative and control bodies not present.

The meeting can also be held with the participation of its members located in several places connected by telecommunication means in compliance with the collegial method and the principles of good faith and equal treatment of members. In this case, the locations of the audio/video connection shall be specified in the notice and the meeting shall be considered as held in the place where the chairman and the person taking the minutes are located. The chairman of the meeting must be able to verify the regularity of the constitution, the identity and legitimacy of those present, regulate its progress and ascertain the results of voting and the participants must be able to participate in the discussion and simultaneous voting on the matters discussed.

Article 10 - Meeting attendance

All those who are registered in the shareholders' register and, if requested in the convocation notice, have deposited their shares according to the procedures indicated in the notice of call at least two days before the date set for the Shareholders' Meeting may attend the meeting.

Article 11 - Power of attorney

All shareholders have Power of Attorney for the exercise of their rights by written proxy.

The same proxy for multiple meetings is not allowed.

The Chairman of the meeting shall make sure that all those present have the right to attend the meeting.

In any case, power of attorney can not be granted to Administrative or Control Bodies or employees of the Company or its subsidiaries or members of the Administrative or Control Bodies or employees of these companies.

Article 12 - Chairmanship

The Shareholders' Meeting is chaired by the Sole Director or by the Chairman of the Board of Directors or in his/her absence by a Deputy Chairman, if appointed and present, or, in his/her absence, by a person designated by the meeting. The Chairman of the Shareholders' Meeting shall make sure that all those present have the right to participate also by proxy, that the meeting itself is regularly constituted and in a legal number to approve, manage and control the discussion, determining the methods used for voting.

Article 13 - Shareholders' resolutions

For the validity of the resolutions of the shareholders' meeting, both ordinary and extraordinary, the provisions of articles 2368 and 2369 of the Civil Code apply.

Article 14 - Meeting minutes drafting

The resolutions of the meeting must be recorded in a special book and signed by the Chairman and the Secretary appointed by the majority vote of the participants in the same meeting.

The Secretary shall not be a shareholder.

In the cases provided for by the law or when the Chairman deems it appropriate, the minutes are prepared by a Notary.

Article 15 - Administrative Body

The administration of the Company is entrusted to a Sole Director or to a Board of Directors consisting of a variable number of members ranging between 2 (two) and 9 (nine).

The appointment of the Directors is regulated by article 2383 of the Civil Code.

The Directors remain in office for a period not exceeding three financial years, established at the time of their appointment and expiring on the date of the shareholders' meeting called to approve the financial statements relating to the last financial year of their office; they are re-eligible and can be chosen even among non-shareholders.

If, due to resignation or other causes, the majority of the Directors in office are absent, the entire Board shall be dismissed and the Shareholders' Meeting must be promptly called to appoint a new Board of Directors.

Article 16 - Chairman of the board of directors

The Board shall appoint a Chairman from among its members, if appointed by the meeting.

The Board may also appoint a secretary chosen from outside.

The Board of Directors may elect from among its members one or more Deputy Chairmen who will replace the Chairman in the event of his/her absence or impediment.

Article 17 - Directors' remuneration

The remuneration of the Administrative Body is established by the meeting. If there is a Board of Directors, the shareholders' meeting can determine an overall amount for the remuneration of all directors, including those with special duties, which the Board itself will distribute among its members.

The Board of Directors, after hearing the opinion of the Board of Statutory Auditors, shall determine the remuneration for directors with special duties.

The shareholders' meeting may also provide money for severance indemnities in favor of the directors, in the form deemed suitable.

Members of the Board are entitled to reimbursement of expenses incurred for their duties.

Article 18 - Company management

The Board of Directors or the Sole Director has all ordinary and extraordinary management powers and more precisely has the power to perform all the acts deemed necessary for the achievement of the corporate objectives, except for those powers that, according to the law or this deed of incorporation are exclusively granted to the meeting.

The Board may appoint one or more Chief Executive Officers and the relevant powers pursuant to Article 2381 of the Italian Civil Code and revoke them.

It may appoint and revoke directors, including general managers, determining their powers and duties, and attorneys for certain deeds or categories of deeds, establishing their powers and emoluments.

Article 19 - Company representation

The Sole Director or the Chairman of the Board of Directors, the Deputy Chairmen, in case of absence or impediment of the Chairman, the Managing Directors within the limits of the delegated powers, are responsible, with free and separate signature, for the legal representation of the Company before third parties, the Company signature and the representation before any courts, with the right to act in any place or jurisdiction, even for court of cassation judgments and revocation, and with the faculty, with free signature, to revoke and repeal, and to delegate for these purposes lawyers and advisors.

Signing authority is also granted, individually or collectively, to persons with special powers, within the limits of the same pursuant to art. 18 of this deed of incorporation.

Article 20 - Board meetings

The Board meets, both at the Company's headquarters and elsewhere, provided it is in Italy or another member country of the European Union, whenever the Chairman deems it necessary, or when a written request is made by the majority of the Directors or from two auditors; in the latter case, the convocation must notified within fifteen days of the request.

Meeting convocations are notified by the Chairman by written communication to be sent by fax, letter, telegram, email or other means with acknowledgment of receipt, to the domicile of the directors and at least five days before the meeting, except in cases of urgency for which it is allowed to send the notice at least two days before the date set for the meeting.

The notice shall contain the day, time and place of the meeting and the list of subjects to be discussed.

Board meetings can be held through audio-video conference or teleconference, provided that all the participants can be identified and that identification is acknowledged in the relative minutes and are allowed to follow the discussion and intervene in real time to the discussion of the subjects, as planned; in this case, the Board of Directors is considered held in the place where the Chairman and the Secretary are located for the meeting, to allow the drafting and signing of the relative minutes.

The meeting of the board of directors is to be considered as valid, even if not called as planned, when all the directors and auditors with power are present.

Board meetings are validly constituted with the presence of the majority of directors with power.

Article 21 - Board resolutions

The resolutions are validly adopted with the favorable vote of the majority of those present.

In the event of a tie in votes expressed during the meeting of a Board of Directors consisting of an equal number of members, the vote expressed by the Chairman of the Board of Directors is equal to two votes.

Article 22 - Board minutes drafting

The resolutions of the Board must be recorded in a special book.

Each report must be signed by the Chairman and the Secretary of the meeting who may also not be a member of the Board.

Article 23 - Board of Statutory Auditors

The Board of Statutory Auditors consists of three effective members, among whom the Chairman is chosen, and two substitutes.

The appointment, term of office, duties and duties of the Board of Statutory Auditors are governed by the current provisions of the Law.

The remuneration is established in advance at the time of appointment.

In exercising their functions, the statutory auditors may, under their own responsibility and at their own expense, avail themselves of the activities of their employees and auxiliaries who are not under one of the conditions set forth in Article 2399 of the Civil Code.

Board of auditors meetings can be held through audio-video conference or teleconference, provided that all the participants can be identified and that identification is acknowledged in the relative minutes and are allowed to follow the discussion and intervene in real time to the discussion of the subjects, as planned; in this case, the Board of Auditors is considered held in the place where the Chairman is located for the meeting, to allow the drafting and signing of the relative minutes.

Article 24 - Statutory audit

Without prejudice to legal mandatory provisions, the ordinary meeting can entrust the statutory audit of the accounts to the Board of Statutory Auditors or to an auditor or an auditing Company.

Article 25 - Financial statements

Financial years end on 31 (thirty-first) December of each year.

At the end of each financial year, the Administrative Body must prepare the financial statements, in compliance with the provisions in force, accompanied by a report on the performance of the Company management.

Article 26 - Profits

The net profit shown in the financial statements must be broken down as follows:

- five percent to the ordinary reserve until the limit set by article 2430 of the Civil Code is reached;
- the remaining ninety-five per cent to shareholders unless the shareholders' meeting approves special allocations to the extraordinary reserve or other types of allocations, including the provision of a portion of profits made available to the Administrative Body, or may carry it forward again in whole or in part.

Article 27 - Payment of dividends

Dividends must be paid within the terms and in the manner established by the Shareholders' Meeting.

Dividends not collected within five years from the day they become payable are prescribed in favor of the Company.

Article 28 - Advance payments on dividends

The Board of Directors has the right to resolve the distribution of interim dividends within the limits and in the manner established by law.

Article 29 - Dissolution and liquidation

In the event of dissolution of the Company at any time and for any reason, the Shareholders' Meeting is responsible for establishing the liquidation procedure and for appointing one or more liquidator and granting powers to them.

With regard to the Company dissolution and liquidation, the provisions of law apply.

Article 30 - Disputes

Any disputes between shareholders or between shareholders and the Company, even if promoted by directors, liquidators and auditors, or against them, must be decided, within the limits permitted by law, by a panel of 3 (three) arbitrators and/or mediators appointed by the President of the Court of Milan. The arbitrators appointed in this way will appoint the President and in case of disagreement between them the President of the Court of Milan will decide.

The Arbitration Panel will decide by majority rule, without procedural formalities, within 90 (ninety) days from its creation, and the decision will be final (without prejudice to the possibility of appeal pursuant to Article 829, paragraph 1 and 831 of the Code of Criminal Procedure) and binding between the parties, all in full compliance with all current and future laws on arbitration.

Article 31 - Reference law

For what not expressly provided for in this deed of incorporation, explicit reference is made to the provisions contained in the Civil Code and other applicable laws.

1.22 Important contracts

1.23 Information from third parties, expert statements and declarations of interest

Not applicable.

1.24 Document accessible to the public

Company's corporate documents (by-laws, minutes of general meetings and other documents), and, when appropriate, reports, letters, valuations and statements prepared by an expert at the request of the Company, historical financial information of the Company may be consulted at the registered office of the Company and a copy may be obtained.

Financial communication documents are also available on its website at www.mybestgroup.it and on the website of Euronext Paris.

The Company intends to communicate its financial results in accordance with the requirements of the laws and regulations in force.

2 Operation notes

2.1 Listing procedure on the Euronext Growth Paris market

2.1.1 Main objective of the listing

The operation described in the present document as admission to trading, should allow MyBest Group to:

- Increase its visibility on the market and attract both Italian and French investors for trading shares of a Group focused on a very attractive market,
- Speed up its internationalization process,
- Obtain liquidity for all shareholders on the Euronext growth market.

The Private Placement and the Bonds Conversion prior to the listing should allow the Group to:

- Raise funds in order to faced and anticipated the growth of the activity within the next 2 years;
- Raise funds to initiate the international development planned;
- Reduce the Group current leverage with bonds conversion.

2.1.2 Shares whose admission to the Euronext Growth market is requested

Number of existing shares before the Private Placement and the Bonds Conversion	4 925 187
Number of shares issued resulting from the Private Placement	483 432
Number of shares issued resulting from the Bonds Conversion	1 260 000
Number of shares admitted to the negotiations	6 668 619
Share price at the admission time and for the Private Placement	EUR 5.07
Strike of the convertible bonds (2015 POC)	EUR 3.55
Strike of the convertible bonds (2017 POC)	EUR 4.31
Nature and form of actions admitted	Bearer shares
Name of the action	MYBESTGROUP
ISIN code	IT0005119109
Symbol	ALMBG
Listing Method	Double fixing

2.1.3 Private Placement prior to the admission on Euronext Growth

The Private Placement was conducted prior to the listing with a small circle of qualified investors, for a total amount of EUR 2 451 000 and with the creation of 483 432 new shares with a share price of €5.07.

2.1.4 Bonds Conversion prior to the admission on Euronext Growth

On 1 April 2015 and on 30 January 2017, the Company issued two convertible bonds, respectively the 2015 POC and the 2017 POC. Those bonds have been entirely converted into shares capital prior to the listing on Euronext Growth resulting of a creation of 1 260 000 new shares.

2.1.5 Authorizations under which the Private Placement and the Bonds Conversion are realized

2.1.5.1 *Shareholders meeting having approved the share capital increase for the listing on Euronext Growth*

Extract of the Minutes of the shareholders meeting (July 20th, 2018)

1. Approval of an increase up to a maximum of € 4.999.999, inclusive of the share premium, by issuing ordinary shares, with the exclusion of the option right pursuant to article 2441, paragraph five of the Civil Code, for the listing on Euronext Growth. Related and consequent resolutions.

with the dissenting vote of the shareholder Maurizio Santacroce and with the favorable vote of all the shareholders present expressed out loud,

APPROVES:

1) a divisible paid capital increase, up to a maximum amount of € 4.999.999,00 (four million nine hundred and ninety nine thousand nine hundred and ninety nine/00 euros), inclusive of the share premium, with exclusion of the option right pursuant to art. 2441, paragraph five of the Civil Code, given the interest of the Company as illustrated above, through the issuance of new ordinary shares, which will be regular dividend shares and which will have the same characteristics as the other shares outstanding at the time of their issuance, under the following conditions:

(a) the shares are issued with the exclusion of the option right, for listing of the shares on Euronext Growth, to be placed with (i) “professional investors” pursuant to article 34-ter, paragraph 1, letter b) of Consob Regulation no. 11971/1999 in Italy; (ii) foreign institutional investors outside the United States of America and with the exception of Canada, Japan and Australia, as required by Regulation S adopted pursuant to the Securities Act of 1933 as subsequently amended; as well as (iii) investors other than Professional Investors in Italy, possibly also through a portion of dedicated capital increase, at one or more placement stages, according to the decisions of the administrative body;

the issue price of the shares must be determined by the Board of Directors taking into account the Company's book value, the quantity and quality of the expressions of interest received as part of the Placement and market practices for similar operations, without prejudice to the fact that the issue price shall not, in any case, be lower than the book value of the Company, as resulting from the last financial statements or balance sheet approved, and, therefore, to date it shall not be less than € 2.54 (two point fifty-four);

(b) the final term for subscription, pursuant to art. 2439, paragraph 2 of the Civil Code, is 31 (thirty-one) December 2019 (two thousand and nineteen);

(c) newly issued shares will be regular dividend shares;

(d) the increase will remain effective even if partially subscribed and, for the subscribed part, from the moment of its subscription, without prejudice to the effects of the inclusion of this resolution in the Business Register;

2) the amendment of article 6 of the deed of incorporation, by eliminating any reference to the capital increase of € 30,000,000.00, including the share premium, approved on 18 September 2017, which expired on 30 June 2018, without any subscriptions being collected and by including the following transitional clause at the bottom:

"The extraordinary meeting, on 20 July 2018, with a report prepared by the Notary, Mathias Bastrenta, decided to increase the share capital, in divisible form, for a maximum of € 4.999.999,00 (four million nine hundred and ninety nine thousand nine hundred and ninety nine/00), including the share premium, by issuing ordinary shares, with no par value, with the exclusion of the option right, as it is reserved for listing the shares on Euronext Growth and, therefore, to be placed with (i) "professional investors" pursuant to article 34-ter, paragraph 1, letter b) of Consob Regulation no. 11971/1999 in Italy; (ii) foreign institutional investors outside the United States of America and with the exception of Canada, Japan and Australia, as required by Regulation S adopted pursuant to the Securities Act of 1933 as subsequently amended; as well as (iii) investors other than Professional Investors in Italy";

3) the conferment of the mandate to the Board of Directors for the capital increase referred to in this resolution, with all necessary powers, including what is necessary and appropriate for (i) the completion and execution of the capital increase transaction, also divided into portions, and in particular the power to determine the number of shares to be issued, based on the results of the placement, and to determine, within the limit of the minimum price determined above based on the Company's shareholders' equity, the maximum price of the offer or the maximum and minimum price range and the final issue price of the shares, taking into account the quantity and quality of the requests received from foreign professional and institutional investors, as well as the quantity of the requests received as part of the offer to third parties and anything else necessary for the successful completion of the transaction, without prejudice to the aforementioned minimum amount of € 2.54 per share; (ii) the definition of the deadline for the share capital increase and the issue of the shares to guarantee the successful completion of the Company listing on Euronext and (iii) to deposit the certification pursuant to art. 2444 of the Civil Code, as well as the deed of incorporation containing the updated amount of the share capital pursuant to art. 2436 of the Civil Code, with the abolition of the transitional clause included in the deed of incorporation;

2.1.5.2 Board of Directors having certified the issue of new shares resulting from the Private Placement **Extract of the Minutes of the Board of Directors meeting (July 20th, 2018)**

The Board of Directors, having heard the Chairman and the favorable opinion of the Board of Statutory Auditors, after a broad discussion, unanimously

APPROVES

- the determination of the final issue price of the shares, equal to Euro 5,07, of which Euro 4,57 as a share premium;
- the requests for subscription of the shares received, and consequently the issuance of at least no. 483 432 shares resulting from the capital increase for the Listing operation, as well as the conferment of the proxy to the Chairman of the Board of Directors to collect and accept any requests for subscription of the capital increase to be transmitted and to establish the final number of shares to be issued as a result of the capital increase.

2.1.5.3 *Board of Directors having certified the issue of new shares resulting from the Bonds Conversion* **Extract of the Minutes of the Board of Directors meeting (July 20th, 2018)**

After extensive discussion, the Meeting unanimously

APPROVES

- to issue, based on the conversion ratio established in the bond loan regulation, no. 563 540 shares for the conversion of the "MyBest Group Convertendo 2015-2020";
- to issue, based on the conversion ratio established in the bond loan regulation, no. 696 000 shares for the conversion of the "MyBest Group Convertendo 2017-2021";
- the conferment to the Chairman of the Board of Directors and the Managing Director, also separately, of the broadest powers for the purpose of implementing the resolution, for the finalization of the documents required for the implementation of the same.

2.1.5.4 *Board of Directors having rectify the issue of new shares resulting from the Bonds Conversion* **Extract of the Minutes of the Board of Directors meeting (July 26th, 2018)**

After extensive discussion, the Meeting unanimously

APPROVES

- to issue, based on the conversion ratio established in the bond loan regulation, no. 564 000 shares for the conversion of the "MyBest Group Convertendo 2015-2020";
- the conferment to the Chairman of the Board of Directors and the Managing Director, also separately, of the broadest powers for the purpose of implementing the resolution, for the finalization of the documents required for the implementation of the same.

2.1.6 *Share price at the admission time*

The share price of MyBest Group at the admission time for trading on Euronext Growth is €5.07.

2.1.7 *Conservation commitment*

Shareholders resulting from the Bond Conversion of the 2015 POC have committed not to sell for a period of 12 months following the day of the admission of the Company's securities on the Euronext Growth Paris market, the securities they held is 564 000 shares, representing 8.5 % of the capital of the Company.

Board of director's members top executive managers and close investors have committed not to sell for a period of 12 months following the day of the admission of the Company's securities on the Euronext Growth Paris market, the securities they held directly or indirectly is 3 977 365 shares, representing 59.6 % of the capital of the Company.

Shareholders resulting from the Bond Conversion of the 2017 POC have not committed to hold the shares following the day of the admission of the Group's securities on the Euronext Growth Paris market, the securities they held is 696 000 shares, representing 10.4 % of the capital of the Group.

2.1.8 *Scheduled timetable*

Shareholders meeting acting the capital increase:	July 20 th , 2018
Publication of the Euronext notice:	September 5 th , 2018

Settlement: September 7th, 2018
 First listing on Euronext Growth: September 10th, 2018

2.2 Basic information

2.2.1 Statement about Financial resources

As Chairman of the Board and Chief Executive Officer of My Best group S.p.A., with registered office in Sesto San Giovanni (Milan), Viale Casiraghi 359, and registered in the Milan Business Register, identification number 04227580968, and in the Milan Economic Administrative Register (REA), identification number MI-1735084, I hereby certify that:

1. MyBest Group is not subject to any legal procedure governing companies' difficulties.
2. The Issuer possesses sufficient financial resources in order to be able to conduct the planned business for at least the next twelve months following the listing on Euronext Growth.

Fabio REGOLO
 Chairman and CEO

2.2.2 Basic information on shareholders equity and indebtedness

Financial position as of December 31st, 2017 is presented in the section 1.11 of this present Document.

However, at the date of the present document, the indebtedness of the company has been restructured. The company signed a rescheduling plan with Banca Intesa San Paolo S.p.A. as part of a framework renegotiation agreement coordinated by the Holding of the Group. The current consolidated residual amount of debt⁸ is presented in the table below:

Indebtedness (k€)	
Consolidated financial debt (without convertible bonds)	12,481
of which due within 2018	1,837
of which due in 2019	2,319
of which due in 2020	3,090
of which due in 2021	1,930
of which due in 2022	220

After the Bonds Conversion and the Private Placement, shareholders equity is as presented below:

Equity evolution	in €
Total equity 31/12/2017	5 501 444
Capital contribution through Bonds Conversion	5 000 000
Capital Contribution through Private Placement	2 451 000
Total equity	12 952 444

⁸ Financial data not audited

2.3 Technical information

2.3.1 Securities services provider

The financials services providers associated with the Company shares are, Monte Titoli acting as the Issuer Central Securities Depository and Euroclear France acting as the Investor Central Securities Depository.

If the issuer had to change its securities services, it would be announced in the financial press and this information would be included in a notice published by Euronext.

2.3.2 Liquidity provider

The Group will evaluate the possibility of appointing a liquidity provider within the end of 2018 to dynamize the free float and the liquidity.

2.3.3 Listing sponsor

ATOUT CAPITAL

164 boulevard Haussmann

75008 PARIS

Tel: +33 (0)1 56 69 61 80

2.4 Dilution resulting from the Private Placement and the Bonds Conversion

2.4.1 Impacts on equity per share

Impacts on equity per share based on 31/12/2017 equity* (in €)

	Non diluted basis
Before Bonds Conversion and Private Placement	€1.12
After Bonds Conversion leading to the creation of 1260000 new shares	€1.70
After Private Placement leading to the creation of 483432 new shares	€1.94

*Based on equity excluding minority interests

2.4.2 Impacts on shareholder's situation

Impacts on shareholders situation

	Non diluted basis
Before Bonds Conversion and Private Placement	1.00%
After Bonds Conversion leading to the creation of 1260000 new shares	0.80%
After Private Placement leading to the creation of 483432 new shares	0.74%

2.5 Risks related to the capital increase

2.5.1 Shares are sensitive to market fluctuations

The new shares resulting from the capital increase will be listed on Euronext Growth Paris. The price of the Private Placement does not predict the performance of the market price of the Group's shares following the capital increase. The price that will be established after the Group's capital increase on the Euronext Growth Paris may vary significantly from the price of the Private Placement. The capital increase of the Group does not guarantee the liquidity of the shares traded on the regulated market Euronext Growth Paris. It is not possible to guarantee the existence of a liquid market for its shares or that such market, if it develops, will continue. If a liquid market for the Group's shares does not develop, the market price of its shares could be affected.

2.5.2 The sale of a significant number of shares could have a significant impact on the share price

If shareholders holding a significant stake of the Group's capital decide to sell all or part of their participation, or if the perception that such action is imminent, a significant negative effect on the share price could happen.

2.5.3 The Group may in the future use the market to meet its financing needs

The capital increase carried out by Private Placement must allow the Group to accelerate its development. However, it cannot be ruled out that, in the future, the G will use the market to meet additional financing needs. There is therefore a risk of dilution for the shareholders who would not take part in these possible future fundraising. If the Group raises capital by issuing new shares, the participation of its shareholders could be diluted.

2.6 Scheduled date for the first publication of earnings figures following the listing

Following the listing admission, date of the publication for H1 2018 earnings figures will be October 1st, 2018.