



PRESS RELEASE

Itway's Board of Directors approves the Half-Year Financial Report as of June 30, 2024

ITWAY GROUP HALF-YEARLY REPORT:

REVENUES JUMP TO €24.898 MILLION (+15%)

PROFIT MARGINS DECREASED SLIGHTLY AS A RESULT OF THE GROWTH IN HIGHLY SPECIALIZED PERSONNEL (+1,228 THOUSAND EUROS) FROM 80 TO 133 UNITS (+53) AND THE INCREASE IN DEPRECIATION AND AMORTIZATION

INVESTMENTS MORE THAN DOUBLED: 1.2 MILLION EUROS IN R&D IN THE INNOVATIVE PRODUCTS ICOY™, D-SPACE™, edgeCYBER™

Ravenna, September 30, 2024 – The **Board of Directors of Itway S.p.A.** – a company listed on Euronext Milan of the Italian Stock Exchange – heads 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** sectors, chaired by **G. Andrea Farina**, today approved the Half-Year Financial Report as at 30 June 2024.

The following are the main consolidated economic results achieved by the Itway Group in the first half of the 2024 financial year, compared with those of the same period as of June 30, 2023.

In thousands of Euro	30/06/2024 (6 months)	30/06/2023 (6 months)
Revenues	24.898	21.495
Gross operating profit (EBITDA)	660	743
Operating profit (EBIT)	142	415
Profit before tax	(167)	769
Net result	(165)	485

The operating results were affected by the increase in costs, which was mainly linked to the significant investments in progress, and, in particular, were linked to the growth in personnel and collaborators costs (+1,228 thousand Euros). The number of employees increased from 80 (30 June 2023) to 133 (30 June 2024), **an increase of 53 units** and is related to the inclusion in the Group of qualified personnel with high specialization and professionalism, and the entry of Seacom into the Group with its 33 employees.



This phase of lower efficiency and production capacity is estimated to start improving from the second half of 2024 and then continue in the 2025 financial year.

PERFORMANCE OF SECTORS: CYBER SECURITY PRODUCTS (VAD + PS)

Through the Cyber Security Products VAD + PS sector, the Group operates in Greece and Turkey, as a Value Added Distributor with associated Project Services, in the sale of specialized Cyber Security and Collaboration products (software and hardware), certification services on distributed software technologies and technical assistance and design services, pre and post-sales services.

With regard to the subsidiary Itway International S.r.l., it should be noted that the holding company, which controls 100% of the two subsidiaries Itway Turkey and Itway Hellas, following the acquisition of Seacom described above, has become an operating holding company having signed the Zimbra distribution contract at EMEA level. Zimbra was previously distributed by Seacom and in this way Seacom focuses on its core business which are Data Science solutions and products. The Partnership with Zimbra enters a specialized Business Unit of the Itway Group with about 30 years of experience in the VAD and PS Cybersecurity area and in continuous growth, with an "operational and product specialization", with expected margins in line with those achieved historically, which, thanks to the synergies and economies of "scope" and "size" that it expects to extract, will make the division more profitable.

The main economic indicators of this sector are shown below, compared with the values of the same period of the previous year:

In thousands of Euro	30/06/2024	30/06/2023
Total Revenues	19.621	18.484
Gross operating margin (EBITDA)*	1.262	1.261
Operating profit (EBIT)*	1.200	1.220
Profit before tax	1.107	1.939
Result for the period	967	1.585

The analysis by country is broken down below:

As described above, **Itway International** is Zimbra's Value Added Distributor. Zimbra is a **collaborative software (groupware)** designed to facilitate and make more effective cooperative work by groups of people **in full cybersecurity**. Itway International began distributing Zimbra in May 2024 and two months of activity are consolidated in the table above.

Itway Turkey has been operating for some years now in a complex economic phase due to the persistent devaluation and economic-monetary policies put in place by the central government, the international geopolitical positions linked to the political choices made by the Turkish government.



Despite these objective difficulties, which have heavily affected the purchasing capacity of both private and public companies, Itway Turkey confirms itself as a top player in the Turkish Cyber security market; The results for the half-year indicate a good capacity for growth, in a complex context, with an increase in turnover of +46% in local currency compared to the previous year. This significant increase, considering the devaluation of the exchange rate (Euro against Turkish Lira), did not, however, record an increase in revenues and the first margin in Euro. The net result was also affected by exchange rate differences recorded in the period by the subsidiary, which sells and buys using the US dollar as its reporting currency and which in the same half of last year had achieved significantly better results than in 2024.

Itway Hellas, the Greek subsidiary, recorded a 22% growth in terms of turnover in the first half of the year, increasing its market share. The Company, specialized in Cyber security, continues to grow, year after year, 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 sector, banks and large infrastructure companies where important investments have been made in the field of process digitization, with positive consequences for the demand for cyber security. To support the growth in turnover and the introduction of new vendors, investments have been made in the technical team with a consequent increase in costs of personnel (+23%), and consequently EBITDA and EBIT, are substantially unchanged compared to the previous year.

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

The parent company Itway S.p.A is an operational holding company and is divided into two business segments: Corporate and Operational.

Corporate Sector:

- carries out management activities of the Group companies; he deals with administrative and financial management, organization, strategic planning and operational control, budget process, human resources management, general affairs, legal affairs, management of marcomm, corporate information systems and extraordinary finance operations of the Group companies. In summary, the Corporate sector deals with strategic and operational governance and the Group's financial management and human capital.

Operating Sector:

- Two Business Units are operational in the holding company: Cyber Security and Cyber Safety.
 - **Cyber Security- Cyber Resiliency:** deals with consulting, design, system integration; in short, IT Services in the field of IT and OT Cyber Security, in particular on Cyber Risk Management, GDPR, Cyber Resiliency;
 - **Cyber Safety:** with the patented and proprietary product, ICOY™® operates in the occupational safety market in the so-called EH&S (Environment, Health & Safety)



segment. This Business Unit, the subject of significant investments in an extremely innovative product, is in an advanced start-up phase.

Investments:

- **4Science S.p.A.** (with its subsidiary Seacom S.r.l.) is the Data Science Business Unit, specialized in **Data Science, Data Management and Big Data services and solutions.** 4 Science is in Scale-up.

HUMAN RESOURCES

The average number of Group employees recorded during the first half of 2024 was 114, while the punctual figure is 133. The increase compared to June 30, 2023 is due to the purchase of Seacom S.r.l. (33 actual employees – 20 average considering the purchase on March 5, 2024) and the inclusion of highly specialized and commercial resources in Itway and 4Science.

The breakdown by occupational category is as follows, compared with the figures for the previous year:

	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	Average data	Average data	Timely data	Timely data
Executives	8	6	8	7
Diamonds	12	4	16	4
Employees	94	64	109	69
Total	114	74	133	80

NET FINANCIAL POSITION

Details of the Group's net financial position are shown below:

	30/06/2024	31/12/2023
Thousands of Euro		
Cash equivalents	1.171	2.109
Financial receivables	-	-
Current financial assets	1.193	1.163
Current financial liabilities	(1.070)	(727)
Convertible bonds	-	-
Current net financial position	1.294	2.545
Non-current financial assets	-	-
Non-current financial liabilities	(4.516)	(3.259)
Net non-current financial position	(4.516)	(3.259)
Total net financial position	(3.222)	(714)



The Group's net financial position as at 30 June 2024 is influenced by the investments made by the Group companies during the half-year and reflects the loan provided by Banca Progetto to the subsidiary 4Science in February 2024 for Euro 1.5 million preparatory to the acquisition of Seacom S.r.l.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE PERIOD

There are no significant events that occurred after the end of the period.

OUTLOOK FOR OPERATIONS

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. The strengthening of the technical and commercial structure is expected to lead to an acceleration in growth.

BU CYBER SECURITY AND RESILIENCY

To achieve the objectives of the business plan, the Group will focus on the growth of the Cyber Security & Resiliency Business Unit, in particular by pushing the new "Itway Cyber Security & Resiliency 360™" product line, offering the market the further expanded NOC/SOC services and managed security services (MSP) h24x365 days. which today represent true excellence.

Important resale agreements for advanced products and services have also been defined, in particular with:

- CLOUDIAN: world leader in object storage technology and solutions that will allow Itway to contribute to the expansion of object storage solutions in Italy and in the EMEA area by carrying out important installations in a market that, according to a recent IDC study, sees annual data growth destined to rise to double digits (23%).
- QUEST SOFTWARE for cloud management, software as-a-service, security, mobility and backup/recovery services, Itway strengthens its presence in the Cyber Resiliency segment where ransomware is an obvious and present risk for every organization. Still too few customers are aware of what it means to rebuild an Active Directory forest in the event of corruption and/or unavailability following a ransomware attack.
- ACRONIS offers backup, recovery and data protection solutions by offering advanced security features to ensure data integrity and availability. The Itway and ACRONIS partnership is important because it offers reliable solutions for data backup and recovery, which is essential in a context where cyber threats are on the rise.

Finally, the growing exposure to cyber threats and attacks in the industrial world, due to the digitization of factories, the spread of Industrial IoT and the convergence between IT systems and the world of production, requires companies to protect OT (Operational Technology) environments



and the issue of infrastructures (critical or non-critical) which remains the central pivot of the Itway Group's service offering, 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 & Cyber Resiliency. To deal with these risks and proceed with the management of OT Security within companies, a partnership agreement has been defined with the company RADIFLOW, a leading company for the supply of Cyber Security solutions for critical networks of industrial automation plants (ICS/SCADA), such as power plants, aqueducts, chemical plants and others.

The Group has also worked to internally create a Machine Learning on Edge product for security in Operational Technology (OT) environments called Itway EdgeCYBER™, which represents an innovative approach with the use of Artificial Intelligence (AI) and highly effective for detecting and preventing cyber threats.

BU Cyber safety

The Cyber Safety Business Unit, based on our ICOY product, deserves a separate mention. During the first quarter of 2024, Itway received the first orders and found important signs of interest from customers and this bodes well for the realization of further orders.

With the specialized sales team on ICOY, which also includes a professional in the role of Sales Manager and a Key Account Manager (KAM), through which important orders are being acquired from large industrial groups, as well as the first indirect sales through economic operators, and finally the collaboration with consulting companies specialized in safety in the workplace.

4 Science S.p.A., BU Data Science

The first half of 2024 closes with a decent backlog of orders, with interesting growth prospects linked above all to the international market and in particular to the US market, but with a certain delay in revenue production.

The significant investments in training on new staff hires made during 2023 and in the first half of 2024, in addition to the reorganization of operations already undertaken during 2023, are having a significant impact on the efficiency of operations, but, although later than expected, they will have to bring positive effects to the new operating structure, both in terms of revenue growth and margin recovery.

Seacom: in addition to the recent acquisition made by **4 Science**, which sees the growing results of the first half of the year and the good backlog of orders, these allow us to forecast further growth in revenues and margins to reach an EBITDA almost 50% higher than in the first half. The overall results will still be lower than the budget estimates that have been developed over 12 months, while they will be consolidated only 10 months, and the integration into the group and the development of joint synergies have yet to be completed. The trajectory of growing results, however, leaves us confident in achieving the objectives even if translated over time.

**ITWAY INTERNATIONAL SRL, ITWAY TURKIE LTD E ITWAY HELLAS SA.
BU cyber security products VAD+PS**



Except for a serious deterioration in the Middle East situation, there are no significant factors that could in any way slow down our steady growth in the rest of 2024.

With the acquisition of Seacom completed on March 5th, the commercial and technical activities relating to the Zimbra product (Secure Collaboration Suite) were spun off and added to this BU, thus adding a potential turnover of approximately Euro 2.7 million on an annual basis; sales of this product are in Italy, southern Europe and Africa.

The reference markets in Greece and Turkey in which the Group operates are in a phase of significant development and the prospect is to grow organically thanks to the growth rates expected by the vendors we represent, the increase in our market share and the introduction of new product lines, such as Keysight, Claroty, as well as other lines for the storage and cloud back-up market, such as Commvault and Treelix.

The goal remains to maintain good growth rates, both in terms of revenues and profitability, in line with the Business Plan, and to confirm the strategic leadership position in Cyber security of Greece and Turkey.

TRANSACTIONS WITH RELATED PARTIES

During the first half of 2024, the Group had commercial and financial relationships with related companies. These relationships are established as part of normal management activities, regulated under conditions contractually established by the parties, in line with ordinary market practices and summarised below:

in thousands of €uro	Credits	Debts	Costs	Revenues
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	-	-	111	-
Itway S.p.A. vs Fartech S.r.l.	76	61	-	34
TOTAL	76	61	111	34

Itway S.p.A. manages and coordinates its subsidiaries resident in Italy. This activity consists of indicating the Group's general and operational strategic guidelines, defining and adapting the Organisational Model and developing general policies for the management of human and financial resources.

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



RESEARCH AND DEVELOPMENT ACTIVITIES

During the year, investments in the development of new products and services, in particular in the business units described above, amounted to Euro 1.2 million (compared to Euro 517 thousand in the same period of the previous year), capitalized in intangible assets.

SHARES

As at 30 June 2024, the Parent Company held 203,043 treasury shares (equal to 1.91% 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).

As provided for in paragraph 2 of Article 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' Regulation, we inform you that the interim report on operations as at 30 June 2024 is available to the public at the Ravenna office, Via L. Braille 15, as well as published on the storage mechanism at:

www.emarketstorage.com. The document is also available on the Company's website at www.itway.com, in the section "INVESTORS / FINANCIAL INFO / Half-Year Financial Statements".

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ICOY [icoy.it](https://www.icoy.it)



4 SCIENCE [4science.it](https://www.4science.it)

Founded in Ravenna on 4 July 1996 by G. Andrea Farina, and listed since 2001 on the Italian Stock Exchange on Euronext Milan (EXM), **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, big data and infrastructures. The mission of the Itway Group is to offer its customers high quality standards by anticipating needs and proposing itself as a specialized and innovative player for Digital Transformation. The Itway Group is present in 5 countries: Italy, Greece, Turkey, USA and UAE with 9 operational offices in Ravenna, Milan, Trento, Rome, Naples, Athens, Istanbul, Ankara, Kansas City and Dubai-Hamiryah-Sharjah.

ITWAY GROUP
CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2024

CONSOLIDATED INCOME STATEMENT

<i>Euro thousand</i>	<i>Semester ended</i>	
	<i>30 June</i>	
	<i>2024</i>	<i>2023</i>
Sales revenue	23.908	20.806
Other operating income	990	689
Costs per product	(19.045)	(17.020)
Service fees	(1.580)	(1.435)
Personnel costs	(3.339)	(2.111)
Other operating expenses	(274)	(186)
Gross operating profit (EBITDA)	660	743
Depreciation	(518)	(328)
Operating profit (EBIT)	142	415
Financial income	36	28
Other financial income and expenses	(345)	326
Profit before tax	(167)	769
Income taxes	2	(284)
Profit for the year	(165)	485
Attributable:		
Shareholders of the parent company	(63)	499
Third-party interests	(102)	(14)
Earnings per share		
Base	(0,02)	0,05
Diluted	(0,02)	0,05

STATEMENT OF COMPREHENSIVE INCOME

<i>Euro thousand</i>	<i>Semester ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
Profit for the year	(165)	485
Components that can be reclassified to the Income Statement:		
Gains/losses from the translation of the financial statements of foreign subsidiaries	(171)	(711)
Components that cannot be reclassified to the Income Statement:		
Actuarial gains/(losses) on employee benefit plans	-	-
Aggregate	(336)	(226)
Attributable:		
Shareholders of the parent company	(234)	(212)
Third-party interests	(102)	(14)

STATEMENT OF FINANCIAL POSITION

<i>Euro thousand</i>	30/06/24	31/12/23
ACTIVITY		
Non-current assets		
Property, plant and equipment	988	897
Starting	3.378	1.845
Other intangible assets	5.661	4.913
Rights of use	2.665	2.700
Investments	603	603
Deferred tax assets	2.652	2.504
Other non-current assets	18	17
Total	15.965	13.479
Current Assets		
Inventories	645	836
Trade receivables	14.458	20.774
Other current activities	1.333	750
Cash and cash equivalents	1.171	2.109
Current financial assets	1.193	1.163
Total	18.800	25.632
Total assets	34.765	39.111
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital and reserves	11.709	11.893
Group result for the year	(63)	(275)
Total Group Shareholders' Equity	11.646	11.618
Share capital, reserves and minority income	1.254	1.149
Minority profit for the year	(102)	(55)
Total Shareholders' Equity	12.798	12.712
Non-current liabilities		
Employee benefits	928	621
Non-current trade payables	80	130
Provision for risks and charges	13	13
Deferred tax liabilities	175	175
Non-current financial liabilities	4.516	3.259
Total	5.712	4.198
Current liabilities		
Current financial liabilities	1.070	727
Current trade payables	10.004	15.094
Debiti tributari	2.907	3.516
Other current liabilities	2.274	2.864
Total	16.255	22.201
Total liabilities	21.967	26.399
Total shareholders' equity and liabilities	34.765	39.111

Statement of changes in consolidated equity accounts

Euro thousand	Cumulative gains (losses)										
	Share capital	Treasury share reserve	Reserve from over-actions	Legal reserve	Voluntary reserve	Other reserves	Translation reservation	Profit for the year	Group PN	Third-party PNs	Group and third-party PNs
Balance as of 01/01/2023	5.200	(320)	20.172	485	4.792	(12.330)	(5.329)	(403)	12.267	1.132	13.399
Capital increases from P.O. conversion	108	-	177	-	-	-	-	-	285	-	285
Total transactions with shareholders	108	-	177	-	-	-	-	-	285	-	285
Allocation of the result for the year	-	-	-	-	-	(403)	-	403	-	-	-
Other movements/4Science installation costs	-	-	-	-	-	(49)	-	-	(49)	(20)	(69)
Result for the period	-	-	-	-	-	-	-	499	499	(14)	485
<i>Other components of the Comprehensive Income as at 30 June 2023:</i>											
Actuarial gains/(losses) on employee benefits	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from balance sheet translation into foreign currency	-	-	-	-	-	-	(711)	-	(711)	-	(711)
Aggregate	-	-	-	-	-	-	(711)	499	(212)	(14)	(226)
Balance as of 30/06/2023	5.308	(320)	20.349	485	4.792	(12.782)	(6.040)	499	12.290	1.099	13.389
<i>Movements in the second half of 2023:</i>											
Capital increases from P.O. conversion	-	-	-	-	-	-	-	-	-	-	-
Change in the interests of 4Science third parties	-	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-	-	-	-	-
Other Movements/Inebula Termination	-	-	-	-	-	-	-	-	-	-	-
Result for the period	-	-	-	-	-	-	-	(774)	(774)	(41)	(815)
<i>Other components of the Comprehensive Result from 01/07/2022 to 31/12/2022:</i>											
Actuarial gains/(losses) on employee benefits	-	-	-	-	-	75	-	-	75	36	111
Other movements	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from balance sheet translation into foreign currency	-	-	-	-	-	-	26	-	26	-	26
Balance as of 12/31/2023	5.308	(320)	20.349	485	4.792	(12.707)	(6.014)	(275)	11.618	1.094	12.712
Share capital increases	-	-	315	-	-	-	-	-	315	135	450
Change in scope	-	-	(52)	-	-	-	-	-	(52)	25	(27)
Total transactions with shareholders	-	-	263	-	-	-	-	-	263	160	423
Allocation of the result for the year	-	-	-	-	-	(275)	-	275	-	-	-
Other movements/4Science installation costs	-	-	-	-	-	-	-	-	-	-	-
Result for the period	-	-	-	-	-	-	-	(63)	(63)	(102)	(165)
<i>Other components of the Comprehensive Income as at 30 June 2023:</i>											
Actuarial gains/(losses) on employee benefits	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences from balance sheet translation into foreign currency	-	-	-	-	-	-	(171)	-	(171)	-	(171)
Aggregate	-	-	-	-	-	-	(171)	(63)	(234)	(102)	(336)
Balance as of 30/06/2024	5.308	(320)	20.612	485	4.792	(12.982)	(6.185)	(63)	11.646	1.152	12.798

CONSOLIDATED CASH FLOW STATEMENT

<i>Euro thousand</i>	30/06/2024	31/12/2023
Result for the period "Itway Group Net"	(165)	(330)
<i>Adjustments for items that do not affect liquidity:</i>		
Non-monetary economic components	48	168
Depreciation and amortization of tangible assets	45	81
Depreciation and amortization of intangible assets	378	500
Depreciation of rights of use	95	172
Provisions for doubtful accounts	5	1.500
Provision for risks	-	-
Provisions for employee benefits net of payments v.so social security institutions	116	148
Taxes	(2)	(151)
<i>Cash flow from operating activities before changes in working capital</i>	520	2.088
Employee benefit payments	191	(106)
Change in trade receivables and other current assets	5.698	1.392
Change in inventories	191	(368)
Change in trade payables and other current liabilities	(5.998)	427
Taxes paid	-	(16)
<i>Cash flow from operating activities generated/(used) by changes in CCN</i>	82	1.329
<i>Cash flow from operating activities (A)</i>	602	3.417
Investments in tangible and intangible assets	(1.366)	(2.689)
(Investments)/Divestments in other equity investments and financial assets	(151)	(741)
Change in trade payables and other non-current liabilities	(50)	130
Investment for business combination in Seacom	(1.050)	-
Change in cash and cash equivalents due to Seacom aggregation	13	-
<i>Cash flow from investing activities (B)</i>	(2.604)	(3.300)
Origination/(Repayments) of current financial liabilities	218	31
Origination/(Repayments) of non-current financial liabilities	1.017	(50)
Other differences	-	351
<i>Cash flow from financing activities (C)</i>	1.235	332
Net change in the translation reserve of non-Euro currencies	(171)	(685)
<i>Cash flow from discontinued assets (D)</i>	-	-
<i>Increase/(decrease) in cash and cash equivalents (A+B+C+D)</i>	(938)	(236)
Cash and cash equivalents at the beginning of the period	2.109	2.345
Cash and cash equivalents at the end of the period	1.171	2.109