



**REPLY
RESOCONTO
INTERMEDIO
DI GESTIONE
AL 31 MARZO 2020**

REPLY
INTERIM MANAGEMENT
REPORT AT 31 MARCH
2020

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BOARD OF DIRECTORS AND CONTROLLING BODIES

BOARD OF DIRECTORS

Chairman and Chief Executive Officer

Mario Rizzante

Chief Executive Officer

Tatiana Rizzante

Executive Directors

Filippo Rizzante

Daniele Angelucci

Claudio Bombonato

Elena Maria Previtera

Fausto Forti (1) (2) (3)

Secondina Giulia Ravera (1) (2)

Francesco Umile Chiappetta (1) (2)

Board of Statutory Auditors

President

Giorgio Mosci

Statutory Auditors

Piergiorgio Re

Ada Alessandra Garzino Demo

Independent Auditors

PwC S.p.A.

(1) Directors not invested with operational proxies

(2) Independent Directors according to the Corporate Governance code drawn up by the Committee for Corporate Governance

(3) Lead Independent Director

This report has been translated into English from the original Italian version, in case of doubt the Italian version shall prevail.

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

(thousand Euros)

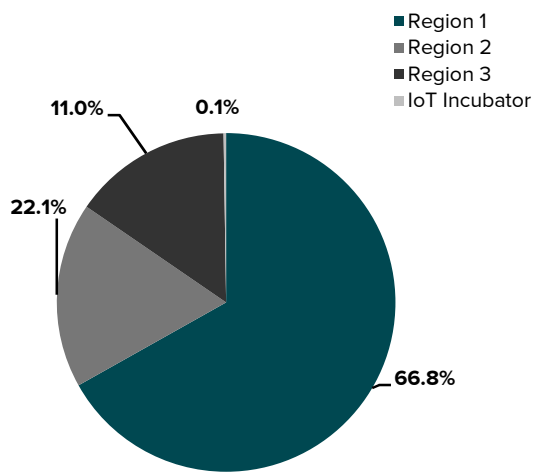
Economic figures	Q1 2020	%	Q1 2019	%
Revenue	316,993	100.0	283,544	100.0
EBITDA	47,624	15.0	42,344	14.9
EBIT	38,035	12.0	33,584	11.8
EBT	33,941	10.7	34,205	12.1

	31/03/2020	31/03/2019
Investments	4,147	4,207

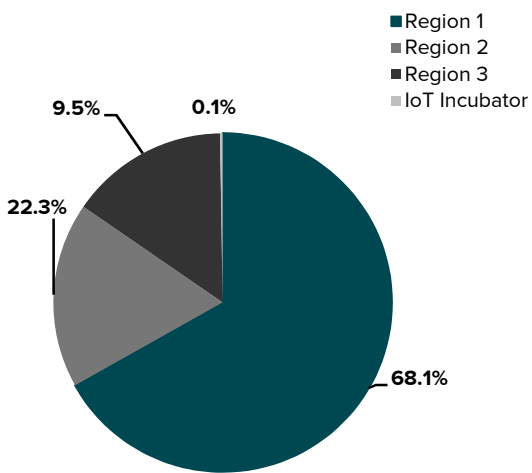
	31/03/2020	31/12/2019
Net financial position	159,333	105,031

	31/03/2020	31/03/2019
Employees	8,386	7,850

REVENUE BY REGION (*)
31 March 2020

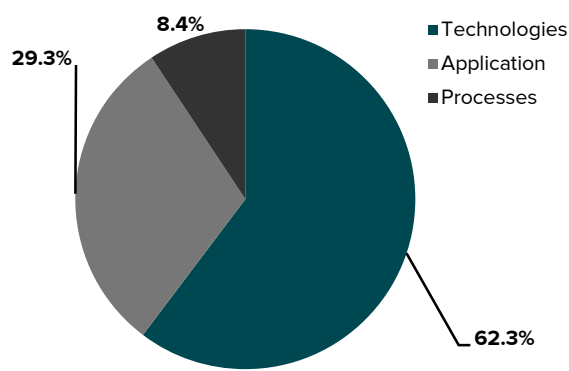


REVENUE BY REGION (*)
31 March 2019

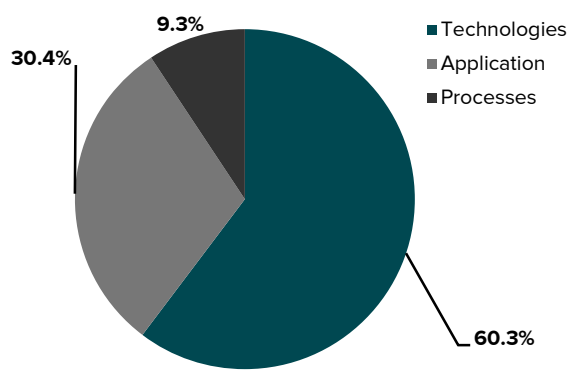


(*)
 Region 1: ITA, USA, BRA, POL, ROU, CHN (Nanjing)
 Region 2: DEU, CHE, CHN (Beijing), HRV
 Region 3: GBR, LUX, BEL, NLD, FRA, BLR

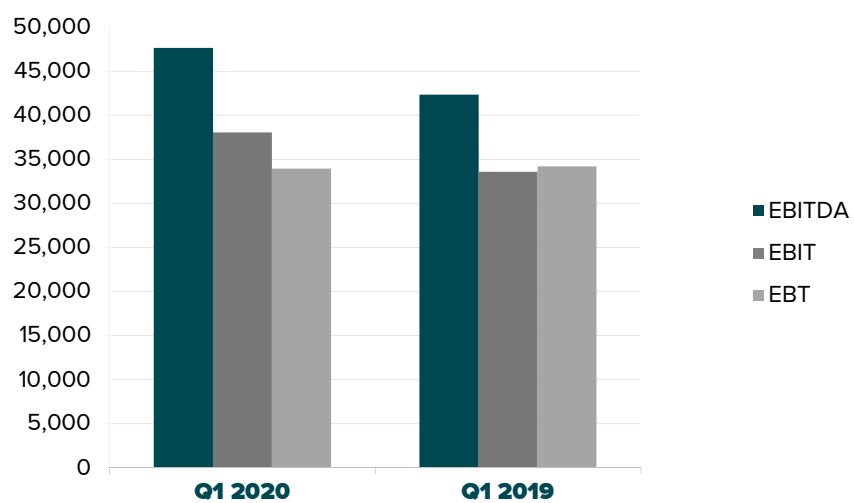
REVENUE BY BUSINESS LINE
31 March 2020



REVENUE BY BUSINESS LINE
31 March 2019



TREND IN MARGINS



REPLY LIVING NETWORK

REPLY LIVING NETWORK

Reply is a company that specialises in consulting, system integration and digital services with a focus on the invention, design and implementation of solutions based on the new communication channels and digital media.

Composed of a network of companies, Reply partners with key industrial groups in defining and developing business models made possible by the new technological and communication paradigms such as big data, cloud computing, digital communication, the Internet of Things and mobile and social networking. In so doing, it aims to optimise and integrate processes, applications and devices.

THE ORGANISATIONAL MODEL

With over 8,000 employees Reply operates through a network of companies that specialise in processes, applications and technologies and are centres of excellence in their respective fields of expertise.

Processes – for Reply, the understanding and use of technology establishes a new enabling factor for business processes, based on an in-depth market knowledge of the specific industrial contexts of implementation.

Applications – Reply designs and implements software solutions aimed at satisfying a company's core business requirements.

Technologies – Reply optimises the use of innovative technologies, by implementing solutions capable of ensuring maximum efficiency and operational flexibility for its customers.

Reply's services include:

Consulting – with a focus on strategy, communication, design, processes and technology;

System Integration – making the best use of the potential of technology, by combining business consulting with innovative technological solutions and high added value;

Digital Services – innovative services based on new communication channels and digital trends.

MARKET FOCUS

In every market segment in which it operates, Reply combines specific sector expertise with broad experience in the provision of services and a wealth of advanced technological capabilities.

TELCO, MEDIA & HI-TECH

The convergence between the physical and virtual realms is profoundly revolutionising the relationship with customers and the approach adopted by today's Telco & Media companies. In this context, increasingly competitive and "hybrid" operators are having to tackle new challenges, to which they must respond with innovative and tailor-made offers, new business models and state-of-the-art operational processes.

In this scenario, characterised by rapid and profound change, Reply is collaborating with leading players in the sector to define and implement digital transformation strategies that leverage big data, using artificial intelligence and machine learning systems to design services increasingly more suitable and better targeted to customers' needs. Moreover, thanks to its extensive expertise and knowledge of the sector and its operational dynamics, Reply is not only able to take appropriate actions to optimise processes, but also to automate them by leveraging specific Robotic Process Automation solutions.

The relationship with customers and attention to the service provided are not, however, the only aspects affected by the digital changes that are transforming the Telco sector. The ever-greater diffusion of connected objects also requires a corresponding change in networks, through a reconfiguration that enables the transmission – in real time – of huge volumes of data, no longer generated by smartphones and other mobile devices alone, but by a myriad of connected objects. Reply plays an active role in this new "smart connection" era, in which the network must adapt and reconfigure itself according to the constantly changing requirements of the user. With this in mind, Reply has defined an integrated offer of strategic and technological consulting services to support the evolution related to the 5G network and to the design, definition and management of new generation networks based on the SDN paradigms. Networks that are capable of integrating and managing virtual networks through network engineering and network operations services.

Furthermore, in recent years, networks have been innovating faster and faster, driven not only by technological developments such as 5G, but also by the separation between HW and SW, the breakdown of networks, and by cloud and edge computing, which are all becoming elements of increasing distinction for operators. The software part will increasingly cover the core of network intelligence, to leave transmission areas to be dedicated to HW devices. In this context, Reply has gained a profound experience in its projects relating to unbundled networks, combining the specialized skills of networks with the ability to create software systems in an agile way, and with highly performing development methodologies that guarantee low latency and "Carrier grade" solutions.

FINANCIAL SERVICES

The digital world is radically transforming the financial institutions sector. Leading market analysts are predicting that the digital financial platforms market will explode over the next few years, both in terms of the increased number of natively digital retail customers, as well as the technological evolution towards highly scalable cloud platforms.

The growing penetration of solutions based on artificial intelligence and robotics is another powerful element of transformation, based on new decision-making models made possible by the explosion of available data (big data), the increasing digitisation of internal services/processes and interfaces with the market.

Reply accompanies European banks and insurance companies in their digital transformation. The company helps them not only in the definition of multi-channel strategies and the implementation of open banking and open insurance models, but also in allowing new architectures and technologies to coexist with legacy systems and architectures. To do this, Reply brings its extensive know-how in key areas such as big data, robotics and artificial intelligence, with the aim of improving customer interaction and developing new decision-making models to analyse risks and optimise internal operational processes through the adoption of Robotic Process Automation (RPA) techniques.

Moreover, Reply also operates in the mobile payment sector, in the m-commerce services realm and in related platforms, offering solutions, services and consultancy for the banking and insurance market, as well as for new, emerging players working on payments solutions.

Reply also boasts a strong presence in the wealth management industry, having developed specific solutions for new consultancy models, including robo-advisory platforms. Moreover, Reply is significantly active on the risk control front, operating in Europe with a consultancy division dedicated to Governance, Risk and Control (GRC). Reply also develops solutions that help financial institutions implement regulations issued by the European Banking Union and, finally, is strongly committed to innovation driven by projects linked, for example, to biometric recognition, digital identity, quantum computing and blockchain technology.

MANUFACTURING

Reply invested significantly to enhance its portfolio of Industry 4.0 and Logistics 4.0 solutions, fully re-engineering its proprietary solutions for supply chain execution and for the manufacturing execution system. Thanks to the integration of the IoT, cloud computing and big data paradigms, the ability to interact with the latest generation of sensors installed on production lines and products was further boosted, with the aim of creating the backbone of the next generation of applications in the logistics and manufacturing sector.

Reply also works with leading groups in the manufacturing sector in the transformation and evolution of systems in the production and distribution fields, with a specific products and services offer that integrates technological consultancy and the industrial context domain. In particular, Reply's areas of intervention concern the support of supplier and purchase management processes, the design and implementation of control and planning systems based on the new generation of cloud-based ERP solutions, the planning and control of production units and the design and definition of logistics supply networks.

One of the manufacturing sectors that underwent a major transformation is the automotive sector, particularly in terms of connected vehicles and mobility platforms. In these areas, Reply has closely followed the ACES (Autonomous, Connected, Electrical and Shared) paradigm, developing specialised skills and projects related to autonomous driving assistance, where the level of automation is taking its first steps towards level 5, in other words, driving without any human intervention. The connectivity front is another realm in which Reply collaborates with the leading OEMs to create commercial versions of V2I (Vehicle-to-Infrastructure) connectivity platforms. In this area, Reply's developments concern both on-board software applications (infotainment and telematic boxes), as well as mobile and back-end solutions for the processing of the data received and the provision of B2C and B2B services.

Electric and hybrid vehicles represent another innovative leap, a transport category for which optimising the charging process, both in terms of logistics and timeframes, is key. With this in mind, Reply has leveraged its consolidated experience in the mobile field and in the development of cloud-based platforms to design, in collaboration with client companies, platforms at the service of connected vehicles. Capable of integrating data from on-board systems with distributed network data, these platforms make it possible to calculate optimal routes between the different charging stations available. Moreover, in the Shared Mobility realm, Reply collaborated with the leading European operator in the creation of a communication control unit between vehicles and infrastructures, handling both the hardware and software development.

Finally Reply has confirmed its leadership in the IT solutions sector for logistics, in support of the automotive industry, with projects for leading OEMs covering the entire supply chain: from production, to factory logistics, transport and after-sales distribution.

RETAIL

The evolution of customers' purchasing behaviour, the entry of new players into the market, e-commerce and impetus of the digitalisation of products and services have already radically and permanently changed the retail sector. In this renewed dimension, the customer experience is also transforming, becoming a differentiating element for retailers. Today, customers are increasingly demanding closer relationships with brands and expecting to be able to interact wherever they are, breaking down the boundary between physical stores and e-commerce. A fully personalised shopping experience is a prerequisite for a positive perception of the interaction with companies and brands. Consequently, data-driven strategies that include the real-time analysis of customer behaviour, as well as a perfect connection between the digital and physical world, are absolutely crucial.

Reply also supports traditional operators in adding digital capabilities to their business, integrating the most up-to-date technologies into their activities and daily interactions with the consumer. Reply collaborated with numerous European retailers to introduce voice assistants and solutions based on augmented and virtual reality, in order to radically transform the shopping experience by practically eliminating the barrier between the digital and in-store dimensions.

ENERGY & UTILITIES

Increasingly advanced digital technologies are having a significant impact on the entire supply chain associated with the energy sector and with the services provided by utilities. Today, digitalisation involves all supply phases, from production to sales and all the way to consumption control.

Today, Cloud computing is the most commonly used tool for primary provisioning, while the approach based on IoT models is increasingly popular in the generation and energy management sector, being used primarily to support efficiency and smart city initiatives. Moreover, the trend towards the development of “open innovation” approaches is on the rise among large companies in the sector, including through the search for collaborations with innovative startups.

In this context, Reply is one of the reference partners for the sector, combining knowledge of the market and of its unique processes, with a distinctive capability to design, implement and manage innovative digital solutions and technological platforms at the support of “core business”.

The company’s consolidated skills and expertise in the introduction of new digital technologies have been further verticalised. In addition to the definition and development of new models in the energy management sector and downstream services – areas in which Reply collaborates with energy sales companies, as well as with end customers – experiments and collaborations have continued in areas linked to blockchain technology, to advanced analytics and to artificial intelligence and its applications to the sector.

HEALTHCARE & GOVERNMENT

Today, technology and health are increasingly connected and healthcare is quickly evolving towards a new “ecosystem” capable of satisfying all the key steps related to patient care: from prevention to treatment and all the way to follow-up services. This model is known as “connected care” and is characterised by a double advantage, both for patients and for healthcare professionals.

On one hand, it allows citizens/patients to access information regarding their health through unified and interoperable digital platforms and to share this information in a safe and voluntary matter with doctors, nurses and other actors. On the other hand, it is possible to connect all the different actors that come into contact with the patient, in order to seamlessly integrate the various information systems, exchange data and information and ensure the availability of the patient’s medical history, thus providing them with effective support throughout the diagnosis and treatment processes.

In this context, Reply is positioned as an innovative leader in the healthcare and data realms. The company combines its skills and expertise in innovative technologies such as big data, cloud computing, digital media and the Internet of Things, with its extensive healthcare know-how to offer specifically-created interoperability platforms and suites, starting from those designed for processes related to Reception and Patient Relationship Management (Appheal Reply platform), to its solutions focused on patient treatment and continuity of patient care (Ticuro Reply™ platform).

TECHNOLOGICAL INNOVATION

Technological innovation is the basis of Reply's growth. The company has always pursued the objective of providing its clients with the tools they need to increase flexibility and efficiency. Reply is committed to in a continuous process of research, selection and the marketing of innovative solutions for sustaining the creation of value within organisations.

ARTIFICIAL INTELLIGENCE

Reply has been at the forefront of artificial intelligence for years and today its offer is divided into three main areas: human-machine interaction (with the development of conversation and natural language recognition systems or visual recognition systems), the automation of business processes (through Intelligent Process Automation solutions) and the creation of systems to support business decisions (data prediction and prescription).

However, in order for artificial intelligence systems to become pervasive, the availability of data must also progressively improve. Indeed, AI offers effective results, provided that relevant datasets are available, both historical and updated in real time. With this in mind, Reply supports its customers by helping them to identify sources, as well as to build and organise information and sophisticated and combined models with Reinforcement and Transfer Learning methodologies, to ensure the use of algorithms characterised by very high accuracy and performance.

This is further enhanced by Reply's expertise in providing services to enrich datasets and to improve algorithm performance. To achieve this, Reply relies on *ad hoc* information collection through scraping or through its proprietary crowdsourcing platform, as well as the generation of pseudo-real synthetic data, assisted by generative neural networks and 3D modelling, or leveraging the integration of data streaming services, like those of IoT origin or, in the near future, distributed on 5G networks.

Moreover, to ensure that artificial intelligence can be applied correctly, it must be introduced into real processes, particularly in the industrial sector, in a controlled, measurable and reliable manner. To address these needs, Reply offers its proprietary framework, which is capable of providing process control tools, performance monitoring, behaviour transparency and confidence in results (fairness, explainability, bias detection and mitigation).

In the future, AI will be expected to play an increasingly key role, right from the conception and design phases of each new solution. The many vertical solutions and algorithms developed in recent years for different business cases and industries, allow Reply to offer customers rapid, agile and ad hoc adaptations of AI systems, including thanks to collaborations with leading international players in AI technologies.

BLOCKCHAIN

In the broad landscape of emerging technologies, blockchain represents a technological paradigm that, over the next few years, will be increasingly able to foster new digital ecosystems based on distributed computational infrastructures. The shared and distributed nature of blockchain-based digital registers represents an opportunity characterised by multi-industry application, with particular repercussions to the financial services sector and to the management of the supply chain. Moreover, the ability to create synergies with exponential technologies such as IoT or artificial intelligence enables the blockchain to become a convergence layer capable of supporting future data markets.

With an offer structured along the lines of consulting services, design and the implementation of solutions based on blockchain and the Distributed Ledger Technology (DLT), Reply developed the first system platform aimed at insurance companies and banks. Conceived and developed in collaboration with key partners in the insurance and university spheres, thanks to the use of smart contracts, the platform facilitates the issue and placement of parametric insurance products with reimbursement guaranteed.

Reply is also working on the development of leasing, securitisation and surety platforms. Together with the CeTIF (Research Centre in Technologies, Innovation and Financial Services) of the Cattolica University in Milan, Reply was a promoter of the first edition of the Blockchain Executive Program, a training course aimed at executive roles in companies operating in different industrial sectors.

CLOUD COMPUTING

Cloud Computing has long since become the paradigm for enabling the digital transformation. Implementing or migrating solutions in the cloud is now essential for companies, which, more than ever, are looking for support in making the most appropriate choices. With its decades of experience, Reply is able to support and guide its customers towards the best strategy, whether the latter is built on a “hybrid” approach or developed directly on the application platforms “as a service”.

Microservice-based architectures have taken over in the hybrid cloud world and “container” orchestrators have established themselves as the true paradigm able to enable digital transformation, while at the same time limiting the lock-in risks. Within this framework, Reply helps its customers to develop functionality based on a continuous delivery and continuous deployment approach.

Thanks to partnerships with major international vendors including Adobe, Amazon Web Services, Google, Microsoft, Oracle, SAP and Salesforce, Reply designs, develops and implements solutions that allow customers to benefit from the most effective solutions for their needs, both in terms of the model and the technology selected. Reply is also able to offer a cloud infrastructure management service, available 24/7, to support customers, not only in the architectural component, but also at the application level. Finally Reply completed the migration to the cloud of all its proprietary application platforms.

CUSTOMER ENGAGEMENT

The data-driven approach, which today sees an increasingly widespread use within companies, is rapidly defining a new paradigm for the design and management of marketing initiatives. Indeed, once the needs of the individual customer have been interpreted, based on the data and the analysis provided by CRM platforms (i.e. Customer Relationship Management), it becomes fundamental to have tools available that are able to support the definition and the execution of highly customised one-to-one marketing campaigns and can be launched in real time, making it possible to intercept increasingly more accurate and punctual requests.

To respond to this change of scenario, Reply has created a competence centre focused on customer robotics, for the development and implementation of processes relating to direct interaction with the customer across all sales channels. Thanks to the integration of machine learning models, artificial intelligence and cognitive systems, Reply helps companies to recognise and anticipate users' needs on the various contact channels.

An approach based on data analysis, in fact, facilitates the conception, design and implementation of highly personalised services, such as recommendation systems for catalogue products and conversational systems capable of understanding and interacting independently using natural language.

Lastly, Reply is constantly investing in developing its expertise in leading CRM and e-commerce platforms and solutions, thanks to a solid ecosystem of partnerships with world leaders in the industry, including Microsoft, Oracle, SAP and Salesforce.

CYBER SECURITY

In recent years, cyber risks have increased dramatically, not only in terms of their frequency, but also when it comes to the severity of the consequences, leading to a large number of data security breaches involving hundreds of millions of customers, as well as significant economic damage to governments and organisations. This growth in significant attacks, together with the increased attention from regulatory bodies on issues concerning the protection of information, personal data and critical infrastructures, requires an ever-increasing commitment from companies to manage the risks associated with cyber security.

In order to respond to this increasing complexity, Reply has developed a products and services offer designed to protect the integrity of its customers' systems, from the definition of the best computer security strategies, to the identification and implementation of the most suitable technological solutions to mitigate risk. Through its extensive partnership network, Reply is able to offer in-depth knowledge of the most innovative and popular security technologies on the market and to help customers with the scouting, selection and implementation of some of the best protection solutions, particularly as pertaining to risks associated with cloud services, IoT, industry 4.0 and automation.

Reply supports its customers during all the implementation phases of an integrated protection plan: from the identification of threats and vulnerabilities to the planning, design and implementation of appropriate technological, legal, organisational and risk transfer (cyber insurance) countermeasures. Moreover, thanks to its cyber security command centre, Reply assists large organisations with advanced computer security incident management and response, as well as with threat intelligence services.

DATA & ANALYTICS

Today, the ability to manage, process and transform data into a strategic asset is a priority for companies who wish to understand better the market in which they operate as well as their customers, but also for those looking to optimise internal processes. The key is the integration between the various technologies and a conscious use of data, developing value cases through accurate metrics.

Reply combines technological expertise in data mapping and data integration, with a profound knowledge of augmented data management and augmented analytics, supported by its skills in the design of data solutions, DataOps and MLOps, in addition to defining the organisational and operational Data Enablement Labs models.

Reply supports its customers through all the stages of the data adoption process, accelerating the construction or consolidation of analysis teams and of the supporting platforms. Moreover, Reply oversees aspects relating to the technological transformation (e.g. migrating data platforms from on-premise to the cloud), as well as strategic aspects (e.g. the selection of key datasets or core skillsets), with the aim of reducing the timeframes required for the implementation of success cases with a measurable ROI.

Reply strengthened its offer in the machine learning sector, by integrating specific deep learning and reinforcement learning skills and using them in commercial Machine Learning and Artificial Intelligence contexts. Moreover, it further developed its offer in the Data Academy and Data Design Thinking spheres. The main goal is to support companies in the creation of enterprise analytics platforms, as well as in making the transition from pilot projects to scalable solutions in production, thus enabling the automatic integration of predictive and prescriptive models within business processes and within new digital services.

DESIGN CONSULTING

In a world increasingly characterised by complex ecosystems, “customer-driven transformation” is the real differentiating factor in offering products and services in the B2C as well as the B2B spheres. With a view to the constant personalisation of services, Reply partners with and supports its customers in creating innovative and distinctive experiences, starting from the analysis of people’s needs, strategic business objectives and technology enablers, to achieve a personalised customer journey and to help companies create products and services capable of immediate and tangible results.

A customer-centric approach also requires a transformation in the internal organisation of the company. Reply enters this scenario, by supporting organisations in managing this change and helping them to become more agile and receptive, in other words, capable of capturing the best feedback and inputs from the market, while helping them to become faster in launching new products and services.

Reply continues to invest in this area through the acquisition of new talent and expertise, further expanding its two offices in Milan and Munich which offer support to various types of customers, from startups to large global industrial groups.

DIGITAL EXPERIENCE

In a world saturated with stimuli and distractions, it is absolutely key for companies to be able to establish a solid relationship with their target audience. Reply helps customers to design and implement a customer journey filled with experiences, also thanks to the use of innovative technologies and an in-depth knowledge of the user.

The foundation of the Reply philosophy consists of a personalised approach and a human-centric design. Over the years, the Company has continued to invest in creating scalable platforms and in the collection and analysis of a significant amount of data to understand user behaviour, improve marketing results and create new business opportunities, with a thought process based on an eco-system perspective rather than on a single application. To accomplish this, Reply applied the principles of Design Thinking, Lean UX and Growth Hacking and implemented social strategies and automated CRM activities, thus creating responsive and user-friendly mobile interfaces and intelligent recommendation engines.

Artificial intelligence will enable the enhancement of the digital experience over the next few years, while voice interfaces will radically change the way customers interact with a brand or make purchases. Moreover, AI can help companies accurately predict which content is most relevant to a specific customer audience, as well as understanding what their next actions may be.

Mixed reality applications are set to become the new paradigm of digital marketing. Indeed, as a hybrid between AR and VR, Mixed Reality (MR) is expected to become the next major paradigm shift in customer experience. By combining different types of technologies, including sensors, advanced optics as well as power and the latest generation processing networks, Mixed Reality is expected to enable the user to superimpose augmented holographic digital content in space in real time, creating incredibly real scenarios.

All this, in turn, will allow companies and brands to connect, interact and sell their products and services in ways that have never been possible before.

Reply is working to help companies keep up with the digital experience, accompanying them towards an extreme and successful personalisation of their communication, services and products.

DATA-DRIVEN MARKETING

When analysis and logic come together with imagination and intuition, something unexpected happens in terms of technological innovation. It is precisely on this principle that Reply has based its Data-Driven Marketing offer, which is capable of combining data science with business skills and creativity. Reply's technology and approach help companies reduce the pressure of emotion in marketing decisions, leaving room for decisions based on data analysis: an approach that makes it possible to minimise the unnecessary aspects related to advertising, for a more efficient and effective process.

Reply offers a wide range of flexible and easy-to-use Data dashboards (such as the proprietary China Beats, Pulse and Sonar platforms), which are capable of transforming the data collected into stories. The Company has also introduced the Data Creativity Score, the first data-driven system designed to quantify the level of creativity in a marketing campaign. Moreover, by applying brand personalisation models based on the principles of behavioural psychology and comparing them with the analysis of the echo generated by social media networks and buzz, Reply allows marketing experts to monitor Digital Brand Equity in real time.

These services are joined by the proprietary Advanced Analytics system, based on the latest scraping algorithms that exploit artificial intelligence and natural language processing. Thanks to this system, Reply is one of the few providers in the world capable of offering real-time tracking of a marketing campaign's ROI, thus enabling companies to reach their targets while optimising costs. Finally, with a focus on the Retail sector, Reply has created a solution capable of offering new and extraordinary opportunities for producers of consumer goods and for the retail world, by increasing the number of shop visits, optimising sales timeframes and differentiating the offer based on the specific target.

E-COMMERCE

Today, it has become increasingly important to pursue a digital strategy and to try to implement it as quickly as possible. We are witnessing a constant wealth of innovation, which in turn is bringing to life a vicious circle, where the goal is to create more value for the customer and greater efficiency for the company. In an increasingly digitalised world, where information is available everywhere and transactions are carried out with a simple touch of a finger or based on voice or facial recognition, it is essential for companies to learn to differentiate themselves.

This is precisely why e-commerce must reach a new level: it can no longer be a simple catalogue or a web showcase where products are reviewed or where there is a margin of personalisation. E-commerce must learn to involve and adapt digital marketing technologies, innovative techniques such as RPA or VR/AR,

artificial intelligence and other channels such as digital ads, e-mail, search engines, the mobile world, social media marketing and even physical stores, along with information derived from data and digital content. A winning mix that leads to customer engagement, higher revenue and profitability.

In other words, a transversal optimisation that impacts the entire user experience, with the aim of increasing sales across all channels. The process involves all the stages, from attracting new customers to learning about their tastes, and from completing a single purchase to the customer's choice to go back for additional purchases, all with the aim of acquiring more customers, more brands and higher sales.

Reply accompanies its customers in defining this path, while enhancing business efficiency and leveraging technological innovation to help companies create more value for the end user.

ENTERPRISE ARCHITECTURE & AGILE DEVELOPMENT

To be competitive on the current market, companies must be able to innovate quickly and on a widespread basis. Over the next few years, the agile approach is expected to become crucial and will be applied to all new projects. The “cloud first” philosophy and data-based models will see a growing need to put security and data protection at the very base of the life cycle and software development cycle.

In order to excel in the digital economy, characterised by the convergence between the physical and the digital worlds, organisations must remove the boundaries between IT and business.

This will enable companies to be agile in exploiting the new developments that are available, while being careful to avoid damage to legacy systems and projects.

Reply is able to support its customers in the Enterprise Architecture sphere, thanks to an extensive and proven catalogue of architectural frameworks, methods and models (for example, the Scaled Agile Framework and SecDevops), consolidated in various projects carried out on behalf of leading industrial and financial groups in the media and services sector.

GAME STUDIOS

The world of video games is not immune to the relentless changes and disruptions brought about by the digital age. In recent years, very different business and consumption models have become established: on one hand, the multiplayer concept and the birth of the freemium model, while on the other hand, the growth of digital marketplaces and new hardware platforms. Other revolutions are already expected in the near future, starting from the cloud gaming model, which promises to assert itself in a very short period of time, also driven by the 5G networks that will be able to guarantee very low latency. This trend promises to lead to the introduction of new business models, as well as new ways of using such models.

In this constantly changing scenario, one of the very few constants is the players' interest in the quality of the products: from the game and the story, to the graphics and the characters. These are all elements to which Reply has always attached great importance, as evidenced by the fact that the products developed over the

years still appeal on the market and continue to register the interest of users across all leading platforms, from mobile to PC and to the various consoles.

In the consumer sector, Reply's main VR product (Theseus) was included within an international gaming convention last year. Moreover, Reply is at work on a new title, to be launched in the next few years, which is expected to consolidate the company's position as one of the leading firms in the sector. In the B2B sphere, Reply has developed various games for companies looking to establish a more modern approach to dialogue with their customer base. The gaming industry has proven to be a strategic sector for Reply, which over the years has developed an offer capable of meeting the needs of brands, by helping them to exploit the potential of gaming to improve corporate communication and the relationship with customers.

INDUSTRY 4.0

Data processing power, latest-generation mechanical automation, as well as machine learning systems and artificial intelligence, are the drivers behind the fourth industrial revolution. The new Industry 4.0 models are quickly redefining production sites around the world, transforming traditional factories into closely interconnected systems capable of communicating in real time with the supply chain, logistics, sales, the actual products and the entire support and maintenance chain.

Plants are thus becoming open ecosystems that need to be able to adapt autonomously to new tasks, but also to carry out self-maintenance projects and organise input and output flows through constant communication with supply chains, while attaining levels of efficiency and control that make it possible to minimise costs and maximise results.

In this scenario, the product becomes a living component of the ecosystem: from design, to prototyping and up to production and to its after-sales dimension. The concept of the Digital Twin thus comes to life. This allows companies to maintain a digital copy of the product during its entire life cycle, starting from the traditional representation in CAD systems, to all of the subsequent phases.

Together with the Polytechnic University of Turin, Reply is working on Additive Manufacturing, a set of tools that make it possible to add the specific characteristics of additive manufacturing to MES/MOMS systems. Reply has also directly created a suite of integrated solutions, capable of making customers' production systems flexible, connected and efficient.

Reply's mission is to accompany companies throughout the transformation process: from the planning and development of solutions that open up the production sites and interconnect them to the entire digital world, to the design and implementation of solutions that are able to render products "smart", connected and digital. In addition, thanks to its data science specialists, Reply provides support in the processing of data collected by the interconnected systems, in order to develop algorithms aimed at automating production processes, in an efficient and effective manner.

A distinctive feature of Reply's offer is the availability of tools based on augmented reality and virtual reality, which can be adopted by companies to accompany people in the transition to a 4.0 approach.

Lastly, Reply is also a founding partner of two Industry 4.0 Centres in Turin and Milan, in collaboration with the Polytechnic University of Turin and the Polytechnic University of Milan.

MIXED REALITY

In a digital world that is constantly evolving and where video content is growing exponentially in volume, resolution, immersive capacity and three-dimensionality, talking of virtual reality or augmented reality now seems limiting.

The increasing computing power of devices, the capacity of the networks to offer incredibly low latency levels, the evolution of computer vision machine learning algorithms, the emergence of innovative software solutions such as pixel streaming and the evolution of increasingly smaller and more powerful visors, are all phenomena that are facilitating the shift from a logic of "experimentation" to a logic of "actual adoption" of these technologies across various business scenarios.

Thanks to its expertise in this sector, Reply has introduced immersive technologies in all their forms, incorporating them into concrete projects designed to support the communication and marketing of customer brands and as a tool for improving training processes.

Training, in fact, is an area where immersive technologies offer key advantages, as they provide contextualised instructions in the field, as well as because they create real virtual environments in which customers can experiment and practice in complete safety.

Reply has also created a holographic (HoloBeam) person-to-person (P2P) communication platform designed to enable participants to see the 3D reconstruction of the other participants and to share and interact using three-dimensional elements.

It is expected that new visors and new technologies will arrive on the market in 2020. Reply's laboratories and teams focused on the analysis and study of these technologies will allow the company to maintain a leadership consultancy role in this sector.

MOBILE & APPS

Reply is committed to supporting companies towards a "mobile digital transformation" with a focus on a multi-channel approach. The broad portfolio of products and services in this realm touches on the themes of User Experience, Data Centric Design and Multimodal Human-Machine Interfaces, thanks to which users can access a series of services that go beyond the terminal, to include voice assistants, chatbots and on-board vehicle *infotainment* systems. All this translates into a "fluid" mobile experience, in which the user chooses the device and how to use it.

The increasingly better performance of devices has made it possible even for the mobile world to adopt artificial intelligence systems that enable advanced services such as object recognition, biometric data processing or a number of augmented reality extensions.

Through the experience gained over the years, Reply offers its customers a mobile factory capable of not only exploiting the potential of native development, but also of quickly moving in to new market segments, leveraging the capabilities of hybrid development. All this, based on a versatile approach that enables the creation of applications natively conceived for smartphones, tablets, wearables, TVs and cars.

CONNECTED PRODUCTS AND PLATFORMS

Today, all key sectors have already started to experiment or consolidated their first experiences in the IoT field, starting from the automotive industry, where sizable investments in the connected car began last year, as well as in the insurance world, where this technology promises important changes in the relationship with customers, in risk management associated with policies and in the development of new targeted products.

The IoT is also crucial for the telecommunications sector, which today seems to be the most ready to handle a large number of connected objects and where the world of connected objects represents a structural opportunity to increase the topline, reduce the churn and develop the role of B2B service providers, which is an important goal in the transformation of business models.

Utilities also find themselves in the same position, with respect to which the IoT has become essential, not only to increase competitiveness, but also to generate, distribute and manage energy and energy efficiency. 2019 saw the launch of the new Reply accelerator for smart home solutions in the insurance, telecommunications and utilities sectors, with important results on a global level. Moreover, Reply's HI Connect™ platform has also consolidated its standing in the market as an effective choice for medium and large companies in the manufacturing sector.

Indeed, manufacturing appears to be the sector that shows the most promise in terms of being significantly revolutionised by the Internet of Things, opening the doors to Industrial IoT (IIOT), in other words connectivity linked to the digital transformation of manufacturing companies in Industry 4.0. In this context, Reply is consolidating its position as a privileged partner, with the Edge Computing offer playing a key role, namely the ability to move the intelligence of some typically cloud systems such as artificial intelligence (AI) and machine learning (ML) close to where the data is produced (i.e. the production line). Moreover, Reply is also investing in 5G, a strategic element for Industry 4.0 in the near future, and on the integration of IoT cloud platforms for industry, home to the Digital Twin applications designed to enable product development and maintenance.

QUANTUM COMPUTING

New technologies are emerging on the market, which make it possible to radically rethink complex problems from the computational point of view.

We are referring, of course, to the accelerated computing realm, where the basic objective is to accelerate computational workloads through the use of innovative hardware platforms.

In this context, Quantum Computing takes a leading role, as it enables the encapsulation of information within Quantum Bits (Qubits), thus taking advantage of the massive parallelisation of quantum algorithms. Quantum Computing thus makes it possible to solve problems that would normally be impossible to tackle using traditional technologies.

Reply has created a competence centre dedicated to Quantum Computing, which delved deeper into the application of different types of quantum algorithms to areas of interest to customers, some of which have already been integrated into innovative projects. Reply developed a number of optimisation solutions during the year, ranging from a logistics solution, to one concerning frequencies in telecommunications, finance and financial assets, all the way to the design of Quantum Machine Learning solutions applied to classification algorithms.

SOCIAL MEDIA

Since their arrival in the early 2000s, social media has been a key factor in social development and continues to be a tool in constant evolution. Users consume, interact, stay in touch with other users and participate, on social media platforms. Today, an entire generation does not know and is unable to conceive the world without social media. Consequently, brands are investing more and more time and resources in marketing and advertising activities on these platforms.

Within this framework, social media networks are no longer just a virtual place to post and share fun content, but also a strategic space for companies to enhance the recognition of a brand and increase user involvement. Thanks to the new technologies and features launched on a daily basis, social media has become an effective tool for funnelling marketing activities, capable of involving customers within their environment and enabling an uninterrupted experience.

With the huge number of connected users, all of varied origins and backgrounds, social media networks are able to offer an impressive amount of data. From the information obtained, to the analysis of trends and behavioural patterns, social media networks make it possible to understand users' needs and desires at an extremely detailed level, thus also enabling the optimisation of marketing campaigns.

Aware that a deep and thorough understanding of users and their habits is the basis for building a successful brand, Reply designs, manages and upgrades connected digital ecosystems, in which brand and customers meet. By combining extensive knowledge and expertise in the world of data, with a broad know-how of content, channels, media and technology in general, Reply's international team of experts is able to create a fully connected infrastructure, made up of different digital touchpoints, where brands and customers can connect directly.

REPLY SERVICES

Today, networks consist of distributed “information systems” that provide real-time access to an ever-increasing quantity of complex data, information and content. This use of the Internet is creating new, competitive models, based on approaches to service that depend on three fundamental components: the software platforms involved, an understanding of and expertise in the relevant processes and service management.

Reply supports its customers in this quest for innovation with services and platforms that are designed to exploit in full the new potential offered by networks and communication technologies.

REPLY PLATFORMS

Reply supports its clients in the quest for innovation with services and platforms designed to fully exploit new potentials offered by networks and by communication technologies. These platforms are:

- Brick Reply™
- China Beats
- Discovery Reply™
- HI Connect™
- Lea Reply™
- TamTamy™
- Ticuro Reply™
- Pulse Reply™
- Sonar Reply™
- X-Rais Reply

SUMMARY REPORT OF THE FIRST QUARTER

SUMMARY REPORT OF THE FIRST QUARTER 2020 AND EXPECTED BUSINESS DEVELOPMENTS

Since the beginning of the year, the Group has recorded a consolidated turnover amounting to €317.0 million, an increase of 11.8% compared to the corresponding data for 2019.

All indicators are positive for the period. In the first quarter of 2020 the consolidated EBITDA was €47.6 million (€42.3 million in 2019), equal to 15.0% of the turnover.

EBIT from January to March, was €38.0 million (€33.6 million in 2019), and is equal to 12.0% of the turnover.

The profit before tax, from January to March 2020, was €33.9 million (€34.2 million in 2019), equal to 10.7% of the turnover.

The net financial position of the Group on 31 March 2020 is also positive by €159.3 million. The net financial position on 31 December 2019 was positive for €105 million.

The results for the first quarter of 2020 have been very positive, both in terms of revenues and margins. When in March the unexpected explosion of the Covid-19 pandemic caused slowdowns and lockdowns of business in each sector, Reply succeeded in guaranteeing the continuity of activities for every customer. This was achieved thanks to the flexibility of its network model, combined with a working system based for a long time on advanced individual productivity tools and systems distributed entirely in the cloud.

The economic repercussions of the pandemic on Reply are not punctually predictable, because they will depend a lot on how companies and governments will react. The next few months will require companies to make a great transformation effort, they will have to manage the restart in a competitive framework completely different from the one they left behind, preparing themselves to deal effectively also with possible new closedown. The scenario is complex, still in progress and very uncertain; but technology and, in particular the cloud, artificial intelligence and all digital components will have a decisive role in shaping our new future".

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Reply's performance is summarized in the following reclassified consolidated statement of income.

CONSOLIDATED FINANCIAL STATEMENT AT 31 MARCH 2020

(thousand Euros)	Note	Q1 2020	%	Q1 2019	%
Revenue	4	316,993	100.0	283,544	100.0
Purchases	5	(5,404)	(1.7)	(4,727)	(1.7)
Personnel	6	(155,574)	(49.1)	(142,026)	(50.1)
Services and other expenses	7	(108,941)	(34.4)	(94,720)	(33.4)
Other operating (expenses)/income		551	0.2	272	0.1
Operating expenses		(269,368)	(85.0)	(241,201)	(85.1)
Gross operating margin		47,624	15.0	42,344	14.9
Amortization and write-downs	8	(9,589)	(3.0)	(8,760)	(3.1)
Operating margin		38,035	12.0	33,584	11.8
Income/(losses) on investments	9	(319)	(0.1)	1,171	0.4
Financial (loss)/income	10	(3,775)	(1.2)	(549)	(0.2)
Income before taxes		33,941	10.7	34,206	12.1

NET FINANCIAL POSITION

The Group's net financial position as at 31 March 2020, analyzed by due date and with comparative figures as at 31 December 2019, is shown in the following statement:

(thousand Euros)	31/03/2020	31/12/2019
Cash and cash equivalents	289,509	239,571
Current financial assets	1,456	1,666
Due to banks	(13,316)	(16,648)
Financial liabilities IFRS 16	(22,304)	(20,991)
Net financial position - Short term	255,345	203,598
Due to banks	(21,494)	(25,846)
Financial liabilities IFRS 16	(74,518)	(72,721)
Net financial position - Long term	(96,012)	(98,567)
Total net financial position	159,333	105,031

NOTE 1 – ACCOUNTING PRINCIPLES

Notwithstanding Legislative Decree no. 25 of 15 February 2016 has eliminated the obligation to publish Interim Management Statements, these have as at 31 March 2020, in relation to the first quarter of financial year 2020, been prepared, in capacity of STAR segment issuer, as required by Borsa Italiana S.p.A. under communication no. 7587 of 21 April 2016. The contents herein are pursuant to Art. 154-ter, paragraph 5 of Legislative Decree 24 February 1998, no. 58.

The interim report herein has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. The designation “IFRS” also includes all valid International Accounting Standards (“IAS”), as well as all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”).

The accounting policies applied in these financial statements are consistent with those adopted in preparing the annual report.

The preparation of the interim report requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities the financial statements reported herein. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Moreover, these valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment, when an immediate assessment is necessary.

The values indicated in the accounting statements are expressed in thousands of Euros.

The Interim Management report as at 31 March 2020 was not subject to audit by Reply’s Independent auditors, as allowed by existing laws.

NOTE 2 – GROUP ACTIVITIES

Reply [MTA, STAR: REY] is specialized in the implementation of solutions based on new communication and digital media.

Reply, consisting of a network of specialized companies, assists important European industries belonging to Telco & Media, Manufacturing & Retail, Bank & Insurances and Public Administration sectors, in defining and developing new business models utilizing Big Data, Cloud Computing, CRM, Mobile, Social Media and Internet of Things paradigms. Reply offers consulting, system integration, application management and business process outsourcing www.reply.com.

NOTE 3 - CONSOLIDATION

Companies included in consolidation are consolidated on a line-by-line basis.

Change in consolidation compared to 31 March 2019 is related to Blowfish Digital Holdings Ltd and its subsidiaries Threepipe Ltd and Spot Digital Ltd, companies incorporated under the English law of which Reply Ltd. Holds 100% of share capital, acquired in the month of October 2019, specializing in digital marketing and creative agency.

Furthermore, the list of the Reply Group's companies and equity investments, presented as an annex herein, also includes in consolidation with respect to 31 March 2019:

- Avvio Reply S.r.l., a start-up incorporated in the month of January 2020 of which Reply S.p.A. holds 100% of the share capital;
- Hermes Reply Consulting (Nanjing) Co. Ltd., a company incorporated in the month of May 2019 of which Reply S.p.A. holds 100% of the share capital;
- WM Reply Inc., a company incorporated in the month of December 2019 under American law in which Reply Inc. holds 80% of the share capital.

Change in consolidation marginally affects the Group's revenues and profits before tax of the first quarter 2020.

NOTE 4 - REVENUES

Revenues from sales and services, including change in work in progress, amounted to 316,993 thousand Euros (283,544 thousand Euros in the first quarter of 2019) with an increase of 11.8%.

This item includes revenues generated from consulting activities, turn-key projects and assistance and maintenance services and other minor amounts.

The following table shows the percentage breakdown of revenues by geographic area. Moreover the breakdown reflects the business management of the Group by Top Management and the allocation approximates the localization of services provided:

Region (*)	Q1 2020	Q1 2019
Region 1	66.80%	68.10%
Region 2	22.10%	22.30%
Region 3	11.00%	9.50%
IoT Incubator	0.10%	0.10%
Total	100.0%	100.0%

(*)

Region 1: ITA, USA, BRA, POL, ROU, CHN (Nanjing)

Region 2: DEU, CHE, CHN (Beijing), HRV

Region 3: GBR, LUX, BEL, NLD, FRA, BLR

The following table shows the percentage breakdown of revenues by business line:

	Q1 2020	Q1 2019
Technologies	62.3%	60.3%
Applications	29.3%	30.4%
Processes	8.4%	9.3%
Total	100.0%	100.0%

NOTE 5 - PURCHASES

Detail is as follows:

(thousand Euros)	Q1 2020	Q1 2019	Change
Software licenses for resale	3,745	2,458	1,287
Hardware for resale	480	996	(517)
Other	1,179	1,273	(94)
Total	5,404	4,727	677

The items Software licenses for resale and Hardware licenses for resale include change in inventory of software and hardware products for resale.

The item Other mainly includes costs incurred for fuel expenses and the purchase of office material.

NOTE 6 - PERSONNEL

Increase in personnel expenses amounting to 13,548 thousand Euros owes to the overall increase of the Group's business and to the increase of the number of employees.

Detail of personnel by category is provided below:

(number)	Q1 2020	Q1 2019	Change
Directors	313	283	30
Managers	1,041	961	80
Staff	7,032	6,606	426
Total	8,386	7,850	536

Change in consolidation brought an increase of 78 employees.

NOTE 7 – SERVICES AND OTHER COSTS

Services and other costs amounting to 108,941 thousand Euros (94,720 thousand Euros in the first quarter 2019) comprised the following:

(thousand Euros)	Q1 2020	Q1 2019	Change
Consulting and commercial	80,036	64,867	15,169
Travelling and professional training expenses	7,735	9,503	(1,768)
Other services	14,108	12,991	1,117
Office charges	3,771	3,535	236
Rental and leasing	912	1,155	(243)
Other	2,379	2,669	(290)
Total	108,941	94,720	14,222

Change in Services and other costs, amounting to 14,222 thousand Euros, is attributable to an overall increase in the Group's business.

The item Other services mainly includes marketing services, administrative and legal services, telephone and canteen.

Office charges related to costs incurred for the management of the locations in which the Group operates (expenditure on utilities, security services and cleaning services).

NOTE 8 - AMORTIZATION, DEPRECIATION AND WRITE-DOWNS

Depreciation of tangible assets, amounting to 2,333 thousand Euros at 31 March 2020 has been determined on a straight-line basis at economic-technical rates that reflect the useful lives of the asset.

Amortization of intangible assets at 31 March 2020 amounted to 960 thousand Euros and is mainly related to:

- development charges capitalized according to IAS 38;
- software licenses used internally by the Group;
- amortization of other intangible assets arising from the allocation of the purchase price subsequent to several Business combinations.

Amortization related to RoU assets arising from the adoption of IFRS 16 amounted to 6,296 thousand Euros.

NOTE 9 – (LOSS)/GAIN ON INVESTMENTS

The item amounted to a net loss of 319 thousand Euros and was related to the net change in fair value of investments made by Breed Investments Ltd in IoT.

NOTE 10 – FINANCIAL INCOME/(EXPENSES)

Detail is as follows:

(thousand Euros)	Q1 2020	Q1 2019	Change
Financial income	93	131	(37)
Financial losses	(1,354)	(280)	(1,074)
Other	(2,514)	(400)	(2,114)
Total	(3,775)	(549)	(3,226)

The item Financial income mainly includes interest on bank accounts.

Financial losses mainly include the interest costs related to the use of the credit lines for M&A operations and real estate operations (“Caserma de Sonnaz”).

The item Other includes:

- the net negative exchange rate differences from the translation of balance sheet items not stated in Euros amounting to 1.528 thousand Euros (positive 302 thousand Euros in the first quarter of 2019);
- the changes in fair value of financial liabilities pursuant to IFRS 9 amounting to negative 364 thousand Euros (negative 226 thousand Euros in the first quarter of 2019);
- the interest expenses arising from the application of the International Accounting Standard IFRS 16 for 622 thousand Euros (531 thousand Euros in the first quarter of 2019).

NOTE 11 – NET FINANCIAL POSITION

The net financial position as at 31 March 2020 was positive for 159,333 thousand Euros (105,031 thousand Euros compared to 31 December 2019). Net of the effects arising from the application of IFRS 16, the net financial position would have amounted to 254,579 thousand Euros

Due to banks, amounting to 34,810 thousand Euros, is referred mainly to credit lines for M&A operations.

NOTE 12 – EVENTS SUBSEQUENT TO 31 MARCH 2020

The next few months will require companies to make a great transformation effort, they will have to manage the restart in a competitive framework completely different from the one they left behind, preparing themselves to deal effectively also with possible new closedown. The scenario is complex, still in progress and very uncertain; but technology and, in particular the cloud, artificial intelligence and all digital components will have a decisive role in shaping our new future.

NOTE 13 – OTHER INFORMATION

The following is to be noted:

- there were no transactions with related parties, including intergroup transactions, which qualified as unusual or atypical. Any related party transactions formed part of the normal business activities of companies in the Group. Such transactions are concluded at standard market terms for the nature of goods and/or services offered, these transactions took place in accordance with the internal procedures containing the rules aimed at ensuring transparency and fairness, under Consob Regulation 17221/2010.
- pursuant to art. 150, 1 of the Italian Legislative Decree n. 58 of 24 February 1998, no transactions have been carried out by the members of the Board of Directors that might be in potential conflict of interests with the Company.

For the Board of Directors

/s/ Mario Rizzante

Chairman

Mario Rizzante

DECLARATION PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, “SINGLE TEXT IN MATTER OF REGULATION OF FINANCIAL INTERMEDIATION” AND SUBSEQUENT CHANGES

The director responsible for preparing the Company's financial reports, Dott. Giuseppe Veneziano, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this interim management report at 31 March 2020 corresponds to the results documented in the books, accounting and other records of the company.

Turin, 15 May 2020

/f/ Giuseppe Veneziano

(Director responsible of drafting
financial statements)

Giuseppe Veneziano

ANNEXED TABLES

ANNEXED TABLES

List of Group companies at 31 March 2020

Company name	Headquarters	Group interest
Parent company		
Reply S.p.A.	Turin – Corso Francia, 110 - Italy	
Companies consolidates on a line-by-line basis		
4brands Reply GmbH & CO. KG.	Minden, Germany	51.00%
Air Reply S.r.l. (*)	Turin, Italy	85.00%
Alpha Reply GmbH (formerly Profondo Reply GmbH)	Guetersloh, Germany	100.00%
Arlanis Reply S.r.l.	Turin, Italy	100.00%
Arlanis Reply AG	Potsdam, Germany	100.00%
Aktive Reply S.r.l.	Turin, Italy	100.00%
Atlas Reply S.r.l.	Turin, Italy	100.00%
Avantage Reply Ltd.	London, United Kingdom	100.00%
Avantage Reply GmbH	Munich, Germany	100.00%
Avantage Reply (Belgium) Sprl	Brussels, Belgium	100.00%
Avantage Reply (Luxembourg) Sarl	Itzig, Luxembourg	100.00%
Avantage Reply (Netherlands) BV	Amsterdam, Netherland	100.00%
Avvio Reply Ltd.	London, United Kingdom	100.00%
Avvio Reply S.r.l.	Turin, Italy	100.00%
Blowfish Digital Holdings Ltd.	London, United Kingdom	100.00%
Blue Reply S.r.l.	Turin, Italy	100.00%
Blue Reply GmbH	Guetersloh, Germany	100.00%
Bridge Reply S.r.l.	Turin, Italy	60.00%
Business Reply S.r.l.	Turin, Italy	100.00%
Breed Reply Ltd.	London, United Kingdom	100.00%
Breed Reply Investment Ltd.	London, United Kingdom	80.00%
Cluster Reply S.r.l.	Turin, Italy	100.00%
Cluster Reply GmbH & CO. KG	Munich, Germany	100.00%
Cluster Reply Informatica LTDA.	San Paolo, Brazil	100.00%
Cluster Reply Roma S.r.l.	Turin, Italy	100.00%
ComSysto Reply GmbH	Munich, Germany	100.00%
Concept Reply GmbH	Munich, Germany	100.00%
Consorzio Reply Public Sector	Turin, Italy	100.00%
Core Reply S.r.l.	Turin, Italy	90.00%
Data Reply S.r.l.	Turin, Italy	100.00%

Data Reply GmbH (*)	Munich, Germany	92.50%
Discovery Reply S.r.l.	Turin, Italy	100.00%
e*finance consulting Reply S.r.l.	Turin, Italy	100.00%
Ekip Reply S.r.l.	Turin, Italy	100.00%
Elbkind Reply GmbH	Hamburg, Germany	100.00%
Eos Reply S.r.l.	Turin, Italy	100.00%
Envision Reply S.r.l.	Turin, Italy	88.00%
Forge Reply S.r.l.	Turin, Italy	100.00%
France Reply Ltd.	London, United Kingdom	100.00%
Go Reply S.r.l.	Turin, Italy	100.00%
Go Reply GmbH	Guetersloh, Germany	100.00%
Hermes Reply S.r.l.	Turin, Italy	100.00%
Hermes Reply Consulting (Nanjing) Co. Ltd.	China	100.00%
Hermes Reply Polska zo.o	Katowice, Poland	100.00%
Implico LLC	Seattle, USA	100.00%
Industrie Reply GmbH	Munich, Germany	100.00%
Industrie Reply LLC	Michigan, USA	100.00%
Infinity Reply GmbH	Düsseldorf, Germany	100.00%
IrisCube Reply S.r.l.	Turin, Italy	100.00%
Leadwise Reply GmbH	Darmstadt, Germany	100.00%
Lem Reply S.r.l.	Turin, Italy	100.00%
Like Reply S.r.l.	Turin, Italy	100.00%
Live Reply GmbH	Düsseldorf, Germany	100.00%
Logistics Reply S.r.l.	Turin, Italy	100.00%
Lynx Recruiting Ltd.	London, United Kingdom	100.00%
Macros Reply GmbH	Munich, Germany	100.00%
MCG Systems AG	Colony, Germany	100.00%
Modcomp GmbH	Colony, Germany	100.00%
Neveling.net GmbH	Hamburg, Germany	100.00%
Open Reply GmbH	Guetersloh, Germany	100.00%
Open Reply S.r.l.	Turin, Italy	100.00%
Pay Reply S.r.l.	Turin, Italy	100.00%
Portaltech Reply Ltd.	London, United Kingdom	100.00%
Portaltech Reply S.r.l.	Turin, Italy	100.00%
Portaltech Reply GmbH	Guetersloh, Germany	100.00%
Portaltech Reply Süd GmbH	Munich, Germany	100.00%
Power Reply S.r.l.	Turin, Italy	100.00%
Power Reply GmbH & CO. KG.	Munich, Germany	100.00%
Protocube Reply S.r.l.	Turin, Italy	70.00%

Red Reply GmbH	Frankfurt, Germany	100.00%
Reply Consulting S.r.l.	Turin, Italy	100.00%
Reply AG	Guetersloh, Germany	100.00%
Reply GmbH	Zurich, Switzerland	100.00%
Reply do Brasil Sistemas de Informatica Ltda	Belo Horizonte, Brazil	100.00%
Reply Inc.	Michigan, USA	100.00%
Reply Ltd.	London, United Kingdom	100.00%
Reply Belgium Sprl	Mont Saint Guibert, Netherland	100.00%
Reply Digital Experience S.r.l.	Turin, Italy	100.00%
Reply France Sarl	Paris, France	100.00%
Reply Luxembourg Sarl	Sandweiler, Luxembourg	100.00%
Reply NL Ltd.	London, United Kingdom	100.00%
Reply Services S.r.l.	Turin, Italy	100.00%
Reply Verwaltung GmbH	Guetersloh, Germany	100.00%
Retail Reply S.r.l.	Turin, Italy	100.00%
Ringmaster S.r.l.	Turin, Italy	50.00%
Risk Reply Ltd.	London, United Kingdom	100.00%
Riverland Reply GmbH	Munich, Germany	100.00%
Santer Reply S.p.A.	Milan, Italy	100.00%
Security Reply S.r.l.	Turin, Italy	100.00%
Sense Reply S.r.l.	Turin, Italy	90.00%
Solidsoft Reply Ltd.	London, United Kingdom	100.00%
Spark Reply S.r.l.	Turin, Italy	100.00%
Spark Reply GmbH	Germany	100.00%
Spike Reply GmbH	Colony, Germany	100.00%
Sprint Reply S.r.l.	Turin, Italy	100.00%
Sprint Reply GmbH	Munich, Germany	100.00%
Spot Digital Ltd.	London, United Kingdom	100.00%
Storm Reply S.r.l.	Turin, Italy	100.00%
Storm Reply GmbH	Guetersloh, Germany	100.00%
Syskoplan Reply S.r.l.	Turin, Italy	100.00%
Syskoplan Reply GmbH & CO. KG	Guetersloh, Germany	100.00%
Sytel Reply Roma S.r.l.	Turin, Italy	100.00%
Sytel Reply S.r.l.	Turin, Italy	100.00%
Target Reply S.r.l.	Turin, Italy	100.00%
TamTamy Reply S.r.l.	Turin, Italy	100.00%
Technology Reply S.r.l.	Turin, Italy	100.00%
Technology Reply Roma S.r.l.	Turin, Italy	100.00%
Technology Reply S.r.l.	Bucharest, Romania	100.00%

TD Reply GmbH	Berlin, Germany	100.00%
TD Marketing Consultants, Beijing Co. Ltd.	China	100.00%
Threepipe Reply Ltd.	London, United Kingdom	100.00%
Tool Reply GmbH	Guetersloh, Germany	100.00%
Triplesense Reply GmbH	Frankfurt, Germany	100.00%
Valorem LLC (*)	Kansas City, USA	90.00%
Valorem Private Ltd	India	99.99%
Valorem GmbH	Zurich, Switzerland	100.00%
WM Reply Inc	Illinois, USA	80.00%
WM Reply LLC	Minsk, Belarus	100.00%
WM Reply Ltd	London, United Kingdom	100.00%
Whitehall Reply S.r.l.	Turin, Italy	100.00%
Xister Reply S.r.l.	Turin, Italy	100.00%

(*) For these companies an option exists for the acquisition of their minority shares; the exercise of such option in future reporting periods is subject to the achievement of profitability parameters. The accounting reflects Management's best estimate as at the reporting date

Companies carried at fair value

Amiko Digital Health Ltd	England	22.73%
Appy Parking	England	9.86%
Cage Eye	Norway	9.95%
Callsign	England	3.61%
Canard Drones	Spain	24.06%
Connecterra BV	Belgium	23.06%
FoodMarble	England	23.45%
iNova Design Ltd.	England	33.65%
Iotic Labs Ltd.	England	16.28%
Kokoon Technology Ltd	England	30.56%
Metron Sas	France	10.11%
RazorSecure Ltd	England	15.70%
Senseye Ltd	England	12.58%
Sensoria INC	USA	24.00%
TAG Sensors	Norway	15.60%
Ubirch	Germany	18.51%
We Predict Ltd	England	16.64%
Wearable Technologies Ltd	England	18.64%
Zeetta Networks Limited	England	29.28%

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