



PRESS RELEASE

**The Itway Board of Directors approves the Half-Year Financial Report at 30 June 2021**

**HALF-YEAR ITWAY GROUP:**

**STRONG REVENUES (+ 22.4%)  
TO 18.936 MILLION EUROS**

**STRONG IMPROVEMENT IN ALL MARGINS INDEXES:  
NET PROFIT MORE THAN DOUBLED (+ 133%)  
WHICH GOES FROM € 209,000 TO € 487,000**

**THE GROUP NFP ALMOST CLEARED, WHICH GOES FROM -1.374 MILLION  
EUROS TO -95,000 EUROS**

Ravenna, 15 September 2021 - The **Board of Directors of Itway SpA** - company listed on the MTA of Borsa Italiana (IT0003057624) - at the head of the leading group in the IT sector for the design, production and distribution of technologies and solutions in the sector **cybersecurity, artificial intelligence, cloud computing and big data**, chaired by G. Andrea Farina, has approved today the Half-Year Financial Report at 30 June 2021.

The main consolidated economic results achieved by the Itway Group in the first half of the 2021 financial year are shown below, compared with those for the same period as at 30 June 2020.

<i>Figures in thousands of Euro</i>	<b>30/06/2021 (6 months)</b>	<b>30/06/2020 (6 months)</b>	<b>Change%</b>
<b>Revenues</b>	<b>18,936</b>	<b>15,468</b>	<b>+ 22.4%</b>
<b>Gross operating result (EBITDA)</b>	<b>1,224</b>	<b>352</b>	<b>+ 248%</b>
<b>Operating result (EBIT)</b>	<b>946</b>	<b>84</b>	<b>+ 1,026%</b>
<b>Result before taxes</b>	<b>719</b>	<b>290</b>	<b>+ 148%</b>
<b>Net result</b>	<b>487</b>	<b>209</b>	<b>+ 133%</b>

**At 30 June 2021 the Itway Group recorded:**

- **Consolidated revenues** equal to **18.936 million euros**, of which **89% abroad**, up by **22.4%** compared to the 15.468 million euros recorded in the same period of the previous year;
- **Gross Operating Result (EBITDA)** equal to **1,224 thousand euros (6.5% of revenues)** against 352 thousand euros in the same period of 2020 (**+ 248%**);
- **Operating income (EBIT)** rose to **946 thousand euros** compared to 84 thousand euros in the corresponding period of the previous year (**+ 1.026%**);



- **Pre-tax result** equal to **719 thousand euros** (290 thousand euros the value recorded in the same period of 2020) **(+ 148%)**;
- **Net result** equal to **487 thousand euros** compared to 209 thousand euros recorded in the corresponding period of the previous year **(+ 133%)**.

During the first half of 2021, the management focused on the realization of the industrial plan that will allow the Itway group an important growth in the coming years, taking into account and enhancing the investments already made in previous years in Cybersecurity, IoT, AI, Big Data. In addition, the investment started at the end of 2018 on the proprietary product ICOY<sup>®</sup> (I Care Of You) has continued and this will position Itway as a leader in the EHS segment.

### **Market context**

Following the growth of 19.5% in 2019 and 21% in 2020, also in 2021 it is expected that the most innovative components of digital innovation, the so-called "Digital Enabler", starting from the Cloud, Cybersecurity, IoT, AI and collaborative and remote work platforms (including smartworking).

After a slightly recovering first quarter of 2021, the Italian economy recorded very sustained growth in the second quarter of the year. The result benefited above all from a strong recovery in the market services sector, the most penalized by the crisis, from a recovery of the industry, which recorded growth in June (+ 28.4%), and from a substantial stationary nature of the market. agriculture (Source Istat 09/2021).

Positioning on the market: During the year, the Itway Group continued to invest in the Cybersecurity, IoT, Artificial Intelligence (AI) and Big Data markets which are interconnected. In addition, the positioning on new product lines continued, aimed at replacing low-margin lines with lines with higher added value, which also allows less use of working capital.

### **Performance of the sectors: Value Added Distribution**

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

Below are the main economic indicators of the VAD SBU, compared with the values of the previous year:



In thousands of Euro	30/06/2021	30/06/2020
Total Revenues	16,928	14,069
Gross operating profit (EBITDA)	1,050	722
Operating result (EBIT) )	999	670
Profit before taxes	1,204	927
Profit for the period	1,070	801

### **Sector trend: Parent Company activities and other sectors in Scale-up**

Itway SpA is the Parent Company listed on Borsa Italiana SpA which provides various services to operating subsidiaries and includes new sectors that are investing in the production of products and are in the operational and commercial scale-up phase and has production and system integration activities within it.

- Itway SpA is an operating holding that deals with consulting, design and system integration in the cyber security field, in particular on GDPR, Internet of Things (IoT) and workplace safety in the so-called EH&S (Environment, Health & Safety) segment.
- 4Science Srl offers Data Science and Data Management services and solutions for the scientific research, cultural heritage and Big Data market.

Below is the summary income statement, compared with the values of the previous year, containing the data of the ASA Activities of the Parent Company and other sectors in scale-up:

(thousands of € uro)	30/06/2021	30/06/2020
Revenues	2,008	1. 399
Gross operating result	174	(370)
Operating result	(53)	(586)
Profit before taxes	(485)	(637)
Result for the period	(583)	(592)



## **Net financial position**

The details of the net financial position are shown below:

	30/06/2021	31/12/2020
thousands of euros		
cash and cash equivalents	864	982
financial receivables	2,251	2,275
current financial assets	1,117	1,080
current financial liabilities	(2,727)	(2,947)
convertible debentures	-	(473)
<b>net current financial position</b>	<b>1,505</b>	<b>917</b>
financial assets not current	2,098	2,098
Non-current financial liabilities	(3,698)	(4,389)
<b>Non-current net financial position</b>	<b>(1,600)</b>	<b>(2,291)</b>
<b>Total net financial positionnet</b>	<b>(95)</b>	<b>(1,374)</b>

The Group's financial position at 30 June 2021 is improved by almost € 1.3 million compared to 31 December 2020. This change, in addition to the performance of operations with particular regard to the foreign subsidiaries, is mainly due to the achievement of settlement agreements with all the financial debtors followed by the regular payment of the commitments taken and the conversion of the bond loan at the request of the Nice & Green investor, which took place in the first half of 2021.

## **Significant events after the end of the period**

There are no significant events to report after the end of the half year.

## **Business outlook**

In the months that follow, the Group is expected to continue to focus on the Cybersecurity, Data Science and Safety sectors, as highlighted by the 2020-2023 Business Plan approved by the Board of Directors and certified by an independent third party. To pursue these objectives, greater attention will be needed on the investee companies Be Innova Srl, for the Cybersecurity market, and 4Science Srl for the Data Science market.

The massive adoption of smart working by both private companies and the public administration has in fact exposed IT systems to greater risks, and significantly increased the damage associated with the increasingly frequent attacks by cyber criminals. This situation, which has now lasted for over a year, and is destined to persist further, confirms the centrality of the Group's positioning in terms of Cybersecurity services, the offer of which fully corresponds to the needs and requirements of companies that are increasingly subjected to threats. of hacker attacks.



## **Business continuity assessment**

On 30 December 2020, the Parent Company concluded an agreement in execution of a recovery plan drawn up pursuant to art. 67, paragraph 3, lett. d) of Royal Decree 267/1942 with Mercatoria SpA, the Group's main creditor (holder of a credit of Euro 5.4 million). The agreement, defined on the basis of the 2020-2023 Industrial and Financial Plan approved by the Board of Directors on 14 September 2020 and, subsequently, integrated and updated together with the related financial maneuver, received the certification pursuant to art. 67, paragraph 3, lett. d) LF by an independent expert who on 27 July 2021 issued a monitoring report on the execution of this recovery plan confirming its feasibility, as well as its suitability to pursue the recovery and rebalancing objectives of the balance sheet and financial position of Itway.

As of today, the Company has made the payments to Mercatoria envisaged by the agreements in place and therefore the residual debt to Mercatoria and Socrate to date is equal to 2.4 million euros.

## **Treasury Shares**

The Parent Company as at 30 June 2021 owns no. 203,043 treasury shares (equal to 2.21% of the share capital), for a nominal value of 101,522 euros and an overall purchase cost of the shares held in the portfolio of 320 thousand euros (equal to the amount reflected in the "Reserve for treasury shares" deducted from the operating and consolidated shareholders' equity). Of these, 136,400 treasury shares (equal to 1.48% of the share capital) in the financial year 2020 were loaned to Nice & Green SA to service the previously commented financial transaction.

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*As required by paragraph 2 of art. 154-bis of the TUF, the manager responsible for preparing the corporate accounting documents of the Itway Group, Sonia Passatempi, declares that the corporate accounting information contained in this press release corresponds to the documentary results, books and accounting records.*

*In compliance with the provisions of the Consob Issuers' Regulation, we inform you that the interim management report at 30 June 2021 is available to the public at the Ravenna office, Via L. Braille 15, and published at the storage mechanism at the address : [www.emarketstorage.com](http://www.emarketstorage.com). The document can also be consulted on the Company's website at [www.itway.com](http://www.itway.com), in the "INVESTORS / FINANCIAL INFO / Half-year report" section.*

*This press release is available at the registered office and on the Company's website at [www.itway.com](http://www.itway.com), at the Italian Stock Exchange and at the centralized authorized storage mechanism called "Emarket Storage" managed by Spafid Connect SpA, and can be consulted at address [www.emarketstorage.com](http://www.emarketstorage.com).*



## **Itway - [www.itway.com](http://www.itway.com)**

Founded **in Ravenna on 4 July 1996 by G. Andrea Farina, Itway SpA** is the head of a group that operates in the sector **IT for the design, production and distribution of technologies and solutions in the cybersecurity sector, artificial intelligence (AI) cloud computing and big data**. For over 25 years the group has represented the reference point in the field of Digital Transformation solutions and services. Since 2001 Itway has been listed on the Electronic Share Market (MTA) of the Italian Stock Exchange.

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**Financial statements attached**

**ITWAY GROUP**  
**HALF-YEAR MANAGEMENT REPORT**  
**AS OF JUNE 30, 2021**

## CONSOLIDATED INCOME STATEMENT

	<i>Thousands of Euro</i>	
	<i>Half-year as of</i>	
	<i>30 June 2021</i>	<i>30 June 2020</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Revenues from sales	17,773	14,848
Other operating revenues	1,163	620
Products	(15,332)	(12,672)
Costs of services	(947)	(1,145)
Costs of personnel	(1,326)	(1,192)
Other operating expenses	(107)	(107)
<b>EBITDA</b>	<b>1,224</b>	<b>352</b>
Depreciations and amortisations	(278)	(268)
<b>EBIT</b>	<b>946</b>	<b>84</b>
Financial proceeds	7	61
Financial charges and currency management	(233)	145
<b>Profit before taxes</b>	<b>720</b>	<b>290</b>
Taxes	(232)	(81)
<b>Result for the period</b>	<b>488</b>	<b>209</b>
Attributable to:		
Shareholders of parent company	486	210
Minorities	2	(1)
<b>Result per share</b>		
<u>From operations:</u>		
Basic	0.06	0.03
Diluted	0.06	0.03



## COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

<i>Thousands of Euro</i>	<i>Half-year as of</i>	
	<i>30 June 2021</i>	<i>30 June 2020</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Net result	488	209
<b>Components that can be reclassified to the income statement:</b>		
Profit/(Losses) from the conversion of the balance sheet of foreign subsidiaries	(367)	(343)
<b>Components that cannot be reclassified to the income statement:</b>		
Actuarial gain (losses) on defined-benefit plans	-	(45)
<b>Comprehensive result</b>	<b>121</b>	<b>(179)</b>
Attributable to:		
Shareholders of parent company	119	(178)
Minorities	2	(1)

## CONSOLIDATED FINANCIAL STATEMENT

<i>Thousand of Euro</i>	<b>30 Jun 21</b>	<b>31 Dec 20</b>
<b>ASSETS</b>		
<b>Not current assets</b>		
Property, plans and machinery	904	942
Goodwill	1,849	1,849
Other intangible assets	2,350	2,183
Rights of use	2,645	2,605
Investments	603	709
Deferred tax assets	871	871
Non-current financial assets	2,098	2,098
Other non current assets	11	30
<i>Total</i>	<b>11,331</b>	<b>11,287</b>
<b>Current assets</b>		
Inventories	419	361
Account receivables - Trade	13,371	18,921
Other current assets	724	1,080
Cash on hand	864	982
Other financial credits	2,251	2,275
Current financial assets	1,117	1,080
<i>Total</i>	<b>18,746</b>	<b>24,699</b>
<b>Total assets</b>	<b>30,077</b>	<b>35,986</b>
<b>NET EQUITY AND LIABILITIES</b>		
<b>Share capital and other reserves</b>		
Share capital and reserves	9,824	7,987
Net result of the period	486	1,224
<b>Total net equity</b>	<b>10,310</b>	<b>9,211</b>
<b>Share capital and reserves of minorities</b>	<b>(352)</b>	<b>(353)</b>
<b>Total Group net equity</b>	<b>9,958</b>	<b>8,858</b>
<b>Non current liabilities</b>		
Severance indemnity	522	483
Provision for risks and charges	120	-
Non current account payable - Trade	218	348
Deferred tax liabilities	239	241
Non current financial liabilities	3,698	4,389
<i>Total</i>	<b>4,797</b>	<b>5,461</b>
<b>Current liabilities</b>		
Financial current liabilities	2,727	3,420
Account payable - Trade	8,961	13,389
Tax payable	1,977	2,656
Other current liabilities	1,657	2,202
<i>Total</i>	<b>15,322</b>	<b>21,667</b>
<b>Total liabilities</b>	<b>20,119</b>	<b>27,128</b>
<b>Total net equity and liabilities</b>	<b>30,077</b>	<b>35,986</b>

## Consolidated statement of charges in equity

Thousand of Euro	Cumulated profit (losses)										
	Share capital	Own share capital	Share premium reserve	Legal reserve	Voluntary reserve	Other reserves	Translation reserve	Result for the period	Net equity of group	Minorities interests	Total net equity
<b>Balance at January 1, 2020</b>	<b>3,953</b>	<b>(1,346)</b>	<b>17,584</b>	<b>485</b>	<b>4,792</b>	<b>(16,171)</b>	<b>(2,975)</b>	<b>2,041</b>	<b>8,363</b>	<b>(356)</b>	<b>8,007</b>
Variation in own shares	-	-	-	-	-	-	-	-	-	-	-
<b>Total operations with shareholders</b>	-	-	-	-	-	-	-	-	-	-	-
Allocation of the result for the year	-	-	-	-	-	2,037	-	(2,041)	(4)	4	-
<b>Result of the period</b>	-	-	-	-	-	-	-	<b>209</b>	<b>210</b>	<b>(1)</b>	<b>208</b>
<i>Other components of comprehensive results at 30 June 2020:</i>											
Gain/(Losses) on defined benefits plans	-	-	-	-	-	(45)	-	-	(45)	-	(45)
Other operations	-	-	-	-	-	-	-	-	-	2	2
Overall result	-	-	-	-	-	-	(343)	-	(343)	-	(343)
<b>Comprehensive result</b>	-	-	-	-	-	<b>(45)</b>	<b>(343)</b>	<b>209</b>	<b>(178)</b>	<b>1</b>	<b>(178)</b>
<b>Balance at June 30, 2020</b>	<b>3,953</b>	<b>(1,346)</b>	<b>17,584</b>	<b>485</b>	<b>4,792</b>	<b>(14,179)</b>	<b>(3,318)</b>	<b>209</b>	<b>8,180</b>	<b>(351)</b>	<b>7,829</b>
<i>Components 2nd half 2020:</i>											
Variation in own shares	-	1,026	(547)	-	-	-	-	-	479	-	479
<b>Total operations with shareholders</b>	-	<b>1,026</b>	<b>(547)</b>	-	-	-	-	-	<b>479</b>	-	<b>479</b>
<b>Result of the period</b>	-	-	-	-	-	-	-	<b>1,015</b>	<b>1,015</b>	<b>(3)</b>	<b>1,012</b>
<i>Other components of comprehensive results from 1st July 2020 to 31st December 2020:</i>											
Gain/(Losses) on defined benefits plans	-	-	-	-	-	(8)	-	-	(8)	-	(8)
Overall result	-	-	-	-	-	-	(455)	-	(455)	-	(455)
<b>Balance at January 1, 2021</b>	<b>3,953</b>	<b>(320)</b>	<b>17,037</b>	<b>485</b>	<b>4,792</b>	<b>(14,187)</b>	<b>(3,773)</b>	<b>1,224</b>	<b>9,211</b>	<b>(354)</b>	<b>8,858</b>
Capital increases from bond loan conversion	651	-	337	-	-	-	-	-	988	-	988
<b>Total operations with shareholders</b>	<b>651</b>	-	<b>337</b>	-	-	-	-	-	<b>988</b>	-	<b>988</b>
Allocation of the result for the period	-	-	-	-	-	1,224	-	(1,224)	-	-	-
Other operations	(10)	-	-	-	-	-	-	-	(10)	-	(10)
<b>Result of the period</b>	-	-	-	-	-	-	-	<b>486</b>	<b>486</b>	<b>2</b>	<b>488</b>
<i>Other components of comprehensive results at 30 June 2021:</i>											
Gain/(Losses) on defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Overall result	-	-	-	-	-	-	(367)	-	(367)	-	(367)
<b>Comprehensive result</b>	-	-	-	-	-	-	<b>(367)</b>	<b>486</b>	<b>119</b>	<b>2</b>	<b>121</b>
<b>Balance at June 30, 2021</b>	<b>4,604</b>	<b>(320)</b>	<b>17,374</b>	<b>485</b>	<b>4,792</b>	<b>(12,963)</b>	<b>(4,140)</b>	<b>486</b>	<b>10,308</b>	<b>(352)</b>	<b>9,958</b>

## CONSOLIDATED STATEMENT OF CHARGES IN FINANCIAL POSITION

<i>Thousand of Euro</i>	Half-year as of	
	30 Jun 2021	30 Jun 2020
Result for the period "Net amount Itway Group"	488	209
<b><u>Adjustments of items not affecting liquidity:</u></b>		
Non-monetary economic components	(270)	-
Depreciations of tangible assets	52	86
Depreciations of intangible assets	153	136
Depreciations of right of use	73	47
Allowances for doubtful accounts	-	-
Provisions for severance indemnity, net of payments to social security bodies	43	33
Variation in non current assets/liabilities	6	(60)
<b><u>Cash flow from operating activities, gross of the variation in working capital</u></b>	<b>545</b>	<b>451</b>
Payments of severance indemnity	(4)	(53)
Variation in trade receivable and other current assets	5,894	5,197
Variation in inventories	(58)	402
Variation in trade payables and other current liabilities	(5,652)	(5,664)
<b><u>Cash flow from operations generated/(absorbed) by changes in NWC</u></b>	<b>180</b>	<b>(118)</b>
<b><u>Cash flow from operations (A)</u></b>	<b>725</b>	<b>333</b>
Additions in tangible assets (net of assets sold)	(14)	(36)
Right of use	(113)	99
Investments in other fixed assets (net of divestments)	(213)	643
<b><u>Cash flow from investing activities (B)</u></b>	<b>(340)</b>	<b>707</b>
Increases/(Remboursement) of current financial liabilities	(590)	(230)
Increases/(Remboursement) of net non-current financial liabilities	(691)	30
Convertible bond issue	504	-
<b><u>Cash flow from asset sold (C)</u></b>	<b>(777)</b>	<b>(200)</b>
Net impact of the variation in translation of non Euro exchange rates of cash on hand	274	(343)
<b><u>Cash flow from asset sold (D)</u></b>	<b>-</b>	<b>-</b>
<b><u>Increase/(Decrease) cash available and cash equivalent (A+B+C+D)</u></b>	<b>(118)</b>	<b>497</b>
Cash and cash equivalents at the beginning of the period	982	608
Cash and cash equivalents at the end of the period	864	1,105