Be
SHAPING
THE FUTURE

Annual Financial Report 2021

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Be SHAPING THE FUTURE

2021 Management Report

1. Corporate Bodies

Board of Directors

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

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

Board of Statutory Auditors

- 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)	FY 2021	FY 2020
Total revenue	235.3	178.8
EBITDA	37.1	28.4
EBIT	20.6	14.6
Profit (loss) before tax	18.8	13.3
Net profit (loss)	11.6	8.0

Key equity and financial indicators

(amounts in EUR millions)	31.12.2021	31.12.2020
Group Shareholders' equity	66.5	56.0
Net Invested Capital	77.9	62.0
Net Operating Working Capital (NOWC)	5.4	9.9
Net Financial Position	10.0	3.1

Revenue by operating segment

(amounts in EUR millions)	FY 2021	FY 2020
Business Consulting	169.1	122.1
ICT Solutions	52.7	46.5
Digital	13.5	10.1
Other	0.0	0.1
TOTAL	235.3	178.8

Revenue by customer type

(amounts in EUR millions)	FY 2021	FY 2020
Banks	187.3	141.2
Insurance	18.5	16.8
Industry	9.4	10.8
Public Administration	0.1	0.1
Other	20.0	9.9
TOTAL	235.3	178.8

Revenue by geographic area

(amounts in EUR millions)	FY 2021	FY 2020
Italy	131.7	112.0
DACH Region (Germany, Austria, Switzerland)	68.0	42.8
UK and Spain	21.3	14.6
CEE Region (Poland, Ukraine, Romania)	14.3	9.4
TOTAL	235.3	178.8

Group Headcount

	31.12.2021	31.12.2020
Executives	155	131
Middle managers	216	191
White collar	1,320	1,025
Apprentices	89	101
Blue collar	1	0
TOTAL	1,781	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 nearly 1,800 employees and branches in Italy, Germany, United Kingdom, Switzerland, Austria, Poland, Luxembourg, Czech Republic, Ukraine, Albania, Spain and Romania, in 2021 the Group recorded total revenue of Euro 235.3 million.

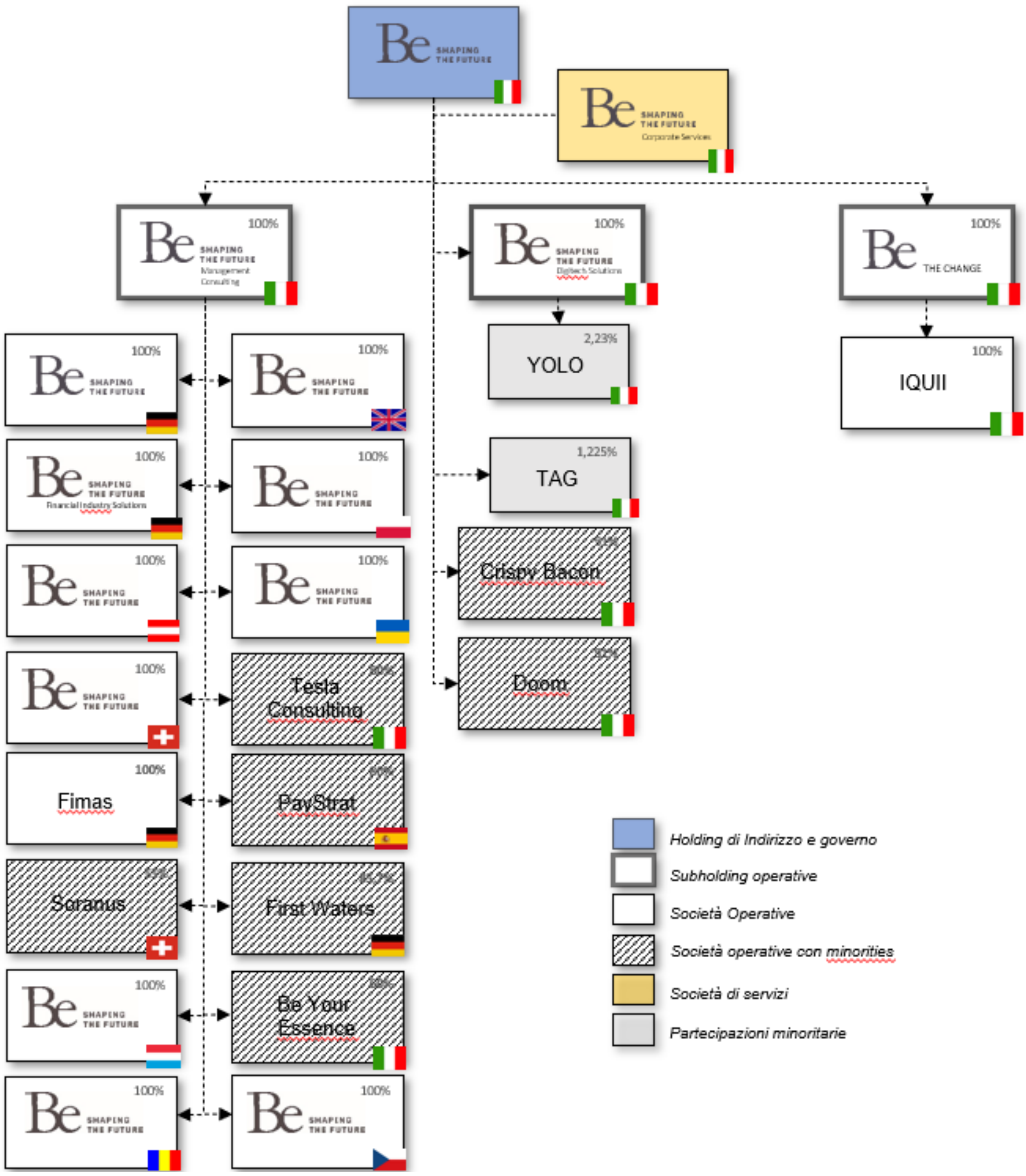
Be Shaping The Future S.p.A. (Be S.p.A. for short), listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and coordination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

At 31 December 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	38,152,225	28.282
Innishboffin S.r.l.	Italian	10,847,792	8.042
Be Shaping the Future S.p.A.	Italian	7,157,460	5.306
Stefano Achermann	Italian	6,386,826	4.735
Carma Consulting S.r.l.	Italian	2,900,779	2.150
Float		69,452,190	51.485
Total		**134,897,272**	**100.00**

The following chart shows the **Be Group** structure at 31 December 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., Firstwaters GmbH, with headquarters in Vienna, 100% held by Firstwaters GmbH, Crispy Bacon S.r.l. and Crispy Bacon Shpk, respectively 100% and 90% held by Crispy Bacon Holding S.r.l.*

4. Business Model and Operating segments

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

I. BUSINESS CONSULTING

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

Size	1,053 employees at 31 December 2021.
Core business	Banking, Insurance.
Segment revenue at 31 December 2021	Euro 169.1 million.
Operating units	Rome, Milan, Bologna, London, Kiev, Warsaw, Munich, Vienna, Zurich, Luxembourg, Prague, Frankfurt, Madrid, Bucharest, Magdeburg.

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 Shaping the Future S.p.A. holds 100% of the company's share capital.
- **Be Shaping the Future Management Consulting Limited.** Based in London, this company operates on the UK and European market, focusing on financial services consulting, with a customer base with high profiles on the UK and international markets. It specialises in the banking and financial sectors, particularly providing support in the field of innovation and payment services.
- **Be Ukraine LLC.** Established in Kiev in December 2012, it performs consulting and development activities for core banking systems and in the areas of accounting, bank reporting and compliance. Be Management Consulting S.p.A. holds 100% of the Company's share capital.
- **Be Shaping the Future, sp zo.o.** Established in Warsaw in January 2013, it provides consulting and system integration services in Retail banking, Capital Markets, CRM (Salesforce) and Digital (Backbase). Be Management Consulting S.p.A. holds 100% of the company's share capital.
- **Be Shaping the Future GmbH.** Based in Munich, this company specialises in ICT consulting services, primarily on the German market, as Be Shaping the Future GmbH (formerly Targit GmbH) based in Vienna and Be TSE Switzerland AG based in Zurich operate in the Austrian and Swiss markets. 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 100.00% interest. In the third quarter, Be Shaping the Future GmbH sold its

entire stake in Be Shaping the Future GmbH (formerly Targit GmbH) and Be TSE Switzerland AG to the Group company Be Management Consulting S.p.A.

- **Be Shaping the Future Financial Industry Solutions AG.** With registered office close to Munich, this company is a wholly-owned subsidiary of Be Management Consulting S.p.A., and specialises in consulting and IT solutions in the payments sector, notably, in the SWIFT area. During the third quarter, Be Shaping the Future GmbH sold its entire stake to the Group company Be Management Consulting S.p.A.
- **FIMAS GmbH.** This company, based in Frankfurt, 100% of which is held by Be Management Consulting S.p.A., specialises in consulting services and IT for asset managers, stock markets, CSD, clearing houses and custodian banks. In the third quarter, Be Shaping the Future GmbH sold its 90% shareholding to the Group company Be Management Consulting S.p.A., while in the fourth quarter, the remaining 10% of the third-party capital was acquired.
- **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.** (abbreviated to Paystrat).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.** 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.** Management consulting company based in Frankfurt, it specialises 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.
- **Soranus AG.** Management consulting company based in Switzerland with headquarters in Zurich, specialised in the Financial Industry, 55% owned by Be Management Consulting S.p.A.
- **Be Shaping the Future SARL.** A company incorporated in 2021 and based in Luxembourg, created to offer professional organisational and IT consultancy services.
- **Be Shaping the Future Czech republic s.r.o.** A company established in 2021 and based in Prague, created to offer professional organisational and IT consultancy services.
- **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. During the fourth quarter, Be Shaping the Future S.p.A. sold its 100% stake to the Group company Be Management Consulting S.p.A. and was consequently included in Consulting CGU (previously in Solutions CGU).

II. ICT SOLUTIONS

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

Size	499 employees at 31 December 2021.
Core Business	Banking, Insurance, Energy and Public Administration.
Segment revenue at 31 December 2021	Euro 52.7 million.
Operating units	Rome, Milan, Turin.

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

- **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 banks 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.

III. DIGITAL

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

Size	171 employees at 31 December 2021.
Core Business	Banking, Insurance, Energy and Public Administration.
Segment revenue at 31 December 2021	Euro 13.5 million.
Operating units	Rome, Milan, Predazzo, Bolzano, Marostica, Tirana.

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

- **Be the Change S.r.l.** A company established in 2021 and based in Milan, it will act in the short term as the holding company for the Group's "Digital" Engagement hub.
- **Iquii S.r.l.** Established in 2011, it specialises in the development of digital, web and mobile solutions, focusing in particular on the areas of system integration, user and customer experience and the development of new revenue models. In January 2021, Be DigiTech Solutions S.p.A. completed its 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. During the fourth quarter, Be DigiTech Solutions S.p.A. sold its 100% shareholding to the Group company Be the Change 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.
- **Crispy Bacon Holding S.r.l.** A company with a high degree of specialisation in UX/UI design, web-mobile development and cloud infrastructure, with offices in Marostica, Milan and Tirana, generates 60% of its revenues in the financial services industry and is 51% owned by Be Shaping the Future S.p.A. Crispy Bacon Holding S.r.l owns 100% of Crispy Bacon S.r.l. and 90% of Crispy Bacon Shpk (based in Tirana), the remaining 10% being held by local third parties.

5. Significant events involving the Group in 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 until now 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 was Euro 1.560 million in the sum of the two transactions. This operation is part of a broader agreement between Be and management of the two companies, optimising on the role of the founding members through further participation in the future creation of value.

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

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

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.

In July, Be reached a preliminary agreement to purchase 55% of the share capital of a company Soranus AG - specialised in the Financial Industry - with approximately Euro 9 million in sales. The price envisaged, subject to Due Diligence, was set at 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% was 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.

To this end, between the third and fourth quarters, the Group set up the companies Be Shaping the Future SARL and Be Shaping the Future Czech republic s.r.o. in September, both of which are wholly-owned subsidiaries of Be Management Consulting S.p.A.

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.

During the fourth quarter, the Group finalised the acquisition of 51% of the share capital of Crispy Bacon, a company with high specialisation in UX/UI design, mobile web development and cloud infrastructure. Crispy is based in Marostica, Milan and Tirana (Albania) and generates 60% of its revenues in the financial services industry.

The amount paid for 51% was Euro 2.3 million, corresponding to a total value of the company of Euro 4.5 million, including a positive NFP (net financial position) at the closing of Euro 740,000. The acquisition will take place against cash, partly through the use of a credit line from a leading banking institution. A structure of Put&Call options with a final maturity in 2028 for the remaining portion of the capital is envisaged.

In December, the Be Group acquired the remaining 10% of the minority shares of Fimas GmbH. The cost of the transaction for Be was approximately Euro 0.6 million. Also in December, the Group completed the transfer of its operating subsidiary in Romania from the Parent Company to Be Shaping The Future Management Consulting S.p.A., the real driving force behind the consulting hub, as well as the transfer of the stake in the company Iquii S.r.l. from Be Digitech Solutions to Be the Change S.r.l.

Anticipating what is illustrated in section 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, implemented by the public authorities of the countries in question. These circumstances, which are extraordinary by nature and extension, have had direct and indirect repercussions on the worldwide economic activity, creating a context of general uncertainty that is still present. In order to prevent and limit 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 remote work. 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. Given the particular type of Be Group's reference market - mainly limited to large financial institutions - as in 2020, also in 2021, the Covid-19 pandemic had almost no impact on the Group's economic results. In fact, it should be considered that financial institutions, which account for almost all of the Be Group's customers, carry out services that were deemed "essential" by the Ministerial Decrees.

In relation to the uncertainties arising from the ongoing conflict between Russia and Ukraine, it should be noted that the Be Group has its own presence in Kiev through its subsidiary Be Ukraine. The company operates towards branches of leading international institutions, with 40 direct employees and a turnover of approximately Euro 1 million. At present, ordinary activities continue uninterrupted and there are no interruptions in payment flows. It is impossible to define reliable development scenarios; however, due to the insignificant size (less than 1%) of the company's contribution to the Group's consolidation, no significant economic impact is foreseen even if the current situation worsens.

In light of the above and by virtue of the results achieved by the Group in 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 2021 financial statements, also with reference to the objectives set for the current and future years.

6. Analysis of economic, financial and equity data

Following the entry into force of Regulation (EC) no. 1606/2002 issued by the European Parliament and the European Council in July 2002 and of Italian Legislative Decree 38/2005, the consolidated and separate financial statements of Be to which we refer, have been prepared in accordance with international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union. According to the faculties envisaged by Italian Legislative Decree 32 of 2 February 2007, the Management Report of the 2021 Annual Financial Statements must include, as in the previous year, information on both the Consolidated Financial Statements and the Financial Statements of the Parent Company Be S.p.A.

Alternative performance indicators

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

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

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

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

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

6.1 Group operating performance

Total revenue amounted to Euro 235.3 million compared to Euro 178.8 million in 2020 (+31.6%). Total revenue recorded by the foreign subsidiaries amounted to Euro 103.6 million (equal to 44.0% of the total revenue of the Group), compared to total revenue of Euro 66.8 million at 31 December 2020 (37.6% of total Group revenue).

Revenue amounted to Euro 232.9 million, compared to Euro 176.6 million in 2020 (+31.9%). Other revenue and income amounted to Euro 2.3 million, compared to Euro 2.2 million in the previous year (+7.9%).

Operating costs net of internal capitalisations amounted to Euro 198.1 million, compared to Euro 150.4 million in 2020 (+32%), and specifically:

- service costs were around Euro 96.4 million (+29.2%);
- personnel costs totalled Euro 104.3 million (+31.1%);
- the capitalisation of costs, mainly related to personnel working on projects to develop in-house software platforms, amounted to Euro 4.9 million (-16.0%).

The Gross Operating Margin (EBITDA) was Euro 37.1 million, up 30.7% compared to 2020 (Euro 28.4 million). The EBITDA margin was 15.8% against 15.9% in 2020.

Amortisation and depreciation totalled Euro 10.5 million, against Euro 10.2 million last year (+2.7%).

Provisions and write-downs totalled Euro 6.0 million, against Euro 3.6 million last year. Provisions include estimated costs of around Euro 3.5 million, whose realisation is uncertain, categorised as personnel costs in the Income Statement (compared to Euro 1.9 million the previous year).

Operating profit (loss) (EBIT) was Euro 20.6 million, up 40.8% compared to 2020 (Euro 14.6 million). The EBIT margin stood at 8.8% against 8.2% in 2020.

Profit (loss) before tax from continuing operations was Euro 18.8 million, up 40.6% compared to 2020 (Euro 13.3 million).

Taxes for FY 2021 amounted to Euro 6.2 million, compared to Euro 4.2 million last year.

Group net profit was Euro 11.6 million, against a profit of Euro 8.0 million in 2020, up by 46.1%.

At 31 December 2021, discontinued operations had no impact on the income statement, therefore the costs and revenue recognised in the consolidated Income Statement refer solely to "continuing operations".

The Consolidated Income Statement is shown below, restated at 31 December 2021, and is compared to the amounts of the previous year.

Restated Consolidated Income Statement

Amounts in EUR thousands	**FY 2021**	**FY 2020**	**Δ**	**Δ (%)**
Revenue	232,923	176,645	56,278	31.9%
Other revenue and income	2,334	2,164	170	7.9%
Total Revenue	**235,257**	**178,809**	**56,448**	**31.6%**
Cost of raw materials and consumables	(172)	(155)	(17)	11.0%
Cost of services and use of third-party assets	(96,420)	(74,620)	(21,800)	29.2%
Personnel costs	(104,329)	(79,550)	(24,779)	31.1%
Other costs	(2,126)	(1,928)	(198)	10.3%
Internal capitalisations	4,927	5,868	(941)	(16.0%)
Gross Operating Margin (EBITDA)[2]	**37,137**	**28,424**	**8,713**	**30.7%**
Amortisation and depreciation	(10,517)	(10,236)	(281)	2.7%
Write-downs and provisions[3]	(6,043)	(3,577)	(2,466)	68.9%
Operating profit (loss) (EBIT)	**20,577**	**14,611**	**5,966**	**40.8%**
Net financial income and expense	(1,812)	(1,265)	(547)	43.2%
Profit (loss) before tax from continuing operations	**18,765**	**13,346**	**5,419**	**40.6%**
Taxes	(6,212)	(4,234)	(1,978)	46.7%
Net profit (loss) from continuing operations	**12,553**	**9,112**	**3,441**	**37.8%**
Net profit (loss) from discontinued operations	0	0	0	n.a.
Consolidated net profit (loss)	**12,553**	**9,112**	**3,441**	**37.8%**
Net profit (loss) attributable to minority interests	908	1,139	(231)	(20.3%)
Group net profit (loss)	**11,645**	**7,973**	**3,672**	**46.1%**

The breakdown of total revenue by operating segment is provided below:

Revenue by operating segment

Amounts in EUR millions	**FY 2021**	**%**	**FY 2020**	**%**	**Δ (%)**
Business Consulting	169.1	71.9%	126.5	70.7%	33.7%
ICT Solutions	52.7	22.4%	42.1	23.5%	25.2%
Digital	13.5	5.7%	10.1	5.6%	33.7%
Other	0.0	0.0%	0.1	0.1%	(100.0%)
TOTAL	**235.3**	**100.0%**	**178.8**	**100.0%**	**31.6%**

[2] *Gross Operating Margin (EBITDA): this alternative performance measure is calculated as the net profit (loss) of the group adjusted by certain income statement items. More specifically, in addition to adjustments relating to interest, taxes and amortisation/depreciation, the indicator is adjusted by provisions for personnel bonuses of Euro 3.5 million, included in personnel costs (see Note 31 of the Notes to the Financial Statements), impairment losses on current assets of Euro 0.4 million (see Note 35 of the Notes), costs for defined benefit plans of Euro 2.0 million whose realisation is uncertain, regarding long-term variable bonuses to directors and Key people (see Note 36 of the Notes) and allocations to provisions of Euro 0.2 million (see Note 37 of the Notes to the Financial Statements).*

[3] *This item includes, as specified above, provisions for personnel bonuses of Euro 3.5 million, included in personnel costs (see Note 31 of the Notes to the Financial Statements), impairment losses on current assets of Euro 0.4 million (see Note 35 of the Notes), costs for defined benefit plans of Euro 2.0 million whose realisation is uncertain, regarding long-term variable bonuses to directors and Key people (see Note 36 of the Notes) and allocations to provisions of Euro 0.2 million (see Note 37 of the Notes to the Financial Statements).*

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 total revenue of 33.7% compared to the value recorded at 31 December 2020;
- the ICT Solutions business recorded overall growth in revenue of 25.2% compared to 31 December 2020;
- the Digital business, previously partially incorporated into the ICT segment, gains prominence with total revenue up by 33.7% compared to 31 December 2020, also due to the new corporate transactions that took place during the reporting period.

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

Revenue by customer type

Amounts in EUR millions	**FY 2021**	**%**	**FY 2020**	**%**	**Δ (%)**
Banks	187.3	79.6%	141.2	79.0%	32.6%
Insurance	18.5	7.9%	16.8	9.4%	10.1%
Industry	9.4	4.0%	10.8	6.0%	(13.0%)
Public Administration	0.1	0.0%	0.1	0.1%	0.0%
Other	20.0	8.5%	9.9	5.5%	n.a.
TOTAL	**235.3**	**100.0%**	**178.8**	**100.0%**	**31.6%**

The breakdown of total revenue by geographic area is also provided below:

Revenue by geographic area

Amounts in EUR millions	**FY 2021**	**%**	**FY 2020**	**%**	**Δ (%)**
Italy	131.7	56.0%	112.0	62.6%	17.6%
DACH Region (Germany, Austria, Switzerland)	68.0	28.9%	42.8	24.0%	58.7%
UK and Spain	21.3	9.0%	14.6	8.2%	45.6%
CEE Region (Poland, Ukraine, Romania)	14.3	6.1%	9.4	5.3%	51.7%
TOTAL	**235.3**	**100.0%**	**178.8**	**100.0%**	**31.6%**

Lastly note that in 2021, 56.0% of the value of total revenue was generated by the domestic market, while the remaining 44.0% by the foreign market. The DACH Region (DE, AUT and SUI) continues to make a significant contribution to the generation of revenue, specifically Euro 68.0 million, up 58.7% compared to the previous year.

The CEE Region markets recorded revenue of Euro 14.3 million, up by 51.7% compared to last year, while the UK and Spanish markets generated total revenue of Euro 21.3 million, also up by 51.7% against last year.

6.2 Breakdown of Group equity and financial positions

A summary of the consolidated Statement of Financial Position at 31 December 2021 is shown below, compared to the same statement at 31 December 2020.

Restated Statement of Financial Position

Amounts in EUR thousands	**31.12.2021**	**31.12.2020**	**Δ**	**Δ (%)**
Non-current assets	131,582	104,150	27,432	26.3%
Current assets	37,142	36,324	818	2.3%
Non-current liabilities	(16,319)	(14,179)	(2,140)	15.1%
Current liabilities	(77,206)	(64,279)	(12,927)	20.1%
Discontinued operations	2,706	0	2,706	n.a.
Net Invested Capital	**77,905**	**62,016**	**15,889**	**25.6%**
Shareholders' Equity	67,917	58,893	9,024	15.3%
Indebtedness from discontinued operations	2,434	0	0	n.a.
Financial indebtedness	7,554	0	0	n.a.
Net Financial Indebtedness	9,988	3,123	6,865	n.a.

Non-current assets mostly consist of goodwill (Euro 96.7 million), recognised at the time of business combinations, intangible assets (Euro 18.7 million) mostly relating to software, rights of use (Euro 10.3 million), property, plant and equipment (Euro 2.7 million), deferred tax assets (Euro 0.5 million), receivables and other non-current assets, and equity investments in other companies, for a total of Euro 2.6 million.

Current assets recorded an increase of Euro 0.8 million compared to 31 December 2020. The change is mainly attributable to the increase in trade receivables and the decrease in tax receivables.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 8.0 million, deferred tax liabilities of Euro 4.7 million and provisions for risks and charges of Euro 3.6 million.

Current liabilities are mostly comprised of trade payables of Euro 27.4 million, provisions for risks and charges of Euro 3.9 million, other liabilities of Euro 41.5 million and tax payables totalling Euro 4.9 million. The item records an overall increase of Euro 12.9 million, mainly due to the change in trade payables, tax payables and other liabilities and payables.

Discontinued operations mainly include reclassifications of goodwill for Euro 3.1 million, trade receivables for Euro 1.5 million and trade payables for Euro 2.1 million, relating to the company Doom S.r.l.

Consolidated shareholders' equity was Euro 67.9 million, against Euro 58.9 million at 31 December 2020.

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

Amounts in EUR thousands	31.12.2021	31.12.2020	Δ	Δ (%)
Inventories	157	156	1	0.6%
Receivables from assets with customers	9,589	9,778	(189)	(1.9%)
Trade receivables	23,556	22,014	1,542	7.0%
Trade payables	(27,356)	(22,076)	(5,280)	23.9%
Discontinued operations	(527)	0	(527)	0.0%
Net Operating Working Capital (NOWC)	**5,419**	**9,872**	**(4,453)**	**(45.1%)**
Other short-term receivables	3,840	4,376	(536)	(12.2%)
Other short-term liabilities	(49,850)	(42,203)	(7,647)	18.1%
Discontinued operations	(20)	0	(20)	n.a.
Net Working Capital (NWC)	**(40,611)**	**(27,955)**	**(12,656)**	**45.3%**

Net financial indebtedness at 31 December 2021 was negative for Euro 10.0 million against a negative value of Euro 3.1 million at 31 December 2020 proforma.

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 positive Euro 21.7 million (Euro 13.2 million at 31 December 2020).

Net financial indebtedness from operations amounted to Euro 42 million (Euro 21.8 million at 31 December 2020 proforma), 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 16.1 million, with an improvement of approximately Euro 20.3 million year on year.

Amounts in EUR thousands	31.12.2021	31.12.2020	Δ
Net Financial Position	**(9,988)**	**(3,123)**	**(6,865)**
Expiry value of Put&Call on minority interests	(20,280)	(6,411)	(13,869)
Payables for right of use	(11,358)	(9,922)	(1,436)
Net Financial Indebtedness	**21,650**	**13,210**	**8,440**
- of which new M&A	(16,131)	(2,649)	(13,482)
- of which Dividends	(3,831)	(3,103)	(728)
- of which purchase of own shares	(432)	(2,795)	2,363
Net financial indebtedness from operations	**42,044**	**21,757**	**20,288**

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 2021 and for 2020.

		31.12.2021	31.12.2020	Δ	Δ%
A	Cash	80,167	60,580	19,587	32.3%
B	Cash equivalents	0	0	0	n.a.
C	Other current financial assets	177	165	12	7.3%
D	**Cash and cash equivalents (A+B+C)**	**80,344**	**60,745**	**19,599**	**32.3%**
E	Current financial payables	456	5,208	(4,752)	(91.2%)
F	Current portion of non-current financial payables	30,089	19,892	10,197	51.3%
G	**Current financial indebtedness (E+F)**	**30,545**	**25,100**	**5,445**	**21.7%**
H	**Net current financial indebtedness (G-D)**	**(49,799)**	**(35,645)**	**(14,154)**	**39.7%**
I	Non-current financial payables	39,507	32,357	7,150	22.1%
J	Debt instruments	0	0	0	n.a.
K	Trade payables and other non-current payables	20,280	6,411	13,869	n.a.
L	**Net non-current financial indebtedness (I+J+K)**	**59,787**	**38,768**	**21,019**	**54.2%**
M	**Total financial indebtedness (H+L)**	**9,988**	**3,123**	**6,865**	**n.a.**

With regard to items in the table, in addition to cash and cash equivalents of Euro 80.2 million (Euro 60.6 million at 31 December 2020), the following should be noted:

- current financial receivables of Euro 0.2 million (Euro 0.2 million at 31 December 2020) originating from prepaid expenses on factoring interest;
- current payables to banks of Euro 30.5 million (Euro 25.1 million at 31 December 2020), relating to:
  - "current bank payables" of Euro 0.4 million (Euro 5.1 million at 31 December 2020) mainly relating to interest accrued but not paid and the negative bank balance of the current accounts;
  - the current portion of long-term loans for Euro 26.5 million (Euro 16.8 million at 31 December 2020);
  - payables for current rights of use of Euro 3.6 million regarding lease liabilities (Euro 3.0 million at 31 December 2020);
- non-current financial payables of Euro 59.8 million (Euro 38.8 million at 31 December 2020) of which:
  - Euro 31.8 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 7.7 million (Euro 6.9 million at 31 December 2020) referring to payables for non-current rights of use regarding lease liabilities;
  - Euro 20.3 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.

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

The Parent Company's revenue amounted to Euro 3.0 million, compared to Euro 3.3 million in 2020, recording a drop of Euro 0.3 million.

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

The Gross Operating Margin (EBITDA) recorded a loss of around Euro 7.6 million, against a loss of Euro 6.1 million last year.

Operating profit (loss) (EBIT) recorded a loss of around Euro 10.0 million, against a loss of around Euro 7.8 million in the previous year.

Provisions include estimated costs of around Euro 2.3 million, whose realisation is uncertain, of which Euro 0.4 million categorised as personnel costs in the Income Statement of the Parent Company's Financial Statements.

Financial management recorded an income of Euro 16.1 million, with respect to Euro 12.1 million the previous year, broken down into:

- dividends of Euro 12.0 million;
- capital gain deriving from the sale at normal market conditions of the 100% stake held in the company Be Think Solve Execute RO S.r.l. to the Group company Be Consulting S.p.A., equal to Euro 3.9 million;
- financial income net of financial expense of Euro 0.2 million;

With regard to the centralised treasury management at Group level, net interest due to the Parent Company accrued on funds transferred to Group companies amounted to Euro 0.6 million (Euro 0.5 million in 2020). Interest expense due to the Banking system amounted to around Euro 0.5 million (Euro 0.4 million in 2020), of which Euro 0.1 million on drawdowns of short-term credit facilities and Euro 0.4 million related to financial payables on maturity and interest income for Euro 0.02 million (Euro 0.01 in 2020).

Profit (loss) before tax recorded a profit of Euro 6.1 million, up by Euro 1.8 million compared to the prior year (Euro 4.3 million at 31 December 2020).

Taxes recorded a positive balance of Euro 2.1 million, compared to Euro 2.2 million last year, accrued against:

- tax benefits of around Euro 1.5 million relating to the Group Tax Consolidation scheme;
- the net positive impact of around Euro 0.6 million, from deferred tax assets.

Following the above, the 2021 Financial Statements of the Parent Company closed with a profit of Euro 8.2 million, compared to a profit of Euro 6.5 million last year.

The Income Statement is shown below, restated for FY 2021, and is compared to the amounts of the previous year.

Parent Company Restated Income Statement

Amounts in EUR thousands	**FY 2021**	**FY 2020**	**Δ**	**Δ (%)**
Revenue	2,085	1,976	109	5.5%
Other revenue and income	921	1,288	(367)	(28.5%)
Total Revenue	**3,006**	**3,264**	**(258)**	**(7.9%)**
Cost of raw materials and consumables	0	(1)	1	(100.0%)
Cost of services and use of third-party assets	(8,699)	(7,459)	(1,240)	16.6%
Personnel costs	(1,508)	(1,575)	67	(4.3%)
Other costs	(422)	(342)	(80)	23.4%
Gross Operating Margin (EBITDA)[4]	**(7,623)**	**(6,113)**	**(1,510)**	**24.7%**
Amortisation and depreciation	(26)	(60)	34	(56.7%)
Write-downs and provisions[5]	(2,314)	(1,597)	(717)	44.9%
Operating profit (loss) (EBIT)	**(9,963)**	**(7,770)**	**(2,193)**	**28.2%**
Net financial income and expense	16,092	12,078	4,014	33.2%
Profit (loss) before tax from continuing operations	**6,129**	**4,308**	**1,821**	**42.3%**
Taxes	2,095	2,197	(102)	(4.6%)
Net profit (loss) from continuing operations	**8,224**	**6,505**	**1,719**	**26.4%**
Net profit (loss) from discontinued operations	0	0	0	n.a.
Net profit (loss)	**8,224**	**6,505**	**1,719**	**26.4%**

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

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

Amounts in EUR thousands	**31.12.2021**	**31.12.2020**	**Δ**	**Δ (%)**
Non-current assets	59,832	57,061	2,771	4.9%
Current assets	24,724	20,884	3,840	18.4%
Non-current liabilities	(4,995)	(3,698)	(1,297)	35.1%
Current liabilities	(6,627)	(8,786)	2,159	(24.6%)
Net invested capital	**72,934**	**65,460**	**7,474**	**11.4%**
Shareholders' Equity	47,850	43,708	4,142	9.5%
Net financial indebtedness	25,084	21,752	3,332	15.3%

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

[4] *Gross Operating Margin (EBITDA): this alternative performance indicator is calculated as the net profit (loss) adjusted by certain income statement items. More specifically, in addition to adjustments relating to interest, taxes and amortisation/depreciation, the indicator is adjusted by provisions for personnel bonuses of Euro 0.4 million, included in personnel costs (see Note 29 of the Report on the Parent Company Financial Statements) and costs for defined benefit plans of Euro 2.0 million, whose realisation is uncertain, regarding long-term variable bonuses to directors and Key people (see Note 32 of the Report on the Parent Company Financial Statements).*

5 This item includes, as specified above, provisions for personnel bonuses of Euro 0.4 million, included in personnel costs (see Note 29 of the Report on the Parent Company Financial Statements) and costs for defined benefit plans of Euro 2.0 million, whose realisation is uncertain, regarding long-term variable bonuses to directors and Key people (see Note 32 of the Report on the Parent Company Financial Statements).

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 2021 and for 2020.

		31.12.2021	31.12.2020	Δ	Δ%
A	Cash	50,421	50,160	261	0.5%
B	Cash equivalents	0	0	0	0
C	Other current financial assets	20,196	12,248	7,948	64.9%
D	**Cash and cash equivalents (A+B+C)**	**70,617**	**62,408**	**8,209**	**13.2%**
E	Current financial payables	36,583	41,771	(5,188)	(12.4)
F	Current portion of non-current financial payables	26,501	16,869	9,632	57.1%
G	**Current financial indebtedness (E+F)**	**63,084**	**58,640**	**4,444**	**7.6%**
H	**Net current financial indebtedness (G-D)**	**(7,533)**	**(3,768)**	**(3,765)**	**99.9%**
I	Non-current financial payables	31,788	25,520	6,268	24.6%
J	Debt instruments	0	0	0	0
K	Trade payables and other non-current payables	829	0	829	0
L	**Net non-current financial indebtedness (I+J+K)**	**32,617**	**25,520**	**7,097**	**27.8%**
M	**Total financial indebtedness (H+L)**	**25,084**	**21,752**	**3,332**	**15.3%**

With regard to items in the table, in addition to cash and cash equivalents of Euro 50.4 million (Euro 50.2 million at 31 December 2020), the following should be noted:

- current financial receivables of Euro 20.2 million (Euro 12.2 million at 31 December 2020), which refer entirely to receivables due from subsidiaries in the form of entries relating to centralised treasury operations;
- current payables to banks of Euro 63.1 million (Euro 58.6 million at 31 December 2020), relating to:
  - current bank payables for Euro 36.6 million, mainly referring to interest accrued and not collected for Euro 0.1 million, negative bank balance for Euro 0.3 million and payables to subsidiaries due to centralised treasury activities for Euro 36.2 million;
  - the current portion of non-current financial payables for Euro 26.5 million referring mainly to the short-term portion of long-term loans for Euro 26.5 million (Euro 16.8 million at 31 December 2020) and a residual part of the payables for current rights of use;
- non-current financial payables of Euro 32.6 million (Euro 25.5 million at 31 December 2020) of which:
  - Euro 31.8 million (Euro 30.3 million at 31 December 2020) referred to payables to banks for unsecured medium-long term loans for the portion due beyond 12 months and a residual portion of payables for non-current rights of use;
  - Euro 0.8 million 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.

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

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

	Shareholders' equity at 31.12.2021	Net profit (loss) at 31.12.2021	Shareholders' equity at 31.12.2020	Net profit (loss) at 31.12.2020
Shareholders' equity and Net profit (loss) from financial statements of the Parent Company	**47,850**	**8,223**	**43,708**	**6,505**
Surplus of the shareholders' equities on financial statements for the year, including the profits (losses) for the period, compared to the book values of consolidated equity investments	32,067	16,329	27,185	14,607
Other adjustments made at time of consolidation for:				
- dividends from subsidiaries	(12,000)	(12,000)	(12,000)	(12,000)
Shareholders' equity and Consolidated net profit (loss)	**67,917**	**12,553**	**58,893**	**9,112**
Capital and minority reserves	1,462	908	2,876	1,139
Shareholders' equity and Net Profit (Loss) attributable to owners of the Parent Company	**66,455**	**11,645**	**56,017**	**7,973**

6.6 Related Party Transactions

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.

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

7. Other disclosures and Corporate Governance

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

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

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

  In order to further improve operating performance, the Company believes it is important to achieve the strategic objectives of the 2022-2024 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 Business 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 and 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 2022-2024 Plan.

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

  The Be Group could have a negative impact on the value of its shareholders' equity if there should be any impairment to goodwill recognised in the financial statements at 31 December 2021, which may be necessary if insufficient cash flows are generated to satisfy those forecast and envisaged in the 2022-2024 Plan.

- **Risks associated with "Litigation"**

  The Be Group is involved in legal proceedings, in terms of litigation cases as defendant - i.e. where the Company has been summoned by third parties - as well as in cases as plaintiff where the Company has summoned third parties.

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

  In recent years, the Be Group began a restructuring of its area of business, implementing, when possible, reduction of personnel, also through transfers. There is a risk of appeals against such actions and the proceedings have given rise to prudential allocation of provisions in the Consolidated financial statements. Uncertainty remains in any event regarding the decisions of the authorities involved.

- **Risks associated with "Competition"**

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

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

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

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

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

- **Risks associated with internationalisation**

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

- **Covid-19**

  With regard to the main factors of uncertainty existing at the time of submission of this Annual 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 during 2020 and 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 therefore maintained their operations even during the lock-down periods.

  During the preparation of the consolidated financial statements at 31 December 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 2021, 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, said analyses did not indicate any clear risk of future impairment of the amounts recognised in the financial statements at 31 December 2021, even considering the worsened macroeconomic scenario consequent to the above-described pandemic.

7.2 Investment in development

The Be Group's development activities have always aimed to consolidate customer relations, develop new forms of business for them and acquire new customers. The main development projects regard the technological platforms owned by the Be Group. In particular, during 2021, investments were made for the development and upgrade of the technological platforms 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.

7.3 Human Resources

The Group's total headcount at 31 December 2021 was 1,781 employees (1,448 at 31 December 2020), located in 11 European countries. For further details on the social policies of the Be Group, please refer to chapter 7 of the Non-financial statement.

7.4 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.

7.5 Corporate governance

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

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

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

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

7.7 Environment

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

8. Events after 31 December 2021 and business outlook

It should be noted that in January 2022, the partial non-proportional and asymmetrical spin-off of subsidiary Doom S.r.l. in favour of a newly established company which will take on the name of Be World of Wonders S.r.l. and which will be 75% held by Be and 25% by ZDF S.r.l. was approved. In particular, the spin-off would involve the assignment to Be World of Wonders S.r.l. of the activities of the business segment whose target customers are banking, financial and insurance companies. Be will continue to have a minority interest of 25% in Doom S.r.l following the spin-off, which will be consolidated through the equity method.

During the month of February, with reference to the possible transaction involving, among other things, the purchase and sale of shares representing approximately 43.209% of the capital of Be Shaping the Future S.p.A., the essential terms of which were disclosed to the market on 11 February 2022 through a press release by Tamburi Investment Partners S.p.A., the Board of Directors of Be received a request from Engineering Ingegneria Informatica S.p.A. (Engineering) - leading company in the sector of technological innovation, software production, automation and IT ecosystems, indirectly controlled by the private equity funds Bain Capital and NB Renaissance - to carry out, as part of the possible Transaction, a due diligence activity on Be and its subsidiaries.

On 15 February 2022, the Board of Directors of Be, having carefully assessed the Request in terms of proper balance between the need to protect the confidentiality of company data on the one hand, and the interest of all shareholders in not being denied an opportunity to liquidate their investment on the other, resolved to allow Engineering to carry out the due diligence on the Be Group.

With regard to the Covid-19 pandemic, the first part of 2022 is still highly impacted by management of the emergency and of the restrictive measures to contain it, although the latter have been gradually eased until their almost complete elimination. The national and international macroeconomic scenario continues, however, to show general uncertainty, mitigated by the start of the vaccination campaigns in the previous year, although we cannot reasonably rule out possible future lockdowns that could once again impact industrial and commercial activities with effects on the national and international economy.

In relation to the uncertainties arising from the ongoing conflict between Russia and Ukraine, it should be noted that the Be Group has its own presence in Kiev through its subsidiary Be Ukraine. The company operates towards branches of leading international institutions, with 40 direct employees and a turnover of approximately Euro 1 million. At present, ordinary activities continue uninterrupted and there are no interruptions in payment flows. It is impossible to define reliable development scenarios; however, due to the insignificant size (less than 1%) of the company's contribution to the Group's consolidation, no significant economic impact is foreseen even if the current situation worsens.

In light of the results recorded by the Group in 2021, the Company confirms the objectives defined in the 2021-2023 Business Plan. In the foreseeable macroeconomic scenario, we can reasonably expect further growth in financial year 2022.

The financial calendar for 2022, as announced, is currently confirmed.

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

The Board of Directors submits the Financial Statements of Be S.p.A. at 31 December 2021 to the Shareholders' Meeting for approval, which show a net profit of Euro 8,223,454.00 and proposes that the Shareholders' Meeting resolve:

- to approve the Financial Statements at 31 December 2021 of Be S.p.A.;
- to approve the proposal to allocate the net profit for the year as follows:
  - to Legal reserve for Euro 411,172.70;
  - to Profit carried forward for Euro 7,812,281.30;
  - to distribute a gross dividend of Euro 0.03 per share, drawn from Profit carried forward.

Milan, 15 March 2022.

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

Consolidated Financial Statements

A. Consolidated Statement of Financial Position*

Amounts in EUR thousands	***Notes***	**31.12.2021**	**31.12.2020**
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	2,714	2,273
Rights of use	*2*	10,303	9,135
Goodwill	*3*	96,740	70,374
Intangible assets	*4*	18,733	19,626
Equity investments in other companies	*5*	1,919	1,329
Loans and other non-current assets	*6*	673	830
Deferred tax assets	*7*	500	583
Total Non-current assets		**131,582**	**104,150**
CURRENT ASSETS			
Inventories	*8*	157	156
Assets deriving from contracts with customers	*9*	9,589	9,778
Trade receivables	*10*	23,556	22,014
Other assets and receivables	*11*	3,570	3,574
Direct tax receivables	*12*	270	802
Financial receivables and other current financial assets	*13*	177	165
Cash and cash equivalents	*14*	78,447	60,580
Total Current assets		**115,766**	**97,069**
Discontinued operations	*15*	6,963	0
Total Discontinued operations		**6,963**	**0**
TOTAL ASSETS		**254,311**	**201,219**
SHAREHOLDERS' EQUITY			
Share capital		27,109	27,109
Reserves		27,702	20,935
Net profit (loss) attributable to owners of the Parent Company		11,645	7,973
Group Shareholders' equity		**66,456**	**56,017**
Minority interests:			
Capital and reserves		553	1,737
Net profit (loss) attributable to minority interests		908	1,139
Minority interests		**1,461**	**2,876**
TOTAL SHAREHOLDERS' EQUITY	*16*	**67,917**	**58,893**
NON-CURRENT LIABILITIES			
Financial payables and other non-current financial liabilities	*17*	31,760	25,482
Financial liabilities for non-current rights of use	*19*	7,615	6,875
Provision for non-current risks	*23*	3,613	1,628
Post-employment benefits (TFR)	*20*	8,027	7,088
Deferred tax liabilities	*21*	4,679	5,458
Other non-current liabilities	*22*	16,303	6,416
Total Non-current liabilities		**71,997**	**52,947**
CURRENT LIABILITIES			
Financial payables and other current financial liabilities	*18*	26,933	22,053
Financial liabilities for current rights of use	*19*	3,567	3,047
Trade payables	*24*	27,356	22,076
Provision for current risks	*23*	3,903	2,300
Tax payables	*25*	4,877	1,481
Other liabilities and payables	*26*	41,070	38,422
Total Current liabilities		**107,706**	**89,379**
Discontinued operations	*15*	6,691	0
Total Discontinued operations		**6,691**	**0**
TOTAL LIABILITIES		**186,394**	**142,326**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**254,311**	**201,219**

B. Consolidated Income Statement*

Amounts in EUR thousands	*Notes*	2021	2020
Revenue	*27*	232,923	176,645
Other revenue and income	*28*	2,334	2,164
Total Revenue		**235,257**	**178,809**
Raw materials and consumables	*29*	(172)	(155)
Service costs	*30*	(96,420)	(74,620)
Personnel costs	*31*	(107,787)	(81,467)
Other operating costs	*32*	(2,126)	(1,928)
Cost of internal work capitalised	*33*	4,927	5,868
Amortisation and depreciation, write-downs and provisions			
Depreciation of property, plant and equipment	*34*	(768)	(771)
Amortisation of intangible assets	*34*	(6,111)	(6,111)
Amortisation of rights of use	*34*	(3,638)	(3,354)
Impairment loss on current assets	*35*	(421)	(167)
Costs for defined benefit plans	*36*	(1,954)	(1,493)
Allocations to provisions	*37*	(210)	0
Total Operating Costs		**(214,680)**	**(164,198)**
Operating profit (loss) (EBIT)		**20,577**	**14,611**
Financial income		134	100
Financial expense		(1,946)	(1,365)
Total Financial Income/Expense	***38***	**(1,812)**	**(1,265)**
Profit (loss) before tax		**18,765**	**13,346**
Current income taxes	*39*	(6,917)	(3,504)
Deferred tax assets and liabilities	*39*	705	(730)
Total Income taxes		**(6,212)**	**(4,234)**
Net profit (loss) from continuing operations		**12,553**	**9,112**
Net profit (loss) from discontinued operations		**0**	**0**
Net profit (loss)		**12,553**	**9,112**
Net profit (loss) attributable to minority interests	*16*	**908**	**1,139**
Net profit (loss) attributable to owners of the Parent Company		**11,645**	**7,973**
Earnings (loss) per share:			
Basic earnings per share (Euro)	*40*	**0.09**	**0.06**
Diluted earnings per share (Euro)	*40*	**0.09**	**0.06**

C. Consolidated Statement of Comprehensive Income

Amounts in EUR thousands	**2021**	**2020**
Net profit (loss)	**12,553**	**9,112**
Items not subject to reclassification in the income statement:		
Actuarial gains (losses) on employee benefits	(251)	104
Tax effect on actuarial gains (losses)	60	(25)
Items subject to reclassification in the income statement		
when certain conditions are met:		
Gains (losses) on cash flow hedges	114	(5)
Translation gains (losses)	826	(583)
Other items of comprehensive income	**749**	**(509)**
Net comprehensive profit (loss)	**13,302**	**8,603**
Attributable to:		
Owners of the Parent Company	12,394	7,464
Minority interests	908	1,139

D. Consolidated Statement of Cash Flows*

Amounts in EUR thousands	*Notes*	2021	2020
Net profit (loss)		12,553	9,112
Amortisation, depreciation and write-downs	*34*	10,517	10,236
Non-monetary changes in post-employment benefits (TFR)		158	1,497
Net financial expense in the income statement	*38*	2,075	1,377
Taxes for the year	*39*	6,917	3,504
Deferred tax assets and liabilities	*39*	(705)	730
Losses on current assets and provisions	*35-36-37*	6,043	3,577
Release of bad debt provisions	*23*	(150)	(455)
Other non-monetary changes		162	12
Non-monetary income from business combinations		(45)	0
Cash flow from operating activities		**37,525**	**29,590**
Change in inventories	*8*	(1)	(153)
Changes in assets deriving from contracts with customers	*9*	110	1,735
Change in trade receivables	*10*	(831)	(4,589)
Change in trade payables	*24*	6,967	9,710
Use of bad debt provisions	*23*	(1,998)	(7,918)
Other changes in current assets and liabilities		641	13,307
Income taxes paid	*25*	(1,628)	(3,017)
Post-employment benefits (TFR) paid	*20*	(525)	(1,319)
Other changes in non-current assets and liabilities		(775)	(3,004)
Change in net working capital		**1,960**	**4,752**
Cash flow from (used in) operating activities		**39,485**	**34,342**
(Purchase) of property, plant and equipment net of disposals	*1*	(565)	(883)
(Purchase) of intangible assets net of disposals	*3*	(5,022)	(6,277)
Cash flow from business combinations net of cash acquired	*Par. 2.13*	(11,995)	(1,751)
(Purchase)/sale of equity investments and securities		(557)	(24)
Cash flow from (used in) investing activities		**(18,139)**	**(8,935)**
Change in current financial assets	*13*	6	(61)
Change in current financial liabilities	*18*	4,787	6,493
Financial expense paid	*38*	(1,053)	(986)
Change in non-current financial liabilities	*17*	6,019	4,462
Repayments of lease liabilities	*19*	(3,542)	(3,138)
Cash paid for purchase of share pertaining to third parties	*Par. 2.5*	(3,698)	0
Cash paid to purchase own shares	*16*	(368)	(2,795)
Distribution of dividends paid to Group shareholders	*16*	(3,832)	(2,992)
Dividends resolved for minority interests	*16*	(78)	0
Contributions from minority interests	*16*	0	5
Cash flow from (used in) financing activities		**(1,759)**	**988**
Cash flow from (used in) discontinued operations		**0**	**0**
Cash and cash equivalents		**19,587**	**26,395**
Net cash and cash equivalents - opening balance	*14*	60,580	34,185
Discontinued cash and cash equivalents	*14-15*	1,720	0
Net cash and cash equivalents - closing balance	*14*	78,447	60,580
Net increase (decrease) in cash and cash equivalents		**19,587**	**26,395**

** 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.*

E. Statement of Changes in Consolidated Shareholders' Equity

Amounts in EUR thousands	Share capital	Reserves and profit carried forward	Profit (loss) for the year	Group Shareholders' equity	Minority interests	Total
SHAREHOLDERS' EQUITY AT 31.12.2019	**27,109**	**21,144**	**6,087**	**54,340**	**1,732**	**56,072**
Net profit (loss)			7,973	7,973	1,139	9,112
Other items of comprehensive income		(509)	0	(509)	0	(509)
Net comprehensive profit (loss)		**(509)**	**7,973**	**7,464**	**1,139**	**8,603**
Allocation of prior year profit (loss)		6,087	(6,087)			0
Purchase of own shares		(2,795)		(2,795)	0	(2,795)
Contributions from minority interests					5	5
Dividend distribution		(2,992)		(2,992)	0	(2,992)
SHAREHOLDERS' EQUITY AT 31.12.2020	**27,109**	**20,935**	**7,973**	**56,017**	**2,876**	**58,893**
Net profit (loss)			11,645	11,645	908	12,553
Other items of comprehensive income		749	0	749	0	749
Net comprehensive profit (loss)		**749**	**11,645**	**12,394**	**908**	**13,302**
Allocation of prior year profit (loss)		7,973	(7,973)	0	0	0
Purchase of own shares		(368)		(368)	0	(368)
Dividend distribution		(3,832)		(3,832)	(78)	(3,910)
Other changes		2,245		2,245	(2,245)	0
SHAREHOLDERS' EQUITY AT 31.12.2021	**27,109**	**27,702**	**11,645**	**66,456**	**1,461**	**67,917**

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 nearly 1,800 employees and branches in Italy, Germany, United Kingdom, Switzerland, Austria, Poland, Ukraine, Spain and Romania, the Czech Republic and Luxembourg, in 2021 the Group recorded total revenues of Euro 235.3 million.

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

The consolidated financial statements at 31 December 2021 were approved for publication by the Parent Company Board of Directors on 15 March 2022.

2. Measurement criteria and accounting standards

2.1. Presentation criteria

The consolidated financial statements of the Be Group at 31 December 2021 have been prepared in compliance with the *International Financial Reporting Standards* (IFRS) *issued by the International Accounting Standards Board ("IASB")* and endorsed by the European Union, as well as with provisions issued in implementation of art. 9 of Italian Legislative Decree 38/2005. The above standards are integrated with IFRIC (*International Financial Reporting Interpretations Committee*) and SIC (*Standing Interpretations Committee*) interpretations. The consolidated financial statements comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity and the relative notes to the consolidated financial statements.

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

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

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

With regard to segment reporting in accordance with IFRS 8, note that in view of the Group's business operations the reference format is that for operating segments, a better description of which can be found in paragraph 2.14 "Segment reporting".

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

This document is compared with the previous consolidated financial statements, drawn up on the same criteria; the closing date of the financial year, which lasts 12 months, is 31 December of each year. In preparing these financial statements, the directors used going concern assumptions and therefore prepared the statements on the basis of standards and criteria applying to fully operative companies.

For further information, please refer to paragraph 2.4 "Disclosure on going concern assumptions".

The accounting principles adopted are in line with those adopted last year, with the exception of any effects resulting from the application of new accounting standards, detailed below in paragraph 2.10 "IFRS accounting standards, amendments and interpretations applicable from 1 January 2021".

2.2. Discretionary measurements and significant accounting estimates

Preparation of the financial statements and related notes in application of IFRS requires that management perform discretionary measurements and accounting estimates that have an effect on the value of assets, liabilities, revenue and costs in the financial statements and disclosures. The final results could differ from such estimates. The estimates are used in measuring goodwill, in recognising impairment loss on current assets, costs for defined benefit plans and allocations to provisions, in measuring property, plant and equipment and intangible assets, in defining put&call options, in determining amortisation and depreciation and in calculating taxes and provisions for risks and charges.

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

2.3. Uncertainty of estimates

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

The 2022-2024 Business Plan, approved by the Board of Directors' Meeting held on 21 February 2022 (hereinafter "2022-2024 Plan"), was prepared by the Directors for the purpose of Impairment testing, on the basis of forecasts and assumptions inherent to future trends in operations and the reference market.

The forecasts represent the best estimate of future events that management expects to arise and of action that management intends to take. These were estimated on the basis of final figures, orders already received or sales to be made to established customers, as such presenting a lower degree of uncertainty and therefore a higher probability of actually occurring.

Vice versa, the assumptions relate to future events and actions, fully or partly independent from management action; they are therefore characterised by a greater degree of chance, and in the case in hand mainly relate to the trend with moderate and significant growth, respectively, in the ICT Solutions and Business Consulting segments, in terms of volumes as well as margins, based on ongoing and constant expansion onto the market, as well as a trend of more accentuated growth in volumes than the Digital segment, driven by the digital transformation of the financial institutions.

Consequently, the Directors acknowledge that the strategic objectives identified in the 2022-2024 Plan, though reasonable, present profiles of uncertainty due to the chance nature of future events occurring and the characteristics of the reference market, and also as regards the occurrence of events represented in the plan, their extent and timing.

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

In this regard, although at a time of general uncertainty generated by the spread, in 2020, of Covid 19 (Coronavirus) and by the consequent restrictive measures set in place to contain it, as well as the war between Russia and Ukraine that erupted in early 2022, at present we believe that the grounds on which the forecasts of future cash flows used for impairment testing were based can still be considered valid. Nevertheless, we cannot rule out the possibility that the continuation of the current situation of uncertainty may have economic impacts, which, on the date of preparation of the financial statements, cannot be quantified or estimated. Therefore, it is important to note that, based on the coverage resulting from impairment testing of asset values recognised, at present the Directors do not believe there are any elements of uncertainty as to the recoverability of the same, although they will be continuously monitored during the rest of the year. Further details on the considerations of the Directors with regard to the spread of the Coronavirus are provided in the Management Report.

2.4. Disclosure on going concern assumptions

The 2022-2024 Plan was prepared based on forecasts and assumptions inherent to future trends in operations and in the reference markets. 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 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 relation to the uncertainties arising from the ongoing conflict between Russia and Ukraine, it should be noted that the Be Group - through its subsidiary based in Kiev - has its own presence in Kiev through its subsidiary Be Ukraine. The company operates towards branches of leading international institutes, with 40 direct employees and approximately Euro 1 million in turnover. At present, ordinary activities continue uninterrupted and there are no interruptions in payment flows. It is impossible to define reliable development scenarios; however, due to the insignificant size (less than 1%) of the company's contribution to the Group's consolidation, no significant economic impact is foreseen even if the current situation worsens.

Therefore, in the light of the above and by virtue of the results achieved by the Group in 2021, in compliance with the macroeconomic scenario, the assumptions made at the time of approving the 2021 financial statements can be confirmed, with reference also to the growth objectives set for the year 2022 and more generally for the entire 2022-2024 Business Plan.

The results for 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 2021 financial statements.

Last but not least, a number of transactions are worth mentioning (see paragraph 2.11 "Business combinations in the reporting period", paragraph 5 "Significant events involving the Group in 2021" and paragraph 8 "Events after 31 December 2021 and business outlook"), which confirm the Group's ability to face its internal and external growth strategy.

Given the above and given the contents of paragraph 8 "Events after 31 December 2021 and business outlook" in the Management Report, the Directors considered going concern assumptions to be appropriate in preparing the Consolidated Financial Statements as no uncertainties have emerged associated with events or circumstances which, taken individually or as a whole, could give rise to doubts about the company as a going concern.

2.5. Scope of consolidation

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

Taking previous considerations into account, a list of equity investments in companies included in the scope of consolidation is provided below, as required by Consob Communication 6064293 of 28 July 2006:

Company name	Registered office	Share capital	Currency	Parent Company	% interest	Minority interests
Be Shaping the Future S.p.A.	Rome	27,109,165	EUR			
Be Shaping the Future Corporate Services S.p.A.	Rome	450,000	EUR	Be Shaping the Future S.p.A.	100.00%	0.00%
Be DigiTech Solutions S.p.A.	Rome	7,548,441	EUR	Be Shaping the Future S.p.A.	100.00%	0.00%
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 The Change S.r.l.	Milan	10,000	EUR	Be Shaping the Future S.p.A.	100.00%	0.00%
Iquii S.r.l.	Rome	10,000	EUR	Be The Change S.r.l.	100.00%	0.00%
Crispy Bacon Holding S.r.l.	Marostica	12,000	EUR	Be Shaping the Future S.p.A.	51.00%	49.00%
Crispy Bacon S.r.l.	Marostica	10,000	EUR	Crispy Bacon Holding S.r.l.	100.00%	0.00%
Crispy Bacon Shpk	Tirana	10,000	ALL	Crispy Bacon Holding S.r.l.	90.00%	10.00%
Be Management Consulting S.p.A.	Rome	120,000	EUR	Be Shaping the Future 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%
Tesla Consulting S.r.l.	Bologna	10,000	EUR	Be Management Consulting S.p.A.	60.00%	40.00%
Be Think Solve Execute RO S.r.l.	Bucharest	22,000	RON	Be Management Consulting S.p.A.	100.00%	0.00%
Be Shaping the Future sp z.o.o	Warsaw	1,000,000	PLN	Be Management Consulting S.p.A.	100.00%	0.00%
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%
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 Management Consulting S.p.A.	100.00%	0.00%
Be Shaping The Future GmbH	Vienna	35,000	EUR	Be Management Consulting S.p.A.	100.00%	0.00%
Be TSE Switzerland AG	Zurich	100,000	CHF	Be Management Consulting S.p.A.	100.00%	0.00%
Fimas GmbH	Frankfurt	25,000	EUR	Be Management Consulting S.p.A.	100.00%	0.00%
Confinity GmbH	Magdeburg	50,000	EUR	FIMAS GmbH	100.00%	0.00%
Be Shaping the Future SARL	Luxembourg	12,000	EUR	Be Management Consulting S.p.A.	100.00%	0.00%
Be Shaping the Future Czech republic s.r.o.	Prague	120,000	CZK	Be Management Consulting S.p.A.	100.00%	0.00%
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%
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%
Soranus AG	Zurich	100,000	CHF	Be Management Consulting S.p.A.	55.00%	45.00%

[1] *At 31 December 2021, the Company is in liquidation.*

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;
- 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 1.56 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 1.08 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;
- in July, Be Management Consulting S.p.A. acquired from the Group company Be Shaping the Future GmbH the 100% stake it held in the companies Be Shaping the Future GmbH (formerly Targit GmbH), Be TSE Switzerland AG, Be Shaping the Future Financial Industry Solutions AG and the 90% stake held in FIMAS GmbH;
- in August, the Be Group completed the acquisition of 55% of the share capital of Soranus AG, for a price of approximately Euro 3.1 million;
- in September, the company Be Shaping the Future SARL was established, 100% owned by Be Management Consulting S.p.A.;
- in November, the companies Be Shaping the Future Czech republic sro, 100% controlled by Be Management Consulting S.p.A. and the company Be The Change S.r.l., 100% controlled by Be Shaping the Future S.p.A., were established;
- in November, the Be Group completed the acquisition of 51% of the share capital of Crispy Bacon Holding S.r.l., which in turn holds 100% of Crispy Bacon S.r.l. and 90% of Crispy Bacon Shpk, for approximately Euro 2.3 million;
- in December, the Be Group acquired the remaining 10% of the minority shares of Fimas GmbH. The cost of the transaction for Be was approximately Euro 0.56 million;
- in December Be Management Consulting S.p.A. acquired from the Parent Company Be Shaping the Future S.p.A. the 100% stake it held in the company Be Think Solve Execute RO S.r.l.;

- in December Be The Change S.r.l. acquired from the Group company Be Digitech Solutions S.p.A. the 100% stake held by it in the company Iquii S.r.l.

During the 2021 financial year, the cost of transactions to purchase minority interests in companies already included within the scope of consolidation at 31 December 2021 was approximately Euro 3.7 million.

2.6. 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 acquisition date, namely from the date on which the Group acquired control, and are no longer consolidated from the date on which control is transferred out of the Group. In preparing the consolidated financial statements, assets and liabilities are assumed on a line-by-line basis, as are the costs and revenue of the companies consolidated, at their total amount, attributing the portion of shareholders' equity and of the profit (loss) for the year relating to minority shareholders under specific items of the statement of financial position and the income statement.

The book value of the equity interest in each subsidiary is eliminated against the corresponding portion of shareholders' equity of each subsidiary, including any fair value adjustments, at the acquisition date, to the relative assets and liabilities; any remaining difference that arises, if positive, is allocated to goodwill, and if negative, to the income statement.

All intercompany balances and transactions, including any unrealised gains resulting from transactions performed between Group companies, are eliminated in full. The amount of gains and losses recorded with associated companies attributed to the Group are eliminated. Intercompany losses are eliminated, unless they represent impairment losses.

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

The assets and liabilities of foreign subsidiaries are converted into Euro at the exchange rate in force on the date of the financial statements.

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

2.8. Transactions and balances in foreign currency

Transactions in foreign currencies are recognised at the exchange rate in force on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies on the reference date of the financial statements, are converted at the exchange rate in force on said date. The exchange rate differences generated by the derecognition of monetary items or by their conversion at different rates to those at which they were converted at the time of initial recognition are booked to the income statement. The table below shows the exchange rates used to convert into Euro the 2021 - 2020 financial statements in foreign currencies:

Exchange rates

Currency	2021 average	31.12.2021	2020 average	31.12.2020
British Pound (GBP)	0.8599	0.8403	0.8894	0.8990
Polish Zloty (PNL)	4.5645	4.5969	4.4436	4.5597
Ukrainian Hryvnia (UAH)	32.2877	30.9219	30.8263	34.7689
Romanian Leu (RON)	4.9211	4.9490	4.8381	4.8683
Swiss Franc (CHF)	1.0813	1.0331	1.0703	1.0802
Albanian Lira (ALL)	122.4544	120.7100	0	0
Czech crown (CZK)	25.6461	24.8580	0	0

2.9. Accounting principles

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

2.9.1. Intangible assets

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

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

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

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

- patent rights and intellectual property rights - from 3 to 10 years;
- IT platforms - from 3 to 10 years;

- concessions, licences and trademarks - the shorter between the duration of the right or 5 years;
- other software - 3 years.

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

2.9.1.1. Research and development costs

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

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

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

2.9.2. Rights of use

For rights of use, refer to note 2.9.18.

2.9.3. Goodwill

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

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

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

In cases in which the goodwill is allocated to a cash flow generating unit (or group of units) whose assets are partially disposed of, the goodwill associated to the asset sold is considered when establishing any gain or loss resulting from the transaction. In these circumstances, the goodwill transferred is measured on the basis of the values relating to the asset disposed of with respect to the asset still held with relation to the same unit.

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

2.9.4. Property, plant and equipment

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

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

The rates of depreciation used are as follows:

Rates of depreciation

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

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

2.9.5. Impairment loss on assets

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

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

2.9.6. Equity investments in other companies

Investments in equity, generally comprising shareholdings with stakes of less than 20% and not for trading purposes, in accordance with the option envisaged by IFRS 9, are accounted for by recording changes in fair value in the Income Statement.

The fair value is identified, in the case of listed equity investments, with the stock market value at the end of the period and, in the case of investments in unlisted companies, with the value estimated on the basis of valuation techniques. These valuation techniques include comparison with the values of recent similar transactions and other valuation techniques that are essentially based on the analysis of the investee's capacity to generate future cash flows, discounted to reflect the time value of money and the specific risks of the business carried out.

Investments in equity instruments that are not listed on a regulated market and whose fair value cannot be reliably measured are measured at cost, reduced for impairment if necessary.

The choice between the above methods is not optional, as they must be applied in hierarchical order: absolute priority is given to official prices available on active markets (effective market quotes - level 1) or for assets and liabilities measured on the basis of valuation techniques that use parameters observable on the market as a reference (comparable approaches - level 2) and lower priority to assets and liabilities whose fair value is calculated on the basis of valuation techniques that use parameters not observable on the market as references and are therefore more discretionary (market model - level 3).

2.9.7. Financial assets

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

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

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

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

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

2.9.8. Inventories

Warehouse inventories are recognised at the lower between the purchase or production cost and the net recoverable amount represented by the amount that the enterprise expects to obtain from their sale during the normal course of business. The cost of inventories is determined by applying the weighted average cost. The value of inventories obtained in this way is then adjusted by a specific "provision for obsolete goods", to take into account goods whose recoverable amount is lower than their cost.

2.9.9. Trade receivables and other receivables

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

2.9.10. Cash and cash equivalents

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

2.9.11. Discontinued operations

Non-current assets and current and non-current assets of disposal groups are classified as held for sale if their book value will be recovered mainly through sale rather than through continuous use. This condition is considered to be met when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. In the event of a sale of a subsidiary that involves the loss of control, all the assets and liabilities of that investee are classified as held for sale, regardless of whether or not a stake is maintained after the sale. Verification of compliance with the conditions envisaged for the classification of an item as intended for sale requires company management to make subjective assessments by formulating reasonable and realistic assumptions on the basis of the information available.

Non-current assets held for sale, current and non-current assets relating to disposal groups and directly associated liabilities are recognised in the statement of financial position separately from the other assets and liabilities of the company.

Immediately before being classified as held for sale, the assets and liabilities belonging to a disposal group are valued based on the accounting principles applicable to them. Subsequently, non-current assets held for sale are not subject to amortisation and are valued at the lower of the book value and the relative fair value, reduced by sales costs.

Any negative difference between the book value of non-current assets and the fair value reduced by sales costs is recognised in the income statement as a write-down; any subsequent write-backs are recognised up to the amount of the previously recognised write-downs, including those recognised prior to the classification of the asset as held for sale.

Non-current assets and current and non-current assets (and any associated liabilities) of disposal groups, classified as held for sale, constitute a discontinued operation if, alternatively: (i) they represent a significant independent business branch or a geographic area of significant activity; (ii) they are part of a plan to dispose of a significant independent business branch or a geographic area of significant activity; or (iii) they refer to a subsidiary acquired solely for the purpose of its sale. The results of discontinued operations, as well as any capital gains/losses realised upon disposal, are indicated separately under a specific item of the income statement, net of the related tax effects, including for the years under comparison.

2.9.12. Own shares

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

2.9.13. Employee benefits

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

Post-employment benefits reflect the amount accrued in favour of employees, in accordance with the law in force and collective labour agreements. The liabilities relating to defined benefit plans, net of any assets serving the plan, are determined on the basis of actuarial assumptions and are recognised on an accrual basis in accordance with the work performed required to obtain the benefits; these liabilities are measured by independent actuaries. From 1 January 2007, the nature of Provisions for post-employment benefits changed from "defined benefit plans" to "defined contribution plans". For IAS purposes, post-employment benefits (TFR) provisions accrued at 31 December 2006 continue to be considered a defined benefit plan. The accounting treatment of the amounts maturing from 1 January 2007 is therefore similar to that existing for payments of other types of contribution, both in the case of the supplementary pension plan option, and in the case in which it is paid into the Treasury Fund held by INPS. As regards the liabilities relating to the defined benefit plan, IAS 19 envisages that all of the actuarial profits and losses accrued at the date of the financial statements should be immediately recognised in the "Statement of Comprehensive Income" (Other Comprehensive Income, hereafter OCI).

2.9.14. Provisions for risks and charges

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

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

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

2.9.15. Trade payables and other payables

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

2.9.16. Financial liabilities

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

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

2.9.17. Grants

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

2.9.18. Leased assets

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

The value of the right of use is systematically depreciated on the basis of the expiry terms of the lease agreement, also considering the likely renewal of the agreement in the presence of an enforceable renewal option. Payments relating to lease agreements with a term equal to or less than 12 months, and agreements whose underlying asset is of low value are recognised on a straight line basis in the income statement based on the term of the agreement.
The Group has defined the lease term as the non-cancellable period of the contract, also considering the periods covered by an option to extend the lease, if the Company is reasonably certain to exercise that option. In particular, in assessing the reasonable certainty of exercising the renewal option, the Group considered all the relevant factors that create an economic incentive to exercise the renewal option.

2.9.19. Revenue

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

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

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

Specifically:

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

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

2.9.20. Costs of goods and services

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

2.9.21. Write-down of financial assets

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

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

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

2.9.22. Current and deferred taxes

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

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

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

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

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

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

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

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

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

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

Be Shaping the Future S.p.A (hereinafter "Be S.p.A."), the consolidating Parent Company, has a tax consolidation option for the three-year period 2021-2023 with subsidiary Be Shaping The Future, DigiTech Solutions S.p.A. (hereinafter "Be Solutions"), for the three-year period 2019-2021 with subsidiary Juniper S.r.l. and for the three-year period 2020-2022 with subsidiaries Be Shaping The Future, Management Consulting S.p.A. (hereinafter "Be Management Consulting S.p.A."), Be Shaping the Future Corporate Services S.p.A., Iquii S.r.l., Tesla S.r.l and Human Mobility S.r.l. Note that, Italian Legislative Decree 147 dated 14 September 2015 (so-called Internationalisation decree) introduced the regime of the so-called "branch exemption", namely the option of exempting the income (and the losses) of permanent foreign organisations, who are therefore taxed exclusively in the Country in which the permanent organisation is located. Therefore, iBe Think Solve Execute Ltd-Italian Branch also chose this option until FY 2023. Economic, equity and financial transactions resulting from the application of tax consolidation are regulated by a "tax consolidation contract" which disciplines the legal relationships resulting from the national tax consolidation scheme. On the basis of this agreement, against taxable income recorded and transferred to the Parent Company, the Subsidiary undertakes to recognise "tax adjustments" corresponding to the sum of the relative taxes due on the income transferred to the Parent Company.

2.9.23. Interest

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

2.9.24. Dividends

Dividends: are recognised when the right of shareholders to receive payment arises.

2.9.25. Foreign currency translation

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

2.9.26. Business combinations

A business combination is an operation, or other event, by which an acquirer obtains control of one or more businesses. Based on the provisions of IFRS 3, all business combinations are accounted for using the acquisition method, which considers a business combination from the point of view of the acquirer and, consequently, assumes that in each business combination an acquirer must be identified. The acquisition date is the date on which the acquirer obtained control of the other companies or businesses subject to the combination. At the acquisition date, financial statements of the acquired company must be available for the consolidation of the results in the consolidated income statement and measurement of the fair value of the assets and liabilities acquired, including goodwill.

The assets acquired and the liabilities assumed are valued by the acquiring company at their fair value at the acquisition date, on the basis of the definition provided by IFRS 13.

In particular, based on the acquisition method:

- the consideration transferred into a business combination is recognised at fair value, calculated as the sum of the fair values of the assets transferred and the liabilities assumed by the Group as at the acquisition date and the capital instruments issued in exchange for control of the acquired company. Accessory charges to the transaction are recognised in the income statement when they are incurred;
- at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at fair value; an exception is made for deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments relating to share-based payments of the acquired company or share-based payments relating to the Group issued in lieu of contracts of the acquired company, and the assets (or groups of assets and liabilities) held for sale, which are instead valued according to their reference standard;
- goodwill is calculated as the excess of the sum of the consideration amounts transferred in the business combination, the amount of equity attributable to third-party interests and the fair value of any previously held equity investment in the acquired company with respect to the fair value of the net assets and liabilities acquired at the acquisition date. If the value of the net assets and liabilities acquired at the acquisition date exceeds the sum of the consideration amounts transferred, the amount of equity attributable to minority interests and the fair value of any previously held equity investment in the acquired company, this excess is recognised immediately in the income statement as income from the completed transaction;
- any payments subject to conditions provided for in the business combination agreement are valued at fair value at the acquisition date and included in the value of the consideration amounts transferred in the business combination for the purpose of determining goodwill.

If the initial values of a business combination are incomplete at the closing date of the financial statements in which the business combination took place, the Group reports in its consolidated financial statements the provisional values of the elements for which recognition cannot be completed. These provisional values are adjusted in the measurement period to take into account the new information obtained on facts and circumstances existing at the acquisition date which, if known, would have had effects on the value of the assets and liabilities recognised at that date.

2.9.27. Liabilities for Put & Call

The acquisition contracts entered into by the Group provide for the exercise, in the years following the acquisition date, of put & call options which give the minority shareholders the right to sell the shares they hold to the Group.

Under the EU-IFRS, the treatment applicable to put options relating to minority interests is not fully regulated. Indeed, while the recognition of a put option on minority interests gives rise to the recognition of a liability, what the counterpart should be is not regulated. Upon initial recognition, the financial liability will be recognised in an amount corresponding to the appropriately discounted amount that must be paid to exercise the option. Subsequent changes in the value of the liability will be recognised in the statement of comprehensive income in accordance with the provisions of IFRS 9.

In lieu of an express regulation of the issue in the reference framework, the accounting policy adopted by the Group with specific regard to the offsetting entry of the liability recognised provides for a reduction in the shareholders' equity attributable to minority shareholders, and, therefore, an impact on the determination of the goodwill arising from the business combination.

2.9.28. Earnings per share

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

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

2.9.29. Derivative financial instruments and hedges

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

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

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

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

When derivatives hedge the risk of changes in the cash flows of the instruments hedged (cash flow hedge), the changes in the fair value of the derivatives considered effective are initially recognised in the equity reserve relating to other comprehensive income components and later through profit or loss consistent with the economic effects produced by the transaction hedged. In the event of the hedging of future transactions, which entails recognising a non-financial asset or liability, the cumulative changes in the fair value of the hedging derivatives, recognised under shareholder's equity, are booked to adjust the recognition value of the non-financial assets/liabilities hedged (called basis adjustment). The non-effective portion of the hedge is recognised in the Income Statement item "(Charges)/Income from derivative instruments". At 31 December 2021, the Group had four swaps in place after entering into three loan agreements with a term of five years, at a floating rate of interest.

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

The accounting standards 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 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 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 Consolidated Financial Statements.

2.11. IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the European Union, whose application is not yet compulsory and for which the Group did not opt for early adoption at 31 December 2021

At 31 December 2021, there were no IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the European Union, whose application is not yet compulsory and for which the Group did not opt for early adoption.

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

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

- On 18 May 2017, the IASB published **IFRS 17 - Insurance Contracts**, which will replace IFRS 4 - Insurance Contracts. The objective of the new standard is to ensure that an entity provides pertinent information that truthfully represents the rights and obligations under the insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in the existing accounting standards, providing a single principle-based framework to take into account all types of insurance contracts, including the reinsurance contracts that an insurer holds. The new standard also envisages requirements for presentation and disclosure to improve the comparability of entities belonging to this sector. The new standard measures an insurance contract 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.

2.13. Business combinations in the reporting period

As described above, during 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, 60% of the share capital of Be Your Essence ("BYE") and 55% of the share capital of Soranus AG, confirming its strategy of consolidation on the European market, and 51% of the share capital of Crispy Bacon Holding S.r.l.

Acquisition of Firstwaters Gmbh

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 at the date **(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 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 estimated purchase price for the remaining 14.29% of the company's share capital is Euro 2,553 thousand.

These amounts have been updated at the date of these financial statements to Euro 1,169 thousand (corresponding to a discounted value at the acquisition date equal to Euro 1,024 thousand) for the first 50% and to Euro 1,452 thousand (corresponding to Euro 1,244 thousand discounted to the acquisition date).

The transaction was accounted for using the acquisition method with effect from the date of acquisition of control. The Group exercised the right to recognise the fair value of assets and liabilities, thereby recording a gain of Euro 12,858 thousand, which was allocated to goodwill.

In the period between the date of acquisition of control by the Be Group and the closing date of the Consolidated Financial Statements at 31 December 2021, Firstwaters achieved a total revenue of Euro 12,728 thousand and a net profit of Euro 1,980 thousand.

Acquisition of Soranus AG

The reference values for the acquisition of Soranus AG were as follows:

Amounts in EUR thousands	**Book value of the business acquired**	**Fair value adjustments**	**Fair value**
Property, plant and equipment	488		488
Trade receivables	1,014		1,014
Other assets and receivables	244		244
Cash and cash equivalents	1,422		1,422
Trade payables	(173)		(173)
Other liabilities and payables	(1,038)		(1,038)
NET ACQUIRED ASSETS (FAIR VALUE) (A)	**1,957**	**0**	**1,957**
Consideration paid discounted at the date **(B)**			4,236
Fair value of minority interests that can be acquired through put&call option **(C)**			7,087
GOODWILL (B+C-A)			**9,366**
CASH FLOW FROM THE ACQUISITION			
Payment already made			(4,257)
Cash and cash equivalents acquired			1,422
NET CASH FLOW FROM BUSINESS COMBINATION			**(2,835)**

The purchase price for 100% of the share capital was set as Euro 11,323 thousand.

With reference to the purchase of 55% of the company, Be Consulting S.p.A paid Euro 3,083 thousand during the third quarter upon closing, equal to 80% of the amount due for acquisition of the majority interest, and Euro 1,174 thousand during the fourth quarter, determined based on the company's Net Financial Position.

Recognition of the remaining 20% of the amount due for acquisition of the majority interest whose value, based on the achievement of certain results and on the company's Net Financial Position, has been estimated at Euro 574 thousand (560 thousand discounted) is also contractually envisaged by 2022.

The agreement also envisages an option to purchase the remaining 45.00% interest in three successive stages, through a put&call option to be exercised on 50% of the minority interests by June 2025, 25% of the minority interests by June 2026 and the remaining 25% by June 2027:

- 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 was calculated, based on currently available estimates, at Euro 2,755 thousand (corresponding to an amount discounted to the acquisition date of Euro 2,454 thousand);
- an earn-out for the second 25% 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 1,377 thousand (corresponding to Euro 1,191 thousand discounted to the acquisition date).

- an earn-out for the third 25% 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 1,377 thousand (corresponding to Euro 1,157 thousand discounted to the acquisition date).

During the course of 2025, the recognition of an integration of the purchase price to the seller for acquisition of the majority interest is contractually envisaged, the value of which, based on the company's Net Financial Position, was estimated at Euro 1,947 thousand (1,724 thousand discounted to the acquisition date).

These amounts were updated at the date of these financial statements respectively as follows:

- purchase price integration to be paid in 2022 for Euro 747 thousand (728 thousand at the acquisition date);
- earn-out for the first 50% of Euro 2,861 thousand (Euro 2,549 thousand at the acquisition date);
- purchase price integration based on the NFP of Euro 2,022 thousand (1,791 thousand at the acquisition date);
- earn-out for the second 25% of Euro 1,430 thousand (Euro 1,237 thousand at the acquisition date);
- earn-out for the third 25% of Euro 1,430 thousand (Euro 1,201 thousand at the acquisition date).

The transaction was accounted for using the acquisition 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 9,366 thousand, which was allocated to goodwill. The purchase price allocation exercise, as permitted by the standard, will be finalised within 12 months from the acquisition 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 31 December 2021, Soranus AG achieved a total revenue of Euro 3,745 thousand and a net profit of Euro 274 thousand.

Acquisition of Be Your Essence S.r.l.

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	2		2
Other assets and receivables	43		43
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 ACQUIRED ASSETS (FAIR VALUE) (A)	**10**	**0**	**10**
Share Capital Increase subscribed upon acquisition **(B)**			350
Consideration paid for Share Capital increase at 31 December 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
NET 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 interest, 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).

Following the results achieved by the company in 2021, the consideration for payment of the *earn-out to the seller* was updated to Euro 220 thousand, (204 thousand discounted to the acquisition date).

The transaction was accounted for using the acquisition method with effect from the date of acquisition of control. The Group exercised the right to recognise the fair value of assets and liabilities, thereby recording a gain of Euro 1,498 thousand, which was allocated to goodwill.

In the period between the date of acquisition of control by the Be Group and the closing date of the Consolidated Financial Statements at 31 December 2021, the Company achieved a total revenue of Euro 621 thousand and a net loss of Euro 22 thousand.

Acquisition of Crispy Bacon Group

The reference values of the acquisition of Crispy Bacon Group, of which Crispy Bacon Holding S.r.l. is the Parent Company, are set out below:

Amounts in EUR thousands	**Book value of the business acquired**	**Fair value adjustments**	**Fair value**
Property, plant and equipment	114		114
Intangible assets	15		15
Trade receivables	974		983
Equity investments	33		33
Tax receivables	61		61
Other assets and receivables	70		70
Cash and cash equivalents	846		846
Short-term financial receivables	19		19
Post-employment benefits (TFR)	(184)		(184)
Trade payables	(93)		(93)
Long-term financial payables	(85)		(85)
Short-term and long-term risk provisions	(114)		(114)
Other liabilities and payables	(647)		(770)
NET ACQUIRED ASSETS (FAIR VALUE) (A)	**1,009**	**0**	**1,009**
Consideration paid discounted to the acquisition date **(B)**			2,314
Fair value of minority interests that can be acquired through put&call option **(C)**			3,757
GOODWILL (B+C-A)			**5,061**
CASH FLOW FROM THE ACQUISITION			
Payment already made			(2,314)
Cash and cash equivalents acquired			846
NET CASH FLOW FROM BUSINESS COMBINATION			**(1,468)**

The purchase price for 100% of the share capital was set as Euro 6,070 thousand.

With regard to the purchase of 51% of the company, Be Consulting S.p.A paid Euro 2,314 thousand during the fourth quarter upon closing and Euro 1,149 thousand during the fourth quarter.

During the course of 2022, the recognition of an integration of the purchase price to the seller for acquisition of the majority interest is contractually envisaged, the value of which, based on the company's Net Financial Position, was estimated at Euro 136 thousand (135 thousand discounted to the acquisition date).

The contract also envisages the recognition of an earn-out to the seller for acquisition of the majority interest, the value of which, based on the achievement of specific future operating results, is estimated at Euro 888 thousand (Euro 826 thousand discounted).

The agreement also envisages an option to purchase the remaining 49.00% interest in two successive stages, through a put&call option to be exercised on 25% of the minority interests by June 2026 and the remaining 25% by June 2028:

- an earn-out for the first 50% based on the operating results recorded by the subsidiary in FYs 2024 and 2025. This earn-out, calculated based on currently available estimates, is equal to Euro 1,646 thousand (corresponding to Euro 1,442 thousand discounted to the acquisition date);
- an earn-out for the second 25% based on the operating results achieved by the subsidiary in FYs 2026 and 2027. This earn-out, calculated based on currently available estimates, is equal to Euro 1,646 thousand (corresponding to Euro 1,352 thousand discounted to the acquisition date).

The transaction was accounted for using the acquisition 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 5,061 thousand, which was allocated to goodwill.

The purchase price allocation exercise, as permitted by the standard, will be finalised within 12 months from the acquisition 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 31 December 2021, the Crispy Bacon Group achieved a total revenue of Euro 1,520 thousand and a net profit of Euro 164 thousand.

2.14. Segment reporting

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

- **Business Consulting:**

  Business Unit active in the business consulting sector. This business unit operates through Be Management Consulting S.p.A., Be 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), Soranus AG, Be Shaping the Future S.a.r.l., Tesla Consulting S.r.l. and Be Your Essence S.r.l., Be Think Solve Execute RO S.r.l, Be Shaping the Future Czech republic s.r.o.

- **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.

- **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., as well as Be the Change S.r.l. and the Crispy Bacon Group, the latter of which entered the Be Group during the second half of 2021.

  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 positions of the Group for 2021 compared with 2020 are reported below, separating continuing operations from discontinued operations.

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

Breakdown by operating segment 1 January 2021 - 31 December 2021

	Consulting	ICT Solutions	Digital	Corporate and other	Discontinued operations	Infra-segment consolidation adjustments	Minority interests	Total
Revenue	167,478	52,166	13,279	0	0	0	0	232,923
Other revenue	1,600	533	173	28	0	0	0	2,334
Total revenue	169,078	52,699	13,452	28	0	0	0	235,257
Operating profit (loss) (EBIT)	24,609	6,740	11	(10,589)	0	(1,001)	0	19,770
Net financial expense	(5,386)	(243)	(187)	16,079	0	(12,075)	0	-1,812
Net profit (loss)	12,684	4,598	(287)	7,724	0	(12,796)	(908)	11,014
Goodwill	59,795	27,171	12,914	0	(3,140)	0	0	96,740
Intangible assets	7,842	8,900	2,899	99	(8)	(1,000)	0	18,733
Property, plant and equipment	1,588	950	215	0	(39)	0	0	2,714
Rights of use	7,173	2,499	747	58	(174)	0	0	10,303
Segment assets	134,402	31,520	12,674	148,084	(3,602)	(204,218)	0	118,859
Segment liabilities	(107,900)	(36,866)	(12,990)	(110,510)	6,691	74,550	0	(187,025)

Breakdown by operating segment 1 January 2020 - 31 December 2020

	Consulting	ICT Solutions	Digital	Corporate and other	Infra-segment consolidation adjustments	Minority interests	Total
Revenue	128,478	47,122	12,441	4,955	(16,351)	0	176,645
Other revenue	2,594	961	194	1,157	(2,742)	0	2,164
Total revenue	127,410	52,293	12,635	6,112	(19,642)	0	178,809
Operating profit (loss) (EBIT)	15,975	4,709	1,597	(7,594)	(76)	0	14,611
Net financial expense	(838)	(289)	(203)	12,068	(12,003)	0	(1,265)
Net profit (loss)	9,692	3,214	526	6,620	(10,940)	(1,139)	7,973
Goodwill	35,350	27,171	7,854	0	0	0	70,374
Intangible assets	8,346	8,907	2,355	19	0	0	19,626
Property, plant and equipment	1,192	978	103	1	0	0	2,273
Rights of use	5,478	3,053	523	81	0	0	9,135
Segment assets	94,959	18,703	7,895	133,298	(152,743)	0	102,112
Segment liabilities	(87,459)	(29,692)	(8,136)	(99,308)	79,968	0	(144,627)

At present, the Group does not believe that a segment analysis by geographic area is relevant for its reporting purposes. However, it notes that the Italian market represents 56.0% (Euro 131.7 million), while the foreign markets account for the remaining 44.0% (Euro 103.6 million). The total revenue of the foreign market originated from the DACH Region (DE, AUT and SUI) for Euro 68.0 million, the UK and Spanish market for Euro 21.3 million and the remaining markets (CEE Region) for Euro 14.3 million. The Italian market grew 17.7% compared to the prior year (Euro 131.7 million). With regard to the disclosure on customer concentration, refer to paragraph 5.4.

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

Note 1.

Property, plant and equipment

At 31 December 2021, property, plant and equipment recorded a balance of Euro 2,714 thousand, net of accumulated depreciation, against a total of Euro 2,273 thousand at 31 December 2020.

The changes during the previous and current year are shown below.

Change in historical cost 2020

	Historical cost 31.12.19	Increases	Decreases	Reclass.	Reclass. of Discont. operations	Of which Business Combinations	Exchange gains/ losses	Historical cost 31.12.20
Plant and machinery	573	140	0	0	0	0	0	713
Fixtures and fittings, tools and other equipment	191	0	0	0	0	0	0	191
Other assets	20,423	783	(286)	0	0	9	(69)	20,860
Assets under development and advances	3	27	0	0	0	0	0	30
TOTAL	**21,190**	**950**	**(286)**	**0**	**(53)**	**0**	**(69)**	**21,794**

Change in accumulated depreciation 2020

	Accum. depr. 31.12.19	Depreciation	Decreases	Reclass.	Reclass. of Discont. operations	Of which Business Combinations	Exchange gains/ losses	Accum. depr. 31.12.20
Plant and machinery	479	45	0	0	0	0	0	524
Fixtures and fittings, tools and other equipment	112	0	0	0	0	0	0	112
Other assets	18,438	726	(219)	0	0	0	(60)	18,885
TOTAL	**19,029**	**771**	**(219)**	**0**	**0**	**0**	**(60)**	**19,521**

Change in historical cost 2021

	Historical cost 31.12.20	Increases	Decreases	Reclass.	Reclass. of Discont. operations	Of which Business Combinations	Exchange gains/ losses	Historical cost 31.12.21
Plant and machinery	713	9	(152)	17	(3)	2	0	586
Fixtures and fittings, tools and other equipment	191	0	0	(191)	0	23	1	24
Other assets	20,860	551	(1,969)	113	(50)	636	59	20,200
Assets under development and advances	30	47	(5)	(19)	0	0	0	53
TOTAL	**21,794**	**607**	**(2,126)**	**(80)**	**(53)**	**661**	**60**	**20,863**

Change in accumulated depreciation 2021

	Accum. depr. 31.12.20	Depreciation	Decreases	Reclass.	Reclass. of Discont. operations	Of which Business Combinations	Exchange gains/ losses	Accum. depr. 31.12.21
Plant and machinery	524	58	(152)	0	0	0	0	430
Fixtures and fittings, tools and other equipment	112	5	0	(113)	0	0	0	4
Other assets	18,885	705	(1,932)	33	(14)	0	38	17,715
TOTAL	**19,521**	**768**	**(2,084)**	**(80)**	**(14)**	**0**	**38**	**18,149**

Net book value

	Net book value 31.12.19	Net book value 31.12.20	Net book value 31.12.21
Plant and machinery	94	189	156
Fixtures and fittings, tools and other equipment	79	79	20
Other assets	1,985	1,975	2,485
Assets under development and advances	3	30	53
TOTAL	**2,161**	**2,273**	**2,714**

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.

Other assets include the following categories:

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

The increase in the period mainly refers to assets acquired as part of business combinations, while the decreases refer to the disposal of obsolete assets during the year.

Note 2.

Rights of use

At 31 December 2021, rights of use totalled Euro 10,303 and mainly regard long-term property leases and leases for company cars used by personnel. The decreases refer to contracts which have reached their natural expiry. The changes during the previous and current year are shown below.

Change in historical cost 2020

	Historical cost 31.12.19	Increases	Decreases	Reclassifications	Reclassification of Discontinued operations	Exchange gains/ losses	Historical cost 31.12.20
Motor vehicles	2,014	806	(291)	0	0	(5)	2,524
Property	9,339	3,352	(1,235)	0	0	(59)	11,397
Other assets	186	0	0	0	0	0	186
TOTAL	**11,539**	**4,158**	**(1,526)**	**0**	**0**	**(64)**	**14,107**

Change in accumulated depreciation 2020

	Accum. depr. 31.12.19	Depreciation	Decreases	Reclassifications	Reclassification of Discontinued operations	Exchange gains/ losses	Accum. depr. 31.12.20
Motor vehicles	525	772	(181)	0	0	2	1,114
Property	2,273	2,525	(1,029)	0	0	(30)	3,739
Other assets	62	57	0	0	0	0	119
TOTAL	**2,860**	**3,354**	**(1,210)**	**0**	**0**	**(32)**	**4,972**

Change in historical cost 2021

	Historical cost 31.12.20	Increases	Decreases	Reclassifications	Reclassification of Discontinued operations	Exchange gains/ losses	Historical cost 31.12.21
Motor vehicles	2,524	1,058	(437)	(75)	(20)	(1)	3,049
Property	11,397	4,228	(875)	0	(229)	24	14,545
Other assets	186	29	(10)	0	0	0	205
TOTAL	**14,107**	**5,315**	**(1,322)**	**(75)**	**(249)**	**23**	**17,799**

Change in accumulated depreciation 2021

	Accum. depr. 31.12.20	Depreciation	Decreases	Reclassifications	Reclassification of Discontinued operations	Exchange gains/ losses	Accum. depr. 31.12.21
Motor vehicles	1,114	873	(294)	(75)	(12)	0	1,606
Property	3,739	2,707	(680)	0	(64)	21	5,723
Other assets	119	58	(10)	0	0	0	167
TOTAL	**4,972**	**3,638**	**(984)**	**(75)**	**(76)**	**21**	**7,496**

Net book value

	Net book value 31.12.19	Net book value 31.12.20	Net book value 31.12.21
Motor vehicles	1,489	1,410	1,443
Property	7,066	7,658	8,822
Other assets	124	67	38
TOTAL	**8,679**	**9,135**	**10,303**

The value of the right of use is systematically depreciated on the basis of the expiry terms of the lease agreement, also considering the likely renewal of the agreement in the presence of an enforceable renewal option.

Payments relating to lease agreements with a term equal to or less than 12 months, and agreements whose underlying asset is of low value are recognised on a straight line basis in the income statement based on the term of the agreement.

Note 3.

Goodwill

Goodwill stood at Euro 96,740 thousand at 31 December 2021, compared to Euro 70,374 thousand at 31 December 2020. The cash generating units (CGUs) were identified for impairment testing purposes consistent with the IFRS 8-compliant reporting structure described in paragraph 2.14 “Segment reporting”.

In 2021, by virtue of the nature of the business of Be Romania, the latter was included in the "Businesss Consulting" CGU, giving prominence to the company Be Digitech Solutions S.p.A.

The changes during the previous and current year are shown below.

Goodwill 2020

	Balance at 31.12.2020	Increases	Reclassification of Discontinued operations	Exchange gains/losses	Balance at 31.12.2021
Cash generating unit (CGU)					
Business Consulting	35,634	0	0	(293)	35,349
ICT Solutions	29,417	0	(2,247)	0	27,171
Digital	0	5,607	2,247	0	7,854
Total	**65,060**	**5,607**	**0**	**(293)**	**70,374**

Goodwill 2021

	Balance at 31.12.2020	Increases	Reclassification of Discontinued operations	Exchange gains/losses	Balance at 31.12.2021
Cash generating unit (CGU)					
Business Consulting	35,349	24,083	0	362	59,794
ICT Solutions	27,171	0	0	0	27,171
Digital	7,854	5,061	(3,140)	0	9,775
Total	**70,374**	**29,144**	**(3,140)**	**362**	**96,740**

The increase in goodwill for a total of Euro 29,144 thousand refers to the acquisitions made in 2021 of 85.71% of the share capital of Firstwaters GmbH, 60% of the share capital of Be Your Essence ("BYE"), 55% of the share capital of Soranus AG through the Group company Be Management Consulting S.p.A and 51% of Crispy Bacon Holding S.r.l.

For the values of the goodwill generated by each acquisition, please refer to paragraph 2.13 "Business combinations in the reference period".

The recoverable amount of the CGU is determined on the basis of the value in use obtained by discounting the expected cash flows generated by the management of the assets set in place by the Group's business units. On the basis of the results of impairment testing conducted by extrapolating 2022-2024 economic and financial forecasts - referred to below - the Directors therefore confirmed the sustainability of the book value of goodwill recognised at 31 December 2021.

The cash flow forecast, the trend of interest rates and the main monetary variables are determined on the basis of the best information available at the time of the estimation and based on the 2022-2024 Plan containing forecasts of revenue, investment and operating costs.

As regards the estimated operating cash flows, as already mentioned above, the same originate from the plans approved by the Board of Directors at a meeting held on 21 February 2022, prepared on the basis of an explicit 3-year forecasting period.

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

These external factors, in line with accounting standard IAS 36, have been estimated on the basis of elements known on the date of preparation and examination of company plans, including the effects of the global spread of the Covid-19 pandemic, mentioned in paragraph "8. Events after 31 December 2021 and business outlook".

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

Impairment testing

The company conducted annual impairment testing on the goodwill recognised in the consolidated financial statements in accordance with the provisions of IAS 36, Impairment of assets. The goodwill, as shown above, was recognised at 31 December 2021, after impairment testing, and amounted to Euro 96,740 thousand. In 2021, based on the results of the impairment testing of the CGUs and of the relative sensitivity analyses conducted with the assistance of an external consultant, the Directors decided that the above amounts recognised could be recovered.

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

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

The aim of the impairment test was therefore to establish the "value in use" of the CGUs that represent the Group's activities, by discounting cash flows ("DCF Analysis") as stated in the 2022-2024 Plan.

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

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

- given the uncertainty of recording the amount of revenue estimated, to determine the value in use, a discounting rate increased by a probable margin of error in the estimate of the expected cash flows was used; the after-tax discounting rate was therefore 8.58% for both the Solutions CGU and the Consulting CGU and 8.82% for the Digital CGU. With regard to the Consulting CGU, note that the value in use was calculated also taking into account the flows generated by the subsidiary company Be Ukraine, reflecting a higher country risk, discounted at a WACC rate of 13.37%.
- Lastly, the results of the test underwent a sensitivity analysis. More specifically, within limits considered reasonable, the discounting rate, the long-term growth rate and the expected flows were changed.

In the light of the analyses conducted, the recoverable amount of the CGU to which the goodwill was attributed was higher than the corresponding book value at 31 December 2021.

The Directors report that the recoverable amount of goodwill is sensitive to variances with respect to the basic assumptions used to prepare the economic and financial forecasts for 2022-2024, such as the revenue and profit margin expected to be recorded.

Key assumptions used to calculate value in use

The calculation of the value in use of the CGUs was made on the basis of the main assumptions illustrated below, of the 2022-2024 Plan and considered reasonable by the Directors:

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

Sensitivity and changes in assumptions

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

Given that, the main drivers used to prepare the 2022-2024 Plan and the impairment test, which could lead to a reduction in the value in use if they change, are listed below:

- achieving forecast revenue: achieving revenue targets, beyond the actions envisaged by management, is also related to market demand, to the renewal and/or award of tenders envisaged and to the successful development of other activities envisaged or in progress;
- achieving the normalised level of profitability and maintaining said level of profitability beyond the period of the 2022-2024 Plan; note that a significant portion of the value in use of goodwill is related to this assumption;
- discount rates: the discount rate was calculated on the basis of external market parameters and therefore the fact that the current macroeconomic situation could worsen, or that there may be a slowdown of the expected recovery also have to be taken into account as they could have a significant influence on the same, resulting in a change to those used in this analysis.

For the sake of completeness, note that the surplus value in use of the CGUs with respect to the corresponding book value, including the relative goodwill, will become zero due to the systematic reductions of EBIT envisaged by the plan of:

- 121.60% with regard to the “Business Consulting” CGU;
- 99.60% with regard to the “ICT Solutions” CGU;

- 59.50% with regard to the "Digital" CGU.

The after-tax discount rates that render the book value of the CGUs equal to their value in use are respectively:

- 19.74% with regard to the "ICT Solutions" CGU;
- 8.82% with regard to the "Digital" CGU;

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

Note 4.

Intangible assets

At 31 December 2021, intangible assets recorded a balance of Euro 18,733 thousand, net of accumulated amortisation, against a total of Euro 19,626 thousand at 31 December 2020. The changes during the previous and current year are shown below.

Change in historical cost 2020

	Historical cost at 31.12.19	Increases	Decreases	Reclass.	Reclassification of Discontinued operations	Of which Business Combinations	Exchange gains/losses	Historical cost at 31.12.20
Development costs	678	0	0	(1)	0	0	0	677
Concessions, licences and trademarks	1,764	120	0	63	0	0	0	1,947
Assets under development and advances	5,652	3,303	0	(3,520)	0	0	0	5,435
Other (including proprietary SW)	49,034	2,858	(6)	3,465	0	0	(404)	54,947
TOTAL	**57,128**	**6,281**	**(6)**	**7**	**0**	**0**	**(404)**	**63,006**

Change in Accumulated Amortisation 2020

	Accum. amort. at 31.12.19	Amortisation	Decreases	Reclass.	Reclassification of discontinued operations	Of which Business Combinations	Exchange gains/losses	Accum. amort. at 31.12.20
Development costs	676	0	0	1	0	0	0	677
Concessions, licences and trademarks	1,648	84	0	2	0	0	0	1,734
Other (including proprietary SW)	35,172	6,027	(2)	4	0	0	(232)	40,969
TOTAL	**37,497**	**6,111**	**(2)**	**7**	**0**	**0**	**(232)**	**43,380**

Change in historical cost 2021

	Historical cost at 31.12.20	Increases	Decreases	Reclass.	Reclassification of Discontinued operations	Of which Business Combinations	Exchange gains/losses	Historical cost at 31.12.21
Development costs	677	0	(677)	0	0	0	0	0
Rights/Patents	0	0	0	0	0	9	0	9
Concessions, licences and trademarks	1,947	5	(1,600)	1,437	(9)	8	0	1,788
Assets under development and advances	5,435	3,075	0	(4,044)	0	14	0	4,480
Other (including proprietary SW)	54,947	1,940	(11,047)	(3,084)	0	44	(240)	42,660
TOTAL	**63,006**	**5,020**	**(13,324)**	**(5,691)**	**(9)**	**75**	**(240)**	**48,837**

Change in Accumulated Amortisation 2021

	Accum. amort. at 31.12.20	Amortisation	Decreases	Reclass.	Reclassification of Discontinued operations	Of which Business Combinations	Exchange gains/losses	Accum. amort. at 31.12.21
Development costs	677	0	(677)	0	0	0	0	0
Rights/Patents	0	2	0	0	0	0	0	2
Concessions, licences and trademarks	1,734	550	(1,600)	883	(1)	0	0	1,566
Other (including proprietary SW)	40,969	5,559	(11,049)	(6,574)	0	0	(369)	28,536
TOTAL	**43,380**	**6,111**	**(13,326)**	**(5,691)**	**(1)**	**0**	**(369)**	**30,104**

Net book value

	Net book value 31.12.19	Net book value 31.12.20	Net book value 31.12.21
Development costs	2	0	0
Rights/Patents	0	0	7
Concessions, licences and trademarks	116	213	222
Assets under development and advances	5,652	5,435	4,480
Other (including proprietary SW)	13,862	13,978	14,024
TOTAL	**19,632**	**19,626**	**18,733**

At 31 December 2021, the increases in assets under development of Euro 3,075 thousand, mainly refer to the development of ICT platforms by Be DigiTech Solutions totalling Euro 857 thousand, to digital applications by Iquii and Tesla, respectively for Euro 793 thousand and Euro 146 thousand, to Be Consulting for Euro 344 thousand, and the platforms owned by Be Shaping the Future GmbH, Be Shaping the Future AG and Fimas GmbH, specialised in various areas of the banking industry, totalling Euro 751 thousand.

The decreases refer to the elimination of Accumulated Amortisation against the historical cost of the asset following completion of the amortisation period.

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

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

Note 5.

Equity investments in other companies

Equity investments in other companies, measured at fair value, mainly refer to:

- the investment of Euro 1,299 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; in 2021, the Group increased its investment by Euro 500 thousand.
- 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	31.12.2021	Of which Business Combinations	Balance at 31.12.2020
Equity investments in other companies	1,919	31	1,329
TOTAL	**1,919**	**31**	**1,329**

Note 6.

Loans and other non-current assets

Loans and other non-current assets refer to guarantee deposits paid for Euro 331 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 297 thousand mainly refers to:

- Euro 142 thousand for a receivable of Be Solutions due from the town council of Lercara Friddi, for which a 10-year repayment plan has been established;
- Euro 141 thousand for a receivable of Be Tse GmbH due from Blu IT for employee termination indemnities to be paid to employees transferred by this.

Loans and other non-current assets

	Balance at 31.12.2021	Reclassification of Discontinued operations	Balance at 31.12.2020
Guarantee deposits	331	(3)	285
Receivables from employees due beyond 12 months	12		12
Receivables from social security and welfare organisations	3		82
Other non-current receivables	297		418
Non-current prepaid expenses	30		33
TOTAL	**673**	**(3)**	**830**

Note 7.

Deferred tax assets

The deferred tax assets in the financial statements are recognised based on the reasonable assumption that they will be recoverable, in accordance with future taxable income forecast in the three-year plan.

They are calculated on the basis of the temporary tax differences on taxable provisions for risks and differences between the book value and value for tax purposes.

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

The allocations for the year refer mainly to risk provisions.

Deferred tax assets

	Balance at 31.12.2020	Allocation	Utilisation	Reclassification of Discontinued operations	Reclass.	Other changes	Exchange difference	Balance at 31.12.2021
Deferred tax assets	583	2,004	(881)	(13)	(1,244)	38	13	500
TOTAL	**583**	**2,004**	**(881)**	**(13)**	**(1,244)**	**38**	**13**	**500**

The reclassification column highlights the deferred tax assets that have been reclassified by individual company and by national tax consolidation under the item deferred tax liabilities.

Deferred tax assets recognised in the financial statements are expected to be recoverable on the basis of the tax plans drawn up and the positive taxable income estimated in future years.

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 31.12.2021	Balance at 31.12.2020
Inventories	157	156
TOTAL	**157**	**156**

Note 9.

Assets deriving from contracts with customers

At 31 December 2021, assets deriving from contracts with customers showed a balance of Euro 9,589 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 31.12.2021	Reclassification of Discontinued operations	Balance at 31.12.2020
Assets deriving from contracts with customers	9,589	(78)	9,778
TOTAL	**9,589**	**(78)**	**9,778**

Note 10.

Trade receivables

Trade receivables arise from goods and services produced and provided by the Group but not yet collected at 31 December 2021.

Trade receivables

	Balance at 31.12.2021	Reclassification of Discontinued operations	Of which business combinations	Balance at 31.12.2020
Receivables due from customers	24,322	(1,515)	2,639	22,494
Bad debt provision for receivables due from customers	(766)	8		(480)
TOTAL	**23,556**	**(1,507)**	**2,639**	**22,014**

The amount allocated in the financial statements, which amounts to Euro 766 thousand, includes the effects of the application of IFRS 9 (expected loss method) for Euro 339 thousand and is considered adequate for hedging credit risk.

Bad debt provision

	Balance at 31.12.2021	Of which Business Combinations	Balance at 31.12.2020
Opening balance	480	9	1,323
Allocations	421		167
Utilisation	(135)		(1,010)
TOTAL	**766**	**9**	**480**

The breakdown of receivables is shown below, by due date, net of invoices/credit notes to be issued for Euro 1,093 thousand and before the bad debt provision of Euro 766 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.

31.12.2020	Due	0-30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
Receivables due from customers	16,624	2,430	636	91	206	1,781	21,768
Bad debt provision	0	0	0	0	0	(480)	(480)
TOTAL	**16,624**	**2,430**	**636**	**91**	**206**	**1,301**	**21,288**

31.12.2021	Due	0-30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
Receivables due from customers	19,054	2,207	406	47	764	751	23,229
Bad debt provision	(291)	(33)	(6)	(1)	(12)	(423)	(766)
TOTAL	**18,763**	**2,174**	**400**	**46**	**752**	**328**	**22,463**

Note 11.

Other assets and receivables

Other assets and receivables at 31 December 2021 amount to Euro 3,570 thousand, broken down as follows.

Other assets and receivables

	Balance at 31.12.2021	Reclassification of Discontinued operations	Of which business combinations	Balance at 31.12.2020
Advances to suppliers for services	164	(1)		55
Receivables due from social security organisations	49	(1)	4	99
Receivables due from employees	54		1,174	113
VAT credits and other indirect taxes	1,491	(107)	478	1,008
Accrued income and prepaid expenses	1,563	(56)	80	1,513
Other receivables	249		17	786
TOTAL	**3,570**	**(165)**	**1,753**	**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 49 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.

VAT credits and other indirect taxes amount to Euro 1,491 thousand, of which Euro 833 thousand refer to the Parent Company.

Accrued income and prepaid expenses amount to Euro 1,563 thousand and include the portions of costs incurred during the period but due in the next period, relating to support and maintenance fees, insurance premiums, rents and lease instalments not covered by IFRS 16.

Note 12.

Direct tax receivables

"Direct tax receivables" primarily includes amounts due from Italian Tax Authorities for IRAP and IRES.

Direct tax receivables

	Balance at 31.12.2021	Reclassification of Discontinued operations	Of which business combinations	Balance at 31.12.2020
Tax receivables	250	(117)	63	585
Other tax receivables	20			217
TOTAL	**270**	**(117)**	**63**	**802**

Note 13.

Financial receivables and other current financial assets

Financial receivables amounting to Euro 177 thousand mainly refer to receivables due from factoring companies on assignments made up to 31 December 2021, but settled after that date.

Financial receivables and other current financial assets

	Balance at 31.12.2021	Of which Business Combinations	Balance at 31.12.2020
Financial receivables and other current financial assets	177	19	165
TOTAL	**177**	**19**	**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 to cash on hand at 31 December 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 31.12.2021	Reclassification of Discontinued operations	Of which business combinations	Balance at 31.12.2020
Bank and postal deposits	78,310	(1,720)	6,784	60,563
Cash at bank and in hand	117		0	17
TOTAL	**78,447**	**(1,720)**	**6,784**	**60,580**

Note 15.

Discontinued operations

On 30 July 2021, the Board of Directors of Be Shaping the Future SpA approved the start of activities aimed at the non-proportional spin-off of Doom Srl.

The transaction was approved by Doom's Board of Directors on 3 January 2022. Doom will split a branch into a newly formed beneficiary company to carry out the transaction; the Be Group will control the company at 75%, while the remaining 25% will be held by ZDF Srl, current shareholder holding 49% of Doom.

The Be Group's equity investment in Doom S.r.l will drop from the current 75% to 25% and, therefore, the Group will lose control from the effective spin-off date.

Doom S.r.l. will be controlled by ZDF S.r.l.

By virtue of the above, the assets and liabilities present in the financial statements at 31 December 2021 and which will remain in Doom after the spin-off must be represented as Held for sale as envisaged by IFRS 5 and measured at the lower of the book value and fair value net of selling costs.

The accounting balances subject to reclassification among discontinued operations at 31 December 2021 are presented below:

	Notes	**Balance at 31.12.2021**
Property, plant and equipment	*1*	39
Rights of use	*2*	174
Goodwill	*3*	3,140
Intangible assets	*4*	8
Loans and other non-current assets	*6*	3
Deferred tax assets	*7*	13
Total Non-current assets		**3,376**
Assets deriving from contracts with customers	*9*	78
Trade receivables	*10*	1,507
Other assets and receivables	*11*	165
Direct tax receivables	*12*	117
Cash and cash equivalents	*14*	1,720
Total Current assets		**3,587**
Total Discontinued operations		**6,963**
Financial liabilities for non-current rights of use	*19*	132
Post-employment benefits (TFR)	*20*	122
Other non-current liabilities	*22*	3,977
Total Non-current liabilities		**4,231**
Financial payables and other current financial liabilities	*18*	1
Financial liabilities for current rights of use	*19*	44
Trade payables	*24*	2,113
Other liabilities and payables	*26*	302
Total Current liabilities		**2,460**
Total Discontinued operations		**6,691**

The net book value reclassified in the "Discontinued operations" items is equal to Euro 272 thousand and is lower than the fair value net of selling costs, equal to Euro 4,374 as estimated by an external expert.

Note 16.

Shareholders' Equity

At 31 December 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 31 December 2021 amount to Euro 27,702 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 4,106 thousand;
- IAS Reserves (FTA and IAS 19) for negative Euro 487 thousand;
- Other Consolidation Reserves for Euro 15,607 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 31 December 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.

During 2021, Be S.p.A. acquired 250,655 own shares corresponding to a counter value of Euro 368 thousand.

Minority interests

Minority interests amount to Euro 1,461 thousand, compared to Euro 2,876 thousand at 31 December 2020.

During 2021, before the Group held all of the shares, the company Fimas approved the distribution of dividends, of which Euro 78 thousand were distributed to third parties.

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	Net profit (loss) for the year, minority shareholders	Total dividends distributed
Payments and Business Advisors S.l. (Paystrat)	20.00%	EUR	197	(535)	255	(209)	(48)	0
Paystrat Solutions SL (Pyngo)	34.74%	EUR	16	16	0	(1)	0	0
Tesla Consulting S.r.l.	40.00%	EUR	4,006	1,916	3,131	685	274	0
Dream of Ordinary Madness Entertainment S.r.l.	49.00%	EUR	3,824	1,024	8,780	442	217	0
Human Mobility S.r.l.	49.00%	EUR	401	329	156	(37)	(18)	0
Be Your Essence S.r.l.	40.00%	EUR	505	337	621	(23)	(9)	0
Soranus AG	45.00%	CHF	4,401	2,319	3,745	274	123	0
Firstwaters GmBH	14.29%	EUR	7,023	3,477	12,178	1,741	249	0
Firstwaters GmBH	14.29%	EUR	1,020	505	1,260	239	34	0
Crispy Bacon Holding S.r.l.	49.00%	EUR	571	496	110	33	16	0
Crispy Bacon S.r.l.	49.00%	EUR	2,420	698	1,520	131	64	0
Crispy Bacon Shpk	54.10%	ALL	90	(11)	79	(0)	0	0

Net Financial Indebtedness

Net financial indebtedness at 31 December 2021, which also includes financial payables from rights of use and long-term put&call, was negative by Euro 10.0 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 year 2021 and for 2020 is provided below.

		31.12.2021	31.12.2020	Δ	Δ%
A	Cash	80,167	60,580	19,587	32.3%
B	Cash equivalents	0	0	0	n.a.
C	Other current financial assets	177	165	12	7.3%
D	**Cash and cash equivalents (A+B+C)**	**80,344**	**60,745**	**19,599**	**32.3%**
E	Current financial payables	456	5,208	(4,752)	(91.2%)
F	Current portion of non-current financial payables	30,089	19,892	10,197	51.3%
G	**Current financial indebtedness (E+F)**	**30,545**	**25,100**	**5,445**	**21.7%**
H	**Net current financial indebtedness (G-D)**	**(49,799)**	**(35,645)**	**(14,154)**	**39.7%**
I	Non-current financial payables	39,507	32,357	7,150	22.1%
J	Debt instruments	0	0	0	n.a.
K	Trade payables and other non-current payables	20,280	6,411	13,869	n.a.
L	**Net non-current financial indebtedness (I+J+K)**	**59,787**	**38,768**	**21,019**	**54.2%**
M	**Total financial indebtedness (H+L)**	**9,988**	**3,123**	**6,865**	**n.a.**

For comments on individual items, please refer to the content of Notes 13 and 14 above and Notes 17, 18 and 19 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)*" for the years 2020 and 2021 are outlined below.

(Amounts in EUR thousands)	**31.12.2019**	**Cash Flow**[2]	**Non-monetary flows**				**31.12.2020**
			Change Scope of consolidation[3]	**Exchange rate differences**	**Change in IFRS 16**	**Other Changes**	
Non-current financial indebtedness	(27,140)	(4,462)	0	0	(661)	(94)	(32,357)
Current financial indebtedness	(18,576)	(6,493)	0	0	(43)	12	(25,100)
Current financial receivables	104	61	0	0	0	0	165
Net liabilities resulting from financing activities	(45,612)	(10,894)	0	0	(704)	(82)	(57,292)
Cash and cash equivalents	34,185	26,277	118	0	0	0	60,580
Financial commitments for new purchases of equity investments	0	0	0	0	0	(6,411)	(6,411)
Net financial indebtedness	**(11,427)**	**15,383**	**118**	**0**	**(704)**	**(6,493)**	**(3,123)**

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

(Amounts in EUR thousands)	31.12.2020	Cash Flow[4]	Non-monetary flows				31.12.2021
			Change Scope of consolidation[5]	Exchange rate differences	Change in IFRS 16	Other Changes	
Non-current financial indebtedness	(32,357)	(6,019)	(343)	0	(872)	84	(39,507)
Current financial indebtedness	(25,100)	(4,787)	(43)	0	(564)	(51)	(30,545)
Current financial receivables	165	(6)	18	0			177
Net liabilities resulting from financing activities	(57,292)	(10,813)	(368)	0	(1,436)	34	(69,875)
Cash and cash equivalents	60,580	12,803	6,784	0	0	0	80,167
Financial commitments for new purchases of equity investments	(6,411)		(14,199)			330	(20,280)
Net financial indebtedness	**(3,123)**	**1,991**	**(7,783)**	**0**	**(1,436)**	**364**	**(9,988)**

Note 17.

Financial payables and other non-current financial liabilities

Non-current financial payables of Euro 31,760 thousand refer to payables to banks for unsecured medium/long-term loans due beyond 12 months.

	Balance at 31.12.2021	Of which Business Combinations	Balance at 31.12.2020
Non-current financial payables	31,760	343	25,482
TOTAL	**31,760**	**343**	**25,482**

The medium and long term loans outstanding at 31 December 2021 and relative maturities were as follows: In the maturity analysis table, these flows do not include interest.

Loans	Balance at 31.12.2021	<1 year	>1<2 years	>2<3 years	>3<4 years	>4 years
Loans maturing in 2022	**5,808**	5,808	0	0	0	0
Loans maturing in 2023	**22,896**	15,843	7,053	0	0	0
Loans maturing in 2025	**13,298**	3,453	3,485	3,518	2,842	0
Loans maturing in 2026	**6,320**	1,374	1,391	1,409	1,426	720
Loans maturing in 2028	**10,000**	0	1,000	2,000	2,000	5,000
TOTAL LOANS	**58,322**	**26,478**	**12,929**	**6,927**	**6,268**	**5,720**

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

During 2021, Be S.p.A. entered into new medium-long term loans totalling Euro 38,000 thousand, while the repayments made during the year amounted to Euro 21,911 thousand.

For the short-term portion of medium-long term loans, see Note 18.

Long-term financial payables include the positive impact of the joint application of the amortising cost and of the fair value of the four IRS contracts to hedge the risk of an increase of the interest rate on variable interest rate loans at 31 December 2021, for a total of Euro 84 thousand.

As regards 2021, the covenants on several loans were respected. Note that the fair value of the above loans is essentially in line with their book value.

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

Note 18.

Financial payables and other current financial liabilities

Current payables to banks at 31 December 2021 totalled around Euro 26,933 thousand and relate mainly to:

- current bank payables for Euro 414 thousand, mainly referring to the negative bank balance and to interest expense accrued but not paid;
- Euro 26,478 thousand as the short-term portion of the medium-long term loans obtained, as per the previous table;
- short-term financial payables of Euro 41 thousand.

Financial payables and other current financial liabilities

	Balance at 31.12.2021	Reclassification of Discontinued operations	Of which Business Combinations	Balance at 31.12.2020
Current financial payables	26,933	(1)	343	25,482
TOTAL	**26,933**	**(1)**	**343**	**25,482**

Note 19.

Financial liabilities for current and non-current rights of use

At 31 December 2021, financial liabilities for current and non-current rights of use totalled Euro 11,182 thousand and mainly regard long-term property leases and leases for company cars used by personnel.

Euro 3,542 million was repaid during the year, compared to Euro 3,138 million in 2020.

Financial liabilities for current and non-current rights of use

	Balance at 31.12.2021	Reclassification of Discontinued operations	Balance at 31.12.2020
Financial liabilities for current rights of use	3,567	(44)	3,047
Financial liabilities for non-current rights of use	7,615	(132)	6,875
TOTAL	**11,182**	**(176)**	**9,922**

With reference to the options and exemptions provided for by IFRS 16, the Group has made the following choices:

- for leases of vehicles, the average discounting period is 3 years, and the contracts do not provide for renewal options.
- for property leases, the average discounting period is 4 years. The contracts provide for 4-year renewal options, which can be exercised by the lessee. The Group evaluates any renewals starting 12 months from the expiry of the contract.

Note 20.

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.

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

Post-employment benefits (TFR)

	Balance at 31.12.2020	Increases from business combinations	Increases - Allocation	Decreases - Utilisation	Reclassification of Discontinued operations	Other changes	Balance at 31.12.2021
Post-employment benefits (TFR) provision	7,088	1,178	1,715	(1,972)	122	140	8,027
TOTAL	**7,088**	**1,178**	**1,715**	**(1,972)**	**(122)**	**(140)**	**8,027**

The actuarial assumptions used for the purposes of adjustment of the post-employment benefits (TFR) provision according to IAS/IFRS standards and the additional information required by amended IAS 19 are illustrated below.

Main Actuarial Assumptions

Annual discount rate	0.98%
Annual inflation rate	1.75%
Annual rate increase in post-employment benefits	2.81%
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%

- sensitivity analysis*:

Changes in assumptions

Company	Post-employment benefits (TFR)	turnover rate		inflation rate		discounting rate	
		+1%	*-1%*	*+1/4%*	*-1/4%*	*+1/4%*	*-1/4%*
Be S.p.A.	102	101	103	104	100	99	105
Be Management Consulting S.p.A.	4,305	4,201	4,427	4,429	4,186	4,156	4,462
Iquii S.r.l.	553	540	567	568	538	534	572
Be Digitech Solutions S.p.A.	1,415	1,407	1,423	1,430	1,400	1,390	1,440
Be Your Essence	1	1	1	1	1	1	1
Tesla Consulting S.r.l.	53	52	55	55	51	51	55
Be Corporate S.p.A.	186	185	187	188	184	183	189
Doom S.r.l.	137	134	140	141	133	132	142

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

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

Company	Service Cost	Duration of the plan
Be S.p.A.	0	11.8
Be Management Consulting S.p.A.	1,215	22.1
Iquii S.r.l.	183	21.4
Be Digitech Solutions S.p.A.	0	7.7
Be Your Essence	2	27.6
Tesla Consulting S.r.l.	22	22.7
Be Corporate S.p.A.	0	6.6
Doom S.r.l.	53	21.4

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

- The average number of employees in 2021, broken down by category, is illustrated in the following table:

Description	Average number current year	Average number previous year
Executives	152	134
Middle managers	210	187
White collar	1,278	968
Blue collar	1	0
Apprentices	98	97
TOTAL	**1,739**	**1,386**

Note 21.

Deferred tax liabilities

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

Specifically, with regard to goodwill, the difference arises - in application of IAS/IFRS - because these assets are not amortised whereas they are tax deductible to the extent of 1/18 per year. Deferred tax liabilities are calculated using the tax rates in force: IRES 24% and IRAP 3.9%-4.82%.

Deferred tax liabilities							
	Balance at 31.12.2020	**Allocations**	**Utilisation**	**Other changes**	**Exchange difference**	**Reclassification**	**Balance at 31.12.2021**
Deferred tax liabilities	5,458	634	(173)	(7)	11	(1,244)	4,679
TOTAL	**5,458**	**634**	**(178)**	**(7)**	**11**	**(1,244)**	**4,679**

The reclassification column highlights the deferred tax assets that have been reclassified by individual company and by national tax consolidation under the subject item.

Note 22.

Other non-current liabilities

At 31 December 2021 the other non-current liabilities are equal to Euro 16,303 thousand and refer 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 31.12.2021	**Reclassification of Discontinued operations**	**Balance at 31.12.2020**
Other non-current liabilities	16,303	(3,977)	6,416
TOTAL	**16,303**	**(3,977)**	**6,416**

Note 23.

Provision for current and non-current risks

At 31 December 2021, provisions for risks and charges refer to the following:

- provisions for pending disputes with employees for Euro 262 thousand, of which Euro 210 thousand relating to the company Be Consulting, Euro 36 thousand to the Parent Company and Euro 16 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 7,223 thousand mainly refer to provisions for bonuses/incentives to be given to personnel, equal to Euro 3,458 thousand, provisions for the variable remuneration of executive directors and key partners on achievement of the three-year targets set (equal to a total of Euro 3,447 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:

	Balance at 31.12.2020	Increases	Decreases	Of which Business Combinations	Balance at 31.12.2021
Provision for penalty risks	31				31
Provision for personnel risks	136	210	(84)		262
Other provisions for risks and charges	3,762	5,412	(2,065)	114	7,223
TOTAL	**3,929**	**5,622**	**(2,149)**	**114**	**7,516**

Note 24.

Trade payables

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

Trade payables

	Balance at 31.12.2021	Reclassification of Discontinued operations	Of which Business Combinations	Balance at 31.12.2020
Trade payables	27,356	(2,113)	426	22,076
TOTAL	**27,356**	**(2,113)**	**426**	**22,076**

Note 25.

Tax Payables

The balance at 31 December 2021 relates to residual tax payables and to the allocation of the portion for 2021 of IRES and IRAP, in addition to the income tax of foreign companies, classified under other tax payables.

Tax payables

	Balance at 31.12.2021	Business combinations	Balance at 31.12.2020
IRES tax payables	2,373		0
IRAP tax payables	383		383
Other tax payables	2,121	197	1,098
TOTAL	**4,877**	**197**	**1,481**

Note 26.

Other liabilities and payables

Other liabilities and payables totalled Euro 41,070 thousand at 31 December 2021, as shown below:

Other liabilities and payables

	Balance at 31.12.2021	Reclassification of Discontinued operations	Of which business combinations	Balance at 31.12.2020
Social security and welfare payables	3,838	(29)	437	3,141
Payables to employees	7,795	(71)	3,254	3,819
Payables for VAT and withholding tax	9,667	(40)	690	9,981
Accrued expenses and deferred income	7,969	(162)	107	3,442
Other payables	11,801		387	18,039
TOTAL	**41,070**	**(302)**	**4,875**	**38,422**

Social security and welfare payables amounting to Euro 3,838 thousand relate to contributions to be paid by the company.

Payables to employees include amounts due for additional months' salaries accrued at 31 December 2021 and for leave and permitted absences accrued but not used as at the date of these financial statements.

Accrued expenses and deferred income, amounting to Euro 7,969 thousand mainly refer to deferred revenue receivable on invoices collectible in the reporting period subsequent to 31 December 2021.

Other payables, totalling Euro 11,801 thousand, refer for Euro 7,500 thousand to the advance relative to signing of the new contract by a leading credit institute, plus advances from customers relative to payments on account on annual multi-year contracts, and the payable due to directors, for both salaries and annual bonuses, of Euro 1,875 thousand, with the portion for the year recognised under the item Service costs.

This item also includes Euro 91 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Q-fin GmbH (subject to merger in Fimas GmbH), Euro 136 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Crispy Bacon Holding S.r.l. and Euro 737 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Soranus AG.

4. Breakdown of the main items of the Income Statement

Note 27.

Revenue

Revenue accrued during the year was from activities, projects and services performed on behalf of Group customers and amounts to Euro 232,923 thousand, compared to Euro 176,645 thousand last year.

The year that has just ended, compared with the previous one, recorded an increase of Euro 56,278 thousand in revenue from sales and services; revenue originating from foreign companies amounted to Euro 102,583 thousand compared to Euro 66,089 thousand the previous year.

Revenue

	FY 2021	FY 2020
Revenue	232,923	176,645
TOTAL	**232,923**	**176,645**

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

Note 28.

Other revenue and income

The Group's Other revenue and income totalled Euro 2,334 thousand at 31 December 2021, compared to Euro 2,164 thousand at 31 December 2020. This item includes the recovery of costs advanced to customers, insurance reimbursements and other income of a residual nature.

Other revenue and income

	FY 2021	FY 2020
Other revenue and income	2,334	2,164
TOTAL	**2,334**	**2,164**

Note 29.

Cost of raw materials and consumables

This item includes the costs incurred and related changes for the purchase of consumables such as stationery, paper, toner, etc., and to goods purchased for resale as part of the services provided to customers. The change in inventories refers mainly to wearable devices used with the digital applications developed by Human Mobility S.r.l.

Cost of raw materials and consumables

	FY 2021	FY 2020
Change in inventories of raw materials and consumables	1	153
Purchase of raw materials and consumables	171	2
TOTAL	**172**	**155**

Note 30.

Service costs

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

Service costs

	FY 2021	FY 2020
Service costs	96,420	74,620
TOTAL	**96,420**	**74,620**

Service costs break down as follows:

Service costs

	FY 2021	FY 2020
Outsourced services	77,082	58,420
Remuneration of directors and statutory auditors	3,835	3,534
Miscellaneous consulting and administrative services	4,350	3,457
Marketing costs	2,430	2,420
Other services (chargebacks, commissions, etc.)	3,210	2,141
Rental and leasing	1,603	1,498
Cleaning, surveillance and other general services	1,658	1,127
Utilities and telephone charges	1,046	911
Bank and factoring charges	684	674
Insurance	296	217
Maintenance and support services	213	204
Transport	13	17
TOTAL	**96,420**	**74,620**

Note that Outsourced and consulting services, equal to Euro 77,082, include the costs of services received from technical and ICT professionals used by the Group to provide its own services to customers.

Remuneration of directors and statutory auditors also includes Euro 3,835 relating to provisions for bonuses, classified by nature, relating to annual variable bonuses of Euro 975 thousand for Directors with strategic responsibilities.

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

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

Note 31.

Personnel costs

The figure shown represents the total personnel-related cost incurred by the Group in 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 paid during the year; the item also includes Euro 1,917 thousand relating to provisions for bonuses for the corporate bodies, classified by nature under Wages and salaries.

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

Personnel costs

	FY 2021	FY 2020
Wages and salaries	84,266	61,862
Social security contributions	17,696	14,380
Post-employment benefits	3,908	3,497
Other personnel costs	1,917	1,728
TOTAL	**107,787**	**81,467**

The number of employees at 31 December 2021, broken down by category, is illustrated in the following table:

Description	No. in current period
Executives	155
Middle managers	216
White collar	1,320
Blue collar	1
Apprentices	89
Total	**1,781**

Note 32.

Other operating costs

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

Other operating costs

	FY 2021	FY 2020
Other operating costs	2,126	1,928
TOTAL	**2,126**	**1,928**

Specifically, the item includes Euro 940 thousand mainly referring to undeclared contingent assets relating to the current year, other operating costs for Euro 697 thousand referring to membership fees, fines and penalties on services provided, and indirect taxes for Euro 489 thousand.

Note 33.

Cost of internal work capitalised

Capitalised costs refer to the suspension of costs relating mainly to personnel involved in the development of proprietary software platforms, described in more detail in note 3.

Cost of internal work capitalised

	FY 2021	FY 2020
Cost of internal work capitalised	4,927	5,868
TOTAL	**4,927**	**5,868**

Note 34.

Amortisation and depreciation

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 and depreciation

	FY 2021	FY 2020
Depreciation of property, plant and equipment	768	771
Amortisation of intangible assets	6,111	6,111
Amortisation of rights of use	3,638	3,354
TOTAL	**10,517**	**10,236**

Note 35.

Impairment losses on current assets

The item refers to “Allocation to bad debt provision” for the year, a more complete description of which can be found in Note 9 and paragraph 5.1.

Impairment losses on current assets

	FY 2021	FY 2020
Impairment losses on current assets	421	167
TOTAL	**421**	**167**

Note 36.

Costs for defined benefit plans

The item refers to the estimate of the provision of the annual portion referring to the three-year bonus of the “key partners” equal to Euro 1,954 thousand, compared to Euro 1,493 the previous year.

Costs for defined benefit plans

	FY 2021	FY 2020
Costs for defined benefit plans	1,954	1,493
TOTAL	**1,954**	**1,493**

Note 37.

Allocations to provisions

The item refers to the provision of Euro 210 thousand for disputes with personnel by the company Be Consulting S.p.A.

Allocations to provisions

	FY 2021	FY 2020
Allocation to provisions	210	0
TOTAL	**210**	**0**

Note 38.

Financial income and expense

Financial management income and expense

	FY 2021	FY 2020
Financial income	134	100
Financial expense	(1,706)	(1,313)
Revaluation (Write-down) of financial assets	0	0
Gains (Losses) on foreign currency transactions	(240)	(52)
TOTAL	**1,812**	**1,265**

Financial income is mainly represented by bank interest income accrued by foreign companies. The financial expense includes bank interest expense for advances on invoices and current account overdrafts, factoring transactions and interest expense due on outstanding loans, in addition to the financial component of post-employment benefits measured according to IAS/IFRS and the financial charges on existing finance lease contracts, equal to Euro 153 thousand for the year 2021.

Breakdown of financial interest and expense

	FY 2021	FY 2020
Interest expense on current bank accounts	10	2
Interest expense on factoring and advances on invoices	488	368
Interest expense on loans	481	391
Other financial expense	727	552
TOTAL	**1,706**	**1,313**

Financial expense of Euro 1,053 thousand was paid during the year.

Note 39.

Current income taxes, deferred tax assets and liabilities

Current taxes relating to the year include Euro 513 thousand for IRAP tax and Euro 3,372 thousand for IRES tax plus the income tax for foreign affiliates for a total of Euro 3,302 thousand. Note that the Parent Company and Italian subsidiaries have jointly adopted the national tax consolidation regime pursuant to Article 117 et seq. of the Consolidated Income Tax Act (TUIR).

Current income taxes, deferred tax assets and liabilities

	FY 2021	FY 2020
Current taxes	6,917	3,504
Deferred tax assets and liabilities	(705)	730
TOTAL	**6,212**	**4,234**

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

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

Description	Amount	Taxes
Profit (loss) before tax	17,856	
Consolidation adjustments	23,374	
Aggregated profit (loss) before tax	**41,230**	
Profit (loss) before tax of Foreign companies	(16,785)	
Total	**24,445**	
Theoretical tax burden (%)	**24.00%**	**5,867**
Temporary differences taxable in future years:		
unrealised exchange rate gains during the year	0	
Amortisation of goodwill	(1,199)	
Temporary differences taxable in future years:	**(1,199)**	**(288)**
Temporary differences deductible in future years:		
Remuneration of directors not paid at 31.12.2021	633	
Non-deductible allocations	7,587	
Other temporary differences deductible in future years	22	
Temporary differences deductible in future years:	**8,242**	**1,978**
Reversal of temporary differences from previous years:		
Remuneration of directors paid in 2021	(1,885)	
Utilisation of provisions	(2,237)	
Goodwill	(57)	
Other temporary differences deductible in future years	(1)	
Reversal of temporary differences from previous years:	**(4,180)**	**(1,003)**
Differences that will not be reversed in future years		0
Wholly or partially non-deductible costs	2,089	
Permanent decreases	(16,140)	
ACE	(199)	
Differences that will not be reversed in future years	**(14,250)**	**(3,420)**
- Taxable income	**5,567**	
Current IRES on income for the year		**3,134**
Adjustments on previous years' taxes		**12**
TOTAL IRES for the year relating to Italian companies		**3,146**
TOTAL income taxes for the year - foreign companies		**3,258**
TOTAL income taxes for the year		**6,404**
- Taxable income for IRAP purposes	**21,667**	**925**
Adjustments of IRAP taxes for previous years		**(411)**
TOTAL IRAP		**514**
TOTAL TAXES		**6,917**

Note 40.

Earnings per share

The basic earnings per share is calculated by dividing the profit/loss for the period pertaining to owners of the Parent Company by the number of ordinary shares outstanding.

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

Earnings per share		
	31.12.2021	**31.12.2020**
Profit (loss) from continuing operations pertaining to owners of the Company	11,645	7,973
Profit (loss) from discontinued operations pertaining to owners of the Company	0	0
Profit (loss) attributable to owners of the Parent Company	11,645	7,973
Total no. shares	134,897,272	134,897,272
Number of own shares held	7,157,460	6,906,805
Number of ordinary shares outstanding	127,739,812	127,990,467
Basic earnings per share pertaining to owners of the Parent Company	EUR 0.09	Euro 0.06
Diluted earnings per share	EUR 0.09	Euro 0.06

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 262 thousand (Euro 210 thousand of which relates to Be Consulting, Euro 36 thousand to the Parent Company and Euro 16 thousand 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, relative to contribution differences owed by the company, for which the company had allocated Euro 326 thousand. 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 year under analysis, as in the previous year, the Be Group did not recognise any non-recurring income and charges pursuant to Consob Resolution 15519 of 27 July 2006.

5.3. Related Party Transactions

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 31 December 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.

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

No significant transactions were performed in the year 2021.

Receivables and payables with related parties at 31 December 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.	0	0	0	18	0	0
Total Related Parties	**0**	**0**	**0**	**18**	**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.	0	0	0	18	0	0
Terra Moretti Distribuzione S.r.l.				32		
Total Related Parties	**0**	**0**	**0**	**50**	**0**	**0**

Revenue and costs with related parties at 31 December 2021

	Revenue			***Costs***		
	Revenue	**Other revenue**	***Financial income***	**Services**	***Other costs***	***Financial expense***
Related Parties						
T.I.P. S.p.A.	0	0	0	100	0	0
C. Achermann	0	0	0	39	0	0
Terra Moretti Distribuzione S.r.l.				1		
Total Related Parties	**0**	**0**	**0**	**140**	**0**	**0**

Revenue and costs with related parties at 31 December 2020

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

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

Relevance of related party transactions

STATEMENT OF FINANCIAL POSITION	**31.12.2021**	**Absolute value**	**%**	**31.12.2020**	**Absolute value**	**%**
Trade receivables and Assets deriving from Contracts with customers	23,556	0	0%	22,014	0	0%
Other assets and receivables	3,570	0	0%	3,574	0	0%
Cash	78,447	0	0%	60,580	0	0%
Financial payables and other liabilities		0	0%	102,295	0	0%
Trade payables	27,356	18	0%	22,076	50	0%
INCOME STATEMENT		**Absolute value**	%	**2020**	**Absolute value**	%
Revenue	232,923	0	0%	176,645	0	0%
Service and other costs	(98,799)	140	0%	(76,548)	144	0%
Net financial expense	(1,812)	0	0%	(1,265)	0	0%

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

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

Amounts in EUR thousands	**31.12.21**	**Of which related parties**	**31.12.20**	**Of which related parties**
NON-CURRENT ASSETS				
Property, plant and equipment	2,714		2,273	
Rights of use	10,303		9,135	
Goodwill	96,740		70,374	
Intangible assets	18,733		19,626	
Equity investments in other companies	1,919		1,329	
Loans and other non-current assets	673		830	
Deferred tax assets	500		583	
Total Non-current assets	**131,582**	**0**	**104,150**	**0**
CURRENT ASSETS				
Inventories	157		156	
Assets deriving from contracts with customers	9,589		9,778	
Trade receivables	23,556		22,014	
Other assets and receivables	3,570		3,574	
Direct tax receivables	270		802	
Financial receivables and other current financial assets	177		165	
Cash and cash equivalents	78,447		60,580	
Total Current assets	**115,766**	**0**	**97,069**	**0**
Discontinued operations	6,963		0	
Total Discontinued operations	**6,963**		**0**	
TOTAL ASSETS	**254,311**	**0**	**201,219**	**0**
SHAREHOLDERS' EQUITY				
Share capital	27,109		27,109	
Reserves	27,702		20,935	
Net profit (loss) attributable to owners of the Parent Company	11,645	140	7,973	144
Group Shareholders' equity	**66,456**	**140**	**56,017**	**144**
Minority interests:				
Capital and reserves	553		1,737	
Net profit (loss) attributable to minority interests	908		1,139	
Minority interests	**1,461**		**2,876**	
TOTAL SHAREHOLDERS' EQUITY	**67,917**	**140**	**58,893**	**144**
NON-CURRENT LIABILITIES				
Financial payables and other non-current financial liabilities	31,760		25,482	
Financial liabilities for non-current rights of use	7,615		6,875	
Provisions for risks	3,613		1,628	
Post-employment benefits (TFR)	8,027		7,088	
Deferred tax liabilities	4,679		5,458	
Other non-current liabilities	16,303		6,416	
Total Non-current liabilities	**71,997**	**0**	**52,947**	**0**
CURRENT LIABILITIES				
Financial payables and other current financial liabilities	26,933		22,053	
Financial liabilities for current rights of use	3,567		3,047	
Trade payables	27,356	18	22,076	50
Provision for current risks	3,903		2,300	
Tax payables	4,877		1,481	
Other liabilities and payables	41,070		38,422	
Total Current liabilities	**107,706**	**18**	**89,379**	**50**
Discontinued operations	6,691		0	
Total Discontinued operations	**6,691**		**0**	**0**
TOTAL LIABILITIES	**186,394**	**18**	**142,326**	**50**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**254,311**	**158**	**201,219**	**199**

Consolidated Income Statement

Amounts in EUR thousands	FY 2021	Of which related parties	Of which non-recurring income (charges)	FY 2020	Of which related parties	Of which non-recurring income (charges)
Revenue	232,923			176,645		
Other revenue and income	2,334			2,164		
Total Revenue	**235,257**			**178,809**		
Raw materials and consumables	(172)			(155)		
Service costs	(96,420)	(140)		(74,620)		(144)
Personnel costs	(107,787)			(81,467)		
Other operating costs	(2,126)			(1,928)		
Cost of internal work capitalised	4,927			5,868		
Amortisation, depreciation and write-downs:						
Depreciation of property, plant and equipment	(768)			(771)		
Amortisation of intangible assets	(6,111)			(6,111)		
Amortisation of rights of use	(3,638)			(3,354)		
Impairment loss on current assets	(421)					
Costs for defined benefit plans	(1,954)					
Allocations to provisions	(210)			(1,660)		
Total Operating Costs	**(214,680)**	**(140)**		**(164,198)**		(144)
Operating profit (loss) (EBIT)	**20,577**	**(140)**		**14,611**		**(144)**
Financial income	134			100		
Financial expense	(1,946)			(1,365)		
Total Financial Income/Expense	**(1,812)**			**(1,265)**		
Profit (loss) before tax	**18,765**	**(140)**		**13,346**		**(144)**
Current income taxes	(6,917)			(3,504)		
Deferred tax assets and liabilities	705			(730)		
Total Income taxes	**(6,212)**			**(4,234)**		
Net profit (loss) from continuing operations	**12,553**			**9,112**		
Net profit (loss) from discontinued operations	**0**			**0**		
Net profit (loss)	**12,553**	**(140)**		**9,112**		**(144)**
Net profit (loss) attributable to minority interests	**908**			**1,139**		
Net profit (loss) attributable to owners of the Parent Company	**11,645**			**7,973**		

Consolidated Statement of Cash Flows

Amounts in EUR thousands	2021	Of which related parties	2020	Of which related parties
Net profit (loss)	12,553	0	9,112	0
Amortisation, depreciation and write-downs	10,517	0	10,236	0
Non-monetary changes in post-employment benefits (TFR)	158	0	1,497	0
Net financial expense in the income statement	2,075	0	1,377	0
Taxes for the year	6,917	0	3,504	0
Deferred tax assets and liabilities	(705)	0	730	0
Losses on current assets and provisions	6,043	0	3,577	0
Release of bad debt provisions	(150)	0	(455)	0
Other non-monetary changes	162	0	89	0
Non-monetary income from business combinations	(46)	0	(77)	0
Cash flow from operating activities	**37,525**	**0**	**29,590**	**0**
Change in inventories	(1)	0	(153)	0
Changes in assets deriving from contracts with customers	110	0	1,735	0
Change in trade receivables	(831)	0	(4,589)	0
Change in trade payables	6,967	(32)	9,710	21
Use of bad debt provisions	(1,998)	0	(7,918)	0
Other changes in current assets and liabilities	641	0	13,307	0
Income taxes paid	(1,628)	0	(3,017)	0
Post-employment benefits (TFR) paid	(525)	0	(1,319)	0
Other changes in non-current assets and liabilities	(775)	0	(3,004)	0
Change in net working capital	**1,960**	**(32)**	**4,752**	**21**
Cash flow from (used in) operating activities	**39,485**	**(32)**	**34,342**	**21**
(Purchase) of property, plant and equipment net of disposals	(565)	0	(883)	0
(Purchase) of intangible assets net of disposals	(5,022)	0	(409)	0
Cash flow from business combinations net of cash acquired	(11,995)	0	(1,751)	0
(Purchase)/sale of equity investments and securities	(557)	0	(24)	0
Cash flow from (used in) investing activities	**(18,139)**	**0**	**(8,935)**	**0**
Change in current financial assets	6	0	(61)	0
Change in current financial liabilities	4,787	0	6,493	0
Financial expense paid	(1,053)	0	(986)	0
Change in non-current financial liabilities	6,019	0	4,462	0
Repayments of lease liabilities	(3,542)	0	(3,138)	0
Cash paid for purchase of share pertaining to third parties	(3,698)	0	0	0
Cash paid to purchase own shares	(368)	0	(2,795)	0
Distribution of dividends paid to Group shareholders	(3,832)	0	(2,992)	0
Distribution of dividends paid to minority interests	(78)	0	0	0
Contributions from minority interests	0	0	5	0
Cash flow from (used in) financing activities	**(1,759)**	**0**	**988**	**0**
Cash flow from (used in) discontinued operations	**0**	**0**	**0**	**0**
Cash and cash equivalents	**19,587**	**(32)**	**26,395**	**21**
Net cash and cash equivalents - opening balance	60,580	0	34,185	0
Discontinued cash and cash equivalents	1,720	0	0	0
Net cash and cash equivalents - closing balance	78,447	0	60,580	0
Net increase (decrease) in cash and cash equivalents	**19,587**	**0**	**26,395**	**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, Euro/CHF, Euro/ALL and Euro/CZK, in relation to the consolidation of economic values and assets of Be Shaping the Future Management Consulting Limited, Be Ukraine LLC, Be Shaping the Future, sp zo.o, Soranus AG, Be Shaping the Future Czech Republic s.r.o., Be Think Solve Execute RO S.r.l., Crispy Bacon Shpk, and Be TSE Switzerland AG.

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

Currency	+10%	-10%
Polish Zloty (PNL)	(335)	410
Ukrainian Hryvnia (UAH)	(18)	22
Romanian Leu (RON)	(357)	436
British Pound (GBP)	59	(72)
Swiss Franc (CHF)	(211)	258
Albanian Lira (ALL)	2	(2)
Czech crown (CZK)	(0)	0
Total	**(861)**	**1,052**

Following a hypothetical increase of all exchange rates of ten percent, the overall impact would be a negative Euro 861 thousand, against a positive impact of Euro 1,052 thousand if the rates fell by the same percentage.

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

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

- ### Credit risk

Credit risk represents the Group's exposure to potential losses resulting from the failure of the counterparty to fulfil its commercial and financial obligations. Given the nature of its customers (mainly banks and the public administration), credit risk mainly relates to delays in collecting receivables from Public Administration customers and to any disputes (see note 8 and paragraph 5.1). In this regard, the Company and the Group carefully consider the use of all instruments, including any legal action, to ensure the prompt collection of receivables from Public Administration customers. Given the nature of the clientele, no additional risks with regard to the Covid-19 pandemic are noted at the moment.

The maximum theoretical exposure to credit risk for the Group at 31 December 2021 is represented by the book value of the financial assets taken from the consolidated financial statements. The Group has ongoing transactions to free up trade receivables without recourse.

- **Interest rate risk**

As the Company has loans in Euro at a floating interest rate, it believes that its exposure to any rise in interest rates may increase future financial expense. A swap contract has been drawn up to hedge interest rate risk on an unsecured loan obtained of Euro 6 million, for a duration of three years and two swap contracts were drawn up to hedge interest rate risk on an unsecured loan obtained of Euro 10 million, for a duration of five years and lastly, a swap contract was drawn up to hedge interest risk on an unsecured loan of Euro 4 million. The tables included in the sections on current and non-current financial payables show the book value, by maturity, of the Company's and Group's financial instruments that are exposed to interest rate risk.

A hypothetical sudden and unfavourable 1% change in the interest rate applicable to existing loans at 31 December 2021, even considering the hedges in place, would result in a pre-tax expense of Euro 72 thousand for the year.

- **Liquidity risk**

Liquidity risk is defined as the possibility that the Group is not able to maintain its payment commitments, due to the inability to raise new funds, or to be forced to incur very high costs to meet its commitments. The Be Group's exposure to this risk is represented above all by the loan agreements implemented. 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 17 and 18 "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 17 and 18, while with regard to trade payables, the amount due within the following year is shown on the financial statements. According to Management, the funds currently available, in addition to those that will be generated by operating and funding activities, including the current funds available on credit lines, will enable the Group to meet its requirements relating to investment, the management of working capital and the repayment of debts when the same are due, and will assure an appropriate level of operating and strategic flexibility.

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

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

Categories of financial assets and liabilities

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

Financial assets at 31.12.2021

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		0	
Financial receivables (portion beyond 12 months)		0		0	
TRADE RECEIVABLES	**0**	**33,145**	**0**	**33,145**	
Receivables due from customers		23,556		23,556	*10*
Assets deriving from contracts with customers		9,589		9,589	*9*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**177**	**0**	**177**	
Financial receivables and other current financial assets		177		177	*13*
Securities and financial assets		0		0	
CASH AND CASH EQUIVALENTS	**0**	**80,167**	**0**	**80,167**	
Cash and cash equivalents		80,167		80,167	*14*
TOTAL FINANCIAL ASSETS	**0**	**113,489**	**0**	**113,489**	

Financial liabilities at 31.12.2021

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	**(31)**	**(39,476)**	**(39,507)**	
Financial payables and other non-current financial liabilities		(31,729)	(31,729)	*17*
Hedge derivatives	(31)		(31)	*17*
Financial liabilities for non-current rights of use		(7,747)	(7,747)	*19*
Other financial liabilities		0	0	
CURRENT LIABILITIES	**0**	**(57,901)**	**(57,901)**	
Financial payables and other current financial liabilities		(26,934)	(26,934)	*18*
Hedge derivatives			0	*18*
Trade payables		(27,338)	(27,338)	*24*
Payables to related parties		(18)	(18)	*24*
Financial liabilities for current rights of use		(3,611)	(3,611)	*19*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities		0	0	
Financial payables to related parties		0	0	
TOTAL FINANCIAL LIABILITIES	**(31)**	**(97,377)**	**(97,408)**	

Financial assets at 31.12.2020

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

Financial liabilities at 31.12.2020

Amounts in EUR thousands	Financial liabilities for derivative instruments	Financial liabilities at amortised cost	Book value	Notes to the financial statements
FINANCIAL PAYABLES AND OTHER NON-CURRENT LIABILITIES	**(181)**	**(32,176)**	**(32,357)**	
Financial payables and other non-current financial liabilities		(25,301)	(25,301)	*17*
Hedge derivatives	(181)		(181)	*17*
Financial liabilities for non-current rights of use		(6,875)	(6,875)	*19*
Other financial liabilities		0	0	
CURRENT LIABILITIES	**0**	**(47,176)**	**(47,176)**	
Financial payables and other current financial liabilities		(22,053)	(22,053)	*18*
Hedge derivatives			0	*18*
Trade payables		(22,026)	(22,026)	*24*
Payables to related parties		(50)	(50)	*24*
Financial liabilities for current rights of use		(3,047)	(3,047)	*19*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities		0	0	
Financial payables to related parties		0	0	
TOTAL FINANCIAL LIABILITIES	**(181)**	**(79,352)**	**(79,533)**	

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

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

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

Financial statement items at 31 December 2021	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(31)**	**0**	**(31)**	**0**	**(31)**	
- Forward contracts					0	
- IRS on rates contracted on Unicredit loan of Euro 4 million	(36)		(36)		(36)	*17-18*
- IRS on rates contracted on BPM loan of Euro 10 million	(22)		(22)		(22)	*17-18*
- IRS on rates contracted on Intesa loan of Euro 10 million	46		46		46	*17-18*
- IRS on rates contracted on BNL loan of 6 million	(19)		(19)		(19)	*17-18*

Financial statement items at 31 December 2020	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(181)**	**0**	**(181)**	**0**	**(181)**	
- Forward contracts					0	
- IRS on rates contracted on Unicredit loan	(76)		(76)		(76)	*17-18*
- IRS on rates contracted on BPM loan of Euro 7 million	(43)		(43)		(43)	*17-18*
- IRS on rates contracted on BNL loan of Euro 10 million	(62)		(62)		(62)	*17-18*

5.5. Positions deriving from atypical or unusual transactions

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

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

The fees due to the Independent auditors in 2021 totalled Euro 319 thousand (Euro 277 thousand last year), of which Euro 17 thousand refer to the limited audit of the "Non-financial statement at 31.12.2021".

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

5.7. Law 124/2017 paragraph 125

Paragraph 125 of Law 124/2017 of 4 August 2017 introduced, starting from FY 2018, the obligation for companies receiving subsidies, contributions, paid assignments and economic benefits of any kind from public administrations and the entities referred to in the first sentence 33 of said paragraph, to publish these amounts in the notes to the financial statements. In line with the interpretations provided by the main trade associations, including ASSONIME, for the year 2021 the directors have identified the contributions and economic benefits from public administrations or similar entities falling under the cases referred to in the above provisions, for a total of Euro 778 thousand.

5.8. Climate Change

Even though it is not an industrial transformation company, to provide full disclosure to its stakeholders, Be Group reports the main environmental performance indicators, mainly relating to energy consumption and emissions of CO2, in the specific section of the Consolidated Non-Financial Statement.

At present, the risk related to climate change with regard to the sector in which the Group operates and the type of customers it works with (mainly credit institutions) is considered low.

6. Events after the reporting period at 31 December 2021

It should be noted that in January 2022, the partial non-proportional and asymmetrical spin-off of subsidiary Doom S.r.l. in favour of a newly established company which will take on the name of Be World of Wonders S.r.l. and which will be 75% held by Be and 25% by ZDF S.r.l. was approved. In particular, the spin-off would involve the assignment to Be World of Wonders S.r.l. of the activities of the business segment whose target customers are banking, financial and insurance companies. Be will continue to have a minority interest of 25% in Doom S.r.l following the spin-off, which will be consolidated through the equity method.

During the month of February, with reference to the possible transaction involving, among other things, the purchase and sale of shares representing approximately 43.209% of the capital of Be Shaping the Future S.p.A., the essential terms of which were disclosed to the market on 11 February 2022 through a press release by Tamburi Investment Partners S.p.A., the Board of Directors of Be received a request from Engineering Ingegneria Informatica S.p.A. (Engineering) - leading company in the sector of technological innovation, software production, automation and IT ecosystems, indirectly controlled by the private equity funds Bain Capital and NB Renaissance - to carry out, as part of the possible Transaction, a due diligence activity on Be and its subsidiaries.

On 15 February 2022, the Board of Directors of Be, having carefully assessed the Request in terms of proper balance between the need to protect the confidentiality of company data on the one hand, and the interest of all shareholders in not being denied an opportunity to liquidate their investment on the other, resolved to allow Engineering to carry out the due diligence on the Be Group.

With regard to the Covid-19 pandemic, the first part of 2022 is still highly impacted by management of the emergency and of the restrictive measures to contain it, although the latter have been gradually eased until their almost complete elimination. The national and international macroeconomic scenario continues, however, to show general uncertainty, mitigated by the start of the vaccination campaigns in the previous year, although we cannot reasonably rule out possible future lockdowns that could once again impact industrial and commercial activities with effects on the national and international economy.

In relation to the uncertainties arising from the ongoing conflict between Russia and Ukraine, it should be noted that the Be Group has its own presence in Kiev through its subsidiary Be Ukraine. The company operates towards branches of leading international institutions, with 40 direct employees and a turnover of approximately Euro 1 million. At present, ordinary activities continue uninterrupted and there are no interruptions in payment flows. It is not possible to define reliable development scenarios. However, due to the insignificant size (less than 1%) of the company's contribution to the Group's consolidation, no significant economic impacts are foreseen even in the event of a worsening of the current situation.

In light of the results recorded by the Group in 2021, the Company confirms the objectives defined in the 2021-2023 Business Plan. In the foreseeable macroeconomic scenario, we can reasonably expect further growth in financial year 2022.

The financial calendar for 2022, as announced, is currently confirmed.

Milan, 15 March 2022.

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

Certification of 2021 Consolidated Financial Statements pursuant to art. 81-ter, Consob Regulation 11971 of 14 May 1999, as amended

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

- the adequacy in relation to the business characteristics, and
- the effective application of administrative accounting procedures to prepare the consolidated financial statements in 2021.

2. It is also confirmed that:

2.1. the consolidated financial statements:

a) were prepared in compliance with international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of Council, of 19 July 2002;

b) correspond with the accounting entries and records;

c) provide a true and fair view of the equity, economic and financial position of the issuer and of the group of companies included in the scope of consolidation;

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

Milan, 15 March 2022.

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

Manuela Mascarini

/signed/ Stefano Achermann
Chief Executive Officer

Stefano Achermann

Parent Company Financial Statements

A. Statement of Financial Position

Amounts in EUR	*Notes*	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	243	757
Rights of use	*2*	48,699	60,137
Goodwill	*3*	10,170,000	10,170,000
Intangible assets	*4*	250	583
Equity investments in subsidiaries	*5*	49,052,828	45,772,859
Equity investments in other companies	*6*	560,000	500,000
Financial receivables and other non-current financial assets	*7*	0	556,209
Total Non-current assets		**59,832,020**	**57,060,545**
CURRENT ASSETS			
Trade receivables	*8*	724,301	1,392,382
Other assets and receivables	*9*	23,952,737	19,030,632
Direct tax receivables	*10*	46,673	460,968
Financial receivables and other current financial assets	*11*	20,196,120	12,247,689
Cash and cash equivalents	*12*	50,420,811	50,159,942
Total Current assets		**95,340,642**	**83,291,613**
Total Discontinued operations		**0**	**0**
TOTAL ASSETS		**155,172,662**	**140,352,158**
SHAREHOLDERS' EQUITY			
Share capital		27,109,165	27,109,165
Reserves		12,517,469	10,093,773
Net profit (loss)		8,223,454	6,505,134
TOTAL SHAREHOLDERS' EQUITY	***13***	**47,850,088**	**43,708,072**
NON-CURRENT LIABILITIES			
Financial payables and other non-current financial liabilities	*14*	31,759,581	25,481,811
Financial liabilities for non-current rights of use	*15*	28,379	38,157
Provisions for future risks and charges	*16*	3,482,744	1,528,578
Post-employment benefits (TFR)	*17*	101,967	159,838
Deferred tax liabilities	*18*	1,409,967	2,009,528
Other non-current liabilities	*19*	829,319	0
Total Non-current liabilities		**37,611,957**	**29,217,912**
CURRENT LIABILITIES			
Financial payables and other current financial liabilities	*20*	63,060,984	58,615,480
Financial liabilities for current rights of use	*15*	22,682	24,498
Trade payables	*21*	1,673,746	1,644,127
Provision for current risks	*22*	360,000	104,372
Tax payables	*23*	1,923,556	0
Other liabilities and payables	*24*	2,669,649	7,037,697
Total Current liabilities		**69,710,617**	**67,426,174**
Total Discontinued operations		**0**	**0**
TOTAL LIABILITIES		**107,322,574**	**96,644,086**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**155,172,662**	**140,352,158**

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

B. Income Statement

Amounts in EUR	***Notes***	**FY 2021**	**FY 2020**
Revenue	*25*	2,085,215	1,975,842
Other revenue and income	*26*	920,618	1,288,054
Total Revenue		**3,005,833**	**3,263,896**
Raw materials and consumables	*27*	(265)	(611)
Service costs	*28*	(8,698,691)	(7,458,730)
Personnel costs	*29*	(1,868,222)	(1,679,767)
Other operating costs	*30*	(421,559)	(341,767)
Amortisation and depreciation, provisions and write-downs:			
Depreciation of property, plant and equipment	*31*	(514)	(587)
Amortisation of intangible assets	*31*	(333)	(3,500)
Amortisation of rights of use	*31*	(25,277)	(55,430)
Costs for defined benefit plans	*32*	(1,954,167)	(1,492,500)
Total Operating Costs		**(12,969,028)**	**(11,032,892)**
Operating profit (loss) (EBIT)		**(9,963,195)**	**(7,768,996)**
Financial income	*33*	12,637,143	12,507,301
Capital gains from subsidiaries	*33*	3,934,981	0
Financial expense	*33*	(480,609)	(429,744)
Total Financial Income/Expense		**16,091,515**	**12,077,557**
Profit (loss) before tax		**6,128,320**	**4,308,561**
Current income taxes	*34*	1,458,143	2,000,529
Deferred tax assets and liabilities	*34*	636,991	196,044
Total Income taxes		**2,095,134**	**2,196,573**
Net profit (loss) from continuing operations		**8,223,454**	**6,505,134**
Net profit (loss) from discontinued operations		**0**	**0**
Net profit (loss)		**8,223,454**	**6,505,134**

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

C. Statement of Comprehensive Income

Amounts in EUR	**FY 2021**	**FY 2020**
Net profit (loss)	**8,223,454**	**6,505,134**
Items not subject to reclassification in the income statement		
Actuarial gains (losses) on employee benefits	6,084	(5,684)
Tax effect on actuarial gains (losses)	(1,460)	1,364
Items subject to reclassification in the income statement when certain conditions are met		
Gains (losses) on cash flow hedges	113,906	(5,397)
Gains (losses) on the restatement (fair value) of available-for-sale financial assets		
Other items of comprehensive income	**118,530**	**(9,717)**
Net comprehensive profit (loss)	**8,341,984**	**6,495,417**

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D. Statement of Cash Flows

Amounts in EUR	Notes	FY 2021	FY 2020
Net profit (loss)	*13*	**8,223,454**	**6,505,134**
Amortisation and depreciation	*31*	26,124	59,517
Non-monetary changes in post-employment benefits (TFR)	*17*	(47,038)	(23,060)
Net financial income in the income statement	*33*	(152,478)	(77,557)
Taxes for the year	*34*	(1,458,143)	(2,000,529)
Deferred tax assets and liabilities	*34*	(636,991)	(196,044)
Other non-monetary changes		29,520	88,813
Allocations of bonuses	*29-32*	2,314,167	1,596,872
Cash flow from operating activities		**8,298,615**	**5,953,146**
Change in trade receivables	*8*	668,081	3,700,671
Change in trade payables	*21*	29,619	(663,511)
Use of bad debt provisions	*16-22*	(104,372)	(4,253,730)
Other changes in current assets and liabilities	*9-10-23-27*	(5,031,493)	247,742
Taxes for the year paid		(598,645)	(2,464,351)
Post-employment benefits (TFR) paid	*17*	(4,749)	(160)
Other changes in non-current assets and liabilities	*18-19*	35,971	154,296
Change in net working capital		**(5,005,588)**	**(3,279,043)**
Cash flow from (used in) operating activities		**(3,293,027)**	**(2,674,103)**
Cash paid to purchase equity investment in subsidiaries	*5*	(2,323,748)	(2,523,895)
(Purchase) sale of equity investments and securities	*6*	(60,000)	(500,000)
Cash flow from (used in) investing activities		**(2,383,748)**	**(3,023,895)**
Change in current financial assets	*11*	(23,246,269)	(782,633)
Change in current financial liabilities	*20*	4,393,979	38,462,313
Change in non-current financial assets	*7*	556,209	363,699
Change in non-current financial liabilities	*14*	6,362,156	4,461,180
Repayments of lease liabilities	*15*	(25,433)	(52,877)
Financial expense paid	*33*	(429,084)	(435,450)
Cash paid to purchase own shares	*13*	(367,774)	(2,794,774)
Cash received from sale of equity investment in subsidiaries	*5*	3,940,000	0
Distribution of dividends paid to Company shareholders	*13*	(3,832,194)	(2,992,322)
Collection of dividends from subsidiaries	*33*	12,000,000	12,000,000
Cash flow from (used in) financing activities		**(648,410)**	**48,229,136**
Cash flow from (used in) discontinued operations		**0**	**0**
Cash and cash equivalents		**260,869**	**23,879,344**
Net cash and cash equivalents - opening balance	*12*	50,159,942	26,280,598
Net cash and cash equivalents - closing balance	*12*	50,420,811	50,159,942
Net increase (decrease) in cash and cash equivalents		**260,869**	**23,879,344**

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

E. Statement of Changes in Shareholders' Equity

Amounts in EUR	Share capital	Legal reserve	Share premium reserve	Extraordinary reserve	Reserve of own shares	Other reserves	Profit (loss) carried forward	Profit (loss) for the year	Shareholders' Equity
SHAREHOLDERS' EQUITY AT 31.12.2019	**27,109,165**	**540,708**	**15,168,147**	**433,038**	**(4,655,745)**	**(799,866)**	**0**	**5,204,304**	**42,999,751**
Net profit (loss)	0	0	0	0	0	0	0	6,505,134	6,505,134
Other items of comprehensive income	0	0	0	0	0	(9,717)	0	0	(9,717)
Net comprehensive profit (loss)	**0**	**0**	**0**	**0**	**0**	**(9,717)**	**0**	**6,505,134**	**6,495,417**
Purchase of own shares	0	0	0	0	(2,794,774)	0	0	0	(2,794,774)
Allocation of prior year profit (loss)	0	260,215	0	0	0	0	4,944,089	(5,204,304)	0
Dividend distribution	0	0	0	1,951,767	0	0	(4,944,089)	0	(2,992,322)
SHAREHOLDERS' EQUITY AT 31.12.2020	**27,109,165**	**800,923**	**15,168,147**	**2,384,805**	**(7,450,519)**	**(809,583)**	**0**	**6,505,134**	**43,708,072**
Net profit (loss)	0	0	0	0	0	0	0	8,223,454	8,223,454
Other items of comprehensive income	0	0	0	0	0	118,530	0	0	118,530
Net comprehensive profit (loss)	**0**	**0**	**0**	**0**	**0**	**118,530**	**0**	**8,223,454**	**8,341,984**
Purchase of own shares	0	0	0	0	(367,774)	0	0	0	(367,774)
Allocation of prior year profit (loss)	0	325,257	0	0	0	0	6,179,877	(6,505,134)	0
Dividend distribution	0	0	0	2,347,683	0	0	(6,179,877)	0	(3,832,194)
SHAREHOLDERS' EQUITY AT 31.12.2021	**27,109,165**	**1,126,180**	**15,168,147**	**4,732,488**	**(7,818,293)**	**(691,053)**	**0**	**8,223,454**	**47,850,088**

Notes to the financial statements

1. Corporate information

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

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

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

The financial statements of Be S.p.A. for the year ending 31 December 2021 were approved for publication by the Board of Directors on 15 March 2022. Be S.p.A. has also drawn up the Consolidated Financial Statements for the Be Group at 31 December 2021.

2. Measurement criteria and accounting standards

2.1 Presentation criteria

The financial statements of Be Shaping the Future S.p.A. at 31 December 2021 have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as with provisions issued in implementation of art. 9 of Italian Legislative Decree 38/2005. The above standards are integrated with IFRIC (*International Financial Reporting Interpretations Committee*) and SIC (*Standing Interpretations Committee*) interpretations. The financial statements comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in shareholders' equity and the relative notes to the financial statements.

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

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

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

As regards segment reporting, the company does not fall within the scope of application of IFRS 8. The Financial Statements are presented in Euro, the amounts in the notes to the financial statements are presented in Euro unless otherwise indicated, therefore, there could be differences in the amounts shown in the tables below due to rounding.

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

For further information on this aspect, please refer to note 2.3.

2.2 Discretionary measurements and significant accounting estimates

Preparation of the financial statements and related notes in application of IFRS requires that management perform discretionary measurements and accounting estimates that have an effect on the value of statement of financial position assets and liabilities and on financial statement disclosures. The final results could differ from such estimates. The estimates are used to measure goodwill, to recognise credit risk provisions, to determine write-downs on investments or assets, to determine amortisation and depreciation and to calculate taxes, costs for defined benefit plans and provisions. Also note that the directors have exercised their discretion in assessing the prerequisites for going concern assumptions. The estimates and assumptions are periodically reviewed and the effects of any change are immediately reflected in the income statement.

Uncertainty of estimates

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

The 2022-2024 Business Plan was prepared by the Directors for the purpose of Impairment testing, approved by the Board of Directors' Meeting held on 21 February 2022 (hereinafter "2022-2024 Plan"), on the basis of forecasts and assumptions inherent to future trends in operations and the reference market. The forecasts represent the best estimate of future events that management expects to arise and of action that management intends to take. These were estimated on the basis of final figures, orders already received or sales to be made to established customers, as such presenting a lower degree of uncertainty and therefore a higher probability of actually occurring.

Vice versa, the assumptions relate to future events and actions, fully or partly independent from management action; they are therefore characterised by a greater degree of chance, and in the case in hand mainly relate to the trend with moderate and significant growth, respectively, in the ICT Solutions and Business Consulting segments, in terms of volumes as well as margins, based on ongoing and constant expansion onto the market, as well as a trend of more accentuated growth in volumes than the Digital segment, driven by the digital transformation of the financial institutions.

Consequently, the Directors acknowledge that the strategic objectives identified in the 2022-2024 Plan, though reasonable, present profiles of uncertainty due to the chance nature of future events occurring and the characteristics of the reference market, and also as regards the occurrence of events represented in the plan, their extent and timing.

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

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

2.3 Disclosure on going concern assumptions

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

2022-2024 Plan

The 2022-2024 Plan was prepared based on forecasts and assumptions inherent to future trends in operations and in the reference markets. Though reasonable, these do show profiles of uncertainty due to the questionable nature of future events and the characteristics of the market in which the Group operates.

With reference to the content of the paragraph entitled "Events after 31 December 2021 and business outlook" in the Management Report, the directors consider going concern assumptions to be appropriate in preparing the Financial Statements of the Parent Company, as no uncertainties have emerged associated with events or circumstances which, taken individually or as a whole, could give rise to doubts about the company as a going concern.

Changes in medium-term credit facilities

In 2021, the company repaid the envisaged instalments of existing loans. For additional information, refer to notes 14 and 20.

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2.4 Accounting principles

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

2.4.1 Intangible assets

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

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

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

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

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

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

2.4.2 Rights of use

For rights of use, refer to note 2.4.16.

2.4.3 Goodwill

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

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

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

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

In cases in which the goodwill is allocated to a cash flow generating unit (or group of units) whose assets are partially disposed of, the goodwill associated to the asset sold is considered when establishing any gain (loss) resulting from the transaction. In these circumstances, the goodwill transferred is measured on the basis of the values relating to the asset disposed of with respect to the asset still held with relation to the same unit.

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

2.4.4 Property, plant and equipment

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

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

Rates of depreciation

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

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

When establishing the value in use, the expected future cash flows are discounted using a pre-tax discount rate which reflects the present market estimate of the cost of money with relation to the time and to the specific risks of the asset. For assets that do not generate fully independent cash flows, the recoverable amount is established in relation to the cash flow generating unit to which said asset belongs.

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

2.4.5 Impairment loss on assets

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

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

2.4.6 Equity investments in subsidiaries

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

2.4.7 Equity investments in other companies

Investments in equity, generally comprising shareholdings with stakes of less than 20% and not for trading purposes, in accordance with the option envisaged by IFRS 9, are accounted for by recording changes in fair value in the Income Statement. The fair value is identified, in the case of listed equity investments, with the stock market value at the end of the period and, in the case of investments in unlisted companies, with the value estimated on the basis of valuation techniques. These valuation techniques include comparison with the values of recent similar transactions and other valuation techniques that are essentially based on the analysis of the investee's capacity to generate future cash flows, discounted to reflect the time value of money and the specific risks of the business carried out. Investments in equity instruments that are not listed on a regulated market and whose fair value cannot be reliably measured are measured at cost, reduced for impairment if necessary. The choice between the above methods is not optional, as they must be applied in hierarchical order: absolute priority is given to official prices available on active markets (effective market quotes - level 1) or for assets and liabilities measured on the basis of valuation techniques that use parameters observable on the market as a reference (comparable approaches - level 2) and lower priority to assets and liabilities whose fair value is calculated on the basis of valuation techniques that use parameters not observable on the market as references and are therefore more discretionary (market model - level 3).

2.4.8 Financial assets

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

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

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

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

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

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

2.4.9 Trade receivables and other receivables

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

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

2.4.10 Cash and cash equivalents

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

2.4.11 Own shares

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

2.4.12 Employee benefits

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

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

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

2.4.13 Provisions for risks and charges

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

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

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

2.4.14 Trade payables and other payables

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

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

2.4.15 Financial liabilities

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

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

2.4.16 Leased assets

Assets acquired through lease agreements are recognised in property, plant and equipment under a specific item called "Rights of use" at an amount corresponding to the value of the financial liability calculated on the basis of the present value of future payments discounted by using the incremental borrowing rate for each agreement. The debt is progressively reduced based on the repayment plan of the principal amount included in the payments envisaged in the agreement, the interest amount is instead recognised in the income statement and classified as financial expense. The value of the right of use is systematically depreciated on the basis of the expiry terms of the lease agreement, also considering the likely renewal of the agreement in the presence of an enforceable renewal option. Payments relating to lease agreements with a term equal to or less than 12 months, and agreements whose underlying asset is of low value are recognised on a straight line basis in the income statement based on the term of the agreement. The Company has defined the lease term as the non-cancellable period of the contract, also considering the periods covered by an option to extend the lease, if the Company is reasonably certain to exercise that option. In particular, in assessing the reasonable certainty of exercising the renewal option, the Group considered all the relevant factors that create an economic incentive to exercise the renewal option.

2.4.17 Revenue

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

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

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

2.4.18 Costs of goods and services

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

2.4.19 Write-down of financial assets

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

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

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

2.4.20 Current and deferred taxes

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

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

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

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

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

The value of deferred tax assets to be reported in the financial statements is reviewed on the closing date of the financial statements. Deferred tax assets that are not recognised are reviewed annually on the closing date of the financial statements. Deferred tax assets and liabilities are measured on the basis of the tax rates that are expected to be applied to the year in which the assets are realised or the liabilities are extinguished, on the basis of rates that will be issued or substantially issued on the date of the financial statements. In this regard, note that art. 1, paragraph 61 of 2016 Italian Stability Law has established that, effective for tax years subsequent to that ending 31

December 2016 (and therefore from 1 January 2017), the rate of IRES will be 24% instead of the current 27.5%.

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

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

Be Shaping the Future S.p.A. (hereinafter "Be S.p.A."), the consolidating Parent Company, has a tax consolidation option for the three-year period 2021-2023 with subsidiary Be Shaping The Future, DigiTech Solutions S.p.A. (hereinafter "Be Solutions"), for the three-year period 2020-2022 with subsidiaries Be Shaping The Future, Management Consulting S.p.A. (hereinafter "Be Management Consulting S.p.A."), Be Shaping the Future Corporate Services S.p.A., Iquii S.r.l., Tesla S.r.l and Human Mobility S.r.l.

Note that, Italian Legislative Decree 147 dated 14 September 2015 (so-called Internationalisation decree) introduced the regime of the so-called "branch exemption", namely the option of exempting the income (and the losses) of permanent foreign organisations, who are therefore taxed exclusively in the Country in which the permanent organisation is located. Be Shaping the Future Management Consulting Ltd (Italian Branch) chose this option until 2023.

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

The payment of these "tax adjustments" is made, firstly by offsetting the tax credit transferred to the Parent Company, and for the remainder to the extent and within the term provided by law envisaged for the payment of the balance and of the advances relating to the income transferred. The "tax adjustments" relating to advances will be paid to the Parent Company by the Subsidiary, within the legal terms envisaged for the payment of the same, only for those actually paid and proportional to the income transferred with respect to the sum of the individual taxable incomes transferred to the Parent Company. The Subsidiary also undertakes to transfer any tax credits or tax losses to the Parent Company.

2.4.21 Interest

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

2.4.22 Dividends

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

2.4.23 Foreign currency translation

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

2.4.24 Capital gains from the sale of equity investments to Group companies

Transactions involving the sale of majority equity investments to entities belonging to the same Group are governed by OPI no.1 (revised) which establishes that, if the transaction takes place under normal market conditions, the selling entity must eliminate the value of the investment sold and recognise the capital gain/loss on the profit/loss for the year.

2.4.25 Derivative financial instruments and hedges

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

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

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

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

The non-effective portion of the hedge is recognised in the income statement item "(Charges)/Income from derivative instruments". At 31 December 2021, the Company had four hedge swaps in place after entering into loan agreements at a floating rate of interest.

2.5 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 Company 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 Parent Company's 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 Parent Company's 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 Parent Company's Financial Statements.

2.6 IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the European Union, whose application is not yet compulsory and for which the Company did not opt for early adoption at 31 December 2021

At 31 December 2021, there were no IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the European Union, whose application is not yet compulsory and for which the Group did not opt for early adoption.

2.7 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 Parent Company's Financial Statements.

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

- On 14 May 2020, the IASB published the following amendments called:
  - Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without changing the requirements of IFRS 3.
  - Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of tangible assets. These sales revenues and related costs will therefore be booked to the income statement.
  - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that all of the costs directly attributable to the contract must be taken into account when estimating whether a contract is onerous. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in processing), but also all of the costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of personnel costs and depreciation of machinery used to perform the contract).

- Annual Improvements 2018-2020: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

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

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

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

Note 1.

Property, plant and equipment

There were no changes in the item in 2021, except for regular depreciation for the period. The figure for the item "Other assets" includes the following categories:

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

The changes during 2020 and those of the current year are shown below.

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Change in historical cost

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

Change in accumulated depreciation

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

Change in historical cost

	Historical cost 2020	Increases	Decreases	Reclassifications	Write-downs	Historical cost 2021
Other assets	5,625	0	0	0	0	5,625
TOTAL	**5,625**	**0**	**0**	**0**	**0**	**5,625**

Change in accumulated depreciation

	Accumulated depreciation 2020	Depreciation	Decreases	Reclassifications	Write-downs	Accumulated depreciation 2021
Other assets	4,868	514	0	0	0	5,382
TOTAL	**4,868**	**514**	**0**	**0**	**0**	**5,382**

Net book value

	Net book value 31.12.19	Net book value 31.12.20	Net book value 31.12.21
Other assets	1,344	757	243
TOTAL	**2,161**	**757**	**243**

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Note 2.

Rights of use

At 31 December 2021, rights of use totalled Euro 48,699 and mainly regard leases for company cars used by personnel.

The changes during 2020 and those of the current year are shown below.

Change in historical cost

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

Change in accumulated depreciation

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

Change in historical cost

	Historical cost 31.12.2020	Increases	Decreases	Exchange gains/losses	Historical cost 31.12.2021
Motor vehicles	94,147	16,978	(21,005)	0	90,120
TOTAL	**94,147**	**16,978**	**(21,005)**	**0**	**90,120**

Change in accumulated depreciation

	Accumulated depreciation 31.12.2020	Depreciation	Decreases	Exchange gains/losses	Accumulated depreciation 31.12.2021
Motor vehicles	34,010	25,277	(17,866)	0	41,421
TOTAL	**34,010**	**25,277**	**(17,866)**	**0**	**41,421**

Net book value

	Net book value 31.12.19	Net book value 31.12.20	Net book value 31.12.21
Motor vehicles	79,225	60,137	48,699
Property	45,591	0	0
TOTAL	**124,816**	**60,137**	**48,699**

The value of the right of use is systematically depreciated on the basis of the expiry terms of the lease agreement, also considering the likely renewal of the agreement in the presence of an enforceable renewal option.

Payments relating to lease agreements with a term equal to or less than 12 months, and agreements whose underlying asset is of low value are recognised on a straight line basis in the income statement based on the term of the agreement.

Note 3.

Goodwill

Goodwill at 31 December 2021 was Euro 10,170 thousand, unchanged with respect to last year.

Goodwill

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

Goodwill

	Balance at 31.12.2020	Increases	Decreases	Impairment loss	Balance at 31.12.2021
Goodwill	10,170,000	0	0	0	10,170,000
TOTAL	**10,170,000**	**0**	**0**	**0**	**10,170,000**

Impairment Test

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

The goodwill recognised at 31 December 2021, after impairment testing, amounted to Euro 10,170 thousand. It relates to a residual part of the goodwill resulting from the acquisition of "CNI Informatica e Telematica S.p.A.", incorporated by the Company in 2002.

Said goodwill, the original value of which was Euro 41,646 thousand, i) was written down over the course of the years by a total of Euro 13,646 thousand, ii) Euro 15 million of which was transferred to the subsidiary Be Eps, following the disposal of the "DMO-BPO business division" in 2017, transferred in turn to Be Solutions following the extraordinary merger of the two companies and iii)

Euro 2,830 thousand of which was transferred to Be Solutions as part of the transfer of the "Security & Mobility" BU. The residual value of this goodwill - following the separation and subsequent reallocation of the original value as illustrated above, in line with the reorganisation of the CGUs made in previous years - was allocated to the Consulting CGU insofar as it represents the value of Be Management Consulting activities, which prior to the above-mentioned reorganisation were considered - just as those transferred to Be Solution - as the development and diversification of the core activities performed by the original BPO/DMO CGU. Therefore for the purpose of the financial statements, said goodwill was impairment tested together with the value of the equity investment in Be Management Consulting.

In 2021, based on the results of the impairment test and of the impairment tests and relative sensitivity analyses conducted, made with the assistance of an external consultant, the Directors decided not to make any write-down of goodwill.

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

The company opted to estimate the recoverable amount on the basis of the value in use. This criterion entails calculating the recoverable amount of the CGU by discounting cash flows at a discounting rate. Determination of the value in use of the Cash Generating Units ("CGU") that represent the Group's activities was carried out by discounting the cash flows ("DCF Analysis") as stated in the 2022-2024 Plan.

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

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

The Directors report that the recoverable amount of goodwill is sensitive to variances with respect to the basic assumptions used to prepare the 2022-2024 Plan, such as the revenue and profit (loss) expected to be recorded.

Note that, as regards the estimated operating cash flows, the same originate from the plans examined by the Board of Directors at a meeting held on 21 February 2022, prepared on the basis of an explicit 3-year forecasting period.

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

These external factors, in line with accounting standard IAS 36, have been estimated on the basis of elements known on the date of preparation and examination of company plans, including the effects of the global spread of the Covid-19 pandemic, mentioned in paragraph 8.6 "Events after the reporting period at 31 December 2021".

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

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Sensitivity to changes in assumptions

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

Given that, the main drivers used to prepare the 2022-2024 Plan and the impairment test, which could lead to a reduction in the value in use if they change, are listed below:

- achieving forecast revenue: achieving revenue targets, beyond the actions envisaged by management, is also related to market demand, to the renewal and/or award of tenders envisaged and to the successful development of other activities envisaged or in progress;
- achieving the normalised level of profitability and maintaining said level of profitability beyond the period of the 2022-2024 Plan; note that a significant portion of the value in use of goodwill is related to this assumption;
- discount rates: the discount rate was calculated on the basis of external market parameters and therefore the fact that the current macroeconomic situation could worsen, or that there may be a slowdown of the expected recovery also have to be taken into account as they could have a significant influence on the same, resulting in a change to those used in this analysis.

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

Note 4.

Intangible Assets

Intangible assets did not increase compared to the previous year. The change during the period is due to the regular amortisation process for the new licences for Talentia software and for travel.

The changes during 2020 and those of the current year are shown below.

Change in historical cost

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

Change in accumulated amortisation

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

Change in historical cost

	Historical cost 31.12.2020	Increases	Decreases	Other changes	Write-downs	Historical cost 31.12.2021
Concessions, licences and trademarks	12,000	0	0	0	0	12,000
TOTAL	**12,000**	**0**	**0**	**0**	**0**	**12,000**

Change in accumulated amortisation

	Accumulated amortisation 31.12.2020	Amortisation	Decreases	Other changes	Write-downs	Accumulated amortisation 31.12.2021
Concessions, licences and trademarks	11,417	333	0	0	0	11,750
TOTAL	**11,417**	**333**	**0**	**0**	**0**	**11,750**

Net book value

	Net book value 31.12.19	Net book value 31.12.20	Net book value 31.12.21
Concessions, licences and trademarks	4,083	583	250
TOTAL	**4,083**	**583**	**250**

Note 5.

Equity investments in subsidiaries

Equity investments in subsidiaries amount to Euro 49,053 thousand and are summarised in the following table.

During the year, the Company completed the acquisition of 51% of the share capital of Crispy Bacon Holding S.r.l., which in turn holds 100% of Crispy Bacon S.r.l. and 90% of Crispy Bacon Shpk, at a price of approximately Euro 3.3 million, of which Euro 2.3 million paid upon acquisition.

In addition, the company Be The Change S.r.l. was established during the year, of which the Parent Company holds 100% of the capital, and the entire 100% stake held in the company Be Think Solve Execute RO S.r.l. was sold to the Group company Be Management Consulting S.p.A. for Euro 3,940 thousand.

Equity investments in subsidiaries

	31.12.2020	Increases	Decreases	31.12.2021
Be Management Consulting S.p.A.	6,377,672	0	0	6,377,672
Be Digitech Solutions S.p.A.	36,816,273	0	0	36,816,273
Be Corporate Services S.p.A.	450,000	0	0	450,000
Dream of Ordinary Madness (Doom) Entertainment S.r.l.	1,868,895	0	0	1,868,895
Human Mobility S.r.l.	255,000	0	0	255,000
Crispy Bacon Holding S.r.l.	0	3,274,988	0	3,274,988
Be the Change S.r.l.	0	10,000	0	10,000
Be Romania S.r.O	5,019	0	(5,019)	0
TOTAL	**45,772,859**	**3,284,988**	**(5,019)**	**49,052,828**

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

  Be Shaping the Future, Management Consulting S.p.A. (Be Management Consulting S.p.A. for short) is a company incorporated in Italy at the end of 2007, with registered offices in Rome, and a share capital of Euro 120,000 of which Be S.p.A. holds 100% at 31 December 2021. The company operates in the sphere of management and reorganisation consulting, mostly addressed to the world of finance.

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

  Be Shaping the Future, DigiTech Solutions S.p.A. (Be Solutions S.p.A. or Be DigiTech Solutions S.p.A. for short), a company incorporated in Italy and operating in the Information Technology sector, has a share capital of Euro 7,548,441. Be Shaping the Future S.p.A. owns 100% of the company.

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

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

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

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

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

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

- **Crispy Bacon Holding S.r.l.**

  Crispy Bacon Holding S.r.l., a company based in Marostica, with share capital of Euro 12 thousand, operates in the financial services industry and is 51% owned by Be Shaping the Future

S.p.A. Crispy Bacon Holding S.r.l. owns 100% of Crispy Bacon S.r.l., with offices in Marostica and Milan, and 90% of Crispy Bacon Shpk, based in Tirana, the remaining 10% of which is held by local third parties.

- **Be the Change S.r.l.**

  Be the Change S.r.l., a company established at the end of 2021 and based in Milan, will act in the short term as the holding company for the Group's "Digital" Engagement hub. Be Shaping the Future S.p.A. owns 100% of the company.

The table below summarises the equity investments held:

Company	Registered office	Share Capital	Shareholders' Equity at 31.12.2021	Net profit (loss) for the year at 31.12.2021	Interest held	Book value at 31.12.2021
Be Management Consulting S.p.A.	Rome	120,000	10,234,705	8,080,025	100%	6,377,672
Be Digitech Solutions S.p.A.	Rome	7,548,441	24,255,133	4,597,947	100%	36,816,273
Be Corporate Services S.p.A.	Rome	450,000	663,983	113,795	100%	450,000
Dream of Ordinary Madness S.r.l.	Milan	10,000	1,024,330	441,845	51%	1,868,895
Human Mobility S.r.l.	Milan	10,000	329,097	(36,539)	51%	255,000
Crispy Bacon Holding S.r.l.	Marostica	12,000	496,401	33,266	51%	3,274,988
Be the Change S.r.l.	Milan	10,000	976	(9,024)	100%	10,000

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

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

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

- by estimating the value in use of the individual equity investments based on the unlevered discounted cash flow, namely by first establishing the enterprise value and then by subtracting the net financial position of each company or sub-holding calculated on a sub-consolidated base from said value (for Be Management Consulting S.p.A. and Be Digitech Solutions S.p.A.);
- by discounting the unlevered after-tax cash flows relating to each company or sub-holding, as a function of the relative weighted average cost of capital (WACC). The after-tax discount rate used was 8.58% for the equity investments in Be Digitech Solutions S.p.A., Be Management Consulting S.p.A. and Dream of Ordinary Madness Entertainment S.r.l.;
- by separately assessing the flows that show different risk profiles;

- by comparing the value in use calculated in this way with the book value of the operating equity investments recognised in the separate financial statements of the Parent Company at 31 December 2021;
- by conducting a sensitivity analysis on the value in use with regard to changes in the underlying assumptions.

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

- 16.67% with regard to the equity investment in Be Digitech Solutions.
- 24.88% with regard to the equity investment in Dream of Ordinary Madness Entertainment S.r.l.

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

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

Note 6.

Equity investments in other companies

The item "Equity investments in other companies" at fair value, refers to:

- the investment of Euro 500 thousand in July 2020, following subscription of an increase in capital by the company YOLO S.r.l. Be's stake is equal to 2.5% of YOLO's capital. Be also adheres to a new Shareholders' Agreement that links the founding members and new investors. No impairment testing was conducted, due to irrelevance in terms of value, as well as since the capital increase took place recently and the value recognised in the financial statements at 31 December 2021 therefore represents market value (Fair value).
- the investment of around Euro 60 thousand, for the purchase by 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.

Equity investments in other companies

	Balance at 31.12.2020	Increases	Decreases	Balance at 31.12.2021
Equity investments in other companies	500,000	60,000	0	560,000
TOTAL	**500,000**	**60,000**	**0**	**560,000**

Note 7.

Financial receivables and other non-current financial assets

The item "Non-current financial receivables due from Subsidiaries" relates to an intercompany loan which was settled early during the year in question.

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Non-current financial receivables due from Subsidiaries

	Balance at 31.12.2021	Balance at 31.12.2020
Non-current financial receivables due from Subsidiaries	0	556,209
TOTAL	**0**	**556,209**

Note 8.

Trade receivables

Trade receivables mainly comprise Euro 720 thousand due from Group companies, mainly relating to the charge-back of royalties for use of the "Be" brand.

Trade receivables

	Balance at 31.12.2021	Balance at 31.12.2020
Receivables due from customers	0	3,000
Bad debt provision for receivables due from customers	0	(3,000)
Invoices to be issued	4,600	0
Receivables due from Group Companies	719,701	1,392,382
TOTAL	**724,301**	**1,392,382**

The changes in the bad debt provision, reduced to zero during the year, are illustrated below.

Bad debt provision

	Balance at 31.12.2021	Balance at 31.12.2020
Opening balance	3,000	193,000
Allocations	0	0
Uses/releases	(3,000)	(190,000)
TOTAL	**0**	**3,000**

Note 9.

Other assets and receivables

Other assets and receivables are mainly composed of VAT credits and other indirect taxes, for Euro 833,478, and the item "Other receivables due from Group companies", for Euro 22,926,552, which includes the tax consolidation credit with respect to subsidiaries.

Other assets and receivables

	Balance at 31.12.2021	Balance at 31.12.2020
Advances to suppliers for services	300	1
Receivables due from employees	561	227
VAT credits and other indirect taxes	833,478	332,087
Accrued income and prepaid expenses	171,500	62,848
Other receivables due from Group companies	22,926,552	18,557,736
Other current trade receivables	14,346	71,733
Short-term guarantee deposits	6,000	6,000
TOTAL	**23,952,737**	**19,030,632**

Note 10.

Direct tax receivables

"Receivables from IRES refunds" refers to a credit acquired by the Company in 2017 from the subsidiary A&B S.p.A. in liquidation and relating to a refund request for a prior credit situation.

In the previous year, the Company had a credit position with the tax authorities, for current taxes relating to IRES for Euro 414 thousand, net of the advances paid in 2020; in 2021, on the other hand, the Company has a debt position of Euro 2,821 thousand; see Note 23 "Tax payables".

Direct tax receivables

	Balance at 31.12.2021	Balance at 31.12.2020
Receivables from IRES refunds	46,673	46,673
Tax receivables for tax consolidation scheme	0	414,295
TOTAL	**46,673**	**460,968**

Note 11.

Financial receivables and other current financial assets

This item is entirely comprised by receivables due from subsidiaries amounting to Euro 20,196 thousand relating to the centralised treasury activities of the Parent Company.

Financial receivables and other current financial assets

	Balance at 31.12.2021	Balance at 31.12.2020
Financial receivables due from Group Companies	20,196,120	12,247,689
TOTAL	**20,196,120**	**12,247,689**

Note 12.

Cash and cash equivalents

The balance represents cash held in current accounts at banks and post offices, and cash on hand at 31 December 2021.

Cash and cash equivalents

	Balance at 31.12.2021	Balance at 31.12.2020
Bank and postal deposits	50,420,614	50,159,767
Cash at bank and in hand	197	175
TOTAL	**50,420,811**	**50,159,942**

Note 13.

Shareholders' Equity

Share Capital and Reserves

At 31 December 2021 Be S.p.A.'s fully paid-up share capital totalled Euro 27,109,165, divided into 134,897,272 ordinary shares with no face value.

Be S.p.A.'s shares are traded in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA) organised and managed by Borsa Italiana S.p.A..

Note that in 2013, the share capital increase entailed the full subscription of the 65,719,176 newly-issued ordinary shares, at a placement price of Euro 0.19 for each new share, of which Euro 0.10 to be allocated to Share Capital, with a total counter value of Euro 12,486,643.44, of which Euro 6,571,917.60 to Share Capital and Euro 5,914,725.84 to the Share Premium Reserve.

On 22 April 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.

Reserves amount to Euro 12,517 thousand and are comprised by:

- the "legal reserve" of Euro 1,126 thousand, which shows an increase of Euro 325 thousand following allocation of the profit from 2020;
- the "extraordinary reserve" of Euro 4,732 thousand, which shows a net increase of Euro 2,348 thousand following the distribution of dividends from 2020;
- the residual "share premium reserve" of Euro 15,168 thousand which did not change in 2020;
- other negative reserves of Euro 691 thousand for expenses directly recognised under shareholders' equity, relating to costs for share capital increases of Euro 606 thousand, the recognition of IRS hedging derivatives on loans of Euro 20 thousand and the impact of post-employment benefits under IAS 19 of Euro 65 thousand.

- the own shares reserve of negative Euro 7,818 thousand.

At 31 December 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	38,152,225	28.282
Innishboffin S.r.l.	Italian	10,847,792	8.042
Be Shaping the Future S.p.A.	Italian	7,157,460	5.306
Stefano Achermann	Italian	6,386,826	4.735
Carma Consulting S.r.l.	Italian	2,900,779	2.150
Float		69,452,190	51.485
TOTAL		**134,897,272**	**100.00**

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

Nature/Description	Amount	Possibility of utilisation (*)	Share available	Utilisation in past three years to cover losses	Utilisation in past three years for other reasons
Share	27,109,165				
Reserve of own shares purchased	(7,818,293)				
Share premium reserve	15,168,147	A,B	15,168,147		
Legal reserve	1,126,180	A,B	1,126,180		
Extraordinary reserve	4,732,488	A,B,C	4,732,488		
Other reserves	(691,053)				
Total	**39,626,634**		**21,026,815**		
Non-allocatable quota			16,294,327		
Residual allocatable quota			4,732,488		

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

Stock option plans

The company has no stock option plans.

Own shares

Note that on 26 April 2018, an ordinary and extraordinary session of the Shareholders' Meeting of Be, was held, on second call, resolving, among other things, to approve, on the proposal of the Board of Directors, the plan to purchase and sell the Company's ordinary shares, in one or more than one tranche, on a rotational basis, up to the maximum number permitted by law (at present represented by a number of shares not exceeding 20% of share capital), to be determined also in 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 22 April 2020, the Meeting had approved a new plan for the purchase of own shares, subject to the revocation of the resolution authorising the purchase and disposal of own shares, approved by the Shareholders' Meeting on 18 April 2019.

At 31 December 2020, the Company had purchased a total of 6,906,805 own shares, corresponding to 5.12% of the share capital for a counter value of Euro 7,450,519.

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

Having implemented the above plan to purchase own shares, at 31 December 2021 Be S.p.A. holds 7,157,460 own shares, corresponding to 5.306% of the Company's share capital, for a total counter value of Euro 7,818,294 recognised in the relative reserve.

Note 14

Financial payables and other non-current financial liabilities

Non-current financial payables of around Euro 31,760 thousand refer mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months.

Financial payables and other non-current financial liabilities

	Balance at 31.12.2021	Balance at 31.12.2020
Non-current-financial payables to banks	31,759,581	25,481,811
TOTAL	**31,759,581**	**25,481,811**

The loans outstanding at 31 December 2021 and relative maturities were as follows.

Loans	Balance at 31.12.2021	<1 year	>1<2 years	>2<3 years	>3<4 years	>4 years
Loans maturing in 2022	5,807,932	5,807,932	0	0	0	0
Loans maturing in 2023	22,896,050	15,843,278	7,052,772	0	0	0
Loans maturing in 2025	13,298,459	3,452,936	3,485,378	3,518,129	2,842,016	0
Loans maturing in 2026	6,319,493	1,373,821	1,391,074	1,408,544	1,426,234	719,820
Loans maturing in 2028	10,000,000	0	1,000,000	2,000,000	2,000,000	5,000,000
TOTAL LOANS	**58,321,933**	**26,477,967**	**12,929,224**	**6,926,674**	**6,268,249**	**5,719,820**

During 2021, Be S.p.A. entered into new medium-long term loans totalling Euro 38,000 thousand, while the repayments made during the year amounted to Euro 21,911 thousand.

For the short-term portion of medium-long term loans, see Note 20.

Long-term financial payables include the positive impact of the joint application of the amortising cost and of the fair value of the four IRS contracts to hedge the risk of an increase of the interest rate on variable interest rate loans at 31 December 2021, for a total of Euro 84 thousand.

As regards 2021, the covenants on several loans were respected. Note that the fair value of the above loans is essentially in line with their book value.

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

Note 15.

Financial liabilities for current and non-current rights of use

Financial liabilities for current and non-current rights of use at 31 December 2021 amounted to Euro 51 thousand and refer to leases for company cars used by personnel. The asset values referring to the above leases are shown in Note 2.

During the year, Euro 25,433 thousand was repaid, against an amount of Euro 52,877 thousand in 2020.

With reference to the options and exemptions provided for by IFRS 16, it should be noted that for leases of vehicles, the average discounting period is 3 years and the contracts do not provide for renewal options.

Financial liabilities for current and non-current rights of use

	Balance at 31.12.2021	Balance at 31.12.2020
Financial liabilities for current rights of use	22,682	24,498
Financial liabilities for non-current rights of use	28,379	38,157
TOTAL	**51,061**	**62,655**

Note 16.

Provisions for future risks and charges

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

Provisions for future risks and charges

	Balance at 31.12.2020	Increases	Decreases	Balance at 31.12.2021
Other provisions for risks and charges	1,492,500	1,954,166		3,446,666
Provision for LT personnel risks	36,078			36,078
TOTAL	**1,528,578**	**1,954,167**		**3,482,744**

The provision for personnel risks of Euro 36 thousand at 31 December 2021 refers to disputes with employees and did not change during the year under analysis.

The increase in "Other provisions for risks and charges" of Euro 1,954 thousand relates to any costs incurred by the Company for variable emoluments to be paid to executive directors and key partners for achievement of the three-year objectives established in the 2021-2023 Plan.

These are recognised in the income statement under the item "Costs for defined benefit plans", for which reference is made to note 32. With regard to said bonuses, note that the amount was recognised at face value, without any discounting, as the effects would not have been significant.

Note 17.

Post-employment benefits (TFR)

Post-employment benefits (TFR)

	Balance at 31.12.2020	Utilisation	Increases/Decreases	Actuarial losses (gains) recognised	Balance at 31.12.2021
Post-employment benefits (TFR) provision	159,838	(4,748)	(47,039)	(6,084)	101,967
TOTAL	**159,838**	**(4,748)**	**(47,039)**	**(6,084)**	**101,967**

The net decrease of Post-employment benefits (TFR) of Euro 58 thousand is due to:

- decreases due to transfers of Euro 47 thousand;
- the use for Post-employment benefits of Euro 5 thousand;
- the decrease resulting from actuarial losses deriving from the application of IAS 19 of Euro 6 thousand.

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

	Balance at 31.12.2021
Present value of the obligation	108,051
Actuarial (loss)/gain recognised under other comprehensive income	(6,084)
Liability recognised in the financial statements	101,967

The cost relating to the liability breaks down as follows:

	FY 2021
Interest expense	622
Reductions and redemptions/Social security cost of past services	0

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

Main Actuarial Assumptions	Percentage
Annual discount rate	0.98%
Annual inflation rate	1.75%
Annual rate increase in post-employment benefits	2.813%
Annual increase in remuneration	1.00%
Frequency of benefit advances/no. of years' service	2.00%
No. of years' service/annual turnover rate: up to 10 years	4.00%
No. of years' service/annual turnover rate: from 10 to 30 years	4.00%
No. of years' service/annual turnover rate: over 30 years	6.00%

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

- sensitivity analysis:

changes in assumptions							
Company	*Post-employment benefits (TFR)*	*turnover rate*		*inflation rate*		*discounting rate*	
		+1%	*-1%*	*+1/4%*	*-1/4%*	*+1/4%*	*-1/4%*
Be S.p.A.	101,967	100,861	103,211	103,734	100,239	99,186	104,865

Indication of the contribution to the next year[1] and the average financial duration of the obligation for defined benefit plans:

Company	Service Cost	Duration of the plan
Be S.p.A.	0	11.8

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

The average number of employees in 2021, broken down by category, is illustrated in the following table:

Description

	Average number current year	Average number previous year
Executives	5	5
Middle managers	4	6
White collar	2	3
Apprentices	0	1
Interns	1	1
Total	**12**	**16**

Note 18.

Deferred tax liabilities

Deferred taxes liabilities amounted to Euro 1,409,967 compared to Euro 2,930,994 at 31 December 2020.

Deferred tax liabilities

	Balance at 31.12.2020	Increases	Decreases	Reclassification	Balance at 31.12.2021
Deferred tax liabilities	2,930,994	0	0	(1,521,027)	1,409,967
TOTAL	**2,930,994**	**0**	**0**	**(1,521,027)**	**1,409,967**

During the year, no provisions for deferred tax liabilities were made.

For further details, please refer to note 34.

The nature and reconciliation of the deferred tax liabilities balance is broken down in the table below:

	2020		2021	
(Amounts in EUR thousands)	Temporary difference	Tax	Temporary difference	Tax
Goodwill	10,170	2,931	10,170	2,931
Deferred tax assets	3,839	(921)	6,338	(1,521)
TOTAL	**14,009**	**2,010**	**16,508**	**1,410**

The deferred tax asset values present in the financial statements have been reclassified among deferred tax liabilities. The changes are shown below.

Deferred tax assets

	Balance at 31.12.2020	Increases	Decreases	Other changes	Reclassificat ion	Balance at 31.12.2021
Deferred tax assets	921,466	637,685	(35,970)	(2,154)	(1,521,027)	0
TOTAL	**921,466**	**637,685**	**(35,970)**	**(2,154)**	**(1,521,027)**	**0**

Deferred tax assets in the financial statements are recognised on the assumption that the same can be reasonably recovered and refer to write-downs of receivables and emoluments of directors that are expected to be recovered against future taxable income. More specifically, the recoverability of deferred tax assets is based on the taxable income forecast for the companies covered by the tax consolidation scheme for the period relating to the 2022-2024 Business Plan.

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

For details on the increases for the period, see the breakdown of deferred tax assets attached to note 34. The decreases for the period refer mainly to uses of provisions for risks. The item does not include deferred tax assets for previous tax losses.

Note 19.

Other non-current liabilities

Other non-current liabilities show a balance of 829 thousand at 31 December, relating to the payable for the purchase of the investment in Crispy Bacon Holding S.r.l.

Other non-current liabilities

	Balance at 31.12.2021	Balance at 31.12.2020
Other non-current liabilities	829,319	0
TOTAL	**829,319**	**0**

Note 20.

Financial payables and other current financial liabilities

Current payables to banks of Euro 26,890 mainly consist of Euro 26,478 thousand representing the short-term portion of medium and long-term loans, Euro 331 thousand representing the negative bank balance and Euro 81 thousand in interest expense accrued but not yet paid.

Financial payables to Group companies amount to Euro 36,171 thousand and regard Cash-pooling arrangements and reciprocal accounts set up by the Parent Company with Group companies in order to optimise treasury management at Group level.

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Financial payables and other current liabilities

	Balance at 31.12.2021	Balance at 31.12.2020
Financial payables to banks	26,890,122	18,525,930
Financial payables to Group Companies	36,170,862	39,995,828
Other financial payables	0	93,722
TOTAL	**63,060,984**	**58,615,480**

Net financial indebtedness

The net financial indebtedness at 31 December 2021 was approximately Euro 25,084 thousand (Euro 21,752 thousand at 31 December 2020 proforma).

A detailed breakdown of net financial indebtedness calculated according to the provisions of Consob Communication DEM/6064293 of 28 July 2006 and in accordance with the ESMA/2013/319 recommendations for 2021 and 2020 is shown below. For the details of the following table, see the information stated above in notes 11, 12, 14, 15 and 20.

		31.12.2021	31.12.2020	Δ	Δ%
A	Cash	50,420,811	50,159,942	260,869	0.5%
B	Cash equivalents	0	0	0	0
C	Other current financial assets	20,196,120	12,247,689	7,948,432	64.9%
D	**Cash and cash equivalents (A+B+C)**	**70,616,931**	**62,407,631**	**8,209,300**	**13.2%**
E	Current financial payables	36,583,017	41,770,538	(5,187,521)	(12.4)
F	Current portion of non-current financial payables	26,500,649	16,869,441	9,631,208	57.1%
G	**Current financial indebtedness (E+F)**	**63,083,666**	**58,639,979**	**4,443,687**	**7.6%**
H	**Net current financial indebtedness (G-D)**	**(7,533,265)**	**(3,767,652)**	**(3,765,613)**	**99.9%**
I	Non-current financial payables	31,787,960	25,519,968	6,267,992	24.6%
J	Debt instruments	0	0	0	0
K	Trade payables and other non-current payables	829,319	0	829,319	0
L	**Net non-current financial indebtedness (I+J+K)**	**32,617,279**	**25,519,968**	**7,097,311**	**27.8%**
M	**Total financial indebtedness (H+L)**	**25,084,014**	**21,752,316**	**3,331,698**	**15.3%**

It should be noted that in addition to cash and cash equivalents of Euro 50.4 million (Euro 50.2 million at 31 December 2020), net financial indebtedness is detailed as follows:

- current financial receivables of Euro 20.2 million (Euro 12.2 million at 31 December 2020), which refer entirely to receivables due from subsidiaries in the form of entries relating to centralised treasury operations;
- current payables of Euro 63.1 million (Euro 58.6 million at 31 December 2020), relating to:
  - current bank payables for Euro 36.6 million, mainly referring to interest accrued and not collected for Euro 0.1 million, negative bank balance for Euro 0.3 million and payables to subsidiaries due to centralised treasury activities for Euro 36.2 million;

  - the current portion of non-current financial payables for Euro 26.5 million referring mainly to the short-term portion of long-term loans for Euro 26.5 million (Euro 16.8 million at 31 December 2020) and a residual part of the payables for current rights of use;

- non-current financial payables of Euro 32.6 million (Euro 25.5 million at 31 December 2020) of which:
  - Euro 31.8 million (Euro 30.3 million at 31 December 2020) referred to payables to banks for unsecured medium-long term loans for the portion due beyond 12 months and a residual portion of payables for non-current rights of use;
  - Euro 0.8 million referring to long-term portions of the residual debt of the discounted price for the earn-out through put&call agreements.

The effects of the amendments to international accounting standard IAS 7 made by the publication of the document "*Disclosure Initiative (Amendments to IAS 7)*".

(Amounts in EUR thousands)	31.12.2019	Cash Flow[2]	Non-monetary flows				31.12.2020
			Change in Scope of Consolidation[3]	Exchange rate differences	IFRS 16 impact	Other changes	
Non-current financial indebtedness	(20,987,035)	(4,461,180)	0	0	22,457	(94,210)	(25,519,968)
Current financial indebtedness	(32,217,334)	(38,462,313)	0	0	39,668	12,000,000	(58,639,979)
Current financial receivables	10,957,755	782,633	0	0	0	507,301	12,247,689
Net liabilities resulting from financing activities	**(42,246,614)**	**(42,140,860)**	**0**	**0**	**62,125**	**12,413,091**	**(71,912,258)**
Cash and cash equivalents	26,280,598	23,879,344	0	0	0	0	50,159,942
Financial commitments for new purchases of equity investments	0	0	0	0	0	0	0
Net financial indebtedness	**(15,966,016)**	**(18,261,516)**	**0**	**0**	**62,125**	**12,413,091**	**(21,752,316)**

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

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(Amounts in EUR thousands)	31.12.2020	Cash Flow[4]	Non-monetary flows				31.12.2021
			Change in Scope of Consolidation[5]	Exchange rate differences	IFRS 16 impact	Other changes	
Non-current financial indebtedness	(25,519,968)	(6,362,156)	0	0	9,778	84,386	(31,787,960)
Current financial indebtedness	(58,639,979)	(4,393,978)	0	0	1,816	(51,525)	(63,083,666)
Current financial receivables	12,247,689	23,246,269	(3,934,981)	0	0	(11,362,857)	20,196,120
Net liabilities resulting from financing activities	**(71,912,258)**	**11,933,925**	**(3,934,981)**	**0**	**11,594**	**(11,329,996)**	**(74,675,506)**
Cash and cash equivalents	50,159,942	260,869	0	0	0	0	50,420,811
Financial commitments for new purchases of equity investments	0	0	(829,319)	0	0	0	(829,319)
Net financial indebtedness	**(21,752,316)**	**12,194,794**	**(3,934,981)**	**0**	**11,594**	**(11,329,996)**	**(25,084,014)**

Note 21.

Trade payables

Trade payables arise from the purchase of goods or services in Italy with payment due within 12 months. These amounts refer essentially to the services and equipment supplied, as well as to lease instalments and maintenance charges.

Payables to group companies refer to chargebacks for IT services, leasing of offices and secondment of personnel.

Trade payables

	Balance at 31.12.2021	Balance at 31.12.2020
Trade payables	652,888	584,063
Payables to Group Companies	1,002,558	1,041,614
Payables to other Related Parties	18,300	18,450
TOTAL	**1,673,746**	**1,644,127**

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

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Note 22.

Provision for current risks

The item “Provision for current risks”, equal to Euro 360 thousand, includes provisions for estimated costs relative to variable emoluments of professionals, categorised as “Personnel costs”.

Provision for current risks

	Balance at 31.12.2020	Allocations	Utilisation	Balance at 31.12.2021
Provision for current risks	104,372	360,000	(104,372)	360,000
TOTAL	**104,372**	**360,000**	**(104,372)**	**360,000**

Note 23.

Tax payables

At 31 December 2021, the item "Tax payables" had a debt position with respect to the Tax Authorities for current taxes relating to IRES for Euro 1,923 thousand, net of the advance payments made in the current year.

Tax payables

	Balance at 31.12.2021	Balance at 31.12.2020
IRES tax payables	1,923,556	0
TOTAL	**1,923,556**	**0**

Note 24.

Other liabilities and payables

“Social security and welfare payables” relate to contributions that the company will pay to the Tax Authority the following year, while “Payables to employees” include amounts due to employees for leave and permitted absences accrued but not used at 31 December 2021.

“Other payables” totalling Euro 2,499 thousand mainly include amounts due to the Directors for Euro 1,219 thousand, other payables of Euro 1,104 thousand relating to variable bonuses to be paid on achievement of the annual objectives, payables for disputes settled of Euro 39 thousand relating to agreements reached with some employees and short-term payables to be paid within the initial months of 2022 for the purchase of the Crispy Bacon equity investment for Euro 136 thousand.

Recall that in January 2021, the guarantee deposit received in relation to the signing of a Framework agreement with a leading Italian credit institute was repaid.

Other liabilities and payables

	Balance at 31.12.2021	Balance at 31.12.2020
Social security and welfare payables	67,745	83,703
Payables to employees	29,105	95,805
Payables for VAT and withholding tax	56,716	69,677
Accrued expenses and deferred income	110	533
Other payables	2,498,983	6,787,979
Payables to subsidiaries for tax consolidation	16,989	0
TOTAL	**2,669,648**	**7,037,697**

4. Breakdown of the main items of the Income Statement

Note 25.

Revenue

Operating revenue consists of the charge to Subsidiaries for royalties due for use of the "Be" brand.

Operating revenue

	FY 2021	FY 2020
Revenue from Group Companies	2,085,215	1,975,842
TOTAL	**2,085,215**	**1,975,842**

Note 26.

Other revenue and income

Other revenue from Group Companies refers to centralised purchasing that is recharged to the various Group companies as relevant.

Other revenue and income

	FY 2021	FY 2020
Other revenue and income	25,536	68,467
Other revenue from Group Companies	895,082	1,219,587
TOTAL	**920,618**	**1,288,054**

Note 27.

Raw materials and consumables

This item mainly contains costs for the purchase of consumables.

Cost of raw materials and consumables

	FY 2021	FY 2020
Purchase of raw materials and consumables	265	611
TOTAL	**265**	**611**

Note 28.

Service costs

Service costs amounted to Euro 8,699 thousand compared to Euro 7,459 thousand last year.

Service costs

	FY 2021	FY 2020
Outsourced and consulting services	1,988,105	1,342,652
Remuneration of directors and statutory auditors	2,142,871	2,105,263
Marketing costs	293,838	182,727
Maintenance and support services	-	750
Utilities and telephone charges	11,653	12,878
Administrative services	612,160	428,045
Other general services	625,470	685,697
Bank and factoring charges	220,259	216,823
Insurance	86,113	91,649
Rental and leasing	40,776	33,153
Cost of services provided by Subsidiaries	2,677,445	2,359,094
TOTAL	**8,698,691**	**7,458,730**

Service costs amounted to Euro 8,699 thousand compared to Euro 7,459 thousand last year.

Outsourced and consulting services amounting to Euro 1,988 thousand mainly refer to services related to the auditing of accounts, processing wages on an outsourcing arrangement, tax and legal advice and specific professional consulting.

Remuneration of directors and statutory auditors amounted to Euro 2,143 thousand, of which Euro 70 thousand refers to Statutory Auditors and Euro 2,073 thousand to Directors.

The latter predominantly includes the provision for Euro 975 thousand with regard to the annual variable bonus. For additional information on the remuneration of directors and statutory auditors, refer to the specific schedule attached to paragraph 5.8.

Marketing costs amounting to Euro 294 thousand include costs for services relating to Investor Relations.

General services, amounting to Euro 625 thousand, was mostly comprised (Euro 582 thousand) by all of the costs incurred by the Parent Company (predominantly for insurance and Microsoft licences) and subsequently recharged to the various Group companies.

The cost of services provided by Group companies, totalling Euro 2,677 thousand, relate to services provided by other Group companies, including therein the secondment of personnel and the portion of leasing costs for registered offices.

Note 29.

Personnel costs

Personnel costs, amounting to Euro 1,868 thousand, represent the total cost incurred for employees, including accessory charges, the allocation to Post-employment benefits (TFR) accrued and of that accrued and paid over the year, as well as accruals of additional month's salaries, holiday leave accrued and not taken at 31 December 2021 and paid absence, as well as the provision for company bonuses of Euro 360 thousand (included in Wages and salaries).

Personnel costs

	FY 2021	FY 2020
Wages and salaries	1,466,748	1,257,486
Social security contributions	325,178	334,345
Post-employment benefits	72,131	79,541
Other personnel costs	4,165	8,395
TOTAL	**1,868,222**	**1,679,767**

Note 30.

Other operating costs

This item encompasses all costs of a residual nature, such as Chamber of Commerce fees, fines, penalties on services provided and operating activities performed and indirect taxes and duties.

Other operating costs

	FY 2021	FY 2019
Other operating costs	421,559	341,767
TOTAL	**421,559**	**341,767**

Note 31.

Amortisation and depreciation

Amortisation and depreciation are calculated according to the deterioration of assets and recognised as a reduction of the value of the individual assets.

Amortisation and depreciation

	FY 2021	FY 2020
Depreciation of property, plant and equipment	514	587
Amortisation of intangible assets	333	3,500
Amortisation of rights of use	25,277	55,430
TOTAL	**26,124**	**59,517**

Note 32.

Costs for defined benefit plans

Costs for defined benefit plans for the year, equal to Euro 1,954 thousand, refer to the estimated emolument that will be paid to Executive directors and key partners on achievement of the three-year objectives established in the 2021-2023 business plan.

Costs for defined benefit plans

	FY 2021	FY 2020
Costs for defined benefit plans	1,954,167	1,492,500
TOTAL	**1,954,167**	**1,492,500**

Note 33.

Financial income and expense

Financial income and expense for the year amounted to Euro 16,091,515 compared to Euro 12,077,557 in the previous year.

Financial income and expense

	FY 2021	FY 2020
Financial income	12,637,143	12,507,301
Capital gains from subsidiaries	3,934,981	
Financial expense	(478,265)	(427,135)
Gains (Losses) on foreign currency transactions	(2,344)	(2,609)
TOTAL	**16,091,515**	**12,077,557**

The breakdown of financial income and expense is shown below.

Financial income

	FY 2021	FY 2020
Interest income from current bank accounts and arrears interest	16,322	8,250
Financial income and Dividends from Group Companies	12,620,821	12,499,051
Capital gains from subsidiaries	3,934,981	0
TOTAL	**16,572,124**	**12,507,301**

Breakdown of financial interest and expense

	FY 2021	FY 2020
Interest expense on current bank accounts	7,181	1,620
Interest expense on factoring and advances on invoices	2,168	72
Interest expense on loans	463,162	418,019
Other financial expense	5,754	7,424
TOTAL	**478,265**	**427,135**

Financial income and Dividends from Group Companies refers to dividends distributed in 2021 by the subsidiaries, for Euro 12,000 thousand, and financial income from subsidiaries of Euro 621 thousand.

The item Capital gains from subsidiaries refers to the capital gain from the sale of the investment in Be Romania for Euro 3,935 thousand, as governed by OPI no. 1 (revised), involving the intercompany sale of an investment at normal market conditions.

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 and the financial charges on existing finance lease contracts, equal to Euro 930 for the year 2021.

Financial expense of Euro 429 thousand was paid during the year.

Note 34.

Current and deferred taxes

Current and deferred taxes

	FY 2021	FY 2020
Current taxes	1,444,921	2,000,529
Adjustments of IRES taxes for previous years	13,222	0
Deferred tax assets and liabilities	636,991	196,044
TOTAL	**2,095,134**	**2,196,573**

Current taxes in 2021 refers to credit for IRES pertinent to the Parent Company resulting from the adjustments related to the Tax Consolidation scheme of Euro 1,445 thousand.

The Company and its subsidiaries have jointly adopted the national tax consolidation regime pursuant to art. 117 et seq. of the Consolidated Income Tax Act (TUIR). Specifically, the entire amount of Euro 1,458 thousand is due to the transfer to the consolidated results of tax losses for the year and excess interest expense.

Note that adjustments of IRES taxes of previous years for Euro 13 thousand regard alignments of the calculation of current IRES made at the time of preparation of the Company's tax return and of the national tax consolidation declaration. Deferred tax assets refer to the reclassification of deferred tax assets of Euro 637 thousand.

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

Reconciliation of tax burden resulting from the financial statements and theoretical tax burden

(Amounts in EUR)

Description	Amount	Taxes
Profit (loss) before tax	**6,128,320**	
Theoretical tax burden (%)	**24%**	**1,470,797**
Temporary differences deductible in future years:		
Remuneration of directors not paid in 2021	205,658	
Company bonuses	4,268,333	
Temporary differences deductible in future years:	**4,473,991**	**1,073,758**
Reversal of temporary differences from previous years:		
Remuneration of directors not paid in 2020 and paid in 2021	(217,096)	
Utilisation of provisions for risks	(1,596,872)	
Reversal of temporary differences from previous years:	**(1,813,968)**	**(435,352)**
Differences that will not be reversed in future years		
Wholly or partially non-deductible costs	427,165	
Permanent decreases	(15,236,010)	
Differences that will not be reversed in future years	**(14,808,845)**	**(3,554,123)**
- Taxable income	**(6,020,502)**	**(1,444,921)**
Indemnity for tax losses		**(1,444,921)**
Charge for transferring interest expense		0
Adjustments on previous years' taxes		(13,222)
Current IRES on income for the year		**(1,458,143)**
- Taxable income for IRAP purposes	**(7,266,190)**	
Current IRAP on income for the year		**0**
Total current taxes for the year		**(1,458,143)**

The effective rate of the theoretical tax burden of 4.17% is based on the distribution of total revenue by single region.

The nature of deferred tax assets is mainly broken down in the table below:

	FY 2020		**FY 2021**	
	Temporary difference	**Tax**	**Temporary difference**	**Tax**
Remuneration of directors	217	52	206	49
Allocation to provisions for future risks and charges	1,493	358	3,447	827
Allocation for directors and Key people	1492	358	1,954	469
Payables due to personnel for accruals	104	25	360	86
TOTAL	**3,309**	**794**	**5,967**	**1,431**

5. Other disclosures

5.1 Potential liabilities and disputes pending

Be Shaping the Future S.p.A. is involved in certain minor legal proceedings before various judicial authorities brought by third parties, and in labour law disputes relating to dismissals challenged by Company employees. Also on the basis of opinions expressed by its legal advisors, Be has allocated specific provisions totalling Euro 36 thousand, considered sufficient to cover liabilities that could arise from these disputes, the risk of which is deemed to be limited.

5.2 Commitments

At 31 December 2021, the company has guarantees made to third parties to guarantee property rental contracts and to meet the requirements of public tenders totalling Euro 379 thousand, in the interests of subsidiaries.

5.3 Significant non-recurring events and transactions

In the year under analysis, the Company did not recognise any non-recurring income or charges pursuant to Consob Resolution 15519 of 27 July 2006.

5.4 Related Party Transactions

The Company's Board of Directors adopted new "Regulations on Related Parties" on 1 March 2014, replacing those previously approved on 12 March 2010. For further details, this document is published on the Company web site (www.be-tse.it). Note that the Be's Board of Directors has approved a new version of the procedure for transactions with the Company's related parties. The Procedure was changed in order to reflect some changes made by Consob to the Regulation for Related Party Transactions (approved on 22 March this year) in order to align domestic legislation with that envisaged by the "Market Abuse Regulation". 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 31 December 2021 are: T.I.P. Tamburi Investment Partners S.p.A. 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.

Also note that for the Parent Company Be S.p.A., related parties are also companies controlled directly and indirectly. The figures at 31 December 2021 for related party transactions are shown below.

Receivables and payables with related parties at 31 December 2021

		Receivables			*Payables*	
	Trade receivables	**Other receivables**	**Financial receivables**	**Trade payables**	**Other payables**	**Financial payables**
Be Management Consulting S.p.A.	361,292	19,583,962	0	681,323	0	2,266,153
Be DigiTech Solutions S.p.A.	280,205	2,184,465	9,680,429	52,981	0	0
Be Corporate Services S.p.A.	0	144,980	0	263,754	0	1,951,979
Tesla Consulting Srl	0	312,590	0	0	0	2,588,822
Iquii Srl	0	186,974	3,538,756	0	0	0
Human Mobility Srl	0	0	72,371	0	16,989	0
Be Your Essence Srl Società Benefit	0	0	0	4,500	0	394,121
Be TheChange Srl	0	0	2,710,339	0	0	0
Be Shaping the Future Management Consulting Ltd (Italian Branch)	0	513,581	0	0	0	6,183,467
Be Shaping the Future Management Consulting Ltd (UK)	891	0	3,390,563	0	0	0
Payment and Business Advisor S.L. (Paystrat)	0	0	707,572	0	0	0
Be Shaping the Future GmbH0 (DE)	(834)	0	0	0	0	10,626,072
Be Shaping the Future GmbH (AU)	758	0	96,090	0	0	0
Be Think, Solve Execute Switzerland AG	76	0	0	0	0	2,060
Be AG (formerly R&L AG)	0	0	0	0	0	3,928,907
Fimas GmbH	0	0	0	0	0	2,218,015
Firstwaters DE	0	0	0	0	0	2,850,000
Be Shaping the Future Sp.zo.o	1,991	0	0	0	0	3,161,266
Be Think Solve Execute Ro S.r.l.	75,322	0	0	0	0	0
Total Group Companies	**719,701**	**22,926,552**	**20,196,120**	**1,002,558**	**16,989**	**36,170,862**
T.I.P. S.p.A.	0	0	0	18,300	0	0
Total Other Related Parties	**0**	**0**	**0**	**18,300**	**0**	**0**
TOTAL	**719,701**	**22,926,552**	**20,196,120**	**1,020,858**	**16,989**	**36,170,862**

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Receivables and payables with related parties at 31 December 2020

	Receivables			*Payables*		
	Trade receivables	**Other receivables**	**Financial receivables**	**Trade payables**	**Other payables**	**Financial payables**
Be Management Consulting S.p.A.	771,221	16,562,700	0	751,079	0	26,495,023
Be DigiTech Solutions S.p.A.	459,912	829,885	4,046,475	35,618	0	0
Be Corporate Services S.p.A.	114,025	38,968	0	203,832	0	1,434,698
Iquii S.r.l.	0	355,649	1,128,184	0	0	0
Juniper S.r.l.	0	54,035	635,648	0	0	0
Tesla Consulting S.r.l.	0	190,246	0	0	0	1,374,651
Dream of Ordinary Madness (Doom) Entertainment S.r.l.	0	0	0	0	0	107,351
Human Mobility Srl	0	44,424	479,699	51,085	0	0
Be Shaping the Future Sp.zo.o	0	0	0	0	0	1,554,615
Payment and Business Advisor S.L. (Paystrat)	0	0	584,891	0	0	0
Be Shaping the Future Management Consulting Ltd (Italian Branch)	0	481,829	0	0	0	5,246,923
Be Shaping the Future Management Consulting Ltd (UK)	0	0	3,148,403	0	0	0
Be Shaping the Future GmbH GmbH- (AU)	2,022	0	1,540,993	0	0	0
Be Think, Solve Execute Switzerland AG	202	0	0	0	0	2,229
Be Shaping the Future GmbH- (DE)	0	0	1,239,605	0	0	0
Fimas GmbH	0	0	0	0	0	1,450,830
Be Think Solve Execute Ro S.r.l.	45,000	0	0	0	0	0
Be Shaping the Future AG	0	0	0	0	0	2,329,508
Total Group Companies	**1,392,382**	**18,557,736**	**12,803,898**	**1,041,614**	**0**	**39,995,828**
T.I.P. S.p.A.	0	0	0	18,450	0	0
Total Other Related Parties	**0**	**0**	**0**	**18,450**	**0**	**0**
TOTAL	**1,392,382**	**18,557,736**	**12,803,898**	**1,060,064**	**0**	**39,995,828**

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Revenue and costs with related parties in 2021

	Revenue	Other revenue	Financial income	Services	Other Costs / All. to Provisions	Financial expense
	Revenue				*Costs*	
Be Management Consulting S.p.A.	1,228,271	174,727	192,749	1,484,345	0	0
Be Digitech Solutions S.p.A.	856,944	519,031	205,409	52,981	0	0
Be Corporate Services SpA	0	7,671	9,687	990,619	0	0
Tesla Consulting Srl	0	0	21	7,800	0	0
Iquii Srl	0	2,041	40,009	12,000	0	0
Doom Srl	0	624	391	0	0	0
Human Mobility Srl	0	0	3,227	0	0	0
Be Your Essence Srl Società Benefit	0	0	328	4,500	0	0
Be TheChange Srl	0	0	1,888	0	0	0
Be Shaping the Future Management Consulting Ltd (Italian Branch)	0	0	147	200	0	0
Be Shaping the Future Management Consulting Ltd (UK)	0	3,564	79,016	0	0	0
Payment and Business Advisor S.L. (Paystrat)	0	0	15,191	0	0	0
Be Shaping the Future GmbH0 (DE)	0	3,337	37,499	0	0	0
Be Shaping the Future GmbH GmbH (AU)	0	53,033	35,257	0	0	0
Be Think, Solve Execute Switzerland AG	0	303	0	0	0	0
Be Shaping the Future Sp.zo.o	0	7,962	0	125,000	0	0
Be Think Solve Execute Ro S.r.l.	0	122,789	0	0	0	0
Total Group Companies	**2,085,215**	**895,082**	**620,819**	**2,677,445**	**0**	**0**
T.I.P. S.p.A.	0	150	0	100,491	0	0
Total Other Related Parties	**0**	**150**	**0**	**100,491**	**0**	**0**
TOTAL	**2,085,215**	**895,232**	**620,819**	**2,777,936**	**0**	**0**

Revenue and costs with related parties in 2020

	Revenue			Costs		
	Revenue	Other revenue	Financial income	Services	Other Costs / All. to Provisions	Financial expense
Be Management Consulting S.p.A.	1,163,188	364,131	22,646	1,457,275	0	0
Be DigiTech Solutions S.p.A.	812,654	614,092	177,650	35,618	0	0
Be Corporate Services SpA	0	131,913	6,230	800,116	0	0
Iquii S.r.l.	0	3,654	15,813	15,000	0	0
Juniper S.r.l.	0	0	7,279	0	0	0
Tesla Consulting S.r.l.	0	0	1,050	0	0	0
Dream of Ordinary Madness (Doom) Entertainment S.r.l.	0	0	3,073	0	0	0
Human Mobility S.r.l.	0	22,756	1,956	51,085	0	0
Be Shaping the Future sp z.o.o	0	5,308	0	0	0	0
Payment and Business Advisor S.L. (Paystrat)	0	0	12,616	0	0	0
Be Shaping the Future Management Consulting Ltd (Italian Branch)	0	0	166	0	0	0
Be Shaping the Future Management Consulting Ltd	0	2,376	87,841	0	0	0
Be Shaping The Future GmbH (Au)	0	2,022	88,717	0	0	0
Be Shaping The Future GmbH (De)	0	2,224	71,645	0	0	0
Be Think Solve Execute Switzerland AG	0	202	0	0	0	0
Fimas GmbH	0	0	2,369	0	0	0
Be Think Solve Execute Ro S.r.l.	0	60,859	0	0	0	0
Be Ukraine LLC	0	10,050	0	0	0	0
Total Group Companies	**1,975,842**	**1,219,587**	**499,051**	**2,359,094**	**0**	**0**
T.I.P. S.p.A.	0	0	0	60,000	0	0
Ir Top Consulting S.r.l.	0	0	0	4,993	0	0
Total Other Related Parties	**0**	**0**	**0**	**64,993**	**0**	**0**
TOTAL	**1,975,842**	**1,219,587**	**499,051**	**2,424,087**	**0**	**0**

Intercompany transactions serve to optimise mutual synergies and achieve economies of scale. The amounts are aligned with arm's length values and refer solely to trade or financial relations as the individual companies each have extensive independence with regard to decisions of an administrative and operational nature.

More specifically, the Company's financial payables and financial receivables due to or from subsidiaries refer mainly to cash pooling transactions.

In 2021, the Parent Company provided services to the subsidiaries, supported by contracts, relative to royalties on the Be brand, treasury, audit and tax assistance and planning.

With regard to the associated company TIP Tamburi Investment Partners S.p.A., the amount of payables relates mainly to the payable for the 2021 balance of invoices to be received.

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

STATEMENT OF FINANCIAL POSITION	2021	Absolute value	%	2020	Absolute value	%
Financial receivables and other non-current financial assets	0	*0*	0	556	*556*	100%
Trade receivables	724	*720*	99%	1,392	*1,392*	100%
Other assets and receivables	23,953	*22,927*	96%	19,031	*18,558*	98%
Financial receivables and other current financial assets	20,196	*20,196*	100%	12,248	*12,248*	100%
Financial payables and other financial liabilities	63,061	*36,171*	57%	58,615	*39,996*	68%
Trade payables	1,674	*1,021*	61%	1,644	*1,060*	64%
Other payables	2,670	*17*	1%	0	*0*	0
INCOME STATEMENT	**2021**	**Absolute value**	**%**	**2020**	***Absolute value***	**%**
Revenue	2,085	*2,085*	100%	1,976	*1,976*	100%
Other operating revenue	921	*895*	97%	1,288	*1,220*	95%
Service costs	(8,699)	*(2,778)*	32%	(7,800)	*(2,424)*	31%
Financial income/(expense)	16,572	*621*	4%	12,507	499	4%

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

Statement of Financial Position

Amounts in EUR	31.12.2021	of which related parties	31.12.2020	of which related parties
NON-CURRENT ASSETS				
Property, plant and equipment	243	0	757	0
Rights of use	48,699	0	60,137	0
Goodwill	10,170,000	0	10,170,000	0
Intangible assets	250	0	583	0
Equity investments in subsidiaries	49,052,828	0	45,772,859	0
Equity investments in other companies	560,000	0	500,000	0
Financial receivables and other non-current financial assets	0	0	556,209	556,209
Total Non-current assets	**59,832,020**	**0**	**57,060,545**	**556,209**
CURRENT ASSETS				
Trade receivables	724,301	719,701	1,392,382	1,392,382
Other assets and receivables	23,952,737	22,926,552	19,030,632	18,557,736
Direct tax receivables	46,673	0	460,968	0
Financial receivables and other current financial assets	20,196,120	20,196,120	12,247,689	12,247,689
Cash and cash equivalents	50,420,811	0	50,159,942	0
Total Current assets	**95,340,642**	**43,842,373**	**83,291,613**	**32,197,807**
Total Discontinued operations		**0**	**0**	**0**
TOTAL ASSETS	**155,172,662**	**43,842,373**	**140,352,158**	**32,754,016**
SHAREHOLDERS' EQUITY				
Share capital	27,109,165	0	27,109,165	0
Reserves	12,517,469	0	10,093,773	0
Net profit (loss)	8,223,454	823,330	6,505,134	1,270,393
TOTAL SHAREHOLDERS' EQUITY	**47,850,088**	**823,330**	**43,708,072**	**1,270,393**
NON-CURRENT LIABILITIES				
Financial payables and other non-current financial liabilities	31,759,581	0	25,481,811	0
Financial liabilities for non-current rights of use	28,379	0	38,157	0
Provisions for future risks and charges	3,482,744	0	1,528,578	0
Post-employment benefits (TFR)	101,967	0	159,838	0
Deferred tax liabilities	1,409,967	0	2,009,528	0
Other non-current liabilities	829,319	0	0	0
Total Non-current liabilities	**37,611,957**	**0**	**29,217,912**	**0**
CURRENT LIABILITIES				
Financial payables and other current financial liabilities	63,060,984	36,170,862	58,615,480	39,995,828
Financial liabilities for current rights of use	22,682	0	24,498	0
Trade payables	1,673,746	1,020,858	1,644,127	1,060,064
Provision for current risks	360,000	0	104,372	0
Tax payables	1,923,556	0	0	0
Other liabilities and payables	2,669,649	16,989	7,037,697	0
Total Current liabilities	**69,710,617**	**37,208,709**	**67,426,174**	**41,055,892**
Total Discontinued operations	**0**		**0**	
TOTAL LIABILITIES	**107,322,574**	**37,208,709**	**96,644,086**	**41,055,892**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**155,172,662**	**38,032,039**	**140,352,158**	**42,326,285**

Income Statement

Amounts in EUR	FY 2021	of which related parties	of which non-recurring income (charges)	FY 2020	of which related parties	of which non-recurring income (charges)
Revenue	2,085,215	2,085,215	0	1,975,842	1,975,842	0
Other revenue and income	920,618	895,232	0	1,288,054	1,219,587	0
Total Revenue	**3,005,833**	**2,980,447**	**0**	**3,263,896**	**3,195,429**	**0**
Raw materials and consumables	(265)	0	0	(611)	0	0
Service costs	(8,698,691)	(2,777,936)	0	(7,458,730)	(2,424,087)	0
Personnel costs	(1,868,222)	0	0	(1,679,767)	0	0
Other operating costs	(421,559)	0	0	(341,767)	0	0
Amortisation and depreciation, provisions and write-downs:						
Depreciation of property, plant and equipment	(514)	0	0	(587)	0	0
Amortisation of intangible assets	(333)	0	0	(3,500)	0	0
Amortisation of rights of use	(25,277)	0	0	(55,430)	0	0
Costs for defined benefit plans	(1,954,167)	0	0	(1,492,500)	0	0
Total Operating Costs	**(12,969,028)**	**(2,777,936)**	**0**	**(11,032,892)**	**(2,424,087)**	**0**
Operating profit (loss) (EBIT)	**(9,963,195)**	**202,511**	**0**	**(7,768,996)**	**771,342**	**0**
Financial income	12,637,143	620,819	0	12,507,301	499,051	0
Capital gains from subsidiaries	3,934,981	0	0	0	0	0
Financial expense	(480,609)	0	0	(429,744)	0	0
Total Financial Income/Expense	**16,091,515**	**620,819**	**0**	**12,077,557**	**499,051**	**0**
Profit (loss) before tax	**6,128,320**	**823,330**	**0**	**4,308,561**	**1,270,393**	**0**
Current income taxes	1,458,143	0	0	2,000,529	0	0
Deferred tax assets and liabilities	636,991	0	0	196,044	0	0
Total Income taxes	**2,095,134**	**0**	**0**	**2,196,573**	**0**	**0**
Net profit (loss) from continuing operations	**8,223,454**	**823,330**	**0**	**6,505,134**	**1,270,393**	**0**
Net profit (loss) from discontinued operations	**0**	**0**	**0**	0	**0**	**0**
Net profit (loss)	**8,223,454**	**823,330**	**0**	**6,505,134**	**1,270,393**	**0**

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Statement of Cash Flows

Amounts in EUR	2021	of which related parties	2020	of which related parties
Net profit (loss)	**8,223,454**	0	**6,505,134**	0
Amortisation and depreciation	26,124	0	59,517	0
Non-monetary changes in post-employment benefits (TFR)	(47,038)	0	(23,060)	0
Net financial income in the income statement	(152,478)	0	(77,557)	0
Taxes for the year	(1,458,143)	0	(2,000,529)	0
Deferred tax assets and liabilities	(636,991)	0	(196,044)	0
Other non-monetary changes	29520	0	88,813	0
Allocations of bonuses	2,314,167	0	1,596,872	0
Cash flow from operating activities	**8,298,615**		**5,953,146**	**0**
Change in trade receivables	668,081	672,681	3,700,671	3,225,608
Change in trade payables	29,619	(39,206)	(663,511)	(697,803)
Use of bad debt provisions	(104,372)	0	(4,253,730)	0
Other changes in current assets and liabilities	(5,031,493)	(4,351,827)	247,742	(3,029,757)
Taxes for the year paid	(598,645)	0	(2,464,351)	0
Post-employment benefits (TFR) paid	(4,749)	0	(160)	0
Other changes in non-current assets and liabilities	35,971	0	154,296	0
Change in net working capital	**(5,005,588)**	**(3,718,352)**	**(3,279,043)**	**(501,952)**
Cash flow from (used in) operating activities	**(3,293,027)**	**(3,718,352)**	**(2,674,103)**	**(501,952)**
Cash paid to purchase equity investment in subsidiaries	(2,323,748)	0	(2,523,895)	0
(Purchase) sale of equity investments and securities	(60,000)	0	(500,000)	0
Cash flow from (used in) investing activities	**(2,383,748)**		**(3,023,895)**	**0**
Change in current financial assets	(23,246,269)	(7,942,429)	(782,633)	(1,289,934)
Change in current financial liabilities	4,393,979	(3,824,966)	38,462,313	21,731,901
Change in non-current financial assets	556,209	556,209	363,699	363,699
Change in non-current financial liabilities	6,362,156	0	4,461,180	0
Repayments of lease liabilities	(25,433)	0	(52,877)	0
Financial expense paid	(429,084)	0	(435,450)	0
Cash paid to purchase own shares	(367,774)	0	(2,794,774)	0
Cash received from sale of equity investment in subsidiaries	3,940,000		0	
Distribution of dividends paid to Company Shareholders	(3,832,194)	0	(2,992,322)	0
Collection of dividends from subsidiaries	12,000,000	0	12,000,000	0
Cash flow from (used in) financing activities	**(648,410)**	**(11,211,186)**	**48,229,136**	**20,805,666**
Cash flow from (used in) discontinued operations	**0**	**0**	**0**	**0**
Cash and cash equivalents	**260,869**		**23,879,344**	
Net cash and cash equivalents - opening balance	50,159,942		26,280,598	
Net cash and cash equivalents - closing balance	50,420,811		50,159,942	
Net increase (decrease) in cash and cash equivalents	**260,869**		**23,879,344**	

5.5 Management of financial risk: objectives and criteria

The Company's main financial instruments, other than derivatives, include bank loans, demand and short-term bank deposits. The main objective of these instruments is to fund the Company's operations. The Company has various financial instruments, such as trade payables and receivables, resulting from its operations.

- **Credit risk**

  Given the nature of its customers, credit risk mainly relates to delays in collecting receivables and to any disputes (see note 5.1) regarding the operations previously performed by the Parent Company. In this regard, the Company carefully considers the use of all instruments, including any legal action, to ensure the prompt collection of receivables from its customers.

- **Interest rate risk**

  As the Company's financial payables are owed to the banking system in Euro at a floating interest rate, the Company does not believe that its exposure to any rise in interest rates may increase future financial expense.

  The tables included in the sections on current and non-current financial receivables show the book value, by maturity, of the Company's financial instruments that are exposed to interest rate risk.

  A hypothetical sudden and unfavourable 1% change in the interest rate, even considering the hedges in place, applicable to existing loans at 31 December 2021 would result in a net pre-tax expense of Euro 72 thousand for the year.

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

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

  Categories of financial assets and liabilities

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

Financial assets at 31.12.2021

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**	
Financial receivables (portion beyond 12 months) - Intercompany		0		0	
Financial receivables (portion beyond 12 months)		0		0	
TRADE RECEIVABLES	**0**	**724,301**	**0**	**724,301**	
Receivables due from customers		4,600		4,600	*8*
Intercompany receivables		719,701		719,701	*8*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**20,196,120**	**0**	**20,196,120**	
Financial receivables and other current financial assets		0		0	
Financial receivables and other current financial assets - Intercompany		20,196,120		20,196,120	*11*
Securities and financial assets		0		0	
CASH AND CASH EQUIVALENTS	**0**	**50,420,811**	**0**	**50,420,811**	
Cash and cash equivalents		50,420,811		50,420,811	*12*
TOTAL FINANCIAL ASSETS	**0**	**71,341,232**	**0**	**71,341,232**	

Financial liabilities at 31.12.2021

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	**(30,818)**	**(31,757,142)**	**(31,787,960)**	
Financial payables and other non-current financial liabilities		(31,728,763)	**(31,728,763)**	*14*
Financial payables and other non-current financial liabilities - Intercompany				*14*
Hedge derivatives	(30,818)		**(30,818)**	*14*
Financial liabilities for non-current rights of use		(28,379)	**(28,379)**	*15*
Other financial liabilities		0	**0**	
CURRENT LIABILITIES	**0**	**(64,720,812)**	**(64,720,812)**	
Financial payables and other current financial liabilities		(26,890,122)	(26,890,122)	*20*
Financial payables and other current financial liabilities - Intercompany		(36,170,862)	(36,170,862)	*20*
Hedge derivatives		0	0	
Trade payables		(652,888)	(652,888)	*21*
Trade payables - Intercompany		(1,002,558)	(1,002,558)	*21*
Payables to related parties		18,300	18,300	*21*
Financial liabilities for current rights of use		(22,682)	(22,682)	*15*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities		0	**0**	
Financial payables to related parties		0	**0**	
TOTAL FINANCIAL LIABILITIES	**(30,818)**	**(96,477,954)**	**(96,477,954)**	

Financial assets at 31.12.2020

Amounts in EUR thousands	Financial assets at FV through profit or loss	Financial assets at amortised cost	Financial assets FVOCI	Book value	Notes to the financial statements
OTHER FINANCIAL ASSETS	**0**	**556,209**	**0**	**556,209**	
Financial receivables (portion beyond 12 months) - Intercompany		556,209		556,209	*7*
Financial receivables (portion beyond 12 months)		0		0	
TRADE RECEIVABLES	**0**	**1,392,382**	**0**	**1,392,382**	
Receivables due from customers		0		0	*10*
Intercompany receivables		1,392,382		1,392,382	*10*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**12,247,689**	**0**	**12,247,689**	
Financial receivables and other current financial assets		0		0	
Financial receivables and other current financial assets - Intercompany		12,247,689		12,247,689	*13*
Securities and financial assets		0		0	
CASH AND CASH EQUIVALENTS	**0**	**50,159,942**	**0**	**50,159,942**	
Cash and cash equivalents		50,159,942		50,159,942	*14*
TOTAL FINANCIAL ASSETS	**0**	**64,356,222**	**0**	**64,356,222**	

Financial liabilities at 31.12.2020

Amounts in EUR thousands	Financial liabilities for derivative instruments	Financial liabilities at amortised cost	Book value	Notes to the financial statements
FINANCIAL PAYABLES AND OTHER NON-CURRENT LIABILITIES	**(180,694)**	**(25,339,274)**	**(25,519,968)**	
Financial payables and other non-current financial liabilities		(25,301,117)	**(25,301,117)**	*16*
Financial payables and other non-current financial liabilities - Intercompany				*16*
Hedge derivatives	(180,694)		**(180,694)**	*16*
Financial liabilities for non-current rights of use		(38,157)	**(38,157)**	*17*
Other financial liabilities		0	**0**	
CURRENT LIABILITIES	**0**	**(60,284,105)**	**(60,284,105)**	
Financial payables and other current financial liabilities		(18,619,652)	**(18,619,652)**	*22*
Financial payables and other current financial liabilities - Intercompany		(39,995,828)	**(39,995,828)**	*22*
Hedge derivatives		0	**0**	*22*
Trade payables		(584,063)	**(584,063)**	*23*
Trade payables - Intercompany		(1,041,614)	**(1,041,614)**	*23*
Payables to related parties		(18,450)	**(18,450)**	*23*
Financial liabilities for current rights of use		(24,498)	**(24,498)**	*17*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities		0	**0**	
Financial payables to related parties		0	**0**	
TOTAL FINANCIAL LIABILITIES	**(180,694)**	**(85,623,379)**	**(85,804,073)**	

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

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

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

Financial statement items at 31 December 2021	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(30,818)**		**(30,818)**		**(30,818)**	
- Forward contracts						
- IRS on rates contracted on Unicredit loan	(36,265)		(36,265)		(36,265)	*14-21*
- IRS on rates contracted on BNL loan	(18,815)		(18,815)		(18,815)	*14-21*
- IRS on rates contracted on INTESA loan	46,058		46,058		46,058	*14-21*
- IRS on rates contracted on BPM loan	(21,796)		(21,796)		(21,796)	*14-21*

Financial statement items at 31 December 2020	Book value	Level I	Level II	Level III	Total fair value	Notes to the financial statements
Hedge derivatives on equity instruments	**0**	**0**	**0**	**0**	**0**	
- Put					0	
- Call					0	
Derivatives designated for cash flow hedges	**(180,694)**		**(180,694)**		**(180,694)**	
- Forward contracts						
- IRS on rates contracted on Unicredit loan	(75,645)		(75,645)		(75,645)	*16-22*
- IRS on rates contracted on BNL loan	(43,375)		(43,375)		(43,375)	*16-22*
- IRS on rates contracted on BPM loan	(61,674)		(61,674)		(61,674)	*16-22*

As part of the acquisition of the company Dream of Ordinary Madness Entertainment S.r.l, the company subscribed put&call options to purchase the remaining 49% (see the consolidated financial statements for greater detail).

These options are classified in the Company's separate financial statements as derivatives. As no consideration was paid for these options and their value is consistent with the fair value of the underlying asset, the value of this instrument was kept at zero in the Company's separate financial statements.

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5.6 Positions deriving from atypical or unusual transactions

In 2021, Be Shaping the Future S.p.A. did not undertake any atypical or unusual transactions as defined in Consob Communication DEM/6064293.

5.7 Law 124/2017 paragraph 125

Paragraph 125 of Law 124/2017 of 4 August 2017 introduced, starting from FY 2018, the obligation for companies receiving subsidies, contributions, paid assignments and economic benefits of any kind from public administrations and the entities referred to in the first sentence 33 of said paragraph, to publish these amounts in the notes to the financial statements. In line with the interpretations provided by the main trade associations, including ASSONIME, for the year 2021 the directors have identified the contributions and economic benefits from public administrations or similar entities falling under the cases referred to in the above provisions, for a total of Euro 5 thousand.

5.8 Climate Change

Although it is not an industrial transformation company, to provide full disclosure to its stakeholders, the Company reports the main environmental performance indicators, mainly relating to energy consumption and emissions of CO2, in the specific section of the Consolidated Non-Financial Statement.

At present, the risk related to climate change with regard to the sector in which the Company operates is considered low.

5.9 Fees due to the independent auditors PricewaterhouseCoopers S.p.A. and to their network pursuant to art. 149-duodecies of the Issuers' Regulation

Type	Fee
Auditing services	124,753
Total fees	**124,753**

The fees due to the Independent auditors in 2021 totalled Euro 125 thousand (Euro 149 thousand last year), of which Euro 17 thousand refer to the limited audit of the "Non-financial statement at 31.12.2021". It should be noted that the mandate of Deloitte & Touche S.p.A. ended in 2021.

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5.10 Fees due to directors and statutory auditors of Be S.p.A.

Name and Surname	Position in Be S.p.A.	Term in office	End of term in office	Fixed fees	Fees for committee attendance	Var. non-equity fees	Total
Amounts in EUR thousand						*Bonus/ Incentives*	
Stefano Achermann	Chief Executive Officer	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	1,000.00(1)		743.72	1,743.72
Carlo Achermann	Executive Chairman	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	600.00(2)		307.77	907.77
Claudio Berretti	Non-Executive Director	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	20.00	5(6)		25.00
Cristina Spagna	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	20.00	15(4)		35.00
Claudio Calabi	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	20.00	15(3)		35.00
Gianluca Antonio Ferrari	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	20.00	5(5)		25.00
Francesca Moretti	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	20.00	5(5)		25.00
Anna Maria Tarantola	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	20.00	5(6)		25.00
Lucrezia Reichlin	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2022	20.00			20.00
Stefano De Angelis	Chairman of the Board of Statutory Auditors(7)	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2023	25.44			25.44
Giuseppe Leoni	Standing Auditor(8)	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2023	20.76			20.76
Rosita Francesca Natta	Standing Auditor	01/01/2021 - 31/12/2021	Approval of Fin. statements at 31/12/2023	18.48			18.48

Note that, where not indicated, fees from subsidiaries of Be Shaping the Future S.p.A. are not received, namely the same are paid back, insofar as they are absorbed in fees allocated pursuant to art. 2389, paragraph 3 of the Italian Civil Code.

The breakdown of the fees paid to individual directors is shown below, specifying that no consideration is due for 2021 for the office of member of the "Scientific Board":

(1) *Gross remuneration for the position of Chief Executive Officer of which Euro 450,000.00 for the position of Chief Executive Officer and General Manager of subsidiaries*

(2) *Gross remuneration for the position of Executive Chairman of which Euro 250,000.00 for the position of Executive Director of subsidiaries*

(3) *Additional remuneration for the position of Chairman of the Control and Risk Committee.*

(4) *Additional remuneration for the position of Chairman of the Appointments and Remuneration Committee*

(5) *Additional remuneration for the position of member of the Control and Risk Committee.*

(6) *Additional indemnity for the position of member of the Appointments and Remuneration Committee*

(7) *Office held starting from 22/04/2021, Standing Auditor from 01/01/2021 to 11/04/2021.*

(8) *Office held from 22/04/2021, Chairman of the Board of Statutory Auditors from 01/01/2021 to 11/04/2021.*

6. Events after the reporting period at 31 December 2021

It should be noted that in January 2022, the partial non-proportional and asymmetrical spin-off of subsidiary Doom S.r.l. in favour of a newly established company which will take on the name of Be World of Wonders S.r.l. and which will be 75% held by Be and 25% by ZDF S.r.l. was approved. In particular, the spin-off would involve the assignment to Be World of Wonders S.r.l. of the activities of the business segment whose target customers are banking, financial and insurance companies. Be will continue to have a minority interest of 25% in Doom S.r.l following the spin-off, which will be consolidated through the equity method.

During the month of February, with reference to the possible transaction involving, among other things, the purchase and sale of shares representing approximately 43.209% of the capital of Be Shaping the Future S.p.A., the essential terms of which were disclosed to the market on 11 February 2022 through a press release by Tamburi Investment Partners S.p.A., the Board of Directors of Be received a request from Engineering Ingegneria Informatica S.p.A. (Engineering) - leading company in the sector of technological innovation, software production, automation and IT ecosystems, indirectly controlled by the private equity funds Bain Capital and NB Renaissance - to carry out, as part of the possible Transaction, a due diligence activity on Be and its subsidiaries.

On 15 February 2022, the Board of Directors of Be, having carefully assessed the Request in terms of proper balance between the need to protect the confidentiality of company data on the one hand, and the interest of all shareholders in not being denied an opportunity to liquidate their investment on the other, resolved to allow Engineering to carry out the due diligence on the Be Group.

With regard to the Covid-19 pandemic, the first part of 2022 is still highly impacted by management of the emergency and of the restrictive measures to contain it, although the latter have been gradually eased until their almost complete elimination. The national and international macroeconomic scenario continues, however, to show general uncertainty, mitigated by the start of the vaccination campaigns in the previous year, although we cannot reasonably rule out possible future lockdowns that could once again impact industrial and commercial activities with effects on the national and international economy.

In relation to the uncertainties arising from the ongoing conflict between Russia and Ukraine, it should be noted that the Be Group has its own presence in Kiev through its subsidiary Be Ukraine. The company operates towards branches of leading international institutions, with 40 direct employees and a turnover of approximately Euro 1 million. At present, ordinary activities continue uninterrupted and there are no interruptions in payment flows. It is impossible to define reliable development scenarios; however, due to the insignificant size (less than 1%) of the company's contribution to the Group's consolidation, no significant economic impact is foreseen even if the current situation worsens.

In light of the results recorded by the Group in 2021, the Company confirms the objectives defined in the 2021-2023 Business Plan. In the foreseeable macroeconomic scenario, we can reasonably expect further growth in financial year 2022.

The financial calendar for 2022, as announced, is currently confirmed.

Statement of equity investments of directors, statutory auditors and general managers

Name and Surname	Position	Company	No. of shares held at 31.12.2020	No. of shares purchased	No. of shares sold	No. of shares held at 31.12.2021
Stefano Achermann	Chief Executive Officer	Be S.p.A.	17,234,618(1)			17,234,618(2)
Carlo Achermann	Executive Chairman	Be S.p.A.	4,055,779		1,155,000(3)	2,900,779(4)
Claudio Beretti(*)	Non-Executive Director	Be S.p.A.				
Cristina Spagna	Non-Executive Director Independent Director	Be S.p.A.				
Claudio Calabi	Non-Executive Director Independent Director	Be S.p.A.				
Gianluca Antonio Ferrari	Non-Executive Director Independent Director	Be S.p.A.	104,166		7,300	96,866
Francesca Moretti	Non-Executive Director Independent Director	Be S.p.A.				
Anna Maria Tarantola	Non-Executive Director Independent Director	Be S.p.A.				
Lucrezia Reichlin	Non-Executive Director Independent Director	Be S.p.A.				
Giuseppe Leoni	Chairman of the Board of Statutory Auditors	Be S.p.A.				
Stefano De Angelis	Standing Auditor	Be S.p.A.				
Rosita Francesca Natta	Standing Auditor	Be S.p.A.				

(1) *On 22 June 2021, Stefano Achermann sold to Innishboffin S.r.l., a company in which he has legal control, 207,039 shares of Be Shaping the Future S.p.A.*

(2) *Of which 6,386,826 directly and 10,847,792 through Innishboffin S.r.l.*

(3) *On 10 September 2021, Carma Consulting S.r.l. sold 85,000 shares of Be Shaping the Future S.p.A. Furthermore, on 27 September 2021 it sold to Tamburi Investment Partners S.p.A. 1,070,000 shares of Be Shaping the Future S.p.A.*

(4) *indirectly, through Carma Consulting S.r.l., a company of which it has legal control.*

(*) *Claudio Beretti holds the position of General Manager and Director of Tamburi Investment Partners S.p.A., a company that at 31 December 2020 held 37,082,225 shares of Be Shaping the Future S.p.A., and at 31 December 2021 held 38,152,225 shares of Be Shaping the Future S.p.A.*

Milan, 15 March 2022.

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

Certification of 2021 Financial Statements pursuant to art. 81-ter, Consob Regulation 11971 of 14 May 1999, as amended

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

   - the adequacy in relation to the business characteristics, and
   - the effective application of administrative accounting procedures to prepare the financial statements at 31 December 2021.

2. It is also confirmed that:

2.1 the financial statements:

a) were prepared in compliance with international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of Council, of 19 July 2002;

b) correspond with the accounting entries and records;

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

2.2 The Management Report contains a reliable analysis of the performance and the results of operations, as well as of the position of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Milan, 15 March 2022.

/signed/ Manuela Mascarini

Executive in charge of preparing
the company's accounting documents

Manuela Mascarini

/signed/ Stefano Achermann
Chief Executive Officer

Stefano Achermann