Be
SHAPING THE FUTURE

E-MARKET SDIR CERTIFIED

Interim Management Report

At 30 June 2021

Interim Management Report
at *30 June 2021*

(TRANSLATED FROM ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)

Registered office: Rome - Viale dell'Esperanto, 71 - 00144 Rome.
Share Capital: € 27,109,164.85, fully paid up
Rome Register of Companies. Tax code and VAT number 01483450209

E-MARKET SDIR CERTIFIED

Table of contents

Interim Management Report at 30 June 2021

Corporate Bodies	3
Summary income statement and statement of financial position	4
Group Structure and Shareholders	5
Business Model and Operating segments	7
Key events involving the Group in the first half of 2021	9
Group economic performance	11
Breakdown of Group equity and financial positions	15
Related Party Transactions	18
Other disclosures	18
Events after 30 June 2021 and business outlook	20

Half-year Condensed Consolidated Financial Statements at 30 June 2021

Consolidated Statement of Financial Position	23
Consolidated Income Statement	24
Consolidated Statement of Comprehensive Income	25
Consolidated Statement of Cash Flows	26
Statement of Changes in Consolidated Shareholders' Equity	27
Corporate information	28
Measurement criteria and accounting standards	28
Breakdown of the main items of the Statement of Financial Position	41
Breakdown of the main items of the Income Statement	59
Other disclosures	64
Events after the end of the reporting period at 30 June 2021	73

Certification of Half-year Condensed Consolidated Financial Statements pursuant to art. 81-ter, Consob Regulation 11971 of 14 May 1999, as amended and integrated 74
Report of the Independent Auditors

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

- Stefano De Angelis	*Chairman*
- Rosita Natta	*Standing Auditor*
- Giuseppe Leoni	*Standing Auditor*
- Roberta Pirola	*Alternate Auditor*
- Susanna Russo	*Alternate Auditor*

The Board of Statutory Auditors was renewed by the Shareholders' Meeting of 22 April 2021 for 3 years, with term of office expiring on approval of the financial statements at 31 December 2023.

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

PricewaterhouseCoopers S.p.A.

The independent auditors were appointed by the Shareholders' Meeting of 22 April 2021, for a period of 9 years.

2. Summary income statement and statement of financial position

Key profitability indicators

(amounts in EUR millions)	**1H 2021**	**1H 2020**
Revenue	106.7	83.4
EBITDA	17.5	13.0
EBIT	12.5	8.2
Profit (loss) before tax	11.9	7.5
Net profit (loss)	8.1	4.2

Key equity and financial indicators

(amounts in EUR millions)	**30.06.2021**	**31.12.2020**
Group Shareholders' equity	62.4	56.0
Net Invested Capital	105.5	66.1
Net Operating Working Capital (NOWC)	29.0	9.9
Net Financial Position	(41.8)	(3.1)

Revenue by operating segment

(amounts in EUR millions)	**1H 2021**	**1H 2020**
Business Consulting	76.0	58.0
ICT Solutions	25.0	22.3
Digital	5.7	3.1
TOTAL	106.7	83.4

Revenue by customer type

(amounts in EUR millions)	**1H 2021**	**1H 2020**
Banks	84.6	63.2
Insurance	9.1	9.7
Industry	5.4	5.3
Other	7.6	5.2
TOTAL	106.7	83.4

Revenue by geographical area

(amounts in EUR millions)	**1H 2021**	**1H 2020**
Italy	69.8	53.7
DACH Region (Germany, Austria, Switzerland)	22.7	19.9
UK and Spain	7.9	6.1
CEE Region (Poland, Ukraine, Romania)	6.3	3.7
TOTAL	106.7	83.4

Group Headcount

(values in units)	**30.06.2021**	**31.12.2020**
Executives	146	131
Middle managers	200	191
White collar	1,170	1,025
Blue collar	1	0
Apprentices	97	101
TOTAL	1,614	1,448

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 more than 1,600 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, Ukraine, Spain and Romania, in the first half of 2021 the Group recorded total revenues equal to Euro 106.7 million.

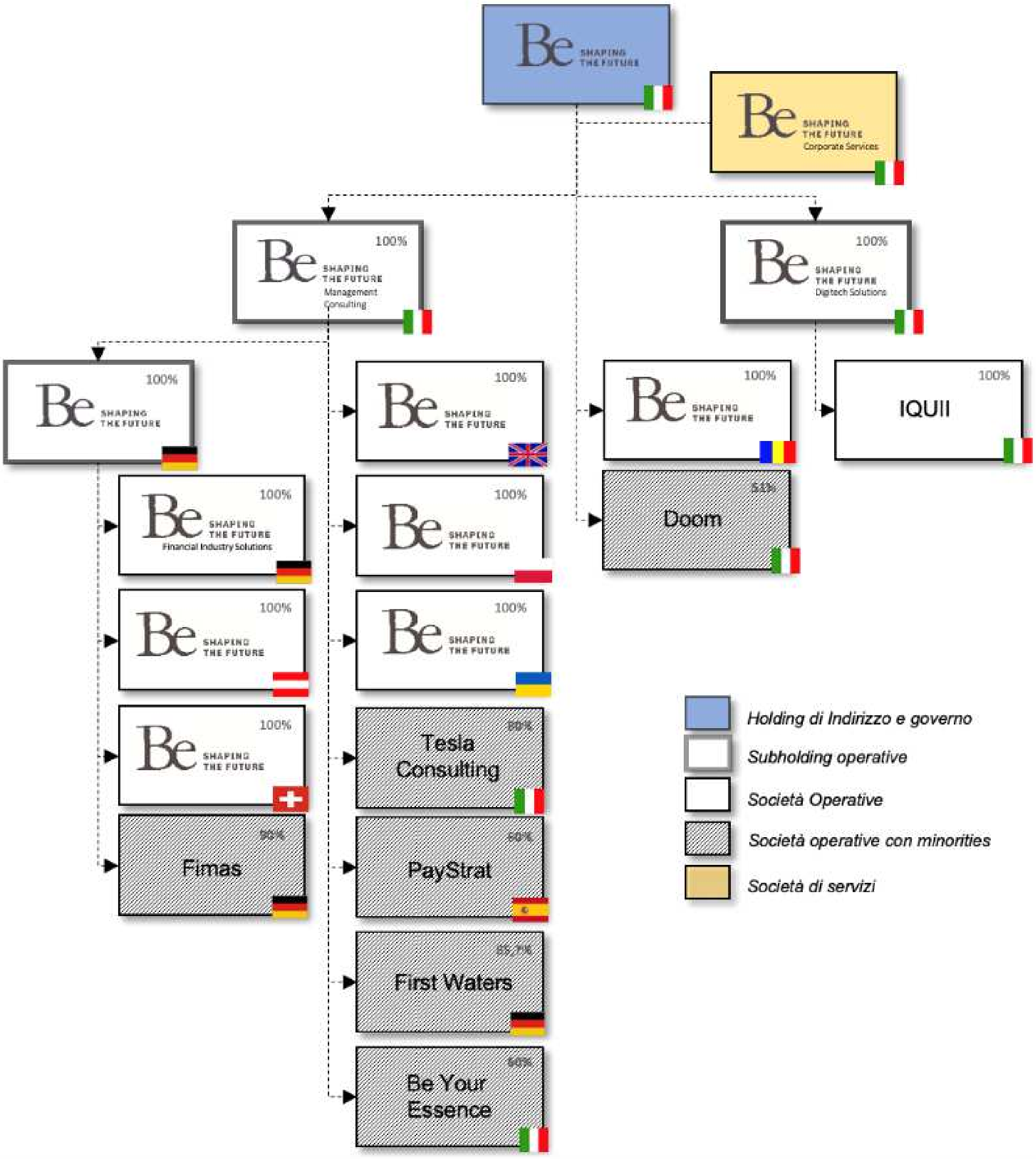
Be Shaping The Future S.p.A. (**Be S.p.A.** for short), listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and coordination 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 30 June 2021, 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	27.489
Innishboffin S.r.l.	Italian	10,847,792	8.042
Compass Asset Management S.A.	Luxembourg	7,741,754	5.739
Be Shaping the Future S.p.A.	Italian	7,157,460	5.306
Stefano Achermann	Italian	6,386,826	4.734
Carma Consulting S.r.l.	Italian	4,055,779	3.007
Float		61,625,436	45.683
Total		**134,897,272**	**100.00**

The following chart shows the **Be Group** structure at 30 June 2021[1].



[1] *The Group structure does not include, as they are not considered relevant, the company Paystrat Solutions SL (Pyngo), 65.26% held by Payments and Business Advisors S.L (Paystrat), the company Confinity GmbH, 100% held by Fimas Gmbh, the company Human Mobility S.r.l., placed into liquidation in January 2021 and 51% held by Be Shaping the Future S.p.A., and the company Juniper S.r.l., due to the merger into Iquii, which took place after 31 March 2021.*

4. Business Model and Operating segments

"Be" is a group specialised in the IT Consulting segment of the Financial Services sector. The organisation is divided by design into the different specialisations of business consulting, the 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.

No. of employees	942 employees at 30 June 2021.
Core business	Banking, Insurance.
Segment revenue at 30 June 2021	Euro 76.0 million..
Operating units	Rome, Milan, Bologna, London, Kiev, Warsaw, Munich, Vienna, Zurich, Frankfurt, Madrid.

The Group operates in the Business Consulting segment 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.
- **Be Shaping the Future Management Consulting Limited.** Based in London, this company operates in the UK and European markets, focusing on financial services consulting, with a customer base with high profiles in the UK and international markets. It is specialized in the banking and financial sectors, particularly providing support in the field of innovation and payment services.
- **Be Ukraine LLC.** Established in Kiev in December 2012, it performs consulting services 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.
- **Be Shaping the Future GmbH.** Based in Munich, this company is specialized in ICT consulting services, primarily in the German, Austrian and Swiss markets, and operates through two wholly owned subsidiaries, Be Shaping the Future GmbH (former Targit GmbH) based in Vienna and Be TSE Switzerland AG based in Zurich. In January, Be Management Consulting S.p.A. completed the acquisition of an additional 10% of the share capital of Be Shaping the Future GmbH; as a result, it controls the Group with a 100% interest.

- **Be Shaping the Future Financial Industry Solutions AG.** With its registered office close to Munich, this company is a wholly-owned subsidiary of Be Shaping the Future GmbH and is specialized in providing consulting services and IT solutions for the payments sector, notably, in the SWIFT area.
- **FIMAS GmbH.** This company, based in Frankfurt, 90% of which is held by Be Shaping the Future GmbH, is specialized in consulting services and IT for asset managers, stock markets, CSD, clearing houses and custodian banks.
- **Confinity GmbH.** Originally set up as a joint venture by FIMAS and Q-Fin (now Fimas GmbH), it operates in the specific sector of providing FIMAS customers with temporary staffing (ANÜ – Arbeitnehmerüberlassung) for which it holds a special licence. Fimas GmbH holds a 100% stake in Confinity GmbH.
- **Payments and Business Advisors S.L.** (**Paystrat** for short)**.**A company based in Madrid, 80% 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 holds a 65.26% stake 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..
- **Be Your Essence S.r.l.** A benefit company and innovative startup based in Milan, established to offer major public and private companies consulting services in the Innovability area, 60% held by Be Management Consulting S.p.A.
- **Firstwaters GmbH.** A management consulting company based in Frankfurt, it is specialized in projects to transform the value chain of Corporate & Investment Banking for different asset classes and financial instruments, also through its wholly-owned subsidiary Firstwaters GmbH based in Vienna. Be Management Consulting S.p.A. controls the Group with an 85.71% interest.

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.

No. of employees	530 employees at 30 June 2021.
Core Business	Banking, Insurance, Energy and Public Administration.
Segment revenue at 30 June 2021	Euro 25.0 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 past years the focus was on new technology architectures that characterised the current digitalisation process of the major banks and insurance companies in Italy, where distinctive experience was gained in the implementation of multi-channel front-end systems, back-end business control and governance systems (especially in the life insurance segment through a proprietary system that is among the market leaders) and *Data & Analytics platforms*. The reference market is banking and insurance, and to a more marginal extent the *utilities* segment and small-medium enterprises. 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.

- **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.

No. of employees	81 employees at 30 June 2021.
Core Business	Banking, Insurance, Energy and Public Administration.
Segment revenue at 30 June 2021	Euro 5.7 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 is specialized 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. In January 2021, Be DigiTech Solutions S.p.A. completed the acquisition of the company's minority interests (49%); consequently, it holds 100% of the Company. In April, the company Juniper Extensible Solutions S.r.l., based in the province of Trento, an Italian digital company operating as a developer of web-based and multimedia software solutions in the Sports, Music and Events sectors, following the acquisition by Be DigiTech Solutions S.p.A. of the company's minority interests (49%), was merged by incorporation into Iquii S.r.l.
- **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.

5. Key events involving the Group in the first half of 2021

Important resolutions of the Shareholders' Meeting

On 22 April 2021, the Shareholders' Meeting met on first call both in ordinary session, resolving on the following:

- approval of the Financial Statements at 31.12.2020, allocation of the 2020 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;
- new plan for the purchase and disposal of own shares, subject to revocation of the authorisation for the purchase and disposal of own shares, granted by the Shareholders' Meeting on 22 April 2020;
- appointment of the Company's new Board of Statutory Auditors for three years and, therefore, until approval of the financial statements for the year ending 31 December 2023, comprising the following (3) standing auditors: Stefano de Angelis (Chairman), Rosita Francesca Natta, Giuseppe Leoni and the following (2) alternate auditors: Susanna Russo, Roberta Pirola;
- granting of the nine-year auditing assignment, as well as auditing of the consolidated NFS for the three-year period 2021-2023, upon proposal by the Board of Directors, which in turn acknowledged the recommendation of the outgoing Board of Statutory Auditors, to independent auditor PricewaterhouseCoopers S.p.A.

Events important to business development

In January 2021, the Be Group reached an agreement to acquire 85.71% 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 of 2021, at a price including cash of Euro 12.2 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 so far held by Rüdiger Borsutzki, the original founder. On a nominal basis, the acquisition involved 7.5% of the share capital of the company, which, it should be noted, owns 25% of its own shares, for a total of 10%. 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 has been of 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.

In April, the company Juniper S.r.l. underwent a merger by incorporation into Iquii S.r.l., with statutory effects from 1 May 2021 and retroactive accounting and tax effects from 1 January 2021.

During May and June, the Be Group, through the company Be Consulting, following the contractual agreements signed upon acquisition, acquired an additional 30% of the company Fimas GmbH from third parties and an additional 20% of the company Payments and Business Advisors S.L. (Paystrat for short), bringing its interest to 90% in Fimas and 80% in Paystrat.

Anticipating what is illustrated in paragraph 9.1 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 the world economic activity, creating a context of general uncertainty.

In relation to the Covid-19 emergency, in order to prevent and contain the spread of the pandemic in Italy, the Group reacted promptly in line with its protocols and policies for the management of emergencies and company crises, by establishing a Crisis Committee, which set a contingency plan in motion to guarantee the health and safety of its employees and partners, by providing for and extending where possible the adoption of smart-working, with a view 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, most of the company has worked/works in smart-working mode, and the capacity of the technological equipment to support remote operations has been boosted. Business continuity has been guaranteed everywhere.

As observed in 2020, given the particular type of Be Group's reference market - mainly limited to large financial institutions - the Covid-19 pandemic had almost no impact in the first half of 2021. It should be noted that financial institutions, which account for almost all of the Be Group's customers, carry out services that have been deemed "essential" by the Ministerial Decrees and therefore have continued to operate even during the lock-down. As a result, already when preparing the Financial Statements for the year, no grounds had been found for not confirming our estimates as regards the objectives for 2020, and more generally, those of the whole 2020-2022 Business Plan.

In the light of the above and by virtue of the results achieved by the Group in the first half of 2021, to which reference should be made in the following paragraphs, no grounds have been found for not confirming the assumptions made at the time of approving the 2020 financial statements, also with reference to the objectives set for the current and future years.

6. Group operating performance

The following table shows the Be Group income statement for the first half of 2021 compared with the same period of the previous year, both originating from half-year condensed consolidated financial statements prepared according to IAS/IFRS.

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 method applied by the Group may not be uniform with the one adopted by other groups and, consequently, the balance obtained by the Group 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 sum of 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.

Restated Consolidated Income Statement

Amounts in EUR thousands	**1H 2021**	**1H 2020**	**Δ**	**Δ (%)**
Operating revenue	105,759	82,005	23,754	29.0%
Other revenue and income	904	1,436	(532)	(37.0%)
Total Revenue	**106,663**	**83,441**	**23,222**	**27.8%**
Cost of raw materials and consumables	(343)	(53)	(290)	547.2%
Cost of services and use of third-party assets	(41,268)	(33,565)	(7,703)	22.9%
Personnel costs	(49,318)	(39,564)	(9,754)	24.7%
Other costs	(935)	(760)	(175)	23.0%
Internal capitalisations	2,708	3,469	(761)	(21.9%)
Gross Operating Margin (EBITDA)	**17,507**	**12,968**	**4,539**	**35.0%**
Depreciation	(5,032)	(4,775)	(257)	5.4%
Write-downs and provisions	0	(8)	8	n.a.
Operating profit (loss) (EBIT)	**12,475**	**8,185**	**4,290**	**52.4%**
Net financial income and expense	(625)	(691)	66	(9.6%)
Profit (loss) before tax from continuing operations	**11,850**	**7,494**	**4,356**	**58.1%**
Taxes	(3,336)	(2,894)	(442)	15.3%
Net profit (loss) from continuing operations	**8,514**	**4,600**	**3,914**	**85.1%**
Net profit (loss) from discontinued operations	0	0	0	n.a.
Consolidated net profit (loss) including minority interests	**8,514**	**4,600**	**3,914**	**85.1%**
Net profit (loss) attributable to minority interests	401	416	(15)	(3.6%)
Group net profit (loss)	**8,113**	**4,184**	**3,929**	**93.9%**

Total revenue was equal to Euro 106.7 million, against Euro 83.4 million in the first half of 2020, for an increase of Euro 23.3 million (+27.8%).

Total revenue recorded by the foreign subsidiaries (which account for 34.6% of the Group's total revenue) was equal to Euro 36.9 million, against Euro 29.7 million at 30 June 2020 (equal to 35.6% of the Group's total revenue).

Operating costs increased by around Euro 18.7 million compared to the first half of the previous year (+26.5%). In particular:

- service costs were around Euro 41.3 million (+22.9%);
- personnel costs totalled Euro 49.3 million (+24.7%);
- capitalisation of costs, mainly related to personnel working on projects to develop proprietary software platforms, amounted to Euro 2.7 million (-21.9%).

The Gross Operating Margin (EBITDA) was Euro 17.5 million, up 35.0% compared to the first half of 2020 (Euro 13.0 million). The EBITDA *margin* was 16.4% against 15.5% in the first half of 2020.

Amortisation and depreciation totalled Euro 5.0 million, up Euro 0.2 million from the first half of 2020 (Euro 4.8 million), while provisions and write-downs were virtually unchanged compared with the first half of 2020.

Operating profit (loss) (EBIT) was Euro 12.5 million, up (+52.4%) compared to 30 June 2020 (Euro 8.2 million). The EBIT *Margin* stood at 11.7%, against 9.8% in the first half of 2020.

Profit (loss) before tax from continuing operations was Euro 11.9 million, up 58.1% compared to 30 June 2020 (Euro 7.5 million).

Taxes for the first half of 2021 amounted to Euro 3.3 million, against Euro 2.9 million for the first half of 2020.

Net profit was Euro 8.1 million, up 93.9% compared to Euro 4.2 million at 30 June 2020.

At 30 June 2021, discontinued operations had no impact on the income statement; therefore, the costs and revenue recognised in the restated consolidated income statement refer solely to "continuing operations".

The breakdown of revenue by operating segment is provided below:

Revenue by operating segment

Amounts in EUR millions	**1H 2021**	**%**	**1H 2020**	**%**	**Δ (%)**
Business Consulting	76.0	71.2%	58.0	69.5%	31.0%
ICT Solutions	25.0	23.4%	22.3	26.7%	12.1%
Digital	5.7	5.3%	3.1	3.7%	83.9%
TOTAL	**106.7**	**100%**	**83.4**	**100.0%**	**27.8%**

An analysis of the breakdown of total revenue by operating segment shows the following:

- the Consulting business confirms its significant weight and an increase in revenue of 31.0% compared to the value recorded at 30 June 2020;
- the ICT Solutions business recorded overall growth in revenue of 12.1% compared to 30 June 2020;
- the Digital business, previously partially incorporated in the ICT segment, gains prominence, with revenue more than doubled compared to 30 June 2020.

The breakdown of revenue by customer type is also provided below.

Revenue by customer type

Amounts in EUR millions	**1H 2021**	**%**	**1H 2020**	**%**	**Δ (%)**
Banks	84.6	79.3%	63.2	75.8%	33.9%
Insurance	9.1	8.5%	9.7	11.6%	(6.2%)
Industry	5.4	5.1%	5.3	6.4%	1.9%
Other	7.6	7.1%	5.2	6.2%	46.2%
TOTAL	**106.7**	**100.0%**	**83.4**	**100.0%**	**27.8%**

The breakdown of revenue by geographical area is also provided below:

Revenue by geographical area

Amounts in EUR millions	1H 2021	%	1H 2020	%	Δ (%)
Italy	69.8	65.4%	53.7	64.4%	29.9%
DACH Region (Germany, Austria, Switzerland)	22.7	21.3%	19.9	23.8%	14.2%
UK and Spain	7.9	7.4%	6.1	7.3%	29.4%
CEE Region (Poland, Ukraine, Romania)	6.3	5.9%	3.7	4.4%	70.2%
TOTAL	**106.7**	**100.0%**	**83.4**	**100.0%**	**27.8%**

Lastly, it should be noted that in the first half of 2021, 65.4% of revenue was generated by the domestic market and the remaining 34.6% by the foreign market.

The significant weight of the DACH Region (DE, AUT and SUI) on revenue is confirmed, contributing Euro 22.7 million, up slightly compared to the first half of 2020; the Cee Region (Poland, Ukraine, Romania) records a considerable increase (+70.2%) compared to the same period of the previous year (Euro 6.3 million compared to Euro 3.7 million at 30 June 2020), while the UK and Spanish markets generated Euro 7.9 million in the first half of 2021, compared to Euro 6.1 million in the first half of 2021 (+29.4%).

7. Breakdown of Group equity and financial positions

A summary of the consolidated statement of financial position at 30 June 2021 is shown below, compared to the same statement at 31 December 2020.

Restated Statement of Financial Position

Amounts in EUR thousands	30.06.2021	31.12.2020	Δ	Δ (%)
Non-current assets	121,132	106,451	14,681	13.8%
Current assets	55,370	36,324	19,046	52.4%
Non-current liabilities	(18,125)	(12,407)	(5,718)	46.1%
Current liabilities	(52,918)	(64,279)	11,361	(17.7%)
Net Invested Capital	**105,459**	**66,089**	**39,370**	**59.6%**
Shareholders' Equity	63,613	58,893	4,720	8.0%
Net Financial Indebtedness	41,846	3,123	38,723	n.a.

Non-current assets mostly consist of goodwill (Euro 85.0 million), recognised at the time of business combinations, intangible assets (Euro 19.6 million) mostly relating to software, rights of use (Euro 9.3 million), property, plant and equipment (Euro 2.2 million), deferred tax assets (Euro 2.8 million), receivables and other non-current assets, and equity investments in other companies, for a total of Euro 2.3 million.

Current assets recorded a rise of Euro 19.0 million compared to 31 December 2020. The change is predominantly due to the increase in assets deriving from contracts with customers and other assets and receivables, and to the decrease in trade receivables.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 8.4 million, deferred tax liabilities of Euro 8.1 million and provisions for risks and charges of Euro 1.6 million.

Current liabilities mostly consist of trade payables for Euro 20.1 million, provisions for risks and charges for Euro 2.1 million and other liabilities and tax payables for Euro 30.7 million. The item records an overall decrease of Euro 11.4 million, mainly due to the change in other current liabilities and trade payables.

Consolidated shareholders' equity was Euro 63.6 million, against Euro 58.9 million at 31 December 2020.

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

Amounts in EUR thousands	**30.06.2021**	**31.12.2020**	**Δ**	**Δ (%)**
Inventories	156	156	0	0.0%
Assets deriving from Contracts with customers	29,166	9,778	19,388	n.a.
Trade receivables	19,814	22,014	(2,200)	(10.0%)
Trade payables	(20,099)	(22,076)	1,977	(9.0%)
Net Operating Working Capital (NOWC)	**29,037**	**9,872**	**19,165**	**n.a.**
Other short-term receivables	6,234	4,376	1,858	42.5%
Other short-term liabilities	(32,819)	(42,203)	9,384	(22.2%)
Net Working Capital (NWC)	**2,452**	**(27,955)**	**30,407**	**n.a.**

The total net financial position was negative for Euro 41.8 million (Euro 33.1 million at 30 June 2020)

Net financial indebtedness, less the components arising from payables from rights of use and from payables for Put&Call option on minority interests amounted to Euro 21.2 million (Euro 17.5 million at 30 June 2020).

Net financial indebtedness from operations amounted to Euro 5.6 million (Euro 11.7 million at 30 June 2020), after distribution of dividends for Euro 3.8 million, acquisition of own shares for Euro 0.4 million and net outlays for M&A of Euro 11.4 million, with an improvement of approximately Euro 6 million year on year.

	30.06.2021	**30.06.2020 (proforma)**	**Δ**
Net Financial Position	(41,846)	(33,092)	(8,754)
Expiry value of Put&Call on minority interests	(10,484)	(7,192)	(3,292)
Payables for right of use	(10,129)	(8,438)	(1,691)
Net Financial Indebtedness	**(21,233)**	**(17,462)**	**(3,771)**
- of which new M&A	(11,365)	(2,649)	(8,716)
- of which Dividends	(3,831)	(3,103)	(728)
- of which purchase of own shares	(432)	(9)	(423)
Net financial indebtedness from operations	**(5,605)**	**(11,701)**	**6,096**

A detailed breakdown is provided below, calculated (in absolute value) pursuant to Consob Communication DEM/6064293 of 28/07/2006 and in accordance with the updated ESMA recommendation no. 32-382-1138 of 04/03/2021 for the first half of 2021 and for 2020.

	30.06.2021	31.12.2020	Δ	Δ%
A Cash	35,405	60,580	(25,175)	(41.6%)
B Cash equivalents	0	0	0	n.a.
C Other current financial assets	74	165	(91)	(55.2%)
D Cash and cash equivalents (A+B+C)	**35,479**	**60,745**	**(25,266)**	**(41.6%)**
E Current financial payables	8,055	5,208	2,847	54.7%
F Current portion of non-current financial payables	25,014	19,892	5,122	25.7%
G Current financial indebtedness (E+F)	**33,069**	**25,100**	**7,969**	**31.7%**
H Net current financial indebtedness (G-D)	**(2,410)**	**(35,645)**	**33,235**	**(93.2%)**
I Non-current financial payables	33,772	32,357	1,415	4.4%
J Debt instruments	0	0	0	n.a.
K Trade payables and other non-current payables	10,484	6,411	4,073	63.5%
L Net non-current financial indebtedness (I+J+K)	**44,256**	**38,768**	**5,488**	**14.2%**
M Total financial indebtedness (H+L)	**41,846**	**3,123**	**38,723**	**n.a.**

With regard to items in the table, in addition to cash and cash equivalents of Euro 35.4 million (Euro 60.6 million at 31 December 2020), the following should be noted:

- current financial receivables of Euro 0.07 million (Euro 0.2 million at 31 December 2020) originating from prepaid expenses on factoring interest;
- current payables to banks of Euro 33.1 million (Euro 25.1 million at 31 December 2020), relating to:
  - "current bank payables" of Euro 8.1 million (Euro 5.1 million at 31 December 2020) mainly relating to interest accrued but not paid and short-term credit facilities classed as "accounts payable to suppliers", "advances on invoices" and "negative bank balance";
  - the current portion of long-term loans for Euro 22.0 million (Euro 16.8 million at 31 December 2020);
  - payables for current rights of use of Euro 3.1 million regarding lease liabilities (Euro 3.0 million at 31 December 2020);
- non-current financial payables of Euro 44.3 million (Euro 38.8 million at 31 December 2020) of which:
  - Euro 26.7 million (Euro 25.5 million at 31 December 2020) referred to payables to banks for unsecured medium/long-term loans for the portion due beyond 12 months;
  - Euro 7.1 million (Euro 6.9 million at 31 December 2020) referring to payables for non-current rights of use regarding lease liabilities;
  - Euro 10.5 million (Euro 6.4 million at 31 December 2020) referring to the long-term portions of the residual debt of the discounted price for future acquisition of the shares pertaining to third parties through put&call contracts.

8. Related Party Transactions

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

9. Other disclosures

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

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

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

  In order to further improve operating performance, the Group 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 be negatively affected in terms of shareholders' equity value if there was an impairment to goodwill recognised in the financial statements at 30 June 2021, which may be necessary if the cash flows generated were insufficient with respect to those forecast and envisaged in the 2021-2023 Plan.

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

  The Be Group is involved in legal proceedings, both as defendant, where Group

Companies have been summoned by third parties, and as plaintiff, where these Companies have 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 Group has an operational and executive structure capable of ensuring business continuity.

- **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 at the time of submission of this Interim Report, those relating to the ongoing medical emergency relating to the Covid-19 pandemic (Coronavirus) should be noted.

  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 in 2020 and in the first half of 2021. 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.

During the preparation of the consolidated financial statements at 30 June 2021, as part of the main measurement and estimation processes, and in line with what was carried out for the consolidated accounts at 31 December 2020, sensitivity analyses were conducted to identify the value of the key parameters for which the recoverable amounts would coincide with book values.

Although conducted at a time of general uncertainty, these analyses did not indicate any clear risk of future impairment of the amounts recognised in the financial statements at 30 June 2021, considering the macro-economic scenario consequent to the aforementioned pandemic.

In any case, constant monitoring will be carried out in the course of the year.

9.2 Investment in development

The Be Group's development activities have always aimed to consolidate customer relations, develop new forms of business for them and acquire new customers. The main development projects regard the technological platforms owned by the Be Group. In particular, during the first half of 2021, investments were made for the development and upgrade of the technological platforms "Universo Sirius" - relating to the management of Life and Non-life insurance portfolios - by Be Digitech Solutions, of the company's internal ICT system by Be Digitech Solutions and Be Management Consulting, of the digital applications by Iquii and Tesla, and of the IT platforms of Be Ukraina, Fimas GmbH and Be Shaping the future GmbH (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.

9.3 Own shares

Pursuant to art. 2428 paragraph 4 of the Italian Civil Code, we note that the Parent Company holds 7,157,460 own shares with a face value of Euro 1, equal to 5.306% of the share capital.

10. Events after 30 June 2021 and business outlook

In July, Be reached a preliminary agreement to purchase 55% of the share capital of a management consulting company based in Switzerland - specialised in the Financial Industry - with approximately Euro 9 million in sales. The price envisaged, subject to Due Diligence, will be Euro 4.7 million, with the company having an EBITDA of Euro 1.14 million and a positive NFP of Euro 0.9 million. The price for the initial 55% will be partially paid at closing and then definitively adjusted at the end of tax year 2021 based on the average EBITDA performance achieved by the company in 2020 and 2021. The current managing directors will continue to be minority shareholders of the target company and are committed to guiding the company's growth.

Be will then complete the acquisition of the remaining shares through a structure of Put & Call options to be exercised in the upcoming years.

Moreover, Be has been awarded a new long-term instruction with a leading German Financial Institution with a "systemic" role in the financial services market in Germany and in Europe. The agreement envisages that Be provide the professional services of organisational and IT consulting for a minimum total value of Euro 8 million in three years. The goal of the project is to manage some of the most critical systems in operation as well as to support a rapid transition to state-of-the-art IT processes and technologies. The agreement requires the services to be provided in Luxembourg and in the Czech Republic.

At the end of July, the Group completed the transfer of its operating subsidiaries in Germany, Austria and Switzerland from the German sub-holding Be Shaping The Future GmbH of Munich to the Italian company Be Shaping The Future Management Consulting S.p.A., the driving force of the consulting hub.

In light of the results for the period and despite the macroeconomic uncertainty following the Covid-19 pandemic, the Group confirms a good growth trend.

If the market trends and spending goals of the financial services industry remain constant, it is believed that the annual objectives and, more in general, those of the 2021-2023 Business Plan may be achieved and possibly exceeded.

Milan, 30 July 2021.

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

SHAPING
THE FUTURE
OF FINANCIAL SERVICES

Half-Year Condensed Consolidated Financial Statements

at 30 June 2021

A. Consolidated Statement of Financial Position

Amounts in EUR thousands	***Notes***	**30.06.2021**	**31.12.2020**
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	2,219	2,273
Rights of use	*2*	9,336	9,135
Goodwill	*3*	84,977	70,374
Intangible assets	*4*	19,567	19,626
Equity investments in other companies	*5*	1,389	1,329
Loans and other non-current assets	*6*	878	830
Deferred tax assets	*7*	2,766	2,884
Total non-current assets		**121,132**	**106,451**
CURRENT ASSETS			
Inventories	*8*	156	156
Assets deriving from contracts with customers	*9*	29,166	9,778
Trade receivables	*10*	19,814	22,014
Other assets and receivables	*11*	6,146	3,574
Direct tax receivables	*12*	88	802
Financial receivables and other current financial assets	*13*	74	165
Cash and cash equivalents	*14*	35,405	60,580
Total current assets		**90,849**	**97,069**
Total discontinued operations		**0**	**0**
TOTAL ASSETS		**211,981**	**203,520**
SHAREHOLDERS' EQUITY			
Share capital		27,109	27,109
Reserves		27,174	20,935
Net profit (loss) attributable to owners of the Parent Company		8,113	7,973
Group Shareholders' equity		**62,396**	**56,017**
Minority interests:			
Capital and reserves		816	1,737
Net profit (loss) attributable to minority interests		401	1,139
Minority interests		**1,217**	**2,876**
TOTAL SHAREHOLDERS' EQUITY	*15*	**63,613**	**58,893**
NON-CURRENT LIABILITIES			
Financial payables and other non-current financial liabilities	*16*	26,705	25,482
Financial liabilities for non-current rights of use	*18*	7,067	6,875
Provision for non-current risks	*22*	1,603	1,628
Post-employment benefits (TFR)	*19*	8,404	7,088
Deferred tax liabilities	*20*	8,116	7,759
Other non-current liabilities	*21*	10,486	6,416
Total Non-current liabilities		**62,381**	**55,248**
CURRENT LIABILITIES			
Financial payables and other current financial liabilities	*17*	30,007	22,053
Financial liabilities for current rights of use	*18*	3,062	3,047
Trade payables	*23*	20,099	22,076
Provision for current risks	*22*	2,130	2,300
Tax payables	*24*	2,808	1,481
Other liabilities and payables	*25*	27,881	38,422
Total Current liabilities		**85,987**	**89,379**
Total discontinued operations		0	**0**
TOTAL LIABILITIES		**148,368**	**144,627**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**211,981**	**203,520**

The effects of related party transactions and non-recurring transactions on the consolidated income statement pursuant to 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***	**1H 2021**	**1H 2020**
Operating revenue	*26*	105,759	82,005
Other revenue and income	*27*	904	1,436
Total Revenue		**106,663**	**83,441**
Cost of raw materials and consumables	*28*	(343)	(53)
Service costs	*29*	(41,268)	(33,565)
Personnel costs	*30*	(49,318)	(39,564)
Other operating costs	*31*	(935)	(760)
Cost of internal work capitalised	*32*	2,708	3,469
Amortisation, depreciation and write-downs:			
Depreciation of property, plant and equipment	*33*	(356)	(346)
Amortisation of intangible assets	*33*	(2,916)	(2,830)
Amortisation of rights of use	*33*	(1,760)	(1,599)
Allocations to provisions	*34*	0	(8)
Total Operating Costs		**(94,188)**	**(75,256)**
Operating profit (loss) (EBIT)		**12,475**	**8,185**
Financial income	*35*	106	28
Financial expense	*35*	(731)	(719)
Total Financial Income/Expense	***35***	**(625)**	**(691)**
Profit (loss) before tax		**11,850**	**7,494**
Current income taxes	*36*	(2,924)	(2,040)
Deferred tax assets and liabilities	*36*	(412)	(854)
Total Income taxes		**(3,336)**	**(2,894)**
Net profit (loss) from continuing operations		**8,514**	**4,600**
Net profit (loss) from discontinued operations		**0**	**0**
Net profit (loss)		**8,514**	**4,600**
Net profit (loss) attributable to minority interests	*15*	**401**	**416**
Net profit (loss) attributable to owners of the Parent Company		**8,113**	**4,184**
Earnings (loss) per share:			
Basic earnings per share (Euro)	*37*	**0.06**	**0.03**
Diluted earnings per share (Euro)	*37*	**0.06**	**0.03**

The effects of related party transactions and non-recurring transactions on the consolidated income statement pursuant to 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	**1H 2021**	**1H 2020**
Net profit (loss)	**8,514**	**4,600**
Items not subject to reclassification in the income statement:		
Actuarial gains (losses) on employee benefits	230	41
Tax effect on actuarial gains (losses)	(55)	(10)
Items subject to reclassification in the income statement		
when certain conditions are met:		
Gains (losses) on cash flow hedges	41	(37)
Translation gains (losses)	268	(479)
Other items of comprehensive income	**484**	**(485)**
Net comprehensive profit (loss)	**8,998**	**4,115**
Attributable to:		
Owners of the Parent Company	8,597	3,699
Minority interests	401	416

D. Consolidated Statement of Cash Flows

Amounts in EUR thousands	*Notes*	1H 2021	1H 2020
Net profit (loss)		8,514	4,600
Amortisation, depreciation and write-downs	*33-34*	5,032	4,775
Non-monetary changes in post-employment benefits (TFR)		819	484
Net financial expense in the income statement	*35*	711	746
Taxes for the period	*36*	2,924	2,040
Deferred tax assets and liabilities	*36*	412	854
Losses on current assets and provisions	*34*	0	8
Release of bad debt provisions		(150)	(455)
Other non-monetary changes		(29)	2
Cash flow from operating activities		**18,233**	**13,054**
Change in inventories	*8*	0	0
Changes in Assets deriving from Contracts with customers	*9*	(19,388)	(17,355)
Change in trade receivables	*10*	2,850	1,914
Change in trade payables	*23*	(2,137)	4,682
Use of bad debt provisions	*22*	(45)	(1,399)
Other changes in current assets and liabilities		(12,519)	(2,042)
Taxes paid		(284)	0
Post-employment benefits (TFR) paid	*19*	(266)	(701)
Other changes in non-current assets and liabilities		(90)	(2,532)
Change in net working capital		**(31,879)**	**(17,433)**
Cash flow from (used in) operating activities		**(13,646)**	**(4,379)**
(Purchase) of property, plant and equipment net of disposals	*1*	(240)	(411)
(Purchase) of intangible assets net of disposals	*4*	(2,713)	(3781)
Cash flow from business combinations net of cash acquired	*2.11*	(7,693)	(1,751)
(Purchase)/sale of equity investments and securities	*5*	(60)	0
Cash flow from (used in) investing activities		**(10,705)**	**(5,943)**
Change in current financial assets	*13*	91	(75)
Change in current financial liabilities	*17*	7,876	1,133
Financial expense paid		(589)	(671)
Change in non-current financial liabilities	*16*	965	6,011
Repayments of lease liabilities		(1,750)	(1,244)
Cash paid for purchase of share pertaining to third parties		(3,138)	0
Cash paid to purchase own shares		(368)	(9)
Distribution of dividends paid to Group shareholders		(3,832)	(2,992)
Distribution of dividends paid to minority interests		(78)	0
Contribution from minority interests		0	5
Cash flow from (used in) financing activities		**(823)**	**2,158**
Cash flow from (used in) discontinued operations		**0**	**0**
Cash and cash equivalents		**(25,175)**	**(8,164)**
Net cash and cash equivalents - opening balance	*14*	60,580	34,185
Net cash and cash equivalents - closing balance	*14*	35,405	26,021
Net increase (decrease) in cash and cash equivalents		**(25,175)**	**(8,164)**

E. Statement of Changes in Consolidated Shareholders' Equity

Amounts in EUR thousands	**Share capital**	**Reserves and profit carried forward**	**Profit (loss) for the period**	**Group Shareholders' equity**	**Minority interests**	**Total**
SHAREHOLDERS' EQUITY AT 31.12.2019	**27,109**	**21,144**	**6,087**	**54,340**	**1,732**	**56,072**
Net profit (loss)			4,184	4,184	416	4,600
Other items of comprehensive income		(485)		(485)		(485)
Net comprehensive profit (loss)		**(485)**	**4,184**	**3,699**	**416**	**4,115**
Allocation of prior year profit (loss)		6,087	(6,087)	0		0
Purchase of own shares		(9)		(9)		(9)
Dividend distribution		(2,992)		(2,992)		(2,992)
(Purchase)/Disposal of Minority Interests		0		0	5	5
SHAREHOLDERS' EQUITY AT 30.06.2020	**27,109**	**23,745**	**4,184**	**55,038**	**2,153**	**57,191**

Amounts in EUR thousands	**Share capital**	**Reserves and profit carried forward**	**Profit (loss) for the period**	**Group Shareholders' equity**	**Minority interests**	**Total**
SHAREHOLDERS' EQUITY AT 31.12.2020	**27,109**	**20,935**	**7,973**	**56,017**	**2,876**	**58,893**
Net profit (loss)			8,113	8,113	401	8,514
Other items of comprehensive income		484		484		484
Net comprehensive profit (loss)		**484**	**8,113**	**8,597**	**401**	**8,998**
Allocation of prior year profit (loss)		7,973	(7,973)	0		0
Purchase of own shares		(368)		(368)		(368)
Dividend distribution		(3,832)		(3,832)	(78)	(3,910)
(Purchase)/Disposal of Minority Interests		1,982		1,982	(1,982)	0
SHAREHOLDERS' EQUITY AT 30.06.2021	**27,109**	**27,174**	**8,113**	**62,396**	**1,217**	**63,613**

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 more than 1,600 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, Ukraine, Spain and Romania, in the first half of 2021 the Group recorded total revenues of Euro 106.7 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 Half-year Condensed Consolidated Financial Statements at 30 June 2021 were approved for publication by the parent company Board of Directors on 30 July 2021.

2. Measurement criteria and accounting standards

2.1. Presentation criteria

The Half-Year Condensed Consolidated Financial Statements of the Be Group at 30 June 2021 (also referred to as the “Half-year Consolidated Financial Statements”) were prepared in application of art. 154-ter of the Consolidated Law on Finance and in compliance with IAS 34 - Interim Financial Reporting. Therefore, they do not include all information required for annual financial statements and must be read together with the financial statements prepared at 31 December 2020.

The Half-Year Consolidated Financial Statements comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity and the relative notes to the consolidated financial statements.

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

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

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

With regard to segment reporting in compliance 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 2.12 "Segment reporting".

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

In preparing these financial statements, the Directors used going concern assumptions and therefore prepared the statements based on standards and criteria applying to fully operative companies.

For further information, please refer to paragraph 2.6 "Disclosure on going concern assumptions".

2.2. IFRS Accounting standards, amendments and interpretations applicable from 1 January 2021

The accounting principles adopted are the same as for the previous year, except for those entering into force from 1 January 2021 and adopted by the Group for the first time, i.e.:

- On 27 August 2020, the IASB published the document entitled **"Interest Rate Benchmark Reform— Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16"**. The document aims to integrate what is already envisaged by the IBOR reform which went into effect in 2020 and focuses on the effects on financial statements when a company replaces old interest rates with alternative rates. More specifically, the document envisages that: - it is not necessary to write off or adjust the book value of financial instruments for the changes required by the reform, but the effective interest rate must be updated to reflect the change in the alternative reference rate; - accounting for hedge transactions should not be discontinued solely because of changes required by the reform, if the hedge meets other accounting criteria for the transactions in question; - if the change in interest rates leads to changes in the expected cash flows for financial assets and liabilities (including lease liabilities), no immediate impacts will be reflected in the income statement; - the new risks arising from the reform and how the transition to alternative reference rates is being managed must be disclosed in the financial statements.

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

- On 28 May 2020, the International Accounting Standards Board ("IASB") issued the amendment to IFRS 16 "Leases: Covid-19- Related Rent Concessions" to facilitate lessors in the accounting of incentives related to leases (for example, suspension of rent payments or their temporary reduction) due to the Covid-19 pandemic. IFRS 16 already envisaged that in order to define the accounting methods for contractual modifications, an assessment of the individual contracts must be carried out in order to understand whether the modifications have requirements such as to redetermine the liability relating to the lease (and consequently the Right of Use), using a revised discount rate. The amendment exempts lessees from evaluating whether incentives granted as a result of the COVID-19 pandemic are contract modifications and allows these same entities to account for the incentives as if they were not modifications, and therefore immediately in the income statement. The amendment does not apply to lessors and only regards incentives related to leases that occur as a direct result of the COVID-19 pandemic and only if all of the following conditions are met:

- the change results in payments that are essentially the same as or lower than the payments envisaged prior to the change;
- there is no significant change to any other contractual terms and conditions.

The amendment envisages that any reduction in lease payments only affects payments by 30 June 2021. On 31 March 2021, the IASB published a further amendment that extends the provisions of the amendment of May 2020 by an additional year.

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

- 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. These amendments came into force on 1 January 2021.

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

2.3. Accounting Standards, IFRS and IFRIC 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 30 June 2021

At 30 June 2021, no Accounting Standards, IFRS and IFRIC amendments and interpretations endorsed by the European Union have been issued, whose application is not yet compulsory at 30 June 2020.

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

At the reference date of this document, 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 based on 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 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 2022 but the IASB has issued an exposure draft to postpone their entry into force until 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 12 February 2021, the IASB published an amendment to the following standards: "*IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies" and "IAS 8 Definition of accounting estimates"*. The changes envisaged by the amendments allow financial statement readers to distinguish between changes in accounting estimates and changes in accounting policies. The amendments are applicable from 1 January 2023, but early adoption 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 7 May 2021, the IASB published an amendment to the standard "IAS 12 Income Taxes". The planned changes allow for the recognition of deferred taxes on certain transactions that may generate both assets and liabilities of equal amounts, such as leases and decommissioning obligations. The current wording of IAS 12 provides that in certain circumstances companies are exempt from recognising deferred taxes when they recognise assets or liabilities for the first time. This created some uncertainty as to whether the exemption could apply to transactions such as leases and decommissioning obligations, transactions for which companies recognise both an asset and a liability. The subject changes clarify that the exemption does not apply and that companies are required to recognise the deferred taxes on such transactions. The amendment is applicable from 1 January 2023, but early adoption 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.

2.5. Discretionary measurements and significant accounting estimates

Preparation of the Half-year Consolidated Financial Statements and related notes in application of IFRS requires that management perform discretionary measurements and accounting estimates that have an effect on the value of assets, liabilities, revenue and costs in the financial statements and disclosures.

The final results could differ from such estimates.

The estimates are used in measuring goodwill, in recognising credit risk provisions, in measuring property, plant and equipment and intangible assets, in determining amortisation and depreciation and in calculating taxes and provisions for risks and charges, for the fair value of assets and liabilities acquired in business combinations and to calculate liabilities for the acquisition of minority interests (liabilities for put & call).

The estimates and assumptions are periodically reviewed and the effects of any change are immediately reflected in the income statement.

For further information on the main accounting estimates, reference should be made to the Consolidated Financial Statements at 31 December 2020.

2.6. Disclosure on going concern assumptions

The 2021-2023 Plan was prepared based on 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 and in the first half of 2021.

Indeed, all of the major Financial Institutions had already accelerated their Digital transformation process as early as last year 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 compliance 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 results for the first half of the year confirm the soundness of the Group, which has achieved the main objectives set in the Plan, confirming the assumptions made at the time of approval of the 2020 financial statements.

Last but not least, a number of transactions are worth mentioning (see paragraph 2.11 "Business combinations in the reporting period" for further details) which confirm the Group's ability to meet its internal and external growth strategy.

Given the above, the Directors consider going concern assumptions to be appropriate in preparing the Half-year Consolidated Financial Statements as no uncertainties have emerged associated with events or circumstances which, taken individually or as a whole, could give rise to doubts about the company as a going concern.

2.7. Scope of consolidation

The scope of consolidation includes the Parent Company Be Shaping the Future 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.	100.00%	0.00%
Dream of Ordinary Madness Entertainment S.r.l.	Milan	10,000	EUR	Be Shaping the Future S.p.A.	51.00%	49.00%
Human Mobility S.r.l.[1]	Milan	10,000	EUR	Be Shaping the Future S.p.A.	51.00%	49.00%
Be Management Consulting S.p.A.	Rome	120,000	EUR	Be Shaping the Future S.p.A.	100.00%	0.00%
Be DigiTech Solutions S.p.A.	Rome	7,548,441	EUR	Be Shaping the Future S.p.A.	100.00%	0.00%
Be Think Solve Execute RO S.r.l.	Bucharest	22,000	RON	Be Shaping the Future S.p.A.	100.00%	0.00%
Iquii S.r.l.	Rome	10,000	EUR	Be DigiTech Solutions S.p.A.	100.00%	0.00%
Be Your Essence S.r.l.	Milan	25,000	EUR	Be Management Consulting S.p.A.	60.00%	40.00%
Be Shaping the Future sp z.o.o	Warsaw	1,000,000	PLN	Be Management Consulting S.p.A.	100.00%	0.00%
Tesla Consulting S.r.l.	Bologna	10,000	EUR	Be Management Consulting S.p.A.	60.00%	40.00%
Be Ukraine LLC	Kiev	20,116	UAH	Be Management Consulting S.p.A.	100.00%	0.00%
Be Shaping the Future Management Consulting Ltd	London	91,898	GBP	Be Management Consulting S.p.A.	100.00%	0.00%
Payments and Business Advisors S.l.	Madrid	3,000	EUR	Be Management Consulting S.p.A.	80.00%	20.00%
Paystrat Solutions SL (Pyngo)	Madrid	10,265	EUR	Payments and Business Advisors S.l.	65.26%	34.74%
Firstwaters GmbH	Frankfurt	40,000	EUR	Be Management Consulting S.p.A.	85.71%	14.29%
Firstwaters GmbH	Vienna	125,000	EUR	Firstwaters GmbH.	100.00%	0.00%
Be Shaping the Future GmbH	Munich	102,258	EUR	Be Management Consulting S.p.A.	100.00%	0.00%
Be Shaping The Future AG	Munich	1,882,000	EUR	Be Shaping the Future GmbH	100.00%	0.00%
Be Shaping The Future GmbH	Vienna	35,000	EUR	Be Shaping the Future GmbH	100.00%	0.00%
Be TSE Switzerland AG	Zurich	100,000	CHF	Be Shaping the Future GmbH	100.00%	0.00%
Fimas GmbH	Frankfurt	25,000	EUR	Be Shaping the Future GmbH	90.00%	10.00%
Confinity GmbH	Magdeburg	50,000	EUR	FIMAS GmbH	100.00%	0.00%

Compared to 31 December 2020, the scope of consolidation has been altered by the following events:

- in the first half of 2021, the Be Group completed its acquisition of 85.71% of the share capital of Firstwaters GmbH, at a price of Euro 12.2 million.
- in January 2021, the Be Group completed its acquisition of the remaining 10% of share capital of Be Shaping the Future GmbH. Be therefore holds 100% of the capital of Be Shaping the Future GmbH. The total cost of the transaction for Be was Euro 0.5 million.

[1] *At 30 June 2021, the Company is in liquidation.*

- in January 2021, the Be Group completed the acquisition of the minority interests in the companies Iquii S.r.l and Juniper Extensible Solutions S.r.l. The total cost of the transaction for Be was Euro 1.6 million, namely the sum of the two transactions.
- in February, the Be Group acquired 60% of the share capital of Be Your Essence ("BYE"), an innovative startup with a social focus, established as a Benefit Company and certified B Corp, for a price of Euro 0.4 million.
- in April, the company Juniper S.r.l. underwent a merger by incorporation into Iquii S.r.l., with statutory effects from 1 May 2021 and retroactive accounting and tax effects from 1 January 2021.
- in May, the Be Group acquired an additional 30% of the minority interests in Fimas GmbH. The cost of the transaction for Be was approximately Euro 1.1 million.
- in June, the Be Group acquired an additional 20% of the minority interests in Payments and Business Advisors S.I. The cost of the transaction for Be was Euro 1.

2.8. Principles of consolidation

The consolidation of subsidiary companies is made based on their respective accounts, appropriately adjusted to bring them in line with the accounting principles adopted by the Parent Company.

The end date of the financial year of the subsidiaries included in the scope of consolidation is the same as that of Be S.p.A.

Subsidiaries are consolidated on a line-by-line basis, starting from their date of acquisition, namely from the date on which the Group acquired control, and are no longer consolidated from the date on which control is transferred out of the Group.

In preparing the half-year condensed consolidated financial statements, assets and liabilities are assumed on a line-by-line basis, as are the costs and revenue of the companies consolidated, at their total amount, attributing the portion of shareholders' equity and of the profit (loss) for the period 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.

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

The assets and liabilities of foreign subsidiaries are converted into Euro at the exchange rate in force on the date of the financial statements. Income and expense are converted at average exchange rates for the period.

The differences resulting from exchange rates are recorded under "Translation reserve" in Shareholders' Equity. This reserve is recognised in the Income Statement as income or as expense for the period in which the relative subsidiary was transferred.

2.10. 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 to convert into Euro the 2021 - 2020 half-year financial statements in foreign currencies:

Exchange rates

Currency	1H 2021 average	30.06.2021	1H 2020 average	30.06.2020
British Pound (GBP)	0.8684	0.8581	0.8745	0.9124
Polish Zloty (PNL)	4.5373	4.5201	4.4142	4.4560
Ukrainian Hryvnia (UAH)	33.4791	32.3618	28.6275	29.8985
Romanian Leu (RON)	4.9016	4.9280	4.8175	4.8397
Swiss Franc (CHF)	1.0944	1.0980	1.0639	1.0651

2.11. Business combinations in the reporting period

As described above, during the first half of 2021, the Be Group completed, through the company Be Management Consulting S.p.A., the acquisition of 85.71% of the share capital of Firstwaters GmbH and 60% of the share capital of Be Your Essence ("BYE"), confirming its strategy of consolidation on the European market.

The reference values for the acquisition of Firstwaters GmbH were as follows:

Amounts in EUR thousands	Book value of the business acquired	Fair value adjustments	Fair Value
Property, plant and equipment	59		59
Intangible assets	42		42
Trade receivables	470		470
Other assets and receivables	1,396		1,396
Cash and cash equivalents	4,332		4,332
Post-employment benefits (TFR)	(989)		(989)
Trade payables	(124)		(124)
Tax payables	(197)		(197)
Other liabilities and payables	(3,112)		(3,112)
NET ACQUIRED ASSETS (FAIR VALUE) (A)	**1,877**	**0**	**1,877**
Consideration paid discounted to 30 June 2021 (B)			12,182
Fair value of minority interests that can be acquired through put&call option (C)			2,553
GOODWILL (B+C-A)			**12,858**
CASH FLOW FROM THE ACQUISITION			
Payment already made			(12,209)
Cash and cash equivalents acquired			4,332
NET CASH FLOW FROM BUSINESS COMBINATION			**(7,877)**

The purchase price for 100% of the share capital was set as Euro 14,735 thousand.

With regard to the purchase of 85.71% of the company, Be Consulting S.p.A paid Euro 8,546 thousand during the half-year upon closing and Euro 3,663 thousand during the second quarter.

The agreement also envisages an option to purchase the remaining 14.29% interest in two later stages, through a put&call option to be exercised on 50% of the minority interests by June 2025 and on the additional 50% by March 2026:

- an earn-out for the first 50% based on the operating results recorded by the subsidiary in FYs 2022, 2023 and 2024. This earn-out, calculated based on currently available estimates, is equal to Euro 1,474 thousand (corresponding to Euro 1,291 thousand discounted to the acquisition date);
- an earn-out for the second 50% based on the operating results recorded by the subsidiary in FYs 2022, 2023 and 2024. This earn-out, calculated based on currently available estimates, is equal to Euro 1,474 thousand (corresponding to Euro 1,262 thousand discounted to the acquisition date).

The transaction was accounted for using the purchase cost method with effect from the date of acquisition of control. The Group exercised the right to recognise the fair value of assets and liabilities acquired on a temporary basis, as permitted by IFRS 3, thereby recording a gain of Euro 12,858 thousand, which was allocated to goodwill.

Exercising of the *purchase price allocation,* as permitted by the standard, will be finalised within 12 months from the purchase date.

In the period between the date of acquisition of control by the Be Group and the closing date of the Consolidated Financial Statements at 30 June 2021, Firstwaters achieved a total revenue of Euro 6,608 thousand and a net profit of Euro 1,288 thousand.

The reference values for the acquisition of Be Your Essence S.r.l. were as follows:

Amounts in EUR thousands	**Book value of the business acquired**	**Fair value adjustments**	**Fair Value**
Intangible assets	18		18
Trade receivables	181		181
Tax receivables	43		43
Other assets and receivables	2		2
Cash and cash equivalents	184		184
Post-employment benefits (TFR)	(4)		(4)
Trade payables	(36)		(36)
Long-term financial payables	(258)		(258)
Short-term financial payables	(42)		(42)
Other liabilities and payables	(78)		(78)
NET TOTAL OF ASSETS ACQUIRED (FAIR VALUE) (A)	**11**	**0**	**11**
Share Capital Increase subscribed upon acquisition **(B)**			350
Consideration paid for Share Capital increase at 30 June 2021 **(C)**			350
Discounted consideration to be paid by 2023 (earn-out) (D)			385
Fair value of minority interests that can be acquired through put&call option **(D)**			1,123
GOODWILL (-C+D-A-B)			**1,498**
CASH FLOW FROM THE ACQUISITION			
Payment already made (A-B)			0
Cash and cash equivalents acquired			184
CASH FLOW FROM BUSINESS COMBINATION			**184**

Upon closing, Be subscribed a reserved Capital Increase of Euro 350 thousand to purchase 60% of the share capital.

The contract also envisages the recognition of an earn-out to the seller for acquisition of the majority, the value of which, based on the achievement of specific future operating results, is estimated at Euro 416 thousand (Euro 385 thousand discounted). The estimated purchase price for the remaining 40% of the company's share capital is Euro 1,123 thousand.

The agreement in fact envisages an option to acquire the remaining 40% in two subsequent stages through a put&call option to be exercised by July 2025 on 20.0% and on the other 20.0% by July 2027.

More specifically, the put&call option envisages:

- an earn-out for the first 20% based on the operating results recorded by the subsidiary in FYs 2023 and 2024. This earn-out was calculated, based on currently available estimates, at Euro 660 thousand (corresponding to an amount discounted to the acquisition date equal to Euro 578 thousand);
- an earn-out for the second 20% based on the operating results achieved by the subsidiary in FYs 2025 and 2026. This earn-out was calculated, based on currently available estimates, at Euro 660 thousand (corresponding to an amount discounted to the acquisition date equal to Euro 545 thousand).

The transaction was accounted for using the purchase cost method with effect from the date of acquisition of control. The Group exercised the right to recognise the fair value of assets and liabilities acquired on a temporary basis, as permitted by IFRS 3, thereby recording a gain of Euro 1,498 thousand, which was allocated to goodwill.

The exercise of the purchase price allocation, as permitted by the standard, will be finalised within 12 months from the purchase date.

In the period between the date of acquisition of control by the Be Group and the closing date of the Consolidated Financial Statements at 30 June 2021, the Company recognised total revenue of Euro 341 thousand and profit before tax of Euro 5 thousand.

2.12. 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 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, Firstwaters GmbH (Germany), Firstwaters GmbH (Austria), Confinity GmbH, Payments and Business Advisors S.L., Paystrat Solutions SL (Pyngo) and Tesla Consulting S.r.l., Be Your Essence 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., 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., Dream of Ordinary Madness Entertainment S.r.l. and Human Mobility S.r.l.

  This 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 regular management reporting and planning.

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

  The economic position of the Group for the first half of 2021, compared with that of the first half of 2020, is shown below, separating continuing operations from discontinued operations.

  The values provided for the operating segments are gross of intercompany transactions carried out with other Group companies from different segments, while the value of revenue by business and customer type indicated in the Management Report is net of all intercompany transactions between Group companies.

  At present, the Group does not believe a segment analysis by geographic area to be relevant for its reporting purposes, considering that in the first half of 2021, 34.6% of total revenues were generated from markets abroad, with the DACH Region (DE, AUT and SUI) confirming a significant share, contributing Euro 22.7 million to revenue generation, while the CEE Region accounted for Euro 6.3 million, and the UK market and Spain ended the half-year with revenues of Euro 7.9 million.

.

Breakdown by operating segment 1 January 2021 - 30 June 2021

	Consulting	ICT Solutions	Digital	Corporate and other	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	76,366	31,208	5,994	2,690	(10,500)	0	105,759
Other revenue	1,154	394	118	488	(1,250)	0	904
Total Revenue	77,520	31,602	6,112	3,178	(11,750)	0	106,663
Operating profit (loss) (EBIT)	11,500	3,680	(209)	(2,494)	(2)	0	12,475
Net financial expense	(443)	2,426	(83)	12,047	(14,572)	0	(625)
Net profit (loss)	8,491	4,959	(296)	9,935	(14,574)	(401)	8,113

Breakdown by operating segment 1 January 2020 - 30 June 2020

	Consulting	ICT Solutions	Digital	Corporate and other	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	58,308	23,991	3,220	2,544	(6,059)	0	82,005
Other revenue	1,547	620	3	340	(1,073)	0	1,436
Total revenue	59,855	24,611	3,223	2,884	(7,132)	0	83,441
Operating profit (loss) (EBIT)	7,240	2,614	468	(2,141)	4	0	8,185
Net financial expense	(512)	(151)	(16)	9,944	(9,956)	0	(691)
Net profit (loss)	4,326	1,740	316	8,171	(9,953)	(416)	4,184

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

Note 1.

Property, plant and equipment

At 30 June 2021, property, plant and equipment recorded a balance of Euro 2,219 thousand, net of accumulated depreciation, compared to Euro 2,273 thousand at 31 December 2020.

Change in historical cost

	Historical cost 2020	Business combinations	Increases	Decreases	Re-classifications	Exchange gains/ losses	Historical cost 30.06.21
Plant and machinery	713		3		17		733
Fixtures and fittings, tools and other equipment	191						191
Other assets	20,863	480	255	(31)	2	27	21,596
Assets under development and advances	30			(1)	(19)		10
TOTAL	**21,797**	**480**	**258**	**(32)**	**0**	**27**	**22,530**

Change in accumulated depreciation

	Accumulated depreciation 2020	Business combinations	Depreciation	Decreases	Re-classifications	Exchange gains/ losses	Accumulated depreciation 30.06.21
Plant and machinery	524		29				553
Fixtures and fittings, tools and other equipment	112						112
Other assets	18,888	421	327	(14)		24	19,646
TOTAL	**19,524**	**421**	**356**	**(14)**	**0**	**24**	**20,311**

Net book value

	Net value 31.12.2020	Net value 30.06.2021
Plant and machinery	189	180
Fixtures and fittings, tools and other equipment	79	79
Other assets	1,975	1,950
Assets under development and advances	30	10
TOTAL	**2,273**	**2,219**

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

The figure for other assets includes the following:

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

The increase in the item other assets 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 first half of the year.

Note 2.

Rights of use

At 30 June 2021, rights of use were equal to Euro 9,336, mainly consisting of 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 31.12.2020	Re-classifications	Increases	Decreases	Exchange gains/losses	Historical cost 30.06.2021
Motor vehicles	2,524	(16)	478	(180)		2,778
Property	11,397		1,686	(806)	15	12,292
Other assets	186		29	0		215
TOTAL	**14,107**	**(16)**	**2,193**	**(986)**		**15,285**

Change in accumulated depreciation

	Accumulated depreciation 31.12.2020	Re-classifications	Depreciation	Decreases	Exchange gains/losses	Accumulated depreciation 30.06.2021
Motor vehicles	1,114	(16)	438	(138)		1,370
Property	3,739		1,294	(612)	11	4,433
Other assets	119		28	0		146
TOTAL	**4,972**	**(16)**	**1,760**	**(750)**	**11**	**5,949**

Net book value

	Net value 31.12.2020	Net value 30.06.2021
Motor vehicles	1,410	1,408
Property	7,658	7,859
Other assets	67	69
TOTAL	**9,135**	**9,336**

Note 3.

Goodwill

Goodwill was equal to Euro 84,977 thousand at 30 June 2021, compared to Euro 70,374 thousand at 31 December 2020.

The cash generating units (CGUs) were identified for impairment testing purposes based on the Group's reorganisation defined during 2020 and consistent with the IFRS 8-compliant reporting structure described in paragraph 2.12 "Segment reporting".

The breakdown is as follows:

Goodwill

Cash generating unit (CGU)	Balance at 31.12.2020	Increases	Reclassifications	Exchange gains/losses	Balance at 30.06.2021
Business Consulting	35,350	14,356		247	49,953
ICT Solutions	27,170				27,170
Digital (new CGU)	7,854				7,854
Total	**70,374**	**14,356**	**0**	**247**	**84,977**

The increase in goodwill of Euro 14,356 thousand refers to the acquisition in 2021 of the companies Be Your Essence S.r.l. and Firstwaters GmbH through the company Be Consulting S.p.A.

When preparing this Interim Financial Report, Company Management verified the continued reliability of the forecasts for revenue, investments and operating costs provided in the 2021-2023 Plan and used to estimate value in use at 31 December 2020, in order to calculate the recoverable value of goodwill of the various cash generating units. The Directors then confirmed that the book value of goodwill recognised at 30 June 2021 is sustainable. The analysis conducted, which took into account the market environment, affected by the health emergency for the Covid-19 pandemic, as explained in the Management Report, showed no indications of impairment and allowed the assumptions made in formulating the plans to be confirmed. In particular, it should be noted that, considering the results in line with the Plan used for the impairment test at 31 December 2020, as well as the hedges resulting from the impairment tests on the assets and liabilities recognised (as resulting from the sensitivity analyses conducted on 31 December 2020), the Group does not believe that there are elements of uncertainty as to their recoverability. In addition, with reference to the business outlook, as already stated in the Management Report, Management believes that it can confirm the estimates of the plans used for the impairment test also thanks to the type of contracts in place and the counterparties that allow it to have a good visibility on the results of the foreseeable future. The acquisitions carried out during the period were finalised in the Covid-19 period. Therefore, the valuations of the price paid took this event into account: for acquisitions carried out in 2020 and in the first half of 2021, no events occurred that could have an impact on the price paid and be considered an impairment indicator. A new impairment test was therefore deemed unnecessary, as in the first half of 2020, since the Covid-19 was not deemed to be a trigger event for the Be Group.

In any case, constant monitoring will be carried out in the course of the year.

For further information and a description of the impairment test procedure, reference should be made to the Explanatory Notes to the "Annual Financial Report at 31 December 2020".

Note 4.

Intangible assets

At 30 June 2021, intangible assets recorded a balance of Euro 19,567 thousand, net of accumulated amortisation, against Euro 19,626 thousand at 31 December 2020.

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

Change in historical cost

	Historical cost at 31.12.2020	Increases	Decreases	Re-classifications	Business Combinations	Exchange gains/losses	Historical cost at 30.06.2021
Research and development costs	677						677
Rights, patents and intellectual property	0				132		132
Concessions, licences and trademarks	1,947			6	10		1,963
Assets under development and advances	5,435	2,007		(1,300)			6,142
Other (including proprietary SW)	54,947	703		1,294	70	(320)	56,694
TOTAL	**63,006**	**2,710**	**0**	**0**	**212**	**(320)**	**65,608**

Change in accumulated amortisation

	Accumulated amortisation at 31.12.2020	Amortisation	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Accumulated amortisation 30.06.2021
Research and development costs	677						677
Rights, patents and intellectual property					123		123
Concessions, licences and trademarks	1,734	66			1		1,801
Other (including proprietary SW)	40,969	2,850	(3)		28	(404)	43,440
TOTAL	**43,380**	**2,916**	**3**	**0**	**152**	**(404)**	**46,041**

Net book value

	Net value 31.12.2020	Net value 30.06.2021
Research and development costs	0	0
Rights, patents and intellectual property	0	9
Concessions, licences and trademarks	213	162
Assets under development and advances	5,435	6,142
Other (including proprietary SW)	13,978	13,254
TOTAL	**19,626**	**19,567**

At 30 June 2021, the increases in assets under development and other fixed assets mainly refer to the development of the ICT platforms: "Universo Sirius" relating to the management of Life and Non-Life insurance portfolios, and the development of an internal company ICT system by Be Digitech Solutions and Be Consulting totalling Euro 1,730 thousand, to digital applications by Juniper, Iquii and Tesla, respectively of Euro 362 thousand and Euro 109 thousand, as well as the proprietary platforms of Be Think, Solve Execute GmbH, Be Shaping the future AG and Fimas GmbH, specialised in various areas of the banking industry, totalling Euro 441 thousand.

The residual values of individual intangible assets seem justified based on 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 investment of around Euro 60 thousand, held through the Parent Company in Eastwest European Institute S.r.l., an independent organisation active in the area of geopolitical research and analysis, organisation of scientific events and training projects.
- the investment of around Euro 28 thousand, held through Iquii 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 30.06.2021	Balance at 31.12.2020
Equity investments in other companies	1,389	1,329
TOTAL	**1,389**	**1,329**

Note 6.

Loans and other non-current assets

Loans and other non-current assets refer to guarantee deposits paid for Euro 333 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 422 thousand mainly refers to:

- Euro 177 thousand for a receivable of Be DigiTech Solutions due from the Lercara Friddi municipality, for which a ten-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 this.

Other assets and receivables

	Balance at 30.06.2021	Balance at 31.12.2020
Guarantee deposits	333	285
Receivables from employees due beyond 12 months	12	12
Receivables from social security and welfare organisations	82	82
Other non-current receivables	422	418
Non-current prepaid expenses	29	33
TOTAL	**878**	**830**

Note 7.

Deferred tax assets

Deferred tax assets mainly refer to the Parent Company and to the subsidiaries Be Management Consulting S.p.A., Be Management Consulting Ltd, Be DigiTech Solutions S.p.A. and Be Shaping the Future GmbH; they are calculated based on prior losses deemed recoverable and on temporary tax differences mainly concerning taxable provisions for risks and differences between book value and value for tax purposes on goodwill recognised.

At 30 June 2021, the Group had accumulated prior losses for Euro 279 thousand, for which no deferred tax assets had been recognised, based on a prudential approach.

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

Deferred tax assets

	Balance at 31.12.2020	Allocation	Utilisation	Exchange difference	Other changes	Balance at 30.06.2021
Deferred tax assets	2,884	73	(138)	14	(67)	2,766
TOTAL	**2,884**	**73**	**(138)**	**14**	**(67)**	**2,766**

Note 8.

Inventories

Inventories of Euro 156 thousand refer to consumables, notably wearable devices, currently held by Be Consulting S.p.A., used with the digital applications developed by Human Mobility S.r.l.

Inventories

	Balance at 30.06.2021	Balance at 31.12.2020
Inventories	156	156
TOTAL	**156**	**156**

Note 9.

Assets deriving from contracts with customers

At 30 June 2021, assets deriving from contracts with customers showed a balance of Euro 29,166 thousand, against Euro 9,778 thousand at 31 December 2020.

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 30.06.2021	Balance at 31.12.2020
Assets deriving from contracts with customers	29,166	9,778
TOTAL	**29,166**	**9,778**

Note 10.

Trade receivables

Trade receivables arise from goods and services produced and provided by the Group but not yet collected at 30 June 2021.

Trade receivables

	Balance at 30.06.2021	Business combinations	Balance at 31.12.2020
Receivables due from customers	20,287	651	22,494
Bad debt provision for receivables due from customers	(473)		(480)
TOTAL	**19,814**	**651**	**22,014**

The amount allocated in the financial statements is considered fair coverage of the credit risk.

Bad debt provision

	Balance at 30.06.2021	Balance at 31.12.2020
Opening balance	480	1,323
Allocations	0	167
Exchange uses/difference	(7)	(1,010)
TOTAL	**473**	**480**

The breakdown of receivables is shown below, by due date, which does not include invoices/credit notes to be issued for Euro 1,261 thousand, before the bad debt provision of Euro 473 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	13,798	2,961	623	200	656	788	19,026
Bad debt provision	0	0	0	0	0	(473)	(473)
TOTAL	**13,798**	**2,961**	**623**	**200**	**656**	**315**	**18,553**

Note 11.

Other assets and receivables

Other assets and receivables at 30 June 2021 were equal to Euro 6,146 thousand, with the following breakdown:

Other assets and receivables

	Balance at 30.06.2021	Business combinations	Balance at 31.12.2020
Advances to suppliers for services	190		55
Receivables due from social security organisations	188		99
Receivables due from employees	1,135	990	113
VAT credits and other indirect taxes	1,944	417	1,008
Accrued income and prepaid expenses	2,208	15	1,513
Other receivables	481	17	786
TOTAL	**6,146**	**1,439**	**3,574**

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 188 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 254 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 2,208 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 include amounts due from Italian Tax Authorities for IRAP and IRES, as well as other tax receivables due mainly to the company Be TSE Ro S.r.l.

Direct tax receivables

	Balance at 30.06.2021	Business combinations	Balance at 31.12.2020
Tax receivables	88	2	585
Other tax receivables	0		217
TOTAL	**88**	**2**	**802**

Note 13.

Financial receivables and other current financial assets

Financial receivables, equal to Euro 74 thousand, mainly refer to prepaid expenses on factoring interest for disposals carried out by 30 June 2021 but accruing in subsequent periods.

Financial receivables and other current financial assets

	Balance at 30.06.2021	Balance at 31.12.2020
Financial receivables and other current financial assets	74	165
TOTAL	**74**	**165**

Note 14.

Cash and cash equivalents

The balance represents cash held in current accounts at banks and post offices, and to a residual extent cash on hand at 30 June 2021. Note that the Be Group has adopted an automatic daily cash pooling system with the banks in order to optimise financial resources at Group level.

Cash and cash equivalents

	Balance at 30.06.2021	Of which business combinations	Balance at 31.12.2020
Bank and postal deposits	35,383	4,516	60,563
Cash at bank and in hand	22	0	17
TOTAL	**35,405**	**0**	**60,580**

Note 15.

Shareholders' Equity

At 30 June 2021, the Parent Company's fully paid-up share capital totalled Euro 27,109 thousand, divided into 134,897,272 ordinary shares.

On 22 April 2021, the Shareholders' Meeting approved the Financial Statements at 31 December 2020 of Be S.p.A., resolving to allocate the profit for the year of Euro 6,505,134.49 to the Legal Reserve for Euro 325,256.72 and the remainder to Profit carried forward for Euro 6,179,877.77, and to distribute a dividend of Euro 0.03 per share, drawing on the Profit carried forward.

The payment date of the dividend was 26 May 2021 - coupon no. 11 with coupon date of 24 May 2021 and record date of 25 May 2021 for a total of Euro 3,832,194.36.

Consolidated equity reserves at 30 June 2021 amount to Euro 27,174 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 1,126 thousand;
- Own Shares Reserve of the Parent Company for negative Euro 7,818 thousand;
- Other Reserves of the Parent Company for Euro 4,034 thousand;
- IAS Reserves (FTA and IAS 19R) for negative Euro 121 thousand;
- Other Consolidation Reserves for Euro 14,785 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 compliance 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.

On 22 April 2021, the Shareholders' Meeting in ordinary session approved, at the proposal of the Board, the plan for the purchase and disposal of own shares, subject to the revocation of the authorisation resolved by the Shareholders' Meeting on 22 April 2020.

At 30 June 2021, Be S.p.A. holds 7,157,460 own shares, corresponding to 5.31% of the Company's share capital, for a total counter value of Euro 7,818 thousand recognised in the corresponding reserve.

Minority interests

Minority interests amount to Euro 1,217 thousand, compared to Euro 2,876 thousand at 31 December 2020.

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

As required by IFRS 12, financial information on companies not fully controlled by the Group, is provided below.

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**
Fimas GmbH	10.00%	EUR	4,895	3,481	3,861	385	78
Payments and Business Advisors S.l. (Paystrat)	20.00%	EUR	243	(401)	152	(74)	0
Paystrat Solutions SL (Pyngo)	34.74%	EUR	16	16	0	(1)	0
Be Your Essence S.r.l.	40.00%	EUR	507	365	341	5	0
Firstwaters GmbH	14.29%	EUR	6,399	2,821	6,171	1,084	0
Tesla Consulting S.r.l.	40.00%	EUR	2,962	1,754	1,767	520	0
Dream of Ordinary Madness Entertainment S.r.l.	49.00%	EUR	3,656	585	3,155	(7)	0
Human Mobility S.r.l.	49.00%	EUR	393	340	153	(25)	0

Net Financial Indebtedness

Net financial indebtedness at 30 June 2021, which also includes financial payables from rights of use and long-term put&call, was negative by Euro 41.8 million compared to net financial indebtedness of Euro 3.1 million at 31 December 2020.

A detailed breakdown (absolute value) of the composition of net financial indebtedness calculated according to the provisions of Consob Communication DEM/6064293 of 28/07/2006 and in compliance with the updated ESMA recommendation no. 32-382-1138 of 04/03/2021 for the first half of 2021 and for 2020 is provided below.

	30.06.2021	31.12.2020	Δ	Δ%
A Cash	35,405	60,580	(25,175)	(41.6%)
B Cash equivalents	0	0	0	n.a.
C Other current financial assets	74	165	(91)	(55.2%)
D Cash and cash equivalents (A+B+C)	**35,479**	**60,745**	**(25,266)**	**(41.6%)**
E Current financial payables	8,055	5,208	2,847	54.7%
F Current portion of non-current financial payables	25,014	19,892	5,122	25.7%
G Current financial indebtedness (E+F)	**33,069**	**25,100**	**7,969**	**31.7%**
H Net current financial indebtedness (G-D)	**(2,410)**	**(35,645)**	**33,235**	**(93.2%)**
I Non-current financial payables	33,772	32,357	1,415	4.4%
J Debt instruments	0	0	0	n.a.
K Trade payables and other non-current payables	10,484	6,411	4,073	63.5%
L Net non-current financial indebtedness (I+J+K)	**44,256**	**38,768**	**5,488**	**14.2%**
M Total financial indebtedness (H+L)	**41,846**	**3,123**	**38,723**	**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.

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)	31.12.2020	Cash Flow[2]	Non-monetary flows				30.06.2021
			Change Scope of consolidation[3]	Exchange rate differences	Change in IFRS 16	Other Changes	
Non-current financial indebtedness	(32,357)	(965)	(258)	0	(192)	0	(33,772)
Current financial indebtedness	(25,100)	(7,876)	(42)	0	(15)	(36)	(33,069)
Current financial receivables	165	(91)	0	0			74
Net liabilities resulting from financing activities	(57,292)	(8,932)	(300)	0	(207)	(36)	(66,767)
Cash and cash equivalents	60,580	(29,691)	4,516	0	0	0	35,405
Financial commitments for new purchases of equity investments	(6,411)		(4,121)			48	(10,484)
Net financial indebtedness	**(3,123)**	**(38,623)**	**95**	**0**	**(207)**	**12**	**(41,846)**

Note 16.

Financial payables and other non-current financial liabilities

Non-current financial payables of Euro 26,705 thousand mainly refer to payables to banks for unsecured medium/long-term loans for the portion due beyond 12 months.

Financial payables and other non-current financial liabilities

	Balance at 30.06.2021	Business combinations	Balance at 31.12.2020
Non-current financial payables	26,705	258	25,482
TOTAL	**26,705**	**258**	**25,482**

The medium and long-term loans outstanding at 30 June 2021 and their maturities were as follows:

M/L term loans	Balance at 30.06.2021	<1 year	>1<2 years	>2<3 years	>3<4 years	>4 years
Loans maturing in 2022	9,481	7,355	2,126	0	0	0
Loans maturing in 2023	22,406	11,028	9,887	1,491	0	0
Loans maturing in 2025	9,706	2,205	2,227	2,249	2,272	753
Loans maturing in 2026	7,000	1,365	1,382	1,400	1,417	1,436
TOTAL LOANS	**48,593**	**21,952**	**15,622**	**5,140**	**3,689**	**2,189**

[2] *Flows shown in the Statement of Cash Flows.*
[3] *For acquisition/disposal transactions, please refer to paragraph 2.11 "Business Combinations in the reporting period".*

During 2021, Be Shaping the Future S.p.A. entered into new medium-long term loans totalling Euro 17,000 thousand, while the repayments made during the year amounted to Euro 9,604 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 in place, for a total of Euro 65 thousand.

Note that the fair value of the above loans is essentially in line with their book value.

The lending terms represent terms negotiated at different times; they mirror the loan duration, any guarantees given, market conditions and the Group's credit rating at the date of signing.

With regard to the effects of Covid-19, it should be noted that the Group has no trouble accessing financing sources and that the covenants have been met at 30 June 2021.

Note 17.

Financial payables and other current financial liabilities

Current payables to banks at 30 June 2021 totalled around Euro 30,007 thousand and mainly relate:

- for Euro 8,055 thousand to current bank payables, of which Euro 1,036 short-term loans as indicated in the table "Short-Term Loans", for Euro 6,989 thousand to interest accrued and not collected and short-term credit facilities classed as "accounts payable to suppliers", "advances on invoices" and "negative bank balance", and for Euro 30 thousand to other short-term financial payables;
- for Euro 21,952 thousand to the short-term portion of the medium-long term loans, as per the previous table.

Financial payables and other current financial liabilities

	Balance at 30.06.2021	Business combinations	Balance at 31.12.2020
Current financial payables	30,007	42	22,053
TOTAL	**30,007**	**42**	**22,053**

The amount of short-term loans outstanding at 30 June 2021, subscribed in prior years, was as follows:

Short-term loans	Balance at 30.06.2021
Loans maturing in 2021	1,036
TOTAL LOANS	**1,036**

Note 18.

Financial liabilities for current and non-current rights of use

Financial liabilities for current and non-current rights of use at 30 June 2021 totalled Euro 10,129 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 30.06.2021	Balance at 31.12.2020
Financial liabilities for current rights of use	3,062	3,047
Financial liabilities for non-current rights of use	7,067	6,875
TOTAL	**10,129**	**9,922**

Note 19.

Post-employment benefits (TFR)

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

The changes in post-employment benefits regard allocations to provisions made during the period by Group companies, portions of TFR paid following the resignation of some employees and advances, as well as the adjustment of the provision in compliance with IAS/IFRS standards.

Post-employment benefits (TFR)

	Balance at 31.12.2020	Of which business combinations	Increases - Allocation	Decreases/ Utilisation	Other changes	Balance at 30.06.2021
Post-employment benefits (TFR) provision	7,088	993	813	(266)	(224)	8,404
TOTAL	**7,088**	**993**	**813**	**(266)**	**(224)**	**8,404**

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

Main Actuarial Assumptions

Annual discount rate	0.79%
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%

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 on 1 January 2019 (IRES 24% and IRAP 3.9%-4.82%).

Deferred tax liabilities

	Balance at 31.12.2020	Increases	Decreases	Other changes	Exchange gains/losses	Balance at 30.06.2021
Deferred tax liabilities	7,759	460	(113)	0	9	8,116
TOTAL	**7,759**	**460**	**(113)**	**0**	**9**	**8,116**

Note 21.

Other non-current liabilities

At 30 June 2021, other non-current liabilities were Euro 10,486 thousand.

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

Other non-current liabilities

	Balance at 30.06.2021	Balance at 31.12.2020
Other non-current liabilities	10,486	6,416
TOTAL	**10,486**	**6,416**

Note 22.

Provision for current and non-current risks

At 30 June 2021 the provisions for risks and charges mainly refer to:

- provisions for pending disputes with employees for Euro 110 thousand, of which Euro 36 thousand relating to the Parent Company and Euro 74 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.
- other provisions for risks and charges totalling Euro 3,592 thousand mainly refer to provisions for bonuses/incentives to be given to personnel, equal to Euro 1,917 thousand, provisions for the variable remuneration of executive directors and key partners on achievement of the three-year targets set (equal to Euro 1,493 thousand) and risks associated with a dispute with INPS in regard to differences in contribution owed by the company (Euro 176 thousand).

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

Provision for current and non-current risks

	Balance at 31.12.2020	Increases	Decreases	Exchange gains/losses	Balance at 30.06.2021
Provision for penalty risks	31				31
Provision for personnel risks	136		(26)		110
Other provisions for risks and charges	3,762		(170)		3,592
TOTAL	**3,929**	**0**	**(196)**	**0**	**3,733**

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 30.06.2021	Business combinations	Balance at 31.12.2020
Trade payables	20,099	160	22,076
TOTAL	**20,099**	**160**	**22,076**

Note 24.

Tax Payables

The balance at 30 June 2021 relates to residual tax payables and to the allocation of the portion for the first half of 2021 of IRES and IRAP, as well as the income tax of foreign companies, classified under other tax payables.

Tax payables

	Balance at 30.06.2021	Business combinations	Balance at 31.12.2020
IRES tax payables	265		0
IRAP tax payables	538		383
Other tax payables	2,005	197	1,098
TOTAL	**2,808**	**197**	**1,481**

Note 25.

Other liabilities and payables

Other liabilities and payables at 30 June 2021 amount to Euro 27,881 thousand, with the following breakdown:

Other liabilities and payables

	Balance at 30.06.2021	Of which business combinations	Balance at 31.12.2020
Social security and welfare payables	2,350	169	3,141
Payables to employees	9,116	2,112	3,819
Payables for VAT and withholding tax	3,882	520	9,981
Accrued expenses and deferred income	2,717	38	3,442
Other payables	9,816	351	18,039
TOTAL	**27,881**	**3,190**	**38,422**

Social security and welfare payables amounting to Euro 2,350 thousand relate to contributions to be paid by the company.

Payables to employees include the amounts due for additional months' salaries accrued at 30 June 2021 and for holidays and leaves accrued but not used as at the date of these financial statements.

Payables for VAT and withholding tax, equal to Euro 3,882, refer to payables outstanding at 30 June 2021 to be paid in subsequent months.

Accrued expenses and deferred income, amounting to Euro 2,717 thousand, mainly refer to deferred receivables on invoices collectible in the reporting period after 30 June 2021.

Other payables, totalling Euro 9,816 thousand, refer, for Euro 7,500 thousand, to the advance on the new loan signed with a leading bank, as well as advances from customers and payments on account on multi-year contracts and the amount due to directors.

The item also includes Euro 90 thousand related to the short-term portion of the residual price for the acquisition of minority interests in Fimas GmbH.

4. Breakdown of the main items of the Income Statement

Note 26.

Operating revenue

Revenue accrued during the period was from activities, projects and services performed for Group customers and amounts to Euro 105,579 thousand, against Euro 82,005 thousand in the same period of the previous year.

The six-month period that has just ended, compared with the same period of the previous year, recorded an increase of Euro 23,754 thousand in revenue from sales and services; revenue originating from foreign companies amounted to Euro 36,899 thousand.

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

Operating revenue

	1H 2021	1H 2020
Operating revenue	105,759	82,005
TOTAL	**105,759**	**82,005**

Note 27.

Other revenue and income

The Group's Other revenue and income totalled Euro 904 thousand at 30 June 2021, compared to Euro 1,436 thousand at 30 June 2020. This item includes the recovery of costs advanced to customers, insurance reimbursements, amounts invoiced to employees for the use of company cars and other income of a residual nature.

Other revenue and income

	1H 2021	1H 2020
Other revenue and income	904	1,436
TOTAL	**904**	**1,436**

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., as well as goods purchased for resale as part of the services provided to customers.

Cost of raw materials and consumables

	1H 2021	1H 2020
Purchase of raw materials and consumables	343	53
TOTAL	**343**	**53**

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

	1H 2021	1H 2020
Service costs	41,268	33,565
TOTAL	**41,268**	**33,565**

Service costs break down as follows:

Service costs

	1H 2021	1H 2020
Transport	5	4
Outsourced and consulting services	33,173	26,318
Remuneration of directors and statutory auditors	1,247	1,166
Marketing costs	1,081	1,273
Cleaning, surveillance and other general services	564	452
Maintenance and support services	115	106
Utilities and telephone charges	516	461
Consulting - administrative services	1,865	1,616
Other services (chargebacks, commissions, etc.)	1,488	980
Bank and factoring charges	265	282
Insurance	173	158
Rental and leasing	776	749
TOTAL	**41,268**	**33,565**

Note that Outsourced and consulting services, equal to Euro 33,173, include the costs of services received from technical and ICT contractors used by the Group to provide its own services to customers.

Rental and leasing regards the costs incurred by the Group for the use of the movables registered and property of third parties, under lease and rental contracts signed, with a term of less than twelve months and/or a low value (i.e. total values of less than USD 5,000), for which certain simplifications apply (known as practical expedients) envisaged by IFRS 16.

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 the first half of 2021.

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

Social security contributions include all pay-related contributions envisaged by law; Post-employment benefits relate to the provision accrued during the period (in this regard see also note 19 "Post-employment benefits (TFR)"), while Other personnel costs include personnel-related costs such as membership fees paid on behalf of employees, indemnities and compensation, fringe benefits disbursed by the company in various forms to certain employee categories and luncheon vouchers (*tickets restaurant*).

Personnel costs

	1H 2021	**1H 2020**
Wages and salaries	37,766	29,883
Social security contributions	8,625	7,260
Post-employment benefits	2,026	1,812
Other personnel costs	901	609
TOTAL	**49,318**	**39,564**

The number of employees at 30 June 2021, by category, is shown in the following table:

Description	**No. in current period**
Executives	145
Middle managers	200
White collar	1,149
Blue collar	1
Apprentices	99
Total	**1,594**

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.

In particular, the item predominantly includes other operating costs such as membership fees, fines, penalties on services provided and indirect taxes and duties.

Other operating costs

	1H 2021	1H 2020
Other operating costs	935	760
TOTAL	**935**	**760**

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 4.

Cost of internal work capitalised

	1H 2021	1H 2020
Cost of internal work capitalised	2,708	3,469
TOTAL	**2,708**	**3,469**

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

	1H 2021	1H 2020
Depreciation of property, plant and equipment	(356)	346
Amortisation of intangible assets	(2,916)	2,830
Amortisation of rights of use	(1,760)	1,599
TOTAL	**5,032**	**4,775**

Note 34.

Allocations to provisions

During the period in question, no allocations were made.

Note 35.

Financial income and expense

Financial income is represented by bank interest income mainly accrued by foreign companies.

Financial management income and expense

	1H 2021	1H 2020
Financial income	106	28
Financial expense	(776)	(640)
Gains (Losses) on foreign currency transactions	45	(79)
TOTAL	**(625)**	**(691)**

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

	1H 2021	1H 2020
Interest expense on current bank accounts	10	8
Interest expense on factoring and advances on invoices	251	172
Interest expense on loans	228	208
Other financial expense	287	252
TOTAL	**776**	**640**

Note 36.

Current income taxes, deferred tax assets and liabilities

Current taxes for the period include Euro 378 thousand for IRAP and IRES plus Euro 2,546 thousand for the income tax for foreign affiliates.

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

	1H 2021	1H 2020
Current taxes	2,924	2,040
Deferred tax assets and liabilities	412	854
TOTAL	**3,336**	**2,894**

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

Earnings per share

	1H 2021	1H 2020
Profit (loss) from continuing operations pertaining to owners of the Company	8,113	4,184
Profit (loss) from discontinued operations pertaining to owners of the Company	0	0
Profit (loss) attributable to owners of the Parent Company	8,113	4,184
Total no. shares	134,897,272	134,897,272
Number of own shares held	7,157,460	4,796,335
Number of ordinary shares outstanding	127,739,812	130,101,016
Basic earnings per share pertaining to owners of the Parent Company	Euro 0.06	EUR 0.03
Diluted earnings per share	Euro 0.06	EUR 0.03

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, taking also into account the opinions received from its legal advisors, the Group has made provisions for risks totalling Euro 110 thousand (Euro 74 thousand of which relates to Be Solutions): these are deemed sufficient to cover the liabilities that might arise from these disputes, the risk of which is considered to be limited. 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 was filed and a portion of this provision, equal to Euro 150 thousand, was released.

5.2. Significant non-recurring events and transactions

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

5.3. Related-Party Transactions

On 12 March 2010, the Company's Board of Directors adopted the Procedure for Related-Party Transactions, subsequently amended on 23 January 2014, 13 February 2014, 15 May 2014, 1 July 2014, 11 May 2017 and 6 May 2021. For further details, this document is published on the Company web site (www.be-tse.it).

It should be noted that the amendments resolved on 6 May 2021 were necessary in light of the changes made to regulation no. 17221 of 12 March 2010 by Consob, with resolution no. 21624 of 10 December 2020, which came into effect on 1 July 2021.

With regard to related-party transactions, including intercompany transactions, it should be noted that these cannot be classified as atypical or unusual, being part of the normal course of operations of Group companies. These transactions are settled at arm's length, based on the goods and services provided.

The Be Group's related parties with which economic and equity transactions were recognised at 30 June 2021 are: TIP Tamburi Investment Partners S.p.A. and Terra Moretti Distribuzione S.r.l.

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 first half of 2021.

The following tables illustrate the Group's costs and revenue, payables and receivables due to/from related parties:

Receivables and payables with related parties at 30 June 2021

	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.				15		
Terra Moretti Distribuzione S.r.l.				1		
Total Related Parties	**0**	**0**	**0**	**16**	**0**	**0**

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.				18		
Terra Moretti Distribuzione S.r.l.				32		
Total Related Parties	**0**	**0**	**0**	**50**	**0**	**0**

Revenue and costs with related parties in 1H 2021

	Revenue			*Costs*		
	Revenue	Other revenue	*Financial income*	Services	*Other costs*	*Financial expense*
Related Parties						
T.I.P. S.p.A.				30		
C. Achermann				20		
Terre Moretti Distribuzione S.r.l.				1		
Total Related Parties	**0**	**0**	**0**	**51**	**0**	**0**

Revenue and costs with related parties in 1H 2020

	Revenue			*Costs*		
	Revenue	Other revenue	*Financial income*	Services	*Other costs*	*Financial expense*
Related Parties						
T.I.P. S.p.A.				30		
IR Top				5		
C. Achermann				20		
Total Related Parties	**0**	**0**	**0**	**55**	**0**	**0**

Consolidated Statement of Financial Position (pursuant to Consob Resolution 155199 of 27 July 2006)

Amounts in EUR thousands	30.06.2021	Of which rel.parties	31.12.2020	Of which rel.parties
NON -CURRENT ASSETS				
Property, plant and equipment	2,219	0	2,273	0
Rights of use	9,336	0	9,135	0
Goodwill	84,977	0	70,374	0
Intangible assets	19,567	0	19,626	0
Equity investments in other companies	1,389	0	1,329	0
Loans and other non-current assets	878	0	830	0
Deferred tax assets	2,766	0	2,884	0
Total non-current assets	**121,132**	**0**	**106,451**	**0**
CURRENT ASSETS				
Inventories	156	0	156	0
Assets deriving from contracts with customers	29,166	0	9,778	0
Trade receivables	19,814	0	22,014	0
Other assets and receivables	6,146	0	3,574	0
Direct tax receivables	88	0	802	0
Financial receivables and other current financial assets	74	0	165	0
Cash and cash equivalents	35,405	0	60,580	0
Total current assets	**90,849**	**0**	**97,069**	**0**
Total discontinued operations		**0**	**0**	**0**
TOTAL ASSETS	**211,981**	**0**	**203,520**	**0**
SHAREHOLDERS' EQUITY				
Share capital	27,109	0	27,109	0
Reserves	27,174	0	20,935	0
Net profit (loss) attributable to owners of the Parent Company	8,113	(51)	7,973	144
Group Shareholders' equity	**62,396**	**(51)**	**56,017**	**144**
Minority interests:				
Capital and reserves	816	0	1,737	0
Net profit (loss) attributable to minority interests	401	0	1,139	0
Minority interests	**1,217**	**0**	**2,876**	**0**
TOTAL SHAREHOLDERS' EQUITY	**63,613**	**(51)**	**58,893**	**144**
NON -CURRENT LIABILITIES				
Financial payables and other non-current financial liabilities	26,705	0	25,482	0
Financial liabilities for non-current rights of use	7,067	0	6,875	0
Provisions for risks	1,603	0	1,628	0
Post-employment benefits (TFR)	8,404	0	7,088	0
Deferred tax liabilities	8,116	0	7,759	0
Other non-current liabilities	10,486	0	6,416	0
Total Non-current liabilities	**62,381**	**0**	**55,248**	**0**
CURRENT LIABILITIES				
Financial payables and other current financial liabilities	30,007	0	22,053	0
Financial liabilities for current rights of use	3,062	0	3,047	0
Trade payables	20,099	16	22,076	50
Provision for current risks	2,130	0	2,300	0
Tax payables	2,808	0	1,481	0
Other liabilities and payables	27,881	0	38,422	0
Total Current liabilities	**85,987**	**16**	**89,379**	**50**
Total discontinued operations	0	**0**	**0**	**0**
TOTAL LIABILITIES	**148,368**	**(35)**	**144,627**	**50**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**211,981**	**(35)**	**203,520**	**199**

Consolidated Income Statement (pursuant to Consob Resolution no. 155199 of 27 July 2006)

Amounts in EUR thousands	1H 2021	Of which related parties	of which non-recurring income (charges)	1H 2020	Of which related parties	Of which non-recurring income (charges)
Operating revenue	105,759	0	0	82,005	0	0
Other revenue and income	904	0	0	1,436	0	0
Total Revenue	**106,663**	**0**	**0**	**83,441**	**0**	**0**
Raw materials and consumables	(343)	0	0	(53)	0	0
Service costs	(41,268)	(51)	0	(33,565)	(55)	0
Personnel costs	(49,318)	0	0	(39,564)	0	0
Other operating costs	(935)	0	0	(760)	0	0
Cost of internal work capitalised	2,708	0	0	3,469	0	0
Amortisation, depreciation and write-downs:						
Depreciation of property, plant and equipment	(356)	0	0	(346)	0	0
Amortisation of intangible assets	(2,916)	0	0	(2,830)	0	0
Amortisation of rights of use	(1,760)	0	0	(1,599)	0	0
Allocations to provisions	0	0	0	(8)	0	0
Total Operating Costs	**(94,188)**	**(51)**	**0**	**(75,256)**	**(55)**	**0**
Operating profit (loss) (EBIT)	**12,475**	**(51)**	**0**	**8,185**	**(55)**	**0**
Financial income	106	0	0	28	0	0
Financial expense	(731)	0	0	(719)	0	0
Total Financial Income/Expense	**(625)**	**0**	**0**	**(691)**	**0**	**0**
Profit (loss) before tax	**11,850**	**(51)**	**0**	**7,494**	**(55)**	**0**
Current income taxes	(2,924)	0	0	(2,040)	0	0
Deferred tax assets and liabilities	(412)	0	0	(854)	0	0
Total Income taxes	**(3,336)**	**0**	**0**	**(2,894)**	**0**	**0**
Net profit (loss) from continuing operations	**8,514**	**(51)**	**0**	**4,600**	**(55)**	**0**
Net profit (loss) from discontinued operations	**0**	**0**	**0**	**0**	**0**	**0**
Net profit (loss)	**8,514**	**(51)**	**0**	**4,600**	**(55)**	**0**
Net profit (loss) attributable to minority interests	**401**	**0**	**0**	**416**	**0**	**0**
Net profit (loss) attributable to owners of the Parent Company	**8,113**	**(51)**	**0**	**4,184**	**(55)**	**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.

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

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

- **Credit risk**

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

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

- **Interest rate risk**

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

  With specific reference to the direct consequences of the economic crisis caused by the Covid-19 pandemic, with regard to interest rate risk, there are no special critical issues to report, also in light of the current context characterised by predominantly negative short-term interest rates.

- **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 detailed information on the characteristics of current and non-current financial liabilities, see notes 16 and 17 "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 16 and 17, 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.

E-MARKET SDIR CERTIFIED

Financial assets at 30.06.2021

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	
Financial receivables (portion beyond 12 months)				0	
TRADE RECEIVABLES	**0**	**48,980**	**0**	**48,980**	
Receivables due from customers		19,814		19,814	*10*
Assets deriving from contracts with customers		29,166		29,166	*9*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**74**	**0**	**74**	
Financial receivables and other current financial assets		74		74	*13*
Securities and financial assets				0	
CASH AND CASH EQUIVALENTS	**0**	**35,405**	**0**	**35,405**	
Cash and cash equivalents		35,405		35,405	*14*
TOTAL FINANCIAL ASSETS	**0**	**84,459**	**0**	**84,459**	

Financial liabilities at 30.06.2021

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	**(126)**	**(33,646)**	**(33,772)**	
Financial payables and other non-current financial liabilities		(26,579)	(26,579)	*16*
Hedge derivatives	(126)		(126)	*16*
Financial liabilities for non-current rights of use		(7,067)	(7,067)	*18*
Other financial liabilities			0	
CURRENT LIABILITIES	**0**	**(53,168)**	**(53,168)**	
Financial payables and other current financial liabilities		(30,007)	(30,007)	*17*
Hedge derivatives			0	*17*
Trade payables		(20,083)	(20,083)	*23*
Payables to related parties		(16)	(16)	*23*
Financial liabilities for current rights of use		(3,062)	(3,062)	*18*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities			0	
Financial payables to related parties			0	
TOTAL FINANCIAL LIABILITIES	**(126)**	**(86,814)**	**(86,940)**	

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	
Financial receivables (portion beyond 12 months)				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	
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	
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	
Financial payables to related parties			0	
TOTAL FINANCIAL LIABILITIES	**(181)**	**(79,352)**	**(79,533)**	

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.

Item at 30 June 2021	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Liabilities for Put & Call	**(10,574)**	**0**	**0**	**0**	**(10,574)**	
- Put	(10,574)				(10,574)	*21-25*
- Call					0	
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(126)**	**0**	**(126)**	**0**	**(126)**	
- Forward contracts					0	
- IRS on rates contracted on Unicredit loan	(56)		(56)		(56)	*16-17*
- IRS on rates contracted on BPM loan of Euro 7 million	(39)		(39)		(39)	*16-17*
- IRS on rates contracted on BPM loan of Euro 10 million	(31)		(31)		(31)	*16-17*

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)**	
- Put	(9,661)			(9,661)	**(9,661)**	
- Call					0	*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*

5.5. Positions deriving from atypical or unusual transactions

In the first half of 2021, the Group did not undertake any atypical or unusual transactions as defined in Consob Communication DEM/6064293.

6. Events after the reporting period

In July, Be reached a preliminary agreement to purchase 55% of the share capital of a management consulting company based in Switzerland - specialised in the Financial Industry - with approximately

Euro 9 million in sales. The price envisaged, subject to Due Diligence, will be Euro 4.7 million, with the company having an EBITDA of Euro 1.14 million and a positive NFP of Euro 0.9 million. The price for the initial 55% will be partially paid at closing and then definitively adjusted at the end of tax year 2021 based on the average EBITDA performance achieved by the company in 2020 and 2021. The current managing directors will continue to be minority shareholders of the target company and are committed to guiding the company's growth. Be will then complete the acquisition of the remaining shares through a structure of Put & Call options to be exercised in the upcoming years.

Moreover, Be has been awarded a new long-term instruction with a leading German Financial Institution with a "systemic" role in the financial services market in Germany and in Europe. The agreement envisages that Be provide the professional services of organisational and IT consulting for a minimum total value of Euro 8 million in three years. The goal of the project is to manage some of the most critical systems in operation as well as to support a rapid transition to state-of-the-art IT processes and technologies. The agreement requires the services to be provided in Luxembourg and in the Czech Republic.

At the end of July, the Group completed the transfer of its operating subsidiaries in Germany, Austria and Switzerland from the German sub-holding Be Shaping The Future GmbH of Munich to the Italian company Be Shaping The Future Management Consulting S.p.A., the driving force of the consulting hub.

Milan, 30 July 2021.

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

Certification of the Half-year Condensed Consolidated Financial Statements pursuant to art. 81-ter, Consob Regulation 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 adopted in the first half of 2021 when preparing the Half-Year Condensed Consolidated Financial Statements.

2. It is also confirmed that:

2.1 the Half-year Condensed 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 first half of 2021 and their impact on the results of operations, as well as of the position of the issuer and its consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 30 July 2021

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

Manuela Mascarini

/signed/ Stefano Achermann
Chief Executive Officer

Stefano Achermann