Independent auditor's report to the members of SEC S.p.A.

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Opinion

We have audited the financial statements of SEC S.p.A. and its subsidiaries (The "Group") for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the Group financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2018 and of the Group's profit for the year then ended; and
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How we addressed the matter in our audit
Revenues *See accounting policy in note g, and Revenues note (note 5).* We considered there to be a significant audit risk arising from inappropriate or incorrect recognition of revenue, including relating to management override, appropriate application of agent verses principal accounting, cut-off of revenue transactions at the year end and whether the accounting policy is not aligned with IFRS. Furthermore, the presumed risk of improper recognition of revenue due to fraud has also been identified as a significant risk. Revenue recognition is one of the primary focuses of the engagement team. Due to this focus, revenue recognition is considered to be a key audit matter.	Our procedures included reviewing the group’s adopted revenue recognition policy to ensure that it complies with accounting standards and has been consistently applied throughout the year giving particular attention to IFRS 15 ‘Revenue from Contracts with Customers’. We tested material revenue transactions recorded near the end of the year and subsequent to the year end to confirm appropriate recognition in the year under audit. We selected a sample of key contracts for testing. We assessed whether the revenue recognised was in line with the contractual terms, the group’s revenue recognition policy and the relevant accounting standards.

Impairment of goodwill

See accounting policy in note h, and the Intangibles Assets note (note 13).

The group has material intangible assets, mainly goodwill, arising from acquisitions as part of business combinations. The group has determined that the single subsidiaries that generated goodwill are a single cash generating unit.

We considered there to be a significant audit risk arising in relation to the accuracy and valuation of all intangibles.

The group is required to assess, at each reporting date, such assessment should include consideration of information from both internal and external sources.

Further, notwithstanding whether indicators exist, the recoverability of Goodwill and intangible assets with indefinite useful lives are required to be tested at least annually.

Due to the inherent uncertainty involved in forecasting and discounting future cash flows, we therefore identified the impairment of goodwill as a Key audit matter.

Our audit procedures over the impairment of goodwill included general procedures on the methodology adopted and the related controls, in addition to substantive testing:

General procedures included, but were not limited to:

- review of the methodology used by the Directors for the impairment review, and
- consideration of the review and approval processes adopted.

Substantive procedures included, but were not limited to:

- review of the financial projections underpinning the impairment review, including consideration of the key assumptions on revenue and cost, and the discount rate used;
- testing, on a sample basis the calculations;
- sensitivity analysis.

We also evaluated the Group's disclosures relating to its evaluation of impairment indicators and the annual impairment testing as provided in "*Note 13 – Intangible assets*".

Business Combination

See accounting policy in note e, and the Intangibles Assets note (note 13) – Other non-current liabilities note (note 27)

During 2019 SEC carried out a business combination to:

- hold preferred shares in Clai Communication SAS that represent the 10% of the share capital that allow 50%+0,1 voting-rights;
- subscribe a set of options to increase its ratio of the Clai share capital up to 100% within the end of the earn out period.

The fair value of the net assets transferred with the business combination has been determined according to IFRS 3.45 at the closing date.

The mentioned business combination represented a key audit matter due to the complexity of the valuation methods adopted and the consequent accounting treatment.

Our audit procedures regarding the business combination included:

- analysis of all the relevant documents about the transaction;
- discussions with the company's management regarding the valuation methods used to determine the fair value of the net assets transferred;
- assessment of the valuation methods used by the company to identify the fair value of the net assets transferred;
- the analysis of the transaction's accounting treatment and of the related notes as required by IFRS 3;
- check on the adequacy and appropriateness of the information provided in the Notes to the Consolidated Financial Statements.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take into account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole

We determined materiality for the Group financial statements as a whole to be 368,908 Euro which represents 1.5% of revenues. We agreed with the audit committee that we would report to them misstatements identified during our audit above 18,445 Euro.

Revenue has been concluded as the most relevant performance measure to the stakeholders of the Group, while also providing a more stable measure year on year when compared to the Group profit before tax.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set as a percentage of materiality. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude towards proposed adjustments.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In establishing the overall approach to the Group audit, we assessed the audit significance of each reporting unit in the Group by reference to both its financial significance and other indicators of audit risk, such as the complexity of operations and the degree of estimation and judgement in the financial results. We also considered the changes to the overall Group as a result of the acquisition of CLAI SAS and where the key business activities and transactions reside.

We instructed BDO Poland, BDO Colombia, BDO Germany, BDO Spain, BDO Belgium, Mrs Naulin - Chartered Certified Accountants, and Hewitt Card - Chartered Certified Accountants as component auditors, to perform full scope audits of financial information of the significant components accounted for locally in those territories.

We performed specific procedures of financial information of the non-significant reporting units accounted for locally in Italy. This, together with the additional procedures performed at Group level over the acquisition accounting and consolidation process gave us the evidence we needed for our opinion on the financial statements as a whole.

Summary of audit scope

Based on the above scope we were able to conclude that sufficient and appropriate audit evidence had been obtained as a basis to form our opinion on the Group financial statements as a whole.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Alessandro Fabiano (Partner – Chartered Accountatns) Alessandro Fabiano

For and on behalf of BDO Italia S.p.A., Statutory Auditor

Milan, 20 May 2019