

PRESS RELEASE

The Itway Group Board of Directors has approved the Interim Management Report as of March 31, 2021

ITWAY GROUP: + 16% REVENUE EUR 10.338 MILLION

**INCREASING NET INCOME AND IMPROVEMENT IN ALL INCOME MARGINS:
EBITDA + 78%, EBIT + 126%. MORE THAN DOUBLED (+ 116%) THE RESULT
BEFORE TAXES THAT RISES TO EURO 865,000**

At March 31, 2021, the Net Financial Position improved by Euro 762 thousand compared to Euro 1.374 million at December 31, 2020

CONSOLIDATED INCOME STATEMENT - QUARTER ENDED MARCH 31 2021						
<i>data in thousands of Euro</i>	2021Q1		2020Q1		% Change	
Revenues	10,338		8,910		+ 16%	
Gross operating profit (EBITDA)	818	<i>7.9%</i>	460	<i>5.2%</i>	+ 78%	
Operating profit (EBIT)	697	<i>6.7%</i>	309	<i>3.5%</i>	+ 126%	
Pre-tax result	865	<i>8.4%</i>	401	<i>4.5%</i>	+ 116%	

Ravenna, May 14, 2021 - The **Board of Directors of Itway SpA** - a company listed on the Mercato Telematico Azionario (MTA) of the Italian Stock Exchange, at the head of the Group leader in the design, production and distribution of e-business solutions, **chaired by G. Andrea Farina, today approved the Interim Management Report at 31 March 2021.**

The following are the main results achieved by the Itway Group at the level of the Consolidated Income Statement in the first quarter of the financial year 2021, compared with the economic situation of the quarter January - March 2020.

The Group closed the first quarter 2021 with:

- **Consolidated Revenues** equal to Euro 10.338 million, an increase of 16% compared to Euro 8.910 million in the same period of the previous year.
- **Gross Operating Result (EBITDA)** equal to 818 thousand Euros, increased by 78% compared to 460 thousand Euros in the same period of 2020.
- **EBITDA Margin equal to 7.9% of revenues (5.2% in the same period of the year previous one).**
- **Operating profit (EBIT)** equal to 697 thousand euros, an increase of 126% compared to the 309 thousand euros of the same period of the previous year.
- **EBIT Margin equal to 6.7% of revenues (3.5% in the same period of the previous year).**

- **pre-tax** Positive result of € 865 thousand, more than doubled (+ 116%) compared to the € 401 thousand of the same period in 2020 with a margin of 8.4% on revenues from the previous 4.5%.

The Group continued and accelerated its positioning towards the Digital product oriented model in the first quarter of 2021, focusing on business segments with higher added value, through the

3 Business Units:

- **Cybersecurity**
- **Data Science**
- **Safety**

The Itway Group in the first quarter of 2021 continued, also through its subsidiaries, to invest in the Cyber Security, IoT and Artificial Intelligence (AI) and Big Data markets, which are connected and correlated with each other.

PERFORMANCE OF THE SECTORS: VALUE ADDED DISTRIBUTION

Through the sector **Value Added Distribution**, the Group operates in **Greece and Turkey**, in the sale of specialized software and hardware products for Cyber Security, certification services on distributed software technologies and technical assistance and planning services and after sales.

The following are the main economic indicators of the VAD ASA, compared with the same values of the previous year:

(thousands of Euro)	Quarter ended on	
	03/31/2021	03/31/2020
Revenues	9,267	8,120
Gross operating profit (Ebitda)	642	280
Operating profit (Ebit)	625	249
Profit before taxes	846	379

The subsidiaries operating in Greece and Turkey achieved increased volumes in the quarter compared to same period of the previous year (+ 14%), recording an excellent result for the quarter both in terms of volume (+ 11% for Turkey and + 18% for Greece) and as regards all profitability indices.

PERFORMANCE OF THE SECTORS: ACTIVITIES OF THE PARENT COMPANY AND OTHER SECTORS IN SCALE-UP

Itway SpA is the Parent Company listed on the Italian Stock Exchange which provides various services to operating subsidiaries and includes the new sectors described below, which are investing in the production of products and are in the operational and commercial scale-up phase and has production and system integration activities.

- **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** as regards Data Science and Data Management services and solutions for the Big Data market of scientific research and cultural heritage.

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

(thousands of Euro)	Quarter ended	
	31/03/2021	31/03/2020
Revenues	1,071	790
Gross operating result (Ebitda)	176	180
Operating result (Ebit)	72	60
Result before taxes	19	22

4Science Srl after a few years of activity has now positioned itself as a **reference** in the emerging **Data Science, Data Management market , Big Data (Data Curation)** as well as the **Digital Repository and Preservation of the digital heritage** relating to **scientific research and cultural and artistic heritage, the so-called Digital Libraries.**

The skills acquired over the years, combined with the strategic choice to operate in the world of Open Source software, have allowed 4Science to position itself internationally as a reference for CRIS solutions and to count among its customers the most prestigious universities (one among all the Institute for Advanced Study of Princeton in New Jersey, where Mr. Einstein taught).

NET FINANCIAL POSITION

The Net Financial Debt of the Itway Group at March 31, 2021 is halved compared to the figure of December 31, 2020, passing from Euro 1.374 million to Euro 0.612 million in the first quarter of the current year.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Following the issue of no. 286,286 new shares which took place in February 2021, following the request for conversion into shares for Euro 200 thousand of the first tranche of convertible bonds which increased the share capital bringing it to Euro 4,095,802, in April 2021 we proceeded to 'issue of n. 420,109 new shares following the request for conversion into shares for the remaining € 300 thousand of the first tranche of convertible bonds, bringing the share capital to € 4,305,856.50.

BUSINESS OUTLOOK

As reported in the very recent Management Report of the financial statements as at 31 December 2020 and published on 9 April 2021, the Group is expected to focus on the Cybersecurity, Data Science and Safety sectors. In addition, an increasing focus on the subsidiaries Be Innova Srl and 4Science Srl is expected.

The current situation regarding the possible impact on the business trend due to the effects of the pandemic linked to Covid-19 persists and it is not possible to assess today whether there will be effects of a certain relief. As reported in the recent Report on Operations of the financial statements closed at 31 December 2020, it should however be emphasized that the activities of the Itway group, mostly linked to cybersecurity, have proved essential also, and above all, in these moments of global emergency, this demonstrates of the fact that Cybersecurity, dealing with the safety of the core activities of companies, can be considered anti-cyclical with respect to other market sectors.

TREASURY SHARES

The Parent Company Itway SpA as of March 31, 2021 owns n. 203,043 treasury shares (equal to 2.36% of the share capital), for a nominal value of 101,522 euros. Of these, n. 136,400 treasury shares (equal to 1.58% of the share capital) were loaned to Nice & Green SA to service the financial transaction commented on in the aforementioned Management Report of the Financial Statements at 31 December 2020.

During the period, no treasury shares were bought and sold, as well as after the end of the quarter and on the date of this report.

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. The data presented in this press release has not been revised.

This press release is available at the registered office and on the Company's website at 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

Itway - 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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