

ITWAY GROUP

**HALF-YEAR MANAGEMENT REPORT
AS OF JUNE 30, 2020**

CONSOLIDATED INCOME STATEMENT

<i>Thousand of Euro</i>	<i>Half-year as of</i>	
	<i>30 June 2020</i>	<i>30 June 2019</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Revenues from sales	14,848	13,385
Other operating revenues	620	835
Products	(12,672)	(11,533)
Costs of services	(1,145)	(1,181)
Costs of personnel	(1,192)	(1,147)
Other operating expenses	(107)	(287)
EBITDA	352	72
Depreciations and amortisations	(268)	(316)
EBIT	84	(244)
Financial proceeds	61	5
Financial charges and currency management	145	(14)
Profit before taxes	290	(253)
Taxes	(81)	85
Result for the period	209	(168)
Attributable to:		
Shareholders of parent company	210	(170)
Minorities	(1)	2
Result per share		
<u>From operations:</u>		
Basic	0.03	(0.02)
Diluted	0.03	(0.02)

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

<i>Euro migliaia</i>	<i>Half-year as of</i>	
	<i>30 June 2020</i>	<i>30 June 2020</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Net result	209	(168)
Components that can be reclassified to the income statement:		
Profit/(Losses) from the conversion of the balance sheet of foreign subsidiaries	(343)	(206)
Components that cannot be reclassified to the income statement:		
Actuarial gain (losses) on defined-benefit plans	(45)	-
Comprehensive result	(179)	(374)
Attributable to:		
Shareholders of parent company	(178)	(376)
Minorities	(1)	2

CONSOLIDATED FINANCIAL STATEMENT

<i>Thousand of Euro</i>	30 Jun 20	31 Dec 19
ASSETS		
Net current assets		
Property, plans and machinery	941	991
Goodwill	1,851	1,852
Other intangible assets	2,294	2,319
Rights of use	2,655	2,801
Investments	1,012	1,765
Deferred tax assets	860	791
Non-current financial assets	2,098	2,098
Other non current assets	27	34
Total	11,738	12,651
Current assets		
Inventories	251	653
Account receivables - Trade	13,947	19,203
Other current assets	1,245	1,051
Cash on hand	1,105	608
Other financial credits	2,363	2,498
Current financial assets	1,212	1,210
Total	20,123	25,223
Total assets	31,861	37,874
NET EQUITY AND LIABILITIES		
Share capital and other reserves		
Share capital and reserves	7,971	6,323
Net result of the period	209	2,041
Total Net Equity	8,180	8,364
Share capital and reserves of minorities	(351)	(357)
Total Group Net Equity	7,829	8,007
Non current liabilities		
Severance indemnity	431	406
Provision for risks and charges	-	-
Deferred tax liabilities	516	516
Non current financial liabilities	1,815	1,785
Total	2,762	2,707
Current liabilities		
Financial current liabilities	7,755	7,985
Account payable – Trade	9,998	14,158
Tax payable	1,767	2,447
Other current liabilities	1,750	2,570
Total	21,270	27,160
Total liabilities	24,032	29,867
Total Net Equity and Liabilities	31,861	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	-	-	-	-	-	-	-	(171)	(171)	3	(168)
Other operations	-	-	-	-	-	-	-	-	-	-	-
<i>Other components of comprehensive results at 30 June 2019:</i>											
Gain/(Losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Overall result	-	-	-	-	-	-	(206)	-	(206)	-	(206)
Comprehensive result	-	-	-	-	-	-	(206)	(171)	(377)	3	(374)
Balance at June30, 2019	3,953	(1,346)	17,584	485	4,792	(16,171)	(2,916)	(171)	6,210	(349)	5,862

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, 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	-	-	-	-	-	-	-	-	-	-	-
Total operations with shareholders	-	-	-	-	-	-	-	-	-	-	-
Allocation of the result for the year	-	-	-	-	-	2,037	-	(2,041)	(4)	4	-
Result of the period	-	-	-	-	-	-	-	209	210	(1)	208
Other operations	-	-	-	-	-	-	-	-	-	2	2
<i>Other components of comprehensive results at 30 June 2020:</i>											
Gain/(Losses) on defined benefit plans	-	-	-	-	-	(45)	-	-	(45)	-	(45)
Overall result	-	-	-	-	-	-	(343)	-	(343)	-	(343)
Comprehensive result	-	-	-	-	-	(45)	(343)	209	(178)	1	(178)
Balance at June 30, 2020	3,953	(1,346)	17,584	485	4,792	(14,179)	(3,318)	209	8,180	(351)	7,829

CONSOLIDATED STATEMENT OF CHARGES IN FINANCIAL POSITION

<i>Thousand of Euro</i>	Half-year as of	
	30 Jun 20	30 Jun 19
Results for the period "Net amount Itway Group"	209	(168)
<u>Adjustments of items not affecting liquidity:</u>		
Depreciations of tangible assets	86	87
Depreciations of intangible assets	136	170
Depreciations of right of use	47	59
Allowances for doubtful accounts	-	-
Provisions for severance indemnity, net of payments to social security bodies	33	29
Variation in non current assets/liabilities	(60)	(190)
<u>Cash flow from operating activities, gross of the variation in working capital</u>	451	(13)
Payments of severance indemnity	(53)	(7)
Variation in trade receivable and other current assets	5,197	4,787
Variation in inventories	402	-
Variation in trade payables and other current liabilities	(5,664)	(3,359)
<u>Cash flow from operations generated/(absorbed) by changes in NWC</u>	(118)	1,421
<u>Cash flow from operations (A)</u>	333	1,408
Additions in tangible assets (net of assets sold)	(36)	26
Rights of use	99	(282)
Investments in other fixed assets (net of divestments)	643	(454)
<u>Cash flow from investing activities (B)</u>	707	(710)
Increases/(Remboursement) of current financial liabilities	(230)	(425)
Increases/(Remboursement) of net non-current financial liabilities	30	44
Variation of own shares	-	-
<u>Cash flow from financial activities (C)</u>	(200)	(381)
Net impact of the variation in translation of non euro exchange rates of cash on hand	(343)	(206)
<u>Cash flow from asset sold (D)</u>	-	-
<u>Increase/(Decrease) cash available and cash equivalents (A+B+C+D)</u>	497	111
Cash and cash equivalents at the beginning of the period	608	951
Cash and cash equivalents at the end of the period	1,105	1,063