SHAPING THE FUTURE
OF FINANCIAL SERVICES

Interim Financial Report

At 30 June 2019

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Interim Management Report
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(TRANSLATION FROM ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)

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Interim Management Report at 30 June 2019

Half-year Condensed Consolidated Financial Statements at 30 June 2019

1. Corporate Bodies

Board of Directors

- Carlo Achermann	*Chairman*
- Stefano Achermann	*Chief Executive Officer*
- Claudio Berretti	*Director*
- Anna Lambiase	*Director*
- Cristina Spagna	*Independent Director*
- Paola Tagliavini	*Independent Director*
- Davide Dattoli	*Independent Director*
- Gianluca Antonio Ferrari	*Independent Director*
- Claudio Roberto Calabi	*Independent Director*

The Board of Directors was appointed by the Shareholders' Meeting of 27 April 2017 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2019. Board Director Claudio Roberto Calabi was appointed by the Shareholders' Meeting of 26 April 2018 to replace Board Director Alberto Mocchi, previously co-opted pursuant to art. 2386 of the Italian Civil Code on 19 July 2017, following the resignation of Board Director Umberto Quilici.

Board of Statutory Auditors

- Giuseppe Leoni	*Chairman*
- Rosita Natta	*Standing Auditor*
- Stefano De Angelis	*Standing Auditor*
- Roberta Pirola	*Alternate Auditor*
- Biones Ferrari	*Alternate Auditor*

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 23 April 2015 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2017. Upon natural expiry, the Board of Statutory Auditors was renewed by the Shareholders' Meeting of 26 April 2018 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2020.

Control and Risk Committee

- Paola Tagliavini	*Independent Chairperson*
- Claudio Roberto Calabi	*Independent Member*
- Gianluca Antonio Ferrari	*Independent Member*

The Control and Risk Committee was appointed by Board of Directors' resolution on 27 April 2017 for 3 years, expiring on approval of the financial statements at 31 December 2019. Director Claudio Roberto Calabi was appointed by the Board of Directors' Meeting of 3 May 2018 as member of the Control and Risk Committee to replace Director Alberto Mocchi.

Remuneration and Appointments Committee

- Cristina Spagna	*Independent Chairperson*
- Claudio Berretti	*Member*
- Davide Dattoli	*Independent Member*

The appointment of the Remuneration and Appointments Committee was renewed by Board of Directors' resolution on 27 April 2017 for 3 years, expiring on approval of the financial statements at 31 December 2019.

Independent Auditors

Deloitte & Touche S.p.A.

The independent auditors received their assignment at the Shareholders' Meeting of 10 May 2012.

2. Summary income statement and statement of financial position

Key profitability indicators

(amounts in EUR millions)	**1H 2019**	**1H 2018**
Value of production	74.2	69.1
EBITDA	12.0	9.3
EBIT	8.0	6.7
Profit (loss) before tax	7.3	6.2
Net profit (loss)	4.3	3.6

Key equity and financial indicators

(amounts in EUR millions)	**30.06.2019**	**31.12.2018**
Group Shareholders' Equity	54.1	53.1
Net Invested Capital	83.3	53.9
Net Operating Working Capital (NOWC)	33.0	15.9
Net Financial Position	(27.8)	0.9

Value of production by operating segment

(amounts in EUR millions)	**1H 2019**	**1H 2018**
Business Consulting	55.3	48.0
ICT Solutions	18.9	21.1
TOTAL	74.2	69.1

Value of production by customer type

(amounts in EUR millions)	**1H 2019**	**1H 2018**
Banks	57.1	48.8
Insurance	10.0	12.9
Industry	4.1	4.4
Public Administration	1.0	1.5
Other	2.0	1.5
TOTAL	74.2	69.1

Value of production by geographic area

(amounts in EUR millions)	**1H 2019**	**1H 2018**
Italy	44.3	41.9
DACH Region (Germany, Austria, Switzerland)	19.5	19.5
UK and Spain	7.4	6.1
Cee Region (Poland, Ukraine, Romania)	2.9	1.6
TOTAL	74.2	69.1

Group Headcount

(amounts in EUR millions)	**30.06.2019**	**31.12.2018**
Executives	134	135
Middle managers	160	140
White-collar staff	918	867
Apprentices	54	25
TOTAL	1,266	1,114

3. Group Structure and Shareholders

The **Be Group** (Be for short) is one of the leading Italian players in the IT Consulting sector. The Group provides Business Consulting, Information Technology and Professional Services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industries to improve their competitive capacity and their potential to create value. With around 1,300 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, the Ukraine, Spain and Romania, the Group recorded a total value of production of Euro 74.2 million in the first half of 2019.

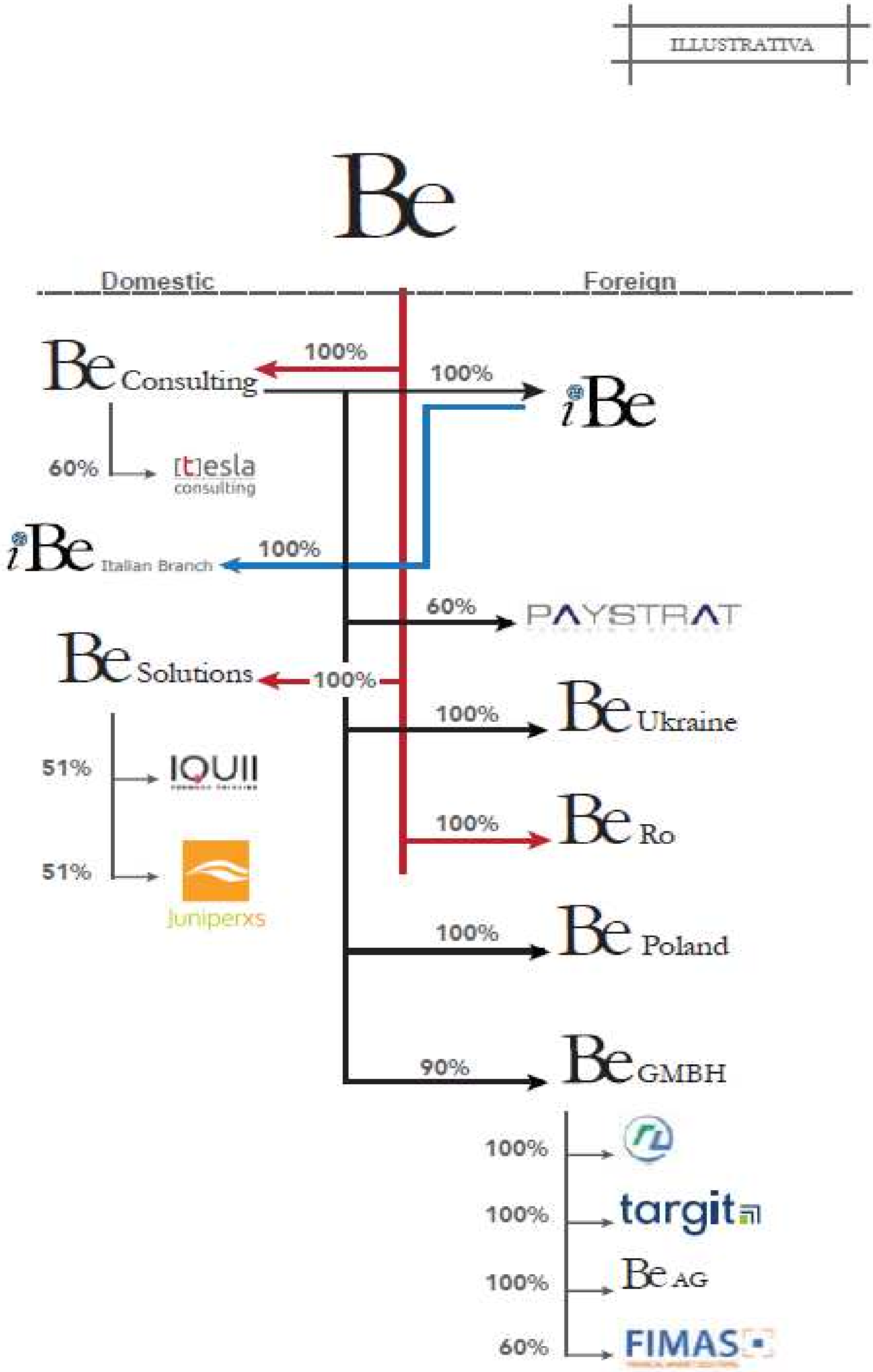
Be Think, Solve, Execute S.p.A. (**Be S.p.A.** for short), listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and coordination of operating, strategic and financial decisions of the subsidiaries and through management and control of reporting flows for the preparation of both annual and interim accounting documents.

At 30 June 2019, the number of shares outstanding totalled 134,897,272, and the shareholding structure - as indicated in disclosures pursuant to art. 120 of the "Consolidated Law on Finance" (TUF) and in relation to notices received in accordance with internal dealing regulations - was as follows:

Shareholders

	Nationality	No. of Shares	% Ordinary capital
Tamburi Investment Partners S.p.A.	Italian	31,582,225	23.41
iFuture Power in Action S.r.l.	Italian	13,519,265	10.02
Axxion S.A.	Luxembourg	13,487,712	10.00
Stefano Achermann	Italian	7,771,132	5.76
LOYS Investment S.A.	Luxembourg	6,893,251	5.11
Be Think Solve Execute S.p.A	Italian	3,260,888	2.42
Float		58,382,799	43.28
Total		**134,897,272**	**100.00**

The following chart shows the **Be Group** structure at 30 June 2019.[1]



[1]The Group structure does not include, given insignificant, Paystrat Solutions SL (Pyngo), 65.26% of which is held by Payments and Business Advisors S.L (Paystrat), Confinity GmbH, 100% of which is held by Fimas GmbH and Be Sport, Media & Entertainment Ltd, currently in voluntary liquidation.

4. Business Model and Operating segments

"Be" is a group specialising in the IT Consulting segment of the Financial Services sector. The organisation is divided by design into the different specialisations of business consulting, the provisions of solutions and platforms and the professional services of the ICT Solutions segment.

I. BUSINESS CONSULTING

The Business Consulting segment focuses on the capacity to support the financial services industry in implementing business strategies and/or creating important plans for change. Its specialist skills are in constant development in the areas of payment systems, planning & control methods, regulatory compliance, information gathering and corporate governance systems for financial processes and asset management;

No. of employees	739 employees at 30 June 2019.
Core business	Banking, Insurance.
Segment revenue at 30 June 2019	Euro 55.3 million.
Operating units	Rome, Milan, London, Kiev, Warsaw, Munich, Vienna, Zurich, Frankfurt, Madrid.

The Group's Business Consulting segment operates through the following subsidiaries:

- **Be Consulting S.p.A.** Established in 2008, the company operates in the sector of management consulting for financial institutions. Its aim is to provide support to the Systemically Important Financial Institutions (SIFIs) in creating value, with a particular focus on changes that affect business, the IT platforms and corporate processes. Be S.p.A. holds 100% of the company's share capital.
- **iBe TSE Limited.** Based in London, this company operates on the UK and European market, focusing on financial services consulting, with a customer base with high profiles on the UK and international markets. It specialises in the banking and financial sectors, particularly providing support in the field of innovation and payment services. Be Consulting S.p.A. holds 100% of the company's share capital.
- **Be Ukraine LLC.** Established in Kiev in December 2012, it performs consulting and development activities for core banking systems and in the areas of accounting, bank reporting and compliance. Be Consulting S.p.A. holds 100% of the company's share capital.
- **Be Poland Think, Solve and Execute, sp zo.o.** Established in Warsaw in January 2013, it provides consulting and system integration services in Retail banking, Capital Markets, CRM (Salesforce) and Digital (Backbase). Be Consulting S.p.A. holds 100% of the company's share capital.
- **Be Think, Solve Execute GmbH.** Company based in Munich, it specialises in ICT consulting services, primarily on the German, Austrian and Swiss markets, operating through its two wholly owned subsidiaries, Targit GmbH Wien based in Vienna and Be TSE Switzerland AG based in Zurich. Be Consulting S.p.A. controls the Group with a 90.00% interest.

- **R&L AG.** A company whose registered office is close to Munich, 100.00% of which is owned by Be Think, Solve Execute GmbH, specialised in consulting and IT solutions in the Payments sector and specifically as regards SWIFT.
- **FIMAS GmbH.** A company based in Frankfurt, 60% of which is held by Be Think, Solve Execute GmbH, specialised in consulting services and IT for asset managers, Stock Markets, CSD, clearing houses and custodian banks.
- **Confinity GmbH.** Originally established as a joint venture by FIMAS and Q-Fin (now Fimas GmbH), operating in the specific sector of the supply - to the customers of FIMAS - of temporary personnel (ANÜ – Arbeitnehmerüberlassung) for which it possesses the appropriate licence. Fimas GmbH wholly owns Confinity GmbH.
- **Payments and Business Advisors S.L.** (**Paystrat** for short). A company based in Madrid, 60% of which is held by Be Consulting S.p.A., specialised in advisory services for operators in the payments industry, in areas such as digital wallets, loyalty and market intelligence. The company has a 65.26% interest in Paystrat Solutions S.L.
- **Tesla Consulting S.r.l.** A company based in Bologna, operating in the "Cyber Security" and "Digital Forensics" domain, 60% of which is held by Be Consulting S.p.A.

II. ICT SOLUTIONS

The ICT Solutions segment is able to bring together business skills and technology solutions, products and platforms, creating theme-based business lines also as part of highly specialised segment-leading applications;

No. of employees	479 employees at 30 June 2019.
Core Businesses	Banking, Insurance, Energy and Public Administration.
Segment revenue at 30 June 2019	Euro 18.9 million.
Operating units	Rome, Milan, Turin, Trento, Bucharest.

The Be Group operates in the ICT Solutions segment through the following subsidiaries:

- **Be Solutions S.p.A.** Aims to offer specialised consultancy in ICT and system integration services for proprietary products/platforms or those of third-party market leaders. In previous years, it concentrated on the new technological architectures that have characterised the current digitalisation process of the major Banks and Insurance companies in Italy, where it gained distinctive experience in building multi-channel front-end systems, back-end systems for control and corporate governance (especially in the insurance sector thanks to a proprietary system which is one of the market leaders) and Data & Analytics platforms. Its customers are Banks and Insurance companies, as well as the utilities sector and SMEs, but to a much lesser extent. Cooperation agreements and partnerships are currently in place with a number of the major players in the ICT industry and with several selected fintech and insurtech companies. Be Think, Solve, Execute holds 100% of the company's share capital
- **Be Think Solve Execute RO S.r.l.** established in July 2014 and based in Bucharest, develops the Group's "near shoring" operations in the system integration segment for highly complex projects, such as multichannel solutions. Be Think, Solve, Execute S.p.A. holds 100% of the company's share capital.

- **Iquii S.r.l.** Established in 2011, it specialises in the development of web and mobile applications, in the design of wearables and in the management of the Internet of Things; in addition, it has significant expertise in managing social media, integrated marketing and digital PR. Be Solutions owns 51% of the company.
- **Juniper Extensible Solutions S.r.l.** Established in May 2000 and based in the province of Trento, it is an Italian digital company active in the development of web-based and multimedia software solutions in the Sports, Music and Events sectors. Be Solutions owns 51% of the company.

5. Key events involving the Group in the first half of 2019

Important resolutions of the Shareholders' Meeting

On 18 April 2019, the Ordinary Shareholders' Meeting met on first call; during the course of the Shareholders' Meeting, the shareholders resolved:

- to approve the Financial Statements at 31 December 2018 of Be S.p.A. and to allocate the net profit of Euro 1,728,089.26 to the legal reserve (Euro 86,404.46) and the remaining Euro 1,641,684.80 to profit carried forward;
- to distribute a gross dividend of Euro 0.022 per share, with coupon no. 9 detachment date 20 May 2019, record date 21 May 2019 and payment date 22 May 2019, from Profit carried Forward and drawing the residual amount from the extraordinary reserve;
- to approve the first Section of the Report on Remuneration drafted in accordance with articles 123-ter of Legislative Decree no. 58 of 24 February 1998 (the TUF) and 84-quater of the regulation adopted by CONSOB by means of resolution 11971/1999 (Issuers' Regulation);
- to approve a new own shares purchase plan, based on prior revocation of the resolution authorising the purchase and disposal of own shares, adopted by the Ordinary Shareholders' Meeting on 26 April 2018.

Events important to business development

In January, Be increased its shareholding in its German subsidiary R&L AG to 100%. The transaction was finalised through the sub-holding of the DACH area, Be TSE GmbH, which already held 58.84% of R&L AG, and was performed with a view to integrating the German subsidiaries operating in Bavaria into a single specialist hub.

In January, Be signed a binding contract for the purchase of 60% of the share capital of Tesla Consulting S.r.l, an Italian company operating in the "Cyber Security" and "Digital Forensics" domain. This contract gave Be full control of the company, also through the appointment of the majority of the members of the company's Board of Directors. The formal transfer of the shares took place on 5 February 2019 (5%) and on 1 July 2019 (55%) at the same time as their payment. The parties also agreed on a "Put & Call" structure to purchase the residual capital in two tranches by 30 June 2028.

In April, the Be Group and Yolo S.r.l signed a strategic partnership agreement in the areas of technological innovation and local and international commercial development in order to accelerate the transformation of the Insurance sector.

The offer of Digital Insurance products and the evolution of Yolo's proprietary platforms will have full access to the capabilities of the Be Group in terms of design, management and development of innovative solutions in the insurance and financial industry. The agreement creates the conditions for significant disruption in this dynamic market segment. Yolo's innovation capacity and the different dimensions of its offer (B2C, B2B, B2B2C) will be fully supported by laboratories, teams of specialists and Be's industry experts. In the immediate future, Be will support Yolo in managing its technological platform, and in the digital evolution of the offer, by overseeing its architectural and technological roadmap in the medium-term.

6. Group operating performance

The following table illustrates the Be Group income statement for the first half of 2019 compared with the same period of the previous year, both originating from half-year condensed consolidated financial statements prepared according to IAS/IFRS.

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

Also note that the operating term "Value of production" used in this report is intended to be synonymous with the item "Total Revenue" used in the "Restated Consolidated Income Statement" of the Half-Year Condensed Consolidated Financial Statements at 30 June 2019.

Restated Consolidated Income Statement

Amounts in EUR thousands	**1H 2019**	**1H 2018**	**Δ**	**Δ (%)**
Operating revenue	73,049	68,416	4,633	6.8%
Other revenue and income	1,102	733	369	50.3%
Value of production	**74,151**	**69,149**	**5,002**	**7.2%**
Cost of raw materials and consumables	(160)	(106)	(54)	50.9%
Cost of services and use of third-party assets	(27,217)	(26,183)	(1,034)	3.9%
Personnel costs	(36,182)	(34,960)	(1,222)	3.5%
Other costs	(811)	(363)	(448)	n.a.
Internal capitalisations	2,246	1,801	445	24.7%
Gross Operating Margin (EBITDA)	**12,027**	**9,338**	**2,689**	**28.8%**
Amortisation and depreciation	(4,053)	(2,637)	(1,416)	53.7%
Write-downs and provisions	0	(16)	16	(100.0%)
Operating Profit (Loss) (EBIT)	**7,974**	**6,685**	**1,289**	**19.3%**
Net financial income and expense	(664)	(534)	(130)	24.3%
Profit (loss) before tax from continuing operations	**7,310**	**6,151**	**1,159**	**18.8%**
Taxes	(2,694)	(2,180)	(514)	23.6%
Net profit (loss) from continuing operations	**4,616**	**3,971**	**645**	**16.2%**
Net profit (loss) from discontinued operations	**0**	0	**0**	**n.a.**
Consolidated net profit (loss) including minority interests	**4,616**	**3,971**	**645**	**16.2%**
Net profit (loss) attributable to minority interests	356	385	(29)	(7.5%)
Group net profit (loss)	**4,260**	**3,586**	**674**	**18.8%**

The impacts of the adoption of IFRS 16 on the Restated Consolidated Income Statement are reported below:

Amounts in EUR thousands	**1H 2019 Before IFRS 16**	**Effects of IFRS 16**	**1H 2019**
Value of production	**74,151**	**0**	**74,151**
Cost of services and use of third-party assets	(28,471)	1,254	(27,217)
Gross Operating Margin (EBITDA)	**10,773**	**1,254**	**12,027**
Amortisation and depreciation	(2,716)	(1,337)	(4,053)
Operating Profit (Loss) (EBIT)	**8,057**	**(83)**	**7,974**
Net financial income and expense	(586)	(78)	(664)
Profit (loss) before tax from continuing operations	**7,471**	**(161)**	**7,310**

The Value of production amounted to Euro 74.2 million, compared to Euro 69.1 million in the first half of 2018, marking an increase of Euro 5.0 million (+7.2%).

Operating revenue was Euro 73.0 million, up by 6.8% compared to 30 June 2018 (Euro 68.4 million).

The improvement in operating revenue was marked in the Business Consulting area (+15.2%), whereas operating revenue was down by 12.4% for ICT activities.

The operating revenue recorded by foreign subsidiaries (which represents 40.2% of the Group's operating revenue) amounted to Euro 29.4 million, up compared to 30 June 2018 (Euro 27.2 million, 39.7% of the Group's operating revenue).

Operating costs increased by around Euro 2.3 million compared to the first half of the previous year (+3.9%). In particular:

- service costs were around Euro 27.2 million (+3.9%);
- personnel costs totalled Euro 36.2 million (+3.5%);
- the capitalisation of costs, mainly related to personnel working on projects to develop in-house software platforms, amounted to Euro 2.2 million.

The Gross Operating Margin (EBITDA) was Euro 12.0 million, up 28.8% compared to 2018 (Euro 9.3 million). The EBITDA margin was 16.2% against 13.5% in the first half of 2018.

Amortisation and depreciation totalled Euro 4.1 million, up by Euro 1.4 million compared to the first half of 2018 (Euro 2.6 million). During the period in question, there were no provisions and write-downs.

Operating profit (loss) (EBIT) was Euro 8.0 million, showing significant growth (+19.3%) compared to 30 June 2018 (Euro 6.7 million). The EBIT Margin stood at 10.8%, against 9.7% in the first half of 2018.

Profit before tax from continuing operations was Euro 7.3 million, up 18.8% compared to 30 June 2018 (Euro 6.2 million); tax for the first half of 2019 totalled Euro 2.7 million, compared to Euro 2.2 million for the first half of 2018.

Net profit was Euro 4.3 million, up by 18.8% compared to Euro 3.6 million at 30 June 2018.

At 30 June 2019, discontinued operations had no impact on the income statement; therefore, the costs and revenue recognised in the restated consolidated income statement refer solely to "continuing operations".

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

Value of production by operating segment

Amounts in EUR millions	1H 2019	%	1H2018	%	Δ (%)
Business Consulting	55.3	74.5%	48.0	69.5%	15.2%
ICT Solutions	18.9	25.5%	21.1	30.5%	(10.4%)
TOTAL	**74.2**	**100.0%**	**69.1**	**100.0%**	**7.2%**

An analysis of the breakdown of the value of production by operating segment shows the following:

- the Consulting business confirmed a significant weight on the value of production, up 15.2% compared to the value recorded in the first half of 2018;
- the ICT Solutions business, on the whole, recorded a slight decrease in the value of production (equal to 10.4% compared to the first half of 2018), mostly due to a fall in revenues in the insurance and industry sectors.

The breakdown of the Value of production by customer type is also provided below.

Value of production by customer type

Amounts in EUR millions	1H 2019	%	1H 2018	%	Δ (%)
Banks	57.1	77.0%	48.8	70.5%	17.0%
Insurance	10.0	13.5%	12.9	18.6%	(22.5%)
Industry	4.1	5.5%	4.4	6.4%	(6.8%)
Public Administration	1.0	1.3%	1.5	2.2%	(33.3%)
Other	2.0	2.7%	1.5	2.3%	25.0%
TOTAL	**74.2**	**100.0%**	**69.1**	**100.0%**	**7.2%**

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

Value of production by geographic area

Amounts in EUR millions	1H 2019	%	1H 2018	%	Δ (%)
Italy	44.4	59.8%	41.9	60.6%	6.0%
DACH Region (Germany, Austria, Switzerland)	19.5	26.3%	19.5	28.2%	0.0%
UK and Spain	7.4	10.0%	6.1	8.8%	21.3%
Cee Region (Poland, Ukraine, Romania)	2.9	3.9%	1.6	2.3%	81.3%
TOTAL	**74.2**	**100.0%**	**69.1**	**100.0%**	**7.4%**

Lastly, note that during the first half of 2019, 59.8% of production was generated by the domestic market and the remaining 40.2% by the foreign market.

The significant weight of the DACH (DE, AUT and SUI) Region on the value of production was confirmed, contributing Euro 19.5 million to revenues, stable compared to the first half of 2018.

The Cee Region (Poland, Ukraine, Romania) is up compared to the corresponding period of the prior year (Euro 2.9 million, compared to Euro 1.6 million at 30 June 2018), as are the UK and Spanish markets, which generated Euro 7.4 million in the first half of 2019, compared to Euro 6.1 million in the first half of 2018.

7. Breakdown of Group equity and financial positions

A summary of the consolidated statement of financial position at 30 June 2019 is shown below, compared to the same statement at 31 December 2018.

Restated Statement of Financial Position

Amounts in EUR thousands	**30.06.2019**	**31.12.2018**	**Δ**	**Δ (%)**
Non-current assets	100,729	87,128	13,601	15.6%
Current assets	48,039	31,488	16,551	52.6%
Non-current liabilities	(27,350)	(25,474)	(1,876)	7.4%
Current liabilities	(38,157)	(39,290)	1,133	(2.9%)
Net Invested Capital	**83,261**	**53,852**	**29,409**	**54.6%**
Shareholders' Equity	55,511	54,776	735	1.3%
Net Financial Indebtedness	27,750	(924)	28,674	n.a.

Non-current assets are mostly represented by goodwill (Euro 64.8 million), recognised at the time of business combinations, intangible assets (Euro 17.9 million) mostly relating to software, rights of use (Euro 9.3 million), property, plant and equipment (Euro 2.4 million), deferred tax assets (Euro 3.0 million) and receivables and other non-current assets (Euro 2.6 million).

Current assets recorded a rise of Euro 16.6 million compared to 31 December 2018, due mainly to the increase in trade receivables for Euro 16.3 million, due to season-related trends.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 7.2 million, deferred tax liabilities of Euro 6.8 million and provisions for risks and charges of Euro 4.7 million, plus other liabilities of Euro 8.7 million, predominantly referring to the remaining share of the discounted price for the future acquisition of minority interests though put&call agreements.

Current liabilities - mostly comprised of trade payables of Euro 11.1 million, current provisions for risks and charges of Euro 2.0 million and other liabilities and sundry payables and tax payables totalling Euro 25.0 million - recorded an overall decrease of Euro 1.1 million.

Consolidated shareholders' equity was Euro 55.5 million, compared to Euro 54.8 million at 31 December 2018.

The breakdown of Net working capital is shown below; for details and related comments on individual items, reference should be made to the description in the Notes to the Consolidated Financial Statements.

Amounts in EUR thousands	**30.06.2019**	**31.12.2018**	**Δ**	**Δ (%)**
Inventories	3	7	(4)	(57.1%)
Trade receivables	44,140	27,789	16,351	58.8%
Trade payables	(11,141)	(11,839)	698	(5.9%)
Net Operating Working Capital (NOWC)	**33,002**	**15,957**	**17,045**	**n.a.**
Other short-term receivables	3,896	3,692	204	5.5%
Other short-term liabilities	(27,016)	(27,451)	435	(1.6%)
Net Working Capital (NWC)	**9,882**	**(7,802)**	**17,684**	**n.a.**

The net financial indebtedness at 30 June 2019, also including financial payables from rights of use, was a negative Euro 27.8 million, compared to positive net financial indebtedness of Euro 924 thousand at 31 December 2018.

The breakdown is shown below:

Net consolidated financial indebtedness

	Amounts in EUR thousands	**30.06.2019**	**31.12.2018**	**Δ**	**Δ (%)**
	Cash and cash equivalents at bank	17,726	36,010	(18,284)	(50.8%)
A	**Cash and cash equivalents**	**17,726**	**36,010**	**(18,284)**	**(50.8%)**
B	**Current financial receivables**	**44**	**511**	**(467)**	**(91.4%)**
	Current bank payables	(11,569)	(9,644)	(1,925)	20.0%
	Current portion of medium/long-term indebtedness	(9,165)	(9,980)	815	(8.2%)
	Current payables from rights of use	(2,628)	0	(2,628)	n.a.
	Other current financial payables	(56)	(490)	434	(88.6%)
C	**Current financial indebtedness**	**(23,418)**	**(20,114)**	**(3,304)**	**16.4%**
D	**Current Net Financial Position (A+B+C)**	**(5,648)**	**16,407**	**(22,055)**	**n.a.**
	Non-current bank payables	(15,056)	(15,418)	362	(2.3%)
	Non-current payables from rights of use	(6,998)	0	(6,998)	n.a.
	Other non-current financial payables	(48)	(65)	17	(26.2%)
E	**Non-current Net Financial Position**	**(22,102)**	**(15,483)**	**(6,619)**	**42.8%**
F	**Net financial position (D+E)**	**(27,750)**	**924**	**(28,674)**	**n.a.**

With regard to items in the table, in addition to cash and cash equivalents of Euro 17.7 million, we also draw attention to:

- current financial receivables amounting to Euro 0.04 million resulting from receivables due from factoring companies for deferrals on interest on factoring paid but not relating to the first half of 2019;
- current payables at 30 June 2019 amounting to around Euro 23.4 million relating to:
  - current bank payables for Euro 11.6 million, of which primarily:
    a) Euro 3.1 million in short-term credit facilities classed as "invoice advances" of Euro 0.1 million and as "accounts payable to suppliers" of Euro 3.0 million;
    b) Euro 8.5 million referring to a short-term loan of Euro 3.5 million to be repaid by March 2020 and a second short-term loan of Euro 5 million to be repaid in a single payment by October 2019;
  - around Euro 9.2 million as the current portion of loans received;
  - current payables from rights of use for Euro 2.6 million relating to leasing liabilities determined by the application of IFRS 16 starting from 1 January 2019;
  - other current financial payables of Euro 0.06 million, mainly referring to interest accrued and not paid, the short-term portion of finance lease contracts and financial payables due to customers for credit for ticket sales on behalf of third parties.
- non-current financial payables of Euro 15.1 million referred mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months.

- non-current payables from rights of use for Euro 7.0 million relating to leasing liabilities determined by the application of IFRS 16 starting from 1 January 2019.

Starting from 1 January 2019 with the application of IFRS 16, the main economic and financial indicators were heavily impacted and are not comparable with the data of the previous year-end positions. With reference to the financial data, the recognition of assets for rights of use with contra-item primarily payables for rights of use, determined a significant increase in net financial indebtedness. Therefore, in order to make the financial balances of the first half of 2019 comparable with the same balances of the comparative period, net financial indebtedness as at 30 June 2019 was restated as follows:

Amounts in EUR thousands		30.06.2019	31.12.2018	Δ	Δ (%)
A	**Net Financial Position**	**(27,750)**	**924**	**(28,674)**	**n.a.**
	Current payables from rights of use	(2,628)	0	(2,628)	n.a.
	Non-current payables from rights of use	(6,998)	0	(6,998)	n.a.
B	**Payables from rights of use**	**(9,626)**	**0**	**(9,626)**	**n.a.**
C	**Net Financial Position prior to IFRS 16 (A-B)**	**(18,124)**	**924**	**(19,048)**	**n.a.**

8. Related Party Transactions

With regard to Related party transactions, including therein intercompany transactions, note that the same cannot be quantified as atypical or unusual, as part of the normal course of operations of Group companies. Said transactions are settled at arm's length, on the basis of the goods and services provided. In the Notes to the Half-Year Condensed Consolidated Financial Statements, the company provides the information requested by art. 154-ter of the Consolidated Law on Finance, as indicated by Consob regulation no. 17221 of 12 March 2010.

9. Other disclosures

9.1 Main risks and uncertainties to which the Be Group is exposed

Detailed below are the main risks and uncertainties that could affect the business activities, financial conditions and prospects of the Be Group.

- **Risks associated with "Operating Performance"**

  In order to further improve operating performance, the Be Group believes it is important to achieve the strategic objectives of the 2017-2019 Business Plan. This Plan, updated for the three-year period 2019-2021 for the purpose of Impairment Testing (hereinafter 2019-2021 Plan), was prepared by the Directors on the basis of forecasts and assumptions inherent to future trends in operations and the reference market. The forecasts represent the best estimate of future events expected to arise and of action that management intends to take. These were estimated on the basis of final figures, orders already received or sales to be made to established customers, as such presenting a lower degree of uncertainty and therefore a higher probability of actually occurring. Vice versa, the assumptions relate to future events and actions, fully or partly independent from management action. Consequently, the Directors acknowledge that the strategic objectives identified in the 2019-2021 Plan, though reasonable, present profiles of uncertainty due to the chance nature of future events occurring and the characteristics of the reference market, and also as regards the occurrence of events represented in the plan, their extent and timing.

- **Risks associated with the "Financial Position"**

  The Be Group is exposed to financial risks associated with its operations, particularly interest rate risk, liquidity risk, credit risk and the risk of cash flow fluctuations. In addition, essential upkeep of the bank credit facilities held is important to the Be Group in order to meet its overall current funding needs and to achieve the objectives of the 2019-2021 Plan.

- **Risks associated with "Goodwill Impairment"**

  The Be Group could have a negative impact on the value of its shareholders' equity if there should be any impairment to goodwill recognised in the financial statements at 30 June 2019 because of the incapacity to generate sufficient cash flows to satisfy those forecast and envisaged in the 2019-2021 Plan.

- **Risks associated with "Litigation Liabilities"**

  The Be Group is involved in proceedings before various judicial authorities, divided into litigation cases as defendant - i.e. where the Company has been summoned by third parties - and cases as plaintiff where the Company has summoned third parties.

- **Risks associated with "Restructuring" activities**

  In recent years, the Be Group began a restructuring of its area of business with necessary actions to reduce personnel, also through transfers. There are risks of appeals against such actions and said proceedings could cause excess costs with respect to the provisions in the interim financial statements.

- **Risks associated with "Competition"**

  The ICT consulting market is highly competitive. A number of competitors could be able to expand their product mix to our detriment. In addition, an intensification of the level of competition could affect Be Group business and the option of consolidating or widening its competitive position in the reference sectors, with subsequent repercussions on business and on the income, equity and financial positions.

- **Risks associated with "Technological Change"**

  The Be Group operates in a market characterised by profound and continuous technological changes that call for the Group capacity to adapt quickly and successfully to such developments and to the changing technology needs of its customers. Any inability of the Be Group in adapting to new technologies and therefore to changes in the needs of its customers could have a negative impact on operating performance.

- **Risks related to dependence on key personnel**

  The Be Group's success depends largely on certain key personnel that have been a determining factor in its development, in particular the executive directors of the Parent Company. The Be Group companies also have an executive team with many years of experience in the field, playing a crucial role in managing the Be Group's activities. The loss of any of these key figures without a suitable replacement, and the inability to attract and retain new, qualified resources, could have a negative impact on the Be Group's prospects, business activities, operating performance and financial position. Management considers in any event that the Be Group has an operational and executive structure capable of ensuring management of corporate affairs as a going concern.

- **Risks associated with internationalisation**

  As part of its internationalisation strategy, the Be Group could be exposed to risks typical of international operations, including those relating to changes in the political, macroeconomic, tax and/or regulatory frameworks and to fluctuating exchange rates.

9.2 Investment in development

The Be Group's development activities have always aimed to consolidate customer relations, develop new forms of business for them and acquire new customers. The main development activities conducted entail developing the Be Group-owned technological platforms; in particular, in the first half of 2019, investments mostly regarded the development and upgrade of the technological platforms "Universo Sirius" - relating to the management of Life and Non-life insurance portfolios -, and the development of the company's internal ICT system - by Be Solutions, the development of the digital applications by Iquii and Juniper and of applications tools by Be Consulting, as well as the development of the IT platforms of Paystrat, Fimas GmbH and Be Think, Solve Execute GmbH, specialised in various areas of the banking industry. The Be Group will continue to invest in development, and also plan other project opportunities. These new initiatives will aim to expand the product mix, creating technology platforms for the provision of services to its customers.

10. Events after 30 June 2019 and business outlook

The shares relating to the 55% stake in Tesla Consulting S.r.l. were formally transferred to the Be Group on 1 July 2019, as set forth contractually.

In light of the results recorded by the Be Group in the first half of the year, it reasonable to confirm a scenario in which the Be Group will show significant competitive capacity also in the next two quarters of 2019.

Milan, 1 August 2019

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

SHAPING THE FUTURE OF FINANCIAL SERVICES

Half-Year Condensed Consolidated Financial Statements

At 30 June 2019

A. Consolidated Statement of Financial Position

Amounts in EUR thousands	*Notes*	30.06.2019	31.12.2018
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	2,369	2,201
Rights of use	*2*	9,255	0
Goodwill	*3*	64,781	61,555
Intangible assets	*4*	17,890	16,446
Equity investments in other companies	*5*	829	329
Loans and other non-current assets	*6*	2,592	2,507
Deferred tax assets	*7*	3,013	4,090
Total non-current assets		**100,729**	**87,128**
CURRENT ASSETS			
Inventories	*8*	3	7
Trade receivables	*9*	44,140	27,789
Other assets and receivables	*10*	3,513	3,301
Direct tax receivables	*11*	383	391
Financial receivables and other current financial assets	*12*	44	511
Cash and cash equivalents	*13*	17,726	36,010
Total current assets		**65,809**	**68,009**
Total discontinued operations			
TOTAL ASSETS		**166,538**	**155,137**
SHAREHOLDERS' EQUITY			
Share capital		27,109	27,109
Reserves		22,743	20,463
Net profit (loss) attributable to owners of the Parent Company		4,260	5,481
Group Shareholders' Equity		**54,112**	**53,053**
Minority interests:			
Capital and reserves		1,043	801
Net profit (loss) attributable to minority interests		356	922
Minority interests		**1,399**	**1,723**
TOTAL SHAREHOLDERS' EQUITY	*14*	**55,511**	**54,776**
NON-CURRENT LIABILITIES			
Financial payables and other non-current financial liabilities	*15*	15,104	15,483
Non-current financial liabilities from rights of use	*17*	6,998	0
Provision for non-current risks	*21*	4,673	5,255
Post-employment benefits (TFR)	*18*	7,178	6,575
Deferred tax liabilities	*19*	6,824	6,714
Other non-current liabilities	*20*	8,675	6,930
Total non-current liabilities		**49,452**	**40,957**
CURRENT LIABILITIES			
Financial payables and other current financial liabilities	*16*	20,790	20,114
Current financial liabilities from rights of use	*17*	2,628	0
Trade payables	*22*	11,141	11,839
Provision for current risks	*21*	1,995	2,271
Tax payables	*23*	2,154	1,404
Other liabilities and payables	*24*	22,867	23,776
Total current liabilities		**61,575**	**59,404**
Total discontinued operations		**0**	**0**
TOTAL LIABILITIES		**111,027**	**100,361**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**166,538**	**155,137**

The effects of related party transactions and non-recurring transactions on the consolidated income statement in accordance with Consob Resolution no. 15519 of 27 July 2006 are illustrated in a specific statement of financial position in paragraph 5.3.

B. Consolidated Income Statement

Amounts in EUR thousands	*Notes*	1H 2019	1H 2018
Operating revenue	*25*	73,049	68,416
Other revenue and income	*26*	1,102	733
Total Revenue		**74,151**	**69,149**
Cost of raw materials and consumables	*27*	(160)	(106)
Service costs	*28*	(27,217)	(26,183)
Personnel costs	*29*	(36,182)	(34,960)
Other operating costs	*30*	(811)	(363)
Cost of internal work capitalised	*31*	2,246	1,801
Amortisation, depreciation and write-downs:			
Depreciation of property, plant and equipment	*32*	(397)	(321)
Amortisation of intangible assets	*32*	(2,319)	(2,316)
Amortisation of rights of use	*32*	(1,337)	0
Allocations to provisions	*33*	0	(16)
Total Operating Costs		**(66,177)**	**(62,464)**
Operating Profit (Loss) (EBIT)		**7,974**	**6,685**
Financial income	*34*	44	26
Financial expense	*34*	(708)	(560)
Total Financial Income/Expense	***34***	**(664)**	**(534)**
Profit (loss) before tax		**7,310**	**6,151**
Current income taxes	*35*	(1,386)	(1,019)
Deferred tax assets and liabilities	*35*	(1,308)	(1,161)
Total Income taxes		**(2,694)**	**(2,180)**
Net profit (loss) from continuing operations		**4,616**	**3,971**
Net profit (loss) from discontinued operations		**0**	**0**
Net profit (loss)		**4,616**	**3,971**
Net profit (loss) attributable to minority interests	*14*	**356**	**385**
Net profit (loss) attributable to owners of the Parent Company		**4,260**	**3,586**
Earnings (loss) per share:			
Basic earnings per share (Euro)	*36*	**0.03**	**0.03**
Diluted earnings per share (Euro)	*36*	**0.03**	**0.03**

The effects of related party transactions and non-recurring transactions on the consolidated income statement in accordance with Consob Resolution no. 15519 of 27 July 2006 are illustrated in a specific statement of financial position in paragraph 5.3.

C. Consolidated Statement of Comprehensive Income

Amounts in EUR thousands	**1H 2019**	**1H 2018**
Net profit (loss)	**4,616**	**3,971**
Items not subject to reclassification in the income statement:		
Actuarial gains (losses) on employee benefits	(500)	11
Tax effect on actuarial gains (losses)	120	(3)
Items subject to reclassification in the income statement		
when certain conditions are met:		
Gains (losses) on cash flow hedges	(145)	10
Translation gains (losses)	43	40
Other items of comprehensive income	**(482)**	**57**
Net comprehensive profit (loss)	**4,134**	**4,028**
Attributable to:		
Owners of the Parent Company	3,777	3,643
Minority interests	357	385

D. Consolidated Statement of Cash Flows

Amounts in EUR thousands	***Notes***	**1H 2019**	**1H 2018**
Net profit (loss)		4,616	3,971
Amortisation, depreciation and write-downs	*32-33*	4,053	2,637
Non-monetary changes in post-employment benefits (TFR)		605	680
Net financial expense in the income statement	*34*	715	556
Taxes for the period	*35*	1,386	1,019
Deferred tax assets and liabilities	*35*	1,308	1,161
Losses on current assets and provisions	*33*	0	16
Increase in internal work capitalised	*31*	(2,246)	(1,801)
Other non-monetary changes		(144)	10
Exchange rate conversion differences		36	11
Cash flow from operating activities		**10,329**	**8,260**
Change in inventories	*8*	4	1
Change in trade receivables	*9*	(15,931)	(12,578)
Change in trade payables	*22*	(1,018)	(2,057)
Use of bad debt provisions	*21*	(858)	(186)
Other changes in current assets and liabilities		(1,675)	(3,617)
Post-employment benefits paid	*18*	(517)	(320)
Other changes in non-current assets and liabilities		(1,594)	(243)
Change in net working capital		**(21,589)**	**(19,000)**
Cash flow from (used in) operating activities		**(11,260)**	**(10,740)**
(Purchase) of property, plant and equipment net of disposals	*1*	(529)	(161)
(Purchase) of intangible assets net of disposals	*4*	(1,500)	(107)
Cash flow from business combinations net of cash acquired	*2.10*	225	(886)
(Purchase)/sale of equity investments and securities	*5*	(500)	67
Cash flow from (used in) investing activities		**(2,304)**	**(1,087)**
Change in current financial assets	*12*	467	388
Change in current financial liabilities	*16*	711	5,770
Financial expense paid		(699)	(516)
Change in non-current financial liabilities	*15*	(379)	4,417
Reimbursements of leasing liabilities		(1,138)	0
Cash paid for purchase of share pertaining to third parties		(283)	(1,353)
Cash paid to purchase own shares		(503)	0
Distribution of dividends paid to Group shareholders		(2,896)	(2,698)
Cash flow from (used in) financing activities		**(4,720)**	**6,008**
Cash flow from (used in) discontinued operations		**0**	**0**
Cash and cash equivalents		**(18,284)**	**(5,819)**
Net cash and cash equivalents - opening balance	*13*	36,010	22,767
Net cash and cash equivalents - closing balance	*13*	17,726	16,948
Net increase (decrease) in cash and cash equivalents		**(18,284)**	**(5,819)**

E. Statement of Changes in Consolidated Shareholders' Equity

Amounts in EUR thousands	**Share capital**	**Reserves and profit carried forward**	**Profit (loss) for the period**	**Group Shareholders' Equity**	**Minority interests**	**Total**
SHAREHOLDERS' EQUITY AT 31.12.2017	**27,109**	**21,177**	**4,478**	**52,764**	**799**	**53,563**
Net profit (loss)			3,586	3,586	385	3,971
Other items of comprehensive income		56		56	1	57
Net comprehensive profit (loss)		**56**	**3,586**	**3,642**	**386**	**4,028**
Allocation of prior year profit (loss)		4,478	(4,478)			0
Purchase of own shares		(1,353)		(1,353)		(1,353)
Dividend distribution		(2,698)		(2,698)		(2,698)
Other changes		(6)		(6)		(6)
SHAREHOLDERS' EQUITY AT 30.06.2018	**27,109**	**21,654**	**3,586**	**52,349**	**1,185**	**53,534**

Amounts in EUR thousands	**Share capital**	**Reserves and profit carried forward**	**Profit (loss) for the period**	**Group Shareholders' Equity**	**Minority interests**	**Total**
SHAREHOLDERS' EQUITY AT 31.12.2018	**27,109**	**20,463**	**5,481**	**53,053**	**1,723**	**54,776**
Net profit (loss)			4,260	4,260	356	4,616
Other items of comprehensive income		(483)		(483)	1	(482)
Net comprehensive profit (loss)		**(483)**	**4,260**	**3,777**	**357**	**4,134**
Allocation of prior year profit (loss)		5,481	(5,481)	0		0
Purchase of own shares		(503)		(503)		(503)
Dividend distribution		(2,896)		(2,896)		(2,896)
(Purchases)/Disposals of Minority Interests		681		681	(681)	0
SHAREHOLDERS' EQUITY AT 30.06.2019	**27,109**	**22,743**	**4,260**	**54,112**	**1,399**	**55,511**

Notes to the consolidated financial statements

1. Corporate information

The **Be Group** is one of the leading Italian players in the IT Consulting sector. The Group provides Business Consulting, Information Technology and Professional Services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industries to improve their competitive capacity and their potential to create value. With more than 1,200 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, Ukraine, Spain and Romania, in the first half of 2019 the Group recorded total revenues of Euro 74.2 million.

Be Think, Solve, Execute S.p.A. (**Be S.p.A.** for short), listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and coordination of operating, strategic and financial decisions of the subsidiaries and through management and control of reporting flows in readiness for preparation of both annual and interim accounting documents.

The Half-Year Condensed Consolidated Financial Statements at 30 June 2019 were approved for publication by the Parent Company Board of Directors on 1 August 2019.

2. Measurement criteria and accounting standards

2.1. Presentation criteria

The Half-Year Condensed Consolidated Financial Statements of the Be Group at 30 June 2019 (also referred to as the “Half-Year Consolidated Financial Statements”) were prepared in application of art. 154-ter of the Consolidated Law on Finance and in accordance with IAS 34 - Interim Financial Reporting. Therefore, they do not include all information required for annual financial statements and must be read together with the financial statements prepared at 31 December 2018.

The interim consolidated financial statements comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity and the relative notes to the consolidated financial statements.

The Be Group consolidated income statement is presented by using a classification of individual components based on their nature. This format complies with the management reporting method adopted by the Group and is therefore considered more representative than a presentation by item allocation, providing more reliable and more significant indications for the business sector concerned. With reference to the statement of financial position, a presentation format has been adopted that divides assets and liabilities into current and non-current, as set forth in IAS 1.

The consolidated statement of cash flows indicates cash flows during the period and classified among operating, investing and financing activities. Cash flows from operating activities are recognised using the indirect method.

The statement of changes in consolidated shareholders' equity was prepared in compliance with IAS 1.

With regard to segment reporting in accordance with IFRS 8, note that in view of the Group's business operations the reference format is that for operating segments, a better description of which can be found in paragraph 2.11 "Segment reporting".

The Financial Statements and the notes to the financial statements are presented in thousands of Euro unless otherwise indicated. There could be differences in the unit amounts shown in the tables below due to rounding.

In preparing these financial statements, the Directors used going concern assumptions and therefore prepared the statements on the basis of standards and criteria applying to fully operative companies. For further information, please refer to paragraph 2.5 "Disclosure on going concern assumptions".

2.2. IFRS accounting standards, amendments and interpretations applicable from 1 January 2019

The accounting principles adopted are the same as for the previous year, except for those entering into force from 1 January 2019 and adopted by the Group for the first time, i.e.:

- On 13 January 2016, the IASB published standard IFRS 16 - Leases, which will replace IAS 17 - Leases, as well as interpretations IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard provides a new definition of lease and introduces a criterion based on the notion of control (right of use) of an asset to distinguish lease contracts from service contracts, identifying the following as lease discriminants: the identification of the asset, the right to replace the same, the right to substantially obtain all of the economic benefits resulting from the use of the asset and lastly the right to direct the use of the asset underlying the contract. The standard established a single model for the recognition and measurement of lease contracts for the lessee, which entail recognising the leased asset, including operating assets, under assets in the statement of financial position, with a balancing entry of a financial payable. On the contrary, the Standard does not involve any significant changes for lessors. The Group applied IFRS 16 from 1 January 2019, using the modified retroactive method without re-stating the comparative information for 2018, by adopting some simplifications (so-called practical expedient) envisaged, for which the contracts with a duration of less than twelve months and some contracts with a modest value have been excluded from the evaluation. For these contracts, the introduction of IFRS 16 did not involve the recognition of the financial lease liability and the associated right of use, but the lease payments were booked to the income statement on a linear basis for the duration of the respective contracts. Based on the new standard, a lease is a contract for which, in exchange for a consideration, the lessee has the right to control the use of a specific asset for a given period of time. More specifically, with regard to lease contracts previously classified as operating, the Group recognised:
    - a financial liability, corresponding to the present value of residual future payments on the transition date, discounted by using, for each contract, the incremental borrowing rate applicable on the transition date;

- a right of use equal to the value of the financial liabilities on the transition date, net of any accrued income and prepaid expenses/accrued liabilities and deferred income relating to the lease and recognised in the statement of financial position on the reporting date of these financial statements.

The table below shows the impacts deriving from adoption of IFRS 16 at the transition date:

EUR thousands **ASSETS**	***Impact on transition date (01.01.2019)***
Non-current assets	
Rights of use - Buildings	EUR 9,095
Rights of use - Vehicles	EUR 987
Rights of use - Other assets	EUR 186
Total	**EUR 10,268**
SHAREHOLDERS' EQUITY AND LIABILITIES	
Non-current liabilities	
Non-current financial liabilities for leases	EUR 7,924
Current liabilities	
Current financial liabilities for leases	EUR 2,344
Total	**EUR 10,268**

It should be noted that as the majority of the contracts entered into by the Group do not include an embedded interest rate, the discounting rate applied to the future payments of instalments as at 1 January 2019 has been established as the risk-free rate of each country in which the contracts have been entered into, with expiries relative to the term of the specific contract, increased by the Group's specific credit spread.

- On 12 October 2017, the IASB published an amendment to IFRS 9 "Prepayment Features with Negative Compensation". This document specifies that instruments which envisage an early repayment could respect the "SPPI" (Solely Payments of Principal and Interest) test also in the event in which the reasonable additional compensation payable in the case of early repayment is a negative compensation for the lender.

  The adoption of this amendment had no effect on the Group's Half-Year Condensed Consolidated Financial Statements.

- On 7 June 2017, the IASB published interpretation IFRIC 23 – "Uncertainty over Income Tax Treatments (IFRIC Interpretation 23)". The interpretation tackles the topic of uncertainty over the tax treatment to adopt as regards income taxes. More specifically, the interpretation requires an entity to analyse uncertain tax treatments (individually or as a whole, depending on their characteristics) always assuming that the tax authority will examine the tax position in question, with full knowledge of all relevant information. In the event that an entity deems it unlikely that the tax authority will accept the tax treatment adopted, the entity must reflect the effect of the uncertainty when calculating its current and deferred income taxes. Furthermore, the document does not contain any new disclosure obligation but emphasises that the entity must establish whether it is necessary to provide information on the considerations made by management and regarding the uncertainty on the accounting treatment of taxes, in accordance with the provisions of IAS 1. The new interpretation has been applied since 1 January 2019.

The adoption of this amendment had no effect on the Group's Half-Year Condensed Consolidated Financial Statements.

- On 12 December 2017, the IASB published a document entitled "Annual Improvements to IFRSs: 2015-2017 Cycle" which summarises the changes to several standards as part of the annual process to improve the same. The main changes regard:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: the amendment clarifies that when an entity obtains control of a business that represents a joint operation, it must remeasure previously held interests in said business. Instead, this process is not envisaged if joint control is obtained.
  - IAS 12 Income Taxes: the amendment clarifies that all of the tax effects linked to dividends (including payments on financial instruments classified under equity) must be accounted in a consistent manner with the transaction that generated said profits (income statement, OCI or equity).
  - IAS 23 Borrowing costs: the amendment clarifies that in the case of loans that are still in place even after the qualifying asset in question is ready to use or to sell, the same become part of the set of loans used to calculate the borrowing costs.

  The adoption of this amendment had no effect on the Group's Half-Year Condensed Consolidated Financial Statements.

- On 7 February 2018, the IASB published a document entitled "Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)". The document clarifies how an entity must record a change (i.e., a curtailment or a settlement) in a defined benefits plan. The amendments require an entity to update its hypotheses and again measure the net asset or liability arising from the plan. Amendments clarify that after the occurrence of such an event, an entity must use updated hypotheses to measure the current service cost and interest for the rest of the reference period subsequent to the event.

  The adoption of this amendment had no effect on the Group's Half-Year Condensed Consolidated Financial Statements.

- On 12 October 2017, the IASB published a document entitled "Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)". This document clarifies the need to apply IFRS 9, including the requirements relating to impairment, to other long-term interests in associates and joint ventures to which the equity method does not apply.

  The adoption of this amendment had no effect on the Group's Half-Year Condensed Consolidated Financial Statements.

2.3. IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

At the reference date of these Financial Statements, the competent bodies of the European Union have not yet completed the endorsement process required for adoption of the amendments and standards illustrated below.

- On 22 October 2018, the IASB published a document entitled "Definition of a Business (Amendments to IFRS 3)". The document provides some clarifications on the definition of business for the correct application of IFRS 3. In particular, the amendment clarifies that while a business usually generates an output, the presence of an output is not strictly necessary to identify a business in the presence of an integrated set of activities/processes and assets. However, to meet the definition of a business, an integrated set of activities/processes and assets must include, at least one input and one substantial process that together contribute to the ability to create output in a substantial manner. To this end, the IASB replaced the term "ability to create output" with "ability to contribute to creating output" to clarify that a business can exist even without the presence of all of the inputs and processes needed to create an output.

The amendment also introduced an optional test ("concentration test") for the entity, to determine whether a set of activities/processes and assets purchased is not a business. If the test provides a positive result, the set of activities/processes and goods purchased does not represent a business and the standard does not require further tests. If the test provides a negative result, the entity must conduct further analyses on the assets/processes purchased to identify the presence of a business. To this end, the amendment has added numerous illustrative examples to IFRS 3 to facilitate the understanding of the practical application of the new definition of business in specific cases. The changes are applicable to all business combinations and acquisitions of assets from 1 January 2020, although early adoption is permitted.

The directors do not expect this amendment to impact the Group's Consolidated Financial Statements.

- On 31 October 2018, the IASB published a document entitled "Definition of Material (Amendments to IAS 1 and IAS 8)" The document introduced a change to the definition of "material" contained in standards IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The purpose of this amendment is to be the definition of "material" more specific and to introduce the concept of "obscured information" alongside the concepts of omitted or erroneous information already present in the two standards being amended. The amendment clarifies that information is "obscured" when it is described in such a way that it has an effect on the primary readers of financial statements that is similar to that which would have been produced if said information would have been omitted or erroneous. The amendments introduced by the document apply to all transactions after 1 January 2020.

  The directors do not expect this amendment to impact the Group's Consolidated Financial Statements.

- On 11 September 2014, the IASB published an amendment to IFRS 10 and IAS 28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture. This document was published to resolve the current conflict between IAS 28 and IFRS 10. According to IAS 28, the gain or loss resulting from the sale or contribution of a non-monetary asset to a joint venture or associate in exchange for a stake in the share capital of the latter is limited to the stake held by other investors not involved in the transaction in the joint venture or associate. On the contrary, IFRS 10 envisages the recognition of the entire gain or loss in the case of the loss of control of a subsidiary, even if the entity continues to hold a non-controlling interest in the same, also including the sale or contribution of a subsidiary to a joint venture or associate. The amendments introduced envisage that in a sale/contribution of an asset or of a subsidiary to a joint venture or an associate, the amount of the gain or of the loss to be recognised in the financial statements of the seller/contributor depends on whether or not the assets or the subsidiary sold/contributed constitutes a business, as defined by IFRS 3. If the assets or the subsidiary do represent a business, the entity must recognise the gain or the loss on the entire investment previously held; otherwise, the share of the gain or the loss relating to the interest still held by the entity must be derecognised. At present, the IASB has suspended the application of this amendment.

  The directors do not expect this amendment to impact the Group's Consolidated Financial Statements.

2.4. Discretionary measurements and significant accounting estimates

Preparation of the interim consolidated financial statements and related notes in application of IFRS requires that management perform discretionary measurements and accounting estimates that have an effect on the value of assets, liabilities, revenue and costs in the financial statements and disclosures. The final results could differ from such estimates.

The estimates are used in measuring goodwill, in recognising credit risk provisions, in measuring property, plant and equipment and intangible assets, in determining amortisation and depreciation and in calculating taxes and provisions for risks and charges.

Also note that the Directors have exercised their discretion in assessing the prerequisites for going concern assumptions. The estimates and assumptions are periodically reviewed and the effects of any change are immediately reflected in the income statement.

For further information on the main accounting estimates, reference should be made to the Consolidated Financial Statements at 31 December 2018.

2.5. Disclosure on going concern assumptions

The 2019-2021 Plan was prepared on the basis of forecasts and assumptions inherent to future trends in operations and the reference market. Though reasonable, these do show profiles of uncertainty due to the questionable nature of future events and the characteristics of the market in which the Group operates. Given the above and given the contents of the paragraph 10 “Events after 30 June 2019 and business outlook” in the Management Report, the Directors consider going concern assumptions to be appropriate in preparing the Half-Year Consolidated Financial Statements as no uncertainties have emerged associated with events or circumstances which, taken individually or as a whole, could give rise to doubts about the company as a going concern.

2.6. Scope of consolidation

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

Taking previous considerations into account, a list of equity investments in companies included in the scope of consolidation is provided below, as required by Consob Communication no. 6064293 of 28 July 2006:

Company name	Registered office	Share Capital	Currency	Parent Company	% interest	Minority interests
Be S.p.A.	Rome	27,109,165	EUR			
Be Consulting S.p.A.	Rome	120,000	EUR	Be S.p.A.	100%	0%
Be Solutions S.p.A.	Rome	7,548,441	EUR	Be S.p.A.	100%	0%
Be Think Solve Execute RO S.r.l.	Bucharest	22,000	RON	Be S.p.A.	100%	0%
Iquii Srl	Rome	10,000	EUR	Be Solutions S.p.A.	51%	49%
Juniper Extensible Solutions S.r.l.	Trento	10,000	EUR	Be Solutions S.p.A.	51%	49%
Be Poland Think, Solve and Execute sp z.o.o	Warsaw	1,000,000	PLN	Be Consulting S.p.A.	100%	0%
Tesla Consulting S.r.l.	Bologna	10,000	EUR	Be Consulting S.p.A.	60%	40%
Be Ukraine LLC	Kiev	20,116	UAH	Be Consulting S.p.A.	100%	0%
iBe Think Solve Execute Ltd	London	91,898	GBP	Be Consulting S.p.A.	100%	0%
Payments and Business Advisors S.l.	Madrid	3,000	EUR	Be Consulting S.p.A.	60%	40%
Paystrat Solutions SL (Pyngo)	Madrid	10,265	EUR	Payments and Business Advisors S.l.	65%	35%
Be Sport, Media & Entertainment Ltd	London	318,774	GBP	iBe TSE Ltd	85%	15%
Be TSE GmbH	Munich	92,033	EUR	Be Consulting S.p.A.	90%	10%
R&L AG	Munich	1,882,000	EUR	Be TSE GmbH	100%	0%
Targit GmbH	Vienna	35,000	EUR	Be TSE GmbH	100%	0%
Be TSE Switzerland AG	Zurich	100,000	CHF	Be TSE GmbH	100%	0%
FIMAS GmbH	Frankfurt	25,000	EUR	Be TSE GmbH	60%	40%
Confinity GmbH	Magdeburg	50,000	EUR	FIMAS GmbH	100%	0%

Compared to 31 December 2018, the scope of consolidation has been altered by the following events:

- in January, Be increased its shareholding in its German subsidiary R&L AG to 100%. The transaction was finalised through the sub-holding of the DACH area, Be TSE GmbH, which already held 58.84% of R&L AG;
- in January, Be signed a binding contract for the purchase of 60% of the share capital of Tesla Consulting S.r.l., an Italian company operating in the "Cyber Security" and "Digital Forensics" domain. This contract gave Be full control of the company, also through the appointment of the majority of the members of the company's Board of Directors. The formal transfer of the shares took place on 5 February 2019 (5%) and on 1 July 2019 (55%) at the same time as their payment. The parties also agreed on a "Put & Call" structure to purchase the residual capital in two tranches by 30 June 2028.

2.7. Principles of consolidation

The consolidation of subsidiary companies is made on the basis of their respective accounts, appropriately adjusted to bring them in line with the accounting principles adopted by the Parent Company. The end date of the financial year of the subsidiaries included in the scope of consolidation is the same as that of Be S.p.A.

Subsidiaries are consolidated on a line-by-line basis, starting from their date of acquisition, namely from the date on which the Group acquired control, and are no longer consolidated from the date on which control is transferred out of the Group. In preparing the Half-Year Condensed Consolidated Financial Statements, assets and liabilities are assumed on a line-by-line basis, as are the costs and revenue of the companies consolidated, at their total amount, attributing the portion of shareholders' equity and of the profit (loss) for the year relating to minority shareholders under specific items of the statement of financial position and the income statement. The book value of the equity interest in each subsidiary is eliminated against the corresponding portion of shareholders' equity of each subsidiary, including any fair value adjustments, at the acquisition date, to the relative assets and liabilities; any remaining difference that arises, if positive, is allocated to goodwill, and if negative, to the income statement. All intercompany balances and transactions, including any unrealised gains resulting from transactions performed between Group companies, are eliminated in full. The amount of gains and losses recorded with associated companies attributed to the Group are eliminated. Intercompany losses are eliminated, unless they represent impairment losses.

2.8. Conversion of financial statements into currencies other than the Euro

The assets and liabilities of foreign subsidiaries are converted into Euro at the exchange rate in force on the date of the financial statements. Income and expense are converted at average exchange rates for the period. The differences resulting from exchange rates are recorded under "Translation reserve" in shareholders' equity. This reserve is recognised in the Income Statement as income or as expense for the period in which the relative subsidiary was transferred.

2.9. Transactions and balances in foreign currency

Transactions in foreign currencies are recognised at the exchange rate in force on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies on the reference date of the financial statements, are converted at the exchange rate in force on said date.

The exchange rate differences generated by the derecognition of monetary items or by their conversion at different rates to those at which they were converted at the time of initial recognition are booked to the income statement.

The table below shows the exchange rates used for conversion into Euro for the 2019 - 2018 financial statements in foreign currencies:

Exchange rates

Currency	1H2019 average	30.06.2019	1H2018 average	30.06.2018
British Pound (GBP)	0.8736	0.8966	0.8797	0.8861
Polish Zloty (PNL)	4.2917	4.2496	4.2206	4.3732
Ukrainian Hryvnia (UAH)	30.4131	29.7654	32.3667	30.6868
Romanian Leu (RON)	4.7419	4.7343	4.6544	4.6631
Swiss Franc (CHF)	1.1294	1.1105	1.1699	1.1569

2.10. Business combinations in the reporting period

As already described previously, in the first half of 2019, the Be Group acquired 5% of Tesla Consulting S.r.l., through the subsidiary Be Consulting S.p.A., confirming its consolidation strategy for the Italian market. Then, on 1 July, the additional purchase of 55% of the company was completed.

With reference to the purchase of 5% of the company, the company Be Consulting S.p.A. paid Euro 158 thousand at the time of closing; on 1 July, the company paid a total of Euro 2,161 thousand for the purchase of an additional 55% of the company.

The reference values for the transaction were as follows:

Amounts in EUR thousands	**Book value of the business acquired**	**Fair value adjustments**	**Fair Value**
Property, plant and equipment	33	0	33
Intangible assets	1	0	1
Trade receivables	420	0	420
Tax receivables	27	0	27
Cash and cash equivalents	383	0	383
Post-employment benefits (TFR)	(15)	0	(15)
Trade payables	(320)	0	(320)
Tax payables	(52)	0	(52)
Other liabilities and payables	(57)	0	(57)
NET TOTAL OF ASSETS ACQUIRED	**420**	**0**	**420**
GOODWILL			**3,238**
ACQUISITION PRICE			**3,658**
broken down as follows (amounts include discounting as at the acquisition date):			
Consideration in H12019			(158)
Fair value of consideration to be paid for the purchase of the minority interests (put&call)			(3,500)
CASH FLOW FROM THE ACQUISITION			
Payment already made			(158)
Cash and cash equivalents acquired			383
NET CASH FLOWS			**225**

The purchase price for 100% of the share capital was set as Euro 3,962 thousand, of which Euro 158 thousand to be paid at the time of closing (5% of the share capital) and Euro 1,733 thousand by 15 July 2019 - paid on 1 July 2019 - (corresponding to a discounted value on the acquisition date of Euro 1,707 thousand), plus any cash balance, which has been calculated as Euro 429 thousand (corresponding to a discounted value on the acquisition date of Euro 423 thousand).

The agreement also envisages an extra price amount to sellers by 30 June 2021 based on the positive results recorded by the subsidiary in FYs 2019 and 2020 and cannot exceed Euro 270 thousand (corresponding to a discounted value on the acquisition date of Euro 251 thousand).

Lastly, note that the agreement between the parties envisages an option to acquire the remaining 40% in two later stages through a put&call option: 20% by June 2023 and a further 20% by June 2028.

More specifically, the put&call option envisages:

- an earn-out for the first 20% based on given results recorded by the subsidiary in FYs 2021 and 2022. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 686 thousand (corresponding to a discounted amount at the acquisition date of Euro 601 thousand);
- an earn-out for the second 20% based on given results recorded by the subsidiary in FYs 2026 and 2027. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 686 thousand (corresponding to a discounted amount at the acquisition date of Euro 518 thousand).

The transaction was accounted for using the purchase cost method with effect from the date of acquisition of control. The gain of Euro 3,238 thousand generated by the acquisition was provisionally allocated to goodwill, in accordance with IFRS 3.45 and 3.46, pending a more in-depth assessment of the assets acquired.

In the period between the date of acquisition of control by the Be Group and the closing date of the Consolidated Financial Statements at 30 June 2019, the Company achieved a total revenue of Euro 500 thousand and a net profit of Euro 96 thousand.

2.11. Segment reporting

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

- **Business Consulting:**

  Business Unit: active in the business consulting sector. This business unit operates through Be Consulting Think, Project & Plan S.p.A., iBe Solve Execute Ltd, Be Ukraine Think, Solve, Execute S.A., Be Poland Think, Solve, Execute Sp.zo.o., Be Think, Solve Execute GmbH, Targit GmbH, Be TSE Switzerland AG, R&L AG, Fimas GmbH, Confinity GmbH, Payments and Business Advisors S.L., Paystrat Solutions SL (Pyngo) and Tesla Consulting S.r.l.

- **ICT Solutions:**

  Business Unit: active in the provision of integrated solutions and systems for the financial services, insurance and utilities sectors. This business unit covers the activities performed by Be Solutions Solve Realize & Control S.p.A., Be Think Solve Execute RO S.r.l., Iquii S.r.l. and Juniper Extensible Solutions S.r.l.

  The structure of the disclosure reflects that of the reports periodically analysed by management and by the Board of Directors to manage the business and is the subject of periodic management reporting and planning. The Parent Company's activities and those of residual businesses are indicated separately.

  The economic position of the Group for the first half of 2019, compared with that of the first half of 2018, is reported below, separating continuing operations from discontinued operations.

  The operating segment values illustrated are gross of intercompany transactions with the other Group companies from different segments, whilst the value of production by operating segment and by customer type indicated in the Management Report is shown net of all intercompany transactions between Group companies.

  At present, the Group does not believe that a segment analysis by geographic area is relevant for its reporting purposes, considering that in 2019, 40.2% of production value originated from markets abroad, with the DACH Region (DE, AUT and SUI) accounting for a significant share, contributing Euro 19.5 million to revenue generation, while the UK market generated Euro 7.4 million of revenues and the remaining markets Euro 2.9 million.

Breakdown by operating segment 1 January 2019 - 30 June 2019

	Consulting	ICT Solutions	Corporate and other	Disposals	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	55,777	20,839	2,017	0	(5,584)	0	73,049
Other revenue	1,431	470	449	0	(1,248)	0	1,102
Value of production	57,208	21,309	2,465	0	(6,831)	0	74,151
Operating Profit (Loss) (EBIT)	7,850	2,151	(2,027)	0	0	0	7,974
Net financial expense	80	(223)	10,216	0	(10,737)	0	(664)
Net profit (loss)	5,747	1,244	8,363	0	(10,737)	(357)	4,260

Breakdown by operating segment 1 January 2018 - 30 June 2018

	Consulting	ICT Solutions	Corporate and other	Disposals	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	49,387	23,116	2,304	0	(6,391)		68,416
Other revenue	1,085	247	330	0	(929)		733
Value of production	50,473	23,363	2,634	0	(7,321)		69,149
Operating Profit (Loss) (EBIT)	3,965	4,797	(2,073)	0	(4)		6,685
Net financial expense	(372)	(252)	4,586	0	(4,496)		(534)
Net profit (loss)	2,333	3,214	2,925	0	(4,501)	(385)	3,586

3. Breakdown of the main items of the Statement of Financial Position

Note 1.

Property, plant and equipment

At 30 June 2019, property, plant and equipment recorded a balance of Euro 2,369 thousand, net of accumulated depreciation, compared to Euro 2,201 thousand at 31 December 2018.

Change in historical cost

	Historical cost 2018	Business combinations	Increases	Decreases	Reclassifications	Exchange gains/losses	Historical cost 30.06.19
Plant and machinery	1,525	14	79	(967)	0	0	651
Fixtures and fittings, tools and other equipment	400	53	11	0	0	0	464
Other assets	20,098	11	436	(402)	347	11	20,501
Assets under development and advances	351	0	12	0	(347)	0	16
TOTAL	**22,374**	**78**	**538**	**(1,369)**	**0**	**11**	**21,632**

Change in accumulated depreciation

	Accumulated depreciation 2018	Business combinations	Amortisation and depreciation	Decreases	Reclassifications	Exchange gains/losses	Accumulated depreciation 30.06.19
Plant and machinery	1,483	7	13	(960)	0	0	543
Fixtures and fittings, tools and other equipment	245	31	28	0	0	0	304
Other assets	18,445	7	356	(400)	0	8	18,416
TOTAL	**20,173**	**45**	**397**	**(1,360)**	**0**	**8**	**19,263**

	Net value 31.12.2018	Net value 30.06.2019
Plant and machinery	42	108
Fixtures and fittings, tools and other equipment	155	160
Other assets	1,653	2,085
Assets under development and advances	351	16
TOTAL	**2,201**	**2,369**

The value of fixtures and fittings, tools and other equipment includes all the Group-owned operating assets used in the production of data processing services.

The figure for other assets includes the following:

- passenger cars;
- ordinary office furniture and machines;
- electronic office machines;
- leasehold improvements.

The increase in other assets during the period mainly refers to the improvements relating to the new head office located in Milan, Piazza Affari 2, by Be Consulting and to the purchase of electronic equipment by Be Solutions.

The decreases refer to the disposal of obsolete assets during the first half of the year.

Note 2.

Rights of use

At 30 June 2019, rights of use amounted to Euro 9,255.

Following the entry into force, on 1 January 2019, of IFRS 16 - Leases, which replaced IAS 17, the Group decided to apply the standard using the modified retrospective method, in accordance with the provisions of the paragraphs of IFRS 16. In particular, in relation to leases in place as at 1 January 2019, the Group accounted for a right of use equal to the value of the financial liabilities on the transition date, net of any accrued income and prepaid expenses/accrued liabilities and deferred income relating to the lease and recognised in the statement of financial position on the reporting date of these financial statements.

The application of the standard mainly concerned long-term property leases and leases for company cars used by personnel.

Changes in the period are outlined below:

Change in historical cost

	Historical cost 1.01.2019	Business combinations	Increases	Decreases	Exchange gains/losses	Historical cost 30.06.2019
Motor vehicles	987	0	132	(5)	0	1,114
Properties	9,095	0	356	(175)	14	9,290
Other assets	186	0	0	0	0	186
TOTAL	**10,268**	**0**	**488**	**(180)**	**14**	**10,590**

Change in accumulated depreciation

	Accumulated depreciation 1.01.2019	Business combinations	Amortisation and depreciation	Decreases	Exchange gains/losses	Accumulated depreciation 30.06.2019
Motor vehicles	0	0	204	(2)	0	202
Properties	0	0	1,102	0	0	1,102
Other assets	0	0	31	0	0	31
TOTAL	**0**	**0**	**1,337**	**(2)**	**0**	**1,335**

	Net value 1.01.2019	Net value 30.06.2019
Motor vehicles	987	912
Properties	9,095	8,188
Other assets	186	155
TOTAL	**10,268**	**9,255**

Note 3.

Goodwill

Goodwill at 30 June 2019 was Euro 64,781 thousand compared to Euro 61,555 thousand at 31 December 2018. The cash generating units (CGUs) were identified for impairment testing purposes based on the Group's reorganisation defined during 2018 and consistent with the former IFRS 8 reporting structure described in the paragraph 2.11 "Segment reporting".

The breakdown is as follows:

Goodwill

	Balance at 31.12.2018	Increases	Decreases	Exchange gains/losses	Balance at 30.06.2019
Cash generating unit (CGU)					
Business Consulting	32,138	3,238	0	(12)	35,364
ICT Solutions	29,417	0	0	0	29,417
Total	**61,555**	**3,238**	**0**	**(12)**	**64,781**

The increase in goodwill of Euro 3,238 thousand refers to the acquisition, in 2019, of the company Tesla Consulting S.r.l., through subsidiary Be Consulting S.p.A.

When preparing this Interim Financial Report, Company Management verified the continued reliability of the forecasts for revenue, investments and operating costs contained in the 2019-2021 Plan used to estimate value in use at 31 December 2018, in order to determine the recoverable amount of goodwill of the various cash generating units. The Directors then confirmed that the book value of goodwill recognised at 30 June 2019 is sustainable.

The analysis conducted, which takes into account the market environment, showed no signs of impairment and allows confirmation of the assumptions made in formulating the plans.

For further information and a description of the impairment test procedure, reference should be made to the Notes to the "Annual Financial Report at 31 December 2018".

Note 4.

Intangible assets

At 30 June 2019, intangible assets recorded a balance of Euro 17,890 thousand, net of accumulated depreciation, compared to Euro 16,446 thousand at 31 December 2018.

The changes during the reporting period, changes in accumulated amortisation and the historical cost are provided below, with amounts expressed in thousands of Euro.

Change in historical cost

	Historical cost at 31.12.2018	Increases	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Historical cost at 30.06.2019
Research and development costs	1,074	225	0	36	0	0	1,335
Concessions, licences and trademarks	1,712	51	0	0	0	0	1,763
Assets under development and advances	3,031	2,246	0	(2,088)	0	0	3,189
Other (including proprietary SW)	43,015	1,224	0	2,052	18	56	46,365
TOTAL	**48,832**	**3,746**	**0**	**0**	**18**	**56**	**52,652**

Change in accumulated amortisation

	Accumulated amortisation at 31.12.2018	Amortisation	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Accumulated amortisation at 30.06.2019
Research and development costs	804	77	0	0	0	0	881
Concessions, licences and trademarks	1,626	9	0	0	0	0	1,635
Other (including proprietary SW)	29,956	2,233	0	0	17	40	32,246
TOTAL	**32,386**	**2,319**	**0**	**0**	**17**	**40**	**34,762**

Net book value

	Net value 31.12.2018	Net value 30.06.2019
Research and development costs	270	454
Concessions, licences and trademarks	86	128
Assets under development and advances	3,031	3,189
Other (including proprietary SW)	13,059	14,119
TOTAL	**16,446**	**17,890**

At 30 June 2019, the increases in assets under development mainly refer to the development of the following ICT platforms: “Universo Sirius” relating to the management of Life and Non-Life insurance portfolios, and the development of an internal corporate ICT system by Be Solutions totalling Euro 1,509 thousand, to digital applications by Juniper, Iquii, Be Consulting and Paystrat respectively of Euro 125 thousand, Euro 225 thousand, Euro 205 thousand and Euro 20 thousand, as well as the proprietary platforms of Be Think, Solve Execute GmbH and Fimas GmbH, specialised in various areas of the banking industry, totalling Euro 162 thousand.

The increases in other intangible assets recorded in the period include the payment of the contractual consideration linked to the long-term presence in the company of the management, amounting to Euro 1.3 million.

The residual values of individual intangible assets are considered justified on the basis of their estimated useful lives and profitability.

Note 5.

Equity investments in other companies

Equity investments in other companies mainly refer to:

- the investment of Euro 799 thousand, held via Be Solutions, in Talent Garden S.p.A., an Italian start-up, which operates in the co-working and spaces for innovation sector; the increase in the value of the equity investment, amounting to Euro 500 thousand, derives from the share capital increase, approved by the company in 2019, and subscribed for its portion;
- the investment of approximately Euro 27 thousand, held via Juniper Extensible Solutions S.r.l., in Engagigo S.r.l., Italian company operating in the social media and digital market place sector, in the sports, outdoor and fitness area, corresponding to 6% of share capital.

Equity investments in other companies

	Balance at 30.06.2019	**Balance at 31.12.2018**
Equity investments in other companies	829	329
TOTAL	**829**	**329**

Note 6.

Loans and other non-current assets

Loans and other non-current assets refer to guarantee deposits paid for Euro 382 thousand and advances paid to employees in past years to be recovered on termination of their employment contracts for Euro 44 thousand.

Other non-current assets of Euro 2,036 thousand mainly refers to:

- Euro 945 thousand for the portion of the residual discounted price that may be collected beyond 2019, accrued against the sale of the Be Solutions business divisions sold to CNI S.p.A.;
- Euro 203 thousand for a receivable of Be Solutions due from the town council of Lerarca Friddi, for which a 10-year repayment plan has been established;
- Euro 556 thousand for a receivable of the Parent Company due from a customer and not yet paid on the reporting date, a balancing entry to which is recognised under other non-current liabilities as a payable for the same amount in relation to penalties demanded by the same customer and challenged by the Group;
- Euro 288 thousand for a receivable of Be Tse GmbH due from Blu IT for employee termination indemnities to be paid to employees transferred by the same.

Other assets and receivables

	Balance at 30.06.2019	Balance at 31.12.2018
Guarantee deposits	382	226
Receivables from employees due beyond 12 months	44	56
Receivables from social security and welfare organisations	103	103
Other non-current receivables	2,036	2,085
Non-current prepaid expenses	27	37
TOTAL	**2,592**	**2,507**

Note 7.

Deferred tax assets

The deferred tax assets in the financial statements refer mainly to the Parent Company and the subsidiary Be Solutions and are recognised based on the reasonable assumption that they will be recoverable, in accordance with future taxable income forecast in the three-year plan. They are calculated on the basis of prior year losses considered recoverable and on the temporary tax differences on taxable provisions for risks and differences between the book value and value for tax purposes on goodwill recognised.

Deferred tax assets are calculated using the tax rates in force from 1 January 2017 (IRES 24% and IRAP 3.9%-4.26%).

Deferred tax assets

	Balance at 31.12.2018	Allocation	Utilisation	Other changes	Balance at 30.06.2019
Deferred tax assets	4,090	198	(1,409)	134	3,013
TOTAL	**4,090**	**198**	**(1,409)**	**134**	**3,013**

Note 8.

Inventories

Inventories refer mainly to the inventories of consumables of R&L AG for Euro 3 thousand.

Inventories

	Balance at 30.06.2019	Balance at 31.12.2018
Inventories	3	7
TOTAL	**3**	**7**

Note 9.

Trade receivables

Trade receivables arise from goods and services produced and provided by the Group but not yet collected at 30 June 2019.

Trade receivables

	Balance at 30.06.2019	Of which business combinations	Balance at 31.12.2018
Receivables due from customers	45,065	420	28,872
Bad debt provision for receivables due from customers	(925)		(1,083)
TOTAL	**44,140**	**420**	**27,789**

The amount allocated in the financial statements of Euro 925 thousand is considered fair coverage of the credit risk; the utilisation of the bad debt provision refers to the write-off of old receivables deemed uncollectible.

Bad debt provision

	Balance at 30.06.2019	Balance at 31.12.2018
Opening balance	1,083	1,729
Allocations	0	367
Utilisation	(158)	(1,013)
TOTAL	**925**	**1,083**

The breakdown of receivables is shown below, by due date, net of invoices/credit notes to be issued for Euro 29,725 thousand and before the bad debt provision of Euro 925 thousand.

The amount outstanding for over 180 days mostly regards receivables due from the Italian Public Administration for which the appropriate credit collection measures have been taken.

	Due	0-30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
Receivables due from customers	10,273	1,731	191	509	202	2,434	15,340
Bad debt provision	(57)	(11)	(4)	(1)	(2)	(850)	(925)
TOTAL	**10,216**	**1,720**	**187**	**508**	**200**	**1,584**	**14,415**

Note 10.

Other assets and receivables

Other assets and receivables at 30 June 2019 amount to Euro 3,513 thousand and break down as follows:

Other assets and receivables

	Balance at 30.06.2019	Of which business combinations	Balance at 31.12.2018
Advances to suppliers for services	215		103
Receivables due from social security organisations	256		535
Receivables due from employees	126		200
VAT credits and other indirect taxes	798		797
Accrued income and prepaid expenses	1,322		843
Other receivables	796		823
TOTAL	**3,513**	**0**	**3,301**

Advances to suppliers refer to payments on account mainly to suppliers of services provided to Group companies.

Receivables due from social security organisations amounting to Euro 256 thousand mainly refer to the receivable due to Be Solutions relating to the recovery of costs for welfare support systems previously held by the former Be Eps S.p.A.

Accrued income and prepaid expenses amount to Euro 1,322 thousand and include the portions of costs incurred during the period but due in the next year, relating to support and maintenance fees, rents, insurance premiums and lease instalments.

Note 11.

Direct tax receivables

Tax receivables for direct taxes primarily include amounts due from Italian Tax Authorities for IRAP and IRES, as well as other tax receivables due to iBe Ltd.

Direct tax receivables

	Balance at 30.06.2019	Of which business combinations	Balance at 31.12.2018
Tax receivables	59	27	147
Other tax receivables	324		244
TOTAL	**383**	**27**	**391**

Note 12.

Financial receivables and other current financial assets

Financial receivables amounting to Euro 44 thousand refer to receivables due from factoring companies for deferrals on interest on factoring paid but not related to the first half of 2019.

Financial receivables and other current financial assets

	Balance at 30.06.2019	Balance at 31.12.2018
Financial receivables and other current financial assets	44	511
TOTAL	**44**	**511**

Note 13.

Cash and cash equivalents

The balance represents cash held in current accounts at banks and post offices, and to a residual extent to cash on hand at 30 June 2019.

Note that the Be Group has adopted an automatic daily cash pooling system with the banks in order to optimise financial resources at Group level.

Cash and cash equivalents

	Balance at 30.06.2019	Of which business combinations	Balance at 31.12.2018
Bank and postal deposits	17,715	383	36,000
Cash at bank and in hand	11		10
TOTAL	**17,726**	**383**	**36,010**

Note 14.

Shareholders' Equity

At 30 June 2019, the Parent Company's fully paid-up share capital totalled Euro 27,109 thousand, divided into 134,897,272 ordinary shares.

On 18 April 2019, the Shareholders' Meeting approved the Financial Statements at 31 December 2018 of Be S.p.A., resolving to allocate the Euro 1,728,089.26 profit for the year to the Legal Reserve (Euro 86,404.46) and the remainder of Euro 1,641,684.80 to Profit carried forward, and to distribute a dividend of Euro 0.022 per share, drawing on the Profit carried forward and the Extraordinary reserve for the remaining component.

The payment date of the dividend was 22 May 2019 - coupon no. 9 date of 20 May 2019 and record date of 21 May 2019.

Consolidated shareholders' equity reserves at 30 June 2019 amounted to Euro 22,743 thousand and include the following:

- Share Premium Reserve of the Parent Company for Euro 15,168 thousand;
- Legal Reserve of the Parent Company for Euro 541 thousand;
- Treasury Shares Reserve of the Parent Company for negative Euro 2,869 thousand;
- Other Reserves of the Parent Company for Euro 461 thousand;
- IAS Reserves (FTA and IAS 19R) for a negative Euro 376 thousand;
- Other Consolidation Reserves for Euro 9,818 thousand.

Stock option plans

The company has no stock option plans.

Treasury shares

Note that on 26 April 2018, an ordinary and extraordinary session of the Shareholders' Meeting of Be, was held, on second call, resolving, among other things, to approve, on the proposal of the Board of Directors, the plan to purchase and sell the Company's ordinary shares, in one or more than one tranche, on a rotational basis, up to the maximum number permitted by law (at present represented by a number of shares not exceeding 20% of share capital), to be determined also in accordance with the legal and regulatory provisions in force at the time and the share capital in hand at the time of each purchase.

The Shareholders' Meeting on 18 April 2019 approved a new own shares purchase plan, based on prior revocation of the resolution authorising the purchase and disposal of own shares, adopted by the Ordinary Shareholders' Meeting on 26 April 2018.

Overall, as at 30 June 2019, the Company purchased 3,260,888 of its ordinary shares for a total of Euro 2,868,570.63.

Minority interests

Minority interests amounted to Euro 1,399 thousand, compared to Euro 1,723 thousand at 31 December 2018.

Disclosure on the Group's Minority shareholders (Non-Controlling Interests)

The following paragraphs contain financial information on companies not fully controlled by the Group, as required by the new standard IFRS 12.

The following amounts are shown prior to consolidation adjustments (amounts in Euro/thousand):

Company	% minority interest	Local currency	Total assets	Total Shareholders' Equity	Net Revenue	Net profit (loss) for the year	Total dividends distributed
Be TSE GmbH	10.00%	EUR	11,079	5,034	9,382	(63)	0
Fimas GmbH	40.00%	EUR	3,300	1,730	2,779	125	0
Be Sport, Media & Entertainment Ltd	15.16%	GBP	0	(13)	20	546	0
Payments and Business Advisors S.l. (Paystrat)	40.00%	EUR	745	98	622	92	0
Paystrat Solutions SL (Pyngo)	34.74%	EUR	18	18	0	(1)	0
Juniper S.r.l	49.00%	EUR	823	255	456	9	0
Iquii Srl	49.00%	EUR	2,507	860	1,393	104	0
Tesla Consulting S.r.l.	40.00%	EUR	1,079	515	500	96	0

Net Financial Indebtedness

The net financial indebtedness at 30 June 2019, was a negative Euro 27.8 million, compared to positive net financial indebtedness of Euro 924 thousand at 31 December 2018. The breakdown is shown below:

Net consolidated financial indebtedness

	Amounts in EUR thousands	**30.06.2019**	**31.12.2018**	**Δ**	**Δ (%)**
	Cash and cash equivalents at bank	17,726	36,010	(18,284)	(50.8%)
A	**Cash and cash equivalents**	**17,726**	**36,010**	**(18,284)**	**(50.8%)**
B	**Current financial receivables**	**44**	**511**	**(467)**	**(91.4%)**
	Current bank payables	(11,569)	(9,644)	(1,925)	20.0%
	Current portion of medium/long-term indebtedness	(9,165)	(9,980)	815	(8.2%)
	Current payables from rights of use	(2,628)	0	(2,628)	n.a.
	Other current financial payables	(56)	(490)	434	(88.6%)
C	**Current financial indebtedness**	**(23,418)**	**(20,114)**	**(3,304)**	**16.4%**
D	**Current Net Financial Position (A+B+C)**	**(5,648)**	**16,407**	**(22,055)**	**n.a.**
	Non-current bank payables	(15,056)	(15,418)	362	(2.3%)
	Non-current payables from rights of use	(6,998)	0	(6,998)	n.a.
	Other non-current financial payables	(48)	(65)	17	(26.2%)
E	**Non-current Net Financial Position**	**(22,102)**	**(15,483)**	**(6,619)**	**42.8%**
F	**Net financial position (D+E)**	**(27,750)**	**924**	**(28,674)**	**n.a.**

Starting from 1 January 2019 with the application of IFRS 16, the main economic and financial indicators were heavily impacted and are not comparable with the data of the previous year-end positions. With reference to the financial data, the recognition of assets for rights of use with contra-item primarily payables for rights of use, determined a significant increase in net financial indebtedness. Therefore, in order to make the financial balances of the first half of 2019 comparable with the same balances of the comparative period closed at 31 December 2018, net financial indebtedness as at 30 June 2019 was restated as follows:

	Amounts in EUR thousands	**30.06.2019**	**31.12.2018**	**Δ**	**Δ (%)**
A	**Net Financial Position**	**(27,750)**	**924**	**(28,674)**	**n.a.**
	Current payables from rights of use	(2,628)	0	(2,628)	n.a.
	Non-current payables from rights of use	(6,998)	0	(6,998)	n.a.
B	**Payables from rights of use**	**(9,626)**	**0**	**(9,626)**	**n.a.**
C	**Net Financial Position prior to IFRS 16 (A-B)**	**(18,124)**	**924**	**(19,048)**	**n.a.**

For comments on individual items, please refer to the content of Notes 12 and 13 above and Notes 15, 16 and 17 below. The effects of the amendments to international accounting standard IAS 7 made by the publication of the document “Disclosure Initiative (Amendments to IAS 7)”.

			Non-monetary flows				
(Amounts in EUR thousands)	**31.12.2018**	**Cash Flow[1]**	**Change Scope of consolidation[2]**	**Exchange rate differences**	**Change from IFRS 16**	**Other Changes**	**30.06.2019**
Non-current financial indebtedness	(15,483)	379	0	0	(6,998)	0	(22,102)
Current financial indebtedness	(20,114)	(711)	0	0	(2,628)	35	(23,418)
Current financial receivables	511	(467)	0	0	0	0	44
Net liabilities resulting from financing activities	**(35,086)**	**(799)**	**0**	**0**	**(9,626)**	**35**	**(45,476)**
Cash and cash equivalents	36,010	(18,667)	383	0	0	0	17,726
Net Financial Indebtedness	**924**	**(19,466)**	**383**	**0**	**(9,626)**	**35**	**(27,750)**

Note 15.

Financial payables and other non-current financial liabilities

Non-current financial payables of Euro 15,104 thousand refer mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months.

Financial payables and other non-current financial liabilities

	Balance at 30.06.2019	**Of which business combinations**	**Balance at 31.12.2018**
Non-current financial payables	15,104		15,483
TOTAL	**15,104**		**15,483**

The medium and long-term loans outstanding at 30 June 2019 and relative maturities were as follows:

M/L term loans	**Balance at 30.06.2019**	**<1 year**	**>1<2 years**	**>2<3 years**	**>3<4 years**	**>4 years**
Loans maturing in 2019	**208**	208	0	0	0	0
Loans maturing in 2020	**3,619**	3,192	427	0	0	0
Loans maturing in 2021	**7,284**	3,373	3,276	635	0	0
Loans maturing in 2023	**8,902**	2,206	2,219	2,231	2,246	0
Loans maturing in 2025	**4,000**	186	748	756	763	1,547
TOTAL LOANS	**24,013**	**9,165**	**6,670**	**3,622**	**3,009**	**1,547**

[1]Flows shown in the Statement of Cash Flows.
[2]For acquisition/disposal transactions, please refer to paragraph 2.10 "Business combinations in the reporting period".

During 2019, Be S.p.A. entered into new medium-long term loans totalling Euro 4,000 thousand, while the repayments made during the period amounted to Euro 4,832 thousand.

Long-term financial payables include the negative impact of the joint application of the amortising cost and of the fair value of the IRS contracts to hedge the risk of an increase of the interest rate on three variable interest rate loans, for a total of Euro 208 thousand.

Note that the fair value of the above loans is essentially in line with their book value. The lending terms represent terms negotiated at different times and which mirror the loan duration, any guarantees given, market conditions and the Group's credit rating at the date of signing.

Note 16.

Financial payables and other current financial liabilities

Current payables to banks at 30 June 2019 totalled around Euro 20,790 thousand and relate mainly to:

- current bank payables for Euro 11,569 thousand;
- Euro 9,165 thousand as the short-term portion of the medium-long term loans obtained, as per the previous table.
- short-term financial payables of Euro 56 thousand.

Financial payables and other current financial liabilities

	Balance at 30.06.2019	Of which business combinations	Balance at 31.12.2018
Current financial payables	20,790	0	20,114
TOTAL	**20,790**	**0**	**20,114**

Note 17.

Current and non-current financial liabilities from rights of use

Current and non-current financial liabilities from rights of use as at 30 June 2019 totalled Euro 9,626 thousand.

Following the entry into force, on 1 January 2019, of IFRS 16 - Leases, the Group recognised a financial liability, corresponding to the present value of residual future payments on the transition date, discounted by using, for each contract, the incremental borrowing rate applicable on the transition date.

The application of the standard mainly concerned long-term property leases and leases for company cars used by personnel.

Current and non-current financial liabilities from rights of use

	Balance at 30.06.2019	Balance at 31.12.2018
Current financial liabilities from rights of use	2,628	0
Non-current financial liabilities from rights of use	6,998	0
TOTAL	**9,626**	**0**

Note 18.

Post-employment benefits (TFR)

Post-employment benefits are recognised in compliance with IAS 19 as "Defined benefit plans" and were determined on the basis of an expert actuarial calculation in line with the provisions of international accounting standards.

Changes in Post-employment benefits (TFR) regard allocations to provisions made during the period by Group companies, to the portions of TFR paid following the resignation of some employees as well as advances and the adjustment of the Provision in accordance with IAS/IFRS standards.

Post-employment benefits (TFR)

	Balance at 31.12.2018	Of which business combinations	Increases - Allocation	Decreases - Utilisation	Balance at 30.06.2019
Post-employment benefits (TFR) provision	**6,575**	15	1,105	(517)	**7,178**
TOTAL	**6,575**	**15**	**1,105**	**(517)**	**7,178**

The actuarial assumptions used for the purposes of the adjustment of the post-employment benefit provision according to IAS/IFRS standards are illustrated below.

Main Actuarial Assumptions

Annual discount rate	0.77%
Annual inflation rate	1.50%
Annual rate increase in post-employment benefits	2.63%
Annual increase in remuneration	1.00%
Frequency of benefit advances/no. of years' service	2.00%
No. of years' service/annual turnover rate: up to 10 years	4.00%
No. of years' service/annual turnover rate: from 10 to 30 years	4.00%
No. of years' service/annual turnover rate: over 30 years	6.00%

The additional information required by IAS 19, as amended*, is shown below:

- sensitivity analysis:

changes in assumptions

Company	*TFR*	*turnover rate*		*inflation rate*		*discounting rate*	
		+1%	*-1%*	*+ 1/4 %*	*- 1/4 %*	*+ 1/4 %*	*- 1/4 %*
Be S.p.A.	181	180	183	184	179	178	185
Be Consulting S.p.A.	3,018	2,942	3,109	3,108	2,933	2,912	3,131
IQUII S.r.l.	172	168	177	178	167	166	179
Be Solutions S.p.A.	2,130	2,118	2,143	2,153	2,108	2,094	2,167
Juniper Extensible Solutions S.r.l.	116	114	119	119	113	112	120

* The sensitivity analysis only refers to the Group's Italian companies, as not relevant or applicable to Foreign companies.

indication of the contribution to the next year* and the average financial duration of the obligation for defined benefit plans:

Company	**Service Cost**	**Duration of the plan**
Be S.p.A.	0	9.3
Be Consulting S.p.A.	917	22.6
IQUII S.r.l.	81	23.4
Be Solutions S.p.A.	0	7.5
Juniper Extensible Solutions S.r.l.	23	18.4

*The service cost is zero, in application of the approach adopted by the Company with an average of at least 50 employees over the course of 2006.

Note 19.

Deferred tax liabilities

The deferred tax liabilities and related changes during the period are mainly attributable to temporary differences between the book value and the value recognised for tax purposes to goodwill and post-employment benefits.

Specifically, with regard to goodwill, the difference arises - in application of IAS/IFRS - because these assets are not amortised whereas they are tax deductible to the extent of 1/18 per year.

Deferred tax liabilities are calculated using the tax rates in force on 1 January 2018 (IRES 24% and IRAP 3.9%-4.82%).

Deferred tax liabilities

	Balance at 31.12.2018	**Increases**	**Decreases**	**Other changes**	**Business combinations**	**Balance at 30.06.2019**
Deferred tax liabilities	6,714	216	(107)	1	0	6,824
TOTAL	**6,714**	**216**	**(107)**	**1**	**0**	**6,824**

Note 20.

Other non-current liabilities

At 30 June 2019, other non-current liabilities were Euro 8,675 thousand.

Other non-current liabilities

	Balance at 30.06.2019	Balance at 31.12.2018
Other non-current liabilities	8,675	6,930
TOTAL	**8,675**	**6,930**

This item mainly refers to:

- Euro 768 thousand relating to the portion of the residual discounted price for the future acquisition of minority interests in Be TSE GmbH;
- Euro 509 thousand relating to the portion of the residual discounted price for the future acquisition of minority interests in R&L AG;
- Euro 1,285 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Iquii S.r.l.;
- Euro 1,860 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Payments and Business Advisors S.l.;
- Euro 1,591 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Fimas;
- Euro 328 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Q-fin;
- Euro 374 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Juniper;
- Euro 1,390 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Tesla Consulting;
- Euro 556 thousand refers to the payable for penalties received from Bassilichi in 2009, which the Parent Company has fully disputed;
- Euro 14 thousand relating to the long-term deferrals of Be Solutions.

Note 21.

Provision for current and non-current risks

At 30 June 2019, provisions for risks and charges refer to the following:

- provisions for pending disputes with employees for Euro 1,851 thousand, of which Euro 37 thousand relating to the Parent Company and Euro 1,814 thousand to Be Solutions relating to the estimated charges for the closure of the Pomezia site;

- other provisions for risks and charges totalling Euro 4,786 thousand refer to provisions for bonuses/incentives to be given to personnel and include provisions for the variable emoluments of executive directors and key partners on achievement of the three-year objectives envisaged.

The table below shows the changes that occurred in the period in question:

Provision for current and non-current risks

	Balance at 31.12.2018	Increases	Decreases	Exchange gains/losses	Balance at 30.06.2019
Provision for penalty risks	31	0	0	0	31
Provision for personnel risks	2,598	0	(747)	0	1,851
Other provisions for risks and charges	4,897	0	(111)	0	4,786
TOTAL	**7,526**	**0**	**(858)**	**0**	**6,668**

Note 22.

Trade payables

Trade payables arise from the purchase of goods or services with payment due within 12 months. These amounts refer essentially to the services and equipment supplied and lease instalments.

Trade payables

	Balance at 30.06.2019	Of which business combinations	Balance at 31.12.2018
Trade payables	11,141	320	11,839
TOTAL	**11,141**	**320**	**11,839**

Note 23.

Tax Payables

The balance at 30 June 2019 relates to residual tax payables and to the allocation of the portion for the first half of 2019 of IRES and IRAP, in addition to the income tax of foreign companies, classified under other tax payables.

Tax Payables

	Balance at 30.06.2019	Of which business combinations	Balance at 31.12.2018
IRES tax payables	1,020	44	86
IRAP tax payables	632	8	246
Other tax payables	502	0	1,072
TOTAL	**2,154**	**52**	**1,404**

Note 24.

Other liabilities and payables

Other liabilities and payables totalled Euro 22,867 thousand at 30 June 2019, as shown below:

Other liabilities and payables

	Balance at 30.06.2019	Of which business combinations	Balance at 31.12.2018
Social security and welfare payables	1,843		2,637
Payables to employees	5,709		3,494
Payables for VAT and withholding tax	3,586		7,376
Accrued expenses and deferred income	2,754		2,279
Other payables	8,975	57	7,990
TOTAL	**22,867**	**57**	**23,776**

Social security and welfare payables amounting to Euro 1,843 thousand relate to contributions payable by the company. Payables to employees include amounts due for additional months' salaries accrued at 30 June 2019 and for leave and permitted absences accrued but not used as at the date of these financial statements. Accrued expenses and deferred income, amounting to Euro 2,754 thousand mainly refer to deferred revenue receivable on invoices collectible in the reporting period subsequent to 30 June 2019.

Other payables, totalling Euro 8,975 thousand, refer, for Euro 5,000 thousand, to the guarantee deposit received in relation to the signature of a framework agreement with a leading bank, plus advances from customers and payments on account on multi-year contracts and outstanding payables on exit incentives already established during the period and to the amount due to directors.

This item also includes Euro 2,161 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Tesla Consulting Srl and Euro 117 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Q-fin GmbH.

4. Breakdown of the main items of the Income Statement

Note 25.

Operating revenue

Revenue accrued during the period was from activities, projects and services performed on behalf of Group customers and amounts to Euro 73,049 thousand, compared to Euro 68,416 thousand in the same period of the previous year.

The half that has just ended, compared with the same half in the previous year, recorded an increase of Euro 4,633 thousand in revenue from sales and services; revenue originating from foreign companies amounted to Euro 29,388 thousand.

For further details on business performance, reference should be made to the "Management Report".

Operating revenue

	1st half of 2019	1st half of 2018
Operating revenue	73,049	68,416
TOTAL	**73,049**	**68,416**

Note 26.

Other revenue and income

The Group's other revenue and income totalled Euro 1,102 thousand at 30 June 2019, compared to Euro 733 thousand at 30 June 2018. This item includes ordinary contingent assets, the recovery of costs advanced to customers, insurance reimbursements, invoicing to employees for the use of company cars and other income of a residual nature.

Other revenue and income

	1st half of 2019	1st half of 2018
Other revenue and income	1,102	733
TOTAL	**1,102**	**733**

Note 27.

Cost of raw materials and consumables

This item includes the costs incurred and related changes for the purchase of consumables such as stationery, paper, toner, etc., and to goods purchased for resale as part of the services provided to customers.

Cost of raw materials and consumables

	1st half of 2019	1st half of 2018
Change in inventories of raw materials and consumables	4	1
Purchase of raw materials and consumables	156	105
TOTAL	**160**	**106**

Note 28.

Service costs

Service costs include all costs incurred for services received from professionals and businesses, as well as the fees of the directors.

Service costs

	1st half of 2019	1st half of 2018
Service costs	27,217	26,183
TOTAL	**27,217**	**26,183**

Service costs break down as follows:

Service costs

	1st half of 2019	1st half of 2018
Transport	6	68
Outsourced and consulting services	18,899	16,207
Remuneration of directors and statutory auditors	1,190	1,196
Marketing costs	2,294	2,311
Cleaning, surveillance and other general services	461	370
Maintenance and support services	111	140
Utilities and telephone charges	490	658
Consulting - administrative services	1,386	1,310
Other services (chargebacks, commissions, etc.)	1,175	1,255
Bank and factoring charges	257	273
Insurance	143	176
Rental and leasing	805	2,219
TOTAL	**27,217**	**26,183**

Note that outsourced and consulting services include the costs of services received from technical and ICT professionals used by the Group to provide its own services to customers.

Rental and leasing regards the costs incurred by the Group for the use of registered securities and properties it does not own, based on signed lease and rental agreements, with a duration of less than twelve months and/or of a modest value, as such for which some of the simplifications set forth in IFRS 16 (so-called practical expedient) were applicable. For these contracts, the introduction of IFRS 16 did not involve the recognition of the financial lease liability and the associated right of use, but the lease payments were booked to the income statement on a linear basis for the duration of the respective contracts.

Note 29.

Personnel costs

The figure shown represents the total personnel-related cost incurred by the Group in the first half of 2019.

Wages and salaries include amounts due to employees for additional months' salaries accrued and for leave and permitted absences accrued but not used, as well as rewards and bonuses accrued during the period.

Social security contributions include all pay-related contributions envisaged by law; Post-employment benefits relate to the provision accrued during the period (in this regard see also note 18 “Post-employment benefits (TFR)”), while Other personnel costs include personnel-related costs such as membership fees paid on behalf of employees, indemnities and compensation, fringe benefits disbursed by the company in various forms to certain employee categories and luncheon vouchers (tickets restaurant).

Personnel costs

	1st half of 2019	1st half of 2018
Wages and salaries	27,027	26,152
Social security contributions	6,837	6,711
Post-employment benefits	1,523	1,486
Other personnel costs	795	611
TOTAL	**36,182**	**34,960**

The number of employees at 30 June 2019, broken down by category, is illustrated in the following table:

Description	No. in current period
Executives	134
Middle managers	160
White-collar staff	918
Blue collar	0
Apprentices	54
Total	**1,266**

Note 30.

Other operating costs

This item includes all costs of a residual nature, other than those recognised under items that have already been commented upon. Specifically, the item includes contingent liabilities for Euro 406 thousand mainly referring to undeclared contingent assets relating to this period and other operating costs for Euro 169 thousand referring to membership fees, fines, penalties on services provided and indirect taxes for Euro 236 thousand.

Other operating costs

	1st half of 2019	1st half of 2018
Other operating costs	811	363
TOTAL	**811**	**363**

Note 31.

Cost of internal work capitalised

Capitalised costs refer to the suspension of costs relating mainly to personnel involved in the development of proprietary software platforms, described in more detail in note 4.

Cost of internal work capitalised

	1st half of 2019	1st half of 2018
Cost of internal work capitalised	2,246	1,801
TOTAL	**2,246**	**1,801**

Note 32.

Amortisation, depreciation and write-downs

Amortisation and depreciation are calculated according to the deterioration of assets and recognised to a specific provision, reducing the value of the individual assets.

Amortisation, depreciation and write-downs

	1st half of 2019	1st half of 2018
Depreciation of property, plant and equipment	397	321
Amortisation of intangible assets	2,319	2,316
Amortisation of rights of use	1,337	0
TOTAL	**4,053**	**2,637**

Note 33.

Allocations to provisions

During the period in question, there were no allocation to provisions for risks.

Allocations to provisions

	1st half of 2019	1st half of 2018
Allocation to Provision for personnel risks and penalties	0	16
TOTAL	**0**	**16**

Note 34.

Financial income and expense

Financial income is represented by bank interest income mainly accrued by foreign companies. The financial expense includes bank interest expense for advances on invoices and current account overdrafts, factoring transactions and interest expense due on outstanding loans, in addition to the financial component of post-employment benefits measured according to IAS/IFRS.

Financial management income and expense

	1st half of 2019	1st half of 2018
Financial income	44	26
Financial expense	(657)	(564)
Gains (Losses) on foreign currency transactions	(51)	4
TOTAL	**(664)**	**(534)**

Breakdown of financial interest and expense

	1st half of 2019	1st half of 2018
Interest expense on current bank accounts	6	31
Interest expense on factoring and advances on invoices	179	179
Interest expense on loans	172	147
Other financial expense	300	207
TOTAL	**657**	**564**

Note 35.

Current income taxes, deferred tax assets and liabilities

Current taxes relating to the period include Euro 453 thousand for IRAP tax and IRES tax plus the income tax for foreign affiliates for a total of Euro 933 thousand.

Note that the Parent Company and Italian subsidiaries have jointly adopted the national tax consolidation regime pursuant to article 117 et seq. of the Consolidated Income Tax Act (TUIR).

Current income taxes, deferred tax assets and liabilities

	1st half of 2019	1st half of 2018
Current taxes	1,386	1,019
Deferred tax assets and liabilities	1,308	1,161
TOTAL	**2,694**	**2,180**

Note 36.

Earnings per share

The basic earnings per share is calculated by dividing the profit/loss for the period pertaining to owners of the Parent Company by the average number of ordinary shares outstanding during the period. The result and disclosures on shares used to calculate the basic negative earnings per share are provided below.

Earnings per share

	1st half of 2019	1st half of 2018
Profit (loss) from continuing operations pertaining to owners of the Company	4,260	3,586
Profit (loss) from discontinued operations pertaining to owners of the Company	0	0
Profit (loss) attributable to owners of the Parent Company	4,260	3,586
Total no. shares	134,897,272	134,897,272
Number of treasury shares held	3,260,888	1,516,690
Number of ordinary shares outstanding	131,636,384	133,380,582
Basic earnings per share pertaining to owners of the Parent Company	EUR 0.03	EUR 0.03
Diluted earnings per share	EUR 0.03	EUR 0.03

5. Other disclosures

5.1. Potential liabilities and disputes pending

The Group is involved in certain legal proceedings before various judicial authorities: More specifically, with regard to labour disputes, also on the basis of opinions expressed by its legal advisors, the Group has allocated provisions for risks totalling Euro 1,851 thousand, considered sufficient to cover liabilities that could arise from these disputes, Euro 1,815 thousand of which relates to Be Solutions to cover the estimated charges of closing the Pomezia site. With regard to the Bassilichi Group (formerly Saped Servizi S.p.A.), at this stage of proceedings, there are reasonable grounds that the arguments submitted by Be S.p.A. will be accepted.

5.2. Significant non-recurring events and transactions

In the period under analysis, the Be Group did not recognise any non-recurring income and/or charges pursuant to Consob Resolution no. 15519 of 27 July 2006.

5.3. Related Party Transactions

The Company's Board of Directors adopted the "Regulations on Related Parties" on 1 March 2014, replacing the one previously approved on 12 March 2010. For further details, this document is published on the Company web site (www.be-tse.it). Note that the Be's Board of

Directors has approved a new version of the procedure for transactions with the Company's related parties. The Procedure was changed in order to reflect some changes made by Consob to the Regulation for Related Party Transactions (approved on 22 March 2018) in order to align domestic legislation with that envisaged by the "Market Abuse Regulation". With regard to related party transactions, including therein intercompany transactions, note that the same cannot be quantified as atypical or unusual, as part of the normal course of operations of Group companies. Said transactions are settled at arm's length, on the basis of the goods and services provided. The Be Group's related parties with which economic and equity transactions were recognised at 30 June 2019 are: T.I.P. Tamburi Investment Partners S.p.A., IR Top S.r.l. and Talent Garden S.p.A. With regard to Messrs Stefano Achermann and Carlo Achermann and the companies controlled by them - Carma Consulting S.r.l., iFuture S.r.l. and Innishboffin S.r.l. - the economic transactions that took place in the period substantially refer only to fees paid for the positions of Executive and Company Director of Group companies and, like remuneration for other members of the Board of Directors and Board of Statutory Auditors, are not included in the following tables. The following tables illustrate the Group's costs and revenue, payables and receivables due to/from related parties:

Receivables and payables with related parties at 30 June 2019

	Receivables			***Payables***		
	Trade receivables other receivables	**Other receivables**	***Financial receivables***	**Trade payables other receivables**	***Other payables***	***Financial payables***
Related Parties						
T.I.P. S.p.A.	0	0	0	30	0	0
IR Top	0	0	0	6	0	0
Total Related Parties	**0**	**0**	**0**	**36**	**0**	**0**

Receivables and payables with related parties at 31 December 2018

	Receivables			***Payables***		
	Trade receivables other receivables	**Other receivables**	***Financial receivables***	**Trade payables other receivables**	***Other payables***	***Financial payables***
Related Parties						
T.I.P. S.p.A.	0	0	0	15	0	0
IR Top	0	0	0	9	0	0
Total Related Parties	**0**	**0**	**0**	**24**	**0**	**0**

Revenue and costs with related parties in the first half of 2019

	Revenue			***Costs***		
	Revenue	**Other revenue**	***Financial income***	**Services**	***Other costs***	***Financial expense***
Related Parties						
T.I.P. S.p.A.	0	0	0	30	0	0
IR Top	0	0	0	15	0	0
C. Achermann	0	0	0	20	0	0
Total Related Parties	**0**	**0**	**0**	**65**	**0**	**0**

Revenue and costs with related parties in the first half of 2018

	Revenue			Costs		
	Revenue	Other revenue	*Financial income*	Services	*Other costs*	*Financial expense*
Related Parties						
T.I.P. S.p.A.	0	0	0	30	0	0
C. Achermann	0	0	0	19	0	0
Talent Garden	0	0	0	22	0	0
IR Top	0	0	0	15	0	0
Total Related Parties	**0**	**0**	**0**	**86**	**0**	**0**

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, the impact of related party transactions is illustrated below in table format:

Relevance of related party transactions

STATEMENT OF FINANCIAL POSITION	**30.06.2019**	**Absolute value**	**%**	**31.12.2018**	**Absolute value**	**%**
Trade receivables	44,140	0	0%	27,789	0	0%
Other assets and receivables	3,513	0	0%	3,301	0	0%
Cash and cash equivalents	17,726	0	0%	36,010	0	0%
Financial payables and other liabilities	67,435	0	0%	66,303	0	0%
Trade payables	11,141	36	0%	11,839	24	0%
INCOME STATEMENT	**1H 2019**	**Absolute value**	**%**	**1H 2018**	**Absolute value**	**%**
Operating revenue	73,049	0	0%	68,416	0	0%
Service and other costs	28,028	65	0%	26,546	86	0%
Net financial expense	664	0	0%	534	0	0%

The consolidated statement of financial position and consolidated income statement indicating the related parties, in accordance with Consob Resolution no. 15519 of 27 July 2006, are provided below.

Consolidated Statement of Financial Position(in accordance with Consob resolution no. 15519 of 27 July 2006)

Amounts in EUR thousands	30.06.19	Of which related parties	31.12.18	Of which related parties
NON-CURRENT ASSETS				
Property, plant and equipment	2,369	0	2,201	0
Rights of use	9,255	0	0	0
Goodwill	64,781	0	61,555	0
Intangible assets	17,890	0	16,446	0
Equity investments in other companies	829	0	329	0
Loans and other non-current assets	2,592	0	2,507	0
Deferred tax assets	3,013	0	4,090	0
Total non-current assets	**100,729**	**0**	**87,128**	**0**
CURRENT ASSETS				
Inventories	3	0	7	0
Trade receivables	44,140	0	27,789	0
Other assets and receivables	3,513	0	3,301	0
Direct tax receivables	383	0	391	0
Financial receivables and other current financial assets	44	0	511	0
Cash and cash equivalents	17,726	0	36,010	0
Total current assets	**65,809**	**0**	**68,009**	**0**
Total discontinued operations	**0**	**0**	**0**	**0**
TOTAL ASSETS	**166,538**	**0**	**155,137**	**0**
SHAREHOLDERS' EQUITY				
Share capital	27,109	0	27,109	0
Reserves	22,743	0	20,463	0
Net profit (loss) attributable to owners of the Parent Company	4,260	0	5,481	0
Group Shareholders' Equity	**54,112**	**0**	**53,053**	**0**
Minority interests:				
Capital and reserves	1,043	0	801	0
Net profit (loss) attributable to minority interests	356	0	922	0
Minority interests	**1,399**	**0**	**1,723**	**0**
TOTAL SHAREHOLDERS' EQUITY	**55,511**	**0**	**54,776**	**0**
NON-CURRENT LIABILITIES				
Financial payables and other non-current financial liabilities	15,104	0	15,483	0
Non-current financial liabilities from rights of use	6,998	0	0	0
Provisions for risks	4,673	0	5,255	0
Post-employment benefits (TFR)	7,178	0	6,575	0
Deferred tax liabilities	6,824	0	6,714	0
Other non-current liabilities	8,675	0	6,930	0
Total non-current liabilities	**49,452**	**0**	**40,957**	**0**
CURRENT LIABILITIES				
Financial payables and other current financial liabilities	20,790	0	20,114	0
Current financial liabilities from rights of use	2,628	0	0	0
Trade payables	11,141	36	11,839	24
Provision for current risks	1,995	0	2,271	0
Tax payables	2,154	0	1,404	0
Other liabilities and payables	22,867	0	23,776	0
Total current liabilities	**61,575**	**36**	**59,404**	**24**
Total discontinued operations	**0**	**0**	**0**	**0**
TOTAL LIABILITIES	**111,027**	**36**	**100,361**	**24**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**166,538**	**36**	**155,137**	**24**

Consolidated Income Statement

Amounts in EUR thousands	1H 2019	Of which related parties	Of which non-recurring income (charges)	1H 2018	Of which related parties	Of which non-recurring income (charges)
Operating revenue	73,049	0	0	68,416	0	0
Other revenue and income	1,102	0	0	733	0	0
Total Revenue	**74,151**	**0**	**0**	**69,149**	**0**	**0**
Raw materials and consumables	(160)	0	0	(106)	0	0
Service costs	(27,217)	(65)	0	(26,183)	(86)	0
Personnel costs	(36,182)	0	0	(34,960)	0	0
Other operating costs	(811)	0	0	(363)	0	0
Cost of internal work capitalised	2,246	0	0	1,801	0	0
Amortisation, depreciation and write-downs:						
Depreciation of property, plant and equipment	(397)	0	0	(321)	0	0
Amortisation of intangible assets	(2,319)	0	0	(2,316)	0	0
Amortisation of rights of use	(1,337)	0	0	0	0	0
Allocations to provisions	0	0	0	(16)	0	0
Total Operating Costs	**(66,177)**	**(65)**	**0**	**(62,464)**	**(86)**	**0**
Operating Profit (Loss) (EBIT)	**7,974**	**(65)**	**0**	**6,685**	**(86)**	**0**
Financial income	44	0	0	26	0	0
Financial expense	(708)	0	0	(560)	0	0
Total Financial Income/Expense	**(664)**	**0**	**0**	**(534)**	**0**	**0**
Profit (loss) before tax	**7,310**	**(65)**	**0**	**6,151**	**(86)**	**0**
Current income taxes	(1,386)	0	0	(1,019)	0	0
Deferred tax assets and liabilities	(1,308)	0	0	(1,161)	0	0
Total Income taxes	**(2,694)**	**0**	**0**	**(2,180)**	**0**	**0**
Net profit (loss) from continuing operations	**4,616**	**(65)**	**0**	**3,971**	**(86)**	**0**
Net profit (loss) from discontinued operations	**0**	**0**	**0**	**0**	**0**	**0**
Net profit (loss)	**4,616**	**(65)**	**0**	**3,971**	**(86)**	**0**
Net profit (loss) attributable to minority interests	**356**	**0**	**0**	**385**	**0**	**0**
Net profit (loss) attributable to owners of the Parent Company	**4,260**	**(65)**	**0**	**3,586**	**(86)**	**0**

5.4. Management of financial risk: objectives and criteria

The Company's main financial instruments, other than derivatives, include bank loans, finance leases and rental agreements with a purchase option, demand and short-term bank deposits. The main objective of these instruments is to fund the operations of the Company and of the Group. The Company and the Group have various financial instruments, such as trade payables and receivables, resulting from its operations.

The Company and the Group have not performed any transactions in derivatives, unless to hedge interest rate risk.

- **Exchange rate risk**

  The Company and the Group are exposed to the risk of fluctuations in the following exchange rates: Euro/GBP, Euro/UAH, Euro/PLN, Euro/RON and Euro/CHF, with regard to consolidation of the economic and equity amounts of iBe Solve Execute Ltd, Be Sport, Media & Entertainment Ltd, Be Ukraine Think, Solve, Execute S.A., Be Poland Think, Solve, Execute Sp.zo.o., Be Think Solve Execute RO and Be TSE Switzerland AG. In view of the events associated with the United Kingdom's process of exiting from the European Union ("Brexit"), the Group could be exposed to potential risks, at present not quantifiable or foreseeable, linked amongst other things to a write-down of its assets held in GBP. Management has implemented appropriate monitoring activities in order to react quickly to any negative effects.

- **Risk of change in price of raw materials**

  The Group is not exposed to the risk of fluctuations in raw materials prices.

- **Credit risk**

  Credit risk represents the Group's exposure to potential losses resulting from the failure of the counterparty to fulfil its commercial and financial obligations. Given the nature of its customers (mainly banks and the public administration), credit risk mainly relates to delays in collecting receivables from Public Administration customers and to any disputes (see note 9 and paragraph 5.1). In this regard, the Company and the Group carefully consider the use of all instruments, including any legal action, to ensure the prompt collection of receivables from Public Administration customers.

  The Group has ongoing transactions to free up trade receivables without recourse.

- **Interest rate risk**

  As the Company has loans in Euro at a floating interest rate, it believes that its exposure to any rise in interest rates may increase future financial expense. Four swap contracts have been drawn up to hedge interest rate risk on three unsecured loans obtained. The tables included in the sections on current and non-current financial payables show the book value, by maturity, of the Group's financial instruments that are exposed to interest rate risk.

- **Liquidity risk**

  Liquidity risk is defined as the possibility that the Group is not able to maintain its payment commitments, due to the inability to raise new funds, or to be forced to incur very high costs to meet its commitments. The Be Group's exposure to this risk is represented above all by the loan agreements in place. At present, it has short and medium/long-term loans with banking financial counterparties. In addition, in the event of need, the Group may arrange other short-term bank loans. The two main factors that determine the Group's liquidity situation are on one hand, the resources generated or absorbed by operating and investing activities, and on the other the maturity and renewal characteristics of the payable or of the liquidity of the financial loans and market conditions. From an operating perspective, the Group manages liquidity risk by monitoring cash flows, obtaining adequate credit lines and maintaining an adequate level of available resources. The management of operating cash flows, of the main loan transactions and of the company's liquidity is centralised and performed by the Group's treasury companies, with the objective of guaranteeing the effective and efficient management of the financial resources. The maturity characteristics of financial payables are illustrated in Notes 15 and 16, while with regard to trade payables, the amount due within the following year is shown on the financial statements. According to Management, the funds currently available, in addition to those that will be generated by operating and funding activities, including the current funds available on credit lines, will enable the Group to meet its requirements relating to investment, the management of working capital and the repayment of debts when the same are due, and will assure an appropriate level of operating and strategic flexibility.

5.5. Positions deriving from atypical or unusual transactions

In the first half of 2019, the Group did not undertake any atypical or unusual transactions as defined in Consob Communication DEM/6064293.

6. Events after the reporting period at 30 June 2019

The shares relating to the 55% stake in Tesla Consulting S.r.l. were formally transferred to the Be Group on 1 July 2019, as set forth contractually.

Milan, 1 August 2019

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

Certification of the Half-Year Condensed Consolidated Financial Statements pursuant to art. 81-ter, Consob Regulation no. 11971 of 14 May 1999, as amended

1. Having considered the provisions of art. 154-bis, paragraphs 3 and 4, Italian Legislative Decree 58 of 24 February 1998, the undersigned, Stefano Achermann as Chief Executive Officer and Manuela Mascarini as Executive in charge of preparing the company's accounting documents of “Be Think, Solve, Execute S.p.A.”, or “Be S.p.A.”, hereby confirm:

- the adequacy in relation to the business characteristics, and
- the effective application of administrative accounting procedures adopted in the first half of 2019 when preparing the Half-Year Condensed Consolidated Financial Statements.

2. It is also confirmed that:

2.1. Half-Year Condensed Consolidated Financial Statements:

a) were prepared in compliance with international accounting standards endorsed by the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council dated 19 July 2002;

b) correspond with the accounting entries and records;

c) provide a true and fair view of the equity, economic and financial position of the issuer and its consolidated companies;

2.2. the management report contains a reliable analysis of references to significant events occurring in the first half of 2019 and their impact on the results of operations, as well as of the position of the issuer and its consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 1 August 2019

/signed/ Manuela Mascarini
Executive in charge of preparing
the company's accounting documents

Manuela Mascarini

/signed/ Stefano Achermann
Chief Executive Officer

Stefano Achermann