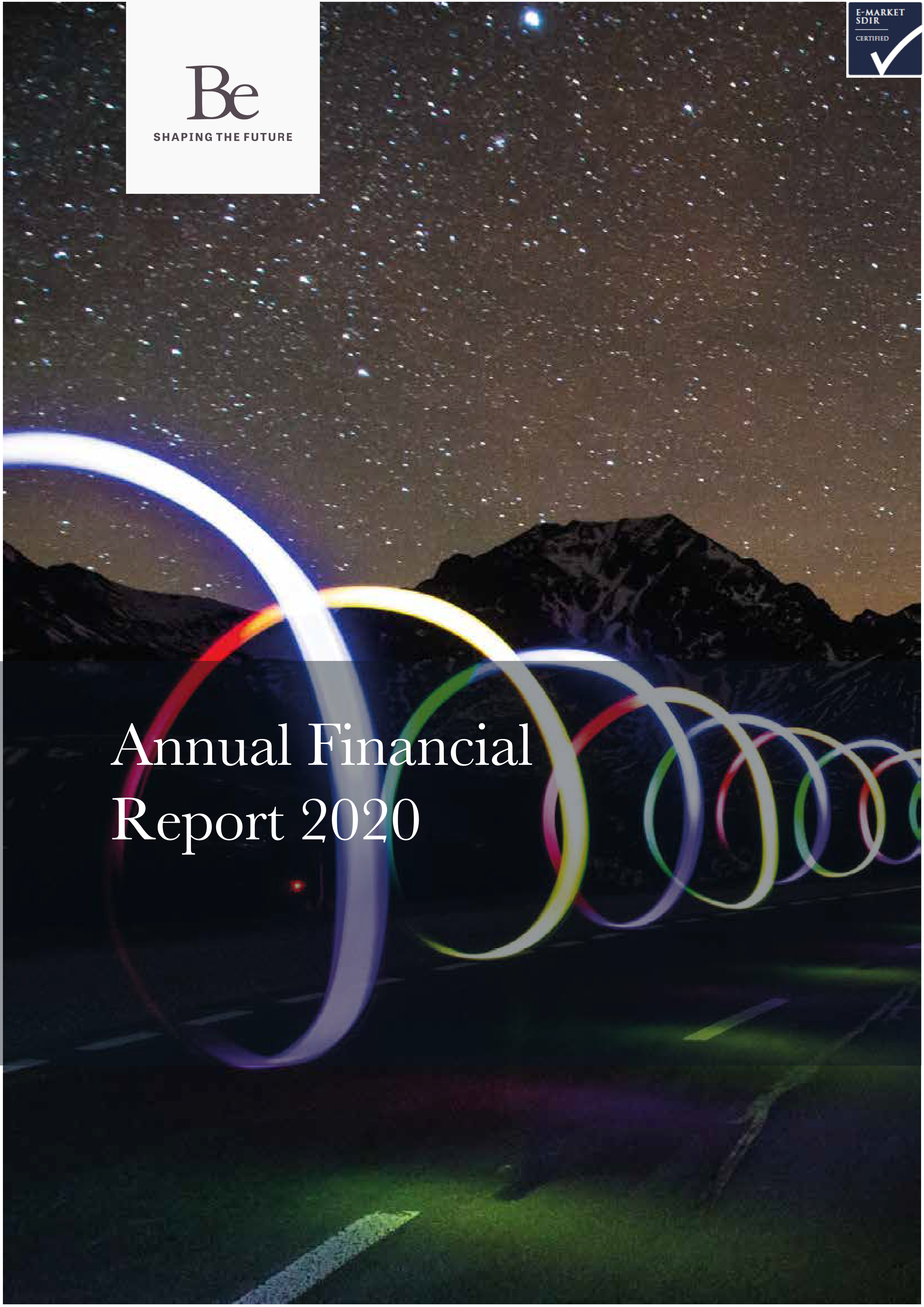
Be

SHAPING THE FUTURE

E-MARKET SDIR CERTIFIED



Annual Financial Report 2020

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Be SHAPING THE FUTURE

2020 Management Report

1. Corporate Bodies

Board of Directors

- Carlo Achermann	*Chairman*
- Stefano Achermann	*Chief Executive Officer*
- Claudio Berretti	*Director*
- Cristina Spagna	*Independent Director*
- Gianluca Antonio Ferrari	*Independent Director*
- Claudio Roberto Calabi	*Independent Director*
- Francesca Moretti	*Independent Director*
- Lucrezia Reichlin	*Independent Director*
- Anna Maria Tarantola	*Independent Director*

The Board of Directors was appointed by the Shareholders' Meeting of 22 April 2020 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2022.

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 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

- Claudio Roberto Calabi	*Independent Chairperson*
- Gianluca Antonio Ferrari	*Independent Member*
- Francesca Moretti	*Independent Member*

The Control and Risk Committee was appointed by Board of Directors' resolution on 22 April 2020 for 3 years, expiring on approval of the financial statements at 31 December 2022.

Remuneration and Appointments Committee

- Cristina Spagna	*Independent Chairperson*
- Claudio Berretti	*Member*
- Anna Maria Tarantola	*Independent Member*

The Remuneration and Appointments Committee was renewed by Board of Directors' resolution on 22 April 2020 for 3 years, expiring on approval of the financial statements at 31 December 2022.

Independent Auditors

Deloitte & Touche S.p.A.

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

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2. Summary income statement and statement of financial position

Key profitability indicators

(amounts in EUR millions)	FY 2020	FY 2019
Value of production	178.8	152.3
EBITDA	28.4	25.9
EBIT	14.6	12.2
Profit (loss) before tax	13.3	11.1
Net profit (loss)	8.0	6.1

Key equity and financial indicators

(amounts in EUR millions)	31.12.2020	31.12.2019
Group Shareholders' equity	56.0	54.3
Net Invested Capital	55.6	67.5
Net Operating Working Capital (NOWC)	9.9	17.1
Net Financial Position	3.3	(11.4)

Value of production by operating segment

(amounts in EUR millions)	FY 2020	FY 2019
Business Consulting	122.1	112.7
ICT Solutions	46.5	34.9
Digital	10.1	4.1
Other	0.1	0.6
TOTAL	178.8	152.3

Value of production by customer type

(amounts in EUR millions)	FY 2020	FY 2019
Banks	141.2	118.3
Insurance	16.8	19.5
Industry	10.8	9.8
Public Administration	0.1	1.3
Other	9.9	3.4
TOTAL	178.8	152.3

Value of production by geographic area

(amounts in EUR millions)	FY 2020	FY 2019
Italy	112.0	94.0
DACH Region (Germany, Austria, Switzerland)	42.8	37.8
UK and Spain	14.6	14.7
CEE Region (Poland, Ukraine, Romania)	9.4	5.8
TOTAL	178.8	152.3

Group Headcount

(amounts in EUR millions)	31.12.2020	31.12.2019
Executives	131	132
Middle managers	191	173
White collar	1,025	940
Apprentices	101	75
TOTAL	1,448	1,320

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 (including Professional Services) and Digital Business (this last CGU created starting from the first half of 2020). 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 over 1,400 employees and branches in Italy, Germany, United Kingdom, Switzerland, Austria, Poland, the Ukraine, Spain and Romania, in 2020 the Group recorded a total value of production of Euro 178.8 million.

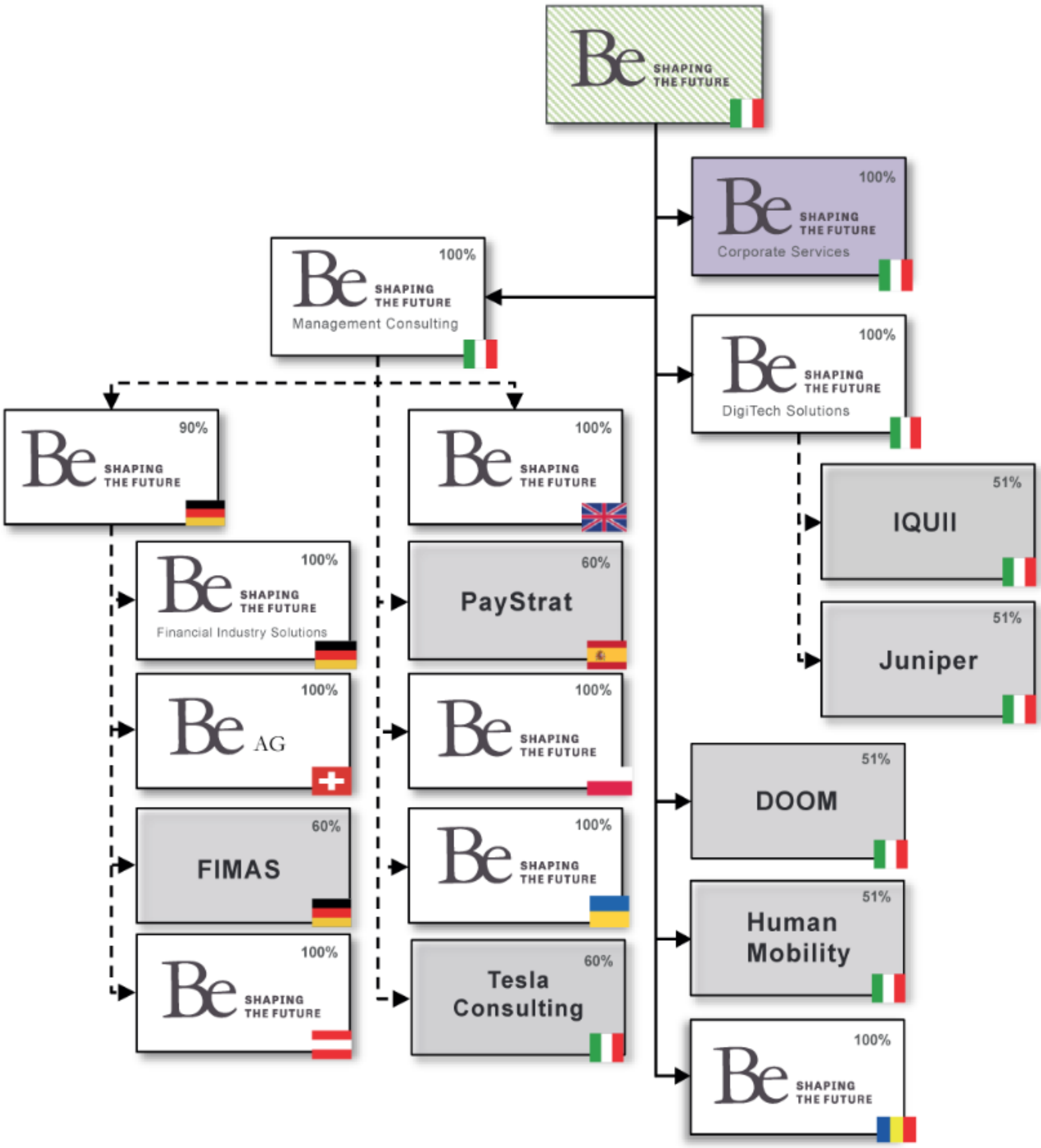
Be Shaping The Future S.p.A. (**Be S.p.A.** for short), listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and coordination 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.

At 31 December 2020, 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	37,082,225	27.49
Innishboffin S.r.l.	Italian	10,640,753	7.89
Compass Asset Management S.A.	Luxembourg	7,741,375	5.74
Be Shaping the Future S.p.A.	Italian	6,906,805	5.12
Stefano Achermann	Italian	6,593,865	4.89
Carma Consulting S.r.l.	Italian	4,055,779	3.00
Float		61,876,470	45.87
Total		**134,897,272**	**100.00**

The following chart shows the **Be Group** structure at 31 December 2020[1].



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

[1] *The Group structure does not include Paystrat Solutions SL (Pyngo), 65.26% of which is held by Payments and Business Advisors SL (Paystrat) and Confinity GmbH, 100% of which is held by Fimas GmbH, as not considered relevant.*

provision of solutions and platforms and the professional services of the ICT Solutions segment and the new Digital business unit.

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.

Size	815 employees at 31 December 2020.
Core business	Banking, Insurance.
Segment revenue at 31 December 2020	Euro 122.1 million.
Operating units	Rome, Milan, Bologna, London, Kiev, Warsaw, Munich, Vienna, Zurich, Frankfurt, Madrid.

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

- **Be Management Consulting S.p.A. (formerly 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. In April 2020, following the implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Consulting Think, Project & Plan S.p.A. to Be Shaping The Future, Management Consulting S.p.A. or, Be Management Consulting S.p.A. for short.
- **Be Shaping the Future Management Consulting 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. In third quarter 2020, the Company changed its name from Ibe Tse Limited to Be Shaping the Future Management Consulting Ltd. Be Management 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 Management Consulting S.p.A. holds 100% of the Company's share capital.
- **Be Shaping the Future, 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 Management Consulting S.p.A. holds 100% of the company's share capital. In August 2020, following the implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Think, Solve and Execute, sp zo.o to Be Shaping the Future, sp zo.o.
- **Be Shaping the Future 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, Be Shaping the Future GmbH (former Targit GmbH) based in Vienna and Be TSE Switzerland AG based in Zurich. Be Management Consulting S.p.A. controls the Group

with a 90.00% interest. In September, following implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Think, Solve, Execute GmbH to Be Shaping the Future GmbH.

- **Be Shaping the Future Financial Industry Solutions AG.** A company whose registered office is close to Munich, 100.00% of which is owned by Be Shaping the Future GmbH, specialised in consulting and IT solutions in the Payments sector and specifically as regards SWIFT. In September 2019, the Company changed its name from R&L AG to Be Shaping the Future – Financial Industry Solutions AG (Be AG for short).
- **FIMAS GmbH.** A company based in Frankfurt, 60% of which is held by Be Shaping the Future 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 has a 100% interest in 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 field of "Cyber Security" and "Digital Forensics", 60% of which is held by Be Management Consulting S.p.A..

II. ICT SOLUTIONS

The ICT Solutions segment is able to bring together knowledge of the sector with the supply of products, platforms and technology solutions able to give rise to business lines as part of highly specialised segment-leading applications.

Size	495 employees at 31 December 2020.
Core Businesses	Banking, Insurance, Energy and Public Administration.
Segment revenue at 31 December 2020	Euro 46.5 million.
Operating units	Rome, Milan, Turin, Bucharest.

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

- **Be Shaping the Future, DigiTech Solutions S.p.A.** It aims to offer specialist ICT consulting 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 Shaping the Future S.p.A. holds 100% of the Company's share capital. In April 2020, following the implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Solutions Solve, Realize & Control

S.p.A. to Be Shaping the Future, DigiTech Solutions S.p.A. or Be Solutions S.p.A. or Be DigiTech Solutions S.p.A. for short.

- **Be Think Solve Execute RO S.r.l.** Established in July 2014 and based in Bucharest, it develops the Group's "near shoring" in the "system integration" segment for highly complex projects, such as multichannel solutions. Be Shaping the Future S.p.A. holds 100% of the company's share capital.

III. DIGITAL

The Digital Business segment aims to assist customer companies in implementing the digital transformation generated by the new business channels. In particular, the Group's offer focuses on the development of web, mobile and social media applications, the production and distribution of digital content, vertical digital solutions and support for human mobility.

Size	74 employees at 31 December 2020.
Core Businesses	Banking, Insurance, Energy and Public Administration.
Segment revenue at 31 December 2020	Euro 10.1 million.
Operating units	Rome, Milan, Trento, Bolzano.

The Be Group operates in the Digital segment through the following subsidiaries:

- **Iquii S.r.l.** Established in 2011, it specialises in the development of digital, web and mobile solutions, focusing in particular on the areas of system integration, user and customer experience and the development of new revenue models. Be DigiTech Solutions S.p.A. 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 DigiTech Solutions S.p.A. owns 51% of the Company.
- **Dream of Ordinary Madness (Doom) Entertainment** Established in April 2020 as a spinoff of the company ZDF of artist Federico Lucia (aka Fedez) based in Milan, it operates in the business area dedicated to Digital Engagement. Doom is a creative agency that manages a talent portfolio of musicians, athletes and influencers. The business model mainly envisages two operating modes: the first involves the active management of the talent portfolio and the search for business opportunities (e.g. sponsorships) through their participation in communication and marketing campaigns of customer companies. The second operating mode relates to the comprehensive development of communication projects for customer companies. Be Shaping the Future S.p.A. owns 51% of the Company.
- **Human Mobility S.r.l.** Established in June 2020 with headquarters in Milan, it operates in the business area dedicated to Digital Engagement. HM's business model focuses on the development of technological solutions aimed at making human mobility easier and more convenient, both for people and as an employee of an organization, in all its possible aspects. Business started with the development of solutions that allow a safe return to work after the period of suspension of activities imposed by the COVID emergency. Be Shaping the Future S.p.A. owns 51% of the Company.

5. Significant events involving the Group in 2020

Important resolutions of the Shareholders' Meeting

On 22 April 2020, the Shareholders' Meeting met on first call both in ordinary and extraordinary session; resolving on

- the amendment of Article 1 of the Articles of Association by changing the company name to "Be Shaping the Future S.p.A.";
- approval of the Financial Statements at 31.12.2019, allocation of the 2019 profit and distribution of the dividend;
- approval of the report on remuneration pursuant to Article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998;
- appointment of the Board of Directors for the period 2020-2022;
- purchase and disposal of own shares, subject to the revocation of the authorisation for the purchase and disposal of own shares, granted by the Shareholders' Meeting on 18 April 2019.

Again on 22 April 2020, Be's Board of Directors met after its renewal by the Shareholders' Meeting; during the meeting, the Directors resolved as follows:

- to appoint Carlo Achermann Chairman of the Board of Directors and Stefano Achermann Chief Executive Officer;
- to assign the Chairman Carlo Achermann and Stefano Achermann management and/or signature powers;
- to appoint the Directors Cristina Spagna, Claudio Berretti and Anna Maria Tarantola as members of the Remuneration and Appointments Committee, the former as Chairperson;
- to appoint the Directors Claudio Roberto Calabi, Gianluca Antonio Ferrari and Francesca Moretti as members of the Control and Risk Committee, the former as Chairperson.

Events important to business development

In March, Be and ZDF, operating company of Italian artist and producer Federico Lucia (aka Fedez), decided to join forces to create the new market leader in the production and distribution of digital content: on 30 April 2020, the BE Group acquired 51% of the Company "Dream of Ordinary Madness (Doom) Entertainment". The operation is part of the Be Group's strategy to develop a significant business area dedicated to digital engagement, dealing with all aspects of talent research and development, thereby offering a service for image management and relative sponsorship in the digital world, content production, creation and launch of brands and personal coaching of artists.

In June, Be created a centre of excellence dedicated to the search for human mobility solutions. The aim is to simultaneously provide a high-impact tool for the return to a pre-pandemic social context and to design an entire ecosystem of services designed to facilitate the life and movement of people within companies. Starting from an idea of Stefano Quintarelli, Luca Mastrostefano and Marco Locatelli, the company "Human Mobility S.r.l." is 51% owned by the Be Group.

In July 2020, Be participated in a dedicated capital increase of YOLO, the instant insurance on demand platform founded by Simone Ranucci Brandimarte and Gianluca de Cobelli. Be's investment in YOLO is added to those of Intesa San Paolo Vita, Banca di Piacenza and CRIF. Be's equity investment is equal to 2.5% of YOLO's capital. Be also adheres to a new Shareholders' Agreement that links the founding members and new investors.

In October, the Be Group also formalised a business partnership agreement with UANT - innovative start-up created by Professor Andrea Crisanti, internationally renowned virologist - and Vittorio Carlei, professor of Advanced Analytics at LUISS Guido Carli, to support business continuity in the company. The company is specialised in Artificial Intelligence and Machine Learning algorithms applied to microbiology and to epidemiological issues. U-ANT is the result of a research project entitled "Surveillance of Covid-19 risk in companies", financed by the Leonardo Del Vecchio Foundation in collaboration with the Department of Microbiology and Virology of the University of Padua.

Furthermore, note that from April 2020, following the implementation of the Group's Rebranding&Positioning project, the companies Be Consulting Think, Project & Plan S.p.A., Be Solutions Solve, Realize & Control S.p.A. and Targit GmbH changed their company name to Be Shaping The Future, Management Consulting S.p.A. (Be Management Consulting S.p.A. for short), Be Shaping The Future, DigiTech Solutions S.p.A. (Be Solutions S.p.A. or Be DigiTech Solutions S.p.A. for short) and Be Shaping the Future GmbH, respectively. Moreover, in August, the company Be Poland Think, Solve and Execute, sp zo.o changed its name to Be Shaping the Future, sp zo.o, just as in September the companies Be Think, Solve Execute GmbH and Ibe Tse Limited changed their names to Be Shaping the Future GmbH and Be Shaping the Future Management Consulting Limited, respectively.

Anticipating what is illustrated in paragraph 7.1 "Main risks and uncertainties to which the Be Group is exposed", from January 2020, the national and international scenario has been characterised by the spread of Covid-19 and by the consequent restrictive measures for its containment, set in place by the public authorities of the countries in question. These circumstances, which are extraordinary by nature and extension, are having direct and indirect repercussions on world economic activity, creating a context of general uncertainty.

In relation to this emergency, in order to prevent and contain the spread of the pandemic in Italy, the Group reacted promptly and, in line with its protocols and policies for the management of emergencies and company crises, established a Crisis Committee. The Group also set a contingency plan in motion to guarantee the health and safety of its employees and partners, providing for and extending the adoption of remote working where possible, aiming to guarantee business and operational continuity both in the current scenario and in terms of possible further restrictions to the access of operating facilities.

In operational terms, in line with the provisions of the Prime Ministerial Decree of 9 March 2020 and subsequent decrees, the Company and the Be Group have continued to implement all of the safety and control measures in favour of employees, to limit the possibilities of contagion and ensure continuity of the productive and commercial activities. These measures have included the adoption of remote working and boosting of the technological equipment to support remote operations. Operational continuity has been guaranteed at all levels. Near shoring sites have been activated, for any potential requirements, at the competency centres in Poland and Romania, although there is no need whatsoever to transfer business activities to these sites.

Specifically, given the particular type of Be Group's reference market - mainly large financial institutions - the Covid-19 pandemic had almost no impact on the company's business during 2020. Indeed, all of the major Financial institutions accelerated their Digital transformation process and the Group offered full support to all of its customers. In addition, it should be considered that the Financial Institutions, which account for almost all of the Be Group's customers, carry out services that have been deemed "essential" by the Ministerial Decree and have maintained their operations even during the lock-down periods.

Therefore, in the light of the above and by virtue of the results achieved by the Group in 2020, the details of which are provided in the following paragraphs, in accordance with the macroeconomic scenario, the assumptions made at the time of approving the 2020 financial statements can be confirmed, with reference also to the growth objectives set for the year 2021 and more generally for the entire 2021-2023 Business Plan (2021-2023 Plan for short).

Other significant events

During the month of October, as part of authorisation of the plan to purchase own shares, resolved by the Shareholders' Meeting on 22 April 2020 pursuant to art. 144-bis of Consob Regulation 11971/1999, the Be Group disclosed its intention to launch the plan to purchase own shares up to a maximum value of Euro 3,000,000, to be carried out by 31 January 2021. Subsequent purchases will be assessed following completion of the current plan.

6. Analysis of economic, financial and equity data

Following the entry into force of Regulation (EC) no. 1606/2002 issued by the European Parliament and the European Council in July 2002 and of Italian Legislative Decree 38/2005, the consolidated and separate financial statements of Be to which we refer, have been prepared in accordance with international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union. According to the faculties envisaged by Italian Legislative Decree 32 of 2 February 2007, the Management Report of the 2020 Annual Financial Statements must include, as in the previous year, information on both the Consolidated Financial Statements and the Financial Statements of the Parent Company Be S.p.A.

Alternative performance indicators

In accordance with the ESMA guidelines on alternative performance measures (ESMA/2015/1415), the main alternative performance indicators used to monitor the Group's economic and financial performance are highlighted below.

Gross Operating Margin (EBITDA) - a non-GAAP measurement used by the Group to measure its performance. EBITDA is calculated as the algebraic sum of profit for the period before taxes, earnings (including exchange rate gains and losses), financial expense and non-monetary items, such as amortisation/depreciation, write-downs and allocations to provisions, even if classified under other items of the income statement.
Note that EBITDA is not an accounting measure under the IAS/IFRS adopted by the European Union. Therefore, the calculation criterion applied by the Company may not be uniform with the one adopted by other groups and, consequently, the balance obtained by the Company may not be comparable with the one calculated by other groups either.

Net Financial Indebtedness - represents a valid indicator of the Group's financial structure. It is calculated as current and non-current financial payables minus cash and cash equivalents and current financial assets.

Net invested capital **-** an asset measure to identify uses of capital (equity and debt) invested in the company.

Reconciliations of the above measures with the balance sheet items are shown with reference to EBITDA in the income statement tables, paragraphs 6.1 and 6.3, and with reference to Net Financial Indebtedness and Net Invested Capital in the balance sheet tables under paragraphs 6.1 and 6.4.

6.1 Group operating performance

The Value of production amounted to Euro 178.8 million, compared to Euro 152.3 million in 2019 (+17.4%).

The value of production generated by foreign subsidiaries amounted to Euro 66.8 million (which represents 37.4% of the Group's value of production), compared to the value of production of Euro 58.3 million at 31 December 2019 (38.3% of the Group's value of production).

Operating revenue amounted to Euro 176.6 million, compared to Euro 148.5 million in 2019 (+18.9%).

Other revenue and income amounted to Euro 2.2 million, compared to Euro 3.7 million in the previous year (-42.0%).

Operating costs net of internal capitalisations amounted to Euro 150.4 million, compared to Euro 126.4 million in 2019 (+19%), and specifically:

- service costs were around Euro 74.6 million (+28.3%);
- personnel costs totalled Euro 79.6 million (+9.3%);
- the capitalisation of costs, mainly related to personnel working on projects to develop in-house software platforms, amounted to Euro 5.9 million (-6.1%).

The Gross Operating Margin (EBITDA) was Euro 28.4 million, up 9.8% compared to 2019 (Euro 25.9 million). *The EBITDA margin* was 15.9% against 17.0% in 2019.

Amortisation and depreciation totalled Euro 10.2 million, against Euro 8.7 million last year (+17.9%).

Provisions and write-downs totalled Euro 3.6 million, against Euro 5.0 million last year. Provisions include estimated costs of around Euro 1.9 million, whose realisation is uncertain, categorised as *personnel costs* in the Income Statement (compared to Euro 4.2 million the previous year).

Operating profit (loss) (EBIT) was Euro 14.6 million, up 19.4% compared to 2019 (Euro 12.2 million). *The EBIT margin* stood at 8.2% against 8.0% in 2019.

Profit (loss) before tax from continuing operations was Euro 13.3 million, up 20% compared to 2019 (Euro 11.1 million).

Taxes for FY 2020 amounted to Euro 4.2 million, compared to Euro 4.6 million last year.

Group net profit was Euro 8.0 million, against a profit of Euro 6.1 million in 2019, up by 31%.

At 31 December 2020, discontinued operations had no impact on the income statement, therefore the costs and revenue recognised in the consolidated Income Statement refer solely to "continuing operations".

The Consolidated Income Statement is shown below, restated at 31 December 2020, and is compared to the amounts of the previous year.

Restated Consolidated Income Statement

Amounts in EUR thousands	**FY 2020**	**FY 2019**	**Δ**	**Δ (%)**
Operating revenue	176,645	148,546	28,099	18.9%
Other revenue and income	2,164	3,729	(1,565)	(42.0%)
Value of production	**178,809**	**152,275**	**26,534**	**17.4%**
Cost of raw materials and consumables	(155)	(399)	244	(61.2%)
Cost of services and use of third-party assets	(74,620)	(58,149)	(16,471)	28.3%
Personnel costs	(79,550)	(72,756)	(6,794)	9.3%
Other costs	(1,928)	(1,344)	(584)	43.5%
Internal capitalisations	5,868	6,249	(381)	(6.1%)
Gross Operating Margin (EBITDA)[2]	**28,424**	**25,876**	**2,548**	**9.8%**
Amortisation and depreciation	(10,236)	(8,679)	(1,557)	17.9%
Write-downs and provisions[3]	(3,577)	(4,958)	1,381	(27.9%)
Operating profit (loss) (EBIT)	**14,611**	**12,239**	**2,372**	**19.4%**
Net financial income and expense	(1,265)	(1,121)	(144)	12.8%
Profit (loss) before tax from continuing operations	**13,346**	**11,118**	**2,228**	**20.0%**
Taxes	(4,234)	(4,561)	327	(7.2%)
Net profit (loss) from continuing operations	**9,112**	**6,557**	**2,555**	**39.0%**
Net profit (loss) from discontinued operations	0	0	0	n.a.
Consolidated net profit (loss)	**9,112**	**6,557**	**2,555**	**39.0%**
Net profit (loss) attributable to minority interests	1,139	470	669	n.a.
Group net profit (loss)	**7,973**	**6,087**	**1,886**	**31.0%**

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

Value of production by operating segment

Amounts in EUR millions	**FY 2020**	**%**	**FY 2019**	**%**	**Δ (%)**
Business Consulting	122.1	68.3%	112.7	74.0%	8.3%
ICT Solutions	46.5	26.0%	34.9	22.9%	33.2%
Digital	10.1	5.6%	4.1	2.7%	n.a.
Other	0.1	0.1%	0.6	0.4%	(83.3%)
TOTAL	**178.8**	**100.0%**	**152.3**	**100.0%**	**17.4%**

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

2 *Gross Operating Margin (EBITDA): this alternative performance measure is calculated as the net profit (loss) of the group adjusted by certain income statement items. More specifically, in addition to adjustments relating to interest, taxes and amortisation/depreciation, the indicator is adjusted by provisions for personnel bonuses of Euro 1.9 million, included in personnel costs (see Note 30 of the Notes to the Financial Statements) and allocations to provisions of Euro 1.7 million, of which Euro 1.5 million whose realisation is uncertain, regarding long-term variable bonuses to directors and Key people (see Note 34 of the Notes to the Financial Statements).*

3 *This item includes, as specified above, provisions for personnel bonuses of Euro 1.9 million, included in personnel costs (see Note 30 of the Notes to the Financial Statements) and allocations to provisions of Euro 1.7 million, of which Euro 1.5 million whose realisation is uncertain, regarding long-term variable bonuses to directors and Key people (see Note 34 of the Notes to the Financial Statements).*

- the Consulting business confirms its significant weight and an increase in production value of 8.3% compared to the value recorded at 31 December 2019;
- the ICT Solutions business, on the whole, recorded significant growth in the value of production of 33.2% compared to 31 December 2019;
- the Digital business, previously partially incorporated into the ICT segment, gains prominence with a value of production that more than doubled compared to 31 December 2019, due to the new corporate transactions that took place during the reporting period.

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

Value of production by customer type

Amounts in EUR millions	**FY 2020**	**%**	**FY 2019**	**%**	**Δ (%)**
Banks	141.2	79.0%	118.3	77.7%	19.4%
Insurance	16.8	9.4%	19.5	12.8%	(13.8%)
Industry	10.8	6.0%	9.8	6.4%	10.2%
Public Administration	0.1	0.1%	1.3	0.9%	(92.3%)
Other	9.9	5.5%	3.4	2.2%	n.a.
TOTAL	**178.8**	**100.0%**	**152.3**	**100.0%**	**17.4%**

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

Value of production by geographic area

Amounts in EUR millions	**FY 2020**	**%**	**FY 2019**	**%**	**Δ (%)**
Italy	112.0	62.6%	94.0	61.7%	19.1%
DACH Region (Germany, Austria, Switzerland)	42.8	23.9%	37.8	24.8%	13.2%
UK and Spain	14.6	8.2%	14.7	9.7%	(0.7%)
CEE Region (Poland, Ukraine, Romania)	9.4	5.3%	5.8	3.8%	62.1%
TOTAL	**178.8**	**100.0%**	**152.3**	**100.0%**	**17.4%**

Lastly note that in 2020, 62.6% of the value of production was generated by the domestic market, while the remaining 37.4% by the foreign market. The DACH Region (DE, AUT and SUI) continues to make a significant contribution to the generation of revenues, specifically Euro 42.8 million, up 13.2% compared to the previous year.

The CEE Region markets recorded revenues of Euro 9.4 million, up by 62.1% compared to last year, while the UK and Spanish markets generated total revenues of Euro 14.6 million, essentially in line with last year.

6.2 Breakdown of Group equity and financial positions

A summary of the consolidated Statement of Financial Position at 31 December 2020 is shown below, compared to the same statement at 31 December 2019.

Restated Statement of Financial Position

Amounts in EUR thousands	**31.12.2020**	**31.12.2019**	**Δ**	**Δ (%)**
Non-current assets	106,451	101,816	4,635	4.6%
Current assets	36,324	33,135	3,189	9.6%
Non-current liabilities	(22,891)	(22,667)	(224)	1.0%
Current liabilities	(64,279)	(44,785)	(19,494)	43.5%
Net Invested Capital	**55,605**	**67,499**	**(11,894)**	**(17.6%)**
Shareholders' Equity	58,893	56,072	2,821	5.0%
Net Financial Indebtedness	(3,288)	11,427	(14,715)	n.a.

Non-current assets are mostly represented by goodwill (Euro 70.4 million), recognised at the time of business combinations, intangible assets (Euro 19.6 million) mostly relating to software, rights of use (Euro 9.1 million), property, plant and equipment (Euro 2.3 million), deferred tax assets (Euro 2.9 million), receivables and other non-current assets, and equity investments in other companies, for a total of Euro 2.2 million.

Current assets recorded a rise of Euro 3.2 million compared to 31 December 2019. The change is predominantly due to the increase in trade receivables and other assets and receivables and the decrease in assets deriving from contracts with customers.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 7.1 million, deferred tax liabilities of Euro 7.8 million and provisions for risks and charges of Euro 1.6 million, plus other liabilities of Euro 6.4 million, predominantly referring to the remaining share of the discounted price for the future acquisition of minority interests through put&call agreements.

Current liabilities are mostly comprised of trade payables of Euro 22.1 million, provisions for risks and charges of Euro 2.3 million and other liabilities and tax payables totalling Euro 39.9 million. The item records an overall increase of Euro 19.5 million, mainly due to the change in other current liabilities.

Consolidated shareholders' equity was Euro 58.9 million, compared to Euro 56.1 million at 31 December 2019.

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	31.12.2020	31.12.2019	Δ	Δ (%)
Inventories	156	3	153	n.a.
Receivables from assets with customers	9,778	11,513	(1,735)	(15.1%)
Trade receivables	22,014	17,901	4,113	23.0%
Trade payables	(22,076)	(12,366)	(9,710)	78.5%
Net Operating Working Capital (NOWC)	**9,872**	**17,051**	**(7,179)**	**(42.1%)**
Other short-term receivables	4,376	3,718	658	17.7%
Other short-term liabilities	(42,203)	(32,419)	(9,784)	30.2%
Net Working Capital (NWC)	**(27,955)**	**(11,650)**	**(16,305)**	**140.0%**

The net financial position at 31 December 2020 was Euro +3.3 million, against negative Euro 11.4 million at 31 December 2019.

The breakdown is shown in the table below:

Consolidated Net Financial Indebtedness

	Amounts in EUR thousands	31.12.2020	31.12.2019	Δ	Δ (%)
	Cash and cash equivalents at bank	60,580	34,185	26,395	77.2%
A	**Cash and cash equivalents**	**60,580**	**34,185**	**26,395**	**77.2%**
B	**Current financial receivables**	**165**	**104**	**61**	**58.7%**
	Current bank payables	(5,121)	(4,525)	(596)	13.2%
	Current share of medium/long-term indebtedness	(16,845)	(10,895)	(5,950)	54.6%
	Payables for current rights of use	(3,047)	(3,004)	(43)	1.4%
	Other current financial payables	(87)	(152)	65	(42.8%)
C	**Current financial indebtedness**	**(25,100)**	**(18,576)**	**(6,524)**	**35.1%**
D	**Current net financial position (A+B+C)**	**35,645**	**15,713**	**19,932**	**n.a.**
	Non-current bank payables	(25,482)	(20,926)	(4,556)	21.8%
	Payables for non-current rights of use	(6,875)	(6,214)	(661)	10.6%
	Other non-current financial payables	0	0	0	0
E	**Non-current net financial position**	**(32,357)**	**(27,140)**	**(5,217)**	**19.2%**
F	**Net financial position (D+E)**	**3,288**	**(11,427)**	**14,715**	**n.a.**

With regard to items in the table, in addition to cash and cash equivalents of Euro 60.6 million (Euro 34.2 million at 31 December 2019), we also draw attention to:

- current financial receivables of Euro 0.2 million (Euro 0.1 million at 31 December 2019) originating from prepaid expenses on factoring interest;
- current payables to banks at 31 December 2020 of Euro 25.1 million (Euro 18.6 million at 31 December 2019), relating to:

  - "current bank payables" of Euro 5.1 million (Euro 4.5 million at 31 December 2019) mainly relating to interest accrued but not paid and short-term credit facilities classed as "accounts payable to suppliers";
  - the current portion of long-term loans for Euro 16.8 million (Euro 10.9 million at 31 December 2019);
  - payables for current rights of use of Euro 3.1 million regarding lease liabilities (Euro 3.0 million at 31 December 2019);
  - other current financial payables of Euro 0.1 million (Euro 0.2 million at 31 December 2019), mainly referring to financial payables due to customers for credit for ticket sales on behalf of third parties and the balance of credit cards.
- non-current financial payables of Euro 32.4 million (Euro 27.1 million at 31 December 2019) of which:
  - Euro 25.5 million (Euro 21.0 million at 31 December 2019) referred to payables to banks for unsecured medium/long-term loans due beyond 12 months;
  - Euro 6.9 million (Euro 6.2 million at 31 December 2019) referring to payables for non-current rights of use regarding lease liabilities.

6.3 Operating performance of the Parent Company Be S.p.A.

The Parent Company's Value of production amounted to Euro 3.3 million, compared to Euro 5.9 million in 2019, recording a drop of Euro 2.7 million.

The Value of production is represented by charges to subsidiaries for royalties on the Be trademark and recharges of various costs incurred in the name and on behalf of subsidiaries.

The Gross Operating Margin (EBITDA) recorded a loss of around Euro 6.1 million, against a loss of Euro 4.2 million last year.

Operating profit (loss) (EBIT) recorded a loss of around Euro 7.8 million, against a loss of around Euro 6.1 million in the previous year.

Provisions include estimated costs of around Euro 1.6 million, whose realisation is uncertain, of which Euro 0.1 million categorised as personnel costs in the Income Statement of the Parent Company's Financial Statements.

Financial management recorded an income of Euro 12.1 million, with respect to Euro 10.3 million the previous year, broken down into:

- dividends of Euro 12.0 million;
- financial income net of financial expense of Euro 0.1 million;

With regard to the centralised treasury management at Group level, net interest due to the Parent Company accrued on funds transferred to Group companies amounted to Euro 0.5 million (Euro 0.8 million in 2019). Interest expense due to the Banking system amounted to around Euro 0.43 million (Euro 0.45 million in 2019), of which Euro 0.03 million on drawdowns of short-term credit facilities and Euro 0.4 million related to financial payables on maturity.

Profit (loss) before tax recorded a profit of Euro 4.3 million, in line with the prior year (Euro 4.3 million at 31 December 2019).

Taxes recorded a positive balance of Euro 2.2 million, compared to Euro 0.9 million last year, accrued against:

- tax benefits of around Euro 2.0 million relating to the Group Tax Consolidation scheme;
- the net positive impact of around Euro 0.2 million, from deferred tax assets.

Following the above, the 2020 Financial Statements of the Parent Company closed with a profit of Euro 6.5 million, compared to a profit of Euro 5.2 million last year.

The Income Statement is shown below, restated for FY 2020, and is compared to the amounts of the previous year.

Parent Company Restated Income Statement

Amounts in EUR thousands	**FY 2020**	**FY 2019**	**Δ**	**Δ (%)**
Operating revenue	1,976	4,490	(2,514)	(56.0%)
Other revenue and income	1,288	1,459	(171)	(11.7%)
Value of production	**3,264**	**5,949**	**(2,685)**	**(45.1%)**
Cost of raw materials and consumables	(1)	(1)	0	0.0%
Cost of services and use of third-party assets	(7,459)	(6,487)	(972)	15.0%
Personnel costs	(1,575)	(3,439)	1,864	(54.2%)
Other costs	(342)	(202)	(140)	69.3%
Gross Operating Margin (EBITDA)[4]	**(6,113)**	**(4,180)**	**(1,933)**	**46.2%**
Amortisation and depreciation	(60)	(61)	1	(1.6%)
Write-downs and provisions[5]	(1,597)	(1,809)	212	(11.7%)
Operating profit (loss) (EBIT)	**(7,770)**	**(6,050)**	**(1,720)**	**28.4%**
Net financial income and expense	12,078	10,327	1,751	17.0%
Write-down of financial assets	0	0	0	n.a.
Profit (loss) before tax from continuing operations	**4,308**	**4,277**	**31**	**0.7%**
Taxes	2,197	927	1,270	n.a.
Net profit (loss) from continuing operations	**6,505**	**5,204**	**1,301**	**25.0%**
Net profit (loss) from discontinued operations	0	0	0	n.a.
Net profit (loss)	**6,505**	**5,204**	**1,301**	**25.0%**

4 *Gross Operating Margin (EBITDA): this alternative performance indicator is calculated as the net profit (loss) adjusted by certain income statement items. More specifically, in addition to adjustments relating to interest, taxes and amortisation/depreciation, the indicator is adjusted by provisions for personnel bonuses of Euro 0.1 million, included in personnel costs (see Note 31 of the Report on the Parent Company Financial Statements) and allocations to provisions of Euro 1.5 million, whose realisation is uncertain, regarding long-term variable bonuses to directors and Key people (see Note 35 of the Report on the Parent Company Financial Statements).*

5 *This item includes, as specified above, provisions for personnel bonuses of Euro 0.1 million, included in personnel costs (see Note 31 of the Report on the Parent Company Financial Statements) and allocations to provisions of Euro 1.5 million, whose realisation is uncertain, regarding long-term variable bonuses to directors and Key people (see Note 35 of the Report on the Parent Company Financial Statements).*

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6.4 Breakdown of equity and financial positions of the Parent Company Be S.p.A.

Restated Statement of Financial Position of Be S.p.A.

Amounts in EUR thousands	31.12.2020	31.12.2019	Δ	Δ (%)
Non-current assets	57,426	54,984	2,442	4.4%
Current assets	20,884	20,992	(108)	(0.5%)
Non-current liabilities	(4,619)	(3,701)	(919)	24.8%
Current liabilities	(8,786)	(14,229)	5,443	(38.3%)
Net invested capital	**64,904**	**58,046**	**6,858**	**11.8%**
Shareholders' Equity	43,708	43,000	708	1.7%
Net financial indebtedness	21,196	15,046	6,150	40.9%

For details and related comments on individual items, reference should be made to the description in the Notes to the Separate Financial Statements of the Parent Company.

Net financial position Be S.p.A.

	Amounts in EUR thousands	31.12.2020	31.12.2019	Δ	Δ (%)
	Cash and cash equivalents at bank	50,160	26,281	23,879	90.9%
A	**Cash and cash equivalents**	**50,160**	**26,281**	**23,879**	**90.9%**
B	**Current financial receivables**	**12,248**	**10,958**	**1,290**	**11.8%**
	Current bank payables	(1,711)	(2,995)	1,284	(42.9%)
	Current share of medium/long-term indebtedness	(16,845)	(10,895)	(5,950)	54.6%
	Payables for current rights of use	(24)	(64)	40	(62.5%)
	Other current financial payables	(40,060)	(18,264)	(21,796)	n.a.
C	**Current financial indebtedness**	**(58,640)**	**(32,218)**	**(26,422)**	**82.0%**
D	**Current net financial position (A+B+C)**	**3,768**	**5,021**	**(1,253)**	**(25.0%)**
	Non-current bank payables	(25,482)	(20,926)	(4,556)	21.8%
	Payables for non-current rights of use	(38)	(61)	23	(37.7%)
	Other non-current financial payables	0	0	0	n.a.
E	**Non-current net financial position**	**(25,520)**	**(20,987)**	**(4,533)**	**21.6%**
F	**Net financial position (D+E)**	**(21,752)**	**(15,966)**	**(5,786)**	**36.2%**

The net financial position of Be S.p.A. at 31 December 2020 was around Euro 21.8 million (Euro 16.0 million at 31 December 2019), and breaks down into:

- Euro 50.2 million (Euro 26.3 million at 31 December 2019) in cash and cash equivalents at bank;
- Euro 12.2 million (Euro 11.0 million at 31 December 2019) in financial receivables due from subsidiaries, relating to centralised treasury activities and the short-term portion of an intercompany loan;

- Euro 1.7 million (Euro 3.0 million at 31 December 2019) in current payables due to banks, for drawdowns in the form of "accounts payable to suppliers";
- Euro 16.8 million (Euro 10.9 million at 31 December 2019) relating to the portion of existing medium to long-term loans maturing in the following year;
- Euro 40.1 million (Euro 18.3 million at 31 December 2019) in payables to subsidiaries, relating to centralised treasury activities;
- Euro 25.5 million (Euro 21.0 million at 31 December 2019) referred mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months;

6.5 Reconciliation of the profit (loss) for the period and the shareholders' equity of Be S.p.A. and the corresponding consolidated amounts

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, the Statement of reconciliation of shareholders' equity and the net profit (loss) of the Parent Company and the corresponding consolidated amounts is shown below.

	Shareholders' Equity 31.12.2020	Net profit (loss) 31.12.2020	Shareholders' Equity 31.12.2019	Net profit (loss) 31.12.2019
Shareholders' equity and Net profit (loss) from financial statements of the Parent Company	**43,708**	**6,505**	**43,000**	**5,204**
Surplus of the shareholders' equities on financial statements for the year, including the profits (losses) for the period, compared to the book values of consolidated equity investments	27,185	14,607	23,072	11,353
Other adjustments made at time of consolidation for:				
- dividends from subsidiaries	(12,000)	(12,000)	(10,000)	(10,000)
Shareholders' equity and Consolidated net profit (loss)	**58,893**	**9,112**	**56,072**	**6,557**
Capital and minority reserves	2,876	1,139	1,732	470
Shareholders' equity and Net Profit (Loss) attributable to owners of the Parent Company	**56,017**	**7,973**	**54,340**	**6,087**

6.6 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 Consolidated Financial Statements and to the Separate Financial Statements of the Parent Company, the company provides the information requested by art. 154-ter of the Consolidated Law on Finance, as indicated by Consob regulation 17221 of 12 March 2010.

7. Other disclosures and Corporate Governance

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

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

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

  In order to further improve operating performance, the Company believes it is important to achieve the strategic objectives of the 2021-2023 Business Plan. This 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 that are expected to occur and the projection of results from the actions that management intends to undertake. These were estimated on the basis of final figures, orders already received or sales to be made to established customers, and therefore have 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 2021-2023 Plan, though reasonable, present profiles of uncertainty due to the chance nature of future events occurring and the characteristics of the reference market, and also as regards the occurrence of events represented in the plan, their extent and timing.

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

  The Be Group is exposed to financial risks associated with its operations, particularly interest rate risk, liquidity risk, credit risk and the risk of cash flow fluctuations. In addition, essential upkeep of the bank credit facilities held is important to the Group in order to meet its overall current funding needs and to achieve the objectives of the 2021-2023 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 31 December 2020, which may be necessary if insufficient cash flows are generated to satisfy those forecast and envisaged in the 2021-2023 Plan.

- **Risks associated with "Litigation"**

  The Be Group is involved in legal proceedings, in terms of litigation cases as defendant - i.e. where the Company has been summoned by third parties - as well as in 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, implementing, when possible, reduction of personnel, also through transfers. There is a risk of appeals against such actions and the proceedings have given rise to prudential allocation of provisions in the Consolidated financial statements. Uncertainty remains in any event regarding the decisions of the authorities involved.

- **Risks associated with "Competition"**

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

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

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

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

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

- **Risks associated with internationalisation**

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

- **Covid-19**

  With regard to the main factors of uncertainty existing on the date of submission of this Consolidated Financial Report, we draw attention to those relating to the ongoing medical emergency relating to the Covid-19 pandemic (Coronavirus).

  The Be Group continued to operate during the Covid-19 health emergency, safeguarding the health of its employees and partners and expanding the use of remote working methods where possible. At the operational level, business continuity has been guaranteed everywhere.

  Specifically, as mentioned above, given the particular type of Be Group's reference market - mainly large Financial Institutions - the Covid-19 pandemic had almost no impact on the company's business during 2020. Indeed, all of the major Financial Institutions accelerated their Digital transformation process and the Group offered full support to all of its customers. In addition, it should be considered that the Financial Institutions, which account for almost all of the Be Group's customers, carry out services that have been deemed "essential" by the Ministerial Decree and have maintained their operations even during the lock-down periods.

  Therefore, in the light of the above and by virtue of the results achieved by the Group in 2020, in accordance with the macroeconomic scenario, the assumptions made at the time of approving the 2020 financial statements can be confirmed, with reference also to the growth objectives set for the year 2021 and more generally for the entire 2021-2023 Business Plan.

The Group has carried out in-depth analyses on the most sensitive issues and on those most subject to variability due to the present emergency situation. Extra attention was dedicated to assessing the recoverability of receivables, impairment of assets and goodwill. In particular, at the time of preparation of the consolidated accounts at 31 December 2020, with regard to the main measurement and estimation processes, mostly relating to assessing the recoverability of goodwill and of intangible assets, sensitivity analyses were conducted, with a view to identifying the value of the key parameters in correspondence to which recoverable amounts coincide with book values. Further details on this can be found in Explanatory Note 3 to the Consolidated Financial Statements and Notes 3 and 5 to the Parent Company Financial Statements. Although conducted at a time of general uncertainty, said analyses did not indicate any clear risk of future impairment of the amounts recognised in the financial statements at 31 December 2020, even considering the macro-economic scenario consequent to the above-described pandemic. Nevertheless, we cannot rule out the possibility that continuation of the current situation of uncertainty may have economic impacts, which however, on the date of preparation of the financial statements, cannot be quantified or estimated.

7.2 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 projects regard the technological platforms owned by the Be Group. In particular, during 2020, investments regarded the development and upgrade of the technological platforms "Universo Sirius" - relating to the management of Life and Non-life insurance portfolios -, the company's internal ICT system by Be Digitech Solutions and Be Management Consulting, the digital applications by Iquii and Juniper and the IT platforms of Fimas GmbH and Be Shaping the future GmbH (Austria and Germany), specialised in various areas of the banking industry. The Be Group will continue to invest in development, planning additional project opportunities. The objective of the latter will be to expand the offer through the realisation of technological platforms to provide services to customers.

7.3 Human Resources

The Group's total headcount at 31 December 2020 was 1,448 employees (1,320 at 31 December 2019), located in 9 European countries. Two transactions were completed during 2020, involving acquisition by the holding Be Shaping the Future S.p.A. of 51% of the company DOOM Entertainment S.r.l., as well as establishment of the company Human Mobility, also by the holding Be Shaping the Future S.p.A., which holds 51% of its capital.

On 16 March 2020 at the Lazio Region, the collective dismissal procedure initiated to terminate the back office activities at the Pomezia operating site of Be DigiTech Solutions S.p.A. was carried out with a trade union agreement, making 48 resources redundant.

For further details on the social policies of the Be Group, please refer to chapter 7 of the Non-financial statement.

7.4 Corporate governance

The system of Corporate Governance adopted by Be Shaping the Future S.p.A. complies with the Code of Self-Regulation approved by the Committee for the Corporate Governance of Listed Companies, in its most recent version in July 2018, the recommendations of which are considered as adopted unless indicated otherwise.

With regard to the disclosure requested by art. 123-bis of the Consolidated Law on Finance, please refer to the "Annual Report on Corporate Governance and Ownership Structure" drawn up in compliance with the law in force and published jointly with this report.

7.5 Disclosure pursuant to Italian Legislative Decree 196 of 30 June 2003 (Code for the protection of personal data)

Note that the Company has taken steps to adapt its policy and internal organisation following the entry into force on 25 May 2018, of EU Regulation 2016/679, also known as GDPR (General Data Protection Regulation).

7.6 Environment

Even though it is not an industrial transformation company, to provide full disclosure to its stakeholders, Be Group reports the main environmental performance indicators, mainly relating to energy consumption and emissions of CO2, in the specific section of the Consolidated Non-Financial Statement. The Group will evaluate whether to gradually supplement this disclosure with regard to the impact generated and suffered by the Group as regards Climate Change, also on the basis of changes in the relevant legislation, with particular regard to the recommendations of the European Commission (Communication 2019/C 209/01 "Guidelines on non-financial reporting: Supplement on reporting climate-related information"). At present, the risk related to climate change with regard to the sector in which the company operates and the type of customers it works with (mainly credit institutions) is considered low.

8. Events after 31 December 2020 and business outlook

In January 2021, the Be Group reached an agreement to acquire 86% of the share capital of Firstwaters GmbH, a Management Consulting company based in Frankfurt and Vienna, for the Financial Institutions segment. Founded in 2000, Firstwaters is renowned for having substantial experience in projects to transform the value chain of Corporate & Investment Banking (Front-Office, Pricing/Modelling, Settlement, Accounting, Market Risk Management) for various asset classes (FX/MM, IRD, CRD, Stocks, Commodities, etc.) and financial instruments (Spot, ETD, OTC derivatives). The agreement envisages the initial acquisition by Be of 85.71% of the share capital of Firstwaters in first quarter 2021, at a price of Euro 10.2 million. The remaining share capital will remain in the hands of the two managing directors Marco Fäth and Martin Peter, who will continue to guide the company's growth. Be will complete the acquisition of the remaining shares at the end of 2024. The price of the remaining portion will be based on the company's results in 2022, 2023 and 2024.

In January 2021, the Be Group completed its acquisition of the remaining 10% of share capital of Be Shaping the Future GmbH. The company manages all of the equity investments in Germany, Austria and Switzerland. The agreement anticipates the planned date of year-end 2024 by four years. The stake acquired had been until now held by Rüdiger Borsutzki, the original founder. On a nominal basis, the acquisition involved a 7.5% stake in the capital of the company, which, it should be noted, owns 25% of its own shares. Be therefore holds 100% of the capital of Be Shaping the Future GmbH.

In January 2021, the Be Group completed the acquisition of minority interests in the companies IQUII and Juniper Extensible Solutions, to create a hub of Digital Engagement solutions and become Italian leader in this specific sector. Over the next few weeks, the brand Iquii will see the emergence of one of the most advanced operators in mobile and web planning, design and interaction, and in the realisation of digital brand engagement and loyalty solutions in various sectors such as Finance, Sport e Retail. The cost of the operation for Be was Euro 1.560 million in the sum of the two transactions. This operation is part of a broader agreement between Be and management of the two companies, optimising on the role of the founding members through further participation in the future creation of value.

Also in January 2021, the company Human Mobility S.r.l. was placed into liquidation.

In February, the Be Group acquired 60% of the share capital of Be Your Essence (“BYE”), innovative socially-driven start-up established as a Benefit Company and certified as B Corp, created through Oscar Di Montigny’s initiative to offer major Italian public and private companies advisory services on the field of Innovability (the new discipline combining innovation and sustainability). The partnership with Di Montigny - one of the most passionate and active professionals in Italy in terms of commitment to research and implementation of new business and corporate models - aims to position the Be Group at the cutting edge of this highly developing sector. Indeed, very large investments are expected over the coming years by all civil society stakeholders, both public and private, to adapt their business models to the principles of sustainability, social responsibility and respect for the environment.

With regard to the Covid-19 pandemic, the first part of 2021 is still highly impacted by management of the emergency and of the restrictive measures to contain it. The national and international macroeconomic scenario continues to be highly uncertain, although partially mitigated by the start of the vaccination campaigns.

In fact, the protective measures implemented by the Institutions in the form of minor lockdowns continue, involving industrial and commercial activities and with considerable impact on the national and international economy.

The effects of such restrictive measures and the still uncertain timing of vaccination campaigns may have effects that cannot yet be fully predicted.

However, as in 2020, the Group believes that it has adequate management levers available to counter the effects of the health emergency, operating, as demonstrated by the results, in a resilient business, and it is thus able to confirm the medium-long term prospects set out in the 2021-2023 Business Plan.

Therefore, taking into account the actions already implemented as well as those planned for the coming months, in the absence of events not currently foreseeable, including a possible new lockdown, the Group believes it can rely on the achievement of the annual objectives and more generally of the 2021-2023 Plan.

The Be Group is also in constant contact with the Authorities and health facilities to monitor the evolution of the measures needed to contain the pandemic. The health of its customers and employees is its top priority.

The entire Be Group is fully committed to ensuring that the Italian System soon returns to the utmost levels of competitiveness.

The financial calendar for 2021, as announced, is currently confirmed.

9. Proposal to approve the financial statements and to allocate the profit (loss) for the year

The Board of Directors submits the Financial Statements of Be S.p.A. at 31 December 2020 to the Shareholders' Meeting for approval, which show a net profit of Euro -6,505,133.49 and proposes that the Shareholders' Meeting resolves:

- to approve the Financial Statements at 31 December 2020 of Be S.p.A.;
- to approve the proposal to allocate the net profit for the year, corresponding to Euro 6,505,133.49 as follows:
  - Euro 325,256.72 to the Legal Reserve;
  - Euro 6,179,877.77 to Profit carried forward;
  - to distribute a gross dividend of Euro 0.03 per share, drawn from Profit carried forward.

Milan, 11 March 2021.

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

Consolidated Financial Statements

A. Consolidated Statement of Financial Position

Amounts in EUR thousands	***Notes***	**31.12.2020**	**31.12.2019**
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	2,273	2,161
Rights of use	*2*	9,135	8,679
Goodwill	*3*	70,374	65,060
Intangible Assets	*4*	19,626	19,632
Equity investments in other companies	*5*	1,329	829
Loans and other non-current assets	*6*	830	2,152
Deferred tax assets	*7*	2,884	3,303
Total non-current assets		**106,451**	**101,816**
CURRENT ASSETS			
Inventories	*8*	156	3
Assets deriving from contracts with customers	*9*	9,778	11,513
Trade receivables	*10*	22,014	17,901
Other assets and receivables	*11*	3,574	2,828
Direct tax receivables	*12*	802	890
Financial receivables and other current financial assets	*13*	165	104
Cash and cash equivalents	*14*	60,580	34,185
Total current assets		**97,069**	**67,424**
Total discontinued operations		**0**	**0**
TOTAL ASSETS		**203,520**	**169,240**
SHAREHOLDERS' EQUITY			
Share capital		27,109	27,109
Reserves		20,935	21,144
Net profit (loss) attributable to owners of the Parent Company		7,973	6,087
Group Shareholders' equity		**56,017**	**54,340**
Minority interests:			
Capital and reserves		1,737	1,262
Net profit (loss) attributable to minority interests		1,139	470
Minority interests		**2,876**	**1,732**
TOTAL SHAREHOLDERS' EQUITY	*15*	**58,893**	**56,072**
NON-CURRENT LIABILITIES			
Financial payables and other non-current financial liabilities	*16*	25,482	20,926
Financial liabilities for non-current rights of use	*18*	6,875	6,214
Provision for non-current risks	*22*	1,628	1,649
Post-employment benefits (TFR)	*19*	7,088	6,953
Deferred tax liabilities	*20*	7,759	7,348
Other non-current liabilities	*21*	6,416	6,717
Total Non-current liabilities		**55,248**	**49,807**
CURRENT LIABILITIES			
Financial payables and other current financial liabilities	*17*	22,053	15,572
Financial liabilities for current rights of use	*18*	3,047	3,004
Trade payables	*23*	22,076	12,366
Provision for current risks	*22*	2,300	7,075
Tax payables	*24*	1,481	1,585
Other liabilities and payables	*25*	38,422	23,759
Total Current liabilities		**89,379**	**63,361**
Total discontinued operations		**0**	**0**
TOTAL LIABILITIES		**144,627**	**113,168**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**203,520**	**169,240**

The effects of related party transactions and non-recurring transactions on the consolidated income statement in accordance with Consob Resolution 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***	**2020**	**2019**
Operating revenue	*26*	176,645	148,546
Other revenue and income	*27*	2,164	3,729
Total Revenue		**178,809**	**152,275**
Raw materials and consumables	*28*	(155)	(399)
Service costs	*29*	(74,620)	(59,658)
Personnel costs	*30*	(81,467)	(75,456)
Other operating costs	*31*	(1,928)	(1,344)
Cost of internal work capitalised	*32*	5,868	6,249
Amortisation, depreciation and write-downs:			
Depreciation of Property, Plant and Equipment	*33*	(771)	(826)
Amortisation of Intangible Assets	*33*	(6,111)	(4,957)
Amortisation of Rights of Use	*33*	(3,354)	(2,896)
Impairment loss on Non-current Assets	*33*	0	0
Allocations to provisions	*34*	(1,660)	(749)
Total Operating Costs		**(164,198)**	**(140,036)**
Operating profit (loss) (EBIT)		**14,611**	**12,239**
Financial income		100	101
Financial expense		(1,365)	(1,222)
Effect of measurement at equity		0	0
Total Financial Income/Expense	***35***	**(1,265)**	**(1,121)**
Profit (loss) before tax		**13,346**	**11,118**
Current income taxes	*36*	(3,504)	(3,110)
Deferred tax assets and liabilities	*36*	(730)	(1,451)
Total Income taxes		**(4,234)**	**(4,561)**
Net profit (loss) from continuing operations		**9,112**	**6,557**
Net profit (loss) from discontinued operations		**0**	**0**
Net profit (loss)		**9,112**	**6,557**
Net profit (loss) attributable to minority interests	*15*	**1,139**	**470**
Net profit (loss) attributable to owners of the Parent Company		**7,973**	**6,087**
Earnings (loss) per share:			
Basic earnings per share (Euro)	*37*	**0.06**	**0.05**
Diluted earnings per share (Euro)	*37*	**0.06**	**0.05**

The effects of related party transactions and non-recurring transactions on the consolidated income statement in accordance with Consob Resolution 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	**2020**	**2019**
Net profit (loss)	**9,112**	**6,557**
Items not subject to reclassification in the income statement:		
Actuarial gains (losses) on employee benefits	104	(499)
Tax effect on actuarial gains (losses)	(25)	120
Items subject to reclassification in the income statement		
when certain conditions are met:		
Gains (losses) on cash flow hedges	(5)	(55)
Translation gains (losses)	(583)	348
Other items of comprehensive income	**(509)**	**(86)**
Net comprehensive profit (loss)	**8,603**	**6,471**
Attributable to:		
Owners of the Parent Company	7,464	6,001
Minority interests	1,139	470

D. Consolidated Statement of Cash Flows

Amounts in EUR thousands	*Notes*	2020	2019
Net profit (loss)		9,112	6,557
Amortisation, depreciation and write-downs	*33-34*	10,236	8,679
Non-monetary changes in post-employment benefits (TFR)		1,497	837
Net financial expense in the income statement	*35*	1,377	1,198
Taxes for the year	*36*	3,504	3,110
Deferred tax assets and liabilities	*36*	730	1,451
Losses on current assets and provisions	*33-34*	3,577	4,958
Release of bad debt provisions	*22*	(455)	(408)
Cost of internal work capitalised	*32*	(5,868)	(6,249)
Other non-monetary changes		89	35
Exchange rate conversion differences		(77)	(28)
Cash flow from operating activities		**23,722**	**20,140**
Change in inventories	*8*	(153)	4
Changes in assets deriving from contracts with customers	*9*	1,735	(349)
Change in trade receivables	*10*	(4,589)	(856)
Change in trade payables	*23*	9,710	207
Use of bad debt provisions	*22*	(7,918)	(3,352)
Other changes in current assets and liabilities		13,359	(1,146)
Income taxes paid	*24*	(3,017)	(1,908)
Post-employment benefits (TFR) paid	*19*	(1,319)	(973)
Other changes in non-current assets and liabilities		(2,765)	(951)
Change in net working capital		**5,043**	**(9,324)**
Cash flow from (used in) operating activities		**28,765**	**10,816**
(Purchase) of property, plant and equipment net of disposals	*1*	(883)	(747)
(Purchase) of intangible assets net of disposals	*3*	(409)	(1,562)
Cash flow from business combinations net of cash acquired	*2.13*	(1,751)	(1,936)
(Purchase)/sale of equity investments and securities		(24)	(500)
Cash flow from (used in) investing activities		**(3,067)**	**(4,745)**
Change in current financial assets	*13*	(61)	407
Change in current financial liabilities	*17*	6,493	(4,498)
Financial expense paid		(1,277)	(1,165)
Change in non-current financial liabilities	*16*	4,462	5,354
Repayments of lease liabilities		(3,138)	(2,535)
Cash paid for purchase of share pertaining to third parties		0	(283)
Cash paid to purchase own shares		(2,795)	(2,290)
Distribution of dividends paid to Group shareholders		(2,992)	(2,896)
Contributions from minority interests	*15*	5	10
Cash flow from (used in) financing activities		**697**	**(7,896)**
Cash flow from (used in) discontinued operations			**0**
Cash and cash equivalents		**26,395**	**(1,825)**
Net cash and cash equivalents - opening balance	*14*	34,185	36,010
Net cash and cash equivalents - closing balance	*14*	60,580	34,185
Net increase (decrease) in cash and cash equivalents		**26,395**	**(1,825)**

The effects of related party transactions and non-recurring transactions on the consolidated income statement in accordance with Consob Resolution 15519 of 27 July 2006 are illustrated in a specific statement of financial position in paragraph 5.3.

E. Statement of Changes in Consolidated Shareholders' Equity

Amounts in EUR thousands	Share capital	Reserves and profit carried forward	Profit (loss) for the year	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)			6,087	6,087	470	6,557
Other items of comprehensive income		(86)		(86)		(86)
Net comprehensive profit (loss)		**(86)**	**6,087**	**6,001**	**470**	**6,471**
Allocation of prior year profit (loss)		5,481	(5,481)			
Purchase of own shares		(2,289)		(2,289)		(2,289)
Capital contributions					10	10
Dividend distribution		(2,896)		(2,896)	0	(2,896)
(Purchases)/Disposals of Minority Interests		472		472	(472)	0
SHAREHOLDERS' EQUITY AT 31.12.2019	**27,109**	**21,144**	**6,087**	**54,340**	**1,732**	**56,072**
Net profit (loss)			7,973	7,973	1,139	9,112
Other items of comprehensive income		(509)	0	(509)	0	(509)
Net comprehensive profit (loss)		**(509)**	**7,973**	**7,464**	**1,139**	**8,603**
Allocation of prior year profit (loss)		6,087	(6,087)			0
Purchase of own shares		(2,795)		(2,795)	0	(2,795)
Contributions from minority interests					5	5
Dividend distribution		(2,992)		(2,992)	0	(2,992)
SHAREHOLDERS' EQUITY AT 31.12.2020	**27,109**	**20,935**	**7,973**	**56,017**	**2,876**	**58,893**

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 (including Professional Services) and Digital Business (CGU created starting from the first half of 2020). 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 over 1,400 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, the Ukraine, Spain and Romania, in 2020 the Group recorded total revenues of Euro 178.8 million.

Be Shaping the Future 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 consolidated financial statements at 31 December 2020 were approved for publication by the Parent Company Board of Directors on 12 March 2020.

2. Measurement criteria and accounting standards

2.1. Presentation criteria

The consolidated financial statements of the Be Group at 31 December 2020 have been prepared in compliance with the *International Financial Reporting Standards* (IFRS) *issued by the International Accounting Standards Board ("IASB")* and endorsed by the European Union, as well as with provisions issued in implementation of art. 9 of Italian Legislative Decree 38/2005. The above standards are integrated with IFRIC (*International Financial Reporting Interpretations Committee*) and SIC (*Standing Interpretations Committee*) interpretations. The 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 permitted by IAS 1.

The consolidated statement of cash flows indicates cash flows during the year and classified as operating, investing or 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 2.14 "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.

This document is compared with the previous consolidated financial statements, drawn up on the same criteria; the closing date of the financial year, which lasts 12 months, is 31 December of each year. 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 2.4 "Disclosure on going concern assumptions".

The accounting principles adopted are in line with those adopted last year, with the exception of any effects resulting from the application of new accounting standards, detailed below in paragraph 2.10 "IFRS accounting standards, amendments and interpretations applicable from 1 January 2020".

2.2. Discretionary measurements and significant accounting estimates

Preparation of the 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.

2.3. Uncertainty of estimates

When applying the Group accounting standards, as at the reporting date, the Directors have taken decisions based on key assumptions regarding the future trends in operations and the overall macroeconomic performance which, if unexpected, could lead to adjustments to the book values of assets and liabilities. Intangible assets and goodwill, in fact, represent a significant share of the Group's assets. More specifically, goodwill is tested for impairment at least once a year; said testing entails estimating the value in use of the cash flow generating units to which the goodwill pertains, which in turn consists of an estimate of the expected cash flows of said units and their discounting based on an appropriate discount rate. The assumptions made to determine the value in use of the individual cash flow generating units, to support said asset values, may not necessarily be fulfilled and may lead to adjustments of book values in the future.

The 2021-2023 Business Plan, approved by the Board of Directors' Meeting held on 22 February 2021 (hereinafter "2021-2023 Plan"), was prepared by the Directors for the purpose of Impairment testing, 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 that management expects 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; they are therefore characterised by a greater degree of chance, and in the case in hand mainly relate to the trend with moderate and significant growth, respectively, in the ICT Solutions and Business Consulting segments, in terms of volumes as well as margins, based on ongoing and constant expansion onto the market, as well as a trend of more accentuated growth in volumes than the Digital segment, driven by the digital transformation of the financial institutions.

Consequently, the Directors acknowledge that the strategic objectives identified in the 2021-2023 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.

Any failure to implement said initiatives could result in lower economic results with consequent negative effects on the Group's income statement and statement of financial position and on whether the future cash flows on which the estimated value in use to support the recoverability of goodwill recorded under assets is based, amongst other things, can be achieved.

In this regard, although at a time of general uncertainty generated by the spread, in 2020, of Covid 19 (Coronavirus) and by the consequent restrictive measures set in place to contain it, at present we believe that the grounds on which the forecasts of future cash flows used for impairment testing were based can still be considered valid. Nevertheless, we cannot rule out the possibility that the continuation of the current situation of uncertainty may have economic impacts, which, on the date of preparation of the financial statements, cannot be quantified or estimated. Therefore, it is important to note that, based on the coverage resulting from impairment testing of asset values recognised, at present the Directors do not believe there are any elements of uncertainty as to the recoverability of the same, although they will be continuously monitored during the rest of the year. Further details on the considerations of the Directors with regard to the spread of the Coronavirus are provided in the Management Report.

2.4. Disclosure on going concern assumptions

The 2021-2023 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.

In relation to the Covid-19 emergency, the Be Group continued to operate, safeguarding the health of its employees and partners and expanding the use of remote working methods where possible. At the operational level, business continuity has been guaranteed everywhere.

Specifically, as already stated in the Management Report, given the particular type of Be Group's reference market - mainly large Financial Institutions - the Covid-19 pandemic had almost no impact on the company's business during 2020. Indeed, all of the major Financial Institutions accelerated their Digital transformation process and the Group offered full support to all of its customers. In addition, it should be considered that the Financial Institutions, which account for almost all of the Be Group's customers, carry out services that have been deemed "essential" by the Ministerial Decree and have maintained their operations even during the lock-down periods.

Therefore, in the light of the above and by virtue of the results achieved by the Group in 2020, in accordance with the macroeconomic scenario, the assumptions made at the time of approving the 2020 financial statements can be confirmed, with reference also to the growth objectives set for the year 2021 and more generally for the entire 2021-2023 Business Plan.

Last but not least, a number of transactions are worth mentioning (see paragraph 5 "Significant events involving the Group in 2020" and paragraph 8 "Events after 31 December 2020 and business outlook"), which confirm the Group's ability to face its internal and external growth strategy.

Given the above and given the contents of paragraph 8 "Events after 31 December 2020 and business outlook" in the Management Report, the Directors considered going concern assumptions to be appropriate in preparing the 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.

2.5. 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 6064293 of 28 July 2006:

Company name	Registered office	Share capital	Currency	Parent Company	% interest	Minority interests
Be Shaping the Future S.p.A.	Rome	27,109,165	EUR			
Be Shaping the Future Corporate Services S.p.A.	Rome	450,000	EUR	Be Shaping the Future S.p.A.	100%	0%
Dream of Ordinary Madness Entertainment S.r.l.	Milan	10,000	EUR	Be Shaping the Future S.p.A.	51%	49%
Human Mobility S.r.l.	Milan	10,000	EUR	Be Shaping the Future S.p.A.	51%	49%
Be Management Consulting S.p.A.	Rome	120,000	EUR	Be Shaping the Future S.p.A.	100%	0%
Be DigiTech Solutions S.p.A.	Rome	7,548,441	EUR	Be Shaping the Future S.p.A.	100%	0%
Be Think Solve Execute RO S.r.l.	Bucharest	22,000	RON	Be Shaping the Future S.p.A.	100%	0%
Iquii S.r.l.	Rome	10,000	EUR	Be DigiTech Solutions S.p.A.	51%	49%
Juniper Extensible Solutions S.r.l.	Trento	10,000	EUR	Be DigiTech Solutions S.p.A.	51%	49%
Be Shaping the Future sp z.o.o	Warsaw	1,000,000	PLN	Be Management Consulting S.p.A.	100%	0%
Tesla Consulting S.r.l.	Bologna	10,000	EUR	Be Management Consulting S.p.A.	60%	40%
Be Ukraine LLC	Kiev	20,116	UAH	Be Management Consulting S.p.A.	100%	0%
Be Shaping the Future Management Consulting Ltd	London	91,898	GBP	Be Management Consulting S.p.A.	100%	0%
Payments and Business Advisors S.l.	Madrid	3,000	EUR	Be Management Consulting S.p.A.	60%	40%
Paystrat Solutions SL (Pyngo)	Madrid	10,265	EUR	Payments and Business Advisors S.l.	65%	35%
Be Shaping the Future GmbH	Munich	102,258	EUR	Be Management Consulting S.p.A.	90%	10%
Be Shaping The Future AG	Munich	1,882,000	EUR	Be Shaping the Future GmbH	100%	0%
Be Shaping The Future GmbH	Vienna	35,000	EUR	Be Shaping the Future GmbH	100%	0%
Be TSE Switzerland AG	Zurich	100,000	CHF	Be Shaping the Future GmbH	100%	0%
FIMAS GmbH	Frankfurt	25,000	EUR	Be Shaping the Future GmbH	60%	40%
Confinity GmbH	Magdeburg	50,000	EUR	FIMAS GmbH	100%	0%

Compared to 31 December 2019, the scope of consolidation has been altered by the following events:

- in April 2020, Be acquired 51% of the capital of the company Dream of Ordinary Madness Entertainment S.r.l., operating in the business area dedicated to digital engagement, with considerable focus on the European Financial Industry. The parties also agreed on a "Put & Call" structure to purchase the residual capital in two tranches by 2027.
- in June 2020, Be created a centre of excellence dedicated to solutions supporting human mobility. The aim is not only to provide a high-impact tool for the return to normality but to design an entire ecosystem of services designed to facilitate the life and movement of people within companies. Starting from an idea of Stefano Quintarelli, Luca Mastrostefano and Marco Locatelli (minority shareholders), the company "Human Mobility S.r.l." is 51% owned by the Be Group. However, also note that in January 2021, the company Human Mobility S.r.l. was placed into liquidation and development of the business model was transferred over to Be Management Consulting S.p.A.

- note that in April 2020, following the implementation of the Group's Rebranding&Positioning project, the companies Be Consulting Think, Project & Plan S.p.A., Be Solutions Solve, Realize & Control S.p.A. and Targit GmbH changed their company name to Be Shaping The Future, Management Consulting S.p.A. (Be Management Consulting S.p.A. for short), Be Shaping The Future, DigiTech Solutions S.p.A. (Be Solutions S.p.A. or Be DigiTech Solutions S.p.A. for short) and Be Shaping the Future GmbH, respectively. Moreover, in August, the company Be Think, Solve and Execute, sp zo.o changed its name to Be Shaping the Future, sp zo.o, just as in September the companies Be Think, Solve Execute GmbH and Ibe Tse Limited changed their names to Be Shaping the Future GmbH and Be Shaping the Future Management Consulting Limited, respectively.

2.6. 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 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.

2.7. 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 year. 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.

2.8. 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 2020 - 2019 financial statements in foreign currencies:

Exchange rates

Currency	2020 average	31.12.2020	2019 average	31.12.2019
British Pound (GBP)	0.8894	0.8990	0.8774	0.8508
Polish Zloty (PNL)	4.4436	4.5597	4.2974	4.2568
Ukrainian Hryvnia (UAH)	30.8263	34.7689	28.9235	26.7195
Romanian Leu (RON)	4.8381	4.8683	4.7457	4.7830
Swiss Franc (CHF)	1.0703	1.0802	1.1126	1.0854

2.9. Accounting principles

The accounting principles adopted in these Financial Statements are in line with those adopted last year, with the exception of any effects resulting from the application of new accounting standards, detailed below.

2.9.1. Intangible assets

Intangible assets acquired separately are recognised at cost, while those acquired through business combination transactions are recognised at fair value on the date of acquisition. After initial recognition, intangible assets are recognised at cost, net of any accumulated amortisation and any accumulated impairment losses. Intangible assets produced internally, with the exception of application software development costs, are not capitalised and are recognised in the income statement of the year in which they were incurred.

The useful life of intangible assets is classified as finite or indefinite. Intangible assets with a finite useful life are amortised for the period of the same and tested for impairment whenever there is evidence of possible impairment. The period and the amortisation method applied to the same is reviewed at the end of each year or more frequently, if retained necessary. Changes in the expected useful life or in the way in which the future economic benefits related to the intangible asset are consumed by the Group are recognised by changing the period or the amortisation method, as needed, and are treated as changes in accounting estimates.

The amortisation charges for intangible assets with finite useful life are recognised in the income statement under the specific item amortisation of intangible assets.

The useful life attributed to the various categories of asset is the following:

- patent rights and intellectual property rights - from 3 to 10 years;
- IT platforms - from 3 to 10 years;
- concessions, licences and trademarks - the shorter between the duration of the right or 5 years;
- other software - 3 years.

Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The gains or the losses resulting from the sale of an intangible asset are measured as the difference between the net sales income and the book value of the asset and are recognised in the income statement at the time of sale.

2.9.1.1. Research and development costs

Research costs are booked to the income statement at the time they are incurred.

The development costs incurred with relation to a specific project are capitalised under intangible assets only when the Company can demonstrate the technical feasibility of completing the intangible asset, making it available for use or for sale, its intention to complete said asset to use it or to sell it, the way in which the same will generate potential future economic benefits, the availability of technical, financial or other resources required to complete the development and its ability to reliably assess the cost attributable to the asset during its development. After initial recognition, development costs are measured at cost, less any accumulated amortisation or loss. Any development costs capitalised are amortised with regard to the period in which the related project is envisaged to generate revenue for the Group.

The book value of development costs is re-assessed annually in order to ascertain any impairment losses, when the asset is not yet in use, or more frequently when there is evidence of a potential impairment loss in the year.

2.9.2. Rights of use

For rights of use, refer to note 2.9.16.

2.9.3. Goodwill

Goodwill acquired through a business combination is represented by the surplus cost of the business combination with respect to the pertinent share of equity measured at present values relating to the amounts of the identifiable assets, liabilities and potential liabilities acquired. After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. The recoverability of goodwill is assessed at least once a year or more frequently if events or changes occur that could lead to any impairment loss (Impairment test).

Goodwill resulting from acquisitions made prior to the date of transition to IFRS standards is maintained at the values resulting from the application of Italian accounting principles and said value is tested for impairment annually.

To assess recoverability, the goodwill acquired through business combinations is allocated, from the acquisition date, to each of the cash flow generating units (or groups of units) that are retained to benefit from the synergies resulting from the acquisition, regardless of the allocation of other assets or liabilities acquired. Each unit or group of units to which goodwill is allocated:

- represents the lowest level within the Group at which goodwill is monitored for internal management purposes;
- is not higher than an operating segment as defined by IFRS 8 "Operating Segments".

Impairment losses are determined by establishing the recoverable amount of the cash flow generating unit (or group of units) to which the goodwill is allocated. When the recoverable amount of the cash flow generating unit (or group of units) is lower than the book value, an impairment loss is recognised. In cases in which the goodwill is allocated to a cash flow generating unit (or group of units) whose assets are partially disposed of, the goodwill associated to the asset sold is considered when establishing any gain or loss resulting from the transaction. In these circumstances, the goodwill transferred is measured on the basis of the values relating to the asset disposed of with respect to the asset still held with relation to the same unit.

At the time of disposal of a part or of an entire business previously acquired and whose acquisition gave rise to goodwill, when establishing the gains or losses on disposal, the corresponding residual value of the goodwill is taken into consideration.

2.9.4. Property, plant and equipment

Property, plant and equipment are recognised at historical cost, including directly attributable accessory costs and financial expense and needed to bring it to the working condition for which the asset was purchased, plus, when relevant and in the presence of present obligations, the present value of the cost estimated to dismantle and remove the asset.

When significant parts of these property, plant and equipment have different useful lives, these components are depreciated separately. Land, both unbuilt and related to buildings, is not depreciated insofar as it has an indefinite useful life.

The rates of depreciation used are as follows:

Rates of depreciation

Description of asset	Depreciation rate
Plant and machinery	From 15% to 20%
Fixtures and fittings, tools and other equipment	15%
Other assets:	
Office furniture and machines	12%
Electronic office machines	20%
Leasehold improvements	according to the term of the contract

The book value of property, plant and equipment is tested to reveal any impairment losses, when events or changes in situations indicate that the book value cannot be recovered. If there is evidence of this nature and in the event in which the book value exceeds the estimated recoverable amount, the assets are written down to reflect their recoverable amount. The recoverable amount of property, plant and equipment is represented by the higher between the net sale price and the value in use. When establishing the value in use, the expected future cash flows are discounted using a pre-tax discount rate which reflects the present market estimate of the cost of money with relation to the time and to the specific risks of the asset. For assets that do not generate fully independent cash flows, the recoverable amount is established in relation to the cash flow generating unit to which said asset belongs. Impairment losses are booked to the income statement under costs for amortisation, depreciation and write-downs. These impairment losses are reversed in the event in which the reasons that generated them should cease to exist.

At the time of sale or when the expected future benefits from the use of an asset no longer exist, it is derecognised from the financial statements and any gain or loss (calculated as the difference between the sale value and the book value) is booked to the income statement in the year of said derecognition. The residual value of the asset, the useful life and the methods applied are reviewed annually and adjusted if necessary at the end of each year.

2.9.5. Impairment loss on assets

On the closing date of the annual financial statements, the existence of impairment losses on assets is assessed. In said case, or in cases in which annual impairment testing is required, the recoverable amount is estimated. The recoverable amount is the higher between the fair value of an asset or cash flow generating unit net of sale costs, and its value in use, and is established by individual asset, unless said asset generates cash flows which are fully independent of those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable amount, said asset has suffered an impairment loss and is consequently written down to its recoverable amount. When establishing the value in use, estimated future cash flows are discounted at the present value at a discount rate which reflects market valuations on the temporary value of money and the specific risks of the asset. The impairment losses suffered by continuing operations are booked to the Income Statement under the cost category pertaining to the function of the asset that has suffered the impairment loss. On the closing date of the annual financial statements, an assessment is made as to whether the impairment loss previously recognised is still valid (or should be reduced) and a new recoverable amount is estimated.

The value of an asset previously written down (with the exception of goodwill) may be restated only if there are changes in the estimates used to establish the recoverable amount of the asset after the last recognition of an impairment loss. In this case, the book value of the asset is brought to its recoverable amount, although the increased value must not exceed the book value that would have been determined, net of amortisation or depreciation, if no impairment loss had been recognised in previous years. Each reversal is recognised as income on the income statement, unless the asset is recognised at a revalued amount, the case in which the reversal is treated as a revaluation. After an impairment loss has been reversed, the amortisation or depreciation charges of the asset are adjusted in future periods, in order to share the changed book value, net of any residual value, on a straight-line basis over the remaining useful life.

2.9.6. Financial assets

Based on the characteristics of the instrument and the business model adopted for its management, financial assets are classified into the following three categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value through other comprehensive income; (iii) financial assets measured at fair value through profit or loss.

Initial recognition is at fair value. After initial recognition, the financial assets that generate contractual cash flows exclusively representing payments of principal and interest are measured at amortised cost if they are held for the purpose of collecting the contractual cash flows (known as the hold to collect business model). According to the amortised cost method, the value of initial recognition is later adjusted to take repayments of principal, any write-downs and the amortisation of the difference between the repayment value and the initial recognition value into account. Amortisation is made on the basis of the internal effective interest rate that represents the rate that renders the present value of the expected cash flows and the value of initial recognition equal.

The receivables and other financial assets measured at amortised cost are shown in the statement of financial position net of the relative bad debt provision.

Financial assets whose business model envisages both the option of collecting the contractual cash flows and that of recognising gains on disposals (known as the hold to collect and sell business model), are measured at fair value through other comprehensive income. In this case, any changes in the fair value of the instrument are recognised in shareholders' equity, under other components of comprehensive income. The cumulative amount of fair value changes, booked to the equity reserve that encompasses other components of comprehensive income, is reversed to the income statement when the instrument is eliminated from the accounts. The interest income calculated by using the effective interest rate, exchange rate differences and write-downs is recognised in the income statement.

A financial asset not measured at amortised cost or at fair value through other comprehensive income is measured at fair value through profit or loss; this includes financial assets held for trading. The financial assets disposed of are eliminated from assets when the contractual rights related to obtaining the cash flows associated to the financial instrument expire, or are transferred to third parties.

2.9.7. Inventories

Warehouse inventories are recognised at the lower between the purchase or production cost and the net recoverable amount represented by the amount that the enterprise expects to obtain from their sale during the normal course of business.

The cost of inventories is determined by applying the weighted average cost. The value of inventories obtained in this way is then adjusted by a specific "provision for obsolete goods", to take into account goods whose recoverable amount is lower than their cost.

2.9.8. Trade receivables and other receivables

Trade receivables and other receivables are recognised at their face value, which corresponds to the value determined by applying the amortised cost method, and subsequently reduced by any impairment losses established in accordance with the content of notes 2.9.5 and 2.9.19. Trade receivables and other receivables which are not due within standard trading terms and which do not generate interest, are discounted.

2.9.9. Cash and cash equivalents

Cash and cash equivalents include cash and demand and short-term deposits, in the latter case whose original maturity is three months or less, and are recognised at their face value.

2.9.10. Own shares

Own shares that are repurchased are deducted from Shareholders' Equity. The purchase, sale, issue or cancellation of instruments representing share capital do not generate the recognition of any gain or loss in the income statement.

2.9.11. Employee benefits

Short-term employee benefits, namely due within twelve months of the end of the year in which the employee has worked, are recorded as a cost and as a liability for an amount corresponding to the non-discounted amount that should be paid to the employees for their service. Instead, long-term benefits, such as those to be paid beyond twelve months from the end of the year in which the employee worked, are recognised as a liability for an amount corresponding to the current value of the benefits on the date of the financial statements.

Post-employment benefits reflect the amount accrued in favour of employees, in accordance with the law in force and collective labour agreements. The liabilities relating to defined benefit plans, net of any assets serving the plan, are determined on the basis of actuarial assumptions and are recognised on an accrual basis in accordance with the work performed required to obtain the benefits; these liabilities are measured by independent actuaries. From 1 January 2007, the nature of Provisions for post-employment benefits changed from "defined benefit plans" to "defined contribution plans". For IAS purposes, post-employment benefits (TFR) provisions accrued at 31 December 2006 continue to be considered a defined benefit plan. The accounting treatment of the amounts maturing from 1 January 2007 is therefore similar to that existing for payments of other types of contribution, both in the case of the supplementary pension plan option, and in the case in which it is paid into the Treasury Fund held by INPS.

As regards the liabilities relating to the defined benefit plan, IAS 19 envisages that all of the actuarial profits and losses accrued at the date of the financial statements should be immediately recognised in the "Statement of Comprehensive Income" (Other Comprehensive Income, hereafter OCI).

2.9.12. Provisions for risks and charges

Provisions for risks and charges regard costs and charges of a specific nature, whose existence is certain or likely, for which at the closing date of the reference period, the amount or contingency date has not been established. Provisions are recognised in the presence of a present obligation (legal or implicit) which originates from a past event, when an outlay of resources to meet the obligation is likely, and a reliable estimate of the amount of the obligation can be made.

Provisions are recognised at a value that represents the best estimate of the amount that the company should pay to extinguish the obligation or to transfer it to third parties on the closing date of the period. If the effect of discounting is significant, the provisions are calculated by discounting the expected future cash flows at a pre-tax discount rate which reflects the present market valuation of the cost of money with relation to time.

When the discounting is performed, the increase of the provision due to the passing of time is recognised as a financial charge.

2.9.13. Trade payables and other payables

Trade payables and other payables are initially recognised at cost, namely at the fair value of the amount paid during the course of the transaction. Subsequently, payables that have a fixed due date are measured at amortised cost, using the effective interest rate method, while payables without a fixed due date are measured at cost. Short-term payables, for which the accrual of interest has not be agreed, are measured at their face value. The fair value of long-term payables has been established by discounting future cash flows: the discount is recognised as a financial charge over the term of the payable until due.

2.9.14. Financial liabilities

Financial liabilities, other than derivatives, are initially recognised at fair value less any transaction costs; subsequently, they are recognised at amortised cost for the purpose of discounting the effective interest rates as illustrated in paragraph 2.9.6. "Financial assets" above.

Financial liabilities are eliminated when they are extinguished, namely when the obligation specified in the contract has been fulfilled, cancelled or has expired.

2.9.15. Grants

A Government grant is recognised when there is reasonable certainty that it will be received and all conditions relating to the same have been met. When grants related to income regard cost components, they are deducted from the costs to which they refer. In the event in which a grant relates to an asset, the fair value is recognised as a reduction of the value of the assets to which it refers, with a consequent reduction of amortisation or depreciation charges.

2.9.16. Leased assets

Assets acquired through lease agreements are recognised in property, plant and equipment under a specific item called "Rights of use" at an amount corresponding to the value of the financial liability calculated on the basis of the present value of future payments discounted by using the incremental borrowing rate for each agreement. The debt is progressively reduced based on the repayment plan of the principal amount included in the payments envisaged in the agreement, the interest amount is instead recognised in the income statement and classified as financial expense.

The value of the right of use is systematically depreciated on the basis of the expiry terms of the lease agreement, also considering the likely renewal of the agreement in the presence of an enforceable renewal option. Payments relating to lease agreements with a term equal to or less than 12 months, and agreements whose underlying asset is of low value are recognised on a straight line basis in the income statement based on the term of the agreement.

2.9.17. Revenue

Revenue is recognised to the extent to which it is likely that the economic benefits will be consumed by the Group and the relative amount can be reliably determined.

The process underlying the recognition of revenues follows the phases envisaged by IFRS 15:

- identification of the contract: this occurs when the parties approve the contract (with commercial substance) and identify their respective rights and obligations: in other words, the contract must be legally binding, the rights to receive goods and/or services and the terms of payment can be clearly identified, and the Group considers it probable that the consideration will be received;
- identification of the performance obligations: the main performance obligations identified, namely the promises to transfer services to third-party companies;
- determination of the transaction price: this is the total amount contracted with the counterparty, with regard to the entire duration of the contract;
- allocation of the transaction price to the performance obligations: the allocation is made in proportion to the respective stand alone selling prices, contractually established or estimated by applying an appropriate margin to the cost of providing the service/good.

Specifically:

- revenues for the development of consulting projects are recognised over time, based on the periodic progress of the services provided, which, according to the contractually envisaged consideration, leads to the unconditional right to payment by the customer.
- other types of revenue (e.g., sale of software licences) are recognised on a "point-in-time" basis, as the Group fulfils its obligations and recognises revenues based on the events underlying the provision of products and services.

In cases in which extensions are granted to the customer not at normal market conditions, without accruing interest, the amount that will be collected is discounted. The difference between the present value and the amount collected represents financial income and is recorded on an accrual basis.

- Interest: is recognised as financial income when the applicable interest income has been established (calculated using the effective interest method which is the rate that exactly discounts the expected future cash flows based on the expected life of the financial instrument at the net book value of the financial asset).
- Dividends: are recognised when the right of shareholders to receive payment arises.

2.9.18. Costs of goods and services

In accordance with the accrual principle, the above costs are recognised in the Income Statement and contribute to reducing economic benefits, in the form of cash outflows or the reduction of the value of an asset or the incurrence of a liability.

2.9.19. Write-down of financial assets

The measurement of the recoverability of financial assets not measured at fair value through profit or loss is made on the basis of the so-called "Expected Credit Loss model".

More specifically, expected losses are usually calculated on the basis of the product between: (i) the exposure to the counterparty net of relative mitigating factors ("Exposure at Default"); (ii) the probability that the counterparty does not meet its payment obligations ("Probability of Default"); (iii) the estimate, in percentage terms, of the quantity of credit that will not be able to be recovered in the event of default ("Loss

Given Default"), defined, based on past experience and potential action for recovery (e.g. out-of-court solutions, legal disputes etc.).

The recoverability of the financial receivables related to subsidiaries is measured also considering the outcome of underlying business initiatives and the macroeconomic scenarios of the countries in which the investee companies operate.

2.9.20. Current and deferred taxes

Deferred tax assets and liabilities are calculated on the temporary differences arising on the date of the financial statements between the tax amounts taken as reference for assets and liabilities and the amounts shown in the financial statements.

Deferred tax liabilities are recognised against all taxable temporary differences, with the exception of:

- when the deferred tax liabilities originate from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and which, at the time of said transaction, does not impact the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- with reference to taxable temporary differences associated to equity investments in subsidiaries, associates or joint ventures, if the reversal of the temporary differences may be checked and it is likely that it will arise in the foreseeable future.

Deferred tax assets are recognised against all deductible temporary differences to the extent that the existence of adequate future tax income is likely, which can render the use of the deductible temporary differences applicable, with the exception of the case in which:

- the deferred tax assets related to the deductible temporary differences originate from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of said transaction, does not impact the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- with regard to taxable temporary differences associated to equity investments in subsidiaries, associates or joint ventures, the deferred tax assets are recognised only to the extent to which it is likely that the deductible temporary differences will be paid again in the future or there is adequate taxable income against which the temporary differences may be used. The likelihood of recovering deferred tax assets is assessed with reference, in particular, to taxable income expected in subsequent years and to the tax strategies that the Group intends to adopt (for example, tax consolidation agreements).

The value of deferred tax assets to be reported in the financial statements is reviewed on the closing date of the financial statements.

Deferred tax assets that are not recognised are reviewed annually on the closing date of the financial statements.

Deferred tax assets and liabilities are measured on the basis of the tax rates that are expected to be applied to the year in which the assets are realised or the liabilities are extinguished, on the basis of rates that will be issued or substantially issued on the date of the financial statements.

Income taxes relating to items recognised directly under shareholders' equity are booked to shareholders' equity and not to the income statement.

Deferred tax assets and liabilities are offset, when there is a legal right to offset current tax assets against current tax liabilities and said deferred taxes are enforceable vis-à-vis the tax authority in question.

Be Shaping the Future S.p.A (hereinafter "Be S.p.A."), the consolidating Parent Company, has a tax consolidation option for the three-year period 2018-2020 with subsidiary Be Shaping The Future, DigiTech Solutions S.p.A. (hereinafter "Be Solutions"), for the three-year period 2019-2021 with subsidiary Juniper S.r.l. and for the three-year period 2020-2022 with subsidiaries Be Shaping The Future, Management Consulting S.p.A. (hereinafter "Be Management Consulting S.p.A."), Be Shaping the Future Corporate Services S.p.A., Iquii S.r.l., Tesla S.r.l and Human Mobility S.r.l.

Note that, Italian Legislative Decree 147 dated 14 September 2015 (so-called Internationalisation decree) introduced the regime of the so-called "branch exemption", namely the option of exempting the income (and the losses) of permanent foreign organisations, who are therefore taxed exclusively in the Country in which the permanent organisation is located. Therefore, iBe Think Solve Execute Ltd-Italian Branch also chose this option until FY 2020.

Economic, equity and financial transactions resulting from the application of tax consolidation are regulated by a "tax consolidation contract" which disciplines the legal relationships resulting from the national tax consolidation scheme. On the basis of this agreement, against taxable income recorded and transferred to the Parent Company, the Subsidiary undertakes to recognise "tax adjustments" corresponding to the sum of the relative taxes due on the income transferred to the Parent Company.

2.9.21. Foreign currency translation

The currency adopted for the consolidated financial statements is the Euro. Transactions in currencies other than the Euro are initially recognised at the exchange rate in force (against the functional currency) on the date of the transaction. Monetary assets and liabilities, denominated in currencies other than the Euro, are reconverted into the functional currency in force on the closing date of the financial statements. All exchange rate differences are recognised in the income statement. Non-monetary items measured at historical cost in currencies other than the Euro are converted by the exchange rates in force on the date of initial recognition of the transaction. Non-monetary items measured at fair value in currencies other than the Euro are converted by the exchange rates in force on the date said value was determined.

2.9.22. Business combinations

Business combinations are recognised according to the acquisition method, as envisaged by IFRS 3 - Business combinations.

Business combinations are recognised according to the acquisition method. Based on this method, the consideration transferred into a business combination is recognised at fair value, calculated as the sum of the fair values of the assets transferred and the liabilities taken on by the Group as at the acquisition date and the capital instruments issued in exchange for control of the acquired enterprise.

At the acquisition date, the identifiable assets acquired and liabilities taken on are recognised at their fair value as at the acquisition date, except for the following items, which are instead measured based on their reference principle:

- deferred tax assets and liabilities;

- assets and liabilities for employee benefits;
- liabilities or equity instruments relating to share-based payments of the acquired enterprise or share-based payments relating to the Group issued in substitution of contracts of the acquired enterprise;
- assets held for sale and discontinued assets and liabilities.

Goodwill is calculated as the excess of the sum of the consideration amounts transferred in the business combination, the amount of equity attributable to third-party interests and the fair value of any previously held equity investment in the acquired enterprise with respect to the fair value of the net assets and liabilities acquired at the acquisition date. If the value of the net assets and liabilities acquired at the acquisition date exceeds the sum of the consideration amounts transferred, the amount of equity attributable to third-party interests and the fair value of any previously held equity investment in the acquired enterprise, this excess ("Negative goodwill") is recognised immediately in the income statement as income from the completed transaction.

The portions of equity attributable to third-party interests at the acquisition date may be measured either at fair value (taking into account any options or other rights held by third parties) or at the proportionate share of net assets recognised for the acquired enterprise. The choice of the measurement method is made transaction by transaction. The costs connected to business combinations are recognised in the income statement.

Any liabilities related to business combinations for contingent payments are recognised at the estimated fair value at the date of acquisition of the businesses and business branches related to the business combinations. In the event of disposal of a part or of an entire enterprise previously acquired and whose acquisition gave rise to goodwill, when establishing the gains or losses on disposal, the corresponding residual value of the goodwill is taken into consideration. In the case of business combinations that are performed in stages, the equity investment previously held in the acquired enterprise and measured at fair value on the date on which control was acquired and any resulting gains or losses are booked to the Income Statement under Gains/(losses) from disposal of equity investments. Any amounts resulting from the previously held equity investment and recognised under Other total gains and losses are reclassified in the Income Statement as if the equity investment had been disposed of.

2.9.23. Earnings per share

Earnings per share are calculated by dividing the net profit/loss for the period pertaining to the ordinary shareholders of the Parent Company by the average number of ordinary shares outstanding during the period, calculating and showing the effect between assets used in business operations and assets held for sale separately.

Diluted earnings also include the effect of all financial instruments outstanding that have a potentially dilutive effect.

2.9.24. Derivative financial instruments and hedges

Derivative financial instruments, including embedded derivatives are assets and liabilities recognised at fair value according to IAS 39.

With regard to the strategy and objectives established for risk management, the qualification of transactions as hedges requires:

- verifying the existence of an economic relationship between the item hedged and the hedging instrument so that relative changes in value are offset and that this offsetting capacity is not influenced by the level of credit risk of the counterparty;

- defining a hedge ratio consistent with the objectives of risk management, as part of the risk management strategy established, making the appropriate rebalancing measures where necessary.

When hedging derivatives hedge the risk of changes in the fair value of the instruments hedged (fair value hedge), the derivatives are measured at fair value through profit or loss; likewise, the hedged instruments are adjusted to reflect the fair value changes associated to the risk hedged in profit or loss, regardless of the provision of a different measurement criterion generally applicable to the type of instrument in question.

When derivatives hedge the risk of changes in the cash flows of the instruments hedged (cash flow hedge), the changes in the fair value of the derivatives considered effective are initially recognised in the equity reserve relating to other comprehensive income components and later through profit or loss consistent with the economic effects produced by the transaction hedged. In the event of the hedging of future transactions, which entails recognising a non-financial asset or liability, the cumulative changes in the fair value of the hedging derivatives, recognised under shareholder's equity, are booked to adjust the recognition value of the non-financial assets/liabilities hedged (called basis adjustment). The non-effective portion of the hedge is recognised in the Income Statement item "(Charges)/Income from derivative instruments".

At 31 December 2020, the Group had four swaps in place after entering into three loan agreements with a term of five years, at a floating rate of interest.

2.9.25. Liabilities for Put & Call

Put & Call contracts that envisage the right of minority shareholders to sell their minority interests, generate a liability for the Group in the Consolidated Financial Statements. Said liabilities are recognised at fair value with the simultaneous reduction of the equity attributed to the minority shareholders. Subsequently, the liabilities are measured at fair value and the relative changes are booked to the income statement.

2.10. IFRS Accounting Standards, amendments and interpretations applicable from 1 January 2020

The accounting standards adopted are the same as for the previous year, except for those entering into force from 1 January 2020, and adopted by the Group for the first time, i.e.:

- 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 make 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 adoption of this amendment has had no effect on the Group's Consolidated Financial Statements.

- On 29 March 2018, the IASB published an amendment to the "**References to the Conceptual Framework in IFRS Standards**". The amendment applies to periods starting on 1 January 2020 or later, although early application is permitted. The Conceptual Framework establishes the fundamental concepts for financial disclosures and guides the Board in the development of IFRS standards. The document helps to guarantee that the Standards are conceptually consistent and that similar transactions are treated in the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework provides support to enterprises in developing accounting standards when no IFRS standard is applicable to a specific transaction and, more generally, helps the interested parties understand and interpret the Standards.

The adoption of this amendment has had no effect on the Group's Consolidated Financial Statements.

- On 26 September 2019, the IASB published an amendment called "**Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform**". The same amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures. More specifically, the amendment changes some of the requirements requested for the application of hedge accounting, envisages temporary departures from the same, in order to mitigate the impact resulting from the uncertainty of the IBOR reform on future cash flows in the period prior to its completion. The amendment also requires companies to provide additional information in their financial statements regarding their hedges that are directly affected by the uncertainties generated by the reform and to which the above-mentioned departures may be applied.

  The adoption of this amendment has had no effect on the Group's Consolidated Financial Statements.

- On 22 October 2018, the IASB published a document entitled **"Definition of a Business (Amendments to IFRS 3)"**. The document provides some clarification as to the definition of a 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 an 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 adoption of this amendment has had no effect on the Group's Consolidated Financial Statements.

- On 28 May 2020 the IASB published the amendments called **"Covid-19 Related Rent Concessions (Amendment to IFRS 16)"**. The document provides lessees with the option to account for the reductions in rents connected with Covid-19 without having to assess, through the analysis of the contracts, whether the definition of lease modification to IFRS 16 applies. Therefore, the lessees applying this option will be able to account for the effects of rent reductions directly in the income statement on the effective date of the reduction. This amendment applies to financial statements beginning on 1 June 2020, and the Company did not exercise the possibility of early adoption at 1 January 2020.

  The adoption of this amendment has had no effect on the Group's Consolidated Financial Statements.

2.11. IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the European Union, whose application is not yet compulsory and for which the Group did not opt for early adoption at 31 December 2020

The main IFRS and IFRIC accounting standards, amendments and interpretations, whose application is not yet compulsory and for which the Group did not opt for early adoption at 31 December 2020 are listed below:

- On 28 May 2020 the IASB published an amendment called **"Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)"**. The amendments allow the temporary exemption from the application of IFRS 9 to be extended until 1 January 2023 for insurance companies. These amendments will come into force on 1 January 2021.

  The adoption of this amendment will have no impact on the Group's Consolidated Financial Statements.

- In light of the reform on interbank interest rates such as the IBOR, on 27 August 2020 the IASB published the document **"Interest Rate Benchmark Reform—Phase 2"** which contains amendments to the following standards:

  - IFRS 9 Financial Instruments
  - IAS 39 Financial Instruments: Recognition and Measurement;
  - IFRS 7 Financial Instruments: Disclosures;
  - IFRS 4 Insurance Contracts;
  - IFRS 16 Leases.

  All of the amendments will come into force on 1 January 2021.

  At present, the directors are assessing the potential impact that the introduction of these amendments would have on the Group's Consolidated Financial Statements.

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

At the reference date of these Group Consolidated 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 18 May 2017, the IASB published IFRS 17 - Insurance Contracts, which will replace IFRS 4 - Insurance Contracts. The objective of the new standard is to ensure that an entity provides pertinent information that truthfully represents the rights and obligations under the insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in the existing accounting standards, providing a single principle-based framework to take into account all types of insurance contracts, including the reinsurance contracts that an insurer holds. The new standard also envisages requirements for presentation and disclosure to improve the comparability of entities belonging to this sector. The new standard measures an insurance contract on the basis of a General Model or a simplified version of the same, called Premium Allocation Approach ("PAA"). The main characteristics of the General Model area:

  - the estimates and the assumptions of future cash flows are always current ones;
  - the measurement reflects the temporary value of money;

- the estimates envisage the extensive use of information that can be observed in the market;
- there is a current and explicit measurement of the risk;
- the expected profit is deferred and aggregated in groups of insurance contracts at the time of initial recognition; and
- the expected profit is recognised in the contractual period covered, taking adjustments resulting from changes in assumptions relating to the financial cash flows of each group of contracts into account.

The PAA approach envisages the measurement of the liabilities for the residual coverage of a group of insurance contracts on condition that, at the time of initial recognition, the entity envisages that this liability reasonably represents an approximation of the General Model. Contracts with a coverage period of one year or less are automatically suited to the PAA approach. The simplifications resulting from the application of the PAA method do not apply to the measurement of liabilities for existing claims, which are measured with the General Model. However, it is not necessary to discount cash flows where the balance to be paid or collected is expected to be made within one year from the date on which the claim was made. The entity must apply the new standard to insurance contracts issued, including re-insurance contracts issued, re-insurance contracts held and also to investment contracts with a discretionary participation feature (DPF). The standard is applicable from 1 January 2023, although early adoption is permitted only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.

The directors do not expect the adoption of this standard to have any impact on the Group's Consolidated Financial Statements.

- On 23 January 2020 the IASB published an amendments called **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"**. The purpose of the document is to clarify how to classify debts and other short or long term liabilities. The amendments come into force on 1 January 2023; however, early application is permitted.

  At present, the directors are assessing the potential impact that the introduction of this amendment would have on the Group's Consolidated Financial Statements.

- On 14 May 2020, the IASB published the following amendments called:

  - Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without changing the requirements of IFRS 3.
  - Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of tangible assets. These sales revenues and related costs will therefore be booked to the income statement.
  - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all of the costs directly attributable to the contract must be taken into account when estimating whether a contract is onerous. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in processing), but also all of the costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of personnel costs and depreciation of machinery used to perform the contract).
  - Annual Improvements 2018-2020: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All of the amendments will come into force on 1 January 2022.

At present, the directors are assessing the potential impact that the introduction of these amendments would have on the Group's Consolidated Financial Statements.

- On 30 January 2014, the IASB published **IFRS 14 Regulatory Deferral Accounts**, which only allows those that adopt IFRS for the first time to continue to recognise amounts related to Rate Regulation Activities according to the previous accounting standards adopted.

  As the Group is not a first-time adopter, said standard is not applicable.

2.13. Business combinations in the reporting period

As previously described, during the first half of 2020 the Be Group acquired 51% of Dream of Ordinary Madness Entertainment S.r.l., abbreviated to D.O.O.M. S.r.l., through the Parent Company Be Shaping the Future S.p.A., confirming the consolidation strategy on the Italian market.

With regard to the 51% acquisition of the company, the Parent Company paid Euro 1,869 thousand at the time of closing.

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	9	0	9
Cash and cash equivalents	118	0	118
Post-employment benefits (TFR)	(61)	0	(61)
Other liabilities and payables	(55)	0	(57)
NET TOTAL OF ASSETS ACQUIRED (FAIR VALUE) (A)	**11**	**0**	**11**
Consideration paid at 30 June 2020 **(B)**			1,869
Fair value of minority interests that can be acquired through put&call option **(C)**			3,749
GOODWILL (B+C-A)			**5,607**
CASH FLOW FROM THE ACQUISITION			
Payment already made			(1,869)
Cash and cash equivalents acquired			118
CASH FLOW FROM BUSINESS COMBINATION			**(1,751)**

The purchase price for 100% of the share capital was set as Euro 5,618 thousand, with Euro 1,869 thousand to be paid upon closing (equal to 51% of the share capital).

The agreement gives an option to acquire the remaining 49% in two subsequent stages through a put&call option: 24.5% by July 2025 and a further 24.5% by July 2027.

More specifically, the put&call option envisages:

- an earn-out for the first 24.5% based on certain results recorded by the subsidiary in FYs 2023 and 2024. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 2,276 thousand (corresponding to a discounted amount at the acquisition date of Euro 1,930 thousand, Euro 1,988 thousand at 31 December 2020);

- an earn-out for the second 24.5% based on certain results achieved by the subsidiary in FYs 2026 and 2027. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 2,276 thousand (corresponding to a discounted amount at the acquisition date of Euro 1,819 thousand, Euro 1,874 thousand at 31 December 2020).

The total value of the option including the discounting effect (determined using the Income Approach, based on a comparison between the method of discounted future cash flows from the subsidiary and a contractual calculation) was defined as Euro 3.7 million, considering the achievement of all objectives in the contract to be probable.

As highlighted in the above table, the transaction was accounted for using the purchase cost method with effect from the date of acquisition of control, considering the fair value of the non-controlling interests (NCI), therefore according to the full goodwill method. Non-controlling interests were measured consistently with the put&call options used for the future purchase.

The capital gain generated by the acquisition was temporarily and fully allocated to Goodwill for Euro 5,607 thousand, as it is connected to the company's market positioning, to its competitive advantage and to the capacity to generate extra income as a result of this positioning. Note that goodwill is not deductible for tax purposes.

In addition to what is identified and reported in the table, no contingent liabilities pursuant to paragraph 85 of IAS 37 were identified. Lastly, note that the Company does not have any receivables due from customers.

In the period between the date of acquisition of control by the Be Group and the closing date of the Consolidated Financial Statements at 31 December 2020, the Company achieved a total revenue of Euro 7,040 thousand and a profit before tax of Euro 592 thousand. The Company was created through a contribution in April 2020 and subsequently, also in April, acquired by the Be Group, and began generating income and revenues from the date of acquisition of control by the Be Group.

2.14. 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 Management Consulting S.p.A., Be Shaping the Future Management Consulting Limited, Be Ukraine Think, Solve, Execute S.A., Be Shaping the Future Sp.zo.o., Be Shaping the Future GmbH (Austria), Be Shaping the Future GmbH (Germany), Be TSE Switzerland AG, Be Shaping the Future 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 DigiTech Solutions S.p.A. and Be Think Solve Execute RO S.r.l.

- **Digital:**

  Business Unit active in assisting customer companies, and in particular the European Financial Industry, in implementing the digital transformation generated by the new business channels. The new business unit set up during the first half of 2020 covers the activities carried out by Iquii S.r.l. and Juniper Extensible Solutions S.r.l., which were included in the ICT Solutions Business Unit at 31 December 2019, Dream of Ordinary Madness Entertainment S.r.l. and Human Mobility S.r.l., the latter of which entered the Be Group during the first half of 2020.

The structure of the disclosure reflects that of the reports periodically analysed by management and by the Board of Directors to manage the business and is the subject of periodic management reporting and planning.

The Parent Company's activities and those of residual businesses are indicated separately.

The economic positions of the Group for 2020 compared with 2019 are reported below, separating continuing operations from discontinued operations.

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

Breakdown by operating segment 1 January 2020 - 31 December 2020

	Consulting	ICT Solutions	Digital	Corporate and other	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	124,816	51,332	12,441	4,955	(16,899)	0	176,645
Other revenue	2,594	961	194	1,157	(2,742)	0	2,164
Value of production	127,410	52,293	12,635	6,111	(19,642)	0	178,809
Operating profit (loss) (EBIT)	14,974	5,627	1,597	(7,594)	7	0	14,611
Net financial expense	(844)	(278)	(203)	12,068	(12,008)	0	(1,265)
Net profit (loss)	9,144	3,684	525	6,620	(10,861)	(1,139)	7,973
Goodwill	35,350	27,170	7,854	0	0	0	70,374
Intangible assets	8,346	8,906	2,355	19	0	0	19,626
Property, plant and equipment	1,181	989	103	0	0	0	2,273
Rights of use	5,478	3,053	523	81	0	0	9,135
Segment assets	89,480	24,182	7,895	133,298	(152,743)	0	102,112
Segment liabilities	(83,243)	(33,908)	(8,136)	(99,308)	79,968	0	(144,627)

Breakdown by operating segment 1 January 2019 - 31 December 2019

	Consulting	ICT Solutions	Digital	Corporate and other	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	112,481	39,356	4,015	4,490	(11,795)	0	148,546
Other revenue	4,102	663	44	1,459	(2,539)	0	3,729
Value of production	116,583	40,018	4,059	5,949	(14,334)	0	152,275
Operating profit (loss) (EBIT)	13,858	3,582	852	(6,049)	(5)	0	12,239
Net financial expense	(274)	(366)	(73)	10,327	(10,734)	0	(1,121)
Net profit (loss)	9,179	2,171	271	5,204	(10,268)	(470)	6,087
Goodwill	35,643	27,171	2,247	0	0	0	65,060
Intangible assets	9,277	8,904	1,448	4	0	0	19,632
Property, plant and equipment	1,459	645	55	1	0	0	2,161
Rights of use	6,580	1,715	260	125	0	0	8,679
Segment assets	69,481	17,630	2,692	103,902	(119,996)	0	73,709
Segment liabilities	(64,850)	(25,733)	(4,562)	(71,134)	53,110	0	(113,169)

At present, the Group does not believe that a segment analysis by geographic area is relevant for its reporting purposes; however, it notes that the Italian market represents 62.6% (Euro 112 million), while the foreign markets account for the remaining 37.4% (Euro 66.8 million). The value of production of the foreign market originated from the DACH Region (DE, AUT and SUI) for Euro 42.8 million, the UK and Spanish market for Euro 14.6 million and the remaining markets (CEE Region) for Euro 9.4 million. The Italian market grew 19.1% compared to the prior year (Euro 94 million).

With regard to the disclosure on customer concentration, refer to paragraph 5.4.

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

Note 1.

Property, plant and equipment

At 31 December 2020, property, plant and equipment recorded a balance of Euro 2,273 thousand, net of accumulated depreciation, against a total of Euro 2,161 thousand at 31 December 2019.

Change in historical cost

	Historical cost 31.12.2019	Business combinations	Increases	Decreases	Reclassifications	Exchange gains/losses	Historical cost 31.12.20
Plant and machinery	573	0	140	0	0	0	713
Fixtures and fittings, tools and other equipment	191	0		0	0	0	191
Other assets	20,423	12	783	(286)	0	(69)	20,863
Assets under development and advances	3	0	27	0	0	0	30
TOTAL	**21,190**	**12**	**950**	**(286)**	**0**	**(69)**	**21,797**

Change in accumulated depreciation

	Accumulated depreciation 31.12.2019	Business combinations	Depreciation	Decreases	Reclassifications	Exchange gains/losses	Accumulated depreciation 31.12.2020
Plant and machinery	479	0	45	0	0	0	524
Fixtures and fittings, tools and other equipment	112	0	0	0	0	0	112
Other assets	18,438	3	726	(219)	0	(60)	18,888
TOTAL	**19,029**	**3**	**771**	**(219)**	**0**	**(60)**	**19,524**

Net book value

	Net book value 31.12.2019	Net book value 31.12.2020
Plant and machinery	94	189
Fixtures and fittings, tools and other equipment	79	79
Other assets	1,985	1,975
Assets under development and advances	3	30
TOTAL	**2,161**	**2,273**

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 the item Other assets includes the following categories:

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

The increase during the period mainly refers to the purchase of electronic machines by Be DigiTech Solutions and the companies in the DACH area.

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

Note 2.

Rights of use

At 31 December 2020, rights of use totalled Euro 9,135 and mainly regard long-term property leases and leases for company cars used by personnel.

Changes in the period are shown below:

Change in historical cost

	Historical cost 31.12.2019	Increases	Decreases	Reclassifications	Exchange gains/losses	Historical cost 31.12.2020
Motor vehicles	2,014	806	(291)	0	(5)	2,524
Property	9,339	3,352	(1,235)	0	(59)	11,397
Other assets	186	0	0	0	0	186
TOTAL	**11,539**	**4,158**	**(1,526)**	**0**	**(64)**	**14,107**

Change in accumulated depreciation

	Accumulated depreciation 31.12.2019	Depreciation	Decreases	Reclassifications	Exchange gains/losses	Accumulated depreciation 31.12.2020
Motor vehicles	525	772	(181)	0	(2)	1,114
Property	2,273	2,525	(1,029)	0	(30)	3,739
Other assets	62	57	0	0	0	119
TOTAL	**2,860**	**3,354**	**(1,210)**	**0**	**(32)**	**4,972**

Net book value

	Net value 31.12.2019	Net value 31.12.2020
Motor vehicles	1,489	1,410
Property	7,066	7,658
Other assets	124	67
TOTAL	**8,679**	**9,135**

Note 3.

Goodwill

Goodwill stood at Euro 70,374 thousand at 31 December 2020, compared to Euro 65,060 thousand at 31 December 2019. The cash generating units (CGUs) were identified for impairment testing purposes based on the Group's reorganisation defined during 2020 with the acquisition of the company Dream of Ordinary Madness Entertainment S.r.l. and the establishment of Human Mobility S.r.l. and consistent with the former IFRS 8 reporting structure described in the paragraph 2.14 "Segment reporting".

Following the aforementioned reorganisation, it became necessary to allocate a part of goodwill to the new Digital CGU. This reallocation was made in accordance with the provisions of IAS 36 (paragraphs 86-87), thereby applying the criterion of "relative value" of the CGU to which goodwill is allocated.

The breakdown is as follows:

Goodwill

	Balance at 31.12.2019	Increases	Reclassifications	Exchange gains/losses	Balance at 31.12.2020
Cash generating unit (CGU)					
Business Consulting	35,643	0	0	(293)	35,350
ICT Solutions	29,417	0	(2,247)	0	27,170
Digital (new CGU)	0	5,607	2,247	0	7,854
Total	**65,060**	**5,607**	**0**	**(369)**	**70,374**

The increase in goodwill of Euro 5,607 thousand refers to the acquisition of Dream of Ordinary Madness Entertainment S.r.l. through the Parent Company in 2020.

The recoverable amount of the CGU is determined on the basis of the value in use obtained by discounting the expected cash flows generated by the management of the assets set in place by the Group's business units. On the basis of the results of impairment testing conducted by extrapolating 2021-2023 economic and financial forecasts - referred to below - the Directors therefore confirmed the sustainability of the book value of goodwill recognised at 31 December 2020.

The cash flow forecast, the trend of interest rates and the main monetary variables are determined on the basis of the best information available at the time of the estimation and based on the 2021-2023 Plan containing forecasts of revenue, investment and operating costs.

As regards the estimated operating cash flows, as already mentioned above, the same originate from the plans approved by the Board of Directors at a meeting held on 22 February 2021, prepared on the basis of an explicit 3-year forecasting period.

These plans incorporate the assumptions of the Directors in line with the strategy of the Be Group for the different businesses and markets in which it operates and also depend on external variables that are beyond the control of management such as the interest rate trend, macro-political or social factors with a local or global impact.

These external factors, in line with accounting standard IAS 36, have been estimated on the basis of elements known on the date of preparation and examination of company plans, including the effects of the global spread of the Covid-19 pandemic, mentioned in paragraph "8. Events after 31 December 2020 and business outlook".

Therefore, it is important to note that, based on the coverage resulting from impairment testing of asset values recognised, at present the Directors do not believe there are any elements of uncertainty as to the recoverability of the same, although they will be continuously monitored during the rest of the year.

Impairment testing

The company conducted annual impairment testing on the goodwill recognised in the consolidated financial statements in accordance with the provisions of IAS 36, Impairment of assets. The goodwill, as shown above, was recognised at 31 December 2020, after impairment testing, and amounted to Euro 70,374 thousand. In 2020, based on the results of the impairment testing of the CGUs and of the relative sensitivity analyses conducted with the assistance of an external consultant, the Directors decided that the above amounts recognised could be recovered.

For the purpose of goodwill impairment testing, IAS 36 establishes that the recoverable amount of the CGUs to which the goodwill is allocated must be compared with the book value of the Net Invested Capital.

The recoverable amount may be estimated by referring to two value categories: the greater between value in use and fair value less selling costs. In the absence of a fair value, the Group estimated the recoverable amount on the basis of the value in use. This criterion entails calculating the recoverable amount of the CGU by discounting cash flows at an adequate discounting rate.

The aim of the impairment test was therefore to establish the "value in use" of the CGUs that represent the Group's activities, by discounting cash flows ("DCF Analysis") as stated in the 2021-2023 Plan.

Given the above, the test conducted, is based on the following criteria:

- the value in use of each CGU is the sum of the following two elements: (a) the present value of the "available" operating cash flows (net of the central costs recharged to the different CGUs and of the investment required for their achievement) expected for the analytical forecasting period, which covers financial years from 2021 and 2023; (b) the present amount of the Terminal Value (TV) calculated by capitalising the cash flows expected for normal operations after the analytical forecasting period;
- the rate used to discount the flows estimated for each CGU corresponds to the Weighted Average Cost of Capital ("WACC"). More specifically, to calculate the WACC, the cost of the share capital attributed to the individual CGUs was determined on the basis of the CAPM model, by applying the following parameters: (a) risk-free rate, i.e. the long-term rate of return offered by risk-free liquid investments (10-year Italian BTP); (b) market risk premium, which indicates the higher remuneration requested for investments in risk capital; (c) Beta coefficient, which expresses the level of risk of an investment in a specific share with respect to the risk observed in the reference stock market; (d) small size premium, a premium for the additional risk related to the size of a company with respect to comparable companies used to determine the Beta and the financial structure of the segment; (e) a further premium considered to take into account the risk associated with the plan's forecasts. The debt to equity ratio (debt/debt + equity) applied in the calculation of the WACC is the ratio for the industry and was determined from a sample of comparable companies;
- the cash flow for normal operations was discounted at the same rate used to discount the flows in the period of the plan and assuming a long-term growth rate "g" of 1% (Gordon Model) in line with the expected inflation rate;
- the flows that show different risk profiles were estimated separately (e.g. Be Ukraine), taking into account the specific contractual forecasts related to the same; similarly, the rate used to discount these flows was also estimated separately;
- given the uncertainty of recording the amount of revenue estimated, to determine the value in use, a discounting rate increased by a probable margin of error in the estimate of the expected

cash flows was used; the after-tax discounting rate was therefore 9.47% for both the Solutions CGU and the Consulting CGU and 9.79% for the Digital CGU. With regard to the Consulting CGU, note that the value in use was calculated also taking into account the flows generated by the subsidiary company Be Ukraine, reflecting a higher country risk, discounted at a WACC rate of 13.77%.

- Lastly, the results of the test underwent a sensitivity analysis. More specifically, within limits considered reasonable, the discounting rate, the long-term growth rate and the expected flows were changed.

In the light of the analyses conducted, the recoverable amount of the CGU to which the goodwill was attributed was higher than the corresponding book value at 31 December 2020.

The Directors report that the recoverable amount of goodwill is sensitive to variances with respect to the basic assumptions used to prepare the economic and financial forecasts for 2021-2023, such as the revenue and profit margin expected to be recorded.

Key assumptions used to calculate value in use

The calculation of the value in use of the CGUs was made on the basis of the main assumptions illustrated below, of the 2021-2023 Plan and considered reasonable by the Directors:

- significant growth trend in both volumes as well as margins of the Business Consulting segment;
- moderate growth trend in line with the prior years in terms of both volumes and margins, based on a continuous and ongoing expansion on the market, for the ICT Solutions segment;
- more accentuated growth trend of the Digital segment, particularly in terms of volumes, driven by the digital transformation of financial institutions.

Sensitivity and changes in assumptions

Due to the uncertainty relating to the occurrence of any future event, both in terms of whether said event will actually occur and in terms of the extent and timing of the same, the value in use of goodwill is particularly sensitive to any changes in the assumptions underlying the impairment test.

Given that, the main drivers used to prepare the 2021-2023 Plan and the impairment test, which could lead to a reduction in the value in use if they change, are listed below:

- achieving forecast revenue: achieving revenue targets, beyond the actions envisaged by management, is also related to market demand, to the renewal and/or award of tenders envisaged and to the successful development of other activities envisaged or in progress;
- achieving the normalised level of profitability and maintaining said level of profitability beyond the period of the 2021-2023 Plan; note that a significant portion of the value in use of goodwill is related to this assumption;
- discount rates: the discount rate was calculated on the basis of external market parameters and therefore the fact that the current macroeconomic situation could worsen, or that there may be a slowdown of the expected recovery also have to be taken into account as they could have a significant influence on the same, resulting in a change to those used in this analysis.

For the sake of completeness, note that:

- the surplus value in use of the CGUs with respect to the corresponding book value, including the relative goodwill, will become zero due to the systematic reductions of EBIT envisaged by the plan of:
  - 104.39% with regard to the “Business Consulting” CGU;
  - 37.56% with regard to the “ICT Solutions” CGU;
  - 80.06% with regard to the “Digital” CGU.

- the after-tax discount rates that render the book value of the CGUs equal to their value in use are respectively:
  - 13.59% with regard to the "ICT Solutions" CGU;
  - 35.81% with regard to the "Digital" CGU;

  With regard to the "Business Consulting" CGU, the value in use was significantly higher than the book value. Therefore, the disclosure of the breakeven WACC is not significant.

Note 4.

Intangible Assets

At 31 December 2020, intangible assets recorded a balance of Euro 19,626 thousand, net of accumulated amortisation, against a total of Euro 19,632 thousand at 31 December 2019.

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

Change in historical cost

	Historical cost at 31.12.2019	Increases	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Historical cost at 31.12.2020
Development costs	678	0	0	(1)	0	0	677
Concessions, licences and trademarks	1,764	120	0	63	0	0	1,947
Assets under development and advances	5,652	3,303	0	(3,520)	0	0	5,435
Other (including proprietary SW)	49,034	2,858	(6)	3,465	0	(404)	54,947
TOTAL	**57,128**	**6,281**	**(6)**	**7**	**0**	**(404)**	**63,006**

Change in accumulated amortisation

	Accumulated amortisation at 31.12.2019	Amortisation	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Accumulated amortisation at 31.12.2020
Development costs	676	0	0	1	0	0	677
Concessions, licences and trademarks	1,648	84	0	2	0	0	1,734
Other (including proprietary SW)	35,172	6,027	(2)	4	0	(232)	40,969
TOTAL	**37,497**	**6,111**	**(2)**	**7**	**0**	**(232)**	**43,380**

Net book value

	Net value 2019	Net value 2020
Development costs	2	0
Concessions, licences and trademarks	116	213
Assets under development and advances	5,652	5,435
Other (including proprietary SW)	13,862	13,978
TOTAL	**19,632**	**19,626**

At 31 December 2020, the increases in assets under development of Euro 3,303 thousand, mainly refer to the development of ICT platforms by Be DigiTech Solutions totalling Euro 1,014 thousand, to digital applications by Juniper and Iquii, respectively for Euro 520 thousand and Euro 100 thousand, and the platforms owned by Be Shaping the Future GmbH, Be Shaping the Future AG and Fimas GmbH, specialised in various areas of the banking industry, totalling Euro 1,468 thousand.

The remaining increases refer to the software purchased or produced in-house by Group companies.

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 800 thousand, held via Be Solutions, in Talent Garden S.p.A., an Italian start-up, which operates in the sector of co-working and spaces for innovation.
- the investment of 500 thousand in Yolo S.p.A., arising from the reserved Capital Increase in 2020 and subscribed by Be Shaping the Future S.p.A. (Parent Company);
- the equity investment of around Euro 28 thousand, held through Juniper Extensible Solutions S.r.l. in Engagigo S.r.l., an Italian company operating in the social media and digital market place sector; the equity investment corresponds to 6% of share capital.

Equity investments in other companies

	Balance at 31.12.2020	Balance at 31.12.2019
Equity investments in other companies	1,329	829
TOTAL	**1,329**	**829**

Note 6.

Loans and other non-current assets

Loans and other non-current assets refer to guarantee deposits paid for Euro 285 thousand and advances paid to employees in past years to be recovered on termination of their employment contracts for Euro 12 thousand.

Other non-current receivables of Euro 418 thousand mainly refers to:

- Euro 175 thousand for a receivable of Be Solutions due from the town council of Lercara Friddi, for which a 10-year repayment plan has been established;
- Euro 191 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 31.12.2020	Balance at 31.12.2019
Guarantee deposits	285	464
Receivables from employees due beyond 12 months	12	42
Receivables from social security and welfare organisations	82	151
Other non-current receivables	418	1,474
Non-current prepaid expenses	33	21
TOTAL	**830**	**2,152**

Note 7.
Deferred tax assets

The deferred tax assets in the financial statements refer mainly to the Parent Company and the subsidiary Be Solutions S.p.A. 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 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%).

The allocations for the year refer mainly to risk provisions.

Deferred tax assets

	Balance at 31.12.2019	Allocation	Utilisation	Other changes	Exchange difference	Balance at 31.12.2020
Deferred tax assets	3,303	1,541	(1,900)	(25)	(35)	2,884
TOTAL	**3,303**	**1,541**	**(1,900)**	**(25)**	**(35)**	**2,884**

Note 8.
Inventories

Inventories of Euro 156 thousand refer to consumables, mainly wearable devices used with the digital applications developed by Human Mobility S.r.l.

Inventories

	Balance at 31.12.2020	Balance at 31.12.2019
Inventories	156	3
TOTAL	**156**	**3**

Note 9.

Assets deriving from contracts with customers

At 31 December 2020, assets deriving from contracts with customers showed a balance of Euro 9,778 thousand, against Euro 11,513 thousand at 31 December 2019. For a better presentation, the recorded balance of invoices to be issued and previously included in the item "Trade receivables" at 31 December 2019, was reclassified under this item.

Assets deriving from contracts with customers represent the Group's right to obtain the consideration for goods or services transferred to the customer and for services already performed by the Group but not yet invoiced to the customer.

Assets deriving from contracts with customers

	Balance at 31.12.2020	Balance at 31.12.2019
Assets deriving from Contracts with customers	9,778	11,513
TOTAL	**9,778**	**11,513**

Note 10.

Trade receivables

Trade receivables arise from goods and services produced and provided by the Group but not yet collected at 31 December 2020.

Trade receivables

	Balance at 31.12.2020	Balance at 31.12.2019
Receivables due from customers	22,494	19,224
Bad debt provision for receivables due from customers	(480)	(1,323)
TOTAL	**22,014**	**17,901**

The amount allocated in the financial statements is considered fair coverage of the credit risk; the utilisation of the bad debt provision for Euro 1,010 thousand refers to the write-off of old receivables deemed uncollectible, predominantly with regard to the Municipality of Castronovo for the company Be Solutions.

This provision, which amounts to Euro 480 thousand, includes Euro 204 thousand for the impact of the application of IFRS 9 (expected credit loss method).

Bad debt provision

	Balance at 31.12.2020	Balance at 31.12.2019
Opening balance	1,323	1,083
Allocations	167	403
Utilisation	(1,010)	(163)
TOTAL	**480**	**1,323**

The breakdown of receivables is shown below, by due date, net of invoices/credit notes to be issued for Euro 726 thousand and before the bad debt provision of Euro 480 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	16,624	2,430	636	91	206	1,781	21,768
Bad debt provision	0	0	0	0	0	(480)	(480)
TOTAL	**16,624**	**2,430**	**636**	**91**	**206**	**1,301**	**21,288**

Note 11.

Other assets and receivables

Other assets and receivables at 31 December 2020 amount to Euro 3,574 thousand and break down as follows:

Other assets and receivables

	Balance at 31.12.2020	Balance at 31.12.2019
Advances to suppliers for services	55	63
Receivables due from social security organisations	99	106
Receivables due from employees	113	109
VAT credits and other indirect taxes	1,008	627
Accrued income and prepaid expenses	1,513	974
Other receivables	786	949
TOTAL	**3,574**	**2,828**

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 99 thousand mainly refer to the receivable due to Be DigiTech Solutions relating to the recovery of costs for welfare support systems previously held by the former Be Eps S.p.A..

Other receivables include Euro 488 thousand for the portion of the residual discounted price that may be collected beyond the year, accrued against the sale of the Be DigiTech Solutions business divisions sold to CNI S.p.A..

Accrued income and prepaid expenses amount to Euro 1,513 thousand and include the portions of costs incurred during the period but due in the next period, relating to support and maintenance fees, insurance premiums, rents and lease instalments not covered by IFRS 16.

Note 12.

Direct tax receivables

"Direct tax receivables" primarily includes amounts due from Italian Tax Authorities for IRAP and IRES, and from the German Tax Authorities by Be Shaping the Future GmbH and BE AG.

Direct tax receivables

	Balance at 31.12.2020	Balance at 31.12.2019
Tax receivables	585	186
Other tax receivables	217	704
TOTAL	**802**	**890**

Note 13.

Financial receivables and other current financial assets

Financial receivables amounting to Euro 165 thousand mainly refer to receivables due from factoring companies on assignments made up to 31 December 2020, but settled after that date.

Financial receivables and other current financial assets

	Balance at 31.12.2020	Balance at 31.12.2019
Financial receivables and other current financial assets	165	104
TOTAL	**165**	**104**

Note 14.

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 31 December 2020.

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 31.12.2020	Of which business combinations	Balance at 31.12.2019
Bank and postal deposits	60,563	118	34,176
Cash at bank and in hand	17	0	9
TOTAL	**60,580**	**118**	**34,185**

Note 15.

Shareholders' Equity

At 31 December 2020, the Parent Company's fully paid-up share capital totalled Euro 27,109 thousand, divided into 134,897,272 ordinary shares.

On 22 April 2020, the Shareholders' Meeting approved the Financial Statements at 31 December 2019 of Be S.p.A., resolving to allocate Euro 260,215.19 of the profit for the year of Euro 5,204,303.77 to the Legal Reserve and the remainder of Euro 4,944,088.58 to Profit carried forward, and to distribute a dividend of Euro 0.023 per share, drawing partly on the profit carried forward and the remainder from the extraordinary reserve.

The payment date of the dividend was 20 May 2020 - coupon no. 10 date of 18 May 2020 and record date of 19 May 2020.

Consolidated equity reserves at 31 December 2020 amount to Euro 20,935 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 801 thousand;
- Own Shares Reserve of the Parent Company for negative Euro 7,451 thousand
- Other Reserves of the Parent Company for Euro 1,645 thousand;
- IAS Reserves (FTA and IAS 19) for negative Euro 296 thousand;
- Other Consolidation Reserves for Euro 11,068 thousand.

Stock option plans

The company has no stock option plans.

Own 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.

During the Shareholders' Meeting on 18 April 2019, the Meeting approved a new plan for the purchase of own shares, subject to the revocation of the resolution authorising the purchase and disposal of own shares, approved by the Shareholders' Meeting on 26 April 2018.

In September 2019, Be Shaping the Future S.p.A. announced the launch of the programme for the purchase of own shares, by virtue of the authorisation resolved upon by the Shareholders' Meeting held on 18 April 2019, which resolved on a maximum number of 2,250,000 ordinary shares of the Issuer. The purchase programme commenced on 17 September 2019 and ended on 31 December 2019; in the period between 17 September and 31 December 2019, the Company purchased 1,525,368 ordinary shares of the same for a total counter value of Euro 1,787,175.

During the Shareholders' Meeting on 22 April 2020, the Meeting in ordinary session resolved, at the proposal of the Board, on the plan for the purchase and disposal of own shares, subject to the revocation of the authorisation resolved by the Shareholders' Meeting on 18 April 2019.

During the month of October, as part of authorisation of the plan to purchase own shares, resolved by the Shareholders' Meeting on 22 April 2020 pursuant to art. 144-bis of Consob Regulation 11971/1999, the Be Group disclosed its intention to launch the plan to purchase own shares up to a maximum value of Euro 3,000,000, to be carried out by 31 January 2021. Subsequent purchases will be assessed following completion of the current plan.

Having implemented the above plan to purchase own shares, at 31 December 2020 Be S.p.A. holds 6,906,805 own shares, corresponding to 5.12% of the Company's share capital, for a total counter value of Euro 7,450,519 recognised in the relative reserve.

Minority interests

Minority interests amount to Euro 2,876 thousand, compared to Euro 1,732 thousand at 31 December 2019.

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 Shaping the Future Gmbh	10.00%	EUR	12,765	5,000	27,043	420	0
Fimas GmbH	40.00%	EUR	4,972	3,291	9,237	1,322	0
Payments and Business Advisors S.l. (Paystrat)	40.00%	EUR	387	(326)	380	(330)	0
Paystrat Solutions SL (Pyngo)	34.74%	EUR	17	17	0	(1)	0
Juniper S.r.l.	49.00%	EUR	1,732	575	1,044	76	0
Iquii S.r.l.	49.00%	EUR	3,788	1,218	3,696	193	0
Tesla Consulting S.r.l.	40.00%	EUR	2,479	1,236	2,536	494	0
Dream of Ordinary Madness Entertainment S.r.l.	49.00%	EUR	4,208	581	7,040	592	0
Human Mobility S.r.l.	49.00%	EUR	1,149	366	1,123	106	0

Net Financial Indebtedness

The net financial indebtedness at 31 December 2020 was positive for Euro 3,288 thousand compared to net financial indebtedness of Euro -11,427 thousand at 31 December 2019. The breakdown is shown in the table below.

Consolidated Net Financial Indebtedness

	Amounts in EUR thousands	31.12.2020	31.12.2019	Δ	Δ (%)
	Cash and cash equivalents at bank	60,580	34,185	26,395	77.2%
A	**Cash and cash equivalents**	**60,580**	**34,185**	**26,395**	**77.2%**
B	**Current financial receivables**	**165**	**104**	**61**	**58.7%**
	Current bank payables	(5,121)	(4,525)	(596)	13.2%
	Current share of medium/long-term indebtedness	(16,845)	(10,895)	(5,950)	54.6%
	Payables for current rights of use	(3,047)	(3,004)	(43)	1.4%
	Other current financial payables	(87)	(152)	65	(42.8%)
C	**Current financial indebtedness**	**(25,100)**	**(18,576)**	**(6,524)**	**35.1%**
D	**Current net financial position (A+B+C)**	**35,645**	**15,713**	**19,932**	**n.a.**
	Non-current bank payables	(25,482)	(20,926)	(4,556)	21.8%
	Payables for non-current rights of use	(6,875)	(6,214)	(661)	10.6%
	Other non-current financial payables	0	0	0	0
E	**Non-current net financial position**	**(32,357)**	**(27,140)**	**(5,217)**	**19.2%**
F	**Net financial position (D+E)**	**3,288**	**(11,427)**	**14,715**	**n.a.**

For comments on individual items, please refer to the content of Notes 13 and 14 above and Notes 16, 17 and 18 below.

A detailed breakdown of net financial indebtedness calculated according to the provisions of Consob Communication DEM/6064293 of 28 July 2006 and in accordance with the ESMA/2013/319 recommendations for 2020 and 2019 is shown below.

		31.12.2020	31.12.2019	Δ	Δ%
A.	Cash	17	9	8	88.9%
B.	Positive bank balance	60,563	34,176	26,387	77.2%
C.	Securities held for trading	0	0	0	0
D.	**Cash and cash equivalents (A)+(B)+(C)**	**60,580**	**34,185**	**26,395**	**77.2%**
E.	**Current financial receivables**	**165**	**104**	**61**	**58.7%**
F.	Current bank payables	(5,121)	(4,525)	(596)	13.2%
G.	Current portion of non-current indebtedness	(16,845)	(10,895)	(5,950)	54.6%
H.	Other current financial payables	(3,134)	(3,156)	22	(0.7%)
I.	**Current financial indebtedness (F)+(G)+(H)**	**(25,100)**	**(18,576)**	**(6,524)**	**35.1%**
J.	**Net current financial indebtedness (I)+(E)+(D)**	**35,645**	**15,713**	**19,932**	**n.a.**
K.	Non-current bank payables	(25,482)	(20,926)	(4,556)	21.8%
L.	Bonds issued	0	0	0	0
M.	Other non-current payables	(6,875)	(6,214)	(661)	10.6%
N.	**Net non-current financial indebtedness (K)+(L)+(M)**	**(32,357)**	**(27,140)**	**(5,217)**	**19.2%**
O.	**Net financial indebtedness (J)+(N)**	**3,288**	**(11,427)**	**14,715**	**n.a.**

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)	31.12.2019	Cash Flow[1]	Change Scope of consolidation[2]	Exchange rate differences	Change in IFRS 16	Other Changes	31.12.2020
Non-current financial indebtedness	(27,140)	(4,462)	0	0	(661)	(94)	(32,357)
Current financial indebtedness	(18,576)	(6,493)	0	0	(43)	12	(25,100)
Current financial receivables	104	61	0	0			165
Net liabilities resulting from financing activities	(45,612)	(10,894)	0	0	(704)	(82)	(57,292)
Cash and cash equivalents	34,185	26,277	118	0	0	0	60,580
Net financial indebtedness	(11,427)	15,383	118	0	(704)	(82)	3,288

[1] *Flows shown in the Statement of Cash Flows.*
[2] *For acquisition/disposal transactions, please refer to paragraph 2.13 "Business Combinations in the reporting period".*

Note 16.

Financial payables and other non-current financial liabilities

Non-current financial payables of Euro 25,482 thousand refer to payables to banks for unsecured medium/long-term loans due beyond 12 months.

Financial payables and other non-current financial liabilities

	Balance at 31.12.2020	Balance at 31.12.2019
Non-current financial payables	25,482	20,926
TOTAL	**25,482**	**20,926**

The medium and long term loans outstanding at 31 December 2020 and relative maturities were as follows: In the maturity analysis table, these flows do not include interest.

M/L term loans	Balance at 31.12.2020	<1 year	>1<2 years	>2<3 Years	>3<4 years	>4 years
Loans maturing in 2021	**3,152**	3,152	0	0	0	0
Loans maturing in 2022	**6,147**	3,339	2,808	0	0	0
Loans maturing in 2023	**22,494**	8,520	8,539	5,435	0	0
Loans maturing in 2025	**10,440**	1,834	2,215	2,238	2,261	1,892
TOTAL LOANS	**42,233**	**16,845**	**13,562**	**7,673**	**2,261**	**1,892**

During 2020, Be S.p.A. entered into new medium-long term loans totalling Euro 24,500 thousand, while the repayments made during the year amounted to Euro 14,000 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 outstanding variable interest rate loans, for a total of Euro 94 thousand. As regards 2020, the covenants on several loans were respected. 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 17.

Financial payables and other current financial liabilities

Financial payables and other current financial liabilities

	Balance at 31.12.2020	Balance at 31.12.2019
Current financial payables	22,053	15,572
TOTAL	**22,053**	**15,572**

Current payables to banks at 31 December 2020 totalled around Euro 22,053 thousand and relate mainly to:

- current bank payables for Euro 5,121 thousand, mainly referring to short-term credit facilities classed as "accounts payable to suppliers";
- Euro 16,845 thousand as the short-term portion of the medium-long term loans obtained, as per the previous table;
- short-term financial payables of Euro 87 thousand.

Note 18.

Financial liabilities for current and non-current rights of use

Financial liabilities for current and non-current rights of use at 31 December 2020 totalled Euro 9,922 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 regards long-term property leases and leases for company cars used by personnel.

Financial liabilities for current and non-current rights of use

	Balance at 31.12.2020	Balance at 31.12.2019
Financial liabilities for current rights of use	3,047	3,004
Financial liabilities for non-current rights of use	6,875	6,214
TOTAL	**9,922**	**9,218**

Note 19.

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 year 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 31.12.2019	Of which business combinations	Increases - Allocation	Decreases - Utilisation	Other changes	Balance at 31.12.2020
Post-employment benefits (TFR) provision	6,953	61	1,365	(1,319)	28	7,088
TOTAL	**6,953**	**61**	**1,365**	**(1,319)**	**28**	**7,088**

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

Main Actuarial Assumptions

Annual discount rate	0.34%
Annual inflation rate	0.80%
Annual rate increase in post-employment benefits	2.10%
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	*Post-employment benefits (TFR)*	*turnover rate*		*inflation rate*		*discounting rate*	
		+1%	*-1%*	*+1/4%*	*-1/4%*	*+1/4%*	*-1/4%*
Be S.p.A.	160	158	162	163	157	155	164
Be Management Consulting S.p.A.	3,343	3,268	3,432	3,441	3,248	3,225	3,468
Iquii S.r.l.	231	226	237	238	225	223	240
Be Digitech Solutions S.p.A.	1,448	1,440	1,457	1,464	1,432	1,422	1,474
Juniper Extensible Solutions S.r.l.	133	131	136	136	130	129	137
Tesla Consulting S.r.l.	30	29	31	31	29	29	31
Be Corporate S.p.A.	184	183	185	186	183	182	187
Doom S.r.l.	113	111	116	117	110	109	117

* 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	11.9
Be Management Consulting S.p.A.	1,020	22.2
Iquii S.r.l.	117	22.4
Be Digitech Solutions S.p.A.	0	7.7
Juniper Extensible Solutions S.r.l.	25	17.7
Tesla Consulting S.r.l.	14	24.1
Be Corporate S.p.A.	0	6.8
Doom S.r.l.	45	22.0

* 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.

- The average number of employees in 2020, broken down by category, is illustrated in the following table:

Description	Average number current year	Average number previous year
Executives	134	136
Middle managers	187	161
White collar	968	909
Blue collar	0	0
Apprentices	97	61
TOTAL	**1,386**	**1,266**

Note 20.

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: IRES 24% and IRAP 3.9%-4.82%.

Deferred tax liabilities

	Balance at 31.12.2019	Increases	Decreases	Exchange difference	Reclassification	Balance at 31.12.2020
Deferred tax liabilities	7,348	617	(246)	(2)	42	7,759
TOTAL	**7,348**	**617**	**(246)**	**(2)**	**42**	**7,759**

Note 21.

Other non-current liabilities

At 31 December 2020, other non-current liabilities were Euro 6,416 thousand.

Other non-current liabilities

	Balance at 31.12.2020	Balance at 31.12.2019
Other non-current liabilities	6,416	6,717
TOTAL	**6,416**	**6,717**

The item refers mainly to the residual amounts of the discounted price, for Euro 4,611 to be paid to the former shareholders of the acquired companies.

Note 22.

Provision for current and non-current risks

At 31 December 2020, provisions for risks and charges refer to the following:

- provisions for pending disputes with employees for Euro 136 thousand, of which Euro 36 thousand relating to the Parent Company and Euro 100 thousand to Be Solutions relating to the estimated charges for the closure of the Pomezia site; the decrease is related to the payments made during the year for disputes settled, as well as uses with regard to closure of the Pomezia site.
- other provisions for risks and charges totalling Euro 3,762 thousand refer to provisions for bonuses/incentives to be given to personnel, equal to Euro 1,917 thousand (recognised under personnel costs), in addition to provisions for the variable emoluments of executive directors and key partners on achievement of the three-year objectives envisaged (equal to Euro 1,493 thousand). Decreases refer to uses for bonuses/incentives paid to personnel, and payment of variable emoluments of executive directors and key partners following achievement of the three-year objectives established in the 2017-2019 Business Plan, as well as uses with regard to closure of the Pomezia site. With regard to personnel incentives, these are recognised in the Income Statement under “Personnel costs”, while incentives to be given to “key partners” in accordance with the new 2020-2022 three-year plan are allocated under “Allocations to provisions”, for which reference is made to Notes 30 and 34, respectively. With regard to said bonuses, note that the amount was recognised at face value, without any discounting, as the effects would not have been significant.

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

Provision for current and non-current risks

	Balance at 31.12.2019	Increases	Decreases	Balance at 31.12.2020
Provision for penalty risks	31	0	0	31
Provision for personnel risks	1,649	0	(1,513)	136
Other provisions for risks and charges	7,043	3,409	(6,691)	3,762
TOTAL	**8,723**	**3,409**	**(8,204)**	**3,929**

Note 23.

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 31.12.2020	Balance at 31.12.2019
Trade payables	22,076	12,366
TOTAL	**22,076**	**12,366**

Note 24.

Tax Payables

The balance at 31 December 2020 relates to residual tax payables and to the allocation of the portion for 2020 of IRES and IRAP, in addition to the income tax of foreign companies, classified under other tax payables.

Tax payables

	Balance at 31.12.2020	Balance at 31.12.2019
IRAP tax payables	383	209
Other tax payables	1,098	1,376
TOTAL	**1,481**	**1,585**

Note 25.

Other liabilities and payables

Other liabilities and payables totalled Euro 38,422 thousand at 31 December 2020, as shown below:

Other liabilities and payables

	Balance at 31.12.2020	Of which business combinations	Balance at 31.12.2019
Social security and welfare payables	3,141	1	2,953
Payables to employees	3,819	54	3,576
Payables for VAT and withholding tax	9,981		7,963
Accrued expenses and deferred income	3,442		2,115
Other payables	18,039		7,152
TOTAL	**38,422**	**55**	**23,759**

Social security and welfare payables amounting to Euro 3,141 thousand relate to contributions payable by the company.

Payables to employees include amounts due for additional months' salaries accrued at 31 December 2020 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 3,442 thousand mainly refer to deferred revenue receivable on invoices collectible in the reporting period subsequent to 31 December 2020.

Other payables, totalling Euro 18,039 thousand, refer for Euro 7,500 thousand to the advance relative to signing of the new contract by a leading credit institute, Euro 5,000 thousand as the guarantee deposit received in relation to the signing of a framework agreement with a leading Italian credit institute (repaid in early 2021), plus advances from customers relative to payments on account on annual multi-year contracts, and the payable due to directors, for both salaries and annual bonuses, of Euro 900 thousand, recognised under the item Service costs.

The item also includes Euro 500 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Be Shaping the Future GmbH, Euro 1,071 relating to the short-term portion of the residual price for the acquisition of minority interests in Fimas GmbH, Euro 119 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Q-fin GmbH (subject to merger in Fimas GmbH), Euro 1,160 relating to the short-term portion of the residual price for the acquisition of minority interests in Iquii S.r.l. and Euro 400 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Juniper S.r.l.

4. Breakdown of the main items of the Income Statement

Note 26.

Operating revenue

Revenue accrued during the year was from activities, projects and services performed on behalf of Group customers and amounts to Euro 176,645 thousand, compared to Euro 148,546 thousand last year. The year that has just ended, compared with the previous one, recorded an increase of Euro 28,099 thousand in revenue from sales and services; revenue originating from foreign companies amounted to Euro 66,089 thousand. For further details on business performance, reference should be made to the "Management Report".

Operating revenue

	FY 2020	FY 2019
Operating revenue	176,645	148,546
TOTAL	**176,645**	**148,546**

Note 27.

Other revenue and income

The Group's Other revenue and income totalled Euro 2,164 thousand at 31 December 2020, compared to Euro 3,729 thousand at 31 December 2019. This item includes ordinary contingent assets, the recovery of costs advanced to customers, insurance reimbursements and other income of a residual nature.

Other revenue and income

	FY 2020	FY 2019
Other revenue and income	2,164	3,689
Grants related to income	0	40
TOTAL	**2,164**	**3,729**

Note 28.

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. The change in inventories refers mainly to wearable devices used with the digital applications developed by Human Mobility S.r.l.

Cost of raw materials and consumables

	FY 2020	FY 2019
Change in inventories of raw materials and consumables	153	4
Purchase of raw materials and consumables	2	395
TOTAL	**155**	**399**

Note 29.

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

	FY 2020	FY 2019
Service costs	74,620	59,658
TOTAL	**74,620**	**59,658**

Service costs break down as follows:

Service costs

	FY 2020	FY 2019
Outsourced and consulting services	58,420	42,036
Remuneration of directors and statutory auditors	3,534	3,766
Consulting - administrative services	3,457	2,795
Marketing costs	2,420	4,470
Other services (chargebacks, commissions, etc.)	2,141	2,229
Rental and leasing	1,498	1,635
Cleaning, surveillance and other general services	1,127	665
Utilities and telephone charges	911	940
Bank and factoring charges	674	627
Insurance	217	264
Maintenance and support services	204	221
Transport	17	10
TOTAL	**74,620**	**59,658**

Note that Outsourced and consulting services, equal to Euro 58,420, include the costs of services received from technical and ICT professionals used by the Group to provide its own services to customers.

Remuneration of directors and statutory auditors also includes Euro 3,534 relating to provisions for bonuses, classified by nature, relating to annual variable bonuses of Euro 900 thousand for Directors with strategic responsibilities.

Rental and leasing regards the costs incurred by the Group for the use of the movables registered and property belonging to third parties, based on the lease and rental contracts entered into, with a term of less than twelve months and/or of low value, for which certain simplifications apply (so-called practical expedients) envisaged by IFRS16.

For these contracts, the introduction of IFRS 16 has not resulted in the recognition of the financial lease liability and of the relative right of use, but the lease payments were recognised in the income statement on a straight line basis for the term of the respective contracts.

Note 30.

Personnel costs

The figure shown represents the total personnel-related cost incurred by the Group in 2020.

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 paid during the year; the item also includes Euro 1,917 thousand relating to provisions for bonuses for the corporate bodies, classified by nature under Wages and salaries.

Social security contributions include all pay-related contributions envisaged by law; Post-employment benefits relate to the provision accrued during the year (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.

Personnel costs

	FY 2020	FY 2019
Wages and salaries	61,862	57,394
Social security contributions	14,380	13,425
Post-employment benefits	3,497	3,026
Other personnel costs	1,728	1,611
TOTAL	**81,467**	**75,456**

The number of employees at 31 December 2020, broken down by category, is illustrated in the following table:

Description	No. in current period
Executives	131
Middle managers	191
White collar	1,025
Blue collar	0
Apprentices	101
Total	**1,448**

Note 31.

Other operating costs

This item includes all costs of a residual nature, other than those recognised under items that have already been commented upon.

Other operating costs

	FY 2020	FY 2019
Other operating costs	1,928	1,344
TOTAL	**1,928**	**1,344**

Specifically, the item predominantly includes contingent liabilities for Euro 628 thousand mainly referring to undeclared contingent assets relating to the current year and other operating costs for Euro 602 thousand referring to membership fees, fines, penalties on services provided and indirect taxes for Euro 508 thousand.

Note 32.

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 3.

Cost of internal work capitalised

	FY 2020	FY 2019
Cost of internal work capitalised	5,868	6,249
TOTAL	**5,868**	**6,249**

Note 33.

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

	FY 2020	FY 2019
Depreciation of property, plant and equipment	771	826
Amortisation of intangible assets	6,111	4,957
Amortisation of rights of use	3,354	2,896
TOTAL	**10,236**	**8,679**

Note 34.

Allocations to provisions

With regard to the item "Allocation to bad debt provision", a more complete description can be found in Note 9 and paragraph 5.1.

The item "Allocations to provisions for risks" refers to the estimated amount allocated for the annual portion of the three-year bonus for key partners.

Allocations to provisions

	FY 2020	FY 2019
Allocations to provisions for risks	1,493	346
Allocation to bad debt provision	167	403
TOTAL	**1,660**	**749**

Note 35.

Financial income and expense

Financial management income and expense

	FY 2020	FY 2019
Financial income	100	101
Financial expense	(1,313)	(1,301)
Revaluation (Write-down) of financial assets	0	0
Gains (Losses) on foreign currency transactions	(52)	79
TOTAL	**1,265**	**1,121**

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.

Breakdown of financial interest and expense

	FY 2020	FY 2019
Interest expense on current bank accounts	2	20
Interest expense on factoring and advances on invoices	368	376
Interest expense on loans	391	363
Other financial expense	552	542
TOTAL	**1,313**	**1,301**

Note 36.

Current income taxes, deferred tax assets and liabilities

Current taxes relating to the year include Euro 659 thousand for IRAP tax and Euro 1,332 thousand for IRES tax plus the income tax for foreign affiliates for a total of Euro 1,513 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

	FY 2020	FY 2019
Current taxes	3,504	3,110
Deferred tax assets and liabilities	730	1,451
TOTAL	**4,234**	**4,561**

The table below illustrates the reconciliation of the tax burden resulting from the consolidated financial statements and the theoretical tax burden.

Reconciliation of tax burden resulting from the financial statements and theoretical (IRES) tax burden

Description	Amount	Taxes
Profit (loss) before tax	12,207	
Consolidation adjustments	12,622	
Aggregated profit (loss) before tax	**24,829**	
Profit (loss) before tax of Foreign companies	(3,498)	
Total	**21,331**	
Theoretical tax burden (%)	**24.00%**	**5,119**
Temporary differences taxable in future years:		
Unrealised exchange rate gains during the year	0	
Amortisation of goodwill	(1,335)	
Temporary differences taxable in future years:	**(1,335)**	**(320)**
Temporary differences deductible in future years:		
Remuneration of directors not paid at 31.12.2020	585	
Non-deductible allocations	4,953	
Other temporary differences deductible in future years	1	
Temporary differences deductible in future years:	**5,539**	**1,329**
Reversal of temporary differences from previous years:		
Services not completed at 31.12.2019	(333)	
Utilisation of provisions	(7,212)	
Goodwill	(57)	
Other temporary differences deductible in future years	4	
Reversal of temporary differences from previous years:	**(7,605)**	**(1,825)**
Differences that will not be reversed in future years		0
Wholly or partially non-deductible costs	2,335	
Permanent decreases	(14,515)	
Deductible interest expense	(114)	
ACE	(67)	
Differences that will not be reversed in future years	**(12,362)**	**(2,967)**
- Taxable income	**5,567**	
Current IRES on income for the year		**1,336**
Adjustments on previous years' taxes		**(4)**
TOTAL IRES for the year relating to Italian companies		**1,332**
TOTAL income taxes for the year - foreign companies		**1,513**
TOTAL income taxes for the year		**2,845**
- Taxable income for IRAP purposes	**16,029**	**661**
Adjustments of IRAP taxes for previous years		**(2)**
TOTAL IRAP		**659**
TOTAL TAXES		**3,504**

Note 37.

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 number of ordinary shares outstanding. The result and disclosures on shares used to calculate the basic negative earnings per share are provided below.

Earnings per share

	31.12.2020	31.12.2019
Profit (loss) from continuing operations pertaining to owners of the Company	7,973	6,087
Profit (loss) from discontinued operations pertaining to owners of the Company	0	0
Profit (loss) attributable to owners of the Parent Company	7,973	6,087
Total no. shares	134,897,272	134,897,272
Number of own shares held	6,906,805	4,786,256
Number of ordinary shares outstanding	127,990,467	130,111,016
Basic earnings per share pertaining to owners of the Parent Company	Euro 0.06	Euro 0.05
Diluted earnings per share	Euro 0.06	Euro 0.05

5. Other disclosures

5.1. Potential liabilities and disputes pending

The Group is involved in certain minor 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 136 thousand, considered sufficient to cover liabilities that could arise from these disputes whose risk is considered to be limited, Euro 100 thousand of which relates to Be Solutions. Note that during the year 2019 a dispute was filed with INPS for which the company had allocated Euro 326 thousand relating to contribution differences owed by the company. An appeal has been filed.

5.2. Significant non-recurring events and transactions

In the year under analysis, as in the previous year, the Be Group did not recognise any non-recurring income and charges pursuant to Consob Resolution 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 2020) 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 31 December 2020 are: TIP Tamburi Investment Partners S.p.A., Ir Top Consulting S.r.l. and Terra Moretti Distribuzione S.r.l. Note that with regard to the Board of Directors of BE SPA of 22 April 2020:

- Anna Lambiase completed her term of office and, therefore, the company Ir Top Consulting S.r.l. is no longer a related party;
- Francesca Moretti accepted the office of member of the Board and, therefore, the company Terra Moretti Distribuzione S.r.l. is a new related party.

With regard to Messrs Stefano Achermann and Carlo Achermann and the companies controlled by them respectively - Innishboffin S.r.l. and Carma Consulting S.r.l. - the economic transactions that took place in the period substantially refer 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. Note that with deed by Notary Busani - index no. 49050/22570 - the company iFuture S.r.l. was split in favour of the two aforementioned companies on 12 November 2020.

No significant transactions were performed in the year 2020.

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 31 December 2020

	Receivables			***Payables***		
	Trade receivables and other receivables	**Other receivables**	***Financial receivables***	**Trade payables and other payables**	***Other payables***	***Financial payables***
Related Parties						
T.I.P. S.p.A.	0	0	0	18	0	0
Terra Moretti Distribuzione S.r.l.				32		
Total Related Parties	**0**	**0**	**0**	**50**	**0**	**0**

Receivables and payables with related parties at 31 December 2019

	Receivables			***Payables***		
	Trade receivables and other receivables	**Other receivables**	***Financial receivables***	**Trade payables and other payables**	***Other payables***	***Financial payables***
Related Parties						
T.I.P. S.p.A.	0	0	0	33	0	0
IR Top	0	0	0	6	0	0
Total Related Parties	**0**	**0**	**0**	**39**	**0**	**0**

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Revenue and costs with related parties in 2020

	Revenue	Revenue		Costs		
	Revenue	Other revenue	*Financial income*	Services	*Other costs*	*Financial expense*
Related Parties						
T.I.P. S.p.A.	0	0	0	60	0	0
C. Achermann	0	0	0	39	0	0
Terra Moretti Distribuzione S.r.l.				40		
IR Top	0	0	0	5	0	0
Total Related Parties	**0**	**0**	**0**	**144**	**0**	**0**

Revenue and costs with related parties in 2019

	Revenue	Revenue		Costs		
	Revenue	Other revenue	*Financial income*	Services	*Other costs*	*Financial expense*
Related Parties						
T.I.P. S.p.A.	0	0	0	60	0	0
C. Achermann	0	0	0	39	0	0
IR Top	0	0	0	33	0	0
Total Related Parties	**0**	**0**	**0**	**132**	**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	**31.12.2020**	**Absolute value**	**%**	**31.12.2019**	**Absolute value**	**%**
Trade receivables and Assets deriving from Contracts with customers	22,014	0	0%	29,372	0	0%
Other assets and receivables	3,574	0	0%	2,836	0	0%
Cash and cash equivalents	60,580	0	0%	34,185	0	0%
Financial payables and other liabilities		0	0%	76,191	0	0%
Trade payables	22,076	50	0%	12,333	39	0%
INCOME STATEMENT	**2020**	**Absolute value**	%	**2019**	**Absolute value**	**%**
Operating revenue	176,645	0	0%	148,546	0	0%
Service and other costs	(76,548)	144	0%	(61,002)	132	0%
Net financial expense	(1,265)	0	0%	(1,121)	0	0%

The consolidated statement of financial position and consolidated income statement indicating the related parties, in accordance with Consob Resolution 15519 of 27 July 2006, are provided below.

Consolidated Statement of Financial Position *(in accordance with Consob Resolution 15519 of 27 July 2006)*

Amounts in EUR thousands	31.12.20	Of which related parties	31.12.19	Of which related parties
NON-CURRENT ASSETS				
Property, plant and equipment	2,273		2,161	0
Rights of use	9,135		8,679	0
Goodwill	70,374		65,060	0
Intangible assets	19,626		19,632	0
Equity investments in other companies	1,329		829	0
Loans and other non-current assets	830		2,152	0
Deferred tax assets	2,884		3,303	0
Total non-current assets	**106,451**	**0**	**101,816**	**0**
CURRENT ASSETS				
Inventories	156		3	0
Assets deriving from Contracts with customers	9,778		11,513	0
Trade receivables	22,014		17,901	0
Other assets and receivables	3,574		2,828	0
Direct tax receivables	802		890	0
Financial receivables and other current financial assets	165		104	0
Cash and cash equivalents	60,580		34,185	0
Total current assets	**97,069**	**0**	**67,424**	**0**
Total discontinued operations	**0**		**0**	**0**
TOTAL ASSETS	**203,520**	**0**	**169,240**	**0**
SHAREHOLDERS' EQUITY				
Share capital	27,109		27,109	0
Reserves	20,935		21,144	0
Net profit (loss) attributable to owners of the Parent Company	7,973	144	6,087	132
Group Shareholders' equity	**56,017**	**144**	**54,340**	**132**
Minority interests:				
Capital and reserves	1,737		1,262	0
Net profit (loss) attributable to minority interests	1,139		470	0
Minority interests	**2,876**		**1,732**	**0**
TOTAL SHAREHOLDERS' EQUITY	**58,893**	**144**	**56,072**	**132**
NON-CURRENT LIABILITIES				
Financial payables and other non-current financial liabilities	25,482		20,926	0
Financial liabilities for non-current rights of use	6,875		6,214	0
Provisions for risks	1,628		1,649	0
Post-employment benefits (TFR)	7,088		6,953	0
Deferred tax liabilities	7,759		7,348	0
Other non-current liabilities	6,416	**0**	6,717	0
Total Non-current liabilities	**55,248**		**49,807**	**0**
CURRENT LIABILITIES				
Financial payables and other current financial liabilities	22,053		15,572	0
Financial liabilities for current rights of use	3,047		3,004	0
Trade payables	22,076	50	12,366	39
Provision for current risks	2,300		7,075	0
Tax payables	1,481		1,585	0
Other liabilities and payables	38,422		23,759	0
Total Current liabilities	**89,379**	**50**	**63,361**	**39**
Total discontinued operations	**0**	**0**	**0**	**0**
TOTAL LIABILITIES	**144,627**	**50**	**113,168**	**39**

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**203,520**	**199**	**169,240**	**171**

Consolidated Income Statement

Amounts in EUR thousands	FY 2020	Of which related parties	of which non-recurring income (charges)	FY 2019	Of which related parties	of which non-recurring income (charges)
Operating revenue	176,645			148,546		
Other revenue and income	2,164			3,729		
Total Revenue	**178,809**			**152,275**		
Raw materials and consumables	(155)			(399)		
Service costs	(74,620)		(144)	(59,658)	(132)	
Personnel costs	(81,467)			(75,456)		
Other operating costs	(1,928)			(1,344)		
Cost of internal work capitalised	5,868			6,249		
Amortisation, depreciation and write-downs:						
Depreciation of property, plant and equipment	(771)			(826)		
Amortisation of intangible assets	(6,111)			(4,957)		
Amortisation of rights of use	(3,354)			(2,896)		
Allocations to provisions	(1,660)			(749)		
Total Operating Costs	**(164,198)**		(144)	**(140,036)**	(132)	
Operating profit (loss) (EBIT)	**14,611**		**(144)**	**12,239**	**(132)**	
Financial income	100			101		
Financial expense	(1,365)			(1,222)		
Total Financial Income/Expense	**(1,265)**			**(1,121)**		
Profit (loss) before tax	**13,346**		**(144)**	**11,118**	**(132)**	
Current income taxes	(3,504)			(3,110)		
Deferred tax assets and liabilities	(730)			(1,451)		
Total Income taxes	**(4,234)**			**(4,561)**		
Net profit (loss) from continuing operations	**9,112**			**6,557**		
Net profit (loss) from discontinued operations	**0**			**0**		
Net profit (loss)	**9,112**		**(144)**	**6,557**	**(132)**	
Net profit (loss) attributable to minority interests	**1,139**			**470**		
Net profit (loss) attributable to owners of the Parent Company	**7,973**			**6,087**		

Consolidated Statement of Cash Flows

Amounts in EUR thousands	**2020**	**Of which related parties**	**2019**	**Of which related parties**
Net profit (loss)	9,112	0	6,557	0
Amortisation, depreciation and write-downs	10,236	0	8,679	0
Non-monetary changes in post-employment benefits (TFR)	1,497	0	837	0
Net financial expense in the income statement	1,377	0	1,198	0
Taxes for the year	3,504	0	3,110	0
Deferred tax assets and liabilities	730	0	1,451	0
Losses on current assets and provisions	3,577	0	4,958	0
Release of risk provisions	(455)	0	(408)	0
Increase in internal work capitalised	(5,868)	0	(6,249)	0
Other non-monetary changes	89	0	35	0
Exchange rate conversion differences	(77)	0	(28)	0
Cash flow from operating activities	**23,722**	**0**	**20,140**	**0**
Change in inventories	(153)	0	4	0
Changes in assets deriving from contracts with customers	1,735	0	(349)	0
Change in trade receivables	(4,589)	0	(856)	0
Change in trade payables	9,710	21	207	15
Use of bad debt provisions	(7,918)	0	(3,352)	0
Other changes in current assets and liabilities	13,359	0	(1,146)	0
Income taxes paid	(3,017)	0	(1,908)	0
Post-employment benefits (TFR) paid	(1,319)	0	(973)	0
Other changes in non-current assets and liabilities	(2,765)	0	(951)	0
Change in net working capital	**5,043**	**21**	**(9,324)**	**15**
Cash flow from (used in) operating activities	**28,765**	**21**	**10,816**	**15**
(Purchase) of property, plant and equipment net of disposals	(883)	0	(747)	0
(Purchase) of intangible assets net of disposals	(409)	0	(1,562)	0
Cash flow from business combinations net of cash acquired	(1,751)	0	(1,936)	0
(Purchase)/sale of equity investments and securities	(24)	0	(500)	0
Cash flow from (used in) investing activities	**(3,067)**	**0**	**(4,745)**	**0**
Change in current financial assets	(61)	0	407	0
Change in current financial liabilities	6,493	0	(4,498)	0
Financial expense paid	(1,277)	0	(1,165)	0
Change in non-current financial liabilities	4,462	0	5,354	0
Repayments of lease liabilities	(3,138)	0	(2,535)	0
Cash paid for purchase of share pertaining to third parties	0	0	(283)	0
Cash paid to purchase own shares	(2,795)	0	(2,290)	0
Distribution of dividends paid to Group shareholders	(2,992)	0	(2,896)	0
Contributions from minority interests	5	0	10	0
Cash flow from (used in) financing activities	**697**	**0**	**(7,896)**	**0**
Cash flow from (used in) discontinued operations		**0**	**0**	**0**
Cash and cash equivalents	**26,395**	**21**	**(1,825)**	**15**
Net cash and cash equivalents - opening balance	34,185	0	36,010	0
Net cash and cash equivalents - closing balance	60,580	0	34,185	0
Net increase (decrease) in cash and cash equivalents	**26,395**	**0**	**(1,825)**	**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.

The potential positive or negative impact on financial expense related to short-term credit/debt exposure in foreign currency, resulting from the fluctuation of the exchange rate as a consequence of a hypothetical and immediate change in exchange rates of +/- 10%, is summarised in the following table:

Currency	+10%	-10%
Polish Zloty (PNL)	(57)	70
Ukrainian Hryvnia (UAH)	(6)	7
Romanian Leu (RON)	(66)	81
British Pound (GBP)	114	(139)
Swiss Franc (CHF)	(50)	61
Total	**(65)**	**80**

Following a hypothetical increase of all exchange rates of ten percent, the overall impact would be a negative Euro 65 thousand, against a positive impact of Euro 80 thousand if the rates fell by the same percentage.

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 8 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. Given the nature of the clientele, no additional risks with regard to the Covid-19 pandemic are noted at the moment.

Note that the top two customers of the Banking Group account for 47.8% of operating revenue. The maximum theoretical exposure to credit risk for the Group at 31 December 2020 is represented by the book value of the financial assets taken from the consolidated financial statements. 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. A swap contract has been drawn up to hedge interest rate risk on an unsecured loan obtained of Euro 6 million, for a duration of three years and two swap contracts were drawn up to hedge interest rate risk on an unsecured loan obtained of Euro 10 million, for a duration of five years and lastly, a swap contract was drawn up to hedge interest risk on an unsecured loan of Euro 4 million. The tables included in the sections on current and non-current financial payables show the book value, by maturity, of the Company's and Group's financial instruments that are exposed to interest rate risk.

A hypothetical sudden and unfavourable 1% change in the interest rate applicable to existing loans at 31 December 2020, even considering the hedges in place, would result in a pre-tax expense of Euro 69 thousand for the year.

- **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. For details of the features of current and non-current financial liabilities, see notes 15 and 16 "Financial liabilities". 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.

- **Additional information on financial instruments and risk management policies**

The following tables provide, separately for the two years compared, the additional information required by IFRS 7 in order to assess the relevance of financial instruments with relation to the equity and financial situation of the Group and its profit (loss) for the year.

Categories of financial assets and liabilities

The breakdown of the book value of financial assets and liabilities into the categories envisaged by accounting standard IFRS 9 is shown below.

Financial assets at 31.12.2020

Amounts in EUR thousands	Financial assets at FV through profit or loss	Financial assets at amortised cost	Financial assets FVOCI	Book value	Notes to the financial statements
OTHER FINANCIAL ASSETS	**0**	**0**	**0**	**0**	
Other receivables and financial assets		0		0	
Financial receivables (portion beyond 12 months)		0		0	
TRADE RECEIVABLES	**0**	**31,792**	**0**	**31,792**	
Receivables due from customers		22,014		22,014	*10*
Assets deriving from contracts with customers		9,778		9,778	*9*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**165**	**0**	**165**	
Financial receivables and other current financial assets		165		165	*13*
Securities and financial assets		0		0	
CASH AND CASH EQUIVALENTS	**0**	**60,580**	**0**	**60,580**	
Cash and cash equivalents		60,580		60,580	*14*
TOTAL FINANCIAL ASSETS	**0**	**92,537**	**0**	**92,537**	

Financial liabilities at 31.12.2020

Amounts in EUR thousands	Financial liabilities for derivative instruments	Financial liabilities at amortised cost	Book value	Notes to the financial statements
FINANCIAL PAYABLES AND OTHER NON-CURRENT LIABILITIES	**(181)**	**(32,176)**	**(32,357)**	
Financial payables and other non-current financial liabilities		(25,301)	(25,301)	*16*
Hedge derivatives	(181)		(181)	*16*
Financial liabilities for non-current rights of use		(6,875)	(6,875)	*18*
Other financial liabilities		0	0	
CURRENT LIABILITIES	**0**	**(47,176)**	**(47,176)**	
Financial payables and other current financial liabilities		(22,053)	(22,053)	*17*
Hedge derivatives			0	*17*
Trade payables		(22,026)	(22,026)	*23*
Payables to related parties		(50)	(50)	*23*
Financial liabilities for current rights of use		(3,047)	(3,047)	*18*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities		0	0	
Financial payables to related parties		0	0	
TOTAL FINANCIAL LIABILITIES	**(181)**	**(79,352)**	**(79,533)**	

Financial assets at 31.12.2019

Amounts in EUR thousands	Financial assets at FV through profit or loss	Financial assets at amortised cost	Financial assets FVOCI	Book value	Notes to the financial statements
OTHER FINANCIAL ASSETS	**0**	**0**	**0**	**0**	
Other receivables and financial assets		0		0	
Financial receivables (portion beyond 12 months)		0		0	
TRADE RECEIVABLES	**0**	**29,414**	**0**	**29,414**	
Receivables due from customers		17,901		17,901	*10*
Assets deriving from contracts with customers		11,513		11,513	*9*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**104**	**0**	**104**	
Financial receivables and other current financial assets		104		104	*13*
Securities and financial assets		0		0	
CASH AND CASH EQUIVALENTS	**0**	**34,185**	**0**	**34,185**	
Cash and cash equivalents		34,185		34,185	*14*
TOTAL FINANCIAL ASSETS	**0**	**63,703**	**0**	**63,703**	

Financial liabilities at 31.12.2019

Amounts in EUR thousands	Financial liabilities for derivative instruments	Financial liabilities at amortised cost	Book value	Notes to the financial statements
FINANCIAL PAYABLES AND OTHER NON-CURRENT LIABILITIES	**(168)**	**(26,972)**	**(27,140)**	
Financial payables and other non-current financial liabilities		(20,758)	(20,758)	*16*
Hedge derivatives	(168)		(168)	*16*
Financial liabilities for non-current rights of use		(6,214)	(6,214)	*18*
Other financial liabilities		0	0	
CURRENT LIABILITIES	**(1)**	**(30,941)**	**(30,942)**	
Financial payables and other current financial liabilities		(15,571)	(15,571)	*17*
Hedge derivatives	(1)		(1)	*17*
Trade payables		(12,327)	(12,327)	*23*
Payables to related parties		(39)	(39)	*23*
Financial liabilities for current rights of use		(3,004)	(3,004)	*18*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities		0	0	
Financial payables to related parties		0	0	
TOTAL FINANCIAL LIABILITIES	**(169)**	**(57,913)**	**(58,082)**	

Note that the fair value of derivative instruments refer to the measurement techniques described previously.

The following table shows the classification of the financial assets and liabilities recognised in the financial statements at fair value, based on the nature of the financial parameters used to determine the fair value, using the hierarchy envisaged by the standard:

- level I: quoted prices for identical instruments in active markets;
- level II: variables other than quoted prices in active markets that are observable either directly (as in the case of prices) or indirectly (namely price derivatives);
- level III: variables that are not based on observable market values.

Financial statement items at 31 December 2020	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Liabilities for Put & Call	**(9,661)**	**0**	**0**	**(9,661)**	**(9,661)**	
- Liabilities for Put & Call	(9,661)			(9,661)	**(9,661)**	*21-25*
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(181)**	**0**	**(181)**	**0**	**(181)**	
- Forward contracts					0	
- IRS on rates contracted on Unicredit loan	(76)		(76)		(76)	*16-17*
- IRS on rates contracted on BPM loan of Euro 7 million	(43)		(43)		(43)	*16-17*
- IRS on rates contracted on BPM loan of Euro 10 million	(62)		(62)		(62)	*16-17*

Financial statement items at 31 December 2019	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Liabilities for Put & Call	**(6,785)**	**0**	**0**	**(6,785)**	**(6,785)**	
- Liabilities for Put & Call	(6,785)			(6,785)	**(6,785)**	*21-25*
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(169)**	**0**	**(169)**	**0**	**(169)**	
- Forward contracts					0	
- IRS on rates contracted on Unicredit loan	(81)		(81)		(81)	*16-17*
- IRS on rates contracted on BPM loan of Euro 7 million	(1)		(1)		(1)	*16-17*
- IRS on rates contracted on BPM loan of Euro 10 million	(87)		(87)		(87)	*16-17*

5.5. Positions deriving from atypical or unusual transactions

In 2020, the Group did not undertake any atypical or unusual transactions as defined in Consob Communication DEM/6064293.

5.6. Fees due to the independent auditors Deloitte&Touche S.p.A. and to their network pursuant to art. 149-duodecies of the Issuers' Regulation

The fees due to the Independent auditors in 2020 totalled Euro 277 thousand (Euro 285 thousand last year), of which Euro 21 thousand refer to the limited audit of the "Non-financial statement at 31.12.2020".

The independent auditors did not carry out any activities other than auditing the financial statements.

6. Events after the reporting period at 31 December 2020

The first part of 2021 is still highly impacted by management of the Covid-19 pandemic and by the restrictive measures to contain it. The national and international macroeconomic scenario continues to be highly uncertain, although partially mitigated by the start of the vaccination campaigns.

In fact, the protective measures implemented by the Institutions in the form of minor lockdowns continue, involving industrial and commercial activities and with considerable impact on the national and international economy.

The effects of such restrictive measures and the still uncertain timing of vaccination campaigns may have effects that cannot yet be fully predicted. A more complete opinion as to the expected performance of the market will be issued at the end of the first six-month period.

However, as in 2020, the Group believes that it has adequate management levers available to counter the effects of the health emergency, operating, as demonstrated by the results, in a resilient business, and it is thus able to confirm the medium-long term prospects set out in the 2021-2023 Business Plan.

Therefore, taking into account the actions already implemented as well as those planned for the coming months, in the absence of events not currently foreseeable, including a possible new lockdown, the Group believes it can rely on the achievement of the annual objectives and more generally of the 2021-2023 Plan.

The Be Group is also in constant contact with the Authorities and health facilities to monitor the evolution of the measures needed to contain the pandemic. The health of its customers and employees is its top priority.

The entire Be Group is fully committed to ensuring that the Italian System soon returns to the utmost levels of competitiveness.

The financial calendar for 2021, as announced, is currently confirmed.

Milan, 11 March 2021

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

Certification of 2020 Consolidated Financial Statements pursuant to art. 81-ter, Consob Regulation 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 Shaping the Future 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 to prepare the consolidated financial statements in 2020.

2. It is also confirmed that:

2.1. the consolidated financial statements:

a) were prepared in compliance with international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of Council, of 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 of the group of companies included in the scope of consolidation;

2.2. the management report contains a reliable analysis of references to significant events occurring in the financial year and their impact on the results of operations, as well as of the position of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Milan, 11 March 2021.

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

Manuela Mascarini

/signed/ Stefano Achermann
Chief Executive Officer

Stefano Achermann

SHAPING THE FUTURE

Parent Company Financial Statements

A. Statement of Financial Position

Amounts in EUR	*Notes*	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	757	1,344
Rights of use	*2*	60,137	124,816
Goodwill	*3*	10,170,000	10,170,000
Intangible Assets	*4*	583	4,083
Equity investments in subsidiaries	*5*	45,772,859	43,248,964
Equity investments in other companies	*6*	500,000	0
Financial receivables and other non-current financial assets	*7*	556,209	919,908
Loans and other non-current assets	*8*	0	712,222
Deferred tax assets	*9*	921,466	722,354
Total non-current assets		**57,982,011**	**55,903,691**
CURRENT ASSETS			
Trade receivables	*10*	1,392,382	5,093,053
Other assets and receivables	*11*	19,030,632	15,852,003
Direct tax receivables	*12*	460,968	46,673
Financial receivables and other current financial assets	*13*	12,247,689	10,957,755
Cash and cash equivalents	*14*	50,159,942	26,280,598
Total current assets		**83,291,613**	**58,230,082**
Total discontinued operations		**0**	**0**
TOTAL ASSETS		**141,273,624**	**114,133,773**
SHAREHOLDERS' EQUITY			
Share capital		27,109,165	27,109,165
Reserves		10,093,773	10,686,282
Net profit (loss)		6,505,134	5,204,304
TOTAL SHAREHOLDERS' EQUITY	***15***	**43,708,072**	**42,999,751**
NON-CURRENT LIABILITIES			
Financial payables and other non-current financial liabilities	*16*	25,481,811	20,926,421
Financial liabilities for non-current rights of use	*17*	38,157	60,614
Provisions for future risks and charges	*18*	1,528,578	36,078
Post-employment benefits (TFR)	*19*	159,838	177,374
Deferred tax liabilities	*20*	2,930,994	2,930,994
Other non-current liabilities	*21*	0	556,222
Total Non-current liabilities		**30,139,378**	**24,687,703**
CURRENT LIABILITIES			
Financial payables and other current financial liabilities	*22*	58,615,480	32,153,167
Financial liabilities for current rights of use	*17*	24,498	64,167
Trade payables	*23*	1,644,127	2,307,638
Provision for current risks	*24*	104,372	4,253,730
Tax payables	*25*	0	1,022,166
Other liabilities and payables	*26*	7,037,697	6,645,452
Total Current liabilities		**67,426,174**	**46,446,320**
Total discontinued operations		**0**	**0**
TOTAL LIABILITIES		**97,565,552**	**71,134,023**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**141,273,624**	**114,133,773**

The effects of related party transactions on the statement of financial position in accordance with Consob Resolution 15519 of 27 July 2006 are illustrated in a specific statement of financial position in note 5.4.

E-MARKET SDIR CERTIFIED

B. Income Statement

Amounts in EUR	*Notes*	FY 2020	FY 2019
Operating revenue	27	1,975,842	4,489,523
Other revenue and income	28	1,288,054	1,459,431
Total Operating revenue		**3,263,896**	**5,948,953**
Raw materials and consumables	29	(611)	(762)
Service costs	30	(7,458,730)	(7,996,296)
Personnel costs	31	(1,679,767)	(3,689,046)
Other operating costs	32	(341,767)	(201,604)
Amortisation and depreciation, provisions and write-downs:			
Depreciation of Property, Plant and Equipment	33	(587)	(1,181)
Amortisation of Intangible Assets	33	(3,500)	(3,750)
Amortisation of Rights of Use	33	(55,430)	(55,600)
Impairment loss on current assets	34	0	(50,000)
Allocations to provisions	35	(1,492,500)	0
Total Operating Costs		**(11,032,892)**	**(11,998,239)**
Operating profit (loss) (EBIT)		**(7,768,996)**	**(6,049,285)**
Financial income	36	12,507,301	10,772,677
Financial expense	36	(429,744)	(445,995)
Total Financial Income/Expense		**12,077,557**	**10,326,682**
Profit (loss) before tax		**4,308,561**	**4,277,397**
Current income taxes	37	2,000,529	1,867,047
Deferred tax assets and liabilities	37	196,044	(940,141)
Total income taxes		**2,196,573**	**926,907**
Net profit (loss) from continuing operations		**6,505,134**	**5,204,304**
Net profit (loss) from discontinued operations		**0**	**0**
Net profit (loss)		**6,505,134**	**5,204,304**

The effects of related party transactions on the income statement in accordance with Consob Resolution 15519 of 27 July 2006 are illustrated in a specific income statement in paragraph 5.4.

C. Statement of Comprehensive Income

Amounts in EUR	FY 2020	FY 2019
Net profit (loss)	**6,505,134**	**5,204,304**
Items not subject to reclassification in the income statement		
Actuarial gains (losses) on employee benefits	(5,684)	(6,930)
Tax effect on actuarial gains (losses)	1,364	1,663
Items subject to reclassification in the income statement when certain conditions are met		
Gains (losses) on cash flow hedges	(5,397)	(54,550)
Gains (losses) on the restatement (fair value) of available-for-sale financial assets	0	0
Other items of comprehensive income	**(9,717)**	**(59,816)**
Net comprehensive profit (loss)	**6,495,417**	**5,144,487**

D. Statement of Cash Flows

Amounts in EUR	FY 2020	FY 2019
Net profit (loss)	**6,505,134**	**5,204,304**
Amortisation and depreciation	59,517	60,531
Non-monetary changes in post-employment benefits (TFR)	(23,060)	8,139
Net financial income in the income statement	(12,077,557)	(10,326,682)
Taxes for the year	(2,000,529)	(1,867,047)
Deferred tax assets and liabilities	(196,044)	940,141
Provisions and write-downs	1,596,872	1,809,730
Release of bad debt provisions	0	(328,000)
Other non-monetary changes	88,813	35,087
Cash flow from operating activities	**(6,046,854)**	**(4,463,797)**
Change in trade receivables	3,700,671	(880,784)
Change in trade payables	(663,511)	351,400
Use of bad debt provisions	(4,253,730)	0
Other changes in current assets and liabilities	247,742	(723,117)
Income taxes paid	(2,464,351)	(508,495)
Post-employment benefits (TFR) paid	(160)	(6,000)
Other changes in non-current assets and liabilities	154,296	(167,229)
Change in net working capital	**(3,279,043)**	**(1,934,225)**
Cash flow from (used in) operating activities	**(9,325,897)**	**(6,398,022)**
(Purchase) of property, plant and equipment net of disposals	0	98
(Purchase) of intangible assets net of disposals	0	(1,000)
Cash flow from (used in) investing activities	**0**	**(902)**
Change in current financial assets	(782,633)	9,251,156
Change in current financial liabilities	38,462,313	7,990,497
Change in non-current financial assets	363,699	(919,908)
Change in non-current financial liabilities	4,461,180	5,418,517
Repayments of lease liabilities	(52,877)	(55,635)
Financial expense paid	(435,450)	(482,356)
Cash paid to purchase own shares	(2,794,774)	(2,289,790)
Cash paid for contributions to subsidiaries	(2,523,895)	(9,050,000)
Cash paid to purchase equity investment	(500,000)	0
Distribution of dividends paid to Company shareholders	(2,992,322)	(2,896,000)
Cash flow from (used in) financing activities	**33,205,241**	**6,966,481**
Cash flow from (used in) discontinued operations	**0**	**0**
Cash and cash equivalents	**23,879,344**	**567,557**
Net cash and cash equivalents - opening balance	26,280,598	25,713,041
Net cash and cash equivalents - closing balance	50,159,942	26,280,598
Net increase (decrease) in cash and cash equivalents	**23,879,344**	**567,557**

In accordance with Consob Resolution 15519 of 27 July 2006, the effects of related party transactions on the Statement of cash flows are illustrated in a specific Statement of Cash Flows in paragraph 5.4.

E. Statement of Changes in Shareholders' Equity

Amounts in EUR	Share capital	Legal Reserve	Share Premium reserve	Extraordinary reserve	Reserve of own shares purchased	Other reserves	Profit (loss) carried forward	Profit (loss) for the year	Shareholders' Equity
SHAREHOLDERS' EQUITY AT 31.12.2018	**27,109,165**	**454,304**	**15,168,147**	**1,687,354**	**(2,365,955)**	**(740,050)**	**0**	**1,728,089**	**43,041,054**
Net profit (loss)	0	0	0	0	0	0	0	5,204,304	5,204,304
Other items of comprehensive income	0	0	0	0	0	(59,816)	0	0	(59,816)
Net comprehensive profit (loss)	**0**	**0**	**0**	**0**	**0**	**(59,816)**	**0**	**5,204,304**	**5,144,488**
Purchase of own shares	0	0	0	0	(2,289,790)	0	0	0	(2,289,790)
Allocation of prior year profit (loss)	0	86,404	0	0	0	0	1,641,685	(1,728,089)	0
Dividend distribution	0	0	0	(1,254,316)	0	0	(1,641,685)	0	(2,896,001)
SHAREHOLDERS' EQUITY AT 31.12.2019	**27,109,165**	**540,708**	**15,168,147**	**433,038**	**(4,655,745)**	**(799,866)**	**0**	**5,204,304**	**42,999,751**
Net profit (loss)	0	0	0	0	0	0	0	6,505,134	6,505,134
Other items of comprehensive income	0	0	0	0	0	(9,717)	0	0	(9,717)
Net comprehensive profit (loss)	**0**	**0**	**0**	**0**	**0**	**(9,717)**	**0**	**6,505,134**	**6,495,417**
Purchase of own shares	0	0	0	0	(2,794,774)	0	0	0	(2,794,774)
Allocation of prior year profit (loss)	0	260,215	0	0	0	0	4,944,089	(5,204,304)	0
Dividend distribution	0	0	0	1,951,767	0	0	(4,944,089)	0	(2,992,322)
SHAREHOLDERS' EQUITY AT 31.12.2020	**27,109,165**	**800,923**	**15,168,147**	**2,384,805**	**(7,450,519)**	**(809,583)**	**0**	**6,505,134**	**43,708,072**

Notes to the financial statements

1. Corporate information

Be Shaping the Future S.p.A. (Be S.p.A. for short), the Parent Company, is a joint-stock company established in 1987 in Mantua.

The registered office is in Viale dell'Esperanto 71 in Rome.

Be S.p.A., 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 the annual and interim accounting documents.

The financial statements of Be S.p.A. for the year ending 31 December 2020 were approved for publication by the Board of Directors on 11 March 2021. Be S.p.A. has also drawn up the Consolidated Financial Statements for the Be Group at 31 December 2020.

2. Measurement criteria and accounting standards

2.1 Presentation criteria

The financial statements of Be Shaping the Future S.p.A. at 31 December 2020 have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as with provisions issued in implementation of art. 9 of Italian Legislative Decree 38/2005. The above standards are integrated with IFRIC (*International Financial Reporting Interpretations Committee*) and SIC (*Standing Interpretations Committee*) interpretations. The financial statements comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in shareholders' equity and the relative notes to the financial statements.

The Company presents a statement of comprehensive income by classifying individual components based on their nature. This format complies with the management reporting method adopted by the company 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 permitted by IAS 1.

The statement of cash flows indicates cash flows during the year and classified as operating, investing or financing activities. Cash flows from operating activities are recognised using the indirect method.

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

As regards segment reporting, the company does not fall within the scope of application of IFRS 8. The Financial Statements are presented in Euro, the amounts in the notes to the financial statements are presented in Euro unless otherwise indicated, therefore, there could be differences in the 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 on this aspect, please refer to note 2.3.

2.2 Discretionary measurements and significant accounting estimates

Preparation of the 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 statement of financial position assets and liabilities and on financial statement disclosures. The final results could differ from such estimates. The estimates are used to measure goodwill, to recognise credit risk provisions, to determine write-downs on investments or assets, determine amortisation and depreciation and to calculate 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.

Uncertainty of estimates

When applying accounting standards, as at the reporting date, the Directors have taken decisions based on key assumptions regarding the future trends in operations and the overall macroeconomic performance which, if unexpected, could lead to adjustments to the book values of assets and liabilities. Intangible assets and goodwill, in fact, represent a significant share of the Company's assets. More specifically, goodwill is tested for impairment at least once a year; said testing entails estimating the value in use of the cash flow generating units to which the goodwill pertains, which in turn consists of an estimate of the expected cash flows of said units and their discounting based on an appropriate discount rate. The assumptions made to determine the value in use of the individual cash flow generating units, to support said asset values, may not necessarily be fulfilled and may lead to adjustments of book values in the future.

The 2021-2023 Business Plan was prepared by the Directors for the purpose of Impairment testing, approved by the Board of Directors' Meeting held on 22 February 2021 (hereinafter "2021-2023 Plan"), 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 that management expects 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; they are therefore characterised by a greater degree of chance, and in the case in hand mainly relate to the trend with moderate and significant growth, respectively, in the ICT Solutions and Business Consulting segments, in terms of volumes as well as margins, based on ongoing and constant expansion onto the market, as well as a trend of more accentuated growth in volumes than the Digital segment, driven by the digital transformation of the financial institutions.

Consequently, the Directors acknowledge that the strategic objectives identified in the 2021-2023 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.

Any failure to implement said initiatives could result in lower economic results with consequent negative effects on the Company's and Group's income statement and statement of financial position and on whether the future cash flows on which the estimated value in use to support the recoverability of goodwill and of equity investments recorded under assets is based, amongst other things, can be achieved.

In this regard, although at a time of general uncertainty generated by the spread, in 2020, of Covid 19 (Coronavirus) and by the consequent restrictive measures set in place to contain it, at present we believe that the grounds on which the forecasts of future cash flows used for impairment testing were based can still be considered valid. Nevertheless, we cannot rule out the possibility that the continuation of the current situation of uncertainty may have economic impacts, which, on the date of preparation of the financial statements, cannot be quantified or estimated. Therefore, it is important to note that, based on the coverage resulting from impairment testing of asset values recognised, at present the Directors do not believe there are any elements of uncertainty as to the recoverability of the same, although they will be continuously monitored during the rest of the year. Further details on the considerations of the Directors with regard to the spread of the Coronavirus are provided in the Management Report.

2.3 Disclosure on going concern assumptions

With reference to the information on risks and financial indebtedness illustrated in specific chapters of the Management Report, the paragraphs below provide information on going concern assumptions.

2021-2023 Plan

The 2021-2023 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.

With reference to the content of the paragraph entitled "Events after 31 December 2020 and business outlook" in the Management Report, the directors consider going concern assumptions to be appropriate in preparing the Financial Statements of the Parent Company, 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.

Changes in medium-term credit facilities

In 2020, the company repaid the envisaged instalments of existing loans. For additional information, refer to notes 16 and 22.

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2.4 Accounting principles

The accounting principles adopted in these Financial Statements are in line with those adopted last year, with the exception of any effects resulting from the application of new accounting standards, detailed below.

2.4.1 Intangible assets

Intangible assets acquired separately are recognised at cost, while those acquired through business combination transactions are recognised at fair value on the date of acquisition. After initial recognition, intangible assets are recognised at cost, net of any accumulated amortisation and any accumulated impairment losses.

The useful life of intangible assets is classified as finite or indefinite. Intangible assets with a finite useful life are amortised for the period of the same and tested for impairment whenever there is evidence of possible impairment. The period and the amortisation method applied to the same is reviewed at the end of each year or more frequently, if retained necessary. Changes in the expected useful life or in the way in which the future economic benefits related to the intangible asset are consumed by the company are recognised by changing the period or the amortisation method, as needed, and are treated as changes in accounting estimates. The amortisation charges for intangible assets with finite useful life are recognised in the income statement under the specific item Amortisation of Intangible Assets.

The useful life generally attributed to the various categories of asset is the following:

- concessions, licences and trademarks, the shorter between the duration of the right or 5 years.

Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The gains or the losses resulting from the sale of an intangible asset are measured as the difference between the net sales income and the book value of the asset and are recognised in the income statement at the time of sale.

2.4.2 Rights of use

For rights of use, refer to note 2.4.15.

2.4.3 Goodwill

Goodwill acquired through a business combination is represented by the surplus cost of the business combination with respect to the pertinent share of equity measured at present values relating to the amounts of the identifiable assets, liabilities and potential liabilities acquired. After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. The recoverability of goodwill is assessed at least once a year or more frequently if events or changes occur that could lead to any impairment loss.

Goodwill resulting from acquisitions made prior to the date of transition to IFRS standards is maintained at the values resulting from the application of Italian accounting principles at said date and is tested for impairment annually.

To assess recoverability, the goodwill acquired through business combinations is allocated, from the acquisition date, to each of the cash flow generating units (or groups of units) that are retained to benefit from the synergies resulting from the acquisition, regardless of the allocation of other assets or liabilities acquired. Each unit or group of units to which goodwill is allocated:

- represents the lowest level within the company at which goodwill is monitored for internal management purposes;
- is not higher than an operating segment as defined by IFRS 8 "Operating Segments".

Impairment losses are determined by establishing the recoverable amount of the cash flow generating unit (or group of units) to which the goodwill is allocated. When the recoverable amount of the cash flow generating unit (or group of units) is lower than the book value, an impairment loss is recognised. In cases in which the goodwill is allocated to a cash flow generating unit (or group of units) whose assets are partially disposed of, the goodwill associated to the asset sold is considered when establishing any gain (loss) resulting from the transaction. In these circumstances, the goodwill transferred is measured on the basis of the values relating to the asset disposed of with respect to the asset still held with relation to the same unit.

At the time of disposal of a part or of an entire business previously acquired and whose acquisition gave rise to goodwill, when establishing the gains or losses on disposal, the corresponding residual value of the goodwill is taken into consideration.

2.4.4 Property, plant and equipment

Property, plant and equipment are recognised at historical cost, including directly attributable accessory costs and financial expense and needed to bring it to the working condition for which the asset was purchased, plus, when relevant and in the presence of present obligations, the present value of the cost estimated to dismantle and remove the asset.

When significant parts of these property, plant and equipment have different useful lives, these components are depreciated separately. The rates of depreciation used are as follows:

Rates of depreciation

Description of asset	Depreciation rate
Other assets:	
Furniture and fittings	12%
Electronic office machines	20%

The book value of property, plant and equipment is tested to reveal any impairment losses, when events or changes in situations indicate that the book value cannot be recovered. If there is evidence of this nature and in the event in which the book value exceeds the estimated recoverable amount, the assets are written down to reflect their recoverable amount. The recoverable amount of property, plant and equipment is represented by the higher between the net sale price and the value in use.

When establishing the value in use, the expected future cash flows are discounted using a pre-tax discount rate which reflects the present market estimate of the cost of money with relation to the time and to the specific risks of the asset. For assets that do not generate fully independent cash flows, the recoverable amount is established in relation to the cash flow generating unit to which said asset belongs. Impairment losses are booked to the income statement under costs for amortisation, depreciation and write-downs. These impairment losses are reversed in the event in which the reasons that generated them should cease to exist.

At the time of sale or when the expected future benefits from the use of an asset no longer exist, it is derecognised from the financial statements and any gain or loss (calculated as the difference between the sale value and the book value) is booked to the income statement in the year of said derecognition. The residual value of the asset, the useful life and the methods applied are reviewed annually and adjusted if necessary at the end of each year. The costs of any significant inspections are recognised in the book value of the plant or equipment as a replacement cost if recognition criteria are met.

2.4.5 Impairment loss on assets

On the closing date of the annual financial statements, the Company assesses the existence of impairment losses on assets. In said case, or in cases in which annual impairment testing is required, Be S.p.A. estimates the recoverable amount. The recoverable amount is the higher between the fair value of an asset or cash flow generating unit net of sale costs, and its value in use, and is established by individual asset, unless said asset generates cash flows which are fully independent of those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable amount, said asset has suffered an impairment loss and is consequently written down to its recoverable amount. When establishing the value in use, estimated future cash flows are discounted from the present value at a discount rate which reflects market valuations on the temporary value of money and the specific risks of the asset. The impairment losses suffered by continuing operations are booked to the income statement under Write-down of financial assets.

On the closing date of the annual financial statements, the Company also assesses whether the impairment loss previously recognised is still valid (or should be reduced) and a new recoverable amount is estimated. The value of an asset previously written down (with the exception of goodwill) may be restated only if there are changes in the estimates used to establish the recoverable amount of the asset after the last recognition of an impairment loss. In this case, the book value of the asset is brought to its recoverable amount, although the increased value must not exceed the book value that would have been determined, net of amortisation or depreciation, if no impairment loss had been recognised in previous years. Each reversal is recognised as income on the income statement, unless the asset is recognised at a revalued amount, the case in which the reversal is treated as a revaluation. After an impairment loss has been reversed, the amortisation or depreciation charges of the asset are adjusted in future periods, in order to share the changed book value, net of any residual value, on a straight-line basis over the remaining useful life.

2.4.6 Equity investments in subsidiaries and equity investments in other companies

Equity investments in subsidiaries and equity investments in other companies are measured at cost, adjusted to take impairment losses into account following the appropriate tests. The original cost is restored if the reasons for the impairment cease to exist in future years. The purchase cost also includes any accessory charges in addition to the cost of the equity investments themselves.

2.4.7 Financial assets

Based on the characteristics of the instrument and the business model adopted for its management, financial assets are classified into the following three categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value through other comprehensive income; (iii) financial assets measured at fair value through profit or loss.

Initial recognition is at fair value. After initial recognition, the financial assets that generate contractual cash flows exclusively representing payments of principal and interest are measured at amortised cost if they are held for the purpose of collecting the contractual cash flows (known as the hold to collect business model). According to the amortised cost method, the value of initial recognition is later adjusted to take repayments of principal, any write-downs and the amortisation of the difference between the repayment value and the initial recognition value into account. Amortisation is made on the basis of the internal effective interest rate that represents the rate that renders the present value of the expected cash flows and the value of initial recognition equal.

The receivables and other financial assets measured at amortised cost are shown in the statement of financial position net of the relative bad debt provision.

Financial assets whose business model envisages both the option of collecting the contractual cash flows and that of recognising gains on disposals (known as the hold to collect and sell business model), are measured at fair value through other comprehensive income. In this case, any changes in the fair value of the instrument are recognised in shareholders' equity, under other components of comprehensive income. The cumulative amount of fair value changes, booked to the equity reserve that encompasses other components of comprehensive income, is reversed to the income statement when the instrument is eliminated from the accounts.

The interest income calculated by using the effective interest rate, exchange rate differences and write-downs is recognised in the income statement. A financial asset not measured at amortised cost or at fair value through other comprehensive income is measured at fair value through profit or loss; this includes financial assets held for trading.

The financial assets disposed of are eliminated from assets when the contractual rights related to obtaining the cash flows associated to the financial instrument expire, or are transferred to third parties.

2.4.8 Trade receivables and other receivables

Trade receivables and other receivables are recognised at their face value, which corresponds to the value determined by applying the amortised cost method, and subsequently reduced by any impairment losses established in accordance with the content of note 2.4.5 and note 2.4.18.

Trade receivables which are not due within standard trading terms and which do not generate interest, are discounted.

2.4.9 Cash and cash equivalents

Cash and cash equivalents include cash and demand and short-term deposits, in the latter case whose original maturity is three months or less, and are recognised at their face value.

2.4.10 Own shares

Own shares that are repurchased are deducted from shareholders' equity. The purchase, sale, issue or cancellation of instruments representing share capital do not generate the recognition of any gain or loss in the income statement.

2.4.11 Employee benefits

Short-term employee benefits, namely due within twelve months of the end of the year in which the employee has worked, are recorded as a cost and as a liability for an amount corresponding to the non-discounted amount that should be paid to the employees for their service. Instead, long-term benefits, such as those to be paid beyond twelve months from the end of the year in which the employee worked, are recognised as a liability for an amount corresponding to the current value of the benefits on the date of the financial statements.

Post-employment benefits reflect the amount accrued in favour of employees, in accordance with the law in force and collective labour agreements. The liabilities relating to defined benefit plans, net of any assets serving the plan, are determined on the basis of actuarial assumptions and are recognised on an accrual basis in accordance with the work performed required to obtain the benefits; these liabilities are measured by independent actuaries. From 1 January 2007, the nature of Provisions for post-employment benefits changed from "defined benefit plans" to "defined contribution plans". For IAS purposes, post-employment benefits (TFR) provisions accrued at 31 December 2006 continue to be considered a defined benefit plan. The accounting treatment of the amounts maturing from 1 January 2007 is therefore similar to that existing for payments of other types of contribution, both in the case of the supplementary pension plan option, and in the case in which it is paid into the Treasury Fund held by INPS.

As regards the liabilities relating to the defined benefit plan, IAS 19 envisages that all of the actuarial profits and losses accrued at the date of the financial statements should be immediately recognised in the "Statement of Comprehensive Income" (Other Comprehensive Income, hereafter OCI).

2.4.12 Provisions for risks and charges

Provisions for risks and charges regard costs and charges of a specific nature, whose existence is certain or likely, for which at the closing date of the reference period, the amount or contingency date has not been established. Provisions are recognised in the presence of a present obligation (legal or implicit) which originates from a past event, when an outlay of resources to meet the obligation is likely, and a reliable estimate of the amount of the obligation can be made.

Provisions are recognised at a value that represents the best estimate of the amount that the company should pay to extinguish the obligation or to transfer it to third parties on the closing date of the period.

If the effect of discounting is significant, the provisions are calculated by discounting the expected future cash flows at a pre-tax discount rate which reflects the present market valuation of the cost of money with relation to time. When the discounting is performed, the increase of the provision due to the passing of time is recognised as a financial charge.

2.4.13 Trade payables and other payables

Trade payables and other payables are initially recognised at cost, namely at the fair value of the amount paid during the course of the transaction. Subsequently, payables that have a fixed due date are measured at amortised cost, using the effective interest rate method, while payables without a fixed due date are measured at cost.

Short-term payables, for which the accrual of interest has not be agreed, are measured at their original value. The fair value of long-term payables has been established by discounting future cash flows: the discount is recognised as a financial charge over the term of the payable until due.

2.4.14 Financial liabilities

Financial liabilities, other than derivatives, are initially recognised at fair value less any transaction costs; subsequently, they are recognised at amortised cost for the purpose of discounting the effective interest rates as illustrated in paragraph 2.4.7. "Financial assets" above.

Financial liabilities are eliminated when they are extinguished, namely when the obligation specified in the contract has been fulfilled, cancelled or has expired.

2.4.15 Leased assets

Assets acquired through lease agreements are recognised in property, plant and equipment under a specific item called "Rights of use" at an amount corresponding to the value of the financial liability calculated on the basis of the present value of future payments discounted by using the incremental borrowing rate for each agreement. The debt is progressively reduced based on the repayment plan of the principal amount included in the payments envisaged in the agreement, the interest amount is instead recognised in the income statement and classified as financial expense. The value of the right of use is systematically depreciated on the basis of the expiry terms of the lease agreement, also considering the likely renewal of the agreement in the presence of an enforceable renewal option. Payments relating to lease agreements with a term equal to or less than 12 months, and agreements whose underlying asset is of low value are recognised on a straight line basis in the income statement based on the term of the agreement.

2.4.16 Revenue

Revenue is recognised to the extent to which it is likely that the economic benefits will be consumed by the Company and the relative amount can be reliably determined. The following specific recognition criteria must be applied to revenue before it may be booked to the Income Statement:

- Provision of services: consulting services are recognised over time, based on the periodic progress of the services provided, which, according to the contractually envisaged consideration, leads to the unconditional right to payment by the customer or subsidiary for which the service is provided.

In cases in which extensions are granted to the customer not at normal market conditions, without accruing interest, the amount that will be collected is discounted. The difference between the present value and the amount collected represents financial income and is recorded on an accrual basis.

- Interest: is recognised as financial income when the applicable interest income has been established (calculated using the effective interest method which is the rate that exactly discounts the expected future cash flows based on the expected life of the financial instrument at the net book value of the financial asset).
- Dividends: are recognised when the right of shareholders to receive payment arises.

2.4.17 Costs of goods and services

In accordance with the accrual principle, the above costs are recognised in the income statement and contribute to reducing economic benefits, in the form of cash outflows or the reduction of the value of an asset or the incurrence of a liability.

2.4.18 Write-down of financial assets

The measurement of the recoverability of financial assets not measured at fair value through profit or loss is made on the basis of the so-called “Expected Credit Loss model”.

More specifically, expected losses are usually calculated on the basis of the product between: (i) the exposure to the counterparty net of relative mitigating factors (“Exposure at Default”); (ii) the probability that the counterparty does not meet its payment obligations (“Probability of Default”); (iii) the estimate, in percentage terms, of the quantity of credit that will not be able to be recovered in the event of default (“Loss Given Default”), defined, based on past experience and potential action for recovery (e.g. out-of-court solutions, legal disputes etc.).

The recoverability of the financial receivables related to subsidiaries is measured also considering the outcome of underlying business initiatives and the macroeconomic scenarios of the countries in which the investee companies operate.

2.4.19 Current and deferred taxes

Deferred tax assets and liabilities are calculated on the basis of the temporary differences arising on the date of the financial statements between the tax amounts taken as reference for assets and liabilities and the amounts shown in the financial statements.

Deferred tax liabilities are recognised against all taxable temporary differences, with the exception of:

- when the deferred tax liabilities originate from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and

which, at the time of said transaction, does not impact the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- with reference to taxable temporary differences associated to equity investments in subsidiaries, associates or joint ventures, if the reversal of the temporary differences may be checked and it is likely that it will arise in the foreseeable future.

Deferred tax assets are recognised against all deductible temporary differences to the extent that the existence of adequate future tax income is likely, which can render the use of the deductible temporary differences applicable, with the exception of the case in which:

- the deferred tax assets related to the deductible temporary differences originate from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of said transaction, does not impact the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- with regard to taxable temporary differences associated to equity investments in subsidiaries, associates or joint ventures, the deferred tax assets are recognised only to the extent to which it is likely that the deductible temporary differences will be paid again in the future or there is adequate taxable income against which the temporary differences may be used. The likelihood of recovering deferred tax assets is assessed with reference, in particular, to taxable income expected in subsequent years and to the tax strategies that the Group intends to adopt (for example, tax consolidation agreements).

The value of deferred tax assets to be reported in the financial statements is reviewed on the closing date of the financial statements. Deferred tax assets that are not recognised are reviewed annually on the closing date of the financial statements.

Deferred tax assets and liabilities are measured on the basis of the tax rates that are expected to be applied to the year in which the assets are realised or the liabilities are extinguished, on the basis of rates that will be issued or substantially issued on the date of the financial statements. In this regard, note that art. 1, paragraph 61 of 2016 Italian Stability Law has established that, effective for tax years subsequent to that ending 31 December 2016 (and therefore from 1 January 2017), the rate of IRES will be 24% instead of the current 27.5%.

Income taxes relating to items recognised directly under shareholders' equity are booked to shareholders' equity and not to the income statement.

Deferred tax assets and liabilities are offset, when there is a legal right to offset current tax assets against current tax liabilities and said deferred taxes are enforceable vis-à-vis the tax authority in question.

Be Shaping the Future S.p.A. (hereinafter "Be S.p.A."), the consolidating Parent Company, has a tax consolidation option for the three-year period 2018-2020 with subsidiary Be Shaping The Future, DigiTech Solutions S.p.A. (hereinafter "Be Solutions"), for the three-year period 2019-2021 with subsidiary Juniper S.r.l. and for the three-year period 2020-2022 with subsidiaries Be Shaping The Future, Management Consulting S.p.A. (hereinafter "Be Management Consulting S.p.A."), Be Shaping the Future Corporate Services S.p.A., Iquii S.r.l., Tesla S.r.l and Human Mobility S.r.l.

Note that, Italian Legislative Decree 147 dated 14 September 2015 (so-called Internationalisation decree) introduced the regime of the so-called "branch exemption", namely the option of exempting the income (and the losses) of permanent foreign organisations, who are therefore taxed exclusively in the Country in which the permanent organisation is located. Be Shaping the Future Management Consulting Ltd (Italian Branch) chose this option until 2020.

Economic, equity and financial transactions resulting from the application of tax consolidation are regulated by a "tax consolidation contract" which disciplines the legal relationships resulting from the national tax consolidation scheme.

On the basis of this agreement, against taxable income recorded and transferred to the Parent Company, the Subsidiary undertakes to recognise to the Parent Company "tax adjustments" corresponding to the sum of the relative taxes due on the income transferred. The payment of these "tax adjustments" is made, firstly by offsetting the tax credit transferred to the Parent Company, and for the remainder to the extent and within the term provided by law envisaged for the payment of the balance and of the advances relating to the income transferred. The "tax adjustments" relating to advances will be paid to the Parent Company by the Subsidiary, within the legal terms envisaged for the payment of the same, only for those actually paid and proportional to the income transferred with respect to the sum of the individual taxable incomes transferred to the Parent Company.

The Subsidiary also undertakes to transfer any tax credits or tax losses to the Parent Company.

2.4.20 Foreign currency translation

The currency adopted for the financial statements is the Euro. Transactions in currencies other than the Euro are initially recognised at the exchange rate in force (against the functional currency) on the date of the transaction. Monetary assets and liabilities, denominated in currencies other than the Euro, are reconverted into the functional currency in force on the closing date of the financial statements. All exchange rate differences are recognised in the income statement. Non-monetary items measured at historical cost in currencies other than the Euro are converted by the exchange rates in force on the date of initial recognition of the transaction. Non-monetary items measured at fair value in currencies other than the Euro are converted by the exchange rates in force on the date said value was determined.

2.4.21 Derivative financial instruments and hedges

Derivative financial instruments, including embedded derivatives are assets and liabilities recognised at fair value according to IAS 39.

With regard to the strategy and the objectives established for risk management, to qualify transactions as hedging requires: (i) verifying the existence of an economic relationship between the item hedged and the hedging instrument so that relative changes in value are offset and that this offsetting capacity is not influenced by the level of credit risk of the counterparty; (ii) defining a hedge ratio consistent with the objectives of risk management, as part of the risk management strategy established, making the appropriate rebalancing measures where necessary.

When hedging derivatives hedge the risk of changes in the fair value of the instruments hedged (fair value hedge), the derivatives are measured at fair value through profit or loss; likewise, the hedged instruments are adjusted to reflect the fair value changes associated to the risk hedged in profit or loss, regardless of the provision of a different measurement criterion generally applicable to the type of instrument in question.

When derivatives hedge the risk of changes in the cash flows of the instruments hedged (cash flow hedge), the changes in the fair value of the derivatives considered effective are initially recognised in the equity reserve relating to other comprehensive income components and later through profit or loss consistent with the economic effects produced by the transaction hedged.

In the event of the hedging of future transactions, which entails recognising a non-financial asset or liability, the cumulative changes in the fair value of the hedging derivatives, recognised under shareholder's equity, are booked to adjust the recognition value of the non-financial assets/liabilities hedged (called basis adjustment).

The non-effective portion of the hedge is recognised in the income statement item "(Charges)/Income from derivative instruments".

At 31 December 2020, the Company had four hedge swaps in place after entering into loan agreements at a floating rate of interest.

2.4.22 Dividends

Dividends are recognised when the right of shareholders to receive payment arises, which usually coincides with the date of the Annual Shareholders' Meeting which approves the distribution of the dividend.

2.5 IFRS Accounting Standards, amendments and interpretations applicable from 1 January 2020

The accounting principles adopted are the same as for the previous year, except for those entering into force from 1 January 2020, and adopted by the Company for the first time, i.e.:

- 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 make 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 adoption of this amendment has had no effect on the Parent Company's Financial Statements.

- On 29 March 2018, the IASB published an amendment to the "**References to the Conceptual Framework in IFRS Standards**". The amendment applies to periods starting on 1 January 2020 or later, although early application is permitted. The Conceptual Framework establishes the fundamental concepts for financial disclosures and guides the Board in the development of IFRS standards. The document helps to guarantee that the Standards are conceptually consistent and that similar transactions are treated in the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework provides support to enterprises in developing accounting standards when no IFRS standard is applicable to a specific transaction and, more generally, helps the interested parties understand and interpret the Standards.

The adoption of this amendment has had no effect on the Parent Company's Financial Statements.

- On 26 September 2019, the IASB published an amendment called "**Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform**". The same amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures. More specifically, the amendment changes some of the requirements requested for the application of hedge accounting, envisages temporary departures from the same, in order to mitigate the impact resulting from the uncertainty of the IBOR reform on future cash flows in the period prior to its completion. The amendment also requires companies to provide additional information in their financial statements regarding their hedges that are directly affected by the uncertainties generated by the reform and to which the above-mentioned departures may be applied.

  The adoption of this amendment has had no effect on the Parent Company's Financial Statements.

- On 22 October 2018, the IASB published a document entitled **"Definition of a Business (Amendments to IFRS 3)"**. The document provides some clarification as to the definition of a 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 an 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 adoption of this amendment has had no effect on the Parent Company's Financial Statements.

- On 28 May 2020 the IASB published the amendments called **"Covid-19 Related Rent Concessions (Amendment to IFRS 16)"**. The document provides lessees with the option to account for the reductions in rents connected with Covid-19 without having to assess, through the analysis of the contracts, whether the definition of lease modification to IFRS 16 applies. Therefore, the lessees applying this option will be able to account for the effects of rent reductions directly in the income statement on the effective date of the reduction. This amendment applies to financial statements beginning on 1 June 2020, and the Company did not exercise the possibility of early adoption at 1 January 2020.

  The adoption of this amendment has had no effect on the Parent Company's Financial Statements.

2.6 IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the European Union, whose application is not yet compulsory and for which the Company did not opt for early adoption at 31 December 2020

The main IFRS and IFRIC accounting standards, amendments and interpretations, whose application is not yet compulsory and for which the Company did not opt for early adoption at 31 December 2020 are listed below:

- On 28 May 2020 the IASB published an amendment called **"Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)"**. The amendments allow the temporary exemption from the application of IFRS 9 to be extended until 1 January 2023 for insurance companies. These amendments will come into force on 1 January 2021.

  The adoption of this amendment will have no effect on the Parent Company's Financial Statements.

- In light of the reform on interbank interest rates such as the IBOR, on 27 August 2020 the IASB published the document **"Interest Rate Benchmark Reform—Phase 2"** which contains amendments to the following standards:

  – IFRS 9 Financial Instruments
  – IAS 39 Financial Instruments: Recognition and Measurement;
  – IFRS 7 Financial Instruments: Disclosures;
  – IFRS 4 Insurance Contracts;
  – IFRS 16 Leases.

  All of the amendments will come into force on 1 January 2021.

  At present, the directors are assessing the potential impact that the introduction of these amendments would have on the Parent Company's financial statements.

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

At the reference date of these Group Consolidated 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 18 May 2017, the IASB published IFRS 17 - Insurance Contracts, which will replace IFRS 4 - Insurance Contracts. The objective of the new standard is to ensure that an entity provides pertinent information that truthfully represents the rights and obligations under the insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in the existing accounting standards, providing a single principle-based framework to take into account all types of insurance contracts, including the reinsurance contracts that an insurer holds. The new standard also envisages requirements for presentation and disclosure to improve the comparability of entities belonging to this sector. The new standard measures an insurance contract on the basis of a General Model or a simplified version of the same, called Premium Allocation Approach ("PAA").

  The main characteristics of the General Model are:

  – the estimates and the assumptions of future cash flows are always current ones;
  – the measurement reflects the temporary value of money;
  – the estimates envisage the extensive use of information that can be observed in the market;
  – there is a current and explicit measurement of the risk;
  – the expected profit is deferred and aggregated in groups of insurance contracts at the time of initial recognition; and
  – the expected profit is recognised in the contractual period covered, taking adjustments resulting from changes in assumptions relating to the financial cash flows of each group of contracts into account.

The PAA approach envisages the measurement of the liabilities for the residual coverage of a group of insurance contracts on condition that, at the time of initial recognition, the entity envisages that this liability reasonably represents an approximation of the General Model. Contracts with a coverage period of one year or less are automatically suited to the PAA approach. The simplifications resulting from the application of the PAA method do not apply to the measurement of liabilities for existing claims, which are measured with the General Model. However, it is not necessary to discount cash flows where the balance to be paid or collected is expected to be made within one year from the date on which the claim was made. The entity must apply the new standard to insurance contracts issued, including re-insurance contracts issued, re-insurance contracts held and also to investment contracts with a discretionary participation feature (DPF). The standard is applicable from 1 January 2023, although early adoption is permitted only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.

The directors do not expect the adoption of this standard to have any impact on the Parent Company's financial statements.

- On 23 January 2020 the IASB published an amendments called **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"**. The purpose of the document is to clarify how to classify debts and other short or long term liabilities. The amendments come into force on 1 January 2023; however, early application is permitted.

  At present, the directors are assessing the potential impact that the introduction of this amendment would have on the Parent Company's financial statements.

- On 14 May 2020, the IASB published the following amendments called:

  – Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without changing the requirements of IFRS 3.
  – Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of tangible assets. These sales revenues and related costs will therefore be booked to the income statement.
  – Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all of the costs directly attributable to the contract must be taken into account when estimating whether a contract is onerous. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in processing), but also all of the costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of personnel costs and depreciation of machinery used to perform the contract).
  – Annual Improvements 2018-2020: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

  All of the amendments will come into force on 1 January 2022.

  At present, the directors are assessing the potential impact that the introduction of these amendments would have on the Parent Company's financial statements.

- On 30 January 2014, the IASB published **IFRS 14 Regulatory Deferral Accounts**, which only allows those that adopt IFRS for the first time to continue to recognise amounts related to Rate Regulation Activities according to the previous accounting standards adopted.

  As the Parent Company is not a first-time adopter, said standard is not applicable.

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

Note 1.

Property, plant and equipment

Change in historical cost

	Historical cost 2019	Increases	Decreases	Reclassifications	Write-downs	Historical cost 2020
Plant and machinery	0	0	0	0	0	0
Other assets	5,625	0	0	0	0	5,625
TOTAL	**5,625**	**0**	**0**	**0**	**0**	**5,625**

Change in accumulated depreciation

	Accumulated depreciation 2019	Depreciation	Decreases	Reclassifications	Write-downs	Accumulated depreciation 2020
Plant and machinery	0	0	0	0	0	0
Other assets	4,281	587	0	0	0	4,868
TOTAL	**4,281**	**587**	**0**	**0**	**0**	**4,868**

Net book value

	Net book value 2019	Net book value 2020
Plant and machinery	0	0
Other assets	1,344	757
TOTAL	**1,344**	**757**

There were no changes in the item in 2020, except for regular depreciation for the period. The figure for the item "Other assets" includes the following categories:

- ordinary office furniture and machines;
- electronic office machines;
- mobile phones.

Recall that in 2019, the company scrapped assets that were fully depreciated and no longer used.

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Note 2.
Rights of use

At 31 December 2020, rights of use totalled Euro 60,137 and mainly regard long-term property leases and leases for company cars used by personnel. Changes in the period are shown below:

Change in historical cost

	Historical cost 31.12.2019	Increases	Decreases	Exchange gains/losses	Historical cost 31.12.2020
Motor vehicles	105,880	47,416	(59,149)	0	94,147
Property	69,377	0	(69,377)	0	0
TOTAL	**175,257**	**47,416**	**(128,526)**	**0**	**94,147**

Change in accumulated depreciation

	Accumulated depreciation 31.12.2019	Depreciation	Decreases	Exchange gains/losses	Accumulated depreciation 31.12.2020
Motor vehicles	26,655	33,626	(26,271)	0	34,010
Property	23,786	21,804	(45,590)	0	0
TOTAL	**50,441**	**55,430**	**(56,120)**	**0**	**34,010**

	Net book value 31.12.2019	Net book value 31.12.2020
Motor vehicles	79,225	60,137
Property	45,591	0
TOTAL	**124,816**	**60,137**

Note 3.
Goodwill

Goodwill

	Balance at 31.12.2019	Increases	Decreases	Impairment loss	Balance at 31.12.2020
Goodwill	10,170,000	0	0	0	10,170,000
TOTAL	**10,170,000**	**0**	**0**	**0**	**10,170,000**

Goodwill at 31 December 2020 was Euro 10,170 thousand, unchanged with respect to last year.

Impairment Test

The company conducted annual impairment testing on the goodwill recognised in the financial statements in accordance with the provisions of IAS 36, Impairment of assets.

The goodwill recognised at 31 December 2020, after impairment testing, amounted to Euro 10,170 thousand. It relates to a residual part of the goodwill resulting from the acquisition of "CNI Informatica e Telematica S.p.A.", incorporated by the Company in 2002.

Said goodwill, the original value of which was Euro 41,646 thousand, i) was written down over the course of the years by a total of Euro 13,646 thousand, ii) Euro 15 million of which was transferred to the subsidiary Be Eps, following the disposal of the "DMO-BPO business division" in 2017, transferred in turn to Be Solutions following the extraordinary merger of the two companies and iii) Euro 2,830 thousand of which was transferred to Be Solutions as part of the transfer of the "Security & Mobility" BU. The residual value of this goodwill - following the separation and subsequent reallocation of the original value as illustrated above, in line with the reorganisation of the CGUs made in previous years - was allocated to the Consulting CGU insofar as it represents the value of Be Management Consulting activities, which prior to the above-mentioned reorganisation were considered - just as those transferred to Be Solution - as the development and diversification of the core activities performed by the original BPO/DMO CGU. Therefore for the purpose of the financial statements, said goodwill was impairment tested together with the value of the equity investment in Be Management Consulting.

In 2020, based on the results of the impairment test and of the impairment tests and relative sensitivity analyses conducted, made with the assistance of an external consultant, the Directors decided not to make any write-down of goodwill.

For the purpose of goodwill impairment testing, IAS 36 establishes that the recoverable amount of the CGUs to which the goodwill is allocated must be compared with their total net book value. The recoverable amount may be estimated by referring to two value categories: "value in use" and "fair value" less selling costs.

The company opted to estimate the recoverable amount on the basis of the value in use. This criterion entails calculating the recoverable amount of the CGU by discounting cash flows at a discounting rate. Determination of the value in use of the Cash Generating Units ("CGU") that represent the Group's activities was carried out by discounting the cash flows ("DCF Analysis") as stated in the 2021-2023 Plan.

The plans of the individual CGUs considered to estimate their recoverable amount were prepared by management in accordance with the provisions of standard IAS 36, which, to determine the same, requires that the forecast of expected cash flows of activities must be estimated by making reference to their present conditions.

For further details on the impairment test conducted for the purpose of the consolidated financial statements, in which the goodwill recognised in these financial statements has been tested together with the "Consulting" CGU, please refer to the notes to the consolidated financial statements.

The Directors report that the recoverable amount of goodwill is sensitive to variances with respect to the basic assumptions used to prepare the 2021-2023 Plan, such as the revenue and profit (loss) expected to be recorded.

Note that, as regards the estimated operating cash flows, the same originate from the plans examined by the Board of Directors at a meeting held on 22 February 2021, prepared on the basis of an explicit 3-year forecasting period.

These plans incorporate the assumptions of the Directors in line with the strategy of the Be Group for the different businesses and markets in which it operates and also depend on external variables that are beyond the control of management such as the interest rate trend, macro-political or social factors with a local or global impact.

These external factors, in line with accounting standard IAS 36, have been estimated on the basis of elements known on the date of preparation and examination of company plans, including the effects of the global spread of the Covid-19 pandemic, mentioned in paragraph 8. "Events after 31 December 2020 and business outlook".

Therefore, it is important to note that, based on the coverage resulting from impairment testing of asset values recognised, at present the Directors do not believe there are any elements of uncertainty as to the recoverability of the same, although they will be continuously monitored during the rest of the year.

Sensitivity to changes in assumptions

Due to the uncertainty relating to the occurrence of any future event, both in terms of whether said event will actually occur and in terms of the extent and timing of the same, the value in use of goodwill is particularly sensitive to potential changes in assumptions and, therefore, the value in use could be lower with respect to the results of the impairment test, if the following assumptions change:

- achievement of forecast revenue: achieving revenue targets, beyond the actions envisaged by management, is also related to market demand, to the renewal and/or award of tenders envisaged and to the successful development of other activities envisaged or in progress;
- achieving the normalised level of profitability and maintaining said level of profitability beyond the period of the 2021-2023 Business Plan; in particular, note that a significant portion of the value in use of goodwill is related to this assumption;
- discount rates: the discount rate used is based on external market parameters and therefore the fact that the current macroeconomic crisis could worsen, or that there may be a slowdown of the expected recovery also have to be taken into account as they could have a significant influence on the same, resulting in a change to those used herein.

For further details on sensitivity analyses, please refer to the content of the Notes to the consolidated financial statements.

Note 4.

Intangible Assets

Change in historical cost

	Historical cost 31.12.2019	Increases	Decreases	Other changes	Write-downs	Historical cost 31.12.2020
Concessions, licences and trademarks	12,000	0	0	0	0	12,000
TOTAL	**12,000**	**0**	**0**	**0**	**0**	**12,000**

Change in accumulated amortisation

	Accumulated amortisation 31.12.2019	Amortisation	Decreases	Other changes	Write-downs	Accumulated amortisation 31.12.2020
Concessions, licences and trademarks	7,917	3,500	0	0	0	11,417
TOTAL	**7,917**	**3,500**	**0**	**0**	**0**	**11,417**

Net book value

	Net value 2019	Net value 2020
Concessions, licences and trademarks	4,083	583
TOTAL	**4,083**	**583**

Intangible assets did not increase compared to the previous year. The change during the period is due to the regular amortisation process.

Note 5.

Equity investments in subsidiaries

Equity investments in subsidiaries amount to Euro 45,773 thousand and are summarised in the following table.

Equity investments in subsidiaries

	31.12.2019	Increases	Decreases	31.12.2020
Be Digitech Solutions S.p.A.	36,816,273	0	0	36,816,273
Be Management Consulting S.p.A.	6,377,672	0	0	6,377,672
Be Romania Srl	5,019	0	0	5,019
Be Corporate Service S.p.A.	50,000	400,000	0	450,000
Dream of Ordinary Madness (Doom) Entertainment S.r.l.	0	1,868,895	0	1,868,895
Human Mobility Srl	0	255,000	0	255,000
TOTAL	**43,248,964**	**2,523,895**	**0**	**45,772,859**

- **Be Shaping the Future Management Consulting S.p.A.**

  Be Shaping the Future, Management Consulting S.p.A. (Be Management Consulting S.p.A. for short) is a company incorporated in Italy at the end of 2007, with registered offices in Rome, and a share capital of Euro 120,000 of which Be S.p.A. holds 100% at 31 December 2020. The company operates in the sphere of management consulting and reorganisation, mostly addressed to the world of finance.

  In April 2020, following the implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Consulting Think, Project & Plan S.p.A. to Be Shaping The Future, Management Consulting S.p.A. or, Be Management Consulting S.p.A. for short.

- **Be Shaping the Future Digitech Solutions S.p.A.**

  Be Shaping the Future, DigiTech Solutions S.p.A. (Be Solutions S.p.A. or Be DigiTech Solutions S.p.A. for short), company incorporated in Italy and operating in the Information Technology sector, has a share capital of Euro 7,548,441. Be Shaping the Future S.p.A. owns 100% of the company. In April 2020, following the implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Solutions Solve, Realize & Control S.p.A. to Be Shaping the Future, DigiTech Solutions S.p.A. or Be Solutions S.p.A. or Be DigiTech Solutions S.p.A. for short.

- **Be Think Solve Execute Ro S.r.l.**

  Be Think Solve Execute Ro S.r.l. is a company incorporated in Romania, with registered offices in Bucharest. Be S.p.A. holds 100% of the share capital, corresponding to RON 22,000 (equivalent to Euro 4,519) broken down into 2,200 shares with a face value of RON 10 each, wholly held by Be S.p.A..

- **Be Shaping the Future Corporate Services S.p.A.**

  Be Shaping the Future Corporate Services S.p.A., a company incorporated at the end of 2019 with a view to centralising the performance of Corporate Services in a single company, is based in Rome and has a share capital of Euro 450,000. Be Shaping the Future S.p.A. owns 100% of the company.

- **Dream of Ordinary Madness (Doom) Entertainment S.r.l.**

  Dream of Ordinary Madness (Doom) Entertainment, a company incorporated in Italy in April 2020 as a spinoff of the company ZDF of artist Federico Lucia (aka Fedez) based in Milan, with a share capital of Euro 10,000, operates in the business area dedicated to Digital Engagement. Be Shaping the Future S.p.A. owns 51% of the company.

- **Human Mobility S.r.l.**

  Human Mobility S.r.l., a company established in June 2020 with headquarters in Milan, has a share capital of Euro 10,000 and operates in the business area dedicated to Digital Engagement. Be Shaping the Future S.p.A. owns 51% of the company.

The table below summarises the equity investments held:

Company	Registered office	Share Capital	Shareholders' Equity at 31.12.2020	Net profit (loss) for the year at 31.12.2020	Interest held	Value attributed to financial statements 31.12.2020	Shareholders' Equity pro rata difference and value attributed to the financial statements
Be Management Consulting S.p.A.	Rome	120,000	12,335,679	7,065,445	100%	6,377,672	5,958,007
Be Digitech Solutions S.p.A.	Rome	7,548,441	21,677,938	3,214,376	100%	36,816,273	(15,138,335)
Be Think Solve Execute Ro S.r.l.	Bucharest	4,519	1,273,989	548,155	100%	5,019	1,268,971
Be Corporate Services S.p.A.	Rome	450,000	551,825	114,508	100%	450,000	101,825
Dream of Ordinary Madness S.r.l.	Milan	10,000	581,208	591,514	51%	1,868,895	(1,287,687)
Human Mobility S.r.l.	Milan	10,000	365,636	105,736	51%	255,000	110,636

The differences between the book value of the equity investment and the share of shareholders' equity pertaining to the Parent Company are due to goodwill and/or assets recorded at the time of acquisition.

Note that the value of the equity investments recognised in the financial statements of the Parent Company have been impairment tested in accordance with the provisions of IAS 36, with the exception of Be Think Solve Execute RO S.r.l., Be Corporate Services S.p.A. and Human Mobility S.r.l. (in liquidation), deemed not relevant.

More specifically, the impairment tests and the relative estimates were conducted:

- by estimating the value in use of the individual equity investments based on the unlevered discounted cash flow, namely by first establishing the enterprise value and then by subtracting the net financial position of each company or sub-holding calculated on a sub-consolidated base from said value (for Be Management Consulting S.p.A. and Be Digitech Solutions S.p.A.);
- by discounting the unlevered after-tax cash flows relating to each company or sub-holding, as a function of the relative weighted average cost of capital (WACC). The after-tax discount rate used was 9.47% for the equity investments in Be Digitech Solutions S.p.A., Be Management Consulting S.p.A. and Dream of Ordinary Madness Entertainment S.r.l.;
- by separately assessing the flows that show different risk profiles;
- by comparing the value in use calculated in this way with the book value of the operating equity investments recognised in the separate financial statements of the Parent Company at 31 December 2020;
- by conducting a sensitivity analysis on the value in use with regard to changes in the underlying assumptions.

With regard to the sensitivity analyses relating to the Impairment test on the equity investments, note that the after-tax discount rates that render the book value of the equity investments equal to their value in use are respectively:

- 12.08% with regard to the equity investment in Be Digitech Solutions.
- 39.58% with regard to the equity investment in Dream of Ordinary Madness Entertainment S.r.l.

With regard to the equity investment in Be Management Consulting, the value in use of the equity investment was significantly higher than the book value. Therefore, the disclosure of the breakeven WACC is not significant.

For the sake of completeness, the value in use was also calculated at consolidated level, in order to verify the solidity of the values in relation to the Group's entire net invested capital. The result of this was a value in use higher than the book value of the net invested capital.

Note 6.

Equity investments in other companies

Equity investments in other companies

	Balance at 31.12.2019	Increases	Decreases	Balance at 31.12.2020
Equity investments in other companies	0	500,000	0	500,000
TOTAL	**0**	**500,000**	**0**	**500,000**

The item "Equity investments in other companies" refers to:

- the investment of Euro 500 thousand in July 2020, following subscription of an increase in capital by the company YOLO S.r.l. Be's stake is equal to 2.5% of YOLO's capital. Be also adheres to a new Shareholders' Agreement that links the founding members and new investors. No impairment testing was conducted, due to irrelevance in terms of value, as well as since the capital increase took place recently and the value recognised in the financial statements at 31 December 2020 therefore represents market value (Fair value).

Note 7.

Financial receivables and other non-current financial assets

Non-current financial receivables due from Subsidiaries

	Balance at 31.12.2020	Balance at 31.12.2019
Non-current financial receivables due from Subsidiaries	556,209	919,908
TOTAL	**556,209**	**919,908**

"Non-current financial receivables due from Subsidiaries" is entirely comprised by the long-term portion of an intercompany loan.

Pursuant to IFRS 9, counterparty risk is limited; therefore, no write-down of the receivable was carried out.

Note 8.

Loans and other non-current assets

Loans and other non-current assets

	Balance at 31.12.2020	Balance at 31.12.2019
Guarantee deposits	0	156,000
Other non-current receivables	0	556,222
TOTAL	**0**	**712,222**

The item has a zero balance, compared to a balance of Euro 712 thousand the previous year.

The guarantee deposit at 31 December 2019 with Uvet Global Business (Euro 136 thousand) was collected during the year. The receivable of Euro 556 thousand from the company Bassilichi was settled through offsetting of the payable for an equal amount recognised in the financial statements following closure of the dispute regarding penalties received in 2009. For further details, please refer to note 21.

Note 9.

Deferred tax assets

Deferred tax assets

	Balance at 31.12.2019	Increases	Decreases	Other changes	Balance at 31.12.2020
Deferred tax assets	722,354	793,617	(597,574)	3,069	921,466
TOTAL	**722,354**	**793,617**	**(597,574)**	**3,069**	**921,466**

Deferred tax assets in the financial statements are recognised on the assumption that the same can be reasonably recovered and refer to write-downs of receivables and emoluments of directors that are expected to be recovered against future taxable income. More specifically, the recoverability of deferred tax assets is based on the taxable income forecast for the companies covered by the tax consolidation scheme for the period relating to the 2021-2023 Business Plan.

Deferred tax assets are calculated using the following rates: IRES 24% and IRAP 3.9%-4.82%.

For details on the increases for the period, see the breakdown of deferred tax assets attached to Note 36. The decreases for the period refer mainly to uses of provisions for risks.

The item does not include deferred tax assets for previous tax losses.

Note 10.

Trade receivables

Trade receivables

	Balance at 31.12.2020	Balance at 31.12.2019
Receivables due from customers	3,000	668,063
Bad debt provision for receivables due from customers	(3,000)	(193,000)
Receivables due from Group Companies	1,392,382	4,617,990
TOTAL	**1,392,382**	**5,093,053**

Trade receivables amount to:

- Euro 1,392 thousand due from Group companies, mainly relating to the charge-back of royalties for use of the "Be" brand;
- Euro 3 thousand for transactions relating to goods or services produced or provided by the company in Italy. Compared to the prior year, there was a decrease of Euro 665 thousand referring to the company Bassilichi, following the conclusion of the dispute underway with said counterparty.

The changes in the bad debt provision are illustrated below:

Following closure of the dispute with Bassilichi, the relative provisions allocated since 2016 were used, in the amount of Euro 140 thousand, further increased last year by Euro 50 thousand, in order to adjust the face value of the receivables to the estimated recoverable amount.

Bad debt provision

	Balance at 31.12.2020	Balance at 31.12.2019
Opening balance	193,000	143,000
Allocations	0	50,000
Uses/releases	190,000	0
TOTAL	**3,000**	**193,000**

Comments on the way in which credit risk is managed are contained in paragraph 5.5.

Note 11.

Other assets and receivables

Other assets and receivables

	Balance at 31.12.2020	Balance at 31.12.2019
Current receivables from social security and national insurance entities	0	382
Advances to suppliers for services	1	73
Receivables due from employees	227	1,135
VAT credits and other indirect taxes	332,087	1,339
Accrued income and prepaid expenses	62,848	48,936
Other receivables due from Group companies	18,557,736	15,527,978
Other current trade receivables	71,733	272,160
Short-term guarantee deposits	6,000	0
TOTAL	**19,030,632**	**15,852,003**

The item “Other receivables due from Group companies” mainly represents the receivable due from subsidiaries under the tax consolidation scheme.

Note 12.

Direct tax receivables

Direct tax receivables

	Balance at 31.12.2020	Balance at 31.12.2019
Receivables from IRES refunds	46,673	46,673
Tax receivables for tax consolidation scheme	414,295	0
TOTAL	**460,968**	**46,673**

“Receivables from IRES refunds” refers to a credit acquired by the Company in 2017 from the subsidiary A&B S.p.A. in liquidation and relating to a refund request for a prior credit situation. At 31 December 2020, the Company’s receivables from the Tax Authorities for current taxes relating to IRES was Euro 414 thousand, net of the advance payments made in the year under analysis.

Note 13.

Financial receivables and other current financial assets

Financial receivables and other current financial assets

	Balance at 31.12.2020	Balance at 31.12.2019
Financial receivables due from Group Companies	12,247,689	10,957,755
TOTAL	**12,247,689**	**10,957,755**

This item is entirely comprised by receivables due from subsidiaries amounting to Euro 12,248 thousand relating to the centralised treasury activities of the Parent Company.

Note 14.

Cash and cash equivalents

Cash and cash equivalents

	Balance at 31.12.2020	Balance at 31.12.2019
Bank and postal deposits	50,159,767	26,280,144
Cash at bank and in hand	175	454
TOTAL	**50,159,942**	**26,280,598**

The balance represents cash held in current accounts at banks and post offices, and cash on hand at 31 December 2020.

Note 15.

Shareholders' Equity

Share Capital and Reserves

At 31 December 2020 Be S.p.A.'s fully paid-up share capital totalled Euro 27,109,165, divided into 134,897,272 ordinary shares with no face value. Be S.p.A.'s shares are traded in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA) organised and managed by Borsa Italiana S.p.A. Note that in 2013, the share capital increase entailed the full subscription of the 65,719,176 newly-issued ordinary shares, at a placement price of Euro 0.19 for each new share, of which Euro 0.10 to be allocated to Share Capital, with a total counter value of Euro 12,486,643.44, of which Euro 6,571,917.60 to Share Capital and Euro 5,914,725.84 to the Share Premium Reserve.

On 22 April 2020, the Shareholders' Meeting approved the Financial Statements at 31 December 2019 of Be S.p.A., resolving to allocate Euro 260,215.19 of the profit for the year of Euro 5,204,303.77 to the Legal Reserve and the remainder of Euro 4,944,088.58 to Profit carried forward, and to distribute a dividend of Euro 0.023 per share, drawing partly on the profit carried forward and the remainder from the extraordinary reserve.

The payment date of the dividend was 20 May 2020 - coupon no. 10 date of 18 May 2020 and record date of 19 May 2020.

Reserves amount to Euro 10,094 thousand and are comprised by:

- the "legal reserve" of Euro 801 thousand, which shows an increase of Euro 260 thousand following the allocation of the profit from 2019;
- the "extraordinary reserve" of Euro 2,385 thousand, which shows a net increase of Euro 1,952 thousand following the distribution of dividends of FY 2019;
- the residual "share premium reserve" of Euro 15,168 thousand which did not change in 2019;

- other negative reserves of Euro 809 thousand for expenses directly recognised under shareholders' equity, relating to costs for share capital increases of Euro 606 thousand, the recognition of IRS hedging derivatives on loans of Euro 134 thousand and the impact of post-employment benefits under IAS 19 of Euro 69 thousand.
- the negative reserve for own shares purchased in 2020 of Euro 7,451 thousand.

At 31 December 2020, 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	37,082,225	27.49
Innishboffin S.r.l.	Italian	10,640,753	7.89
Compass Asset Management S.A.	Luxembourg	7,741,375	5.74
Be Shaping the Future S.p.A.	Italian	6,906,805	5.12
Stefano Achermann	Italian	6,593,865	4.89
Carma Consulting S.r.l.	Italian	4,055,779	3.00
Float		61,876,470	45.87
TOTAL		**134,897,272**	**100.00**

Items of Shareholders' Equity are classified according to origin, possibility of utilisation, possibility of distribution and utilisation in the last three years:

Nature/Description	Amount	Possibility of utilisation (*)	Share available	Utilisation in past three years to cover losses	Utilisation in past three years for other reasons
Share	27,109,165				
Reserve of own shares purchased	(7,450,519)				
Share premium reserve	15,168,147	A,B	15,168,147		
Legal reserve	800,923	A,B	800,923		
Extraordinary reserve	2,384,805	A,B,C	2,384,805		
Other reserves	(809,583)				
Total	**37,202,938**		**18,353,875**		
Non-allocatable quota			15,969,070		
Residual allocatable quota			2,384,805		

Legend: ***A:*** *for share capital increase* ***B:*** *to cover losses* ***C:*** *for distribution to shareholders*

Stock option plans

The company has no stock option plans.

Own 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.

During the Shareholders' Meeting on 18 April 2019, the Meeting had approved a new plan for the purchase of own shares, subject to the revocation of the resolution authorising the purchase and disposal of own shares, approved by the Shareholders' Meeting on 26 April 2018.

At 31 December 2019, the Company had purchased a total of 4,786,256 own shares, corresponding to 3.548% of the share capital for a counter value of Euro 4,655,746.

During the Shareholders' Meeting on 22 April 2020, the Meeting in ordinary session resolved, at the proposal of the Board, on the plan for the purchase and disposal of own shares, subject to the revocation of the authorisation resolved by the Shareholders' Meeting on 18 April 2019.

In 2020, as part of authorisation of the plan to purchase own shares, resolved by the Shareholders' Meeting on 22 April 2020 pursuant to art. 144-bis of Consob Regulation 11971/1999, in October the Be Group disclosed its intention to launch the plan to purchase own shares up to a maximum value of Euro 3,000,000, to be carried out by 31 January 2021. Subsequent purchases will be assessed following completion of the current plan.

Having implemented the above plan to purchase own shares, at 31 December 2020 Be S.p.A. holds 6,906,805 own shares, corresponding to 5.12% of the Company's share capital, for a total counter value of Euro 7,450,519 recognised in the relative reserve.

<u>Note 16</u>

Financial payables and other non-current financial liabilities

Non-current financial payables of around Euro 25,482 thousand refer mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months.

Financial payables and other non-current liabilities

	Balance at 31.12.2020	Balance at 31.12.2019
Non-current-financial payables to banks	25,481,811	20,926,421
TOTAL	**25,481,811**	**20,926,421**

The medium and long term loans outstanding at 31 December 2020 and relative maturities were as follows:

M/L term loans	Balance at 31.12.2020	<1 year	>1<2 years	>2<3 years	>3<4 years	>4 years
Loans maturing in 2021	3,151,571	3,151,571	0	0	0	0
Loans maturing in 2022	6,146,704	3,338,780	2,807,924	0	0	0
Loans maturing in 2023	22,493,696	8,520,317	8,538,823	5,434,556	0	0
Loans maturing in 2025	10,440,572	1,834,274	2,215,411	2,237,922	2,260,664	1,892,301
TOTAL LOANS	**42,232,543**	**16,844,942**	**13,562,158**	**7,672,478**	**2,260,664**	**1,892,301**

During 2020, Be S.p.A. entered into new medium-long term loans totalling Euro 24,500 thousand, while the repayments made during the year amounted to Euro 15,166 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 at 31 December 2020, for a total of Euro 94 thousand.

As regards 2020, the covenants on several loans were respected. 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 17.

Financial liabilities for current and non-current rights of use

Financial liabilities for current and non-current rights of use

	Balance at 31.12.2020	Balance at 31.12.2019
Financial liabilities for current rights of use	24,498	64,167
Financial liabilities for non-current rights of use	38,157	60,614
TOTAL	**62,655**	**124,781**

Financial liabilities for current and non-current rights of use at 31 December 2020 totalled Euro 63 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 in the prior year mainly regarded leases for company cars used by personnel and long-term property leases. The latter were terminated during the year under analysis. For further details, please refer to Note 2.

Note 18.

Provisions for future risks and charges

Provisions for risks and charges recorded the following changes during the year:

Provisions for future risks and charges

	Balance at 31.12.2019	Increases	Decreases	Balance at 31.12.2020
Other provisions for risks and charges	0	1,492,500	0	1,492,500
Provision for LT personnel risks	36,078	0	0	36,078
TOTAL	**36,078**	**1,492,500**	**0**	**1,528,578**

The provision for personnel risks of Euro 36 thousand at 31 December 2020 did not change during the year under analysis.

The increase in "Other provisions for risks and charges" of Euro 1,493 thousand relates to provisions for variable emoluments to be paid to executive directors and key partners to be paid for the achievement of the three-year objectives established in the 2020-2022 Plan. They are recognised in the income statement under "Allocations to provisions", for which reference is made to Note 35.

With regard to said bonuses, note that the amount was recognised at face value, without any discounting, as the effects would not have been significant.

Note 19.

Post-employment benefits (TFR)

Post-employment benefits (TFR)

	Balance at 31.12.2019	Utilisation	Increases/Transfers	Actuarial losses (profits) recognised	Balance at 31.12.2020
Post-employment benefits (TFR) provision	177,374	(160)	(23,060)	5,684	159,838
TOTAL	**177,374**	**(160)**	**(23,060)**	**5,684**	**159,838**

The net decrease of Post-employment benefits (TFR) of Euro 17 thousand is due to:

- decreases due to transfers of Euro 23 thousand;
- the use for Post-employment benefits of Euro 0.16 thousand;
- the increase resulting from actuarial gains resulting from the application of IAS 19 of around Euro 6 thousand.

The liability recognised in the financial statements breaks down as follows:

	Balance at 31.12.2020
Present value of the obligation	154,154
Actuarial (loss)/profit recognised under other comprehensive income	5,684
Liability recognised in the financial statements	159,838

The cost relating to the liability breaks down as follows:

	FY 2020
Interest expense	1,217
Reductions and redemptions	0
Social security cost of past services	0

The assumptions used to determine the Post-Employment Benefit obligation were:

Main Actuarial Assumptions	Percentage
Annual discount rate	0.34%
Annual inflation rate	0.80%
Annual rate increase in post-employment benefits	2.10%
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	*Post-employment benefits (TFR)*	*turnover rate*		*inflation rate*		*discounting rate*	
		+1%	*-1%*	*+1/4%*	*-1/4%*	*+1/4%*	*-1/4%*
Be S.p.A.	159,838	157,992	161,925	162,649	157,090	155,415	164,451

Indication of the contribution to the next year[1] and the average financial duration of the obligation for defined benefit plans:

Company	Service Cost	Duration of the plan
Be S.p.A.	0	11.9

The average number of employees in 2020, broken down by category, is illustrated in the following table:

1 *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.*

Description

	Average number current year	Average number previous year
Executives	5	7
Middle managers	6	12
White collar	3	27
Apprentices	1	3
Interns	1	0
Total	**16**	**49**

Note 20.

Deferred tax liabilities

Deferred tax liabilities

	Balance at 31.12.2019	Increases	Decreases	Reclassification	Balance at 31.12.2020
Deferred tax liabilities	2,930,994	0	0	0	2,930,994
TOTAL	**2,930,994**	**0**	**0**	**0**	**2,930,994**

The nature of deferred tax liabilities is broken down in the table below:

	2019		2020	
(Amounts in EUR thousands)	Temporary difference	Tax	Temporary difference	Tax
Goodwill	10,170	2,931	10,170	2,931
TOTAL	**10,170**	**2,931**	**10,170**	**2,931**

During the year, no provisions for deferred tax liabilities were made. For further details, please refer to note 37.

Note 21.

Other non-current liabilities

Other non-current liabilities

	Balance at 31.12.2020	Balance at 31.12.2019
Other non-current liabilities	0	556,222
TOTAL	**0**	**556,222**

Other non-current liabilities had a zero balance at 31 December, as the payable for penalties, equal to Euro 556 thousand, was offset with the receivable for the same amount recognised under "Other receivables" (see Note 8), following closure of the dispute with Bassilichi.

Note 22.

Financial payables and other current financial liabilities

	Balance at 31.12.2020	Balance at 31.12.2019
Financial payables to banks	18,525,930	13,848,520
Financial payables to Group Companies	39,995,828	18,263,927
Other financial payables	93,722	40,720
TOTAL	**58,615,480**	**32,153,167**

Current payables to banks of Euro 18,526 mainly consist of Euro 16,845 thousand representing the short-term portion of loans with a medium and long-term maturity and Euro 1,681 thousand accounts payable to suppliers.

Financial payables to Group companies amount to Euro 39,996 thousand and regard Cash-pooling arrangements and reciprocal accounts set up by the Parent Company with Group companies in order to optimise treasury management at Group level. Other financial payables of Euro 94 thousand refer mainly to interest accrued and not collected on Cash-pooling arrangements.

Net financial indebtedness

The net financial indebtedness at 31 December 2020 was approximately Euro 21,752 thousand (Euro 15,966 thousand at 31 December 2019). The breakdown is shown in the table below. For comments on individual items, please refer to the content of notes 13, 14, 16, 17 and 22 above..

Net financial position Be S.p.A.

		31.12.2020	31.12.2019	Δ	Δ%
	Cash and cash equivalents at bank	50,159,942	26,280,598	23,879,344	90.9%
A	**Cash and cash equivalents**	**50,159,942**	**26,280,598**	**23,879,344**	**90.9%**
B	**Current financial receivables**	**12,247,689**	**10,957,755**	**1,289,934**	**11.8%**
	Current bank payables	(1,710,664)	(2,994,020)	1,283,356	(42.9%)
	Current share of medium/long-term indebtedness	(16,844,942)	(10,895,220)	(5,949,722)	54.6%
	Payables for current rights of use	(24,499)	(64,167)	39,668	(61.8%)
	Other current financial payables	(40,059,874)	(18,263,927)	(21,795,947)	n.a.
C	**Current financial indebtedness**	**(58,639,979)**	**(32,217,334)**	**(26,422,645)**	**82.0%**
D	**Current net financial position (A+B+C)**	**3,767,652**	**5,021,019**	**(1,253,367)**	**(25.0%)**
	Non-current bank payables	(25,481,811)	(20,926,421)	(4,555,390)	21.8%
	Payables for non-current rights of use	(38,157)	(60,614)	22,457	(37.0%)
E	**Non-current net financial position**	**(25,519,968)**	**(20,987,035)**	**(4,532,933)**	**21.6%**
F	**Net financial position (D+E)**	**(21,752,316)**	**(15,966,016)**	**(5,786,300)**	**36.2%**

A detailed breakdown of net financial indebtedness calculated according to the provisions of Consob Communication DEM/6064293 of 28 July 2006 and in accordance with the ESMA/2013/319 recommendations for 2020 and 2019 is shown below.

		31.12.2020	31.12.2019	Δ	Δ%
A.	Cash	175	454	279	(61.5%)
B.	Positive bank balance	50,159,767	26,280,144	23,879,623	90.9%
C.	Securities held for trading	0	0	0	n.a.
D.	**Cash and cash equivalents (A)+(B)+(C)**	**50,159,942**	**26,280,598**	**23,879,344**	**90.9%**
E.	**Current financial receivables**	**12,247,689**	**10,957,755**	**1,289,934**	**11.8%**
F.	Current bank payables	(1,710,664)	(2,994,020)	1,283,356	(42.9%)
G.	Current portion of non-current indebtedness	(16,844,942)	(10,895,220)	(5,949,722)	54.6 %
H.	Other current financial payables	(40,084,373)	(18,328,094)	(21,756,279)	n.a.
I.	**Current financial indebtedness (F)+(G)+(H)**	**(58,639,979)**	**(32,217,334)**	**(26,422,645)**	**82.0%**
J.	**Net current financial indebtedness (I)+(E)+(D)**	**3,767,652**	**5,021,019**	**(1,253,367)**	**(25.0%)**
K.	Non-current bank payables	(25,481,811)	(20,926,421)	(4,555,390)	21.8%
L.	Bonds issued	0	0	0	n.a.
M.	Other non-current payables	(38,157)	(60,614)	22,457	(37.0%)
N.	**Net non-current financial indebtedness (K)+(L)+(M)**	**(25,519,968)**	**(20,987,035)**	**(4,532,933)**	**21.6%**
O.	**Net financial indebtedness (J)+(N)**	**(21,752,316)**	**(15,966,016)**	**(5,786,300)**	**36.2%**

With regard to the table above, note that:

- current financial receivables refer entirely to receivables due from subsidiaries in the form of entries relating to centralised treasury operations and the short-term portion of an intercompany loan;
- Euro 1,711 thousand of current payables refer to current payables to the banking system, of which Euro 1,681 thousand for drawdowns of short-term credit facilities in the form of accounts payable to suppliers and Euro 30 thousand to interest accrued and not collected at 31 December 2020;
- Euro 16,845 thousand relates entirely to the portion of existing medium to long-term loans maturing in the following year;
- payables for current rights of use refer entirely to lease liabilities, resulting from the application of IFRS 16 from 1 January 2019;
- other current financial payables refer entirely to payables to subsidiaries due to centralised treasury activities;
- non-current bank payables corresponding to Euro 25,482 thousand refer to the portion of existing loans that is due beyond the next financial year totalling Euro 25,294 thousand, net of the negative impact of the application of the amortising cost and of the valuation of four derivatives totalling around Euro 94 thousand;

The effects of the amendments to international accounting standard IAS 7 made by the publication of the document "*Disclosure Initiative (Amendments to IAS 7)*".

(Amounts in EUR thousands)	31.12.2019	Cash Flow[2]	Non-monetary flows				31.12.2020
			Change in Scope of Consolidation[3]	Exchange rate differences	IFRS 16 impact	Other changes	
Non-current financial indebtedness	(20,987,035)	(4,461,180)	0	0	22,457	(94,210)	(25,519,968)
Current financial indebtedness	(32,217,334)	(38,462,313)	0	0	39,668	12,000,000	(58,639,979)
Current financial receivables	10,957,755	782,633	0	0	0	507,301	12,247,689
Net liabilities resulting from financing activities	**(42,246,614)**	**(42,140,860)**	**0**	**0**	**62,125**	**12,413,091**	**(71,912,258)**
Cash and cash equivalents	26,280,598	23,879,344	0	0	0	0	50,159,942
Net financial indebtedness	**(15,966,016)**	**(18,261,516)**	**0**	**0**	**62,125**	**12,413,091**	**(21,752,316)**

Note 23.

Trade payables

Trade payables

	Balance at 31.12.2020	Balance at 31.12.2019
Trade payables	584,063	549,771
Payables to Group Companies	1,041,614	1,718,875
Payables to other Related Parties	18,450	38,992
TOTAL	**1,644,127**	**2,307,638**

Trade payables arise from the purchase of goods or services in Italy with payment due within 12 months.

These amounts refer essentially to the services and equipment supplied, as well as to lease instalments and maintenance charges.

Note 24.

Short-term risk provisions

	Balance at 31.12.2019	Reclassifications	Allocations	Utilisation	Balance at 31.12.2020
Short-term risk provisions	4,253,730	0	104,372	(4,253,730)	104,372
TOTAL	**4,253,730**	**0**	**104,372**	**(4,253,730)**	**104,372**

[2] *Flows shown in the Statement of Cash Flows.*
[3] *For acquisition/disposal transactions, please refer to paragraph 2.13 "Business Combinations in the reporting period".*

The item "Short-term risk provisions", equal to Euro 104 thousand, includes provisions for estimated costs relative to variable emoluments of professionals, categorised as "Personnel costs". Utilisation during the period of Euro 4,254 thousand refers to payment of variable emoluments of executive directors and key partners, following achievement of the three-year objectives established in the 2017-2019 Business Plan.

Note 25.

Tax payables

Tax payables

	Balance at 31.12.2020	Balance at 31.12.2019
IRES tax payables	0	1,022,166
TOTAL	**0**	**1,022,166**

"Tax payables" had a zero balance at 31 December 2020. The item amounted to 1,022 thousand at 31 December 2019 and included payables for current IRES taxes.

Note 26.

Other liabilities and payables

Other liabilities and payables

	Balance at 31.12.2020	Balance at 31.12.2019
Social security and welfare payables	83,703	172,515
Payables to employees	95,805	198,623
Payables for VAT and withholding tax	69,677	108,005
Accrued expenses and deferred income	533	21,034
Other payables	6,787,979	6,145,275
TOTAL	**7,037,697**	**6,645,452**

"Social security and welfare payables" relate to contributions that the company will pay to the Tax Authority the following year, while "Payables to employees" include amounts due to employees for leave and permitted absences accrued but not used at 31 December 2020.

"Other payables" totalling Euro 6,788 thousand mainly include Euro 5 million relating to the guarantee deposit received in relation to the signature of a Framework agreement with a leading bank, repaid in the initial months of 2021, amounts due to the Directors of Euro 1,156 thousand, other payables of Euro 593 thousand relating to variable bonuses to be paid on achievement of the annual objectives, and payables for disputes settled of Euro 39 thousand relating to agreements reached with some employees.

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4. Breakdown of the main items of the Income Statement

Note 27.

Operating revenue

Operating revenue

	FY 2020	FY 2019
Revenue from Group Companies	1,975,842	4,489,523
TOTAL	**1,975,842**	**4,489,523**

Operating revenue consists of the charge to Subsidiaries for royalties due for use of the "Be" brand.

The decrease in revenue compared to 2019 is due to the centralisation and assignment to the company Be Corporate Services S.p.A., incorporated at the end of 2019, of all operating activities relating to management of the support processes for the Italian business, previously carried out directly by Be S.p.A.

Note 28.

Other revenue and income

Other revenue and income

	FY 2020	FY 2019
Other revenue and income	68,467	638,580
Other revenue from Group Companies	1,219,587	820,851
TOTAL	**1,288,054**	**1,459,431**

Other revenue from Group Companies refers to centralised purchasing that is recharged to the various Group companies as relevant, while other revenue and income mainly refers to contingent assets.

Note 29.

Raw materials and consumables

Cost of raw materials and consumables

	FY 2020	FY 2019
Purchase of raw materials and consumables	611	762
TOTAL	**611**	**762**

This item mainly contains costs related to the purchase of consumables.

Note 30.

Service costs

Service costs

	FY 2020	FY 2019
Cost of services provided by Subsidiaries	2,359,094	2,019,175
Remuneration of directors and statutory auditors	2,105,263	2,422,603
Consulting and administrative services	1,104,062	1,122,534
Other general services	660,163	654,328
Outsourced and consulting services	626,695	1,215,252
Bank and factoring charges	216,823	187,518
Marketing costs	177,734	105,597
Insurance	91,649	91,928
Cost of services provided by other Related Parties	64,993	89,956
Rental and leasing	33,153	42,012
Utilities and telephone charges	12,878	15,498
Other services (chargebacks, commissions, etc.)	5,473	10,911
Maintenance and support services	750	18,984
TOTAL	**7,458,730**	**7,996,296**

Service costs amount to Euro 7,459 thousand compared to Euro 7,996 thousand last year.

The cost of services provided by Group companies, totalling Euro 2,359 thousand, relate to services provided by other Group companies, including therein the secondment of personnel and the portion of leasing costs for registered offices.

Remuneration of directors and statutory auditors amounted to Euro 2,105 thousand, of which Euro 53 thousand refers to Statutory Auditors and Euro 2,052 thousand to Directors.

The latter predominantly includes the provision for Euro 900 thousand with regard to the annual variable bonus. For additional information on the remuneration of directors and statutory auditors, refer to the specific schedule attached to paragraph 5.8.

Consulting and administrative services amounting to Euro 1,104 thousand mainly refer to services related to the auditing of accounts, processing wages on an outsourcing arrangement, tax and legal advice and specific professional consulting.

The item "Other general services", amounting to Euro 660 thousand, mostly consisted (Euro 643 thousand) of all of the costs incurred by the Parent Company and subsequently recharged to the various Group companies.

The item Outsourced and consulting services, amounting to Euro 627 thousand, mainly includes the provision for the annual variable bonus for Key people, equal to Euro 593 thousand.

Marketing costs amounting to Euro 178 thousand include costs for services relating to Investor Relations.

The cost of services provided by other related parties refer to the service agreement signed with IR Top Consulting and T.I.P. (refer to paragraph 5.4).

Note 31.
Personnel costs

Personnel costs

	FY 2020	FY 2019
Wages and salaries	1,257,486	2,668,492
Social security contributions	334,345	722,096
Post-employment benefits	79,541	162,720
Other personnel costs	8,395	135,738
TOTAL	**1,679,767**	**3,689,046**

Personnel costs, amounting to Euro 1,680 thousand, represent the total cost incurred for employees, including accessory charges, the allocation to Post-employment benefits (TFR) accrued and of that accrued and paid over the year, as well as accruals of additional month's salaries, holiday leave accrued and not taken at 31 December 2020 and paid absence, as well as the provision for company bonuses of Euro 104 thousand (included in Wages and salaries).

The decrease in personnel costs, equal to approximately Euro 2,009 thousand, is mainly due to the reduction in personnel, transferred to the Group company Be Corporate Service S.p.A. from 1 January 2020.

Note 32.
Other operating costs

Other operating costs

	FY 2020	FY 2019
Other operating costs	341,767	201,604
TOTAL	**341,767**	**201,604**

This item encompasses all costs of a residual nature, such as contingent liabilities, Chamber of Commerce fees, fines, penalties on services provided and operating activities performed and indirect taxes and duties.

Note 33.
Amortisation and depreciation

Amortisation and depreciation

	FY 2020	FY 2019
Depreciation of property, plant and equipment	587	1,181
Amortisation of intangible assets	3,500	3,750
Amortisation of Rights of use	55,430	55,600
TOTAL	**59,517**	**60,531**

Amortisation and depreciation are calculated according to the deterioration of assets and recognised as a reduction of the value of the individual assets.

Note 34.

Impairment loss on current assets

Impairment loss on current assets

	FY 2020	FY 2019
Impairment loss on current assets	0	50,000
TOTAL	0	50,000

This item did not change during the year under analysis.

Note 35.

Allocations to Provisions

Allocations to Provisions

	FY 2020	FY 2019
Allocations to Provisions	1,492,500	0
TOTAL	**1,492,500**	**0**

Provisions for the year of Euro 1,493 thousand refer to the estimated emolument that will be paid to Executive directors and key partners on achievement of the three-year objectives established in the 2020-2022 business plan.

Note 36.

Financial income and expense

Financial income and expense

	FY 2020	FY 2019
Financial income	12,507,301	10,772,677
Financial expense	(427,135)	(445,845)
Gains (Losses) on foreign currency transactions	(2,609)	(150)
TOTAL	**12,077,557**	**10,326,682**

The breakdown of financial income and expense is shown below.

Breakdown of financial interest and income	FY 2020	FY 2019
Interest income from current bank accounts and arrears interest	8,250	5,263
Financial income and Dividends from Group Companies	12,499,051	10,767,414
TOTAL	**12,507,301**	**10,772,677**

Breakdown of financial interest and expense

	FY 2020	FY 2019
Interest expense on current bank accounts	1,620	19,122
Interest expense on factoring and advances on invoices	72	3,580
Interest expense on loans	418,019	414,690
Other financial expense	7,424	8,453
Financial expense from Group Companies	0	0
TOTAL	**427,135**	**445,845**

Financial income and Dividends from Group Companies refers to dividends distributed in 2020 by the subsidiaries, for Euro 12,000 thousand, and financial income from subsidiaries of Euro 499 thousand.

Note 37.

Current and deferred taxes

Current and deferred taxes

	FY 2020	FY 2019
Current taxes	2,000,529	1,938,119
Adjustments of IRES taxes for previous years	0	(71,071)
Deferred tax assets and liabilities	196,044	(940,141)
TOTAL	**2,196,573**	**926,907**

Current taxes in 2020 refers to credit for IRES pertinent to the Parent Company resulting from the adjustments related to the Tax Consolidation scheme of Euro 2,001 thousand.

The Company and its subsidiaries have jointly adopted the national tax consolidation regime pursuant to art. 117 et seq. of the Consolidated Income Tax Act (TUIR). Specifically, the entire amount of Euro 2,001 thousand is due to the transfer to the consolidated results of tax losses for the year and excess interest expense.

The table below illustrates the reconciliation of the tax burden resulting from the financial statements and the theoretical tax burden.

Reconciliation of tax burden resulting from the financial statements and theoretical tax burden

(Amounts in EUR)

Description	Amount	Taxes
Profit (loss) before tax	**4,308,561**	
Theoretical tax burden (%)	**24%**	**1,034,055**
Temporary differences deductible in future years:		
Remuneration of directors not paid in 2020	217,096	
Company bonuses	3,089,372	
Temporary differences deductible in future years:	**3,306,468**	**793,552**
Reversal of temporary differences from previous years:		
Remuneration of directors not paid in 2019 and paid in 2020	(183,740)	
Utilisation of bad debt provision	(163,570)	
Utilisation of provisions for risks	(2,285,583)	
Reversal of temporary differences from previous years:	**(2,632,893)**	**(631,894)**
Differences that will not be reversed in future years		
Wholly or partially non-deductible costs	525,344	
Permanent decreases	(**13,785,837**)	
Differences that will not be reversed in future years	**(13,260,493)**	**(3,182,518)**
- Taxable income	**(8,278,357)**	**(1,986,805)**
Indemnity for tax losses		**(2,014,252)**
Charge for transferring interest expense		13,723
Current IRES on income for the year		**(2,000,529)**
- Taxable income for IRAP purposes	**(5,845,605)**	
Current IRAP on income for the year		**0**
Total current taxes for the year		**(2,000,529)**

The effective rate of the theoretical tax burden of 4.17% is based on the distribution of the value of production by single region.

The nature of deferred tax assets is mainly broken down in the table below:

	FY 2019		FY 2020	
	Temporary difference	**Tax**	**Temporary difference**	**Tax**
Remuneration of directors	184	44	217	52
Allocation to provisions for future risks and charges	2,036	489	2,985	716
Bad debt provision	24	6	3	1
Payables due to personnel for accruals	250	60	104	25
TOTAL	**2,493**	**598**	**3,309**	**794**

The nature of deferred tax liabilities is mainly broken down in the table below:

	FY 2019		FY 2020	
	Temporary difference	Tax	Temporary difference	Tax
Goodwill	10,170	2,931	10,170	2,931
TOTAL	**10,170**	**2,931**	**10,170**	**2,931**

5. Other disclosures

5.1 Potential liabilities and disputes pending

Be Shaping the Future S.p.A. is involved in certain minor legal proceedings before various judicial authorities brought by third parties, and in labour law disputes relating to dismissals challenged by Company employees.

Also on the basis of opinions expressed by its legal advisors, Be has allocated specific provisions totalling Euro 36 thousand, considered sufficient to cover liabilities that could arise from these disputes, the risk of which is deemed to be limited.

5.2 Commitments

At 31 December 2020, the company has guarantees made to third parties to guarantee property rental contracts and to meet the requirements of public tenders totalling Euro 379 thousand, in the interests of subsidiaries.

5.3 Significant non-recurring events and transactions

In the year under analysis, the Company did not recognise any non-recurring income or charges pursuant to Consob Resolution 15519 of 27 July 2006.

5.4 Related Party Transactions

The Company's Board of Directors adopted new "Regulations on Related Parties" on 1 March 2014, replacing those 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 2020) 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 31 December 2020 are: T.I.P. Tamburi Investment Partners S.p.A. and Ir Top Consulting S.r.l.. With regard to Ir Top Consulting S.r.l., it should be noted that its Chief Executive Officer, Anna Lambiase, has no longer been a member of the Board of Directors of Be S.p.A. since 22 April 2020, as her term of office has expired.

With regard to Messrs Stefano Achermann and Carlo Achermann and the companies controlled by them respectively - Innishboffin S.r.l. and Carma Consulting S.r.l. - the economic transactions that took place in the period substantially refer 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. Note that with deed by Notary Busani - index no. 49050/22570 - the company iFuture S.r.l. was split in favour of the two aforementioned companies on 12 November 2020.

Also note that for the Parent Company Be S.p.A., related parties are also companies controlled directly and indirectly. The figures at 31 December 2020 for related party transactions are shown below.

Receivables and payables with related parties at 31 December 2020

	Receivables			*Payables*		
	Trade receivables	**Other receivables**	**Financial receivables**	**Trade payables**	**Other payables**	**Financial payables**
Be Management Consulting S.p.A.	771,221	16,562,700	0	751,079	0	26,495,023
Be DigiTech Solutions S.p.A.	459,912	829,885	4,046,475	35,618	0	0
Be Corporate Services S.p.A.	114,025	38,968	0	203,832	0	1,434,698
Iquii S.r.l.	0	355,649	1,128,184	0	0	0
Juniper S.r.l.	0	54,035	635,648	0	0	0
Tesla Consulting S.r.l.	0	190,246	0	0	0	1,374,651
Dream of Ordinary Madness (Doom) Entertainment S.r.l.	0	0	0	0	0	107,351
Human Mobility Srl	0	44,424	479,699	51,085	0	0
Be Shaping the Future Sp.zo.o	0	0	0	0	0	1,554,615
Payment and Business Advisor S.L. (Paystrat)	0	0	584,891	0	0	0
Be Shaping the Future Management Consulting Ltd (Italian Branch)	0	481,829	0	0	0	5,246,923
Be Shaping the Future Management Consulting Ltd (UK)	0	0	3,148,403	0	0	0
Be Shaping the Future GmbH-(AU)	2,022	0	1,540,993	0	0	0
Be Think, Solve Execute Switzerland AG	202	0	0	0	0	2,229
Be Shaping the Future GmbH-(DE)	0	0	1,239,605	0	0	0
Fimas GmbH	0	0	0	0	0	1,450,830
Be Think Solve Execute Ro S.r.l.	45,000	0	0	0	0	0
Be Shaping the Future AG	0	0	0	0	0	2,329,508
Total Group Companies	**1,392,382**	**18,557,736**	**12,803,898**	**1,041,614**	**0**	**39,995,828**
T.I.P. S.p.A.	0	0	0	18,450	0	0
Total Other Related Parties	**0**	**0**	**0**	**18,450**	**0**	**0**
TOTAL	**1,392,382**	**18,557,736**	**12,803,898**	**1,060,064**	**0**	**39,995,828**

Receivables and payables with related parties at 31 December 2019

	Receivables			Payables		
	Trade receivables	Other receivables	Financial receivables	Trade payables	Other payables	Financial payables
Be Management Consulting S.p.A.	2,810,957	14,160,586	0	1,219,242	0	8,752,305
Be DigiTech Solutions S.p.A.	1,766,433	580,668	5,288,131	499,058	0	0
Iquii S.r.l.	0	269,977	698,007	0	0	0
Juniper S.r.l.	0	95,866	249,726	0	0	0
Tesla Consulting S.r.l.	0	0	0	0	0	499,389
Be Shaping the Future Sp.zo.o	0	0	0	0	0	1,384,700
Payment and Business Advisor S.L. (Paystrat)	0	0	437,038	0	0	0
Be Shaping the Future Management Consulting Ltd (Italian Branch)	0	420,882	0	0	0	5,050,646
Be Shaping the Future Management Consulting Ltd (UK)	0	0	3,239,989	575	0	0
Be Shaping the Future GmbH-(AU)	0	0	677,850	0	0	0
Be Think, Solve Execute Switzerland AG	0	0	0	0	0	2,399
Be Shaping the Future GmbH-(DE)	0	0	1,278,025	0	0	924,500
Fimas GmbH	0	0	8,898	0	0	0
Be Shaping the Future AG	0	0	0	0	0	1,649,988
Be Think Solve Execute Ro S.r.l.	22,000	0	0	0	0	0
Be Ukraine	18,600	0	0	0	0	0
Total Group Companies	**4,617,990**	**15,527,979**	**11,877,664**	**1,718,875**	**0**	**18,263,927**
T.I.P. S.p.A.	0	0	0	33,450	0	0
Ir Top Consulting S.r.l.	0	0	0	5,542	0	0
Total Other Related Parties	**0**	**0**	**0**	**38,992**	**0**	**0**
TOTAL	**4,617,990**	**15,527,979**	**11,877,664**	**1,757,867**	**0**	**18,263,927**

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Revenue and costs with related parties in 2020

	Revenue			*Costs*		
	Revenue	**Other revenue**	**Financial income**	**Services**	**Other Costs / All. to Provisions**	**Financial expense**
Be Management Consulting S.p.A.	1,163,188	364,131	22,646	1,457,275	0	0
Be DigiTech Solutions S.p.A.	812,654	614,092	177,650	35,618	0	0
Be Corporate Services SpA	0	131,913	6,230	800,116	0	0
Iquii S.r.l.	0	3,654	15,813	15,000	0	0
Juniper S.r.l.	0	0	7,279	0	0	0
Tesla Consulting S.r.l.	0	0	1,050	0	0	0
Dream of Ordinary Madness (Doom) Entertainment S.r.l.	0	0	3,073	0	0	0
Human Mobility S.r.l.	0	22,756	1,956	51,085	0	0
Be Shaping the Future sp z.o.o	0	5,308	0	0	0	0
Payment and Business Advisor S.L. (Paystrat)	0	0	12,616	0	0	0
Be Shaping the Future Management Consulting Ltd (Italian Branch)	0	0	166	0	0	0
Be Shaping the Future Management Consulting Ltd	0	2,376	87,841	0	0	0
Be Shaping The Future GmbH (Au)	0	2,022	88,717	0	0	0
Be Shaping The Future GmbH (De)	0	2,224	71,645	0	0	0
Be Think Solve Execute Switzerland AG	0	202	0	0	0	0
Fimas GmbH	0	0	2,369	0	0	0
Be Think Solve Execute Ro S.r.l.	0	60,859	0	0	0	0
Be Ukraine LLC	0	10,050	0	0	0	0
Total Group Companies	**1,975,842**	**1,219,587**	**499,051**	**2,359,094**	**0**	**0**
T.I.P. S.p.A.	0	0	0	60,000	0	0
Ir Top Consulting S.r.l.	0	0	0	4,993	0	0
Total Other Related Parties	**0**	**0**	**0**	**64,993**	**0**	**0**
TOTAL	**1,975,842**	**1,219,587**	**499,051**	**2,424,087**	**0**	**0**

Revenue and costs with related parties in 2019

	Revenue			*Costs*		
	Revenue	**Other revenue**	**Financial income**	**Services**	**Other Costs / All. to Provisions**	**Financial expense**
Be Management Consulting S.p.A.	2,723,058	144,871	71,051	1,410,736	0	0
Be DigiTech Solutions S.p.A.	1,766,465	501,158	265,671	557,393	0	0
Iquii S.r.l.	0	13,523	15,062	36,571	0	0
Juniper S.r.l.	0	12,053	1,291	0	0	0
Tesla Consulting S.r.l.	0	33	0	13,900	0	0
Be Shaping the Future sp z.o.o	0	4,307	0	0	0	0
Payment and Business Advisor S.L. (Paystrat)	0	0	21,122	0	0	0
Be Shaping the Future Management Consulting Ltd (Italian Branch)	0	15,000	776	0	0	0
Be Shaping the Future Management Consulting Ltd	0	0	95,621	575	0	0
Be Shaping The Future GmbH (Au)	0	0	80,376	0	0	0
Be Shaping The Future GmbH (De)	0	4,307	56,207	0	0	0
Fimas GmbH	0	0	9,357	0	0	0
Be Think Solve Execute Ro S.r.l.	0	50,000	0	0	0	0
Be Ukraine LLC	0	75,600	0	0	0	0
Be Sport Ltd	0	0	150,881	0	0	0
Total Group Companies	**4,489,523**	**820,852**	**767,415**	**2,019,175**	**0**	**0**
T.I.P. S.p.A.	0	0	0	60,000	0	0
Ir Top Consulting S.r.l.	0	0	0	33,456	0	0
Total Other Related Parties	**0**	**0**	**0**	**93,456**	**0**	**0**
TOTAL	**4,489,523**	**820,852**	**767,415**	**2,112,631**	**0**	**0**

Intercompany transactions serve to optimise mutual synergies and achieve economies of scale. The amounts are aligned with arm's length values and refer solely to trade or financial relations as the individual companies each have extensive independence with regard to decisions of an administrative and operational nature.

More specifically, the Company's financial payables and financial receivables due to or from subsidiaries refer mainly to cash pooling transactions.

In 2020, the Parent Company provided services to the subsidiaries, supported by contracts, relative to royalties on the Be brand, treasury, audit and tax assistance and planning.

With regard to the associated company TIP Tamburi Investment Partners S.p.A., the amount of payables relates mainly to the payable for the 2020 balance of invoices to be received.

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

STATEMENT OF FINANCIAL POSITION	2020	Absolute value	%	2019	Absolute value	%
Financial receivables and other non-current financial assets	556	556	100%	920	920	100%
Trade receivables	1,392	1,392	100%	5,093	4,618	91%
Other assets and receivables	19,031	18,558	98%	15,852	15,528	98%
Financial receivables and other current financial assets	12,248	12,248	100%	10,958	10,958	100%
Financial payables and other financial liabilities	58,615	39,996	68%	32,153	18,264	57%
Trade payables	1,644	1,060	64%	2,308	1,758	76%
INCOME STATEMENT	**2020**	**Absolute value**	**%**	**2019**	**Absolute value**	**%**
Revenue	1,976	1,976	100%	4,490	4,490	100%
Other operating revenue	1,288	1,220	95%	1,459	821	56%
Service costs	(7,800)	(2,424)	31%	(7,996)	(2,113)	26%
Financial income/(expense)	12,507	499	4%	10,773	767	7%

The statement of financial position and the income statement below indicate related parties, in accordance with Consob Resolution 15519 of 27 July 2006.

Statement of Financial Position

Amounts in EUR	31.12.2020	of which related parties	31.12.2019	of which related parties
NON-CURRENT ASSETS				
Property, plant and equipment	757	0	1,344	0
Rights of use	60,137	0	124,816	0
Goodwill	10,170,000	0	10,170,000	0
Intangible Assets	583	0	4,083	0
Equity investments in subsidiaries	45,772,859	0	43,248,964	0
Equity investments in other companies	500,000	0	0	0
Financial receivables and other non-current financial assets	556,209	556,209	919,908	919,908
Loans and other non-current assets	0	0	712,222	0
Deferred tax assets	921,466	0	722,354	0
Total non-current assets	**57,982,011**	**556,209**	**55,903,691**	**919,908**
CURRENT ASSETS				
Trade receivables	1,392,382	1,392,382	5,093,053	4,617,990
Other assets and receivables	19,030,632	18,557,736	15,852,003	15,527,979
Direct tax receivables	460,968	0	46,673	0
Financial receivables and other current financial assets	12,247,689	12,247,689	10,957,755	10,957,756
Cash and cash equivalents	50,159,942	0	26,280,598	0
Total current assets	**83,291,613**	**32,197,807**	**58,230,082**	**31,103,725**
Total discontinued operations	**0**		**0**	
TOTAL ASSETS	**141,273,624**	**32,754,016**	**114,133,773**	**32,023,633**
SHAREHOLDERS' EQUITY				
Share capital	27,109,165	0	27,109,165	0
Reserves	10,093,773	0	10,686,282	0
Net profit (loss)	6,505,134	1,270,393	5,204,304	3,965,159
TOTAL SHAREHOLDERS' EQUITY	**43,708,072**	**1,270,393**	**42,999,751**	**3,965,159**
NON-CURRENT LIABILITIES				
Financial payables and other non-current financial liabilities	25,481,811	0	20,926,421	0
Financial liabilities for non-current rights of use	38,157	0	60,614	0
Provisions for future risks and charges	1,528,578	0	36,078	0
Post-employment benefits (TFR)	159,838	0	177,374	0
Deferred tax liabilities	2,930,994	0	2,930,994	0
Other non-current liabilities	0	0	556,222	0
Total Non-current liabilities	**30,139,378**	**0**	**24,687,703**	**0**
CURRENT LIABILITIES				
Financial payables and other current financial liabilities	58,615,480	39,995,828	32,153,167	18,263,927
Financial liabilities for current rights of use	24,498	0	64,167	0
Trade payables	1,644,127	1,060,064	2,307,638	1,757,867
Provision for current risks	104,372	0	4,253,730	0
Tax payables	0	0	1,022,166	0
Other liabilities and payables	7,037,697	0	6,645,452	0
Total Current liabilities	**67,426,174**	**41,055,892**	**46,446,320**	**20,021,794**
Total discontinued operations	**0**		**0**	
TOTAL LIABILITIES	**97,565,552**	**41,055,892**	**71,134,023**	**20,021,794**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**141,273,624**	**42,326,285**	**114,133,773**	**23,986,953**

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Income Statement

Amounts in EUR	FY 2020	of which related parties	of which non-recurring income (charges)	FY 2019	of which related parties	of which non-recurring income (charges)
Operating revenue	1,975,842	1,975,842	0	4,489,523	4,489,523	0
Other revenue and income	1,288,054	1,219,587	0	1,459,431	820,852	0
Total Operating revenue	**3,263,896**	**3,195,429**	**0**	**5,948,953**	**5,310,375**	**0**
Raw materials and consumables	(611)	0	0	(762)	0	0
Service costs	(7,458,730)	(2,424,087)	0	(7,996,296)	(2,112,631)	0
Personnel costs	(1,679,767)	0	0	(3,689,046)	0	0
Other operating costs	(341,767)	0	0	(201,604)	0	0
Amortisation and depreciation, provisions and write-downs:						
Depreciation of Property, Plant and Equipment	(587)	0	0	(1,181)	0	0
Amortisation of Intangible Assets	(3,500)	0	0	(3,750)	0	0
Amortisation of Rights of Use	(55,430)	0	0	(55,600)	0	0
Impairment loss on current assets	0	0	0	(50,000)	0	0
Allocations to Provisions	(1,492,500)	0	0	0	0	0
Total Operating Costs	**(11,032,892)**	**(2,424,087)**	**0**	**(11,998,239)**	**(2,112,631)**	**0**
Operating profit (loss) (EBIT)	**(7,768,996)**	**771,342**	**0**	**(6,049,285)**	**3,197,744**	**0**
Financial income	12,507,301	499,051	0	10,772,677	767,415	0
Financial expense	(429,744)	0	0	(445,995)	0	0
Total Financial Income/Expense	**12,077,557**	**499,051**	**0**	**10,326,682**	**767,415**	**0**
Profit (loss) before tax	**4,308,561**	**1,270,393**	**0**	**4,277,397**	**3,965,159**	**0**
Current income taxes	2,000,529	0	0	1,867,047	0	0
Deferred tax assets and liabilities	196,044	0	0	(940,141)	0	0
Total income taxes	**2,196,573**	**0**	**0**	**926,907**	**0**	**0**
Net profit (loss) from continuing operations	**6,505,134**	**1,270,393**	**0**	**5,204,304**	**3,965,159**	**0**
Net profit (loss) from discontinued operations	0	**0**	**0**	0	**0**	**0**
Net profit (loss)	**6,505,134**	**1,270,393**	**0**	**5,204,304**	**3,965,159**	**0**

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Statement of Cash Flows

Amounts in EUR	2020	of which related parties	2019	of which related parties
Net profit (loss)	**6,505,134**		**5,204,304**	
Amortisation and depreciation	59,517		60,531	
Non-monetary changes in post-employment benefits (TFR)	(23,060)		8,139	
Net financial income in the income statement	(12,077,557)		(10,326,682)	
Taxes for the year	(2,000,529)		(1,867,047)	
Deferred tax assets and liabilities	(196,044)		940,141	
Provisions and write-downs	1,596,872		1,809,730	
Release of bad debt provisions	0		(328,000)	
Other non-monetary changes	88,813		35,087	
Cash flow from operating activities	**(6,046,854)**		**(4,463,797)**	
Change in trade receivables	3,700,671	3,225,608	(880,784)	880,784
Change in trade payables	(663,511)	(697,803)	351,400	330,119
Use of bad debt provisions	(4,253,730)		0	
Other changes in current assets and liabilities	247,742	(3,029,757)	(723,117)	3,381,421
Income taxes paid	(2,464,351)		(508,495)	
Post-employment benefits (TFR) paid	(160)		(6,000)	
Other changes in non-current assets and liabilities	154,296		(167,229)	
Change in net working capital	**(3,279,043)**	**(501,952)**	**(1,934,225)**	**4,592,324**
Cash flow from (used in) operating activities	**(9,325,897)**	**(501,952)**	**(6,398,022)**	**4,592,324**
(Purchase) of property, plant and equipment net of disposals	0		98	
(Purchase) of intangible assets net of disposals	0		(1,000)	
Cash flow from (used in) investing activities	**0**		**(902)**	
Change in current financial assets	(782,633)	(1,289,934)	9,251,156	(8,478,479)
Change in current financial liabilities	38,462,313	21,731,901	7,990,497	18,263,927
Change in non-current financial assets	363,699	363,699	(919,908)	919,908
Change in non-current financial liabilities	4,461,180		5,418,517	
Repayments of lease liabilities	(52,877)		(55,635)	
Financial expense paid	(435,450)		(482,356)	
Cash paid to purchase own shares	(2,794,774)		(2,289,790)	
Cash paid for contributions to subsidiaries	(2,523,895)		(9,050,000)	
Cash paid to purchase equity investment	(500,000)		0	
Distribution of dividends paid to Company Shareholders	(2,992,322)		(2,896,000)	
Cash flow from (used in) financing activities	**33,205,241**	**20,805,666**	**6,966,481**	**10,705,356**
Cash flow from (used in) discontinued operations	**0**		**0**	
Cash and cash equivalents	**23,879,344**		**567,557**	
Net cash and cash equivalents - opening balance	26,280,598		25,713,041	
Net cash and cash equivalents - closing balance	50,159,942		26,280,598	
Net increase (decrease) in cash and cash equivalents	**23,879,344**		**567,557**	

5.5 Management of financial risk: objectives and criteria

The Company's main financial instruments, other than derivatives, include bank loans, demand and short-term bank deposits. The main objective of these instruments is to fund the Company's operations. The Company has various financial instruments, such as trade payables and receivables, resulting from its operations.

- **Credit risk**

  Given the nature of its customers, credit risk mainly relates to delays in collecting receivables and to any disputes (see note 5.1) regarding the operations previously performed by the Parent Company. In this regard, the Company carefully considers the use of all instruments, including any legal action, to ensure the prompt collection of receivables from its customers.

- **Interest rate risk**

  As the Company's financial payables are owed to the banking system in Euro at a floating interest rate, the Company does not believe that its exposure to any rise in interest rates may increase future financial expense.

  The tables included in the sections on current and non-current financial receivables show the book value, by maturity, of the Company's financial instruments that are exposed to interest rate risk.

  A hypothetical sudden and unfavourable 1% change in the interest rate, even considering the hedges in place, applicable to existing loans at 31 December 2020 would result in a net pre-tax expense of Euro 69 thousand for the year.

- **Additional information on financial instruments and risk management policies**

  The following tables provide, separately for the two years compared, the additional information required by IFRS 7 in order to assess the relevance of financial instruments with relation to the equity and financial situation of the Group and its profit (loss) for the year.

  Categories of financial assets and liabilities

  The breakdown of the book value of financial assets and liabilities into the categories envisaged by accounting standard IFRS 9 is shown below.

Financial assets at 31.12.2020

Amounts in EUR thousands	Financial assets at FV through profit or loss	Financial assets at amortised cost	Financial assets FVOCI	Book value	Notes to the financial statements
OTHER FINANCIAL ASSETS	**0**	**556,209**	**0**	**556,209**	
Financial receivables (portion beyond 12 months) - Intercompany		556,209		556,209	*7*
Financial receivables (portion beyond 12 months)		0		0	
TRADE RECEIVABLES	**0**	**1,392,382**	**0**	**1,392,382**	
Receivables due from customers		0		0	*10*
Intercompany receivables		1,392,382		1,392,382	*10*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**12,247,689**	**0**	**12,247,689**	
Financial receivables and other current financial assets		0		0	
Current financial receivables and other financial assets - Intercompany		12,247,689		12,247,689	*13*
Securities and financial assets		0		0	
CASH AND CASH EQUIVALENTS	**0**	**50,159,942**	**0**	**50,159,942**	
Cash and cash equivalents		50,159,942		50,159,942	*14*
TOTAL FINANCIAL ASSETS	**0**	**64,356,222**	**0**	**64,356,222**	

Financial liabilities at 31.12.2020

Amounts in EUR thousands	Financial liabilities for derivative instruments	Financial liabilities at amortised cost	Book value	Notes to the financial statements
FINANCIAL PAYABLES AND OTHER NON-CURRENT LIABILITIES	**(180,694)**	**(25,339,274)**	**(25,519,968)**	
Financial payables and other non-current financial liabilities		(25,301,117)	**(25,301,117)**	*16*
Financial payables and other non-current financial liabilities - Intercompany				*16*
Hedge derivatives	(180,694)		**(180,694)**	*16*
Financial liabilities for non-current rights of use		(38,157)	**(38,157)**	*17*
Other financial liabilities		0	**0**	
CURRENT LIABILITIES	**0**	**(60,284,105)**	**(60,284,105)**	
Financial payables and other current financial liabilities		(18,619,652)	**(18,619,652)**	*22*
Financial payables and other current financial liabilities - Intercompany		(39,995,828)	**(39,995,828)**	*22*
Hedge derivatives		0	**0**	*22*
Trade payables		(584,063)	**(584,063)**	*23*
Trade payables - Intercompany		(1,041,614)	**(1,041,614)**	*23*
Payables to related parties		(18,450)	**(18,450)**	*23*
Financial liabilities for current rights of use		(24,498)	**(24,498)**	*17*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities		0	**0**	
Financial payables to related parties		0	**0**	
TOTAL FINANCIAL LIABILITIES	**(180,694)**	**(85,623,379)**	**(85,804,073)**	

Financial assets at 31.12.2019

Amounts in EUR thousands	Financial assets at FV through profit or loss	Financial assets at amortised cost	Financial assets FVOCI	Book value	Notes to the financial statements
OTHER FINANCIAL ASSETS	**0**	**919,908**	**0**	**919,908**	
Financial receivables (portion beyond 12 months) - Intercompany		919,908		919,908	*7*
Financial receivables (portion beyond 12 months)		0		0	
TRADE RECEIVABLES	**0**	**5,093,053**	**0**	**5,093,053**	
Receivables due from customers		475,063		475,063	*10*
Intercompany receivables		4,617,990		4,617,990	*10*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**10,957,755**	**0**	**10,957,755**	
Financial receivables and other current financial assets		0		0	
Current financial receivables and other financial assets - Intercompany		10,957,755		10,957,755	*13*
Securities and financial assets		0		0	
CASH AND CASH EQUIVALENTS	**0**	**26,280,598**	**0**	**26,280,598**	
Cash and cash equivalents		26,280,598		26,280,598	*14*
TOTAL FINANCIAL ASSETS	**0**	**43,251,314**	**0**	**43,251,314**	

Financial liabilities at 31.12.2019

Amounts in EUR thousands	Financial liabilities for derivative instruments	Financial liabilities at amortised cost	Book value	Notes to the financial statements
FINANCIAL PAYABLES AND OTHER NON-CURRENT LIABILITIES	**(167,978)**	**(20,819,057)**	**(20,987,035)**	
Financial payables and other non-current financial liabilities		(20,758,443)	(20,758,443)	*16*
Financial payables and other non-current financial liabilities - Intercompany		0	0	*16*
Hedge derivatives	(167,978)		(167,978)	*16*
Financial liabilities for non-current rights of use		(60,614)	(60,614)	*17*
Other financial liabilities		0	0	
CURRENT LIABILITIES	**(1,280)**	**(34,523,691)**	**(34,524,971)**	
Financial payables and other current financial liabilities		(13,887,959)	(13,887,959)	*22*
Financial payables and other current financial liabilities - Intercompany		(18,263,927)	(18,263,927)	*22*
Hedge derivatives	(1,280)		(1,280)	*22*
Trade payables		(652,930)	(652,930)	*23*
Trade payables - Intercompany		(1,615,716)	(1,615,716)	*23*
Payables to related parties		(38,992)	(38,992)	*23*
Financial liabilities for current rights of use		(64,167)	(64,167)	*17*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities		0	0	
Financial payables to related parties		0	0	
TOTAL FINANCIAL LIABILITIES	**(169,258)**	**(55,342,748)**	**(55,512,006)**	

Note that the fair value of derivative instruments refer to the measurement techniques described previously.

The following table shows the classification of the financial assets and liabilities recognised in the financial statements at fair value, based on the nature of the financial parameters used to determine the fair value, using the hierarchy envisaged by the standard:

- level I: quoted prices for identical instruments in active markets;
- level II: variables other than quoted prices in active markets that are observable either directly (as in the case of prices) or indirectly (namely price derivatives);
- level III: variables that are not based on observable market values.

Financial statement items at 31 December 2020	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(180,694)**		**(180,694)**		**(180,694)**	
- Forward contracts						
- IRS on rates contracted on Unicredit loan	(75,645)		(75,645)		**(75,645)**	*16-22*
- IRS on rates contracted on BNL loan	(43,375)		(43,375)		**(43,375)**	*16-22*
- IRS on rates contracted on BPM loan	(61,674)		(61,674)		**(61,674)**	*16-22*

Financial statement items at 31 December 2019	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(169,258)**	**0**	**(169,258)**	**0**	**(169,258)**	
- Forward contracts					0	
- IRS on rates contracted on Unicredit loan	(80,889)		(80,889)		(80,889)	*16-22*
- IRS on rates contracted on BPM loan of Euro 7 million	(1,280)		(1,280)		(1,280)	*16-22*
- IRS on rates contracted on BPM loan of Euro 10 million	(87,089)		(87,089)		(87,089)	*16-22*

As part of the acquisition of the company Dream of Ordinary Madness Entertainment S.r.l, the company subscribed put&call options to purchase the remaining 49% (see the consolidated financial statements for greater detail).

These options are classified in the Company's separate financial statements as derivatives. As no consideration was paid for these options and their value is consistent with the fair value of the underlying asset, the value of this instrument was kept at zero in the Company's separate financial statements.

5.6 Positions deriving from atypical or unusual transactions

In 2020, Be Shaping the Future S.p.A. did not undertake any atypical or unusual transactions as defined in Consob Communication DEM/6064293.

5.7 Fees due to the independent auditors Deloitte&Touche S.p.A. and to their network pursuant to art. 149-duodecies of the Issuers' Regulation

Type	Fee
Auditing services	148,888
Total fees	**148,888**

The fees due to the Independent auditors in 2020 totalled Euro 149 thousand (Euro 149 thousand last year), of which Euro 21 thousand refer to the limited audit of the "Non-financial statement at 31.12.2020".

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5.8 Fees due to directors and statutory auditors of Be S.p.A.

Name and Surname	Position in Be S.p.A.	Term in office	End of term in office	Fixed fees	Fees for committee attendance	Var. non-equity fees	Total
Amounts in EUR thousand						*Bonus/ Incentives*	
Stefano Achermann	Chief Executive Officer	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	1,000.00[(1)]		702.40	1,702.40
Carlo Achermann	Executive Chairman	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	600.00[(2)]		271.74	871.74
Claudio Berretti	Non-Executive Director	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	20.00	3.48[(6)]		23.48
Cristina Spagna	Non-Executive Director Independent Director	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	20.00	13.48[(5)]		33.48
Claudio Calabi	Non-Executive Director Independent Director	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	20.00	10.44[(3)]		30.44
Gianluca Antonio Ferrari	Non-Executive Director Independent Director	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	20.00	3.48[(4)]		23.48
Francesca Moretti	Non-Executive Director Independent Director	22/04/2020- 31/12/2020	Approval of Financial statements at 31/12/2020	13.92	3.48[(4)]		17.40
Anna Maria Tarantola	Non-Executive Director Independent Director	22/04/2020- 31/12/2020	Approval of Financial statements at 31/12/2020	13.92	3.48[(6)]		17.40
Lucrezia Reichlin	Non-Executive Director Independent Director	22/04/2020- 31/12/2020	Approval of Financial statements at 31/12/2020	13.92			13.92
Davide Dattoli	Non-Executive Director Independent Director	01/01/2020 – 22/04/2020	Approval of Financial statements at 31/12/2020	6.14			6.14
Paola Annunziata Lucia Tagliavini	Non-Executive Director Independent Director	01/01/2020 – 22/04/2020	Approval of Financial statements at 31/12/2020	6.14	3.07[(3)]		9.21
Anna Lambiase	Non-Executive Director	01/01/2020 – 22/04/2020	Approval of Financial statements at 31/12/2020	6.14			6.14
Giuseppe Leoni	Chairman of the Board of Statutory Auditors	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	22.50			22.50
Stefano De Angelis	Standing Auditor	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	15.00			15.00
Rosita Francesca Natta	Standing Auditor	01/01/2020 - 31/12/2020	Approval of Financial statements at 31/12/2020	15.00			15.00

Note that, where not indicated, fees from subsidiaries of Be Shaping the Future S.p.A. are not received, namely the same are paid back, insofar as they are absorbed in fees allocated pursuant to art. 2389, paragraph 3 of the Italian Civil Code.

The breakdown of the fees paid to individual directors is shown below, specifying that no consideration is due for 2020 for the office of member of the "Scientific Board":

(1) Gross remuneration for the position of Chief Executive Officer of which Euro 450,000.00 for the position of Chief Executive Officer and General Manager of subsidiaries

(2) Gross remuneration for the position of Executive Chairman of which Euro 250,000.00 for the position of Executive Director of subsidiaries

(3) Additional remuneration for the position of Chairman of the Control and Risk Committee.

(4) Additional indemnity for the position of member of the Control and Risk Committee.

(5) Additional remuneration for the position of Chairman of the Appointments and Remuneration Committee.

(6) Additional indemnity for the position of member of the Appointments and Remuneration Committee

6. Events after the reporting period at 31 December 2020

Note that in January 2021, the company Human Mobility S.r.l. was placed into liquidation.

The first part of 2021 is still highly impacted by management of the Covid-19 pandemic and by the restrictive measures to contain it. The national and international macroeconomic scenario continues to be highly uncertain, although partially mitigated by the start of the vaccination campaigns.

In fact, the protective measures implemented by the Institutions in the form of minor lockdowns continue, involving industrial and commercial activities and with considerable impact on the national and international economy.

The effects of such restrictive measures and the still uncertain timing of vaccination campaigns may have effects that cannot yet be fully predicted. A more complete opinion as to the expected performance of the market will be issued at the end of the first six-month period.

The Company and the entire Be Group believes that it has adequate management levers available to counter the effects of the health emergency throughout 2020, operating, as demonstrated by the results, in a resilient business and thus confirming the medium-long term prospects set out in the 2021-2023 Business Plan.

Therefore, taking into account the actions already implemented as well as those planned for the coming months, in the absence of events not currently foreseeable, including a possible new lockdown, the company believes it can rely on the achievement of the annual objectives and more generally of the 2021-2023 Business Plan.

The company and the Be Group are also in constant contact with the Authorities and health facilities to monitor the evolution of the measures needed to contain the pandemic. The health of its customers and employees is its top priority.

The entire Be Group is fully committed to ensuring that the Italian System soon returns to the utmost levels of competitiveness.

The financial calendar for 2021, as announced, is currently confirmed.

Statement of equity investments of directors, statutory auditors and general managers

Name and Surname	Position	Company	No. of shares held at 31.12.2019	No. of shares purchased	No. of shares sold	No. of shares held at 31.12.2020
Stefano Achermann	Chief Executive Officer	Be S.p.A.	21,290,397(1)			17,234,618(2)
Carlo Achermann	Executive Chairman	Be S.p.A.				4,055,779(3)
Claudio Berretti	Non-Executive Director	Be S.p.A.				
Cristina Spagna	Non-Executive Director Independent Director	Be S.p.A.				
Claudio Calabi	Non-Executive Director Independent Director	Be S.p.A.				
Gianluca Antonio Ferrari	Non-Executive Director Independent Director	Be S.p.A.	104,166			104,166
Francesca Moretti	Non-Executive Director Independent Director	Be S.p.A.				
Anna Maria Tarantola	Non-Executive Director Independent Director	Be S.p.A.				
Lucrezia Reichlin	Non-Executive Director Independent Director	Be S.p.A.				
Davide Dattoli	Non-Executive Director Independent Director	Be S.p.A.				
Paola Annunziata Lucia Tagliavini	Non-Executive Director Independent Director	Be S.p.A.				
Anna Lambiase	Non-Executive Director	Be S.p.A.				
Giuseppe Leoni	Chairman of the Board of Statutory Auditors	Be S.p.A.				
Stefano De Angelis	Standing Auditor	Be S.p.A.				
Rosita Francesca Natta	Standing Auditor	Be S.p.A.				

(1) *Of which 7,771,132 held directly and 13,519,265 held indirectly through iFuture Power in Action S.r.l. (iFuture), a company in which Mr. Stefano Achermann holds 70% of the share capital.*

(2) *Of which 6,593,865 held directly and, following placement into liquidation of iFuture, 10,640,753 held indirectly through Innishboffin, a company in which Mr. Stefano Achermann holds 89.6% of the share capital.*

(3) *Held indirectly through Carma Consulting S.r.l., a company in which Mr. Carlo Achermann holds 96.84% of the share capital, following placement into liquidation of iFuture, in which he held 30% of the share capital.*

Milan, 11 March 2021

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

Certification of 2020 Financial Statements pursuant to art. 81-ter, Consob Regulation 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 and Manuela Mascarini, respectively Chief Executive Officer and Executive in charge of preparing the company's accounting documents of Be Shaping the Future S.p.A., hereby confirm:

   - the adequacy in relation to the business characteristics, and
   - the effective application of administrative accounting procedures to prepare the financial statements at 31 December 2020.

2. It is also confirmed that:

2.1 the financial statements:

a) were prepared in compliance with international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of Council, of 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;

2.2 The Management Report contains a reliable analysis of the performance and the results of operations, as well as of the position of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Milan, 11 March 2021.

/signed/ Manuela Mascarini

Executive in charge of preparing
the company's accounting documents

Manuela Mascarini

/signed/ Stefano Achermann
Chief Executive Officer

Stefano Achermann