Interim Management Report of the Itway Group as of March as of March 31, 2017

Company Officers

Board of Directors

Until the approval of the December 31, 2016 Financial Statements)

Name and last name	***Position***
Giovanni Andrea Farina	Chairman and Chief Executive Officer
Cesare Valenti	Managing Director
Gabriele Brusa	Independent Director
Valentino Bravi	Independent Director

Board of Statutory Auditors
(Until the approval of the December 31, 2016 Financial Statements)

Name and Last name	***Position***
Alessandro Antonelli	President
Daniele Chiari	Member
Silvia Caporali	Member

Manager mandated to draft corporate accounting documents

The board of directors named Sonia Passatempi (Administrative Manager of the Group) as the manager in charge of drafting corporate accounting documents for the Itway Group.

Auditing Firm

PricewaterhouseCoopers S.p.A.
The mandate to the auditing company was given by the ordinary shareholders meeting of January 11, 2010 for the nine year period ending with the approval of December 31, 2017 Financial Statements and, pursuant to current regulations, it cannot be renewed.

Interim management report as of March 31,2017

Itway, for the sake of continuity with the past also following the indication included in Borsa Italiana Notice No. 7587 addressed to STAR Issuers (“Clarifications on interim management statements for STAR Issuers”) decided to draft and publish the interim management report to March 31, 2017 despite recent changes to the Issuers’ Regulations in relation to interim management statements that abolished the obligation to publish these reports.

The publication of the current interim management report, not subject to audit, was authorized by the Board of Directors on May 29, 2017.

In the current interim management Report the analysis of the economic performance was carried out with reference to the situation as of March 31, 20167 in the quarter between January and March 2017 compared with the equivalent periods of 2016. The net financial position and the balance sheet information refer to March 31, 2017 compared with the consolidated Financial Statements as of December 31, 2016.

The accounting statements to March 31, 2017 were drafted before taxes and of the fiscal effects on the results of the period.

The accounting principles, the evaluation criteria, the forecasts made, and the consolidation principles that are referred to in preparing the attached interim management report to March 31, 2017 are, as in the previous fiscal period, the international accounting principles defined by IFRS. In particular, these principles require forward looking statements. In the context of economic uncertainty illustrated below, please note that these forecasts have a component of risk and uncertainty. Therefore, it cannot be ruled out that in the near future the results achieved could be different from those forecast, therefore requiring revisions that today cannot be either estimated or forecast.

In light of the transaction for the sale of the VAD distribution business units in Italy, Spain and Portugal, already broadly described in the consolidated Financial Statements as of December 31, 2016 and in line with what was presented in those financial statements, in the tables for 2016 included in the current Interim management report the economic data related to that transaction are reported separately, highlighted in a column headed “Italy, Iberica VAD Transaction”.

Performance of the Group and of the reference market

As already commented in recent Financial Statements, it should be underlined that the European Union is undergoing the worst period since it undertook a common path. Financial markets are taking advantage of the much feared Brexit, even though it still has not had any concrete impact (since according to the negotiations it will take place in 2019) to position themselves on the downside. This has damaged in particular the banking sector, which is already suffering for other problems, with inevitable repercussions also on the real economy of companies and households. The increased instability in the European Union due to Brexit, the surge in asylum-seekers, terrorism from DAESH that has reached on a steady basis Europe and the wars in close by Libya and Syria compromise the already weak economic growth, in particular in the economies of the countries where the group operates. In addition to this, there was the referendum to change the constitution that took place in Italy on December 4, 2016 that became, as expected, a Referendum on the Government headed by Matteo Renzi. As is known, the NO front won and Prime Minister Renzi resigned, replaced by Prime Minister Gentiloni, opening a period of political instability that will not improve economic indicators. The spread on Italian bonds has for some time widened, speculating on this not new situation that is Italy is experiencing.

The Italian economy in 2016 grew by 0.9% against an overall growth in the Countries of the EU of 1.6% (Source OECD).
In this troubled context, also in light of the previously described extraordinary transaction that was carried out, the Group has been progressively achieving impressive results in its market segment.

General context and performance of the ICT Market: The trend seen in the recent financial statements has been confirmed. The digital market in Italy ended 2016 up 1.8% (from -4.4% in 2014 to the recent +1.0% in 2015). It should be underlined that the segments where the Group operates, ICT and Software Services and solutions, in 2016 grew 2.5% and 4.8% respectively. These segments include the so-called “Digital Enablers” markets: Cybersecurity (+11.1%), Cloud Computing (+23.0%), IoT (+14.3%), Big Data (+24.2%) where the group over the past five years has made important investments and where it is well-positioned.

Market positioning: During the fiscal year, investments continued in Cybersecurity, Cloud Computing, IoT and Big Data, all of which are connected and correlated. Furthermore, the repositioning on new product lines continued, with the aim of replacing lower-margin lines with higher value added ones that also allow a smaller use of working capital.

Group’s industrial policy: In the general context indicated above, the industrial policy of the Group continued to focus on higher value added business lines like the VAR SBU and the VAS SBU.

The alliance with Libanica S.A. led the Group in October 2014 to take part in the constitution of Itway MENA with a 17.1% stake. The company is based in Dubai-Sharjah, in the United Arab Emirates. Exploiting its geopolitical and technical expertise of Libanica and the technical and specialized expertise of Itway, the newly constituted group will expand in markets in the Middle

East and North Africa (MENA). Itway MENA started to develop the market in the Lebanon, the UAE, Iran and Nigeria with the first results expected to be seen from the first semester to the current fiscal year.

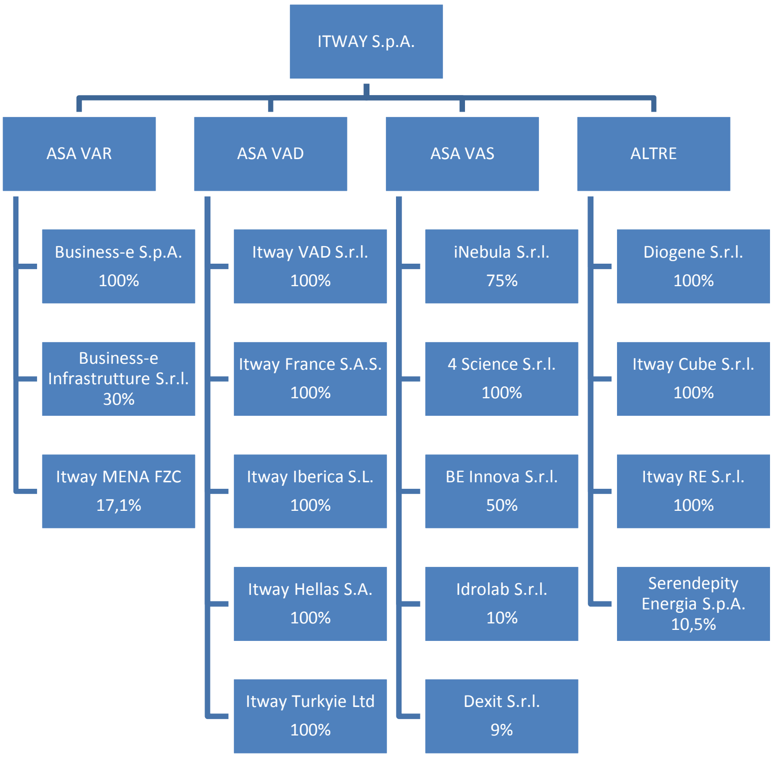
Following is the consolidated condensed Income Statements at March 31, 2017 compared with those of the same periods a year earlier. The previously commented transaction for the sale of business units are indicated in the "Italy, Iberica VAD transaction" column:

(Thousands of Euro)	**Quarter ended March 31, 2017**	**Quarter ended March 31, 2016**		
	Itway Group	**Itway Group**	**Italy, Iberica VAD transaction**	**Total Total consolidated**
Turnover				
Sales revenue	11,684	11,188	10,644	21,832
Other operating income	440	217	53	270
Total Turnover	**12,124**	**11,405**	**10,697**	**22,102**
Operating costs				
Cost of products	8,373	7,986	9,366	17,352
Personnel costs	2,331	2,110	511	2,621
Other costs and operating charges	1,605	1,424	344	1,768
Total operating costs	**12,309**	**11,520**	**10,221**	**21,741**
Ebitda*	**(185)**	**(115)**	**476**	**361**
Amortizations	167	56	50	106
Ebit*	**(352)**	**(171)**	**426**	**255**
Net financial charges	(186)	(216)	(242)	(458)
Other proceeds and financial charges	93	(13)	-	(13)
Pre-tax result	**(445)**	**(400)**	**184**	**(216)**

In the quarter ended March 31, 2017 revenues of the Group increased in volume terms by approximately 6.3% compared with the same period of the previous fiscal period while EBITDA came in at a negative Euro 185 thousand compared with Euro -115 thousand in the same period of 2016. EBIT and the pre-tax result amounted to Euro -352 thousand and Euro -445 thousand respectively compared with the same period of 2016 when EBIT stood at Euro -171 thousand and the pre-tax result at Euro -400 thousand.

Activities and Structure of the Group

The Interim Management Report includes the accounting situation of the companies of the Itway Group, which as of March 31, 2017 had the following structure:



Following is the list of fully consolidated companies on which Itway S.p.A. exercises, directly or indirectly, control through the majority of voting rights:

NAME	HEADQUARTERS	SHARE CAPITAL	% direct ownership	% indirect ownership	% overall ownership
Itwayvad S.r.l.	Via L. Braille,15- Ravenna	10,000	100%	-	100%
Itway Iberica S.L.	Argenters 2, Cerdanyola del Vallès - Barcelona	560,040	100%	-	100%
Itway France S.A.S.	4, Avenue Cely – Asniere sur Seine, Cedex	100,000	100%	-	100%
Itway Hellas S.A.	Agiou Ioannou Str , 10 Halandri - Athens	846,368	100%	-	100%
Itway Turkiye Ltd.	Eski Uscudar Yolu NO. 8/18 – Istanbul	1,500,000 *	100%	-	100%
Itway Cube S.r.l.	Via L. Braille,15 - Ravenna	10,000	100%	-	100%
Diogene S.r.l.	Via V. Mazzola, 66 – Rome	78,000	100%	-	100%
Business-e S.p.A.	Via A. Papa, 30 - Milan	1,001,084	100%	-	100%
iNebula S.r.l.	Via A. Papa, 30 – Milan	10,000	75%	-	75%
Itway RE S.r.l.	Via L. Braille 15, Ravenna	10,000	100%	-	100%
4Science S.r.l.	Via A. Papa, 30 – Milan	10,000	100%	-	100%

**the value is expressed in the New Turkish Lira (YTL)*

The subsidiaries, assessed with the equity method, which coincides with the cost, as indicated below, are:

NAME	HEADQUARTERS	SHARE CAPITAL	% direct ownership	% indirect ownership	% overall ownership
BE Innova S.r.l.	Via Cesare Battisti 26 - Trento (TN)	20,000	-	50%	50%
Be Infrastrutture S.r.l.	Via Trieste, 76 – Ravenna	100,000	-	30%	30%

List of minority investments, carried out at cost:

NAME	HEADQUARTERS	SHARE CAPITAL	% direct ownership	% indirect ownership	% overall ownership
Serendipity Energia S.p.A.	Piazza Bernini 2 – Ravenna	1,117,758	-	10/5%	10.5%
Dexit S.r.l.	Via G. Gilli 2 - Trento	700,000	9%	-	9%
Idrolab S.r.l.	Via dell'Arrigoni, 220 - Cesena FC	52,500		10%	10%
Itway MENA FZC	PO Box 53314, HFZ, Sharjah, United Arab Emirates	35,000*	-	17.1%	17.1%

**the value is expressed in the Dirham of the United Arab Emirates (AED)*

The Itway Group operates in three main types of activities: value added distribution of "best of breed" software technology (the best among what is available, at all moments, on the market) that will continue to be operational in Greece and Turkey following the previously described sale transaction of the activities in Italy, Spain and Portugal; it also offers services and consultancy aimed at training and supporting companies in the fields of Cybersecurity, IT security, Internetworking, Wireless and in the innovative and emerging Cloud Computing, Internet of Things and Big Data. The main Strategic Business Units (SBU) are in charge of these sectors: the VAD SBU (*Value Added Distribution*), the VAR SBU (*Value Added Reseller*) and the VAS SBU (*Value Added Services*). The VAD SBU also offers services for training, technical assistance and certification developed by Itway Academy, which is aimed at Value Added Resellers and System Integrators. The strong points of Itway are in its capability of offering, in a complementary manner, a broad array of software products and the consultancy support necessary to guarantee their use and integration. Furthermore, the Group has an excellent capability on focusing on and interacting with the client (accounting) and on offering excellent training that is tailor-made for the specific needs of each client. The VAR SBU manages all Value Added Reseller, System Integration and Engineering activities. The VAS SBU is in a start—up phase and handles the Value Added Services activities.

Performance by segment of business: *Value Added Distribution*

Through the Value Added Distribution sector, the Group operates in the distribution of specialized software and hardware products, certification products on the software technologies distributed, and pre- and post-sales technical assistance services.

The clients are "System Integrators" and "Value Added Resellers" who sell products to the end-user.

Following are the main economic indicators of the VAD SBU, compared with the values the previous fiscal year: the column headed Italy, Iberica VAD Transaction reflects the previously described sale transaction:

(Thousands of Euro)	**Quarter ended March 31, 2017**	**Quarter ended March 31, 2016**		
	Itway Group (Greece and Turkey)	**Itway Group (Greece and Turkey)**	**Italy, Iberica VAD Transaction**	**Total Consolidated**
Total revenue	5.539	5.106	10.697	15.803
Ebitda	397	283	476	759
Ebit	380	261	426	687
Pre-tax result	447	209	184	393

In addition to the Italian and Iberian market, the business units which were sold in 2016, the Group operates with value added distribution activities in Greece and Turkey.

The Turkish subsidiary once again confirmed the development prospects of the Country and posted a positive quarter with revenue growth of 14% compared with the same quarter of the previous year despite the performance of the Turkish lira that in the first three months of 2017 lost some 20% of its value compared with the same year earlier period.

The Greek subsidiary was efficient and its performance in the quarter was broadly in line with the positive results, and with strong growth, of the same quarter of the previous fiscal period.

Performance by segment of business: Value Added Reseller SBU

Through the Value Added Reseller SBU, the Group operates in the following market segments:

- Professional services and production of solutions and software technologies for e-business
- Distribution and integration of products and services for the logical security of information systems
- Professional services as system integrators and centralization of applications.

Following is the brief income statement of the VAR SBU, compared with the values of the previous fiscal year:

(Thousands of Euro)	Quarter ended	
	31/03/2017	31/03/2016
Total revenue	6,081	6,024
Ebitda	287	240
Ebit	270	225
Pre-tax result	181	104

The first quarter of 2017 saw a slight growth compared with the same quarter of the previous fiscal period both in terms of volumes and profitability. The positioning towards its security products and the availability of these products for sale is starting to bring to the first positive results. The new Cyber Security Services product, called Cerbero, is now in production, after a testing phase. It is a suite of software products owned by Business-e that allows to supply its clients with Managed Security Services (MSS). The company received the first multi-year orders (3 years) from important Italian clients, two of which are companies listed on the Milan Stock Exchange. The offer pipeline is growing and 2017 is expected to be a year of growth and consolidation.

Sector performance: ***Holding and other sectors in a start-up phase***

With the sale of the distribution activities in Italy to Esprinet S.p.A., Itway S.p.A. took on the role of Parent Company and holding listed on Borsa Italiana S.p.A. that supplies a variety of services to its operational subsidiaries and includes new sectors described below that are investing in the realization of products and that are in a operational and commercial start-up phase.

These sectors, related but that do not coincide with the historical ones (VAD and VAR) still, do not yet make a relevant contribution to the consolidated results and therefore are not reported separately in the reporting by sector, but they are important in terms of strategy to strengthen and diversify the business segments

The new innovative sectors, in a start-up phase, are:

- **Cloud information services**: Managed Services for SMEs in network and cloud environment in the areas of Security, Storage Management, Business Continuity, Internet of Things platform. During the period further services were developed that relate to more administrative aspects and that were thought for professional and accounting firms. This expansion was made possible thanks to the introduction in iNebula S.r.l. of the specific know how of some professional and technical experts that came from the cloud services for professionals sector and that had gained important experience specialized companies. This also allowed to expand, in addition to the previously described sectors, to the area of Process Governance with proprietary and high value added services and know-how.

- **Assisted services in N+SOC and MSSP** solutions to check networks;
- **Information Technology for Science:** ICT for Cultural Heritage and Data Curation services, in the start-up phase. The reference market is worth Euro 4 billion in Europe and there are slightly more than 10 players specialized in this sector at a global level.

Following is the brief income statement compared with the values of the previous fiscal year, containing the data of ASA Holding and other start-up sectors:

(Thousands of Euro)	**Quarter ended**	
	31/03/2017	**31/03/2016**
Total revenue	504	275
Ebitda	(869)	(638)
Ebit	(1,002)	(657)
Pre-tax result	(1,073)	(713)

Following is a brief description of the activities carried out by the start-ups 4Science and Inebula.

4Science S.r.l. has been fully operational since September 2016 with highly specialized personnel to carry out its objectives: become the reference company in the emerging Big Data Curation and Digitalization of Cultural Assets (Digital Library) market. Its industrial plan foresees four products in part already realized and in part in the process of being realized:

- 4SDL (distro 4Science based on Codex): Management of digital objects: acquisition, normalization, metadatation, classification, conservation, visualization, dissemination, sales:
- Image Viewer (distro 4Science based on IIPImage): Visualization images: segmentation, zooming, resizing, rotation;
- DSpace-CRIS (distro 4Science, based on DSpace): Digital object management: acquisition, normalization, metadatation, classification, conservation, dissemination:
- CKAN (integration 4Science): Interpretation and visualization of tabular data of research: Grid, graph, map.
-

The results of the first quarter are lower than the forecast budget.

The iNebula subsidiary during 2016 added to its portfolio some product lines that in the Industrial Plan will have significant effects. These are:

- iNebula Connect: an all Made in Italy platform to manage in the Cloud Internet of Things devices: a sensor connects to the Internet with a series of advantages in many industrial and/or product groups. Some 10 Proof of Concept are in construction with clients that go from companies that manage heating/cooling to anti-pollution control units.
- iNebula RECO: A SaaS platform for the management of active and passive cycle accounting documents for accounting firms and private companies with an automatic registration of the prime entry. The accounting market is the main target and during 2016 there were the first deliveries. The first deliveries were carried out during 2016 and significant growth of this product line is expected;
- Growth of Vidio and Safe continues.

Thanks to the investment in the Lepida Data Center in Ravenna, iNebula will be able to present itself to the market offering its clients also Iaas and Paas services; the first clients important at a national level are moving in. Exploiting all the know-how of the Itway group in terms of security, iNebula will also be able to offer its clients a high value added offer aimed at both the enterprise and mid-market segment where demand for these services is posting greater growth rates.

The results of the first quarter are slightly below the forecast budget.

Furthermore, the amortization began for the previously described products that were in part realized and in part in the process of being realized for the start-up activities the impact of which is reflected in the Ebit line of the this SBU.

Net financial position

Following are the details of the net Financial Position:

Thousands of Euro	31/03/2017	31/12/2016
Cash on hand	1,543	1,523
Financial receivables	2,234	2,483
Current financial liabilities	(16,868)	(22,164)
Current net financial position	**(13,091)**	**(18,158)**
Non-current financial assets	500	500
Non-current financial liabilities	(3,124)	(3,642)
Non-current net financial position	**(2,624)**	**(3,142)**
Total net financial position	**(15,715)**	**(21,300)**

Thanks to the payment in the first quarter of 2017 of a significant part of the account receivables in force as of December 31, 2016 for the Parent Company, as of March 31, 2017 the consolidated net financial indebtedness towards financial institutions totalling Euro 16.9 million has significantly diminished compared with the consolidated net financial indebtedness as of

December 31, 2016 bringing the total net financial position as of March 31, 2017 to Euro 15.7 million compared with Euro 21.3 million as of December 31, 2016.

Subsequent events

There were no significant events after the close of the 2016 fiscal period and to date.

As reported in the previous paragraph “going concern assessment”, please note that the Directors starting from the month of December 2016, with the support of legal and financial advisers, launched a series of processes to remodulate/renegotiate the financial obligations and those towards suppliers taken on by the Parent Company and by the Spanish subsidiary, which already expired as of December 31, 2016 or that are expiring, in order to reach a financial structure that is more aligned with the Group’s current possibilities, in line with the financial needs cited in the Industrial and liquidity plan. Some negotiations to remodulate/renegotiate the financial obligations have already been successfully finalized at the date of writing of the current financial statements while others are currently underway.

On April 29, 2017 the Board of Directors of Itway S.p.A., meeting to examine the financial statements and the consolidated financial statements as of December 31, 2016, detected at the date of the financial statements and to date, a situation of financial stress mainly related to the change in the perimeter of activities of the Company and of the Group due to the sale on November 30, 2016 of the 20-year-old distribution activities. Since the management of the Company, in line with the 2017-2021 industrial plan approved on December 14, 2016, has already implemented a series of measures the outcome of which, expected in the coming weeks, will presumably bring to a further improvement of the short term financial position, also thanks to the reduction of the financial exposure already achieved in the first three months of 2017, the Board of Directors on that occasion decided to delay the approval of the financial statements of the fiscal year and the consolidated financial statements to a date subsequent to the April 30, 2017 deadline, pursuant to article 154-ter, paragraph 1 of Legislative Decree No. 58 of February 24,1998; the aim was to integrate the disclosure of the financial statements in order to give a better view to the market and to third parties of the situation in force and the corrective measures being implemented by Management, confiding that it would be able to finalize in the short term one or more corrective measures currently being negotiated with third parties with subsequent positive results on the financial situation underway. The approval of these financial statements took place today and it is deemed useful, for a better understanding of the situation of the Group, to attach to the current interim management report the consolidated statement of financial position and the consolidated cash flow statement as of March 31, 2017.

On June 8, 2017, Itway S.p.A., pursuant to preliminary verbal agreements made prior to May 29, 2017, signed a non-binding term-sheet of the main terms and conditions of an industrial merger project with Maticmind S.p.A. (a company that controls a group that also operates in the ICT sector that in 2016 and in previous fiscal periods posted significant levels of revenues and

profitability), aimed at creating a new reference player in Italy in the highly-qualified system integration sector.
The merger project, the structure of which is currently in the process of being defined, is subordinated among other things to the positive reciprocal due diligence to be carried out indicatively in forty-five days subsequent to the signing of the term sheet, the approval by the relevant corporate bodies of the companies involved and the obtaining of the necessary authorizations from the relevant authorities. The transaction could be completed, indicatively, by the end of 2017.

Thanks to the strong capital and financial structure of Maticmind S.p.A., the Directors expect that, should the merger be carried out by the end of the 2017 fiscal period, it would resolve the situation of financial stress that the Company is currently undergoing, independently from the finalization of the measures described in points 1) and 2).

According to Directors, due to the combination of the all the circumstances highlighted above, there continues to be a great deal of uncertainty that could create significant doubts on the ability of the Company to operate on a going concern basis. Notwithstanding this, after having made the necessary checks on future cash flows, the Directors continued to adopt the going concern basis to draft the financial statements of the fiscal period and the consolidated financial statements as of December 31, 2016, highlighting, however, the presence of significant uncertainty related to the actual finalization and its timing (expected by the end of the 2017 fiscal period) of the above mentioned merger transaction with Matacimind S.p.A.

Foreseeable evolution of operations

The sale to the Esprinet Group of the IT value added distribution business lines in Italy, Spain and Portugal unveils with greater clarity the positioning of the Group that, since 1998, has been on an investment path in those market sectors that bring it closer to the “last mile” of value, the end user . The group is structured according to Strategic Business Units (SBU) and in the past five years important investments have been made in Business-e S.p.A. (VAR SBU) and iNebula S.r.l. (VAS SBU). Furthermore, since March 2016 the new subsidiary 4Science S.r.l. has been operational with important investments in products and the carrying out of services and consultancy.

The VAD businesses in Turkey and Greece continue with the positioning as leaders in the security market in their respective countries.

In addition the development carried out and underway in the Middle East Africa (MEA) region regards the VAR and VAS SBUs since the type of products and skills can be exported.

On December 14, 2016 the Board of Directors approved the Industrial Plan of the Itway Group for the five years from 2017-2021.

Following is the foreseeable evolution for 21017 of operation by SBU:

VAR SBU

Business-e S.p.A. announced the launch of Cerbero Cyber Security Services for which forecasts of significant growth are confirmed such as to bring Euro 5 million of revenue over the three years from 2017-2019 with a high contribution margin. Business-e continues to focus, as it has for the past 20 years, in Cyber Security, IT Security, Infrastructures and Data Centres that are seen posting a CAGR of +8.2% in 2015-2020 (Gartner). It should also be underlined that the offer by Business-e is across the board to other companies of the Group (iNebula and 4Science) creating strong synergies with these associated companies. The offer pipeline is constantly increasing as seen in the orders received by Business-e that are growing.

The Big Data market is seen growing on average 22% - 2015/2016 (Assinform – 10/2016) and 48% of companies foresee in the future investments in this sector.

VAS SBU

The iNebula subsidiary, as previously described during 2016 added to its portfolio two product lines called iNebula Connect and iNebula RECO that in according to the Industrial Plan will have significant effects, while the Vidio and Safe product lines are expected to continue.

VAD SBU

The positioning of the VAD business units in Greece and Turkey continues (with expected growth) with the addition of new products and services. Furthermore it should be underlined that in light of the positive experience with the Esprinet Group, the company plans to accelerate in 2017 possible industrial and financial alliances that would allow to strengthen the distribution activities in these Countries.

In relation to the measures deliberated by the Directors at the April 29, 2017 meeting aimed at rebalancing, in the short term, the financial situation of the Group, thereby overcoming the phase of financial stress that the Parent Company has been undergoing since December 2016, please see what has been reported in the Notes of the financial statements and of the separate financial statements in the paragraph “principle of going concern”.

Relationship with related parties

During the period, the Group had commercial and financial relationships with related parties. These relationships were part of normal management activity, regulated at market conditions that are established by contract by the parties in line with the standard procedures. Following is a summary:

In thousands of €uro	Receivables	Payables	Costs	Revenues
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	397	-	50	1
Itway S.p.A. vs Be Innova S.r.l.	182	-	-	31
Business-e S.p.A. vs Be Innova S.r.l.	3,853	10	-	8
TOTAL	**4,432**	**10**	**50**	**40**

Itway directs and coordinates its subsidiaries in Italy. This activity consists in indicating the general strategic and operational direction of the Group, defining and adjusting the Organizational Model and elaborating the general policies to manage human and financial resources.

No company directs or controls Itway S.p.A.

Research and Development activities

During the period the research and development activities continued, in particular in the VAS segment.

Own shares

The parent company at March 31, 2017 owned No. 969,016 own shares (equal to 12.26% of share capital) for a nominal value of Euro 484,508, and a proceed (written off net equity) for the period equal to Euro 1,372.50; during the period a total of 750 own shares were sold (equal to 0.01% of share capital) for a nominal value of Euro 375 as authorized by the Shareholders' meeting of Itway S.p.A.

Following the close of the quarter and to the date of the current report a total of 200 own shares were purchased (equal to 0.00% of share capital) for a nominal value of Euro 100, therefore the company to the date of the current report own overall 969,216 shares, equal to 12.26% of share capital.

Ravenna, June 8, 2017

FOR THE BOARD OF DIRECTORS

President and Chief Executive
G.Andrea Farina

FINANCIAL STATEMENT

Thousands of Euro		**31/03/17**	**31/12/16**
ASSETS			
Non current assets			
Property, plants and equipment		4,149	4,200
Goodwill		5,143	5,145
Other intangibile assets		4,094	3,756
Investments		1,176	1,176
Deferred tax assets		1,610	1,610
Other non current assets		500	500
Non-current financial assets		70	419
	Total	**16,742**	**16,806**
Current assets			
Inventories		969	987
Account receivables		38,883	49,229
Other current assets		4,750	4,598
Cash on hand		1,543	1,523
Other financial receivables		2,234	2,483
	Total	**48,379**	**58,820**
Total assets		**65,121**	**75,626**
NET EQUITY AND LIABILITIES			
Share Capital and other reserves			
Share Capital and other reserves		8,681	8,906
Net result of the period for the Group		(368)	(28)
Total net equity of the Group		**8,313**	**8,878**
Share capital, reserves and result of minorities		(79)	(31)
Total net equity		**8,234**	**8,847**
Non current liabilities			
Severance indemnity		599	585
Provision for risks and charges		25	87
Deferred tax liabilities		1,280	1,280
Non current financial liabilities		3,124	3,642
	Total	**5,028**	**5,594**
Current liabilities			
Financial current liabilities		16,868	22,164
Account payable - Trade		26,847	30,265
Tax payable		4,836	6,166
Other current liabilities		3,308	2,590
	Total	**51,859**	**61,185**
Total liabilities		**56,887**	**66,779**
Total net equity and liabilities		**65,121**	**75,626**

CONSOLIDATED STATEMENT OF CHARGES IN FINANCIAL POSITION

Thousands of Euro	**31/03/2017**	**31/12/2016**
Results for the period "net amount Itway Group"	(445)	(323)
Adjustments of items not affecting liquidity:		
Depreciation	167	886
Other depreciation	34	737
Provisions for severance indemnity, net of payments to social security bodies	96	187
Variation in non current assets/liabilities	290	226
Cash flow from operating activities, gross f the variation in working capital	**142**	**1,713**
Payments of severance indemnity	(82)	(179)
Variation in trade receivable and other current assets	10,406	(1, 730)
Variation in inventories	18	2,311
Variation in trade payables and other current liabilities	(4,031)	(2,256)
Cash flow from operations generated (absorbed) by changes in NWC	**6,311**	**(1,854)**
Cash flow from operations (A)	**6,453**	**(141)**
Additions in tangible and intangibile assets	(454)	(2,289)
Changes in non current financial liabilities	(518)	(1,549)
Cash flow from investing activities (B)	**(972)**	**(3,838)**
Variation of own shares	1	(189)
Cash flow from investing activities (B)	**1**	**(189)**
Net impact of the variation in translation of non Euro Exchange rates on cash on hand	(166)	(464)
Cash flow from assets sold (D)	**-**	**(1,079)**
Increase/(Decrease)of cash available and cash equivalents (A+B+C+D)	**5,316**	**(5,711)**
Short term Net Financial Position at the beginning of the period	(20,641)	(14,930)
Short term Net Financial Position at the end of the period	(15,325)	(20,641)