



PRESS RELEASE

The Board of Directors of the Itway Group approved the Interim Report on Operations at 30 September 2022

ITWAY GROUP

First 9 months 2022

REVENUES UP TO 25,056 MILLION EUROS

EBITDA 1,203 MILLION EUROS

EBIT € 745 THOUSAND

PRE-TAX RESULT AT -48 THOUSAND €

Third quarter 2022

REVENUES UP TO 7.378 MILLION EUROS

EBITDA AT 375 THOUSAND €

PROFIT BEFORE TAX UP SHARPLY TO € 40 THOUSAND AGAINST € -259 THOUSAND IN 2021

STRONG JUMP IN THE NET FINANCIAL POSITION PASSING FROM € 314 THOUSAND AT THE END OF 2021 TO € 4.537 MILLION

Ravenna, 14 November 2022 – The Board of Directors of Itway S.p.A. , a company listed on the MT A of the Italian Stock Exchange - head of the Group that operates 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 Interim Report on Operations at 30 September 2022.

Below are the main consolidated economic results achieved by the Itway Group in the first nine months of the financial year 2022, compared with those of the same period in 2021:

In thousands of Euro	Nine months to 30/09/2022	Nine months to 30/09/2021	Three months to 30/09/2022	Three months to 0/309/2021
Revenues	26.031	25.736	7.705	6.800
Gross operating profit (EBITDA)	1.203	1.347	375	123
EBITDA%	4,6%	5,2%	4,9%	1,8%
Operating result (EBIT)	745	849	219	(97)
EBIT%	2,9%	3,3%	2,8%	-1,4%

In the third quarter ended September 30, 2022:

- the operating revenues of the " Itway Group", equal to Euro **7,705 thousand, increased compared to the same period of the previous year** (Euro 6,800 thousand, +13.3%), due to the good performance of 4Science and Itway and the maintenance of revenues and increase in profitability of the Greek and Turkish subsidiaries;
- EBITDA was positive for Euro 375 thousand compared to Euro 123 thousand in the same period of 2021 (+205%);
- The operating result (EBIT) amounted to Euro 219 thousand, compared to Euro -97 thousand in the first 9 months of 2021 (+325%);
- **Profit before taxes** amounted to Euro 40 thousand compared to the same period of 2021, equal to Euro -259 thousand.

The good performance of the quarter leads, in the 9-month period ended 30 September 2022, to a good recovery:

- the operating revenues of the "Itway Group" amounted to Euro 26,031 thousand (of which over 90% abroad) and increased compared to the same period of the previous year, amounting to Euro 25,736 thousand (+1.2%).
- EBITDA was positive for Euro 1,203 thousand, compared with Euro 1,347 thousand in the same period of 2021 (-10.6%).
- The operating result (EBIT) amounted to Euro 745 thousand, compared to Euro 849 thousand (-12.2%).
- Profit before tax amounted to Euro -48 thousand compared to Euro 460 thousand in the same period of 2021.

The Group continues its positioning towards the Digital product-oriented model for the third quarter of 2022, focusing on business segments with higher added value, through the 3 Business Units:

- Cybersecurity
- Data Science
- Cyber Safety

During the first nine months of 2022, the Itway Group continued to invest in the Cybersecurity, IoT and Artificial Intelligence (AI) and Big Data markets, all connected and related markets.

PERFORMANCE OF THE ICT MARKET

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

Following growth of 21% in 2020 and 22% in 2021, the most innovative components of digital innovation, the so-called digital innovation, are expected to continue to grow at double-digit rates in 2022. "Digital Enabler", starting from the Cloud, Cybersecurity, IoT, AI and collaborative and remote work platforms (including smart working).

PERFORMANCE OF 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 design services, pre and post sales technical assistance.

The main economic indicators of the VAD SBA, compared with the values of the previous year, are shown below:

In thousands of Euro	Nine months to 30/09/2022	Nine months to 30/09/2021
Total revenues	23.124	23.110
Gross margin	2.716	2,441
<i>Gross margin %</i>	<i>11,8%</i>	<i>10,6%</i>
operative Margin EBITDA	1.632	1.454
<i>EBITDA %</i>	<i>7,1%</i>	<i>6,3%</i>
Operating result (EBIT)	1.560	1.377
<i>EBIT %</i>	<i>6,7%</i>	<i>6%</i>

In thousands of Euro	Three months to 30/09/2022	Three months to 30/09/2021
Total revenues	6.748	6.182
Gross margin	879	732
<i>Gross margin %</i>	<i>13.1%</i>	<i>11.9%</i>
operative Margin (EBITDA)	527	404
<i>EBITDA %</i>	<i>7,8%</i>	<i>6,5%</i>
Operating result (EBIT)	504	378
<i>EBIT %</i>	<i>7,5%</i>	<i>6,1%</i>

The first nine months of 2022, as previously commented, were still affected by the consequences of a socio-economic scenario still disturbed by the aftermath of the pandemic and the negative effects linked to the Ukrainian conflict.

The analysis by country is broken down below:

Itway Turkey is experiencing a particularly complex economic phase due to the strong devaluation underway and the economic-monetary policies not always effective put in place by the central government. Despite these objective difficulties that have affected the purchasing capacity of both private and public companies, the results of the first nine months of 2022 indicate a good resilience, however accompanied by an important growth, in a complex context, **with an increase in turnover equal to +62.76% in local currency** compared to the first nine months of 2021. Although this significant growth was not reflected in an increase in revenues in Euro, considering the devaluation of the exchange rate (Euro on Turkish Lira), there was an increase in the first **margin, both in percentage and in absolute values, and an increase in profitability with Ebitda growing by 26%, compared to the first nine months of 2021.**

Itway Hellas, the Greek subsidiary, recorded a growth in terms of turnover of 9.26%, increasing its market share. The Company, specialized in Cyber security, continues to grow in a market, the Greek one, which is progressively emerging from a tense and delicate economic situation and is showing important signs of vitality, especially in the PA and Public Education sector where important investments have been made in the digitization of processes, with positive consequences for the demand for cyber security. To support the growth in turnover, investments were made in technical personnel with a consequent increase in costs; despite this, the Company still recorded an increase of about 87% in Ebitda in the first nine months of 2022 compared to the same period of the previous year.

SEGMENT PERFORMANCE: PARENT COMPANY ACTIVITIES AND OTHER SEGMENTS IN SCALE-UP

Itway S.p.A. is the Parent Company listed on Borsa Italiana S.p.A. which provides various services to operating subsidiaries and includes the new sectors described below, which are investing in the **creation of products and are in the operational and commercial scale-up phase**, and has IT Services activities (production and system integration).

- **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.** specializes in services and production of Data Science and Data Management solutions for the digital repository market of scientific research, cultural heritage and Big Data.

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 segments in scale-up is shown below:

In thousands of Euro	Nine months		Three months to 30/09/2022	Three months to 0/309/2021
	Nine months to 30/09/2022	to 30/09/2021		
Revenues	2.907	2.626	957	618
Gross operating profit (EBITDA)	(429)	(107)	(152)	(281)
EBITDA %	-14,8%	-4,1%	-15.9%	-45,5%
Operating result (EBIT)	(815)	(528)	(285)	(475)
EBIT %	-28%	-20.1%	-29.7%	-76.9%

Itway S.p.A continues in the activities of the two Business Units, Cyber security and Cyber safety.

The Cyber Security Business Unit has seen the creation of a new product line called "Itway Security 360™" that responds to the problems of the new defined market of Cyber Risk Management. Managed security services (MSP) have been further expanded through a greater segmentation of these services, alongside the services offered to medium-large companies with a family of services designed and specialized for SMEs, competitive in price and simple in their sale and installation. These services have been designed to encourage resale agreements with specialized agencies in the various segments in which SMEs are grouped, e.g. accountants, pharmacies, professionals and others.

The Cyber Safety Business Unit is in the "start-up" stage. It has the ICOY proprietary product based on "deep learning" AI and allows to introduce a strong level of prevention and safety from accidents due to crushing and investments. After completing the complex patent application process in Italy and the EU assisted by Bugnion S.p.A., the patent was **accepted and issued with no. 10202000016051. The obtaining of the patent is very positive news, and testifies to the great innovation that the product expresses. The ICOY MOVER Bridge Crane line has been enriched with new features and this has allowed us to start the first purchase plans with the main customer. The POCs launched in 2021, based on the ICOY MOVER Forklift product, with an important Italian company specialized in logistics - goods handling services, have been concluded.**

So, despite the slowdowns suffered in the last two years due to the crisis triggered by Covid-19, the activities of the first nine months of 2022 and the feedback received from the market denote a growing and concrete interest that

we believe will soon materialize in a growing demand for adoption of the ICOY product by those companies operating in the manufacturing sector, metallurgy, oil & gas, transport & logistics that have significantly increased the sensitivity towards the safety at work of their workers.

4Science S.p.A is in the scale-up stage. Si places itself on the market as a reference point in the Data Management Systems market, a segment that is part of the vast Big Data market, offering its customers Digital Repository solutions for the management and preservation of digital heritage, whether it is related to the world of Universities and scientific research, whether it is related to Cultural Heritage and Archives, the so-called Digital Libraries. Below are the indicators of revenues and orders, the first nine months of 2022:

- The **total** revenues of 4Science grew by 21.8%, **revenues of products and services grew by 19.9% compared to the same period of 2021;**
- The value of orders in the first 9 months of 2022 was over Euro 1,717 thousand, up compared to Euro 808 thousand in the same previous period (+112%).

NET FINANCIAL POSITION

Below is a breakdown of the Group's net financial position

	30/09/2022	30/06/2022	31/12/2021
Thousands of Euro			
Cash and equivalents	3.771	701	951
Financial receivables	2.134	2.134	2.250
Current financial assets	1.237	1.177	1.125
Current financial liabilities	(678)	(598)	(2.064)
Convertible bonds	(250)	-	(475)
Current net financial position	6.214	3.414	1.787
Non-current financial assets	1.598	1.598	1.598
Non-current financial liabilities	(3.275)	(3.423)	(3.071)
Non-current net financial position	(1.677)	(1.825)	(1.473)
Total net financial position	4.537	1.589	314

and the net financial position of the Parent Company:

	30/09/2022	30/06/2022	31/12/2022
Thousands of Euro			
Cash and equivalents	71	50	121
Financial receivables	2.134	2.134	2.250
Current financial liabilities	(247)	(1.169)	(1.683)
Convertible bonds	(250)	-	(475)
Current net financial position	1.708	1.015	213
Non-current financial assets	1.598	1.598	1.598
Non-current financial liabilities	(1.678)	(1.720)	(2.304)
Non-current net financial position	(80)	(122)	(706)
Total net financial position	1.628	893	(493)

As at 30 September 2022, as shown in the tables above, the trend of improvement in the net financial position of both the Group and the Parent Company continues, essentially due to:

- the closure of positions towards Mercatoria and Socrates;
- the subscription for the period of Euro 970 thousand, net of related commissions, and subsequent conversion into newly issued shares;
- the subscription of a capital increase of the subsidiary 4Science S.p.A. reserved for professional and institutional investors with the collection of Euro 2.8 million whose resources will be allocated to finance the 2022-2026 business plan, to meet both the working capital needs of the Company and internal and external growth.

RELATIONSHIPS WITH RELATED PARTIES

During the first nine months 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 market practices and summarized below:

in thousands of €uro	Credits	Debts	Costs	Revenues
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	274	-	149	1
Itway S.p.A. vs Be Innova S.r.l.	4.478	152	92	75
Itway S.p.A. vs Fartech S.r.l.	88	176	54	57
TOTAL	4.840	328	295	133

Itway S.p.A. directs and coordinates subsidiaries resident in Italy. This activity consists in indicating the general and operational strategic guidelines of the Group, in the definition and adaptation of the Organizational Model and in the elaboration of general policies for the management of human and financial resources.

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

OWN SHARES

As at 30 September 2022, the Parent Company owns 203,043 treasury shares (equal to 1.99% of the share capital), for a nominal value of Euro 101,522 and a total purchase cost of the shares held in portfolio of Euro 320 thousand (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 share capital) in 2020 were loaned to N&G to service the financial transaction previously commented.

Declaration of the manager responsible for preparing the company's accounting documents in accordance with the provisions of art. 154-bis paragraph 2 of Legislative Decree no. 58/1998 (Consolidated Law on Finance)

The undersigned Sonia Passatempi as manager responsible for preparing the company's financial reports, declares, pursuant to paragraph 2 of art. 154-bis of Legislative Decree no. 58/1998 (Consolidated Law on Finance) that the information contained in this Interim Report on the management of the Group corresponds to the documentary results, books and accounting records.

Itway - www.itway.com

Founded in Ravenna on 4 July 1996 by G. Andrea Farina, Itway S.p.A. 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. The

CONTACTS:

Itway SpA
Phone 0544 288710
investor.relation@itway.com

Mirella Villa Communication
Mirella Villa 335 7592701