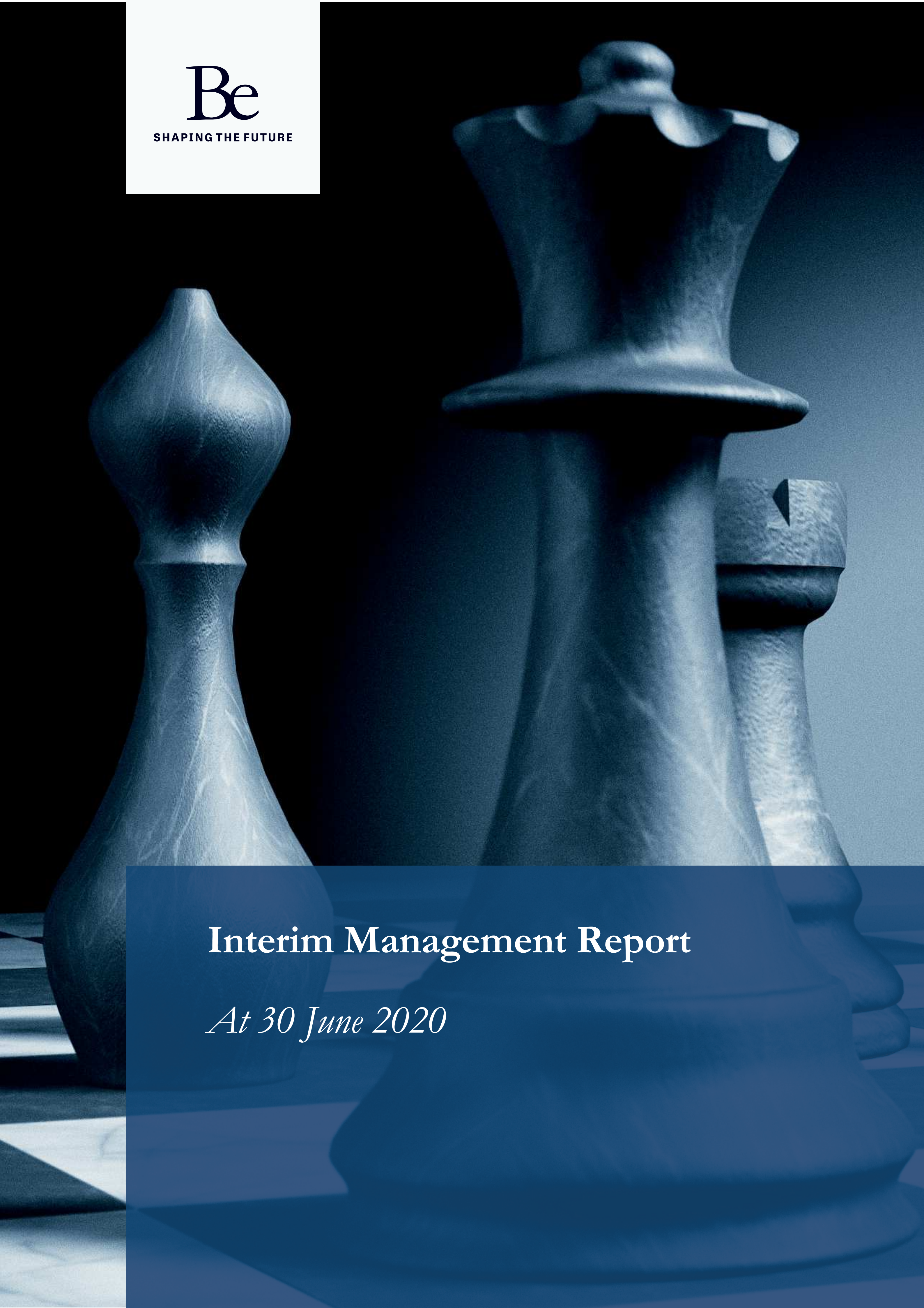

Be

SHAPING THE FUTURE

Interim Management Report

At 30 June 2020

SHAPING
THE FUTURE
OF FINANCIAL SERVICES

Interim Management Report
at *30 June 2020*

(TRANSLATION FROM ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)

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

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Half-year Condensed Consolidated Financial Statements at 30 June 2020

1. Corporate Bodies

Board of Directors

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

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

Board of Statutory Auditors

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

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

Control and Risk Committee

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

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

Remuneration and Appointments Committee

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

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

Independent Auditors

Deloitte & Touche S.p.A.

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

2. Summary income statement and statement of financial position

Key profitability indicators

(amounts in EUR millions)	**1H 2020**	**1H 2019**
Value of production	83.4	74.2
EBITDA	13.0	12.0
EBIT	8.2	8.0
Profit (loss) before tax	7.5	7.3
Net profit (loss)	4.2	4.3

Key equity and financial indicators

(amounts in EUR millions)	**30.06.2020**	**31.12.2019**
Group Shareholders' equity	55.0	54.3
Net Invested Capital	83.1	67.5
Net Operating Working Capital (NOWC)	27.8	17.1
Net Financial Position	(25.9)	(11.4)

Value of production by operating segment

(amounts in EUR millions)	**1H 2020**	**1H 2019**
Business Consulting	58.0	55.3
ICT Solutions	22.3	17.1
Digital	3.1	1.8
TOTAL	83.4	74.2

Value of production by customer type

(amounts in EUR millions)	**1H 2020**	**1H 2019**
Banks	63.2	57.1
Insurance	9.7	10.0
Industry	5.3	4.1
Public Administration	0.0	1.0
Other	5.2	2.0
TOTAL	83.4	74.2

Value of production by geographic area

(amounts in EUR millions)	**1H 2020**	**1H 2019**
Italy	53.7	44.3
DACH Region (Germany, Austria, Switzerland)	19.9	19.5
UK and Spain	6.1	7.4
CEE Region (Poland, Ukraine, Romania)	3.7	2.9
TOTAL	83.4	74.2

Group Headcount

(values in units)	**30.06.2020**	**31.12.2019**
Executives	136	132
Middle managers	187	173
White collar	963	940
Apprentices	98	75
TOTAL	1,384	1,320

3. Group Structure and Shareholders

The **Be Group** (Be for short) is one of the leading Italian players in the IT Consulting sector. The Group provides Business Consulting, Information Technology, Professional Services and Digital Business. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industries to improve their competitive capacity and their potential to create value. With around 1,400 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, the Ukraine, Spain and Romania, the Group recorded a total value of production of Euro 83.4 million in the first half of 2020.

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.

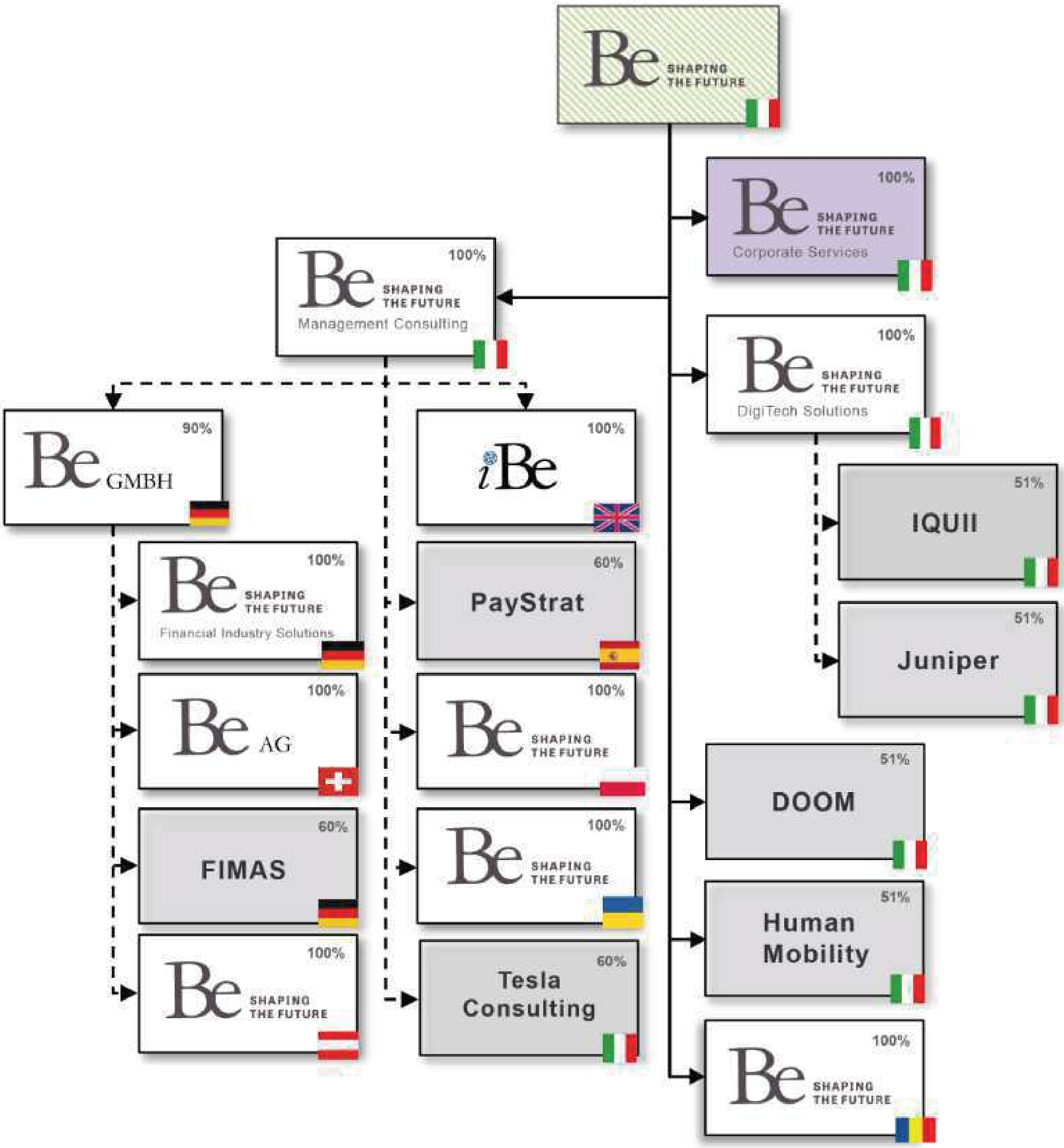
Note that with the resolution passed unanimously by the Extraordinary Shareholders' Meeting of Be Think, Solve, Execute S.p.A. on 22 April 2020 and concerning the amendments to the Articles of Association relating to the change of the company name, the new company name "Be Shaping The Future S.p.A." took effect.

At 30 June 2020, the number of shares outstanding totalled 134,897,272, and the shareholding structure - as indicated in disclosures pursuant to art. 120 of the "Consolidated Law on Finance" (TUF) and in relation to notices received in accordance with internal dealing regulations - was as follows:

Shareholders

	Nationality	No. of Shares	% Ordinary capital
Tamburi Investment Partners S.p.A.	Italian	31,582,225	23.41
iFuture Power in Action S.r.l.	Italian	13,519,265	10.02
Axxion S.A.	Luxembourg	13,487,712	9.99
Stefano Achermann	Italian	7,771,132	5.76
LOYS Investment S.A.	Luxembourg	6,475,069	4.80
Be Shaping the Future S.p.A	Italian	4,796,335	3.56
Compass Asset Management S.A.	Luxembourg	4,181,815	3.10
Float		53,083,719	39.36
Total		**134,897,272**	**100.00**

The following chart shows the **Be Group** structure at 30 June 2020[1].



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

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;

No. of employees	781 employees at 30 June 2020.
Core business	Banking, Insurance.
Segment revenue at 30 June 2020	Euro 58.0 million.
Operating units	Rome, Milan, London, Kiev, Warsaw, Munich, Vienna, Zurich, Frankfurt, Madrid.

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

- **Be Management Consulting S.p.A. (already Be Consulting S.p.A.).** Established in 2008 the company operates in the sector of management consulting for financial institutions. Its aim is to provide support to the Systemically Important Financial Institutions (SIFIs) in creating value, with a particular focus on changes that affect business, the IT platforms and corporate processes. Be S.p.A. holds 100% of the company's share capital. In April 2020, following the implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Consulting Think, Project & Plan S.p.A. to Be Shaping The Future, Management Consulting S.p.A. or, Be Management Consulting S.p.A. for short.
- **iBe TSE Limited.** Based in London, this company operates on the UK and European market, focusing on financial services consulting, with a customer base with high profiles on the UK and international markets. It specialises in the banking and financial sectors, particularly providing support in the field of innovation and payment services. Be Management Consulting S.p.A. holds 100% of the company's share capital.
- **Be Ukraine LLC.** Established in Kiev in December 2012, it performs consulting and development activities for core banking systems and in the areas of accounting, bank reporting and compliance. Be Management Consulting S.p.A. holds 100% of the company's share capital.
- **Be Poland Think, Solve and Execute, sp zo.o.** Established in Warsaw in January 2013, it provides consulting and system integration services in Retail banking, Capital Markets, CRM (Salesforce) and Digital (Backbase). Be Management Consulting S.p.A. holds 100% of the company's share capital.
- **Be Think, Solve Execute GmbH.** Company based in Munich, it specialises in ICT consulting services, primarily on the German, Austrian and Swiss markets, operating through its two wholly owned subsidiaries, Be Shaping the Future GmbH (former Targit GmbH)

based in Vienna and Be TSE Switzerland AG based in Zurich. Be Management Consulting S.p.A. controls the Group with a 90.00% interest.

- **BE AG.** A company whose registered office is close to Munich, 100.00% of which is owned by Be Think, Solve Execute GmbH, specialised in consulting and IT solutions in the Payments sector and specifically as regards SWIFT. In September 2019, the Company changed its name from R&L AG to Be Shaping the Future – Financial Industry Solutions AG (Be AG for short).
- **FIMAS GmbH.** A company based in Frankfurt, 60% of which is held by Be Think, Solve Execute GmbH, specialised in consulting services and IT for asset managers, Stock Markets, CSD, clearing houses and custodian banks.
- **Confinity GmbH.** Originally established as a joint venture by FIMAS and Q-Fin (now Fimas GmbH), operating in the specific sector of the supply - to the customers of FIMAS - of temporary personnel (ANÜ – Arbeitnehmerüberlassung) for which it possesses the appropriate licence. Fimas GmbH has a 100% interest in Confinity GmbH.
- **Payments and Business Advisors S.L.** (**Paystrat** for short). A company based in Madrid, 60% of which is held by Be Consulting S.p.A., specialised in advisory services for operators in the payments industry, in areas such as digital wallets, loyalty and market intelligence. The company has a 65.26% interest in Paystrat Solutions S.L.
- **Tesla Consulting S.r.l.** A Company based in Bologna, operating in the field of "Cyber Security" and "Digital Forensics", 60% of which is held by Be Management Consulting S.p.A..

II. ICT SOLUTIONS

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

No. of employees	472 employees at 30 June 2020.
Core Businesses	Banking, Insurance, Energy and Public Administration.
Segment revenue at 30 June 2020	Euro 22.3 million.
Operating units	Rome, Milan, Turin, Bucharest.

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

- **Be DigiTech Solutions S.p.A. (former Be Solutions S.p.A.).** It aims to offer specialist ICT consulting and system integration services for proprietary products/platforms or those of third-party market leaders. In previous years, it concentrated on the new technological architectures that have characterised the current digitalisation process of the major Banks and Insurance companies in Italy, where it gained distinctive experience in building multi-channel front-end systems, back-end systems for control and corporate governance (especially in the insurance sector thanks to a proprietary system which is one of the market leaders) and Data & Analytics platforms. Its customers are Banks and Insurance companies, as well as the utilities sector and SMEs, but to a much lesser extent. Cooperation agreements and partnerships are currently in place with a number of the major players in the ICT industry and with several selected fintech and insurtech companies. Be Shaping the Future S.p.A. holds 100% of the company's share capital. In April 2020, following the implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Solutions Solve, Realize & Control S.p.A. to Be Shaping the Future, DigiTech Solutions S.p.A. or Be Solutions S.p.A. or Be DigiTech Solutions S.p.A. for short.

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

III. DIGITAL

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

No. of employees	68 employees at 30 June 2020.
Core Businesses	Banking, Insurance, Energy and Public Administration.
Segment revenue at 30 June 2020	Euro 3.1 million.
Operating units	Rome, Milan, Trento.

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

- **Iquii S.r.l.** Established in 2011, it specialises in the development of digital, web and mobile solutions, focusing in particular on the areas of system integration, user and customer experience and the development of new revenue models. Be DigiTech Solutions S.p.A. owns 51% of the company.
- **Juniper Extensible Solutions S.r.l.** Established in May 2000 and based in the province of Trento, it is an Italian digital company active in the development of web-based and multimedia software solutions in the Sports, Music and Events sectors. Be DigiTech Solutions S.p.A. owns 51% of the company.
- **Dream of Ordinary Madness (Doom) Entertainment**. Established in April 2020 as a spinoff of the company ZDF of artist Federico Lucia (aka Fedez) based in Milan, it operates in the business area dedicated to Digital Engagement. Doom is a creative agency that manages a portfolio of talents, including musicians, athletes and influencers. The business model mainly envisages two operating modes: the former involves the active management of the talent portfolio and the search for business opportunities (e.g. sponsorships) through their use in communication and marketing campaigns of customer companies. The latter relates to the comprehensive development of communication projects for customer companies. Be Shaping the Future S.p.A. owns 51% of the company.
- **Human Mobility S.r.l.** Established in June 2020 with headquarters in Milan, it operates in the business area dedicated to Digital Engagement. HM's business model focuses on the development of technological solutions aimed at making human mobility easier and more convenient, both for people and as an employee of an organization, in all its possible aspects. Business started with the development of solutions that allow a safe return to work after the period of suspension of activities imposed by the COVID emergency. Be Shaping the Future S.p.A. owns 51% of the company.

5. Significant events involving the Group in the first half of 2020

Important resolutions of the Shareholders' Meeting

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

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

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

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

Events important to business development

In March Be and ZDF of Federico Lucia, Italian artist and producer known as Fedez, decided to join forces to create the market leader in the production and distribution of digital content. "Dream of Ordinary Madness (Doom) Entertainment" is the new vehicle originating from the spin-off of ZDF, the operating company of Fedez. The operation is part of the Be Group's strategy to develop a significant business area dedicated to digital engagement, with an important focus on the European Financial Industry, dealing with talent research and development, image management and digital presence, content production, creation and launch of brands, personal coaching of artists.

In June Be created a centre of excellence dedicated to solutions supporting human mobility. The aim is not only to provide a high-impact tool for the return to normality but to design an entire ecosystem of services to facilitate the life and movement of people within companies. Starting from an idea of Stefano Quintarelli, Luca Mastrostefano and Marco Locatelli, the company "Human Mobility Srl" is 51% owned by the Be Group.

Anticipating what is illustrated in paragraph 9.1 Main risks and uncertainties to which the Be Group is exposed, from January 2020, the national and international scenario has been characterised by the spread of Covid-19 and by the consequent restrictive measures for its containment, set in place by the public authorities of the countries in question. These circumstances, which are extraordinary by nature and extension, are having direct and indirect repercussions on the world economic activity, creating a context of general uncertainty.

In relation to the Covid-19 emergency, in order to prevent and contain the spread of the pandemic in Italy, the Group reacted promptly in line with its protocols and policies for the management of emergencies and company crises, by establishing a Crisis Committee, which set a contingency plan in motion to guarantee the health and safety of its employees and partners, by providing for and extending where possible the adoption of smart-working, with a view to guarantee business and operational continuity both in the current scenario and in terms of possible further restrictions to the access of operating facilities. To date there have been no cases of contagion with reference to Group personnel.

In operational terms, in line with the provisions of the Prime Ministerial Decree of 9 March 2020, the majority of the company has worked/work by adopting a smart-working approach, and the capacity of the technological equipment to support remote operations has been boosted. Business continuity has been guaranteed everywhere. Nearshoring sites have been activated, for any potential requirements, at the competency centres in Poland and Romania, although at present there is no need whatsoever to transfer business activities there.

Specifically, given the particular type of Be Group's reference market - mainly only large financial institutions - the Covid-19 pandemic had almost no impact in the first half of 2020. Indeed, all of the major Financial institutions have accelerated their strategies to switch to digital 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 therefore have maintained their operations even during the lockdown. As a result, already when preparing the Financial Statements for the year, no grounds had been found for not confirming our estimates as regards the objectives for 2020, and more generally, those of the whole 2020-2022 Business Plan.

In the light of the above and by virtue of the results achieved by the Group in the first half of 2020, 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 2019 financial statements with reference also to the objectives set for the current and future years.

6. Group operating performance

The following table illustrates the Be Group income statement for the first half of 2020 compared with the same period of the previous year, both originating from half-year condensed consolidated financial statements prepared according to IAS/IFRS.

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

Also note that the operating term "Value of production" used in this report is intended to be synonymous with the item "Total Revenue" used in the "Restated Consolidated Income Statement" of the Half-year Condensed Consolidated Financial Statements at 30 June 2020.

Restated Consolidated Income Statement

Amounts in EUR thousands	1H 2020	1H 2019	Δ	Δ (%)
Operating revenue	82,005	73,049	8,956	12.3%
Other revenue and income	1,436	1,102	334	30.3%
Value of production	**83,441**	**74,151**	**9,290**	**12.5%**
Cost of raw materials and consumables	(53)	(160)	107	(66.9%)
Cost of services and use of third-party assets	(33,565)	(27,217)	(6,348)	23.3%
Personnel costs	(39,564)	(36,182)	(3,382)	9.3%
Other costs	(760)	(811)	51	(6.3%)
Internal capitalisations	3,469	2,246	1,223	54.5%
Gross Operating Margin (EBITDA)	**12,968**	**12,027**	**941**	**7.8%**
Amortisation and depreciation	(4,775)	(4,053)	(722)	17.8%
Write-downs and provisions	(8)	0	(8)	n.a.
Operating profit (loss) (EBIT)	**8,185**	**7,974**	**211**	**2.6%**
Net financial income and expense	(691)	(664)	(27)	4.1%
Profit (loss) before tax from continuing operations	**7,494**	**7,310**	**184**	**2.5%**
Taxes	(2,894)	(2,694)	(200)	7.4%
Net profit (loss) from continuing operations	**4,600**	**4,616**	**(16)**	**(0.3%)**
Net profit (loss) from discontinued operations	0	0	0	n.a.
Consolidated net profit (loss) including minority interests	**4,600**	**4,616**	**(16)**	**(0.3%)**
Net profit (loss) attributable to minority interests	416	356	60	16.9%
Group net profit (loss)	**4,184**	**4,260**	**(76)**	**(1.8%)**

The Value of production amounted to Euro 83.4 million, compared to Euro 74.2 million in the first half of 2019, for an increase of Euro 9.3 million (+12.5%).

The value of production generated by foreign subsidiaries (which represent 35.6% of the Group's value of production) amounted to Euro 29.7 million, compared to Euro 29.8 million at 30 June 2019, or 40.2% of the Group's value of production).

Operating costs increased by around Euro 8.3 million compared to the first half of the previous year (+13.4%). In particular:

- service costs were around Euro 33.6 million (+23.3%);
- personnel costs totalled Euro 39.6 million (+9.3%);
- the capitalisation of costs, mainly related to personnel working on projects to develop in-house software platforms, amounted to Euro 3.5 million.

The Gross Operating Margin (EBITDA) was Euro 13.0 million, up 7.8% compared to the first half of 2019 (Euro 12.0 million). The EBITDA *margin* was 15.5% against 16.2% in the first half of 2019.

Amortisation and depreciation totalled Euro 4.8 million, up Euro 0.7 million from the first half of 2019 (Euro 4.1 million), while provisions and write-downs were virtually unchanged compared with the first half of 2019.

Operating profit (loss) (EBIT) was Euro 8.2 million, showing a growth (+2.6%) compared to 30 June 2019 (Euro 8.0 million). The EBIT *Margin* stood at 9.8%, against 10.8% in the first half of 2019.

Profit (loss) before tax from continuing operations was Euro 7.5 million, up 2.5% compared to 30 June 2019 (Euro 7.3 million).

Taxes for the first half of 2020 amounted to Euro 2.9 million, against Euro 2.7 million for the first half of 2019.

Net profit was Euro 4.2 million, down by 1.8% compared to Euro 4.3 million at 30 June 2019.

At 30 June 2020, discontinued operations had no impact on the income statement; therefore, the costs and revenue recognised in the restated consolidated income statement refer solely to "continuing operations".

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

Value of production by operating segment

Amounts in EUR millions	**1H 2020**	**%**	**1H 2019**	**%**	**Δ (%)**
Business Consulting	58.0	69.6%	55.3	74.5%	4.9%
ICT Solutions	22.3	26.7%	17.1	23.0%	30.4%
Digital	3.1	3.7%	1.8	2.5%	72.2%
TOTAL	**83.4**	**100.0%**	**74.2**	**100.0%**	**12.5%**

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

- the Consulting business confirms its significant weight and an increase in production value of 4.9% compared to the value recorded in the first half of 2019;
- the ICT Solutions business as a whole recorded significant growth in the value of production (30.4% compared to the first half of 2019);
- the Digital business, which was previously partially incorporated in the ICT sector, also thanks to the new corporate operations that took place during the period of reference, acquires independent evidence with a strong growth in the value of production (+72.2%).

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

Value of production by customer type

Amounts in EUR millions	**1H 2020**	**%**	**1H 2019**	**%**	**Δ (%)**
Banks	63.2	75.8%	57.1	77.0%	10.7%
Insurance	9.7	11.6%	10.0	13.5%	(3.0%)
Industry	5.3	6.4%	4.1	5.5%	29.3%
Public Administration	0.0	0.0%	1.0	1.3%	(100.0%)
Other	5.2	6.2%	2.0	2.7%	n.a.
TOTAL	**83.4**	**100.0%**	**74.2**	**100.0%**	**12.5%**

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

Value of production by geographic area

Amounts in EUR millions	1H 2020	%	1H 2019	%	Δ (%)
Italy	53.7	64.4%	44.4	59.8%	20.9%
DACH Region (Germany, Austria, Switzerland)	19.9	23.9%	19.5	26.3%	2.1%
UK and Spain	6.1	7.3%	7.4	10.0%	(17.6%)
CEE Region (Poland, Ukraine, Romania)	3.7	4.4%	2.9	3.9%	27.6%
TOTAL	**83.4**	**100.0%**	**74.2**	**100.0%**	**12.5%**

Note that during the first half of 2020, 64.4% of production was generated by the domestic market and the remaining 35.6% by the foreign market.

The significant weight of the DACH (DE, AUT and SUI) Region on the value of production is confirmed, contributing Euro 19.9 million to revenues, up slightly compared to the first half of 2019.

The Cee Region (Poland, Ukraine, Romania) recorded a considerable rise (+27.6%) compared to the corresponding period of the prior year (Euro 3.7 million, compared to Euro 2.9 million at 30 June 2019), while the UK and Spanish markets are falling, generating Euro 6.1 million in the first half of 2020, compared to Euro 7.4 million in the first half of 2019 (-17.6%).

7. Breakdown of Group equity and financial positions

A summary of the consolidated statement of financial position at 30 June 2020 is shown below, compared to the same statement at 31 December 2019.

Restated Statement of Financial Position

Amounts in EUR thousands	30.06.2020	31.12.2019	Δ	Δ (%)
Non-current assets	105,500	101,816	3,684	3.6%
Current assets	49,507	33,135	16,372	49.4%
Non-current liabilities	(21,778)	(22,667)	889	(3.9%)
Current liabilities	(50,138)	(44,785)	(5,353)	12.0%
Net Invested Capital	**83,091**	**67,499**	**15,592**	**23.1%**
Shareholders' Equity	57,191	56,072	1,119	2.0%
Net Financial Indebtedness	25,900	11,427	14,473	n.a.

Non-current assets are mostly represented by goodwill (Euro 70.3 million), recognised at the time of business combinations, intangible assets (Euro 20.5 million) mostly relating to software, rights of use (Euro 7.5 million), property, plant and equipment (Euro 2.2 million), deferred tax assets (Euro 2.8 million), equity investments in other companies (Euro 0.8 million) and receivables and other non-current assets (Euro 1.4 million).

Current assets recorded a rise of Euro 16.4 million compared to 31 December 2019, due mainly to the increase in trade receivables.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 6.8 million, deferred tax liabilities of Euro 7.7 million and provisions for risks and charges of Euro 0.1 million, plus other liabilities of Euro 7.2 million, predominantly referring to the remaining share of the discounted price for the future acquisition of minority interests though put&call agreements.

Current liabilities - mostly comprised of trade payables of Euro 17.0 million, current provisions for risks and charges of Euro 6.8 million and other liabilities and tax payables totalling Euro 23.0 million - recorded an overall rise of Euro 5.3 million.

Consolidated shareholders' equity was Euro 57.2 million, compared to Euro 56.1 million at 31 December 2019. The breakdown of Net working capital is shown below; for details and related comments on individual items, reference should be made to the description in the Notes to the Financial Statements.

Amounts in EUR thousands	**30.06.2020**	**31.12.2019**	**Δ**	**Δ (%)**
Inventories	3	3	0	0.0%
Assets deriving from Assets with customers	28,868	11,513	17,355	n.a.
Trade receivables	15,987	17,901	(1,914)	(10.7%)
Trade payables	(17,048)	(12,366)	(4,682)	37.9%
Net Operating Working Capital (NOWC)	**27,810**	**17,051**	**10,759**	**63.1%**
Other short-term receivables	4,649	3,718	931	25.0%
Other short-term liabilities	(33,090)	(32,419)	(671)	2.1%
Net Working Capital (NWC)	**(631)**	**(11,650)**	**11,019**	**n.a.**

Net financial indebtedness at 30 June 2020, which also includes financial payables from rights of use, was negative by Euro 25.9 million compared to net financial indebtedness of Euro 11.4 million at 31 December 2019.

The breakdown is shown in the table below:

Consolidated Net Financial Indebtedness

	Amounts in EUR thousands	36.06.2020	31.12.2019	Δ	Δ (%)
	Cash and cash equivalents at bank	26,021	34,185	(8,164)	(23.9%)
A	**Cash and cash equivalents**	**26,021**	**34,185**	**(8,164)**	**(23.9%)**
B	**Current financial receivables**	**179**	**104**	**75**	**72.1%**
	Current bank payables	(899)	(4,525)	3,626	(80.1%)
	Current share of medium/long-term indebtedness	(15,803)	(10,895)	(4,908)	45.0%
	Payables for current rights of use	(3,293)	(3,004)	(289)	9.6%
	Other current financial payables	(23)	(152)	129	(84.9%)
C	**Current financial indebtedness**	**(20,018)**	**(18,576)**	**(1,442)**	**7.8%**
D	**Current net financial position (A+B+C)**	**6,182**	**15,713**	**(9,531)**	**(60.7%)**
	Non-current bank payables	(26,937)	(20,926)	(6,011)	28.7%
	Payables for non-current rights of use	(5,145)	(6,214)	1,069	(17.2%)
	Other non-current financial payables	0	0	0	n.a.
E	**Non-current net financial position**	**(32,082)**	**(27,140)**	**(4,942)**	**18.2%**
F	**Net financial position (D+E)**	**(25,900)**	**(11,427)**	**(14,473)**	**n.a.**

With regard to items in the table, in addition to cash and cash equivalents of Euro 26.0 million (Euro 34.2 million at 31 December 2019), we also draw attention to:

- current financial receivables of Euro 0.2 million (Euro 0.1 million at 31 December 2019) originating from prepaid expenses on factoring interest and from a sale collected in early July;
- current payables to banks at 31 March 2020 of Euro 20.0 million (Euro 18.6 million at 31 December 2019), relating to:
  - "current bank payables" of Euro 0.9 million (Euro 4.5 million at 31 December 2019) mainly relating to interest accrued but not paid and the negative balance of the current accounts;
  - the current portion of long-term loans for Euro 15.8 million (Euro 10.9 million at 31 December 2019);
  - payables for current rights of use of Euro 3.3 million regarding lease liabilities (Euro 3.0 million at 31 December 2019);
  - other current financial payables of Euro 0.02 million (Euro 0.2 million at 31 December 2019), mainly referring to financial payables due to customers for credit for ticket sales on behalf of third parties and the balance of credit cards.
- non-current financial payables of Euro 32.1 million (Euro 27.1 million at 31 December 2019) of which:
  - Euro 26.9 million (Euro 21.0 million at 31 December 2019) referred to payables to banks for unsecured medium/long-term loans due beyond 12 months;
  - Euro 5.1 million (Euro 6.2 million at 31 December 2019) referring to payables for non-current rights of use regarding lease liabilities.

8. Related Party Transactions

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

9. Other disclosures

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

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

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

  In order to further improve operating performance, the Be Group believes it is important to achieve the strategic objectives of the 2020-2022 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 expected to arise and of action that management intends to take. These were estimated on the basis of final figures, orders already received or sales to be made to established customers, as such presenting a lower degree of uncertainty and therefore a higher probability of actually occurring. Vice versa, the assumptions relate to future events and actions, fully or partly independent from management action. Consequently, the Directors acknowledge that the strategic objectives identified in the 2020-2022 Plan, though reasonable, present profiles of uncertainty due to the chance nature of future events occurring and the characteristics of the reference market, and also as regards the occurrence of events represented in the plan, their extent and timing.

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

  The Be Group is exposed to financial risks associated with its operations, particularly interest rate risk, liquidity risk, credit risk and the risk of cash flow fluctuations. In addition, essential upkeep of the bank credit facilities held is important to the Be Group in order to meet its overall current funding needs and to achieve the objectives of the 2020-2022 Plan.

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

  The Be Group could have a negative impact on the value of its shareholders' equity if there should be any impairment to goodwill recognised in the financial statements at 30 June 2020 because of the incapacity to generate sufficient cash flows to satisfy those forecast and envisaged in the 2020-2022 Plan.

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

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

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

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

- **Risks associated with "Competition"**

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

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

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

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

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

- **Risks associated with internationalisation**

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

- **Covid-19**

  With regard to the main factors of uncertainty existing on the date of submission of this Interim Management Report, we draw attention to those relating to the events that have gradually emerged over the course of the last six months concerning the growing and progressive spread at international and national level of the medical emergency relating to the COVID-19 pandemic (Coronavirus).

  Specifically, as mentioned previously, given the particular type of Be Group's reference market - mainly large financial institutions - the Covid-19 pandemic had almost no impact in the first half of 2020. At present, there are no grounds for not confirming our estimates as regards the objectives for 2020, and more generally, those of the whole 2020-2022 Business Plan.

  Therefore, with one the biggest global crisis ever in the background, with Italy at the forefront, the results for the first half of 2020, as highlighted above, confirm the solidity of the Be Group's business model. The crisis has accelerated the financial industry's need to adopt digital applications in all of their forms, bringing considerable benefits in terms of new opportunities for the Be Group. The Group expects this trend to continue in the coming months, especially in light of the greater dependence of credit institutions on remote relationship models. As a result, the Group substantially confirmed the set targets and paid the dividends in April 2020, as planned.

When preparing the Interim Management Report at 30 June 2020, as part of the main valuation and estimation processes, it should be noted that, considering the results in line with the Plan used for the impairment test at 31 December 2019, as well as the hedges resulting from the impairment tests on the assets and liabilities recognised (as resulting from the sensitivity analyses conducted on 31 December 2019), the Company does not believe that there are elements of uncertainty as to recoverability. In addition, with reference to the business outlook, Management believes that it can confirm the estimates of the plans used for the impairment test also thanks to the type of contracts in place and the counterparties that allow it to have a good visibility on the results of the foreseeable future. The acquisition carried out during the period was finalised in the Covid-19 period. Therefore, the valuations of the price paid took this event into account. Moreover, in the period following the acquisition, no events occurred that could have an impact on the price paid and be considered an impairment indicator. It was therefore considered reasonable not to carry out a new impairment test, since the Covid-19 was not deemed to be a trigger event for the Be Group.

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

9.2 Investment in development

The Be Group's development activities have always aimed to consolidate customer relations, develop new forms of business for them and acquire new customers. The main development activities conducted entail developing the Be Group-owned technological platforms; in particular, during the first half of 2020, investments mostly regarded the development and upgrade of the technological platforms "Universo Sirius" - relating to the management of Life and Non-life insurance portfolios, and the development of the company's internal ICT system - by Be Solutions, the development of the digital applications by Iquii, Juniper and the newly established Human Mobility, as well as the development of the IT platforms of Fimas GmbH and Be Think, Solve Execute GmbH and Be Shaping the future Gmbh, specialised in various areas of the banking industry. The Be Group will continue to invest in development, and also plan other project opportunities. These new initiatives will aim to expand the product mix, creating technology platforms for the provision of services to its customers.

10. Events after 30 June 2020 and business outlook

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

With reference to the Covid-19 pandemic, it should be noted that the Group constantly monitors any development in order to curb and try to virtually zero the effects with regard to health and safety at work and in economic, equity and financial terms, through the definition and implementation of flexible and timely action plans.

The Group believes that it has adequate management levers available to counter the effects of the health emergency throughout 2020, operating, as demonstrated by the results, in a resilient business and thus confirming the medium-long term prospects set out in the 2020-2022 Plan.

Therefore, taking into account the actions already implemented as well as those planned for the coming months, in the absence of events not currently foreseeable, including a possible new lockdown, the Group believes it can rely on the achievement of the annual objectives and more generally of the 2020-2022 Business Plan.

The financial calendar for 2020, as announced, is currently confirmed.

Milan, 31 July 2020

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

Half-year Condensed Consolidated Financial Statements

at 30 June 2020

A. Consolidated Statement of Financial Position

Amounts in EUR thousands	*Notes*	30.06.2020	31.12.2019
NON-CURRENT ASSETS			
Property, plant and equipment	*1*	2,228	2,161
Rights of use	*2*	7,527	8,679
Goodwill	*3*	70,298	65,060
Intangible assets	*4*	20,458	19,632
Equity investments in other companies	*5*	829	829
Loans and other non-current assets	*6*	1,378	2,152
Deferred tax assets	*7*	2,782	3,303
Total non-current assets		**105,500**	**101,816**
CURRENT ASSETS			
Inventories	*8*	3	3
Assets deriving from contracts with customers	*9*	28,868	11,513
Trade receivables	*10*	15,987	17,901
Other assets and receivables	*11*	3,896	2,828
Direct tax receivables	*12*	753	890
Financial receivables and other current financial assets	*13*	179	104
Cash and cash equivalents	*14*	26,021	34,185
Total current assets		**75,707**	**67,424**
Total discontinued operations		**0**	**0**
TOTAL ASSETS		**181,207**	**169,240**
SHAREHOLDERS' EQUITY			
Share capital		27,109	27,109
Reserves		23,745	21,144
Net profit (loss) attributable to owners of the Parent Company		4,184	6,087
Group Shareholders' equity		**55,038**	**54,340**
Minority interests:			
Capital and reserves		1,737	1,262
Net profit (loss) attributable to minority interests		416	470
Minority interests		**2,153**	**1,732**
TOTAL SHAREHOLDERS' EQUITY	*15*	**57,191**	**56,072**
NON-CURRENT LIABILITIES			
Financial payables and other non-current financial liabilities	*16*	26,937	20,926
Financial liabilities for non-current rights of use	*18*	5,145	6,214
Provision for non-current risks	*22*	116	1,649
Post-employment benefits (TFR)	*19*	6,756	6,953
Deferred tax liabilities	*20*	7,705	7,348
Other non-current liabilities	*21*	7,201	6,717
Total Non-current liabilities		**53,860**	**49,807**
CURRENT LIABILITIES			
Financial payables and other current financial liabilities	*17*	16,725	15,572
Financial liabilities for current rights of use	*18*	3,293	3,004
Trade payables	*23*	17,048	12,366
Provision for current risks	*22*	6,762	7,075
Tax payables	*24*	3,102	1,585
Other liabilities and payables	*25*	23,226	23,759
Total Current liabilities		**70,156**	**63,361**
Total discontinued operations		**0**	**0**
TOTAL LIABILITIES		**124,016**	**113,168**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**181,207**	**169,240**

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

B. Consolidated Income Statement

Amounts in EUR thousands	***Notes***	**1H 2020**	**1H 2019**
Operating revenue	*26*	82,005	73,049
Other revenue and income	*27*	1,436	1,102
Total Revenue		**83,441**	**74,151**
Cost of raw materials and consumables	*28*	(53)	(160)
Service costs	*29*	(33,565)	(27,217)
Personnel costs	*30*	(39,564)	(36,182)
Other operating costs	*31*	(760)	(811)
Cost of internal work capitalised	*32*	3,469	2,246
Amortisation, depreciation and write-downs:			
Depreciation of property, plant and equipment	*33*	(346)	(397)
Amortisation of intangible assets	*33*	(2,830)	(2,319)
Amortisation of Rights of Use	*33*	(1,599)	(1,337)
Allocations to provisions	*34*	(8)	0
Total Operating Costs		**(75,256)**	**(66,177)**
Operating profit (loss) (EBIT)		**8,185**	**7,974**
Financial income	*35*	28	44
Financial expense	*35*	(719)	(708)
Total Financial Income/Expense	***35***	**(691)**	**(664)**
Profit (loss) before tax		**7,494**	**7,310**
Current income taxes	*36*	(2,040)	(1,386)
Deferred tax assets and liabilities	*36*	(854)	(1,308)
Total Income taxes		**(2,894)**	**(2,694)**
Net profit (loss) from continuing operations		**4,600**	**4,616**
Net profit (loss) from discontinued operations		**0**	**0**
Net profit (loss)		**4,600**	**4,616**
Net profit (loss) attributable to minority interests	*15*	**416**	**356**
Net profit (loss) attributable to owners of the Parent Company		**4,184**	**4,260**
Earnings (loss) per share:			
Basic earnings per share (Euro)	*37*	**0.03**	**0.03**
Diluted earnings per share (Euro)	*37*	**0.03**	**0.03**

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

C. Consolidated Statement of Comprehensive Income

Amounts in EUR thousands	**1H 2020**	**1H 2019**
Net profit (loss)	**4,600**	**4,616**
Items not subject to reclassification in the income statement:		
Actuarial gains (losses) on employee benefits	41	(500)
Tax effect on actuarial gains (losses)	(10)	120
Items subject to reclassification in the income statement		
when certain conditions are met:		
Gains (losses) on cash flow hedges	(37)	(145)
Translation gains (losses)	(479)	43
Other items of comprehensive income	**(485)**	**(482)**
Net comprehensive profit (loss)	**4,115**	**4,134**
Attributable to:		
Owners of the Parent Company	3,699	3,777
Minority interests	416	357

D. Consolidated Statement of Cash Flows

Amounts in EUR thousands	*Notes*	1H 2020	1H 2019
Net profit (loss)		4,600	4,616
Amortisation, depreciation and write-downs	*33-34*	4,775	4,053
Non-monetary changes in post-employment benefits (TFR)		484	605
Net financial expense in the income statement	*35*	746	715
Taxes for the period	*36*	2,040	1,386
Deferred tax assets and liabilities	*36*	854	1,308
Losses on current assets and provisions	*34*	8	0
Release of bad debt provisions		(455)	0
Increase in internal work capitalised	*32*	(3,469)	(2,246)
Other non-monetary changes		(37)	(144)
Exchange rate conversion differences		39	36
Cash flow from operating activities		**9,585**	**10,329**
Change in inventories	*8*	0	4
Change in Assets deriving from Contracts with customers	*9*	(17,355)	(13,378)
Change in trade receivables	*10*	1,914	(2,553)
Change in trade payables	*23*	4,682	(1,018)
Use of bad debt provisions	*22*	(1,399)	(858)
Other changes in current assets and liabilities		(2,042)	(1,675)
Post-employment benefits (TFR) paid	*19*	(701)	(517)
Other changes in non-current assets and liabilities		(2,532)	(1,594)
Change in net working capital		**(17,433)**	**(21,589)**
Cash flow from (used in) operating activities		**(7,848)**	**(11,260)**
(Purchase) of property, plant and equipment net of disposals	*1*	(411)	(529)
(Purchase) of intangible assets net of disposals	*4*	(312)	(1,500)
Cash flow from business combinations net of cash acquired	*2.10*	(1,751)	225
(Purchase)/sale of equity investments and securities	*5*	0	(500)
Cash flow from (used in) investing activities		**2,474**	**(2,304)**
Change in current financial assets	*13*	(75)	467
Change in current financial liabilities	*17*	1,133	711
Financial expense paid		(671)	(699)
Change in non-current financial liabilities	*16*	6,011	(379)
Repayments of lease liabilities		(1,244)	(1,138)
Cash paid for purchase of share pertaining to third parties		0	(283)
Cash paid to purchase own shares		(9)	(503)
Distribution of dividends paid to Group shareholders		(2,992)	(2,896)
Contribution from minority interests		5	0
Cash flow from (used in) financing activities		**2,158**	**(4,720)**
Cash flow from (used in) discontinued operations		**0**	**0**
Cash and cash equivalents		**(8,164)**	**(18,284)**
Net cash and cash equivalents - opening balance	*14*	34,185	36,010
Net cash and cash equivalents - closing balance	*14*	26,021	17,726
Net increase (decrease) in cash and cash equivalents		**(8,164)**	**(18,284)**

E. Statement of Changes in Consolidated Shareholders' Equity

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

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

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, Professional Services and Digital Business (CGU created starting from this half of the year). A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industries to improve their competitive capacity and their potential to create value. With around 1,400 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, Ukraine, Spain and Romania, in the first half of 2020 the Group recorded total revenues of Euro 83.4 million.

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

The Half-year Condensed Consolidated Financial Statements at 30 June 2020 were approved for publication by the parent company Board of Directors on 31 July 2020.

Note that with the resolution passed unanimously by the Extraordinary Shareholders' Meeting of Be Think, Solve, Execute S.p.A. on 22 April 2020 and concerning the amendments to the Articles of Association relating to the change of the company name, the new company name "Be Shaping The Future S.p.A." took effect.

2. Measurement criteria and accounting standards

2.1. Presentation criteria

The Half-Year Condensed Consolidated Financial Statements of the Be Group at 30 June 2020 (also referred to as the "Half-year Consolidated Financial Statements") were prepared in application of art. 154-ter of the Consolidated Law on Finance and in accordance with IAS 34 - Interim Financial Reporting. Therefore, they do not include all information required for annual financial statements and must be read together with the financial statements prepared at 31 December 2019.

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

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

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

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

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

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

In preparing these financial statements, the Directors used going concern assumptions and therefore prepared the statements on the basis of standards and criteria applying to fully operative companies. For further information, please refer to paragraph 2.6 "Disclosure on going concern assumptions".

2.2. IFRS accounting standards, amendments and interpretations applicable from 1 January 2020

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

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

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

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

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

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

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

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

  The amendment has introduced an optional concentration test, which allows the presence of a business to be excluded if the price paid substantially refers to a single asset or group of assets. The changes are applicable to all business combinations and acquisitions of assets from 1 January 2020, although early adoption is permitted.

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

2.3. Accounting Standards, IFRS and IFRIC amendments and interpretations endorsed by the European Union, whose application is not yet compulsory and for which the Group did not opt for early adoption at 30 June 2020

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

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

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

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

  The main characteristics of the General Model are:

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

  The PAA approach envisages the measurement of the liabilities for the residual coverage of a group of insurance contracts on condition that, at the time of initial recognition, the entity envisages that this liability reasonably represents an approximation of the General Model. Contracts with a coverage period of one year or less are automatically suited to the PAA approach. The simplification results from the application of the PAA method does 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 28 May 2020 the IASB published the amendments called "**Covid-19 Related Rent Concessions (Amendment to IFRS 16)**". The document provides lessees with the option to account for the reductions in rents connected with Covid-19 without having to assess, through the analysis of the contracts, whether the definition of lease modification to IFRS 16 applies. Therefore, the lessees applying this option will be able to account for the effects of rent reductions directly in the income statement on the effective date of the reduction. Although this amendment is applicable to financial statements beginning on 1 June 2020, with the possibility of early application to the financial statements beginning on 1 January 2020, it has not yet been approved by the European Union, and therefore has not been applied by the Group at 30 June 2020.

  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 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 will come into force on 1 January 2021.

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

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

2.5. Discretionary measurements and significant accounting estimates

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

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

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

For further information on the main accounting estimates, reference should be made to the Consolidated Financial Statements at 31 December 2019.

2.6. Disclosure on going concern assumptions

The 2020-2022 Plan was prepared on the basis of forecasts and assumptions inherent to future trends in operations and the reference market. Though reasonable, these do show profiles of uncertainty due to the questionable nature of future events and the characteristics of the market in which the Group operates.

In relation to the Covid-19 emergency, in order to prevent and contain the spread of the pandemic in Italy, as already stated in the Management Report, the Group reacted promptly in line with its protocols and policies for the management of emergencies and company crises, by establishing a Crisis Committee, which set a contingency plan in motion to guarantee the health and safety of its employees and partners, by providing for and extending where possible the adoption of smart-working, with a view to guarantee business and operational continuity both in the current scenario and in terms of possible further restrictions to the access of operating facilities. To date there have been no cases of contagion with reference to Group personnel.

In operational terms, in line with the provisions of the Prime Ministerial Decree of 9 March 2020, the majority of the company has worked/work by adopting a smart-working approach, and the capacity of the technological equipment to support remote operations has been boosted. Business continuity has been guaranteed everywhere. Nearshoring sites have been activated, for any potential requirements, at the competency centres in Poland and Romania, although at present there is no need whatsoever to transfer business activities there.

Specifically, given the particular type of Be Group's reference market - mainly only large financial institutions - the Covid-19 pandemic had almost no impact in the first half of 2020.

Indeed, all of the major Financial institutions have accelerated their strategies to switch to digital 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 BE Group's customers, carry out services that have been deemed 'essential' by the Ministerial Decree and therefore have maintained their operations even during the lock-down. As a result, already when preparing the Financial Statements for the year, no grounds had been found for not confirming our estimates as regards the objectives for 2020, and more generally, those of the whole 2020-2022 Business Plan.

The results for the first half of the year also 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 2019 financial statements with reference also to the objectives set for the current and future years.

Last but not least, a number of transactions (see paragraph 5 "Significant events involving the Group in the first half of 2020" of the Interim Management Report on Operations for more details) are worth mentioning, which confirm the Group's ability to face its internal and external growth strategy.

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

2.7. Scope of consolidation

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

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

Company name	Registered office	Share capital:	Currency	Parent Company	% interest	Minority interests
Be Shaping the Future S.p.A.	Rome	27,109,165	EUR			
Be Shaping the Future Corporate Services S.p.A.	Rome	450,000	EUR	Be Shaping the Future S.p.A.	100%	0%
Dream of Ordinary Madness Entertainment S.r.l	Milan	10,000	EUR	Be Shaping the Future S.p.A.	51%	49%
Human Mobility S.r.l	Milan	10,000	EUR	Be Shaping the Future S.p.A.	51%	49%
Be Management Consulting S.p.A.	Rome	120,000	EUR	Be Shaping the Future S.p.A.	100%	0%
Be DigiTech Solutions S.p.A.	Rome	7,548,441	EUR	Be Shaping the Future S.p.A.	100%	0%
Be Think Solve Execute RO S.r.l.	Bucharest	22,000	RON	Be Shaping the Future S.p.A.	100%	0%
Iquii S.r.l.	Rome	10,000	EUR	Be DigiTech Solutions S.p.A.	51%	49%
Juniper Extensible Solutions S.r.l.	Trento	10,000	EUR	Be DigiTech Solutions S.p.A.	51%	49%
Be Poland Think, Solve and Execute sp z.o.o	Warsaw	1,000,000	PLN	Be Management Consulting S.p.A.	100%	0%
Tesla Consulting S.r.l.	Bologna	10,000	EUR	Be Management Consulting S.p.A.	60%	40%
Be Ukraine LLC	Kiev	20,116	UAH	Be Management Consulting S.p.A.	100%	0%
iBe Think Solve Execute Ltd	London	91,898	GBP	Be Management Consulting S.p.A..	100%	0%
Payments and Business Advisors S.l.	Madrid	3,000	EUR	Be Management Consulting S.p.A.	60%	40%
Paystrat Solutions SL (Pyngo)	Madrid	10,265	EUR	Payments and Business Advisors S.l.	65%	35%
Be TSE GmbH	Munich	92,033	EUR	Be Management Consulting S.p.A.	90%	10%
Be Shaping The Future AG	Munich	1,882,000	EUR	Be TSE GmbH	100%	0%
Be Shaping The Future GmbH	Vienna	35,000	EUR	Be TSE GmbH	100%	0%
Be TSE Switzerland AG	Zurich	100,000	CHF	Be TSE GmbH	100%	0%
FIMAS GmbH	Frankfurt	25,000	EUR	Be TSE GmbH	60%	40%
Confinity GmbH	Magdeburg	50,000	EUR	FIMAS GmbH	100%	0%

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

- in April 2020, Be acquired 51% of the capital of the company Dream of Ordinary Madness Entertainment S.r.l., operating in the business area dedicated to digital engagement, with considerable focus on the European Financial Industry. The parties also agreed on a "Put & Call" structure to purchase the residual capital in two tranches by 2027;
- in June 2020, Be created a centre of excellence dedicated to solutions supporting human mobility. The aim is not only to provide a high-impact tool for the return to normality but to design an entire ecosystem of services designed to facilitate the life and movement of people within companies. Starting from an idea of Stefano Quintarelli, Luca Mastrostefano and Marco Locatelli (minority shareholders), the company "Human Mobility Srl" is 51% owned by the Be Group. Minority shareholders will be remunerated for a total of Euro 1.99 million in two subsequent tranches by 2026. This value was determined on the basis of the best estimate available to date. The operation will imply the subsequent purchase of the remaining capital of the company by 2026.

Note that in April 2020, following the implementation of the Group's Rebranding&Positioning project, the companies Be Consulting Think, Project & Plan S.p.A., Be Solutions Solve, Realize & Control S.p.A. and Targit GmbH changed their company name to Be Shaping The Future, Management Consulting S.p.A. (Be Management Consulting S.p.A. for short), Be Shaping The Future, DigiTech Solutions S.p.A. (Be Solutions S.p.A. or Be DigiTech Solutions S.p.A. for short) and Be Shaping the Future GmbH, respectively.

2.8. Principles of consolidation

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

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

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

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

2.10. Transactions and balances in foreign currency

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

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

The table below shows the exchange rates used for conversion into Euro for the 2020 - 2019 financial statements in foreign currencies:

Exchange rates

Currency	1H 2020 average	30.06.2020	1H 2019 average	30.06.2019
British Pound (GBP)	0.8745	0.9124	0.8736	0.8966
Polish Zloty (PNL)	4.4142	4.4560	4.2917	4.2496
Ukrainian Hryvnia (UAH)	28.6275	29.8985	30.4131	29.7654
Romanian Leu (RON)	4.8175	4.8397	4.7419	4.7343
Swiss Franc (CHF)	1.0639	1.0651	1.1294	1.1105

2.11. Business combinations in the reporting period

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

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

The reference values for the transaction were as follows:

Amounts in EUR thousands	Book value of the business acquired	Fair value adjustments	Fair Value
Property, plant and equipment	9	0	9
Cash and cash equivalents	118	0	118
Post-employment benefits (TFR)	(61)	0	(61)
Other liabilities and payables	(55)	0	(57)
NET TOTAL OF ASSETS ACQUIRED	**11**	**0**	**11**
GOODWILL			**5,607**
ACQUISITION PRICE			**5,618**
broken down as follows (amounts include discounting as at the acquisition date):			
Fee paid at 30 June 2020			(1,869)
Fair value of minority interests			(3,749)
CASH FLOW FROM THE ACQUISITION			
Payment already made			(1,869)
Cash and cash equivalents acquired			118
NET CASH FLOWS			**(1,751)**

The purchase price for 100% of the share capital was set as Euro 5,619 thousand, to be paid upon closing (equal to 51% of the share capital).

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

More specifically, the put&call option envisages:

- an earn-out for the first 24.5% based on certain results recorded by the subsidiary in FYs 2023 and 2024. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 2,276 thousand (corresponding to a discounted amount at the acquisition date of Euro 1,930 thousand);
- an earn-out for the second 24.5% based on certain results achieved by the subsidiary in FYs 2026 and 2027. The above-mentioned earn-out was calculated on the basis of currently available estimates of Euro 2,276 thousand (corresponding to a discounted amount at the acquisition date of Euro 1,819 thousand).

The transaction was accounted for using the purchase cost method with effect from the date of acquisition of control. The gain of Euro 5,607 thousand generated by the acquisition was provisionally allocated to goodwill, in accordance with IFRS 3.45 and 3.46, pending a more in-depth assessment of the assets acquired.

In the period between the date of acquisition of control by the Be Group and the closing date of the Consolidated Financial Statements at 30 June 2020, the Company achieved a total revenue of Euro 1,038 thousand and a profit before tax of Euro 20 thousand.

2.12. Segment reporting

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

- **Business Consulting:**

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

- **ICT Solutions:**

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

- **Digital:**

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

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

The economic position of the Group for the first half of 2020, compared with that of the first half of 2019, is reported below, separating continuing operations from discontinued operations.

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

At present, the Group does not believe that a segment analysis by geographic area is relevant for its reporting purposes, considering that in the first half of 2020, 35.6% of production value was generated by markets abroad, with the DACH Region (DE, AUT and SUI) accounting for a significant share, contributing Euro 19.9 million to revenue generation; the UK and Spain markets, as well as the Cee Region (Poland, Ukraine, Romania), generated Euro 6.1 million and Euro 3.7 million of revenues, respectively.

Breakdown by operating segment 1 January 2020 - 30 June 2020

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

Breakdown by operating segment 1 January 2019 - 30 June 2019

	Consulting	ICT Solutions	Digital	Corporate and other	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	55,777	19,082	1,827	2,017	(5,653)	0	73,049
Other revenue	1,431	457	22	449	(1,257)	0	1,102
Value of production	57,208	19,539	1,849	2,466	(6,910)	0	74,152
Operating profit (loss) (EBIT)	7,850	1,954	162	(2,028)	35	0	7,974
Net financial expense	80	(189)	(35)	10,216	(10,738)	0	(664)
Net profit (loss)	5,747	1,125	84	8,363	(10,703)	(356)	4,260

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

Note 1.

Property, plant and equipment

At 30 June 2020, property, plant and equipment recorded a balance of Euro 2,228 thousand, net of cumulative depreciation, compared to Euro 2,161 thousand at 31 December 2019.

Change in historical cost

	Historical cost 2019	Business combinations	Increases	Decreases	Reclassifications	Exchange gains /losses	Historical cost 30.06.20
Plant and machinery	573	0	1	0	0	0	574
Fixtures and fittings, tools and other equipment	191	0	0	0	0	0	191
Other assets	20,423	12	282	(45)	0	(61)	20,611
Assets under development and advances	3	0	168	0	0	0	171
TOTAL	**21,190**	**12**	**451**	**(45)**	**0**	**(61)**	**21,547**

Change in accumulated depreciation

	Accumulated depreciation 2019	Business combinations	Depreciation	Decreases	Reclassifications	Exchange gains /losses	Accumulated depreciation 30.06.20
Plant and machinery	479	0	16	0	0	0	495
Fixtures and fittings, tools and other equipment	112	0	0	0	0	0	112
Other assets	18,438	3	330	(5)	0	(54)	18,712
TOTAL	**19,029**	**3**	**346**	**(5)**	**0**	**(54)**	**19,319**

	Net value 31.12.2019	Net value 30.06.2020
Plant and machinery	94	79
Fixtures and fittings, tools and other equipment	79	79
Other assets	1,985	1,899
Assets under development and advances	3	171
TOTAL	**2,161**	**2,228**

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

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

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

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

Note 2.

Rights of use

At 30 June the rights of use totalled Euro 7,527 and mainly regard long-term property leases and leases for company cars used by personnel. Changes in the period are shown below:

Change in historical cost

	Historical cost 31.12.2019	Business combinations	Increases	Decreases	Exchange gains /losses	Historical cost 30.06.2020
Motor vehicles	2,014	0	222	(104)	(3)	2,129
Property	9,339	0	286	0	(28)	9,597
Other assets	186	0	0	0	0	186
TOTAL	**11,539**	**0**	**508**	**(104)**	**(31)**	**11,912**

Change in accumulated amortisation

	Accumulated amortisation 31.12.2019	Business combinations	Amortisation	Decreases	Exchange gains/ losses	Accumulated amortisation 30.06.2020
Motor vehicles	525	0	368	(61)	(1)	831
Property	2,273	0	1201	0	(12)	3,462
Other assets	62	0	30	0	0	92
TOTAL	**2,860**	**0**	**1,599**	**(61)**	**(13)**	**4,385**

Historical cost

	Net value 31.12.2019	Net value 30.06.2020
Motor vehicles	1,489	1,298
Property	7,066	6,135
Other assets	124	94
TOTAL	**8,679**	**7,527**

Note 3.

Goodwill

Goodwill stood at Euro 70,298 thousand at 30 June 2020, compared to Euro 65,060 thousand at 31 December 2019. The cash generating units (CGUs) were identified for impairment testing purposes based on the Group's reorganisation defined during the first half of 2020 with the acquisition of the company Dream of Ordinary Madness Entertainment S.r.l and the establishment of Human Mobility S.r.l. and consistent with the former IFRS 8 reporting structure described in the paragraph 2.12 "Segment reporting".

The breakdown is as follows:

Goodwill

	Balance at 31.12.2019	Increases	Reclassifications	Exchange gains/losses	Balance at 30.06.2020
Cash generating unit (CGU)					
Business Consulting	35,643	0	0	(369)	35,274
ICT Solutions	29,417	0	(2,247)	0	27,170
Digital (new CGU)	0	5,607	2,247	0	7,854
Total	**65,060**	**5,607**	**0**	**(369)**	**70,298**

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

When preparing this Interim Financial Report, Company Management verified the continued reliability of the forecasts for revenue, investments and operating costs contained in the 2020-2022 Plan used to estimate value in use at 31 December 2019, in order to determine the recoverable amount of goodwill of the various cash generating units. The Directors then confirmed that the book value of goodwill recognised at 30 June 2020 is sustainable. The analysis conducted, which took into account the market environment, affected by the health emergency for the Covid-19 pandemic, as explained in the Management Report, showed no signs of impairment and allows confirmation of the assumptions made in formulating the plans. In particular, it should be noted that, considering the results in line with the Plan used for the impairment test at 31 December 2019, as well as the hedges resulting from the impairment tests on the assets and liabilities recognised (as resulting from the sensitivity analyses conducted on 31 December 2019), the Company does not believe that there are elements of uncertainty as to recoverability. In addition, with reference to the business outlook, as already stated in the Management Report, Management believes that it can confirm the estimates of the plans used for the impairment test also thanks to the type of contracts in place and the counterparties that allow it to have a good visibility on the results of the foreseeable future. The acquisition carried out during the period was finalised in the Covid-19 period. Therefore, the valuations of the price paid took this event into account. Moreover, in the period following the acquisition, no events occurred that could have an impact on the price paid and be considered an impairment indicator. It was therefore considered reasonable not to carry out a new impairment test, since the Covid-19 was not deemed to be a trigger event for the Be Group.

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

For further information and a description of the impairment test procedure, reference should be made to the Notes to the "Annual Financial Report at 31 December 2019".

Note 4.

Intangible assets

At 30 June 2020, intangible assets recorded a balance of Euro 20,458 thousand, net of cumulative amortisation, compared to Euro 19,632 thousand at 31 December 2019.

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

Change in historical cost

	Historical cost at 31.12.2019	Increases	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Historical cost 30.06.2020
Research and development costs	678	0	0	(1)	0	0	677
Concessions, licences and trademarks	1,764	104	0	60	0	0	1,928
Assets under development and advances	5,652	2,794	0	(2,281)	0	0	6,165
Other (including proprietary SW)	49,034	884	0	2,222	0	(263)	51,877
TOTAL	**57,128**	**3,782**	**0**	**0**	**0**	**(263)**	**60,647**

Change in accumulated amortisation

	Accumulated amortisation at 31.12.2019	Amortisation	Decreases	Reclassifications	Business Combinations	Exchange gains/losses	Accumulated amortisation 30.06.2020
Research and development costs	676	0	0	1	0	0	677
Concessions, licences and trademarks	1,648	34	0	0	0	0	1,682
Other (including proprietary SW)	35,172	2,796	0	0	0	(138)	37,830
TOTAL	**37,496**	**2,830**	**0**	**1**	**0**	**(138)**	**40,189**

Net book value

	Net value 31.12.2019	Net value 30.06.2020
Research and development costs	2	0
Concessions, licences and trademarks	116	246
Assets under development and advances	5,652	6,165
Other (including proprietary SW)	13,862	14,047
TOTAL	**19,632**	**20,458**

At 30 June 2020, increases in assets under development essentially refer to the development of the following IT platforms: "Universo Sirius", relating to the management of Life and Non-Life insurance portfolios and the development of the company's internal IT system carried out by Be DigiTech Solutions for a total of Euro 1,025 thousand. This increase also refers to digital applications by Juniper, Iquii and Human Mobility for Euro 384 thousand, Euro 171 thousand and Euro 388 thousand respectively, as well as platforms owned by Be Think, Solve Execute GmbH, Be Shaping the future AG and Fimas GmH specialising in various areas of the banking sector, for a total of Euro 987 thousand.

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

Note 5.

Equity investments in other companies

Equity investments in other companies mainly refer to:

- the investment of Euro 799 thousand, held via Be DigiTech Solutions, in Talent Garden S.p.A., an Italian start-up, which operates in the sector of co-working and spaces for innovation, corresponding to 1.22% of share capital against a pro rate shareholders' equity of Euro 258 thousand at 31 December 2019;
- the investment of approximately Euro 27 thousand, held via Juniper Extensible Solutions S.r.l., in Engagigo S.r.l., Italian company operating in the social media and digital market place sector, in the sports, outdoor and fitness area, corresponding to 6% of share capital.

Equity investments in other companies

	Balance at 30.06.2020	**Balance at 31.12.2019**
Equity investments in other companies	829	829
TOTAL	**829**	**829**

Note 6.

Loans and other non-current assets

Loans and other non-current assets refer to guarantee deposits paid for Euro 293 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 893 thousand mainly refers to:

- Euro 480 thousand for the portion of the residual discounted price that may be collected beyond the year, accrued against the sale of the Be DigiTech Solutions business divisions sold to CNI S.p.A.;
- Euro 172 thousand for a receivable of Be DigiTech Solutions due from the town council of Lercara Friddi, for which a 10-year repayment plan has been established;
- Euro 191 thousand for a receivable of Be Tse GmbH due from Blu IT for employee termination indemnities to be paid to employees transferred by the same.

Other assets and receivables

	Balance at 30.06.2020	Balance at 31.12.2019
Guarantee deposits	293	464
Receivables from employees due beyond 12 months	12	42
Receivables from social security and welfare organisations	151	151
Other non-current receivables	893	1,474
Non-current prepaid expenses	29	21
TOTAL	**1,378**	**2,152**

Note 7.
Deferred tax assets

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

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

Deferred tax assets

	Balance at 31.12.2019	Allocation	Utilisation	Other changes	Balance at 30.06.2020
Deferred tax assets	3,303	55	(551)	(25)	2,782
TOTAL	**3,303**	**55**	**(551)**	**(25)**	**2,782**

Note 8.
Inventories

Inventories refer mainly to the inventories of consumables of Be Shaping the Future AG for Euro 3 thousand.

Inventories

	Balance at 30.06.2020	Balance at 31.12.2019
Inventories	3	3
TOTAL	**3**	**3**

Note 9.

Assets deriving from Contracts with customers

At 30 June 2020, assets deriving from Contracts with customers showed a balance of Euro 28,868 thousand, against Euro 11,513 thousand at 31 December 2019. For a better presentation, the recorded balance of invoices to be issued and previously included in the item "Trade receivables" at 31 December 2019, was reclassified under this item. The activity deriving from the contract represents the right of the company to obtain the consideration for goods or services transferred by it to the customer and includes the part of the service already performed by the Group but not yet invoiced to the customer.

Assets deriving from Contracts with customers

	Balance at 30.06.2020	Balance at 31.12.2019
Assets deriving from Contracts with customers	28,868	11,513
TOTAL	**28,868**	**11,513**

Note 10.

Trade receivables

Trade receivables arise from goods and services produced and provided by the Group but not yet collected at 30 June 2020.

Please refer to Note 9 for the reclassification made between the balance of the item "Trade receivables" and the item "Assets deriving from Contracts".

Trade receivables

	Balance at 30.06.2020	Balance at 31.12.2019
Receivables due from customers	17,128	19,224
Bad debt provision for receivables due from customers	(1,141)	(1,323)
TOTAL	**15,987**	**17,901**

The provision, which amounts to Euro 1,141 thousand, includes Euro 99 thousand (91 thousand at 31 December 2019) for the impact of the application of IFRS 9 (expected credit loss method).

The amount allocated in the financial statements is considered fair coverage of the credit risk; the utilisation of the bad debt provision for Euro 190 thousand refers to the closing of the Bassilichi dispute.

Bad debt provision

	Balance at 30.06.2020	Balance at 31.12.2019
Opening balance	1,323	1,083
Allocations	8	402
Utilisation	(190)	(162)
TOTAL	**1,141**	**1,323**

The breakdown of receivables is shown below, by due date and before the bad debt provision of Euro 1,141 thousand. The amount outstanding for over 180 days mostly regards receivables due from the Italian Public Administration for which the appropriate credit collection measures have been taken.

	Due	0-30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
Receivables due from customers	11,876	1,881	427	613	446	1,884	17,128
Bad debt provision						(1,141)	(1,141)
TOTAL	**11,876**	**1,881**	**427**	**613**	**446**	**743**	**15,987**

Note 11.

Other assets and receivables

Other assets and receivables at 30 June 2020 amount to Euro 3,896 thousand and break down as follows:

Other assets and receivables

	Balance at 30.06.2020	Balance at 31.12.2019
Advances to suppliers for services	61	63
Receivables due from social security organisations	119	106
Receivables due from employees	141	109
VAT credits and other indirect taxes	176	627
Accrued income and prepaid expenses	1,734	974
Other receivables	1,665	949
TOTAL	**3,896**	**2,828**

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

Receivables due from social security organisations amounting to Euro 119 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..

Accrued income and prepaid expenses amount to Euro 1,734 thousand and include the portions of costs incurred during the period but due in the next period, relating to support and maintenance fees, insurance premiums, rents and lease instalments not covered by IFRS 16.

Note 12.

Direct tax receivables

Direct tax receivables primarily include amounts due from Italian Tax Authorities for IRAP and IRES, as well as other tax receivables due mainly to the companies in the DACH area.

Direct tax receivables

	Balance at 30.06.2020	Balance at 31.12.2019
Tax receivables	162	186
Other tax receivables	591	704
TOTAL	**753**	**890**

Note 13.

Financial receivables and other current financial assets

Financial receivables amounting to Euro 179 thousand mainly refer to receivables due from factoring companies on assignments made up to 30 June 2020, but settled after that date.

Financial receivables and other current financial assets

	Balance at 30.06.2020	Balance at 31.12.2019
Financial receivables and other current financial assets	179	104
TOTAL	**179**	**104**

Note 14.

Cash and cash equivalents

The balance represents cash held in current accounts at banks and post offices, and to a residual extent to cash on hand at 30 June 2020.

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

Cash and cash equivalents

	Balance at 30.06.2020	Of which business combinations	Balance at 31.12.2019
Bank and postal deposits	25,753	118	34,176
Cash at bank and in hand	268	0	9
TOTAL	**26,021**	**118**	**34,185**

Note 15.

Shareholders' Equity

At 30 June 2020, the Parent Company's fully paid-up share capital totalled Euro 27,109 thousand, divided into 134,897,272 ordinary shares.

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

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

Consolidated equity reserves at 30 June 2020 amount to Euro 23,745 thousand and include the following:

- Share Premium Reserve of the Parent Company for Euro 15,168 thousand;
- Legal Reserve of the Parent Company for Euro 801 thousand;
- Own Shares Reserve of the Parent Company for negative Euro 4.665 thousand;
- Other Reserves of the Parent Company for Euro 1.613 thousand;
- IAS Reserves (FTA and IAS 19R) for a negative Euro 344 thousand;
- Other Consolidation Reserves for Euro 11.172 thousand.

Stock option plans

The company has no stock option plans.

Own shares

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

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

In September 2019, Be Think Solve, Execute 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.

Overall, the company holds 4,796,335 own shares corresponding to 3.56% of share capital.

Minority interests

Minority interests amount to Euro 1,737 thousand, compared to Euro 1,732 thousand at 31 December 2019.

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

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

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

Company	% minority interest	Local currency	Total assets	Total Shareholders' Equity	Net Revenue	Net profit (loss) for the year	Total dividends distributed
Be TSE Gmbh	10.00%	EUR	12,731	4,358	10,959	(234)	0
Fimas GmbH	40.00%	EUR	3,900	2,579	4,650	521	0
Payments and Business Advisors S.l. (Paystrat)	40.00%	EUR	303	(202)	203	(157)	0
Paystrat Solutions SL (Pyngo)	34.74%	EUR	17	17	0	(1)	0
Juniper S.r.l.	49.00%	EUR	1,543	580	489	81	0
Iquii S.r.l.	49.00%	EUR	3,633	1,249	1,922	225	0
Tesla Consulting S.r.l.	40.00%	EUR	2,010	1,136	1,701	393	0
Dream of Ordinary Madness Entertainment S.r.l.	49.00%	EUR	1,461	31	1,038	20	0
Human Mobility S.r.l	49.00%	EUR	669	249	0	(10)	0

Net Financial Indebtedness

Net financial indebtedness at 30 June 2020, which also includes financial payables from rights of use, was negative by Euro 25.9 million compared to net financial indebtedness of Euro 11.4 million at 31 December 2019. The breakdown is shown in the table below:

Net Financial Indebtedness

		30.06.2020	31.12.2019	Δ	Δ%
	Cash and cash equivalents at bank	26,021	34,185	(8,164)	(23.9%)
A.	**Cash and cash equivalents**	**26,021**	**34,185**	**(8,164)**	**(23.9%)**
B.	**Current financial receivables**	**179**	**104**	**75**	**72.1%**
	Current bank payables	(899)	(4,525)	3,626	(80.1%)
	Current portion of non-current indebtedness	(15,803)	(10,895)	(4,908)	45.0%
	Payables for current rights of use	(3,293)	(3,004)	(289)	9.6%
	Other current financial payables	(23)	(152)	129	(84.9%)
C.	**Current financial indebtedness**	**(20,018)**	**(18,576)**	**(1,442)**	**7.8%**
D.	**Current net financial position (A+B+C)**	**6,182**	**15,713**	**(9,531)**	**(60.7%)**
	Non-current bank payables	(26,937)	(20,926)	(6,011)	28.7%
	Payables for non-current rights of use	(5,145)	(6,214)	1,069	(17.2%)
	Other non-current financial payables	0	0	0	n.a.
E	**Non-current net financial position**	**(32,082)**	**(27,140)**	**(4,942)**	**18.2%**
F	**Net financial position (D+E)**	**(25,900)**	**(11,427)**	**(14,473)**	**n.a.**

For comments on individual items, please refer to the content of Notes 12 and 13 above and Notes 15, 16 and 17 below.

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 the first half of 2020 and for the year 2019 is shown below.

		30.06.2020	31.12.2019	Δ	Δ%
A.	Cash	268	59	209	n.a.
B.	Positive bank balance	25,753	34,126	(8,373)	(24.5%)
C.	**Cash and cash equivalents (A)+(B)**	**26,021**	**34,185**	**(8,164)**	**(23.9%)**
D.	**Current financial receivables**	**179**	**104**	**75**	**72.1%**
E.	Current bank payables	(899)	(4,525)	3,626	(80.1%)
F.	Current portion of non-current indebtedness	(15,803)	(10,895)	(4,908)	45.0%
G.	Other current financial payables	(3,316)	(3,156)	(160)	5.1%
H.	**Current financial indebtedness (E)+(F)+(G)**	**(20,018)**	**(18,576)**	**(1,442)**	**(7.8%)**
I.	**Net current financial indebtedness (H)+(D)+(C)**	**6,182**	**15,713**	**(9,531)**	**(60.7%)**
J.	Non-current bank payables	(26,937)	(20,926)	(6,011)	28.7%
K.	Bonds issued	0	0	0	n.a.
L.	Other non-current payables	(5,145)	(6,214)	(1,069)	17.2%
M.	**Net non-current financial indebtedness (J)+(K)+(L)**	**(32,082)**	**(27,140)**	**(4,942)**	**18.2%**
N.	**Net financial indebtedness (I)+(M)**	**(25,900)**	**(11,427)**	**(14,473)**	**n.a.**

The effects of the amendments to international accounting standard IAS 7 made by the publication of the document "Disclosure Initiative (Amendments to IAS 7)".

(Amounts in EUR thousands)	31.12.2019	Cash Flow[1]	Non-monetary flows				30.06.2020
			Change Scope of consolidation[2]	Exchange rate differences	Change in IFRS 16	Other Changes	
Non-current financial indebtedness	(27,140)	(6,011)	0	0	1,069		(32,082)
Current financial indebtedness	(18,576)	(1,133)	0	0	(289)	(20)	(20,018)
Current financial receivables	104	75	0	0			179
Net liabilities resulting from financing activities	**(45,612)**	**(7,069)**	**0**	**0**	**780**	**(20)**	**(51,921)**
Cash and cash equivalents	34,185	(8,282)	118	0	0	0	26,021
Net financial indebtedness	**(11,427)**	**(15,351)**	**118**	**0**	**780**	**(20)**	**(25,900)**

Note 16.

Financial payables and other non-current financial liabilities

Non-current financial payables of Euro 26,937 thousand refer mainly to payables to banks for unsecured medium/long-term loans due beyond 12 months.

Financial payables and other non-current financial liabilities

	Balance at 30.06.2020	Balance at 31.12.2019
Non-current financial payables	26,937	20,926
TOTAL	**26,937**	**20,926**

The medium and long term loans outstanding at 30 June 2020 and relative maturities were as follows:

M/L term loans	Balance at 30.06.2020	<1 year	>1<2 years	>2<3 Years	>3<4 years	>4 years
Loans maturing in 2020	**0**	0	0	0	0	0
Loans maturing in 2021	**5,260**	4,224	1,036	0	0	0
Loans maturing in 2022	**7,804**	3,322	3,356	1,126	0	0
Loans maturing in 2023	**25,745**	7,508	8,529	8,217	1,491	0
Loans maturing in 2025	**3,815**	749	756	763	770	777
TOTAL LOANS	**42,624**	**15,803**	**13,677**	**10,106**	**2,261**	**777**

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

During 2020, Be S.p.A. entered into new medium-long term loans totalling Euro 17,500 thousand, while the repayments made during the year amounted to Euro 6,608 thousand.

Long-term financial payables include the negative impact of the joint application of the amortising cost and of the fair value of the IRS contracts to hedge the risk of an increase of the interest rate on a variable interest rate loan granted in 2018 and on a second variable interest rate loan granted during the year, for a total of around Euro 116 thousand.

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

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

With regard to the effects of Covid-19, it should be noted that the Group has no difficulties in terms of access to financing sources and that the covenants are expected to be met for 2020.

Note 17.

Financial payables and other current financial liabilities

Current payables to banks at 30 June 2020 totalled around Euro 16,725 thousand and relate mainly to:

- current bank payables for Euro 899 thousand;
- Euro 15,803 thousand as the short-term portion of the medium-long term loans obtained, as per the previous table;
- short-term financial payables of Euro 23 thousand.

Financial payables and other current financial liabilities

	Balance at 30.06.2020	Balance at 31.12.2019
Current financial payables	16,725	15,572
TOTAL	**16,725**	**15,572**

Note 18.

Financial liabilities for current and non-current rights of use

Financial liabilities for current and non-current rights of use at 30 June 2020 totalled Euro 8,438 thousand.

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

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

Financial liabilities for current and non-current rights of use

	Balance at 30.06.2020	Balance at 31.12.2019
Financial liabilities for current rights of use	3,293	3,004
Financial liabilities for non-current rights of use	5,145	6,214
TOTAL	**8,438**	**9,218**

Note 19.

Post-employment benefits (TFR)

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

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

Post-employment benefits (TFR)

	Balance at 31.12.2019	Of which business combinations	Increases - Allocation	Decreases - Utilisation	Other changes	Balance at 30.06.2020
Post-employment benefits (TFR) provision	6,953	61	692	(924)	(26)	6,756
TOTAL	**6,953**	**61**	**692**	**(924)**	**(26)**	**6,756**

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

Main Actuarial Assumptions

Annual discount rate	0.74%
Annual inflation rate	1.20%
Annual rate increase in post-employment benefits	2.40%
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:

Company	*Post-employment benefits (TFR)*	*Turnover rate*		*Inflation rate*		*Discounting rate*	
		1%	*-1%*	*0.25%*	*-0.25%*	*0.25%*	*-0.25%*
Be S.p.A.	157	155	159	160	154	153	162
Be Management Consulting S.p.A.	2,999	2,933	3,077	3,087	2,914	2,893	3,111
IQUII S.r.l.	212	208	217	218	206	205	220
Be DigiTech Solutions S.p.A.	1,509	1,501	1,518	1,526	1,492	1,482	1,537
Juniper Extensible Solutions S.r.l.	127	125	129	130	124	123	131
Tesla S.r.l.	24	23	24	24	23	23	24
Be Corporate S.p.A.	182	181	183	183	180	179	184

* 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	12.0
Be Management Consulting S.p.A.	947	22.2
IQUII S.r.l.	94	22.7
Be DigiTech Solutions S.p.A.	0	7.9
Juniper Extensible Solutions S.r.l.	20	16.5
Tesla S.r.l.	10	23.6
Be Corporate S.p.A.	0	6.8

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

Note 20.

Deferred tax liabilities

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

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

Deferred tax liabilities are calculated using the tax rates in force on 1 January 2019 (IRES 24% and IRAP 3.9%-4.82%).

Deferred tax liabilities

	Balance at 31.12.2019	Increases	Decreases	Other changes	Exchange gains/losses	Balance at 30.06.2020
Deferred tax liabilities	7,348	457	(99)	14	(15)	7,705
TOTAL	**7,348**	**457**	**(99)**	**14**	**(15)**	**7,705**

Note 21.

Other non-current liabilities

At 30 June 2020, other non-current liabilities were Euro 7,201 thousand.

Other non-current liabilities

	Balance at 30.06.2020	Balance at 31.12.2019
Other non-current liabilities	7,201	6,717
TOTAL	**7,201**	**6,717**

This item mainly refers to:

- Euro 666 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Iquii S.r.l.;
- Euro 146 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Payments and Business Advisors S.l.;
- Euro 542 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Fimas;
- Euro 222 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Q-fin;
- Euro 210 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Juniper S.r.l.;
- Euro 1,600 thousand relating to the portion of the residual discounted price to pay to the former shareholders of Tesla Consulting S.r.l.;
- Euro 3,804 thousand relating to the portion of the residual discounted price to pay to the former shareholders of D.O.O.M. S.r.l..

Note 22.

Provision for current and non-current risks

At 30 June 2020 the provisions for risks and charges mainly refer to:

- provisions for pending disputes with employees for Euro 116 thousand, of which Euro 36 thousand relating to the Parent Company and Euro 80 thousand to Be DigiTech Solutions relating to the estimated residual 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 6,731 thousand refer to provisions for bonuses/incentives to be given to personnel and include provisions for the variable emoluments of executive directors and key partners on achievement of the three-year objectives envisaged. The decreases relating to this item are connected to the drawdowns made at the time of the closure of the Pomezia site and the bonuses/incentives that will be paid to personnel in July 2020, below the amount allocated at 31 December 2019.

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

Provision for current and non-current risks

	Balance at 31.12.2019	Increases	Decreases	Exchange gains/ losses	Balance at 30.06.2020
Provision for penalties	31	0	0	0	31
Provision for personnel risks	1,649	0	(1,533)	0	116
Other provisions for risks and charges	7,043	0	(312)	0	6,731
TOTAL	**8,723**	**0**	**(1,845)**	**0**	**6,878**

Note 23.

Trade payables

Trade payables arise from the purchase of goods or services with payment due within 12 months.

These amounts refer essentially to the services and equipment supplied and lease instalments.

Trade payables

	Balance at 30.06.2020	Balance at 31.12.2019
Trade payables	17,048	12,366
TOTAL	**17,048**	**12,366**

Note 24.

Tax Payables

The balance at 30 June 2020 relates to residual tax payables and to the allocation of the portion for the first half of 2020 of IRES and IRAP, in addition to the income tax of foreign companies, classified under other tax payables.

Tax payables

	Balance at 30.06.2020	Balance at 31.12.2019
IRES tax payables	12	0
IRAP tax payables	701	209

Other tax payables	2,389	1,376
TOTAL	**3,102**	**1,585**

Note 25.
Other liabilities and payables

Other liabilities and payables at 30 June 2020 amount to Euro 23,226 thousand and break down as follows:

Other liabilities and payables

	Balance at 30.06.2020	Of which business combinations	Balance at 31.12.2019
Social security and welfare payables	1,938	1	2,953
Payables to employees	6,387	54	3,576
Payables for VAT and withholding tax	3,555		7,963
Accrued expenses and deferred income	2,053		2,115
Other payables	9,293		7,152
TOTAL	**23,226**	**55**	**23,759**

Social security and welfare payables amounting to Euro 1,938 thousand relate to contributions payable by the company. Payables to employees include amounts due for additional months' salaries accrued at 30 June 2020 and for leave and permitted absences accrued but not used as at the date of these financial statements.

Accrued expenses and deferred income, amounting to Euro 2,053 thousand mainly refer to deferred revenue receivable on invoices collectible in the reporting period subsequent to 30 June 2020.

Other payables, totalling Euro 9,293 thousand, refer, for Euro 5,000 thousand, to the guarantee deposit received in relation to the signature of a framework agreement with a customer represented by a leading bank, plus advances from customers and payments on account on multi-year contracts and the payable due to directors, for both salaries and annual bonuses.

The item also includes Euro 791 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Be TSE GmbH, Euro 117 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Q-fin GmbH (merged into Fimas GmbH), Euro 15 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Payments and Business Advisors S.l., Euro 1,096 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Fimas GmbH, Euro 657 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in IQUII S.r.l. and Euro 175 thousand relating to the short-term portion of the residual price for the acquisition of minority interests in Juniper S.r.l.

4. Breakdown of the main items of the Income Statement

Note 26.

Operating revenue

Revenue accrued during the period was from activities, projects and services performed on behalf of Group customers and amounts to Euro 82,005 thousand, compared to Euro 73,049 thousand relating to the same period of the previous year.

The six months that have just ended, compared with the previous one, recorded an increase of Euro 8,956 thousand in revenue from sales and services; revenue originating from foreign companies amounted to Euro 29,166 thousand.

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

Operating revenue

	1H 2020	1H 2019
Operating revenue	82,005	73,049
TOTAL	**82,005**	**73,049**

Note 27.

Other revenue and income

The Group's Other revenue and income totalled Euro 1,436 thousand at 30 June 2020, compared to Euro 1,102 thousand at 30 June 2019. This item includes ordinary contingent assets, the recovery of costs advanced to customers, insurance reimbursements, invoicing to employees for the use of company cars and other income of a residual nature.

Other revenue and income

	1H 2020	1H 2019
Other revenue and income	1,436	1,102
TOTAL	**1,436**	**1,102**

Note 28.

Cost of raw materials and consumables

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

Cost of raw materials and consumables

	1H 2020	1H 2019
Change in inventories of raw materials and consumables	0	4
Purchase of raw materials and consumables	53	156
TOTAL	**53**	**160**

Note 29.

Service costs

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

Service costs

	1H 2020	1H 2019
Service costs	33,565	27,217
TOTAL	**33,565**	**27,217**

Service costs break down as follows:

Service costs

	1H 2020	1H 2019
Transport	4	6
Outsourced and consulting services	26,318	18,899
Remuneration of directors and statutory auditors	1,166	1,190
Marketing costs	1,273	2,294
Cleaning, surveillance and other general services	452	461
Maintenance and support services	106	111
Utilities and telephone charges	461	490
Consulting - administrative services	1,616	1,386
Other services (chargebacks, commissions, etc.)	980	1,175
Bank and factoring charges	282	257
Insurance	158	143
Rental and leasing	749	805
TOTAL	**33,565**	**27,217**

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

Rental and leasing regards the costs incurred by the Group for the use of 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 IFRS 16.

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

Note 30.

Personnel costs

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

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

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

Personnel costs

	1H 2020	1H 2019
Wages and salaries	29,883	27,027
Social security contributions	7,260	6,837
Post-employment benefits	1,812	1,523
Other personnel costs	609	795
TOTAL	**39,564**	**36,182**

The number of employees at 30 June 2020, broken down by category, is illustrated in the following table:

Description	No. in current period
Executives	136
Middle managers	187
White collar	963
Blue collar	0
Apprentices	98
Total	**1,384**

Note 31.

Other operating costs

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

Specifically, the item includes contingent liabilities for Euro 292 thousand mainly referring to undeclared contingent assets relating to this period and other operating costs for Euro 169 thousand referring to membership fees, fines, penalties on services provided and indirect taxes for Euro 241 thousand.

Other operating costs

	1H 2020	1H 2019
Other operating costs	760	811
TOTAL	**760**	**811**

Note 32.

Cost of internal work capitalised

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

Cost of internal work capitalised

	1H 2020	1H 2019
Cost of internal work capitalised	3,469	2,246
TOTAL	**3,469**	**2,246**

Note 33.

Amortisation, depreciation and write-downs

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

Amortisation, depreciation and write-downs

	1H 2020	1H 2019
Depreciation of property, plant and equipment	346	397
Amortisation of intangible assets	2,830	2,319
Amortisation of rights of use	1,599	1,337
TOTAL	**4,775**	**4,053**

Note 34.

Allocations to provisions

During the period in question, allocations to bad debt provision of Euro 8 thousand were made following the application of IFRS 9 (expected loss method). Reference is made to Note 10.

Allocations to provisions

	1H 2020	1H 2019
Allocation to bad debt provision	8	0
TOTAL	**8**	**0**

Note 35.

Financial income and expense

Financial income is represented by bank interest income mainly accrued by foreign companies. Financial expense includes interest payable to banks for advances on invoices and overdrafts, for factoring transactions.

They also include the interest expense accrued on existing loans and the financial component relating to Post-employment benefits (TFR), valued in accordance with IAS/IFRS principles.

Financial management income and expense

	1H 2020	1H 2019
Financial income	28	44
Financial expense	(640)	(657)
Gains (Losses) on foreign currency transactions	(79)	(51)
TOTAL	**(691)**	**(664)**

Breakdown of financial interest and expense

	1H 2020	1H 2019
Interest expense on current bank accounts	8	6
Interest expense on factoring and advances on invoices	172	179
Interest expense on loans	208	172
Other financial expense	252	300
TOTAL	**640**	**657**

Note 36.

Current income taxes, deferred tax assets and liabilities

Current taxes relating to the period include Euro 518 thousand for IRAP tax and IRES tax plus the income tax for foreign affiliates for a total of Euro 1,521 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

	1H 2020	1H 2019
Current taxes	2,040	1,386
Deferred tax assets and liabilities	854	1,308
TOTAL	**2,894**	**2,694**

Note 37.

Earnings per share

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

Earnings per share

	1H 2020	1H 2019
Profit (loss) from continuing operations pertaining to owners of the Company	4,182	4,260
Profit (loss) from discontinued operations pertaining to owners of the Company	0	0
Profit (loss) attributable to owners of the Parent Company	4,182	4,260
Total no. shares	134,897,272	134,897,272
Number of own shares held	4,796,335	3,260,888
Number of ordinary shares outstanding	130,101,016	131,636,384
Basic earnings per share pertaining to owners of the Parent Company	EUR 0.03	EUR 0.03
Diluted earnings per share	EUR 0.03	EUR 0.03

5. Other disclosures

5.1. Potential liabilities and disputes pending

The Group has certain legal proceedings before various judicial authorities in place:

More specifically, with regard to labour disputes, also on the basis of opinions expressed by its legal advisors, the Group has allocated provisions for risks totalling Euro 116 thousand, considered sufficient to cover liabilities that could arise from these disputes, Euro 80 thousand of which relates to Be DigiTech Solutions to cover the estimated charges of closing the Pomezia site. Note that during the year 2019 a dispute was filed with INPS for which the company had allocated Euro 326 thousand relating to contribution differences owed by the company. An appeal has been filed.

5.2. Significant non-recurring events and transactions

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

5.3. Related Party Transactions

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

Note that the Be's Board of Directors has approved a new version of the procedure for transactions with the Company's related parties. The Procedure was changed in order to reflect some changes made by Consob to the Regulation for Related Party Transactions (approved on 22 March 2019) in order to align domestic legislation with that envisaged by the "Market Abuse Regulation".

With regard to related party transactions, including therein intercompany transactions, note that the same cannot be quantified as atypical or unusual, as part of the normal course of operations of Group companies. Said transactions are settled at arm's length, on the basis of the goods and services provided.

The Be Group's related party with which economic and equity transactions were recognised at 30 June 2020 is: TIP Tamburi Investment Partners S.p.A., relating to Ir Top Consulting S.r.l. It should be noted that its Chief Executive Officer, Anna Lambiase, has no longer been a member of the Board of Directors of Be S.p.A. since 22 April 2020, as her term of office has expired.

With regard to Messrs Stefano Achermann and Carlo Achermann and the companies controlled by them - Carma Consulting S.r.l., iFuture S.r.l. and Innishboffin S.r.l. - the economic transactions that took place in the period substantially refer only to fees paid for the positions of Executive and Company Director of Group companies and, like remuneration for other members of the Board of Directors and Board of Statutory Auditors, are not included in the following tables.

No significant transactions were performed in the year 2020.

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

Receivables and payables with related parties at 30 June 2020

	Receivables			Payables		
	Trade and other receivables	Other receivables	*Financial receivables*	Trade and other payables	*Other payables*	*Financial payables*
Related Parties						
T.I.P. S.p.A.	0	0	0	18	0	0
IR Top	0	0	0	0	0	0
Total Related Parties	**0**	**0**	**0**	**18**	**0**	**0**

Receivables and payables with related parties at 31 December 2019

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

Revenue and costs with related parties in the first half of 2020

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

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

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

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

Relevance of related party transactions

STATEMENT OF FINANCIAL POSITION	**30.06.2020**	**Absolute value**	**%**	**31.12.2019**	**Absolute value**	**%**
Trade receivables and Assets deriving from Contracts with customers	44,855	0	0%	29,414	0	0%
Other assets and receivables	3,896	0	0%	2,828	0	0%
Cash and cash equivalents	26,021	0	0%	34,185	0	0%
Financial payables and other liabilities	82,527	0	0%	76,191	0	0%
Trade payables	17,048	18	0%	12,366	39	0%
INCOME STATEMENT	**1H 2020**	**Absolute value**	**%**	**1H 2019**	**Absolute value**	**%**
Operating revenue	82,005	0	0%	73,049	0	0%
Service and other costs	34,325	55	0%	28,028	65	0%
Net financial expense	691	0	0%	664	0	0%

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

Amounts in EUR thousands	30.06.20	Of which related parties	31.12.19	Of which related parties
NON-CURRENT ASSETS				
Property, plant and equipment	2,228	0	2,161	0
Rights of use	7,527	0	8,679	0
Goodwill	70,298	0	65,060	0
Intangible assets	20,458	0	19,632	0
Equity investments in other companies	829	0	829	0
Loans and other non-current assets	1,378	0	2,152	0
Deferred tax assets	2,782	0	3,303	0
Total non-current assets	**105,500**	**0**	**101,816**	**0**
CURRENT ASSETS				
Inventories	3	0	3	0
Assets deriving from contracts with customers	28,868	0	11,513	0
Trade receivables	15,987	0	17,901	0
Other assets and receivables	3,896	0	2,828	0
Direct tax receivables	753	0	890	0
Financial receivables and other current financial assets	179	0	104	0
Cash and cash equivalents	26,021	0	34,185	0
Total current assets	**75,707**	**0**	**67,424**	**0**
Total discontinued operations	**0**	**0**		**0**
TOTAL ASSETS	**181,207**	**0**	**169,240**	**0**
SHAREHOLDERS' EQUITY				
Share capital	27,109	0	27,109	0
Reserves	23,745	0	21,144	0
Net profit (loss) attributable to owners of the Parent Company	4,184	0	6,087	0
Group Shareholders' equity	**55,038**	**0**	**54,340**	**0**
Minority interests:				
Capital and reserves	1,737	0	1,262	0
Net profit (loss) attributable to minority interests	416	0	470	0
Minority interests	**2,153**	**0**	**1,732**	**0**
TOTAL SHAREHOLDERS' EQUITY	**57,191**	**0**	**56,072**	**0**
NON-CURRENT LIABILITIES				
Financial payables and other non-current financial liabilities	26,937	0	20,926	0
Financial liabilities for non-current rights of use	5,145	0	6,214	0
Provisions for risks	116	0	1,649	0
Post-employment benefits (TFR)	6,756	0	6,953	0
Deferred tax liabilities	7,705	0	7,348	0
Other non-current liabilities	7,201	0	6,717	0
Total Non-current liabilities	**53,860**	**0**	**49,807**	**0**
CURRENT LIABILITIES				
Financial payables and other current financial liabilities	16,725	0	15,572	0
Financial liabilities for current rights of use	3,293	0	3,004	0
Trade payables	17,048	18	12,366	39
Provision for current risks	6,762	0	7,075	0
Tax payables	3,102	0	1,585	0
Other liabilities and payables	23,226	0	23,759	0
Total Current liabilities	**70,156**	**18**	**63,361**	**39**
Total discontinued operations	**0**	**0**	**0**	**0**
TOTAL LIABILITIES	**124,016**	**18**	**113,168**	**39**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**181,207**	**18**	**169,240**	**39**

Consolidated Income Statement (in accordance with Consob Resolution no. 15519 of 27 July 2006)

Amounts in EUR thousands	1H 2020	Of which related parties	Of which non-recurring income (charges)	1H 2019	Of which related parties	Of which non-recurring income (charges)
Operating revenue	82,005	0	0	73,049	0	0
Other revenue and income	1,436	0	0	1,102	0	0
Total Revenue	**83,441**	**0**	**0**	**74,151**	**0**	**0**
Raw materials and consumables	(53)	0	0	(160)	0	0
Service costs	(33,565)	(55)	0	(27,217)	(65)	0
Personnel costs	(39,564)	0	0	(36,182)	0	0
Other operating costs	(760)	0	0	(811)	0	0
Cost of internal work capitalised	3,469	0	0	2,246	0	0
Amortisation, depreciation and write-downs:						
Depreciation of property, plant and equipment	(346)	0	0	(397)	0	0
Amortisation of intangible assets	(2,830)	0	0	(2,319)	0	0
Amortisation of Rights of Use	(1,599)	0	0	(1,337)	0	0
Allocations to provisions	(8)	0	0	0	0	0
Total Operating Costs	**(75,256)**	**(55)**	**0**	**(66,177)**	**(65)**	**0**
Operating profit (loss) (EBIT)	**8,185**	**(55)**	**0**	**7,974**	**(65)**	**0**
Financial income	28	0	0	44	0	0
Financial expense	(719)	0	0	(708)	0	0
Total Financial Income/Expense	**(691)**	**0**	**0**	**(664)**	**0**	**0**
Profit (loss) before tax	**7,494**	**(55)**	**0**	**7,310**	**(65)**	**0**
Current income taxes	(2,040)	0	0	(1,386)	0	0
Deferred tax assets and liabilities	(854)	0	0	(1,308)	0	0
Total Income taxes	**(2,894)**	**0**	**0**	**(2,694)**	**0**	**0**
Net profit (loss) from continuing operations	**4,600**	**(55)**	**0**	**4,616**	**(65)**	**0**
Net profit (loss) from discontinued operations	**0**	**0**	**0**	**0**	**0**	**0**
Net profit (loss)	**4,600**	**(55)**	**0**	**4,616**	**(65)**	**0**
Net profit (loss) attributable to minority interests	**416**	**0**	**0**	**356**	**0**	**0**
Net profit (loss) attributable to owners of the Parent Company	**4,184**	**(55)**	**0**	**4,260**	**(65)**	**0**

5.4. Management of financial risk: objectives and criteria

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

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

- **Exchange rate risk**

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

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

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

- **Credit risk**

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

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

- **Interest rate risk**

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

- **Liquidity risk**

  Liquidity risk is defined as the possibility that the Group is not able to maintain its payment commitments, due to the inability to raise new funds, or to be forced to incur very high costs to meet its commitments. The Be Group's exposure to this risk is represented above all by the loan agreements in place. At present, it has short and medium/long-term loans with banking financial counterparties. In addition, in the event of need, the Group may arrange other short-term bank loans. The two main factors that determine the Group's liquidity situation are on one hand, the resources generated or absorbed by operating and investing activities, and on the other the maturity and renewal characteristics of the payable or of the liquidity of the financial loans and market conditions. From an operating perspective, the Group manages liquidity risk by monitoring cash flows, obtaining adequate credit lines and maintaining an adequate level of available resources. The management of operating cash flows, of the main loan transactions and of the company's liquidity is centralised and performed by the Group's treasury companies, with the objective of guaranteeing the effective and efficient management of the financial resources. The maturity characteristics of financial payables are illustrated in Notes 16 and 17, while with regard to trade payables, the amount due within the following year is shown on the financial statements. According to Management, the funds currently available, in addition to those that will be generated by operating and funding activities, including the current funds available on credit lines, will enable the Group to meet its requirements relating to investment, the management of working capital and the repayment of debts when the same are due, and will assure an appropriate level of operating and strategic flexibility.

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

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

Categories of financial assets and liabilities

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

Financial assets at 30.06.2020

Amounts in EUR thousands	Financial assets for derivative instruments	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	0	0	
Financial receivables (portion beyond 12 months)	0	0	0	0	
TRADE RECEIVABLES	**0**	**44,855**	**0**	**44,855**	
Receivables due from customers	0	15,987	0	15,987	*10*
Assets deriving from contracts with customers	0	28,868	0	28,868	*9*
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**179**	**0**	**179**	
Financial receivables and other current financial assets	0	179	0	179	*13*
Securities and financial assets	0	0	0	0	
CASH AND CASH EQUIVALENTS	**0**	**26,021**	**0**	**26,021**	
Cash and cash equivalents	0	26,021	0	26,021	*14*
TOTAL FINANCIAL ASSETS	**0**	**71,055**	**0**	**71,055**	

Financial liabilities at 30.06.2020

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	**(208)**	**(31,874)**	**(32,082)**	
Financial payables and other non-current financial liabilities	0	(26,729)	(26,729)	*16*
Hedge derivatives	(208)	0	(208)	*16*
Financial liabilities for non-current rights of use	0	(5,145)	(5,145)	*18*
Other financial liabilities	0	0	0	
CURRENT LIABILITIES	**0**	**(37,066)**	**(37,066)**	
Financial payables and other current financial liabilities	0	(16,725)	(16,725)	*17*
Hedge derivatives	0	0	0	*17*
Trade payables	0	(17,030)	17,030	*23*
Payables to related parties	0	(18)	(18)	*23*
Financial liabilities for current rights of use	0	(3,293)	(3,293)	*18*
OTHER FINANCIAL LIABILITIES	**0**	**0**	**0**	
Other financial liabilities	0	0	0	
Financial payables to related parties	0	0	0	
TOTAL FINANCIAL LIABILITIES	**(208)**	**(68,940)**	**(69,148)**	

Financial assets at 31.12.2019

Amounts in EUR thousands	Financial assets for derivative instruments	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	0	0	
Financial receivables (portion beyond 12 months)	0	0	0	0	
TRADE RECEIVABLES	**0**	**29,414**	**0**	**29,414**	
Receivables due from customers	0	17,901	0	17,901	*10*
Assets deriving from contracts with customers	0	11,513		11,513	
OTHER CURRENT RECEIVABLES/ASSETS	**0**	**0**	**0**	**0**	
CURRENT FINANCIAL ASSETS	**0**	**104**	**0**	**104**	
Financial receivables and other current financial assets	0	104	0	104	*13*
Securities and financial assets	0	0	0	0	
CASH AND CASH EQUIVALENTS	**0**	**34,185**	**0**	**34,185**	
Cash and cash equivalents	0	34,185	0	34,185	*14*
TOTAL FINANCIAL ASSETS	**0**	**63,703**	**0**	**63,703**	

Financial liabilities at 31.12.2019

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

Note that the fair value of derivative instruments refers 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 item at 30 June 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	0	0	0	0	
- Call	0	0	0	0	0	
Derivatives designated for cash flow hedges	**(208)**	**0**	**(208)**	**0**	**(208)**	
- Forward contracts	0	0	0	0	0	
- IRS on rates contracted on Unicredit loan	(85)	0	(85)	0	(81)	*16-17*
- IRS on rates contracted on BNL loan of Euro 6 million	(43)	0	(43)	0	(43)	*16-17*
- IRS on rates contracted on BPM loan of Euro 10 million	(80)	0	(80)	0	(87)	*16-17*

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

5.5. Positions deriving from atypical or unusual transactions

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

6. Events after 30 June 2020 and business outlook

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

With reference to the Covid-19 pandemic, it should be noted that the Group constantly monitors any development in order to curb and try to virtually zero the effects with regard to health and safety at work and in economic, equity and financial terms, through the definition and implementation of flexible and timely action plans.

The Group believes that it has adequate management levers available to counter the effects of the health emergency throughout 2020, operating, as demonstrated by the results, in a resilient business and thus confirming the medium-long term prospects set out in the 2020-2022 Plan.

Therefore, taking into account the actions already implemented as well as those planned for the coming months, in the absence of events not currently foreseeable, including a possible new lockdown, the Group believes it can rely on the achievement of the annual objectives and more generally of the 2020-2022 Business Plan.

Milan, 31 July 2020

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

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

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

- the adequacy in relation to the business characteristics, and
- the effective application of administrative accounting procedures adopted in the first half of 2020 when preparing the Half-year Condensed Consolidated Financial Statements.

2. It is also confirmed that:

2.1 the Half-year Condensed Consolidated Financial Statements:

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

b) correspond with the accounting entries and records;

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

2.2. the management report contains a reliable analysis of references to significant events occurring in the first half of 2020 and their impact on the results of operations, as well as of the position of the issuer and its consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 31 July 2020

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

Manuela Mascarini

/signed/ Stefano Achermann
Chief Executive Officer

Stefano Achermann