



PRESS RELEASE

The Itway Group Board of Directors has approved the Interim Report of Operations as of 30 September 2021

**ITWAY GROUP:
AS OF 30 SEPTEMBER 2021
REVENUES IN STRONG GROWTH (+ 15%)
AT 25.74 MILLION EUROS.
EBITDA + 95% EQUAL TO 1.51 MILLION - EBIT + 173% EQUAL TO 1.02 MILLION
PROFIT BEFORE TAXES IN SLIGHT DECLINE EQUAL TO € 0.46 MILLION
IMPROVEMENT TOTAL NFP, FROM -1.38 MILLION GOES TO +0.48 MILLION**

Ravenna, 12 November 2021 - The **Board of Directors of Itway SpA**, a company listed on the MTA of the Italian Stock Exchange - at the 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 - **chaired by G. Andrea Farina, today approved the Interim Management Report at 30 September 2021.**

Below are the main consolidated economic results achieved by the Itway Group in the first nine months of the 2021 financial year, compared with those of the same period in 2020:

- **Consolidated revenues** equal to 25.74 million Euros, of which 90% abroad, (+ 15% compared to € 22.32 million in the same period of the previous year);
- **Gross Operating Margin (EBITDA)** of 1.51 million euros against 0.78 million euros in the same period of 2020 (+ 95%);
- **Operating Margin (EBIT)** of € 1.02 million compared to € 0.37 million in the first 9 months of 2020;
- **Pre-tax result** of € 0.46 million (compared to € 0.57 million in the same period of 2020).

In the 9-month period ended 30 September 2021, the operating revenues of the "Itway Group" equal to Euro 25.74 million increased by approximately 15% compared to the same period of the previous year due to the good performance of the Greek and Turkish subsidiaries and due to the good performances of 4Science in Italy, while the gross operating result (EBITDA) was positive for 1.51 million euros compared to 0.77 million euros in the same period of 2020 (+ 95%). The operating result (EBIT) and the result before taxes are respectively equal to 1.02 million euros and 0.46 million euros compared to what was recorded in the same period of 2020, where EBIT was equal to 0.37 million Euro and the pre-tax result of Euro 0.57 million. The improvement in non-recurring charges continues, going from 268 thousand euros in 2020 to 166 thousand euros in 2021, as the rescheduling of financial debt has been completed.

MARKET POSITIONING IN THE FIRST NINE MONTHS OF 2021

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

The Group's industrial policy continued to focus on business segments with higher added value, represented by the new Business Units.

During the first nine months of 2021, the Itway Group continued to invest in the Cybersecurity, IoT and Artificial Intelligence (AI) and Big Data markets, all connected and correlated markets.

TREND OF THE ICT MARKET

To date, projections of the trend of the ICT market in 2021 are available which take into account the changed scenario of the economy following Covid-19 and which Assinform published in May 2021. The 2021 GDP recorded a good recovery in the first two quarters of the year, equal to 4.8%, and the figure is clearly higher than expected; for this reason, growth of 5.9% is expected by the end of 2021 (source Istat September 2021).

The general projections of the ICT sector foresee an overall increase of 3.5%, therefore a very important recovery in 2021 (source Assinform 05/2021).

Following the growth of 19.5% in 2019 and 21% in 2020, 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).

PERFORMANCE OF THE SECTORS BY COUNTRY

In the first 9 months of 2021 there was confirmation that the pandemic from Covid-19 has hit continental Europe hard, but **much less Greece and Turkey** and in these countries the expectation is confirmed, therefore a rate better recovery than the European average.

In both countries Itway performed much better than the reference market, and this thanks to the implementation of multi-year strategic choices that continue to give good results. **In both countries, the focus was on "premium" cyber security lines, such as Checkpoint, and new product lines were introduced** that supported over-performance. The margin also reflects the ability to achieve greater economic efficiency in operations. The results were supported by a surge in demand, generated by the increase in smart working and the need for public and private organizations to protect data and information.

Growth in Turkey was significant, which saw, in this 9-month period of 2021, an increase in turnover of over 40% in local currency compared to the previous year 2020. Also considering the devaluation of the exchange rate (Euro against Turkish Lira) the year 2021 shows growth of over 10%. **The results for the period therefore confirm that Itway Turkey and Itway Hellas are reconfirmed to be among the first leading Cyber security operators in Turkey and Greece.**

RESULTS FOR THE THIRD QUARTER OF THE 2021 FINANCIAL YEAR

- **Consolidated revenues** of € 6.80 million, substantially stable compared to the 6.86 million of the same period of the previous year);
- **Gross Operating Margin (EBITDA)** equal to 189 thousand Euros compared to 209 thousand Euros in the same period of 2020
- **Operating Margin (EBIT)** Negative for 31 thousand Euros compared to 75 thousand in the 3rd quarter of 2020
- **Pre-Tax Result** Negative for 259 thousand Euros, compared to € 276 thousand in 2020.

The Group continues its positioning towards the Digital product oriented model for the third quarter of 2021, **focusing** on business segments with higher added value, through the three Business Units: **Cybersecurity, Data Science, Safety**.

NET FINANCIAL POSITION OF THE GROUP

Below is the detail of the Group's net financial position, which is **positive for 479 thousand Euros against the negative value of 1.374 as at 31-12-2020**.

	09/30/2021	06/30/2021	12/31/2020
Thousands of Euros			
Cash and cash	817	864	982
Financial receivables	2,306	2,251	2,275
Current financial assets	1,132	1,117	1,080
Current financial liabilities	(2,528)	(2,727)	(2,947)
Convertible bonds	-	-	(473)
Current net financial position	1,727	1,505	917
Non financial assets current	2,098	2,098	2,098
Non-current financial liabilities	(3,346)	(3,698)	(4,389)
Non-current net financial position	(1,248)	(1,600)	(2,291)
Total net financial position	479	(95)	(1,374)

OUTLOOK OF THE COMPANY AND BUSINESS CONTINUITY ASSESSMENT

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. In light of the current situation, it cannot yet be said that the countries in which Itway operates have emerged from an emergency situation due to the pandemic linked to Covid-19 and it is equally difficult to assess today whether there will be any significant effects. For the details of the aforementioned plan and the assessment of business continuity, please refer to what was published on 15 September 2021 in the Half-Year Financial Report at 30 June 2021.

OWN SHARES

The Parent Company as at 30 September 2021 owns 203,043 treasury shares (equal to 2 , 21% of the share capital), for a nominal value of € 101,522 and an overall purchase cost of the shares held in the portfolio of € 320,000 (equal to the amount reflected in the "Reserve for own shares" deducted from the Consolidated and operating shareholders' equity). Of these, 136,400 treasury shares (equal to 1.48% of the share capital) in the financial year 2020 were loaned to N&G to service the convertible bond loan in progress.

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.

In compliance with the provisions of Consob's Issuers' Regulation, we inform you that the Interim Management Report at 30 September 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. The document is also available on the Company's website at www.itway.com, in the "INVESTORS / FINANCIAL INFO / Quarterly Report" section.

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, artificial intelligence (AI) cloud computing and big data sectors**. 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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