



PRESS RELEASE

Itway's Board of Directors approves the Half-Year Financial Report at 30 June 2022

HALF-YEARL ITWAY GROUP:

REVENUES STABLE AT 18.326 THOUSAND ANDURO

CONSTANT GROSS MARGIN

**INCOME MARGINS DECLINED AS A RESULT OF INVESTMENTS TO
STRENGTHEN THE STRUCTURE**

**CLEAR IMPROVEMENT IN THE NFP OF THE GROUP'S
FROM € 314 THOUSAND A €1,590 THOUSANDS**

Ravenna, 30 September 2022 – The **Board of Directors of Itway S. p. A.** - company listed on the MTA of Borsa Italiana (IT0003057624) - head of the leading GROUP in the IT sector for the design, production and distribution of technologies and solutions in the **cybersecurity, artificial intelligence, cloud computing and big data** sector, chaired by G. Andrea Farina, today approved the Half-Year Financial Report at 30 June 2022.

The following are the main consolidated economic results achieved by the Itway Group in the first half of the 2022 financial year, compared with those for the same period as at 30 June 2021.

In thousands of Euros	30/06/2022 (6 months)	30/06/2021 (6 months)
Revenues	18.326	18.936
Gross operating result (EBITDA)	828	1.224
Operating result (EBIT)	526	946
Pre-tax result	(88)	719
Net result	(301)	487

In the six months ended June 30, 2022, the gross operating result (EBITDA) went from Euro 1,224 thousand in the first half of 2021 to Euro 828 thousand in the first half of 2022.

The operating result (EBIT) also decreased from 946 thousand euros to 526 thousand euros and the result before tax fell from 719 thousand euros to -88 thousand euros.

The Group has continued to invest, in the first half of 2022 as in previous years, in the development of products in a significant way and this, **combined with investments in personnel with high technical skills, and the opening of the 4Science headquarters in the USA** is allowing the Group to expand its presence on the



market through products and services owned by Itway. These investments have led to an increase in costs, not yet offset by the increase in revenues.

Further **investments and innovations have been made in ICOY®**, and the added innovations will produce additional instances of patent applications.

The product line that was strongly affected by the slowdown due to Covid-19 was the ICOY® of the Cyber Safety Business Unit. The product line is continuing its development road map; from industrial prototype to market product, **with the completion of the certification for the CE mark and Industry 4.0 compliance.** The product market process has been slowed down due to the crisis, grafted by Covid, of the main market segments to which it is addressed: manufacturing, metallurgy, oil & gas, transport & logistics. **The first purchase plans have begun by customers where the POCs have been developed and with the completion of the Icoy Mover Crane® and Icoy Mover Forklift® lines,** the marketing and commercial thrust of the product will be increased.

In further favor, there has been a constant and growing interest in this innovative product owned by Itway, by potential customers, who have significantly increased the sensitivity towards the safety at work of their workers.

General context and trend of the ICT market

To date, projections of the 2022 ICT market trend are available that take into account the changed scenario of the economy after Covid-19 and that is facing a complex moment linked to the international scenario determined by the war in Ukraine, the shortage of raw materials, crazy energy costs and rising inflation. These data were published by Anitec-Assinform in July 2022. As is well known, the 2021 GDP recorded a good recovery, reaching a growth of 6.6% which made it possible to partially recover the 9% loss recorded in 2020 (source Istat March 2022) and the projections for the first half of the year were also positive: the acquired change in GDP for 2022, or the annual change that would be obtained in the presence of a zero cyclical change in the remaining quarters of the year, would be equal to 3.4% (source ISTAT July 2022).

The general projections of the ICT sector foresee an overall increase of 3.6%, therefore a recovery in continuity with 2021 (source Anitec-Assinform July 2022).

Following the growth of 21% in 2020 and 22% in 2021, the most innovative components of digital innovation, the cd. "Digital Enabler", starting from the Cloud, Cybersecurity, IoT, AI and collaborative and remote work platforms (including smart working).

Sector performance: 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 SAA VAD, compared with the values of the previous year:

In thousands of Euros	30/06/2022	30/06/2021
Total Revenues	16.376	16.928
Gross Operating Margin (EBITDA)*	1.105	1.050
Operating Result (EBIT)*	1.056	999
Result before taxes	1.136	1.204
Result of the period	952	1.070

The first half of 2022, as previously commented, has still been affected by the consequences of socio-economic scenario still disrupted by the aftermath of the pandemic and the negative effects linked to the Ukrainian conflict.

Sector performance: Parent Company and other sectors in Scale-up

Itway S.p.A. is the Parent Company listed on the Italian Stock Exchange S.p.A. which provides services of various kinds to the 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 within it production and system integration activities.

- Itway S.p.A. is an operating holding company that deals with consulting, design and system integration in the field of cyber security, in particular on GDPR and safety at work in the so-called EH&S segment (Environment, Health & Safety).
- 4Science S.p.A. specialized in Data Science and Data Management services and solutions for the digital repository market of scientific research, cultural heritage and Big Data.

(thousands of Euro)	30/06/2022	30/06/2021
Revenues	1.950	2.008
Gross operating result	(277)	174
Operating result	(530)	(53)
Result before taxes	(1.224)	(485)
Result of the period	(1.253)	(583)



Net financial position

Below is the detail of the NFP:

	30/06/2022	31/12/2021
Thousands of Euros		
Cash equivalents	701	951
Financial receivables	2.134	2.250
Current financial assets	1.177	1.125
Current financial liabilities	(598)	(2.064)
Convertible bonds	-	(475)
Current net financial position	3.414	1.787
Non-current financial assets	1.598	1.598
Non-current financial liabilities	(3.423)	(3.071)
Non-current net financial position	(1.825)	(1.473)
Total net financial position	1.589	314

The Group's Net financial position at 30 June 2022 **improved by almost 1.3 million Euros** compared to 31 December 2021. This change, in addition to the trend in operating operations with particular regard to foreign subsidiaries, is mainly due to the payment with consequent grave closure of the positions with Mercatoria and Socrates and the conversion of the bond loan at the request of the investor Nice & Green in the first half of 2022. It should be noted that during the first half of the year, revenue from the issuance of new tranches of the convertible bond, net of related transaction costs, amounted to euro 732 thousand.

Significant events occurring after the end of the period

On July 5, 2022, the shareholders' meeting of 4Science resolved to transform the company from S.r.l. into S.p.A. while deliberating a free capital increase of 50,000 euros with the allocation of 40,000 belonging to the 'Reserves future capital increase'.

This transformation is functional to subsequent ordinary and extraordinary transactions as well as on the equity of the company itself.

Also on July 5, 2022, the certificate of incorporation of the company 4Science USA Corporation in the state of Delaware was filed, as established by the ordinary shareholders' meeting held on June 30, 2022.

The subscription of a **capital increase reserved for professional and institutional investors with the raising of Euro 2.8 million** was also completed on August 8th. The resources will be allocated to finance the 2022-2026 business plan, to meet both the Company's working capital needs and growth through internal and external lines.

Following the completion of the aforementioned equity transaction, Itway acquires a stake in 4Science equal to 71.43% of the share capital.



With reference to the investment agreement in place between the Parent Company and Nice & Green on September 9, 2022, 25 bonds were issued that can be converted into shares with a unit value of Euro 10,000 each for the total amount of Euro 250 thousand.

Foreseeable development of operations

Below is the foreseeable evolution of operations, disaggregated for each company:

Itway S.p.A.

In the months that follow, the Group will continue its development activities in its reference markets, Cyber security, Data Science and Cyber safety. To achieve these objectives, Itway will focus on the growth of the Cyber Security Business Unit, also exploiting synergies with the subsidiary Be-Innova S.r.l., in particular by pushing the new "**Itway Security 360™**" product line, going to offer the market the services made available by the subsidiary Be-Innova, such as the NOC / SOC services that today represent a true excellence, promoting them also in the SME market. **A first example in this direction is the definition of a resale agreement with the company Digital Pharm specialized in the pharmacy market and also the agreement signed with the company Publikimage specialized in web marketing.** It is also estimated that the collaboration with the new partner SEAC S.p.A. will create many positive opportunities.

The theme of **Cyber security therefore remains the central pivot of the Itway Group's service offer** with the aim of increasingly strengthening our market shares through the expansion of the customer base and the creation of new partnerships with technology vendors that represent the state of the art in the field of Cyber Security.

A separate speech deserves the **Cyber safety Business Unit**, based on the product owned by ICOY®, which suffered strong slowdowns in 2020 and 2021 mainly due to Covid-19. During the semester just ended, Itway has found important signals from customers with whom we have concluded the POCs and this bodes well for the realization of orders in the second half. Even if the delay accumulated due to Covid remains heavy and cannot be recovered by an accelerated adoption of our product by the market compared to forecasts, the prospects of this innovative product line always remain very positive.

4Science S.p.A.

The first half of the year suffered significant slowdowns in the receipt of orders both for the general economic/social situation and for the PNRR effect; it is therefore reasonable to think that in the following months the situation can improve and allow a more fluid dialogue with our interlocutors in the PA, whether they are universities, libraries or research institutions.

In addition, **the growth in the first half of orders is 69% higher** than in the same period last year well positions the company in the second half of 2022.

We should also see the **positive effects linked to the new organizational structure, in particular the efficiency of operations as a result of the substantial investments made on the company's personnel.** The company is today, at a global level, one of the main service providers of the **DSpace platform** with a leading role within the American steering committee that defines its future developments and evolutions; this leading role, together with the increased production capacity of our software factory, will allow it to **grow both on the international and national market.**



Itway also expects that the direct presence in the US market will bear fruit and in any case generate a significant amount of negotiations in a market that can certainly offer great opportunities.

Itway Turkey Ltd. e Itway Hellas S.A.

As for the subsidiaries in Greece and Turkey, to date there are no significant factors that could in any way slow down growth, with a careful eye on the currency situation in Turkey and a vigilant management of operating costs.

Itway expects value-added distribution activities to continue **significantly in their growth** while maintaining a constant focus on margin protection and working capital management. The reference market in the two countries in which we operate is in a phase of significant development and the prospect is to grow organically thanks to the expected growth rates of the vendors that are represented, the growth of market share and the introduction of new product lines.

The objective remains to maintain good growth rates, among other things very important in Turkey, both in terms of revenues and profitability, in line with the Business Plan, and to confirm the strategic leadership positioning in Cyber Security of Greece and Turkey.

Relationships with related parties

During the first half of 2022, the Group maintained commercial and financial relationships with related companies. These are relationships established as part of normal management activities, regulated under conditions contractually established by the parties, in line with ordinary market practices as a result of which the summary to date is given below:

in thousands of Euros	Credits	Debts	Costs	Revenues
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	274	-	99	1
Itway S.p.A. vs Be Innova S.r.l.	4.614	236	47	50
Itway S.p.A. vs Fartech S.r.l.	113	176	54	57
TOTAL	5.001	412	200	108

Itway S.p.A. carries out management and coordination activities of subsidiaries resident in Italy. This activity consists in the indication of the Group's general and operational strategic guidelines, in the definition and adaptation of the Organizational Model and in the elaboration of the general policies for the management of human and financial resources.

Itway S.p.A. is not subject to direction and coordination by any company.

Shares

As at 30 June 2022, the Parent Company owned 203,043 treasury shares (equal to 1.99% of the share capital), for a nominal value of 101,522 Euros and a total 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 shareholders' equity for the year and consolidated). Of these, 136,400 treasury shares (equal to 1.34% of the share capital) in 2020 were loaned to N&G.



As required by paragraph 2 art. 154-bis of the T.U.F., the manager in charge of 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 accordance with the provisions of the Consob Issuers' Regulations, we inform you that the interim management report at 30 June 2022 is available to the public at the Ravenna office, Via L. Braille 15, as well as published in advance the storage mechanism at the address: www.emarketstorage.com. The document is also available on the Company's website at www.itway.com, in the "INVESTORS / FINANCIAL INFO / Half-Yearly Financial Statements" section.

This press release is available at the Company's headquarters and website at www.itway.com, at Borsa Italiana and at the centralized authorized storage mechanism called "Emarket Storage" managed by Spafid Connect S.p.A., and can be consulted at [the www.emarketstorage.com](http://the.www.emarketstorage.com).

Itway – www.itway.com

Founded in Ravenna on 4 July 1996 by G. Andrea Farina, Itway S.p.A. he is the head of a group that operates in the **IT sector for the design, production and distribution of technologies and solutions in the field of cybersecurity, artificial intelligence (AI) cloud computing and big data.** For over 25 years, the group has been a point of reference in the field of Digital Transformation solutions and services. Since 2001 Itway has been listed on the Mercato Telematico Azionario (MTA) of Borsa Italiana.

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Attached financial statements



ITWAY GROUP
HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

CONSOLIDATED INCOME STATEMENT

<i>Thousands of Euro</i>	<i>Half-year as of</i>	
	<i>30 June 2022</i>	<i>30 June 2021</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Revenues from sales	17,678	17,773
Other operating revenues	648	1,163
Products	(14,757)	(15,332)
Costs of services	(996)	(947)
Costs of personnel	(1,589)	(1,326)
Other operating expenses	(156)	(107)
EBITDA	828	1,224
Depreciations and amortisations	(302)	(278)
EBIT	526	946
Financial proceeds	36	7
Financial charges and currency management	(650)	(233)
Profit before taxes	(88)	720
Taxes	(213)	(232)
Result for the period	(301)	488
Attributable to:		
Shareholders of parent company	(293)	486
Minorities	(8)	2
Result per share		
<u>From operations:</u>		
Basic	(0.03)	0.06
Diluted	(0.03)	0.06

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

<i>Thousands of Euro</i>	<i>Half-year as of</i>	
	<i>30 June 2022</i>	<i>30 June 2021</i>
	<i>Net amount</i>	<i>Net amount</i>
	<i>Itway Group</i>	<i>Itway Group</i>
Net result	(301)	488
Components that can be reclassified to the income statement:		
Profit/(Losses) from the conversion of the balance sheet of foreign subsidiaries	(207)	(367)
Components that cannot be reclassified to the income statement:		
Actuarial gain (losses) on defined-benefit plans	-	-
Comprehensive result	(508)	121
Attributable to:		
Shareholders of parent company	(500)	119
Minorities	(8)	2

CONSOLIDATED FINANCIAL STATEMENT

<i>Thousand of Euro</i>	30 June 22	31 December 21
ASSETS		
Net current assets		
Property, plans and machinery	876	899
Goodwill	1,847	1,847
Other intangible assets	2,979	2,679
Rights of use	2,539	2,586
Investments	602	602
Deferred tax assets	1,018	1,018
Non-current financial assets	1,598	1,598
Other non current assets	17	13
Total	11,476	11,242
Current assets		
Inventories	322	211
Account receivables - Trade	14,170	20,627
Other current assets	856	602
Cash on hand	701	951
Other financial credits	2,134	2,250
Current financial assets	1,177	1,125
Total	19,360	25,766
Total assets	30,836	37,008
NET EQUITY AND LIABILITIES		
Share capital and other reserves		
Share capital and reserves	11,435	9,114
Net result of the period	(293)	1,303
Total Net Equity	11,142	10,417
Share capital and reserves of minorities	(361)	(353)
Total Group Net Equity	10,781	10,064
Non current liabilities		
Severance indemnity	626	597
Non current account payable – Trade	-	145
Provisions for risks and charges	616	264
Deferred tax liabilities	240	240
Non current financial liabilities	3,423	3,071
Total	4,905	4,317
Current liabilities		
Financial current liabilities	598	2,539
Current account payable – Trade	9,078	14,198
Tax payable	3,503	3,745
Other current liabilities	1,971	2,145
Total	15,150	22,627
Total liabilities	20,055	26,944
Total Net Equity and Liabilities	30,836	37,008

Consolidated statement of charges in equity

Thousand of Euro	Cumulated profit (losses)						Translation reserve	Result for the period	Net equity of group	Minorities interests	Total net equity
	Share capital	Own share capital	Share premium reserve	Legal reserve	Voluntary reserve	Other reserves					
Balance at January 1, 2021	3,953	(320)	17,037	485	4,792	(14,187)	(3,773)	1,224	9,211	(355)	8,858
Capital increases from bond loan conversion	651	-	337	-	-	-	-	-	988	-	988
Total operations with shareholders	651	-	337	-	-	-	-	-	988	-	988
Allocation of the result for the year	-	-	-	-	-	1,224	-	(1,224)	-	-	-
Other operations	(10)	-	-	-	-	-	-	-	(10)	-	(10)
Result of the period	-	-	-	-	-	-	-	486	486	2	488
<i>Other components of comprehensive results at 30 June 2021:</i>											
Gain/(Losses) on defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Overall result	-	-	-	-	-	-	(367)	-	(367)	-	(367)
Comprehensive result	-	-	-	-	-	-	(367)	486	119	2	121
Balance at June 30, 2021	4,604	(320)	17,374	485	4,792	(12,963)	(4,140)	486	10,308	(352)	9,958
<i>Components 2nd half 2021:</i>											
Capital increases from bond loan conversion	-	-	4	-	-	-	-	-	4	-	4
Total operations with shareholders	-	-	4	-	-	-	-	-	4	-	4
Result of the period	-	-	-	-	-	-	-	815	815	-	815
<i>Other components of comprehensive results from 1st July 2021 to 31st December 2021:</i>											
Gain/(Losses) on defined benefits plans	-	-	-	-	-	(18)	-	-	(18)	-	(18)
Other operations	-	-	-	-	-	(6)	-	-	(6)	-	(6)
Overall result	-	-	-	-	-	-	(696)	-	(696)	-	(696)
Balance at January 1, 2022	4,604	(320)	17,378	485	4,792	(12,987)	(4,836)	1,301	10,417	(353)	10,064
Capital increases from bond loan conversion	501	-	726	-	-	-	-	-	1,227	-	1,227
Total operations with shareholders	501	-	726	-	-	-	-	-	1,227	-	1,227
Allocation of the result for the period	-	-	-	-	-	1,301	-	(1,301)	-	-	-
Other operations	-	-	-	-	-	(2)	-	-	(2)	-	(2)
Result of the period	-	-	-	-	-	-	-	(293)	(293)	(8)	(301)
<i>Other components of comprehensive results at 30 June 2022:</i>											
Gain/(Losses) on defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Overall result	-	-	-	-	-	-	(207)	-	(207)	-	(207)
Comprehensive result	-	-	-	-	-	-	(207)	(293)	(500)	(8)	(508)
Balance at June 30, 2022	5,105	(320)	18,104	485	4,792	(11,688)	(5,043)	(293)	11,142	(361)	10,781

CONSOLIDATED STATEMENT OF CHARGES IN FINANCIAL POSITION

<i>Thousand of Euro</i>	Half-year as of	
	30 Jun 2022	30 Jun 2021
Result for the period "Net amount Itway Group"	(301)	488
<u>Adjustments of items not affecting liquidity:</u>		
Non-monetary economic components	(76)	(270)
Depreciations of tangible assets	35	52
Depreciations of intangible assets	203	153
Depreciations of right of use	64	73
Allowances for doubtful accounts	-	-
Allowances for risk funds	592	226
Provisions for severance indemnity, net of payments to social security bodies	71	43
Taxes	213	232
<u>Cash flow from operating activities, gross of the variation in working capital</u>	801	997
Payments of severance indemnity	(42)	(4)
Variation in trade receivable and other current assets	5,296	5,662
Variation in inventories	(111)	(58)
Variation in trade payables and other current liabilities	(5,169)	(5,652)
Deconsolidation effects Itway Iberica	(212)	-
<u>Cash flow from operations generated/(absorbed) by changes in NWC</u>	(238)	(52)
<u>Cash flow from operations (A)</u>	563	945
Additions in tangible assets (net of assets sold)	(516)	(8)
Right of use	-	(113)
Investments in other fixed assets (net of divestments)	(4)	(439)
Variation cash and cash equivalent deconsolidation Itway Iberica	(1)	-
<u>Cash flow from investing activities (B)</u>	(521)	(560)
Increases/(Remboursement) of current financial liabilities	(1,168)	(590)
Increases/(Remboursement) of net non-current financial liabilities	352	(691)
Convertible bond issue	732	504
<u>Cash flow from asset sold (C)</u>	(84)	(777)
Net impact of the variation in translation of non Euro exchange rates of cash on hand	(207)	274
<u>Cash flow from asset sold (D)</u>	-	-
<u>Increase/(Decrease) cash available and cash equivalent (A+B+C+D)</u>	(249)	(118)
Cash and cash equivalents at the beginning of the period	950	982
Cash and cash equivalents at the end of the period	701	864