

Press Release

The BoD of the Itway Group approves the Financial Statement as of December 31, 2020 Revenues continue to grow at a significant pace despite Covid: +9% Significant improvement in the Net Financial Position Proposal to allocate to reserve the profit of the year of Euro 1.2 million

- **Group revenue** total Euro **38.7** million (**+9%**) compared with Euro 35.3 million in the previous fiscal year, with constant growth in revenue generated abroad
- **Profit** for the year Euro **1.2 million** compared with Euro 2.0 million in 2019.
- **Consolidated EBITDA** Euro **2,0** million compared with Euro **3,4** million in 2019
- **EBIT** **1.4** million compared with **2.7** million in the previous fiscal period
- Significant improvement in the Net Financial Position: Euro **-1.4** million compared with Euro **-3.4** million as of 31.12.2019. The current Net Financial Position turns positive (net cash)
- **Net result** of the **Parent Company Itway** totals over Euro **1,223 thousand** compared with **Euro 2,036 thousand** as of 31.12.19;
- Net Financial Position of the Parent Company Itway Spa improves: Euro **-2.0** million vs Euro **-4.4** million in the previous fiscal year
- **Result of the period:** Proposal to allocate to Reserve the result of the period of Euro **1.2** million

Ravenna, March 29, 2021 – The **Board of Directors of Itway S.p.A.**, parent company listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana, active in the IT, Cyber Security, AI, and Big Data sectors, approved today the consolidated financial statements and the draft financial statements of the Parent Company as of December 31, 2020, that will be submitted for approval by shareholders.

At the Annual General Meeting, the Board of Directors will propose to allocate to reserve the result of the fiscal year of over Euro 1.2 million to strengthen the company's capital

In 2020, Itway continued its repositioning and reorganization with an industrial plan aimed at constant growth and at exploiting the significant experience matured as well as the significant investments already made in previous fiscal years that continued also in the period under review, without sacrificing revenue and growth, which totalled +9%. Itway returned to being an operating holding company. At the same time, it increased its commitments to consultancy, planning, and system integration activities in Cyber Security, placing particular focus on the client, the product, and the market to develop and establish itself in more favourable industrial segments that are more dynamic and with higher value-added. The plan evolves towards the Digital product-oriented model, and activities with higher prospects of growth and profitability also through the development of four Business Units: *Cybersecurity, Adapt/Samrtys, Data Science, Safety.*

In the 2020 fiscal year, Group revenue rose by 9% in volume terms, while Ebitda was Euro 2,023 thousand, compared with Euro 3,358 thousand in 2019. The net result was Euro 1,222 thousand, from Euro 2,037 thousand the previous year. Results were positively impacted by one-off proceeds mainly related to the write-off of financial and trade payables for over Euro 2.8 million in the 2019 fiscal year and approximately Euro 2.3 million in 2020, thanks to management's constant and significant negotiating activity.

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

Itway Chairman and CEO G. Andrea Farina said:

"We are satisfied with the results achieved in the 2020 fiscal period, especially considering the still difficult situation for the world economy. We can confirm a progressive, even if slow, recovery in global demand and results that are very satisfactory given the circumstances, except for a few products that came to a standstill because they are part of market segments that were extremely penalized by the Covid-related lockdown. The economic and financial results highlight the Group's growing vitality and greater ability to react in a period that was critical and adverse to the carrying out of ordinary activities. Therefore, we cannot hide our satisfaction and thank all the colleagues of the group for their extended dedicated commitment in this particular moment, concluding in the forecast timetable all planned work and taking on new commitments."

Through the 50% owned affiliate, **Be Innova**, which has increased its market share, the Group has presided over the security and Managed Security Services (MSS) activities as well as the development and use of Smartys to manage bed space in hospital structures, in nursing and assisted homes and more importantly in-home care through the help of wearable IoT sensors and the integration of a Covid-19 App. It has also delegated to **4Science S.r.l.**, 100% owned by the Group, the Data Science services and solutions, **Data Management** and **Artificial Intelligence** for the scientific research, cultural heritage, and **Big Data** markets.

Analysis of the Group's economic and financial performance in 2020

Following are the main consolidated economic data of the fiscal year ended December 31, 2020, compared with those of the previous fiscal year:

	2020	2019
Euro million	Itway Group	Itway Group
Revenue	38.7	35.3
EBITDA	2.0	3.4
EBIT	1.4	2.7

The Group in 2020 recorded **Revenue** of Euro **38.7** million, up **+9%** compared with Euro **35.3** million in 2019.

EBITDA was a positive Euro **2.0** million, down compared with Euro **3.4** million in 2019 with an **EBITA margin** of **5.2%**.

EBIT in 2020 was a positive Euro **1.4** million compared with euro **2.7** million in 2019 and an **EBIT margin** of **3.7%**

The **Result before taxes** was Euro **1.3** million compared with Euro **2.4** million in 2019.

Regarding the drop in operating Results, the Group notes that it invested more in past fiscal years on the development of technological products than in 2020 and this, combined with investments in human resources with high technical skills, is allowing the Group to broaden its presence on the market through **proprietary products and services**. Furthermore, the **lower capitalization** for product development and the **higher personnel costs** impacted the 2020 results along with the prudential write-down of receivables by the Parent Company.

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

Group Net Financial Position

Thousands of Euro	31/12/2020	31/12/2019
Cash on hand	982	608
Financial receivables	2,275	2,498
Current financial assets	1,080	1,210
Current financial liabilities	(2,947)	(7,985)
Convertible bonds	(473)	-
Current net financial position	917	(3,669)
Non-current financial assets	2,098	2,098
Non-current financial liabilities	(4,389)	(1,785)
Non-current net financial position	(2,291)	313
Total net financial position	(1,374)	(3,356)

There was a marked improvement in the Group's net financial position as of December 31, 2020 (approximately Euro 2.0 million), compared with December 31, 2019, mainly due to the write-off of certain debt positions thanks to the agreement with **Mercatoria, the main creditor**, and the redefinition of financing terms with Iccrea that allows reclassifying debt as medium-term while in past fiscal periods it was included in current liabilities because of covenant breaches. The current Net Financial Position turned positive, at over Euro 0.9 million.

Market Context

To date, there is only partial data on the ICT market performance in 2020 considering how the economic scenario changed after Covid-19. GDP fell by 8.9% in 2020 (source: Istat, March 2021) and projections for the ICT market indicate an overall contraction of -3.1% with a significant rebound in 2021 (source: Assinform 2020). In 2020, the digital market dynamics turned negative (ICT Services -1.1%, Devices, and Systems -3.5%, Network Services -3.9%, Digital Content and Digital Advertising -1.5%) but were more resilient than most other markets.

Double-digit growth rates are still expected for the more innovative segments of digital innovation, or the so-called **Digital Enablers**, starting with **Cloud**, from **Cybersecurity** to **IoT** and **AI** and the collaborative and remote work platforms (including **smart working**).

The Itway Group in the fiscal year continued to invest in **Cybersecurity**, **IoT**, **Artificial Intelligence (AI)**, and **Big Data**, all of which are connected and correlated. Furthermore, it continued to reposition on new product lines, replacing lower-margin ones with higher value-added ones that also allow a smaller use of working capital

The industrial policy that the Group pursues focuses on the **Digital Enabler** business segments that have higher value added.

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

Performance of the Business Units

Sector performance: Value Added Distribution (VAD)

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

Following are the main economic indicators of the **VAD SBU**, compared with those of the previous fiscal year:

	31/12/2020	31/12/2019
In thousand of Euro		
Total revenue	33,911	30,288
EBITDA*	1,927	1,551
EBIT*	1,819	1,449
Result before taxes	2,089	1,472
Result of the period	1,820	1,124

Covid-19 hit Continental Europe hard, but much less so in Greece and Turkey that posted a stronger recovery than the European average.

The two subsidiaries, Itway Hellas and Itway Turkiye, which are market leaders in their respective countries as Value Added Distributors specialized in Cybersecurity technologies and services, both continued their growth trends in terms of volumes and profitability, despite the pandemic.

Thanks to the addition of new product lines in its portfolio, Itway Turkiye posted a **+35%** rise in revenue in local currencies compared with 2019. Even considering the foreign exchange devaluation (Euro to Turkish Lira), growth was **+7%**. Itway Turkiye confirmed its position as one of the leading Cyber Security operators in Turkey, with increasing margins compared with 2019.

The Greek subsidiary, Itway Hellas, posted significant growth both in terms of revenue (**+21%**) and in market share. The Company, which specializes in **Cyber Security**, witnessed a jump in demand generated by the increase in smart working and the need of public and private organizations to protect data and information. Furthermore, the newly introduced product lines are giving the expected results. In particular, the Imperva product line, which is the leader in the **WAF (Web Application Firewall)** segment, quadrupled revenue in one year.

Itway Hellas received aid from the Greek State supporting companies under lockdown due to the Covid-19 pandemic totalling **Euro 300** thousand at very favourable interest rates. This confirms its ability to dialogue with the local financial system and the **proven bankability** of the Company, even in a difficult year like 2020.

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

Sector performance: Activities of the Parent Company and Subsidiaries in the “Scale-up”

Itway S.p.A. is the parent company listed on Borsa Italiana S.p.A. that supplies services of different nature to the operating subsidiaries and includes new sectors described hereinafter that are investing in the realization of products and that are in an operational and commercial start-up phase.

- **Itway S.p.A.**, is an operational holding, dealing with consultancy, planning, and system integration in the field of cybersecurity, in particular on the GDPR, Internet of Things (IoT) and work safety in the EH&S (Environment, Health & Safety) sector. The IoT and Safety sectors are covered and approached with the iNebula brand, of which Itway purchased, during the liquidation process underway, part of the products developed, and the brand name
- **4Science S.r.l.** offers **Data Science**, **Data Management** services, and solutions for the scientific, and cultural heritage markets as well as **Big Data**.

Following is the condensed income statement compared with the previous fiscal year including data from the ASA activities of the Parent Company and other sectors in the scale-up phase

(Thousands of €uro)	31/12/20	31/12/19
Revenue	4,843	5,056
EBITDA	96	1,807
EBIT	(373)	1,270
Result before taxes	(833)	960
Result of the period	(598)	914

Analysis of the Parent Company Itway S.p.A’s economic and financial performance in 2020

The parent company Itway S.p.A. in the fiscal year ended on December 31, 2020, recorded a Profit of Euro 1,223 thousand, from Euro 2,036 thousand as of December 31, 2019.

EBIT was Euro 224 thousand compared with Euro 751 thousand in 2019, while the Profit for the Parent Company was Euro 416 thousand (before results of subsidiaries booked under IAS 27) compared with Euro 597 thousand the earlier year.

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

Net Financial Position of the Parent Company

Thousands of Euro	31/12/2020	31/12/2019
Cash at hand	271	21
Financial receivables	2,275	2,498
Current financial liabilities	(2,625)	(7,161)
Convertible bonds	(473)	-
Current net financial position	(552)	(4,642)
Non-current financial assets	2,098	2,098
Non-current financial liabilities	(3,574)	(1,830)
Non-current Net Financial Position	(1,476)	268
Total Net Financial Position	(2,028)	(4,374)

Also the net financial position of the Parent Company as of December 31, 2020, improved markedly (by some Euro 2.0 million) compared with December 31, 2019, mainly thanks to the write off of some debt positions following the agreement reached with Mercatoria, the main creditor, and the redefinition of the financing terms with Iccrea allowing to reclassify debt as medium-term while in previous fiscal years it was included among current liabilities due to covenant breaches.

Going concern assessment

The Consolidated financial statements of the Itway Group as of December 31, 2020, show a positive result of Euro **1,223 thousand** while that of the Parent Company ended with a net profit of approximately Euro **416 thousand** (before the results of the subsidiaries booked under IAS 27). From a financial point of view, as of December 31, 2020, the Parent Company concluded an agreement with Mercatoria S.p.A., the main creditor of the Group (with receivables totalling Euro 5.4 million) for the execution of a **recovery plan drafted pursuant to art. 67**, paragraph 3, letter d), of R.D. 267/1942 that envisages a debt reduction of 67% with payments in 36 monthly instalments starting from June 2020; the deal foresees a further debt reduction of 62% in case of early repayment by December 31, 2021.

As already disclosed on April 7, 2020, **Itway took back full control of Itway Hellas SA and Itway Turkiye Ltd.** Both subsidiaries are specialized in Cybersecurity and are active as **Value Added Distributors (VAD)**, with constant growth in terms of volume and profitability.

On August 6, 2020, Itway signed an investment contract with Nice & Green, a Swiss institutional investor, for a "Warrant and Convertible Notes Funding Program" worth Euro 6,000,000. The terms of this agreement were disclosed in press releases published on the Internet site of the Company on August 6, August 14, August 20, and October 30, 2020.

The transaction aims at supporting the Company's working capital, strengthening its financial structure, and diversifying its sources of financing. The fundraising will equip Itway with additional capital and financial resources that will be used to accelerate the development of the Company's growth and investment strategies in the market segments in which Itway operates without any additional burden for the Company.

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

Itway requested and secured the underwriting of two tranches (one as a warrant, the second in convertible bonds) for a total of Euro 1 million. Nice & Green has already requested the partial conversion into shares of Euro 200,000, resulting in the issue of No. 286,286 new shares, increasing share capital. The terms and conditions of this transaction were disclosed in press releases published on August 6, August 14, August 20, and October 30.

As of December 31, 2020, the Itway Group had a current net financial indebtedness of approximately Euro 3.4 million, of which Euro 1.3 million already expired at the date of the financial statements, an expired indebtedness with tax and social security bodies for a total of Euro 475 thousand (that will be paid within the terms foreseen by regulations in force), and expired indebtedness towards suppliers of Euro 3.2 million (of which approximately Euro 0.8 million for amounts being contested, also through legal means and Euro 1.8 million of suppliers no longer present on the market but that for prudential reasons are still booked in the balance sheet).

The Covid pandemic had a low impact on the Group's activities. The most significant effect was in the Safety ICOY Business Unit, where growth came to a standstill due to the contraction of the main market segments involved that incurred a sharp reduction in revenue. On the other hand, the activities of the Greek and Turkish subsidiaries, which were not affected much by the pandemic, continued their growth trend.

The Directors, supported by the positive results in the past few years, drafted the financial statements on a going concern basis, considering the 2020-2023 Industrial and Financial Plan approved by the Board of Directors that received, pursuant to article 67, paragraph 3, letter d) of the Bankruptcy Law, the certification from an independent expert that confirmed its feasibility, the truthfulness of the data, as well as its suitability to pursue the objective of restructuring and rebalancing the Company's financial and capital position.

Relationship with related parties

The Group had commercial and financial relationships with related parties during the 2020 fiscal year. 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

Foreseeable evolution of management

The technological innovation and digital transformation plans of the Italian government place cybersecurity in the top five priorities for the digital transition and at the heart of the need to enhance the information security supply chain that will bring the Government to invest greater resources in technology to protect citizens from cyber attacks, and in the digital transition (also indicated at a global level by all Western Governments), that will lead to an increase in smart working and a greater demand for the security of Internet networks of corporations and the public administration.

The guidelines foresee that the Group focuses on the security sector, which is expected to grow with a compound annual growth rate (CAGR) of over 12% over the next five years (Source: Gartner 2020) and that it repositions on the area of products and services. Furthermore, there should be a greater focus on the Be Innova S.r.l. and 4Science S.r.l. subsidiaries.

In light of the current complex situation related to the Covid-19 pandemic, it is important to note that the activities of the Itway Group are part of the services deemed essential in the Presidential Decree on the "Urgent measures to contain the spread on the entire national territory" in place since March 23, 2020, and amongst the activities that cannot be stopped, notwithstanding the obligation to suspend activities as called for in the government measures. The activities of the Itway Group, being mainly oriented towards cybersecurity and ensuring the operation in a secure mode of networks, especially in these moments of global emergency, are considered anti-cyclical compared

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

with other market segments, also in the IT sector. The measures adopted by almost all organizations in terms of smart working multiplies exponentially the risks related to security, resulting in greater demand for Cybersecurity solutions to reduce the risk of infection and to protect corporate internet networks. The activities of Itway, being mainly made up of consultancy services, continued also in the new modality of remote working that the COVID emergency imposed, ensuring continuity to consultancy activities for its clients. There was no significant impact on the Greek and Turkish subsidiaries, also in light of the limited spread of the pandemic in these countries.

Growth at the **Safety ICOY Business Unit** came to a standstill due to the contraction of the main market sectors caused by Covid. This will continue in 2021 as the sectors to which the Business Unit is oriented -- including manufacturing, metallurgical, oil & gas, transport, and logistics -- are witnessing a sharp revenue contraction.

Due to the continued uncertainty on the market regarding the possible impact on business performance of the **Covid-19 pandemic**, which hopefully could be resolved in Q3 2021 following an intense vaccination campaign, it is difficult to assess today what will be the most relevant impacts on the financial statements of the Group.

However, considering that the specific sector in which the Itway Group operates is considered of public utility and the government plans in terms of digital transformation, in the same current market conditions, and the absence of anomalous situations, the Group expects that it will be possible to record moderate growth given the high quality of services offered to households and businesses.

Own shares

The Parent Company as of December 31, 2020, owned No. 203,043 own shares (equal to 2.57% of share capital) for a nominal value of Euro 101,522 and an overall cost of the shares held in the portfolio of Euro 320 thousand (equal to the amount reflected in the Own Share reserve deducted from net equity of the fiscal period and at a consolidated level). Of these, No 136,400 own shares (equal to 1.73% of share capital) were allocated on loan to Nice & Green SA to service the previously described financial transaction. The reduction in the number of shares compared with the previous fiscal year is due to the exercising of the warrant underwritten by Nice & Green.

Calling of the Annual General Meeting of shareholders

The Annual General Meeting of shareholders will be held on April 30 on first call and May 3 on second and will be asked to deliberate on the following:

1. *Presentation of the Consolidated Financial Statement as of December 31, 2020 and analysis and approval of the separate financial statements as of December 31, 2020. Related and resulting deliberations.*
 - 1.1 *Approval of the financial statements as of December 31, 2020 and of the Management Report*
 - 1.2 *Allocation of the result of the period.*
2. *Report on the remuneration and compensation pursuant to article 123-ter of the TUF and 84-quater of the Regulations for Issuers:*
 - 2.1 *Binding vote on the policy of remuneration for the 2021 fiscal year shown in the first section of the report;*
 - 2.2 *Consultation on the second section of the report regarding the indication of the compensation given in the 2020 fiscal period or relating to it.*

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

The calling notice will be published according to the timing and the ways foreseen by the regulations in force. Pursuant to article 106 of Legislative Decree 18/2020 (so-called “Cura Italia”), converted with amendments from Law No. 27 of April 24, 2020, in the wording to date, to minimize the risks related to the health emergency underway, holders of voting rights at the Meeting can intervene exclusively by granting an ad hoc proxy to Spafid S.p.A., the entity that the Company appointed as the common representative pursuant to article 135-undecies of Legislative Decree 58/1998 (the “Appointed Representative)” without the physical presence of shareholders.

Allocation of the Result of the 2020 Fiscal Year

The Board of Directors will propose to the Shareholders’ meeting to allocate to Reserve the result of the period totalling Euro 1,223 thousand, as foreseen by art 2430 of the Civil Code.

Corporate Governance

At the same meeting, the Board of Directors approved the Annual report on corporate governance and ownership structure pursuant to articles 123-bis of the TUF and 89-bis of Issuers’ Regulation that will be made available according to the terms and ways foreseen by law at the legal headquarters, at Borsa Italiana SpA, on the internet site of the company www.itway.com as well as the on the authorized Emarket storage mechanism at the address www.emarketstorage.com.

Furthermore, the Board of Directors deliberated to adopt the new Corporate Governance Code, approved by the Corporate Governance Committee of Borsa Italiana and published on January 31, 2020. The adoption of the Code ensures the constant alignment of listed companies to international best practices. The Company will make market disclosures on the application of the Corporate Governance Code of listed companies within its report on corporate governance and ownership structure that will be published in 2022.

* * * * *

As foreseen by paragraph 2, art. 154-bis of the T.U.F., the manager mandated to draft the corporate Accounting documents of Itway Group, Sonia Passatempi, declares that the corporate accounting information in this press release corresponds to the documental evidence, financial books and accounting records

> Itway S.p.A.

www.itway.com
PEC itway@pec.itwayvad.com

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

Filing of documentation

The documentation related to the Meeting will be made available to the public in the terms foreseen by the law at the headquarters of the Company, at Borsa Italiana, and at the central “Emarket storage” system at the web www.emarketstorage.com as well as the Company’s web site: www.itway.com

* * * * *

Please note that the auditing activity related to the 2020 financial statements has not yet been completed and the report from the auditing company will therefore be made available according to the terms foreseen by law.

The current press release is available at the Company’s headquarters, on its Internet site www.itway.com, at Borsa Italiana and at the centralized authorized Emarket Storage mechanism, managed by Spafid Connect S.p.A. and can be consulted on www.emarketstorage.com.

Founded in Ravenna on July 4, 1996, Itway S.p.A. is the parent of a group that operates in the IT sector through the planning, production and distribution of technologies and solutions in the cyber security sector, cloud computing and big data. The group for over 20 years has represented a reference point in terms of solutions and services for digital transformation. It has been listed on Borsa Italiana since 2001. www.itway.com

CONTACTS:

ITWAY SpA

Tel. +39 0544 288711
investor.relations@itway.com

POLYTEMS HIR SRL

Tel. +39 06.69923324
Bianca Fersini +39 336742488
b.fersini@polytemshir.it
Silvia Marongiu + 39 3371464491
s.marongiu@polytemshir.it

Financial statements attached to the press release

> Itway S.p.A.

www.itway.com
[PEC itway@pec.itwayvad.com](mailto:PEC_itway@pec.itwayvad.com)

> Sede legale

Via A. Papa, 30
20149 Milano Italy
Tel. +39. 02.39710411

> Sede amministrativa

Via L. Braille, 15
48124 Ravenna Italy
Tel. +39. 0544.288711

> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393



ITWAY GROUP

CONSOLIDATED STATEMENTS
AS OF DECEMBER, 31 2020

CONSOLIDATED INCOME STATEMENT

<i>Thousand of Euro</i>	<i>Fiscal year as of</i>	
	<i>31 Dec 2020</i>	<i>31 Dec 2019</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Revenues from sales	35,786	31,219
Other operating revenues	2,968	4,125
Products	(30,759)	(26,925)
Costs of services	(2,304)	(2,269)
Costs of personnel	(2,511)	(2,260)
Other operating expenses	(1,157)	(532)
EBITDA	2,023	3,358
Depreciations and amortisations	(577)	(639)
EBIT	1,446	2,719
Financial proceeds	63	22
Financial charges	(253)	(309)
Profit before taxes	1,256	2,432
Taxes	(34)	(395)
Result for the period	1,222	2,037
Attributable to:		
Sharedholders of parent company	1,224	2,041
Minorities	(2)	(4)
Result per share		
<u>From operations:</u>		
Basic	0.17	0.29
Diluted	0.17	0.29

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

<i>Euro migliaia</i>	<i>Fiscal year as of</i>	
	<i>31 Dec 2020</i>	<i>31 Dec 2019</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Net result	1,222	2,037
Components that can be reclassified to the income statement:		
Profit/(Losses) from the conversion of the balance sheet of foreign subsidiaries	(798)	(265)
Components that cannot be reclassified to the income statement:		
Actuarial gain (losses) on defined-benefit plans	(53)	-
Comprehensive result	371	1,772
Attributable to:		
Shareholders of parent company	373	1,776
Minorities	(2)	(4)

CONSOLIDATED FINANCIAL STATEMENT

<i>Thousand of Euro</i>	Fiscal year as of	
	31 Dec 20	31 Dec 19
ASSETS		
Net current assets		
Property, plans and machinery	942	991
Goodwill	1,849	1,852
Other intangible assets	2,183	2,319
Rights of use	2,605	2,801
Investments	709	1,765
Deferred tax assets	871	791
Non-current financial assets	2,098	2,098
Other non current assets	30	34
Total	11,287	12,651
Current assets		
Inventories	361	653
Account receivables - Trade	18,921	19,203
Other current assets	1,080	1,051
Cash on hand	982	608
Other financial credits	2,275	2,498
Current financial assets	1,080	1,210
Total	24,699	25,223
<hr/>		
Total assets	35,986	37,874
NET EQUITY AND LIABILITIES		
Share capital and other reserves		
Share capital and reserves	7,987	6,323
Net result of the period	1,224	2,041
Total Net Equity	9,211	8,364
Share capital and reserves of minorities	(353)	(357)
Total Group Net Equity	8,858	8,007
Non current liabilities		
Severance indemnity	483	406
Non current account payable – Trade	348	-
Deferred tax liabilities	241	516
Non current financial liabilities	4,389	1,785
Total	5,461	2,707
Current liabilities		
Financial current liabilities	3,420	7,985
Current account payable – Trade	13,389	14,158
Tax payable	2,656	2,447
Other current liabilities	2,202	2,570
Total	21,667	27,160
<hr/>		
Total liabilities	27,128	29,867
<hr/>		
Total Net Equity and Liabilities	35,986	37,874

Consolidated statement of charges in equity

Thousand of Euro	Cumulated profit (loss)						Transal tion reserve	Result for the period	Net equity of Group	Minority interests	Total Net Equity
	Share capital	Own share reserve	Share premiu m reserve	Legal reserve	Voluntary reserve	Other reserve					
Balance at January 1, 2019	3,953	(1,346)	17,584	485	4,792	(16,691)	(2,710)	520	6,587	(352)	6,235
Variation in own shares	-	-	-	-	-	-	-	-	-	-	-
Total operations with shareholders	-	-	-	-	-	-	-	-	-	-	-
Allocation of the result for the year	-	-	-	-	-	520	-	(520)	-	-	-
Result of the period	-	-	-	-	-	-	-	2,041	2,041	(4)	2,037
Other operations	-	-	-	-	-	-	-	-	-	-	-
<i>Other components of comprehensive results at 31 Dec 2019:</i>											
Gain/(Losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Overall result	-	-	-	-	-	-	(265)	-	(265)	-	(265)
Comprehensive result	-	-	-	-	-	-	(265)	2,041	1,776	(4)	1,772
Balance at December 31, 2019	3,953	(1,346)	17,584	485	4,792	(16,171)	(2,975)	2,041	8,363	(356)	8,007

Thousand of Euro	Cumulated profit (loss)						Transal tion reserve	Result for the period	Net equity of Group	Minority interests	Total Net Equity
	Share capital	Own share reserve	Share premiu m reserve and other operati ons	Legal reserve	Voluntary reserve	Other reserve					
Balance at January 1, 2020	3,953	(1,346)	17,584	485	4,792	(16,171)	(2,975)	2,041	8,363	(356)	8,007
Variation in own shares	-	1,026	(547)	-	-	-	-	-	479	-	479
Total operations with shareholders	-	1,026	(547)	-	-	-	-	-	479	-	479
Allocation of the result for the year	-	-	-	-	-	2,041	-	(2,041)	-	-	-
Result of the period	-	-	-	-	-	-	-	1,224	1,224	(2)	1,222
Other operations	-	-	-	-	-	-	-	-	-	-	-
<i>Other components of comprehensive results at 31 Dec 2020:</i>											
Gain/(Losses) on defined benefit plans	-	-	-	-	-	(53)	-	-	(53)	-	(53)
Overall result	-	-	-	-	-	-	(798)	-	(798)	-	(798)
Comprehensive result	-	-	-	-	-	(53)	(798)	1,224	373	(2)	371
Balance at December 31, 2020	3,953	(320)	17,037	485	4,792	(14,187)	(3,773)	1,224	9,211	(354)	8,858

CONSOLIDATED STATEMENT OF CHARGES IN FINANCIAL POSITION

<i>Thousand of Euro</i>	Fiscal year as of	
	31 Dec 20	31 Dec 19
Results for the period "Net amount Itway Group"	1,222	2,037
<u>Adjustments of items not affecting liquidity:</u>		
Depreciations of tangible assets	107	99
Depreciations of intangible assets	308	326
Depreciations of rights of use	162	168
Allowances for doubtful accounts	900	7
Provisions for severance indemnity, net of payments to social security bodies	72	60
Variation in non current assets/liabilities	-	(141)
<u>Cash flow from operating activities, gross of the variation in working capital</u>	2,771	2,558
Payments of severance indemnity	(48)	25
Variation in trade receivable and other current assets	(294)	(529)
Variation in inventories	292	(189)
Variation in trade payables and other current liabilities	(927)	(888)
<u>Cash flow from operations generated/(absorbed) by changes in NWC</u>	(977)	(1,581)
<u>Cash flow from operations (A)</u>	1,794	977
Additions in tangible assets (net of assets sold)	(58)	2,628
Rights of use	34	(2,969)
Variation in trade payables and other current liabilities	884	625
<u>Cash flow from investing activities (B)</u>	860	284
Variation in current financial liabilities	(4,565)	(1,262)
Variation in non current financial liabilities	2,604	(77)
Variation of own shares	479	-
<u>Cash flow from financial activities (C)</u>	(1,482)	(1,339)
Net impact of the variation in translation of non euro exchange rates of cash on hand	(798)	(265)
<u>Cash flow from asset sold (D)</u>	-	-
<u>Increase/(Decrease) cash available and cash equivalents (A+B+C+D)</u>	374	(343)
Cash and cash equivalents at the beginning of the period	608	951
Cash and cash equivalents at the end of the period	982	608

**SEPARATED STATEMENTS OF ITWAY S.P.A.
AS OF DECEMBER, 31 2020**

SEPARATED INCOME STATEMENT

Euro	Fiscal year as of	
	31 Dec 2020	31 Dec 2019
Revenues from sales	770,842	358,945
<i>of which to Group companies</i>	232,100	127,263
Other operating revenues	3,355,979	3,428,874
<i>of which to Group companies</i>	857,993	279,300
Products	(233,233)	(117,653)
Costs of services	(1,714,461)	(1,707,805)
<i>of which to Group companies</i>	(140,000)	(80,000)
Costs of personnel	(519,145)	(410,060)
Other operating expenses	(1,044,392)	(299,848)
<i>of which to Group companies</i>	(59,622)	(59,622)
EBITDA	615,590	1,252,453
Depreciations and amortisations	(391,752)	(501,472)
EBIT	223,838	750,981
Financial proceeds	6,263	17,168
<i>of which to Group companies</i>	-	407
Financial charges	(128,111)	(279,030)
Result of subsidiaries evaluated using the equity method	807,065	1,438,748
Profit before taxes	909,055	1,927,867
Taxes	313,802	108,398
Result for the period	1,222,858	2,036,265

COMPREHENSIVE SEPARATED INCOME STATEMENT

<i>Euro</i>	31 Dec 2020	31 Dec 2019
Net result	1,222,858	2,036,265
Components that cannot be reclassified to the income statement:		
Actuarial gain (losses) on defined-benefit plans	(34,065)	-
Components that can be reclassified to the income statement:		
Profits/(Losses) comprehensive from evaluated using the equity method	(798,607)	(264,780)
Result of the period	390,186	1,771,485

SEPARATED FINANCIAL STATEMENT

<i>Euro</i>	31 Dec 20	31 Dec 19
ASSETS		
Net current assets		
Property, plans and machinery	31,186	76,253
Other intangible assets	1,163,800	1,284,307
Rights of use	2,607,736	2,778,132
Investments	6,813,571	7,874,403
Anticipated tax assets	857,490	777,793
Non-current financial assets	-	7,002
Other non current assets	2,098,000	2,098,000
Total	13,571,783	14,895,890
Current assets		
Account receivables - Trade	4,558,252	5,964,122
Financial receivables from subsidiaries	9,533,211	9,731,454
Commercial receivables from subsidiaries	345,515	424,619
Other current assets	267,683	630,849
Other financial credits	2,274,842	2,498,398
Cash on hand	270,514	21,097
Total	17,250,017	19,270,539
Total assets	30,821,800	34,166,429
NET EQUITY AND LIABILITIES		
Share capital and other reserves		
Share capital	3,952,659	3,952,659
Own share reserve	(321,103)	(1,347,103)
Share premium reserve	17,037,086	17,583,874
Legal reserve	484,904	484,904
Retained earnings / (losses) reserve	(13,675,531)	(14,879,124)
Other reserves	1,222,858	2,036,265
Total Net Equity	8,700,873	7,831,475
Non current liabilities		
Severance indemnity	295,658	265,943
Non current account payable – Trade	347,518	-
Provision for risks and charges	8,175,087	8,172,875
Deferred taxes	84,382	358,909
Non current financial liabilities	3,573,606	1,830,226
Total	12,476,251	10,627,953
Current liabilities		
Financial current liabilities	3,156,875	7,160,802
Current account payable – Trade	3,899,570	5,263,538
Payables to subsidiaries	1,577,859	1,457,648
Tax payable	73,788	27,903
Other current liabilities	936,584	1,797,110
Total	9,644,676	15,707,001
Total liabilities	22,120,927	26,334,954
Total Net Equity and Liabilities	30,821,800	34,166,429

SEPARATED STATEMENT OF CHARGES IN EQUITY

Euro	Share capital	Own share reserve	Share premium reserve	Cumulated profit (loss)		Result of the period	Net equity
				Legal reserve	Retained earning/losses reserve		
Balance at January 1, 2019	3,952,659	(1,347,103)	17,583,874	484,904	(14,786,318)	171,974	6,059,990
Variations in own share	-	-	-	-	-	-	-
Total operations with shareholders	-	-	-	-	-	-	-
Allocation of the result for the year	-	-	-	-	171,974	(171,974)	-
Result of the period	-	-	-	-	-	2,036,265	2,036,265
<i>Other components of comprehensive results at 31 Dec 2019:</i>							
Total profits / (losses) deriving from the application of IAS 27	-	-	-	-	(264,780)	-	(264,780)
Gain/(Losses) on defined benefit plan:	-	-	-	-	-	-	-
Comprehensive result	-	-	-	-	(264,780)	2,036,265	1,771,485
Balance at December 31, 2019	3,952,659	(1,347,103)	17,583,874	484,904	(14,879,124)	2,036,265	7,831,475

Euro	Share capital	Own share reserve and other operations	Share premium reserve	Cumulated profit (loss)		Result of the period	Net equity
				Legal reserve	Retained earning/losses reserve		
Balance at January 1, 2020	3,952,659	(1,347,103)	17,583,874	484,904	(14,879,124)	2,036,265	7,831,475
Variations in own share	-	1,026,000	(546,788)	-	-	-	479,212
Total operations with shareholders	-	1,026,000	(546,788)	-	-	-	479,212
Allocation of the result for the year	-	-	-	-	2,036,265	(2,036,265)	-
Result of the period	-	-	-	-	-	1,222,858	1,222,858
<i>Other components of comprehensive results at 31 Dec 2020:</i>							
Total profits / (losses) deriving from the application of IAS 27	-	-	-	-	(798,607)	-	(798,607)
Gain/(Losses) on defined benefit plan:	-	-	-	-	(34,065)	-	(34,065)
Comprehensive result	-	-	-	-	(832,672)	1,222,858	390,186
Balance at December 31, 2020	3,952,659	(321,103)	17,037,086	484,904	(13,675,531)	1,222,858	8,700,873

SEPARATED STATEMENT OF CHARGES IN FINANCIAL POSITION

<i>Thousand of Euro</i>	Fiscal year as of 31 Dec 2020	Fiscal year as of 31 Dec 2019
Results for the period	909	1,928
<u>Adjustments of items not affecting liquidity:</u>		
Depeciations of tangible assets	53	128
Depeciations of intangible assets	174	226
Depeciations of rights of use	165	102
Allowances for doubtful accounts	900	-
Provisions for severance indemnity, net of payments to social security bodies	28	21
Controlled results evaluated using the PN method	(807)	(1,439)
Devaluation of participation	-	45
<u>Cash flow from operating activities, gross of the variation in working capital</u>	1,422	1,011
Payments of secerance indemnity	2	11
Variation in trade receivable and other current assets	506	(148)
Variation in financial and commercial credits toward subsidiaries	277	(1,028)
Variation in inventories	-	-
Variation in trade payables and other current liabilities	616	557
Variation in account payable	(1,244)	224
<u>Cash flow from operations generated/(absorbed)by changes in NWC</u>	157	(384)
<u>Cash flow from operations (A)</u>	1,579	627
Change in non-current assets / liabilities to subsidiaries and others	3	(88)
Investments in tangible assets (net of disinvestments)	(8)	2,582
Rights of use	5	(2,903)
Change in financial receivables	224	27
Dividends collected	318	215
Investment in other intangible assets (net of disinvestments)	(55)	(203)
<u>Cash flow from investing activities (B)</u>	487	(370)
Variation in current financial liabilities	(4,004)	(674)
Variation in non current financial liabilities	1,743	(32)
IAS 19	(34)	-
Variations in own shares	479	-
<u>Cash flow from financial activities (C)</u>	(1,816)	(706)
<u>Cash flow from asset sold (D)</u>	-	-
<u>Increase/(Decrease)cash available and cash equivalents (A+B+C+D)</u>	250	(449)
Cash and cash equivalents at the beginning of the period	21	468
Cash and cash equivalents at the end of the period	271	21