



Be

SHAPING THE FUTURE

# Interim Management Report

*At 30 September 2020*



# **Interim Management Report** *at 30 September 2020*

(TRANSLATION FROM ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)

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## 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.*

### Collegio Sindacale

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

<i>(amounts in EUR millions)</i>	9M 2020	9M 2019
Value of production	125.7	109.4
EBITDA	20.2	16.8
EBIT	12.1	9.9
Group profit (loss) before tax	9.7	8.3

### Key equity and financial indicators

<i>(amounts in EUR millions)</i>	30.09.2020	31.12.2019
Group Shareholders' equity	60.4	54.3
Net Invested Capital	100.3	67.5
Net Operating Working Capital (NOWC)	32.4	17.1
Net Financial Position	(37.1)	(11.4)

### Revenue by operating segment

<i>(amounts in EUR millions)</i>	9M 2020	9M 2019
Business Consulting	87.7	81.8
ICT Solutions	32.4	24.9
Digital	5.5	2.7
Other	0.1	0.0
TOTAL	125.7	109.4

### Revenue by customer type

<i>(amounts in EUR millions)</i>	9M 2020	9M 2019
Banks	97.1	84.5
Insurance	13.0	14.3
Industry	8.8	6.0
Public Administration	0.5	1.2
Other	6.3	3.4
TOTAL	125.7	109.4

### Value of production by geographic area

<i>(amounts in EUR millions)</i>	9M 2020	9M 2019
Italy	79.6	64.9
DACH Region (Germany, Austria, Switzerland)	30.6	29.7
U.K. e Spain	9.7	10.5
Cee Region (Poland, Ukraine, Romania)	5.8	4.3
TOTAL	125.7	109.4

### Group Headcount

	30.09.2020	31.12.2019
Executives	133	132
Middle managers	187	173
White-collar staff	1.002	940
Blue collar	101	75
TOTAL	1.423	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 and Professional Services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industries to improve their competitive capacity and their potential to create value. With around 1,300 employees and branches in Italy, Germany, the United Kingdom, Switzerland, Austria, Poland, the Ukraine, Spain and Romania in the first nine months of 2020 the Group recorded a total value of production of Euro 125.7 million.

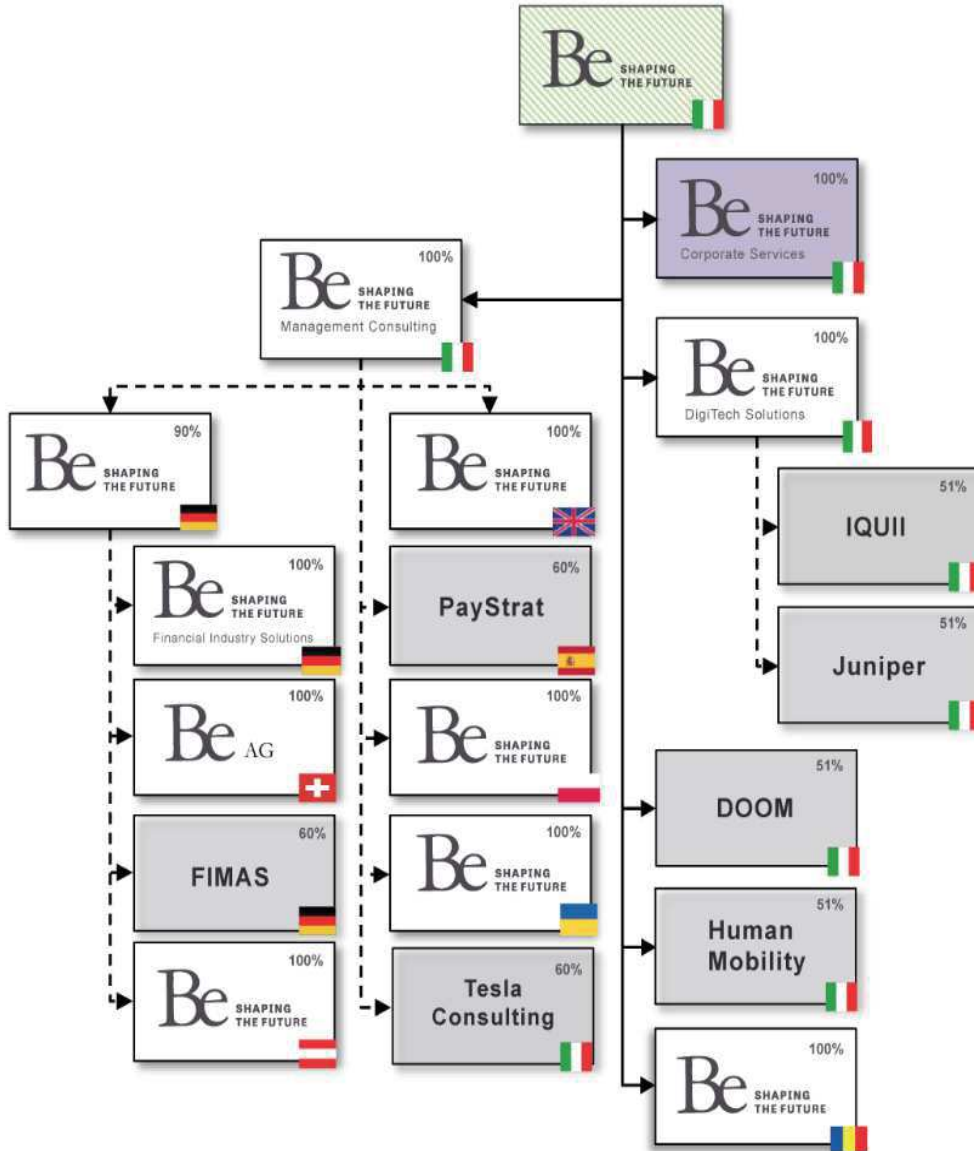
**Be Shaping the Future S.p.A.** (**Be S.p.A.** for short), listed in the Segment for High Requirement Shares (STAR) of the Electronic Share Market (MTA), performs management and coordination activities for the Group companies pursuant to art. 2497 et seq. of the Italian Civil Code, through control and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

At 30 September 2020 the number of shares issued 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 i

	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
<b>Total</b>		<b>134,897,272</b>	<b>100.00</b>

The following chart shows the **Be Group** structure at 30 September 2020<sup>1</sup>.



<sup>1</sup> 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;

<b>No. of employees</b>	799 employees at 30 September 2020.
<b>Core business</b>	Banking, Insurance.
<b>Segment revenue at 30.09.2020</b>	Euro 87.7 million.
<b>Operating units</b>	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
- **Be Shaping the Future Management Consulting Limited.** Based in London, this company operates on the UK and European market, focusing on financial services consulting, with a customer base with high profiles on the UK and international markets. It specialises in the banking and financial sectors, particularly providing support in the field of innovation and payment services. During the third quarter of 2020 the Company changed its company name from Ibe Tse Limited to Be Shaping the Future Management Consulting Ltd. Be Management Consulting S.p.A. holds 100% of the company's share capital.
- **Be Ukraine LLC.** Established in Kiev in December 2012, it performs consulting and development activities for core banking systems and in the areas of accounting, bank reporting and compliance. Be Management Consulting S.p.A. holds 100% of the company's share capital.
- **Be Shaping the Future, sp zo.o.** Established in Warsaw in January 2013, it provides consulting and system integration services in Retail banking, Capital Markets, CRM (Salesforce) and Digital (Backbase). Be Management Consulting S.p.A. holds 100% of the company's share capital. In August 2020, following the implementation of the Group's



Rebranding&Positioning project, the Company changed its company name from Be Think, Solve and Execute, sp zo.o to Be Shaping the Future, sp zo.o.

- **Be Shaping the Future GmbH.** Company based in Munich, it specialises in ICT consulting services, primarily on the German, Austrian and Swiss markets, operating through its two wholly owned subsidiaries, Be Shaping the Future GmbH (former Targit GmbH) based in Vienna and Be TSE Switzerland AG based in Zurich. Be Management Consulting S.p.A. controls the Group with a 90.00% interest. In September, following the implementation of the Group's Rebranding&Positioning project, the Company changed its company name from Be Think, Solve, Execute GmbH to Be Shaping the Future GmbH.
- **Be Shaping the Future Financial Industry Solutions AG.** A company whose registered office is close to Munich, 100.00% of which is owned by Be 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).** 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;

<b>No. of employees</b>	481 employees at 30 September 2020.
<b>Core Businesses</b>	Banking, Insurance, Energy and Public Administration.
<b>Segment revenue at 30.09.2020</b>	Euro 32.4 million.
<b>Operating units</b>	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 characterized the current digitalization 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.

<b>No. of employees</b>	78 employees at 30 September 2020.
<b>Core Businesses</b>	Banking, Insurance, Energy and Public Administration.
<b>Segment revenue at 30.09.2020</b>	Euro 5.5 million.
<b>Operating units</b>	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. Presentation criteria

The Interim Management Report at 30 September 2020, is not audited and was prepared in accordance with the provisions of art. 154-ter of Italian Legislative Decree no. 58/1998 (Consolidated Law on Finance).

The Interim Management Report has been prepared in accordance with international accounting standards IAS/IFRS, issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission following the entry into force of European Regulation no. 1606/2002 and specifically on the basis of international accounting standard IAS 34 - Interim Financial Reporting, applicable to interim financial reports.

The Interim Management Report includes a concise disclosure on the financial statements, comprised of the income statement, statement of financial position, statement of cash flows and statement of changes in shareholders' equity. The information provided in the statement of financial position refers to 30 September 2020 and to 31 December 2019. The information provided in the income statement regards the situation at 30 September 2020 and 2019. and refers to the pre-tax position. The reclassified consolidated statement of cash flows indicates cash flows during the period and classified among operating, investing and financing activities. The data are provided on a consolidated basis and presented in thousands of Euro (the functional currency) unless otherwise indicated. There could be differences in the unit amounts shown in the tables below due to rounding.

### 5.1 Scope of consolidation

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. Further on in August the company Be Poland Think, Solve and Execute, sp zo.o changed its company name in Be Shaping the Future, sp zo.o and in September the companies Be Think, Solve, Execute GmbH and Ibe Tse Limited changed their company name in Be Shaping the Future GmbH and Be Shaping the Future Management Consulting Limited respectively.

## 5.2 Discretionary measurements and significant accounting estimates

The Interim Management Report at 30 September 2020 requires discretionary measurements and accounting estimates that have an effect on the value of statement of financial position assets and liabilities and on disclosures. The final results could differ from such estimates.

The estimates are used to measure goodwill, to recognise credit risk provisions, to determine write-downs on investments or assets, and to determine amortisation and depreciation and provisions for risks and charges. The estimates and assumptions are periodically reviewed and the effects of any change are immediately reflected in the income statement..

## 6. Disclosure on Operating performance

The following table illustrates the Be Group income statement at 30 September 2020 compared with the same period of the previous year.

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", pursuant to paragraph 9 "Financial Statements".

### 6.1 Group economic performance

The Value of production amounted to Euro 125.7 million compared to Euro 109.4 million at 30 September 2019 (+14.9%).

The value of production generated by foreign subsidiaries (which represent 36.6% of the Group's value of production) amounted to Euro 46.1 million, compared to Euro 44.5 million at 30 September 2019 (or 40.6% of the Group's value of production).

Operating revenue was Euro 124.1 million compared to Euro 108.3 million at 30 September 2019 (+14.6%).

Operating costs net of internal capitalizations amounted to Euro 105.5 million compared to Euro 92.6 million at 30 September 2019 (+13.9%) and specifically:

- service costs were around Euro 50.6 million (+22.8%)
- personnel costs totalled Euro 58.1 million (+8.4%);
- the capitalization of costs, mainly related to personnel working on projects to develop in-house software platforms, amounted to Euro 4.5 million (+33.9%).

The Gross Operating Margin (EBITDA) was Euro 20.2 million, up 20.5% compared to 30 September 2019 (Euro 16.8 million). The *EBITDA margin*, was 16.1% against 15.3% at 30 September 2019.

Amortization totalled Euro 7.2 million, against Euro 6.2 million of the corresponding period of previous year.

Amortization and depreciation totalled Euro 1.3 million, against Euro 0.6 million at 30 September 2019.

Operating Profit (Loss) (EBIT) was Euro 11.8 million, up 18.6% compared to 30 September 2019 (Euro 9.9 million). The *EBIT margin* stood at 9.4% against 9.1% at 30 September 2019.

Consolidated profit (loss) before tax including minority interests was Euro 10.8 million, up 20.1% compared to 30 September 2019 (Euro 9.0 million).

Group profit (loss) before tax was Euro 9.7 million compared to Euro 8.3 million at 30 September 2019, up 17.8%.

At 30 September 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”.

### Restated Consolidated Income Statement

<i>Amounts in EUR thousands</i>	9M 2020	9M 2019	Δ	Δ (%)
Operating revenue	124,104	108,260	15,844	14.6%
Other revenue and income	1,577	1,114	463	41.6%
<b>Value of production</b>	<b>125,681</b>	<b>109,374</b>	<b>16,307</b>	<b>14.9%</b>
Cost of consumables	(70)	(204)	134	(65.7%)
Cost of services and use of third-party assets	(50,613)	(41,217)	(9,396)	22.8%
Personnel costs	(58,120)	(53,631)	(4,489)	8.4%
Other costs	(1,196)	(935)	(261)	27.9%
Internal capitalisations	4,529	3,382	1,147	33.9%
<b>Margine Operativo Lordo (EBITDA)</b>	<b>20,211</b>	<b>16,769</b>	<b>3,442</b>	<b>20.5%</b>
Amortisation and depreciation	(7,186)	(6,244)	(942)	15.1%
Write-downs and provisions	(1,274)	(620)	(654)	n.a.
<b>Operating Profit (Loss) (EBIT)</b>	<b>11,751</b>	<b>9,905</b>	<b>1,846</b>	<b>18.6%</b>
Net financial income and expense	(949)	(912)	(37)	4.1%
<b>Profit (loss) before tax from continuing operations</b>	<b>10,802</b>	<b>8,993</b>	<b>1,809</b>	<b>20.1%</b>
Profit (loss) before tax from discontinued operations	0	0	0	n.a.
<b>Consolidated profit (loss) before tax including minority interests</b>	<b>10,802</b>	<b>8,993</b>	<b>1,809</b>	<b>20.1%</b>
Profit (loss) before tax attributable to minority interests	1,066	728	338	46.4%
<b>Group profit (loss) before tax for the period</b>	<b>9,736</b>	<b>8,265</b>	<b>1,471</b>	<b>17.8%</b>

## 6.2 Segment reporting

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

- **Business Consulting:**

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

- **ICT Solutions:**

*Business Unit* active in the provision of integrated solutions and systems for the financial services, insurance and utilities sectors. This business unit covers the activities performed by Be DigiTech Solutions S.p.A., 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 analyzed by management and by the Board of Directors to manage the business and is the subject of periodic management reporting and planning.

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

The economic positions of the Group by operating segment for the first nine months of 2020 compared with the corresponding period of 2019, are reported below for continuous 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 "Summary income statement and statement of financial position" and in the tables below is shown net of all intercompany transactions between Group companies.

**Breakdown by operating segment 1 January 2020 – 30 September 2020**

	Consulting	ICT Solutions	Digital	Corporate and other	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	88,527	35,480	6,957	3,790	(10,650)	0	124,104
Other revenue	1,977	699	12	860	(1,971)	0	1,577
Value of production	90,504	36,179	6,969	4,651	(12,621)	0	125,681
Operating Profit (Loss) (EBIT)	11,583	3,808	786	(4,429)	3	0	11,751
Net financial expense	(655)	(210)	(143)	10,068	(10,009)	0	(949)
Profit (loss) before tax	10,288	3,598	217	5,639	(8,939)	(1,066)	9,736

**Breakdown by operating segment 1 January 2019 – 30 September 2019**

	Consulting	ICT Solutions	Digital	Corporate and other	Infra-segment consolidation adjustments	Minority interests	Total
Operating revenue	82,854	27,972	2,657	3,136	(8,359)	0	108,260
Other revenue	1,684	610	39	661	(1,880)	0	1,114
Value of production	84,538	28,582	2,696	3,797	(10,239)	0	109,374
Operating Profit (Loss) (EBIT)	10,169	2,947	518	(3,728)	(2)	0	9,905
Net financial expense	(116)	(286)	(54)	10,280	(10,736)	0	(912)
Profit (loss) before tax	9,574	2,661	216	6,552	(10,009)	(728)	8,265

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

**Value of production by customer type**

<i>Amounts in EUR millions</i>	9M 2020	%	9M 2019	%	Δ (%)
Business Consulting	87.7	69.8%	81.8	74.8%	7.2%
ICT Solutions	32.4	25.8%	24.9	22.8%	30.1%
Digital	5.5	4.4%	2.7	2.5%	n.a.
Other	0.1	0.1%	0.0	0.0%	0.0%
<b>TOTAL</b>	<b>125.7</b>	<b>100.0%</b>	<b>109.4</b>	<b>100.0%</b>	<b>14.9%</b>

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 7.2% compared to the value recorded at 30 September 2019;
- the ICT Solutions business as a whole recorded significant growth in the value of production (30.1% compared to 30 September 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 which is more than double compared to 30 September 2019.

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

#### Value of production by customer type

<i>Amounts in EUR millions</i>	<b>9M 2020</b>	<b>%</b>	<b>9M 2019</b>	<b>%</b>	<b>Δ (%)</b>
Banks	97.1	77.3%	84.5	77.2%	14.9%
Insurance	13.0	10.3%	14.3	13.1%	(9.1%)
Industry	8.8	7.0%	6.0	5.5%	46.7%
Public Administration	0.5	0.4%	1.2	1.1%	(58.3%)
Other	6.3	5.0%	3.4	3.1%	85.3%
<b>TOTAL</b>	<b>125.7</b>	<b>100.0%</b>	<b>109.4</b>	<b>100.0%</b>	<b>14.9%</b>

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

#### Value of production by geographic area

<i>Amounts in EUR millions</i>	<b>9M 2020</b>	<b>%</b>	<b>9M 2019</b>	<b>%</b>	<b>Δ (%)</b>
Italy	79.6	63.4%	64.9	59.4%	22.7%
DACH Region (Germany, Austria, Switzerland)	30.6	24.3%	29.7	27.1%	3.0%
UK and Spain	9.7	7.7%	10.5	9.6%	(7.6%)
CEE Region (Poland, Ukraine, Romania)	5.8	4.6%	4.3	3.9%	34.9%
<b>TOTAL</b>	<b>125.7</b>	<b>100.0%</b>	<b>109.4</b>	<b>100.0%</b>	<b>14.9%</b>

Note that at 30 September 2020 63.4% of production was generated by the domestic market and the remaining 36.6% by the foreign market.

The significant weight of the DACH Region (DE, AUT and SUI) on the value of production is confirmed, contributing Euro 30.6 million to revenue, up slightly compared to 30 September 2019 (+3.0%).

The Cee Region (Poland, Ukraine, Romania) recorded a considerable rise (+34.9%) compared to the corresponding period of the prior year (Euro 5.8 million compared to Euro 4.3 million at 30 September 2020), while the UK and Spanish markets are falling, generating Euro 9.7 million at 30 September 2020 compared to 10.5 million at 30 September 2019 (-7.6%).

## 6.3 Personnel

The total number of Be Group employees at 30 September 2020 was 1,423; the following table shows Be Group employees by operating segment:



**Group Headcount**

	<b>30.09.2020</b>
Consulting	799
I.C.T.Solutions	481
Digital	78
Corporate	65
<b>TOTAL</b>	<b>1,423</b>

**6.4 Breakdown of Group Equity and Financial Positions**

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

**Restated Statement of Financial Position**

<i>Amounts in EUR thousands</i>	<b>30.09.2020</b>	<b>31.12.2019</b>	<b>Δ</b>	<b>Δ (%)</b>
Non-current assets	107,897	101,816	6,081	6.0%
Current assets	55,600	33,135	22,465	67.8%
Non-current liabilities	(23,052)	(22,667)	(385)	1.7%
Current liabilities	(40,140)	(44,785)	4,645	(10.4%)
<b>Net Invested Capital</b>	<b>100,305</b>	<b>67,499</b>	<b>32,806</b>	<b>48.6%</b>
Shareholders' Equity	63,249	56,072	7,177	12.8%
Net Financial Indebtedness	37,056	11,427	25,629	n.a.

Non-current assets are mostly represented by goodwill equal to Euro 70.3 million, recognized at the time of business combinations, intangible assets equal to Euro 20.2 million, mostly relating to software, right of use equal to Euro 9.1 million, technical fixed assets for Euro 2.3 million, deferred tax assets equal to Euro 3.3 million, investment in other companies for Euro 1.3 million and receivables and other non-current assets for Euro 1.4 million.

Current assets recorded a rise of Euro 22.5 million compared to 31 December 2019 mainly due to an increase in trade receivables.

Non-current liabilities mostly refer to payables for post-employment benefits (TFR) of Euro 6.9 million, deferred tax liabilities of Euro 7.4 million and provisions for risks and charges of Euro 1.4 million, plus other liabilities of Euro 7.4 million predominantly referring to the remaining share of the discounted price for the future acquisition of minority interests through put&call agreements.

Current liabilities - mostly comprised of trade payables of Euro 18.2 million, provisions for risks and current charges of Euro 0.5 million and other liabilities and tax payables totalling Euro 21.5 million - recorded an overall decrease of Euro 4.6 million.

Consolidated shareholders' equity was Euro 63.2 million, compared to Euro 56.1 million at 31 December 2019. The breakdown of Net working capital is shown below:

<i>Amounts in EUR thousands</i>	<b>30.09.2020</b>	<b>31.12.2019</b>	<b>Δ</b>	<b>Δ (%)</b>
Inventories	3	3	0	0.0%
Assets deriving from Contracts with customers	31,802	11,513	20,289	n.a.
Trade receivables	18,736	17,901	835	4.7%
Trade payables	(18,173)	(12,366)	(5,807)	47.0%
<b>Net Operating Working Capital (NOWC)</b>	<b>32,368</b>	<b>17,051</b>	<b>15,317</b>	<b>89.8%</b>
Other short-term receivables	5,059	3,718	1,341	36.1%
Other short-term liabilities	(21,967)	(32,419)	10,452	(32.2%)
<b>Net Working Capital (NWC)</b>	<b>15,460</b>	<b>(11,650)</b>	<b>27,110</b>	<b>n.a.</b>

Net financial indebtedness at 30 September 2020 was negative by Euro 37.1 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

<i>Amounts in EUR thousands</i>	<b>30.09.2020</b>	<b>31.12.2019</b>	<b>Δ</b>	<b>Δ (%)</b>
Cash and cash equivalents at bank	15,564	34,185	(18,621)	(54.5%)
<b>A Cash and cash equivalents</b>	<b>15,564</b>	<b>34,185</b>	<b>(18,621)</b>	<b>(54.5%)</b>
<b>B Current financial receivables</b>	<b>224</b>	<b>104</b>	<b>120</b>	<b>n.a.</b>
Current bank payables	(4,137)	(4,525)	388	(8.6%)
Current share of medium/long-term indebtedness	(15,491)	(10,895)	(4,596)	42.2%
Payables for current rights of use	(3,162)	(3,004)	(158)	5.3%
Other current financial payables	(29)	(152)	123	(80.9%)
<b>C Current financial indebtedness</b>	<b>(22,819)</b>	<b>(18,576)</b>	<b>(4,243)</b>	<b>22.8%</b>
<b>D Current net financial position (A+B+C)</b>	<b>(7,031)</b>	<b>15,713</b>	<b>(22,744)</b>	<b>n.a.</b>
Non-current bank payables	(23,128)	(20,926)	(2,202)	10.5%
Payables for non-current rights of use	(6,897)	(6,214)	(683)	11.0%
Other non-current financial payables	0	0	0	n.a.
<b>E Non-current net financial position</b>	<b>(30,025)</b>	<b>(27,140)</b>	<b>(2,885)</b>	<b>10.6%</b>
<b>F Net financial position (D+E)</b>	<b>(37,056)</b>	<b>(11,427)</b>	<b>(25,629)</b>	<b>n.a.</b>

With regard to items in the table, in addition to cash and cash equivalents of Euro 15.6 million (Euro 34.2 million at 31 December 2019):

- current financial receivables of Euro 0.2 million (Euro 0.1 million at 31 December 2019) originating from prepaid expenses on factoring interest;
- current payables to banks at 30 September 2020 of Euro 22.8 million (Euro 18.6 million at 31 December 2019) relating to:

- "current bank payables" of Euro 4.1 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 15.5 million (Euro 10.9 million at 31 December 2019) ;
- payables for current rights of use of Euro 3.2 million regarding lease liabilities, (Euro 3.0 million at 31 December 2019);
- other current financial payables of Euro 0.3 million (Euro 0.2 million at 31 December 2019), mainly referring to the balance of credit cards.
- non-current financial payables of Euro 30.0 million (Euro 27.1 million at 31 December 2019) of which:
  - Euro 23.1 million (Euro 21.0 million at 31 December 2019) referred to payables to banks for unsecured medium/long-term loans due beyond 12 months;
  - Euro 6.9 million (Euro 6.2 million at 31 December 2019) referring to payables for non-current rights of use regarding lease liabilities.

## 6.5 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](http://www.be-tse.it)). Note that the Be's Board of Directors has approved a new version of the procedure for transactions with the Company's related parties. The Procedure was changed in order to reflect some changes made by Consob to the Regulation for Related Party Transactions (approved on 22 March 2018) in order to align domestic legislation with that envisaged by the "Market Abuse Regulation".

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

The Be Group's related parties with which economic and equity transactions were recognized at 30 September 2020 are: TIP Tamburi Investment Partners S.p.A.. 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.

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 September 2020

	<u>Receivables</u>			<u>Payables</u>		
	Trade and other receivables	Other receivables	Financial receivables	Trade and other payables	Other payables	Financial payables
<b>Related Parties</b>						
T.I.P. S.p.A				18		
<b>Total Related Parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>0</b>

### Revenue and costs with related parties at 30 September 2020

	<u>Revenue</u>			<u>Costs</u>		
	Revenue	Other Revenue	Financial income	Services	Other costs	Financial expense
<b>Related Parties</b>						
T.I.P. S.p.A				45		
C. Achermann				30		
IR Top Consulting				5		
<b>Total Related Parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>	<b>0</b>	<b>0</b>

## 7. Other disclosures

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

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

#### - Risks associated with “Operating Performance”

In order to further improve operating performance, the Company believes it is important to achieve the strategic objectives of the 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 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 September 2020. 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 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 is a risk of appeals against such actions and the proceedings have given rise to prudential allocation of provisions in the company financial statements. Uncertainty remains in any event regarding the decisions of the authorities involved

- **Risks associated with “Competition”**

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

- **Risks associated with “Technological Change”**

The Group operates in a market characterised by profound and continuous technological changes that call for the Group capacity to adapt quickly and successfully to such developments and to the changing technology needs of its customers. Any inability of the 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 Group’s success depends largely on certain key personnel that have been a determining factor in its development, in particular the executive directors of the Parent Company. The Group companies also have an executive team with many years of experience in the field, playing a crucial role in managing the 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 Group’s prospects, business activities, operating performance and financial position. Management considers in any event that the Company has an operational and executive structure capable of ensuring management of corporate affairs as a going concern.

- **Risks associated with internationalisation**

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

## - Covid-19

With regard to the main factors of uncertainty existing on the date of submission of this Interim Management Report, we draw attention to those relating to the events that have gradually emerged over the course of the last nine 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 at 30 September 2020.

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.

When preparing the Interim Management Report at 30 September 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. 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.

## 7.2 Investment in development

The Be Group's development activities have always aimed to consolidate customer relations, develop new forms of business for them and acquire new customers. The main development activities conducted entail developing the Be Group-owned technological platforms; in particular, during 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 Digttech 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 Shaping the future GmbH (Austria and Germany) 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.

## 7.3 Significant events in the third quarter of 2020

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.

## 8. Events after 30 September 2020 and business outlook

In October Be gave notice of its intention to initiate a buyback programme of treasury shares up to a maximum of 3,000,000 Euros, to be completed by 31 January 2021. This was in execution of the relevant buyback resolution of the Shareholders' Meeting of 22 April 2020, pursuant to art. 144-bis of Consob Regulation no. 11971/1999 - with any subsequent purchases to be considered once the current programme will have been completed.

In October Be Group has formalised a commercial partnership agreement with U-ANT – an innovative start up by Professor Andrea Crisanti, an internationally known virologist – and Prof. Vittorio Carlei, professor of Advanced Analytics at LUISS Guido Carli, to support the continuity of work. The company specialises in Artificial Intelligence and Machine Learning algorithms applied to microbiology and epidemiological issues. U-ANT is the result of a research project entitled “Covid-19 company risk surveillance” funded by Leonardo Del Vecchio Foundation in collaboration with the Department of Microbiology and Virology of the University of Padova.

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.

Therefore, taking into account the actions already implemented as well as those planned for the coming months the Group believes that it has adequate management levers available to counter the effects of the health emergency throughout 2020.

In light of the period results and in spite of the macroeconomic uncertainties due to the impact of the Covid-19 pandemic, at the present time it is reasonable to confirm the Company's yearly and overall targets under the 2020-2022 Business Plan.

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

**Milan, 5 November 2020.**

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

## **9. Financial statements**

- A. Consolidated Statement of Financial Position
- B. Restated Consolidated Income Statement
- C. Condensed Consolidated Statement of Cash Flows
- D. Statement of Changes in Consolidated Shareholders' Equity



## A. Consolidated Statement of Financial Position

<i>Amounts in EUR thousands</i>	<b>30.09.2020</b>	<b>31.12.2019</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,301	2,161
Rights of use	9,103	8,679
Goodwill	70,298	65,060
Intangible assets	20,206	19,632
Equity investments in other companies	1,329	829
Loans and other non-current assets	1,390	2,152
Deferred tax assets	3,270	3,303
<b>Total non-current assets</b>	<b>107,897</b>	<b>101,816</b>
<b>CURRENT ASSETS</b>		
Rimanenze	3	3
Assets deriving from contracts with customers	31,802	11,513
Trade receivables	18,736	17,901
Other assets and receivables	3,538	2,828
Direct tax receivables	1,521	890
Financial receivables and other current financial assets	224	104
Cash and cash equivalents	15,564	34,185
<b>Total current assets</b>	<b>71,388</b>	<b>67,424</b>
<b>Total discontinued operations</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>179,285</b>	<b>169,240</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	27,109	27,109
Reserves	23,601	21,144
Net profit (loss) attributable to owners of the Parent Company	9,736	6,087
<b>Group Shareholders' Equity</b>	<b>60,446</b>	<b>54,340</b>
<b>Minority interests:</b>		
Capital and reserves	1,737	1,262
Net profit (loss) attributable to minority interests	1,066	470
<b>Minority interests</b>	<b>2,803</b>	<b>1,732</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>63,249</b>	<b>56,072</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial payables and other non-current financial liabilities	23,128	20,926
Non-current financial liabilities from rights of use	6,897	6,214
Provision for non-current risks	1,382	1,649
Post-employment benefits (TFR)	6,963	6,953
Deferred tax liabilities	7,348	7,348
Other non-current liabilities	7,359	6,717
<b>Total non-current liabilities</b>	<b>53,077</b>	<b>49,807</b>
<b>CURRENT LIABILITIES</b>		
Financial payables and other current financial liabilities	19,657	15,572
Current financial liabilities from rights of use	3,162	3,004
Trade payables	18,173	12,366
Provision for current risks	443	7,075
Tax payables	212	1,585
Other liabilities and payables	21,312	23,759
<b>Total current liabilities</b>	<b>62,959</b>	<b>63,361</b>
<b>Total discontinued operations</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>116,036</b>	<b>113,168</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>179,285</b>	<b>169,240</b>

## B. Consolidated Income Statement

<i>Amounts in EUR thousands</i>	9M 2020	9M 2019	Δ	Δ (%)
Operating revenue	124,104	108,260	15,844	14.6%
Other revenue and income	1,577	1,114	463	41.6%
<b>Total Revenue</b>	<b>125,681</b>	<b>109,374</b>	<b>16,307</b>	<b>14.9%</b>
Cost of raw materials and consumables	(70)	(204)	134	(65.7%)
Service costs	(50,613)	(41,217)	(9,396)	22.8%
Personnel costs	(58,120)	(53,631)	(4,489)	8.4%
Other operating costs	(1,196)	(935)	(261)	27.9%
Cost of internal work capitalised	4,529	3,382	1,147	33.9%
<b>Gross Operating Margin (EBITDA)</b>	<b>20,211</b>	<b>16,769</b>	<b>3,442</b>	<b>20.5%</b>
Amortisation and depreciation	(7,186)	(6,244)	(942)	15.1%
Write-downs and provisions	(1,274)	(620)	(654)	105.5%
<b>Operating Profit (Loss) (EBIT)</b>	<b>11,751</b>	<b>9,905</b>	<b>1,846</b>	<b>18.6%</b>
Net financial income and expense	(949)	(912)	(37)	4.1%
<b>Profit (loss) before tax from continuing operations</b>	<b>10,802</b>	<b>8,993</b>	<b>1,809</b>	<b>20.1%</b>
Profit (loss) before tax from discontinued operations	0	0	0	n.a.
<b>Consolidated profit (loss) before tax</b>	<b>10,802</b>	<b>8,993</b>	<b>1,809</b>	<b>20.1%</b>
Profit (loss) before tax attributable to minority interests	1,066	728	338	46.4%
<b>Group profit (loss) before tax for the period</b>	<b>9,736</b>	<b>8,265</b>	<b>1,471</b>	<b>17.8%</b>

## C. Condensed Consolidated Statement of Cash Flows

<i>Amounts in EUR thousands</i>	30.09.2020	30.09.2019
Operating activities:		
Profit (loss) for the period	10,802	8,993
Adjustments of items that do not affect liquidity	5,204	5,218
<i>a) Cash flow from operating activities</i>	<i>16,006</i>	<i>14,211</i>
<i>b) Change in net working capital</i>	<i>(31,446)</i>	<i>(28,726)</i>
<b>Operating cash flow (a+b)</b>	<b>(15,441)</b>	<b>(14,515)</b>
<i>c) Cash flow generated (absorbed) by investing activities</i>	<i>(3,331)</i>	<i>(4,566)</i>
<i>d) Cash flow generated (absorbed) by financing activities</i>	<i>151</i>	<i>(5,943)</i>
<i>e) Cash flow generated (absorbed) by discontinued operations</i>	<i>0</i>	<i>0</i>
<b>Total cash flow (a+b+c+d+e)</b>	<b>(18,621)</b>	<b>(25,023)</b>
Net cash and cash equivalents - opening balance	34,185	36,010
Net cash and cash equivalents - closing balance	15,564	10,928
<b>Change in net cash and cash equivalents</b>	<b>(18,621)</b>	<b>(25,023)</b>

## D. Statement of Changes in Consolidated Shareholders' Equity

<i>Amounts in EUR thousands</i>	Share Capital	Reserves and retained earnings	Profit (loss) for the period/year	Group Shareholders' equity	Minority interests	Total
<b>SHAREHOLDERS' EQUITY AT 31.12.2018</b>	<b>27,109</b>	<b>20,463</b>	<b>5,481</b>	<b>53,053</b>	<b>1,723</b>	<b>54,776</b>
Net profit (loss)			6,087	6,087	470	6,557
Other items of comprehensive income		(86)		(86)		(86)
<b>Net comprehensive profit (loss)</b>		<b>(86)</b>	<b>6,087</b>	<b>6,001</b>	<b>470</b>	<b>6,471</b>
Allocation of prior year profit (loss)e		5,481	(5,481)			0
Purchase of own shares		(2,290)		(2,290)		(2,290)
Capital contributions					10	10
Dividend distribution		(2,896)		(2,896)		(2,896)
(Purchases)/Disposals of Minority Interests		472		472	(472)	0
<b>SHAREHOLDERS' EQUITY AT 31.12.2019</b>	<b>27,109</b>	<b>21,144</b>	<b>6,087</b>	<b>54,340</b>	<b>1,732</b>	<b>56,072</b>
Net profit (loss)			9,736	9,736	1,066	10,802
Other items of comprehensive income		(629)		(629)		(629)
<b>Net comprehensive profit (loss)</b>		<b>(629)</b>	<b>9,736</b>	<b>9,107</b>	<b>1,066</b>	<b>10,173</b>
Allocation of prior year profit (loss)		6,087	(6,087)			0
Purchase of own shares		(9)		(9)		(9)
Dividend distribution i		(2,992)		(2,992)		(2,992)
(Purchases)/Disposals of Minority Interests					5	5
<b>SHAREHOLDERS' EQUITY AT 30.09.2020</b>	<b>27,109</b>	<b>23,601</b>	<b>9,736</b>	<b>60,446</b>	<b>2,803</b>	<b>63,249</b>