



# SPAFID CONNECT

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Oggetto : BoD approves the draft of balance sheet as  
of 31 12 19

*Testo del comunicato*

Vedi allegato.

## Press Release

### The BoD of the Itway Group approves the Financial Statements as at December 31, 2019 Revenue up +7% Marked improvement in all performance and profitability indicators Proposal to allocate to reserve the result of the fiscal period

- **Total Revenue** totalling Euro 35.3 million (+7%) compared with Euro 33.1 million in the previous fiscal year
- **Net results** of the fiscal year euro 2.0 million compared with Euro 354 thousand in 2018
- **Consolidated EBITDA totalling euro 3.4 million compared with Euro 1.6 million in 2018**
- **EBIT** Euro +2,7 million compared with Euro +1.2 million in the previous fiscal year
- Improvement in the Group Net Financial Position: Euro -3.4 million compared with Euro -4.3 million as at 31.12. 2018
- **Net result** of the Parent Company over Euro 2.0 million compared with Euro 172 thousand as at 31.12.18;
- Improvement in the Net Financial Position of the Parent Company Itway Spa: Euro -4.3 million compared with Euro -4.6 million in the previous fiscal year
- **Result for the fiscal year:** Proposal to allocate to Reserve the result of the period of Euro 2,036 million

Ravenna, April 15, 2020 – The **Board of Directors of Itway S.p.A.**, a company listed on the Mercato Telematico Azionario organized and managed Borsa Italiana, today approved the consolidated financial statements and the financial statements of the Parent Company as at December 31, 2019 that will be subject to approval by the Shareholders' meeting.

The Board of Directors will furthermore propose to the Shareholders' Meeting to allocate to Reserve the result of the 2019 fiscal period totalling over Euro 2.0 million in order to strengthen the Company's net assets.

In 2019 the Group continued its rational repositioning and reorganization, with an industrial plan aimed at a constant growth and at valuing the significant experience accrued and the important investments already made in previous years, which continued in the fiscal period. Itway returned to being an operational holding increasing at the same time its commitment in consultancy and in planning and system integration in the Cyber security sector, with a particular focus on the client, the product and the market in order to develop and affirm itself in the most advantageous industrial sectors, that are more dynamic and have higher value added. This plan has been ever more evolving towards the Digital product-oriented model and activities at higher expected growth rates also through the development of four Business Units: Cybersecurity, Adapt/Smartys, Data Science and Safety.

As already reported on April 7, 2020, Itway has taken back full ownership of its Itway Hellas and Itway Turkiye subsidiaries, both operational as Value Added Distributors (VAD), following the serious and persistent breach by Cyber 1 of the agreements signed to buy the shares of the Greek and Turkish subsidiaries.

The two subsidiaries, the shares of which, as part of the deal with Cyber 1, had been sold on May 28, 2019 to Credence Security Europe S.r.l. (95% owned by Cyber 1 and 5% by Itway), continued to be managed by Itway awaiting the implementation of the agreement that foresaw the right by Itway to buy the entire ownership of Credence Security Europe in case of breach of the payment obligations by Cyber 1 in favour of Itway.

Itway Hellas and Itway Turkiye, companies active in the Value Added Distributor (VAD) segment specialized in Cybersecurity technologies and services, market leaders in Greece and Turkey respectively, continued their trend of growing volumes and profitability.

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Reg. Imprese RA n° 01346970393  
R.E.A. n° 1573724  
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*“The 2019 fiscal year proved to be intense and rich of events, following the strategic project to reposition the Group that started in previous fiscal years and is still underway,” said Chairman and CEO of Itway G. Andrea Farina. “Today the industrial and organizational structure of Itway is projected towards development of the Digital-oriented model with an integrated offer of consultancy and engineering services and products that we plan and own that are higher value added and that are identified on the market through the establishment of three Business Units: Cybersecurity, Data Science and Safety in Italy and in the Countries where the Group is present. The Greek and Turkish subsidiaries, which have returned to being fully owned by the Group, continue their organic growth maintaining their market leadership in the Cybersecurity sector in their respective Countries. The new corporate flexibility and the investments made in previous years allow the Group to punctually respond to market needs and to the COVID-19 emergency on which the Group is intensely working for the security of systems and networks of companies and people in smart working.”*

Through the 50% owned affiliate, Be Innova, which has increased its market share, the Group has presided over the security and Managed Security Services (MSS) activities as well as the development and use of Smartys to manage bed space in hospital structures, in nursing and assisted homes and more importantly in home care through the help of wearable IoT sensors and the integration of a Covid-19 App. It has also delegated to 4Science S.r.l., 100% owned by the Group, the Data Science services and solutions, Data Management and Artificial Intelligence for the scientific research, cultural heritage and Big Data markets.

#### Analysis of the economic and financial performance of the group in 2019

Following are the main consolidated economic data of the fiscal year ended December 31, 2019, compared with those of the previous fiscal year.

	2019	2018
Euro (thousands)		
		Itway Group
Revenue		Itway Group
Revenue	35,3	33,1
EBITDA	3,4	1,6
EBIT	2,7	1,2

Regarding the current perimeter of the Group, corresponding to the activities that remained within Itway, **consolidated Revenue** for 2019 totalled Euro 35.3 million, up 7% compared with Euro 33.1 million in 2018.

**EBITDA** came in at a positive Euro 3.4 million compared with Euro 1.6 million in Euros and an EBITDA Margin of over 50%; EBIT in 2019 was a positive Euro 2.7 million compared with Euro 1.2 million in 2018.

#### The result before taxes totalled Euro 2.4 million compared with Euro 0.921 million in 2018.

The results for the fiscal period as of December 31, 2019 are impacted by the extraordinary proceeds due to the write-off of financial and trade payables of over Euro 2.4 million and by the receipt of the down payment from Cyber1 (the share for the fiscal year was of Euro 375 thousand). Non recurring costs, related to the restructuring underway, connected to the debt remodulation and the management of extraordinary transactions, totalled Euro 460 thousand in the fiscal year compared with Euro 600 thousand in 2018.

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## Group net financial position

Thousands of Euro	31/12/2019	31/12/2018
Cash at hand	608	951
Financial receivables	2,498	2,526
Current financial assets	1,210	1,268
Current financial receivables	(7,985)	(9,247)
<b>Current net financial position</b>	<b>(3,669)</b>	<b>(4,502)</b>
Non-current financial assets	2,098	2,098
Non-current financial receivables	(1,785)	(1,862)
<b>Non current net financial position</b>	<b>313</b>	<b>236</b>
<b>Total net financial position</b>	<b>(3,356)</b>	<b>(4,266)</b>

The net financial position of the Group as at December 31, 2019 improved by over Euro 900 compared with December 31, 2018, mainly due to the write off of some debt positions.

Debt towards three banking institutions were defined through the sale to related company Fartech S.r.l. which in turn settled with Itway for their definitive closing while the main financial institutions sold their positions to Mercatoria S.p.A. (for euro 2.1 million of financial receivables towards Itway S.p.A.) and to Socrate SPV S.r.l. (for approx. Euro 3.3 million). To date negotiations are still under way with some minor institutions while talks are underway with Mercatoria and Socrate to define the balance and write off of the acquired positions. Current liabilities at the moment include two Iccrea medium-term loans, for a total of Euro 595 thousand, for which the covenants were breached and that is therefore currently classified as short term, even though the parameters are currently being redefined in order to maintain the original status of medium-term.

## Market context

The forecasts for 2019/20 of the Italian digital market seem to be confirmed with an overall growth of 2.5% and with those segments tied to digital innovation, defined as Digital Enablers that continue with their double digit rate increases [Assinform projections 2019]: Cybersecurity (+12.2%), Cloud Computing (+23.6%), IoT (+19.2%), Big Data (+18.1%)

Market positioning. The Itway Group during the fiscal year continued to invest in Cybersecurity, IoT, Artificial Intelligence and Big Data, all of which are connected and correlated. Furthermore, the repositioning on new product lines continued, with the aim of replacing lower-margin lines with higher value added ones that also allow a smaller use of working capital

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## Performance of the Business Units

### Sector performance: *Value Added Distribution (VAD)*

Through the Value Added Distribution sector, the Group operates in Greece and Turkey in the distribution of specialized software and hardware products, certification products on the software technologies distributed, and pre- and post-sales technical assistance services

Following are the main economic indicators of the VAD SBU, compared with those of the previous fiscal year:

Euro (thousands)	31/12/2019	31/12/2018
Total revenue	30.288	27.219
EBITDA*	1.551	1.352
EBIT*	1.449	1.299
Result before taxes	1.472	1.501
Result of the period	1.124	1.031

The Turkish subsidiary once again confirmed the development prospects of the Country and ended the fiscal period with a net profit of over Euro 800 and with higher revenue volumes compared with the previous fiscal year. The results of the period are however influenced by the performance of the Turkish Lira that lost approximately 10% of its value towards the Euro compared with 2018. Therefore, in local currencies, the results would show an approx. 25% increase in sales.

The Greek subsidiary ended the fiscal year with revenue volumes and profitability up 8% compared with the previous fiscal year and a net result of almost Euro 300 thousand compared with Euro 170 thousand in the previous year. These results position the Group as the leading VAD in the security market in Greece.

### Developments in the 2020 fiscal year

As already announced on April 7, 2020, Itway took back full control of the Itway Hellas SA and Itway Turkiye Ltd subsidiaries, companies specialized in Cybersecurity and both operating as Value Added Distributors (VAD), following a serious and persistent breach by Cyber 1 of agreements signed to buy the above mentioned Subsidiaries, the shares of which had been sold on May 28, 2019, as part of the deal with Cyber 1, to Credence Security Europe S.r.l. (95% owned by Cyber 1 and 5% by Itway). The Companies continued to be managed by Itway awaiting the implementation of the agreement that foresaw the right by Itway to buy the entire ownership of

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Credence Security Europe in case of breach of the payment obligations foreseen by Cyber 1 in favour of Itway. The existing agreements for the sale of the two subsidiaries lapsed therefore as Cyber 1 breached its obligation to pay over Euro 12 million. Itway received the total amount of Euro 2.6 million, in part during the 2018 fiscal year and in part in subsequent years, and will keep it as foreseen by contractual agreements for the violation of the obligations on behalf of Cyber 1.

### Sector performance: *Activities of the Parent Company and other Start-up sectors*

Following the sale of the Italian distribution activities to Esprinet S.p.A, Itway assumed the role of parent company listed on Borsa Italiana S.p.A. that supplies services of different nature to the operational subsidiaries and includes the new sectors described hereinafter that are investing in the realization of products and that are in an operational and commercial start-up phase. In addition, since mid-2018, Itway S.p.A. has returned to being an operational holding company with production and system integration activities

- **Itway S.p.A.**, returns to being an operational holding, dealing with consultancy, planning and system integration in the field of cyber security, in particular on the GDPR, Internet of Things (IoT) and work safety in the EH&S (Environment, Health & Safety) sector. The IoT and Safety sectors are covered and approached with the iNebula brand, of which Itway purchased, during the liquidation process, part of the products developed and the brand name
- **4Science S.r.l.** offers Data Science, Data Management, and AI services and solutions for the scientific and cultural heritage markets as well as Big.

Following is the condensed income statement, compared with the previous fiscal year including data from the ASA activities of the Parent Company and other sectors in the start-up phase

Euro (thousands)	31/12/19	31/12/18
Revenue	5,056	5,837
EBITDA	1,807	276
EBIT	1,270	(87)
Result before taxes	960	(580)
Result of the period	914	(678)

Analysis of the economic and financial performance in 2019 of the Parent Company Itway S.p.A.

The parent company Itway S.p.A. ended the fiscal year as of December 31, 2019 with a result for the period that was a positive Euro 2,036 thousand, improving from the Euro 172 thousand posted as of December 31, 2018. EBIT came in at a positive Euro 751 thousand compared with Euro 871 thousand as of December 31, 2018.

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## Net financial position of the Parent Company

	31/12/2019	31/12/2018
Euro (thousands)		
Cash at hand	21	468
Financial receivables	2.498	2.525
Current financial liabilities	(7,161)	(7,835)
Current net financial position	(4,642)	(4,842)
Non-current assets	2,098	2,098
Non-current liabilities	(1.830)	(1,862)
Non-current net financial position	268	236
Total net financial position	(4.374)	(4,606)

The Net Financial Position of the Parent Company as of December 31, 2019 improved by approx. Euro 200 thousand compared with December 31, 2018. Current liabilities at the moment include an Iccrea medium-term loan, for a total of Euro 119 thousand, for which the covenants were breached and that is therefore currently classified as short term, even though the parameters are currently being redefined in order to maintain the original status of medium-term. Furthermore, non-current liabilities include Euro 97 thousand for the application of IFRS 16 "Leasing" that became mandatory on January 1, 2019.

### Going concern assessment

The consolidated Financial Statements of the Group as of December 31, 2019 show a positive result of Euro 2,037 thousand while the Parent Company ended the period with a net profit of approx. Euro 600 thousand (net of the results of subsidiaries booked pursuant to IAS 27). From a financial point of view the sale of the 20-year old distribution business by the Parent Company, due to delays with which it materialized, led the company in the month of December 2016 to a position of financial stress that is still underway.

As of December 31, 2019, the Itway Group had a current net financial indebtedness of approximately Euro 7.9 million, of which Euro 7.0 million already expired at the date of writing of the balance sheet, an indebtedness towards tax authorities and social security institutions of Euro 426 thousand (which will be paid with the terms foreseen by regulations in force) and an expired indebtedness towards suppliers of approx. Euro 4.7 million (of which approx. Euro 0.72 million for amounts being contested, also through legal means and Euro 1.4 million of suppliers no longer present on the market but that for prudential reasons are still booked in the balance sheet).

Itway has progressively remodulated debt (90%) on a bilateral basis with lenders and during the fiscal period this led to define positions with three banking institutions that sold their receivables to related company Fartech, which in turn settled with Itway their definitive closing. The main financial institutions sold their positions to Mercatoria S.p.A. that has Euro 2.1 million of financial receivables towards Itway S.p.A. and to Socrate SPV, which has financial receivables of approx. Euro 3.3 million towards Itway. To date negotiations are still under way with

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Mercatoria and SOCRATE SPV to define an agreement that foresees the debt repayment with its reduction by 67% in 36 instalments.

In this context the Company deemed necessary to take back full ownership of the Itway Hellas SA and Itway Turkeyie Ltd subsidiaries due to their excellent profitability and following a serious and persistent breach by Cyber 1 of the agreements for the sale of the Greek and Turkish subsidiaries.

## **2020-2023 Industrial plan**

The Board of Directors today also approved the industrial plan for the 2020-2023 period.

This plan foresees that the Group continues to specialize in the security sector but that it repositions based on investments that will be made by Itway S.p.A. that will be covered by the proceeds and financial flows from the Greek and Turkish subsidiaries as well as a greater focus on the Be Innova S.r.l. and 4Science S.r.l. affiliates. As soon as the general situation will allow it, there will be a continuation of the development of transactions abroad also in Africa and the Middle East where the Group is present through its share in Itway Mena FZC.

The plan therefore foresees a continuation of activities as previously configured and from a financial point of view it is based on two fundamental assumptions:

- The receipt of proceeds and cash flows deriving from the Itway Hellas SA, Itway Turkeyie Ltd and BE Innova subsidiaries;
- The successful negotiation, as reported above, with the subjects that own the payables purchased from financial institutions so as to allow remodulating the debt maturities according to the forecasts of the plan.

While recognizing there are elements of uncertainty relating to the positive outcome of the transactions that constitute the fundamental assumptions of the plan, in particular with regards to the positive continuation of the debt restructuring process, but also supported by the positive results achieved in the past two years, the Directors drafted the financial statements on going concern basis.

## **Relationships with related parties**

During the 2019 fiscal year, the Group had commercial and financial relationships with related parties. These relationships were part of normal management activity, regulated at market conditions that are established by contract by the parties in line with the standard procedures.

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## Subsequent events

Itway S.p.A. updated its industrial plan and the financial plan for all of 2021 and in April 2020 it took back full control of the Itway Hellas and Itway Turkiye subsidiaries following a serious and persistent breach by Cyber 1 of the agreements signed to buy the shares of the Greek and Turkish subsidiaries.

## Foreseeable evolution of management

The guidelines foresee that the Group focus on the security sector, the market of which is expected to growth over 12% over the next five years and that there be a repositioning on the area of products and services. Furthermore a greater focus on the Be Innova S.r.l. and 4Science S.r.l. subsidiaries is expected. There will be a continuation of the development of foreign transactions also in the MEA area where the Group is present through its stake in Itway Mena FZC.

In light of the current complex situation related to the Covid-19 pandemic, it is important to note that the activities of the Itway Group are part of the services deemed essential in the Presidential Decree on the “Urgent measures to contain the spread on the entire national territory” in place since March 23, 2020 and amongst the activities that cannot be stopped, notwithstanding the obligation to suspend activities as called for in the government measures. The activities of the Itway Group, being mainly oriented towards cybersecurity and ensuring the operation of network in a secure mode, especially in these moments of global emergency, are considered to be anti-cyclical compared with other market segments, also in the IT sector. The measures adopted by almost all organizations in terms of smart working multiplies in an exponential way the risks related to security with a resulting increase in the demand of Cybersecurity solutions to reduce the risk of network infection and the defence of corporate internet networks. The activities of Itway, being mainly made up of consultancy services, continued also in the new modality of working from remote that the COVID emergency imposed, ensuring continuity to consultancy activity for its clients.

In light of the current situation regarding the possible impact on the business due to the Covid-19 pandemic, it is difficult to assess what the impact will be on the Financial Statements of the Group

However, considering that the sector in which the Itway Group is considered of public utility, the increase of smart working and the greater demand for corporate internet security networks in the same current market conditions and in the absence of anomalous situations the Group expects that there will be the conditions to see moderate growth given the high level of quality of the services offered to households and businesses.

## Own shares

The Parent Company as of December 31, 2019 owned No. 853,043 own shares (equal to 10.79% of share capital) for a total nominal value of Euro 426,522 and an overall purchase cost of the shares held in the portfolio equal to Euro 1,346 thousand (equal to the amount reflected in the Own Share reserve deducted from net equity of the fiscal period and at a consolidated level).

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## Calling of the Annual General Meeting of shareholders

The Annual General Meeting of shareholders will be held on June 25 on first call and June 26 on second t the legal headquarters in Ravenna and will be asked to deliberate on the following:

1. Presentation of the Consolidated Financial Statement as of December 31, 2019 and analysis and approval of the separate financial statements as of December 31, 2019. Related and resulting deliberations.
2. Report on the remuneration and compensation pursuant to article 123-ter of the TUF and 84-quater of the Regulations for Issuers:  
*(i) Binding vote on the policy of remuneration for the 2020 fiscal year shown in the first section of the report; related and resulting deliberations*  
*(ii) Consultation on the second section of the report regarding the indication of the compensation given in the 2019 fiscal period or relating to it; related and resulting deliberations*
3. Nomination of the Board of Directors, after determination of the number of members and the related compensation. Related and resulting deliberations
4. Nomination of the Board of Statutory Auditors and of the President; determination of the related compensation. Related and resulting deliberations.

The calling notice will be published according to the timing and the ways foreseen by the regulations in force..

## Allocation of the Result of the 2019 fiscal year

The Board of Directors will propose to the Shareholders' meeting to allocate to Reserve the result of the period totalling Euro 2,036 thousand, as foreseen by art 2430 of the Civil Code.

## Corporate Governance

At the same meeting, the Board of Directors approved the Annual report on corporate governance and ownership structure pursuant to articles 123-bis of the TUF and 89-bis of Issuers' Regulation that will be made available according to the terms and ways foreseen by law at the legal headquarters, at Borsa Italiana SpA, on the internet site of the company [www.itway.com](http://www.itway.com) as well as the on the authorized Emarket storage mechanism at the address [www.emarketstorage.com](http://www.emarketstorage.com).

## Filing of documentation

The documentation related to the Meeting will be made available to the public in the terms foreseen by the law at the headquarters of the Company, at Borsa Italiana, and at the central "Emarket storage" system at the web [www.emarketstorage.com](http://www.emarketstorage.com) as well as the Company's web site: [www.itway.com](http://www.itway.com)

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Please note that the auditing activity related to the 2019 financial statements has not yet been completed and the report from the auditing company will therefore be made available according to the terms foreseen by law.

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The current press release is available at the Company's headquarters, on its Internet site [www.itway.com](http://www.itway.com), at Borsa Italiana and at the centralized authorized Emarket Storage mechanism, managed by Spafid Connect S.p.A. and can be consulted on [www.emarketstorage.com](http://www.emarketstorage.com).

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As foreseen by paragraph 2, art. 154-bis of the T.U.F., the manager mandated to draft the corporate Accounting documents of Itway Group, Sonia Passatempi, declares that the corporate accounting information in this press release corresponds to the documental evidence, financial books and accounting records

*Founded in Ravenna on July 4, 1996, Itway S.p.A. is the parent of a group that operates in the IT sector through the planning, production and distribution of technologies and solutions in the cyber security sector, cloud computing and big data. The group for over 20 years has represented a reference point in terms of solutions and services for digital transformation. It has been listed on Borsa Italiana since 2001.*

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[Financial statements attached to the press release](#)

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**ITWAY GROUP**  
**CONSOLIDATED STATEMENTS**  
**AS OF DECEMBER, 31 2019**

## CONSOLIDATED INCOME STATEMENT

<i>Thousand of Euro</i>	<i>Fiscal year as of</i>	
	<i>31 Dec 2019</i>	<i>31 Dec 2018</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Revenues from sales	31,219	28,941
Other operating revenues	4,125	4,115
Products	(26,925)	(24,811)
Costs of services	(2,269)	(2,656)
Costs of personnel	(2,260)	(2,360)
Other operating expenses	(532)	(1,600)
<b>EBITDA</b>	<b>3,358</b>	<b>1,629</b>
Depreciations and amortisations	(639)	(416)
<b>EBIT</b>	<b>2,719</b>	<b>1,213</b>
Financial proceeds	22	94
Financial charges	(309)	(385)
<b>Profit before taxes</b>	<b>2,432</b>	<b>922</b>
Taxes	(395)	(567)
<b>Result for the period</b>	<b>2,037</b>	<b>355</b>
Attributable to:		
Sharedholders of parent company	2,041	520
Minorities	(4)	(165)
<b>Result per share</b>		
<u>From operations:</u>		
Basic	0.29	0.05
Diluted	0.29	0.05

**COMPREHENSIVE CONSOLIDATED INCOME STATEMENT**

<i>Euro migliaia</i>	<i>Fiscal year as of</i>	
	<i>31 Dec 2018</i>	<i>31 Dec 2017</i>
	<i>Net amount Itway Group</i>	<i>Net amount Itway Group</i>
Net result	2,037	355
<b>Components that can be reclassified to the income statement:</b>		
Profit/(Losses) from the conversion of the balance sheet of foreign subsidiaries	(265)	(778)
<b>Components that cannot be reclassified to the income statement:</b>		
Actuarial gain (losses) on defined-benefit plans	-	22
<b>Comprehensive result</b>	<b>1,772</b>	<b>(401)</b>
Attributable to:		
Shareholders of parent company	1,776	(236)
Minorities	(4)	(165)

## CONSOLIDATED FINANCIAL STATEMENT

<i>Thousand of Euro</i>	Fiscal year as of	
	31 Dec 19	31 Dec 18
<b>ASSETS</b>		
<b>Net current assets</b>		
Property, plans and machinery	991	3,719
Goodwill	1,852	1,853
Other intangible assets	2,319	1,894
Rights of use	2,801	-
Investments	1,765	3,141
Deferred tax assets	791	931
Non-current financial assets	2,098	2,098
Other non current assets	34	34
<b>Total</b>	<b>12,651</b>	<b>13,670</b>
<b>Current assets</b>		
Inventories	653	464
Account receivables - Trade	19,203	17,834
Other current assets	1,051	1,812
Cash on hand	608	951
Other financial credits	2,498	2,526
Current financial assets	1,210	1,268
<b>Total</b>	<b>25,223</b>	<b>24,855</b>
<hr/>		
<b>Total assets</b>	<b>37,874</b>	<b>38,525</b>
<b>NET EQUITY AND LIABILITIES</b>		
<b>Share capital and other reserves</b>		
Share capital and reserves	6,323	6,067
Net result of the period	2,041	520
<b>Total Net Equity</b>	<b>8,364</b>	<b>6,587</b>
<hr/>		
<b>Share capital and reserves of minorities</b>	(357)	(352)
<b>Total Group Net Equity</b>	<b>8,007</b>	<b>6,235</b>
<hr/>		
<b>Non current liabilities</b>		
Severance indemnity	406	321
Provision for risks and charges	-	14
Deferred tax liabilities	516	785
Non current financial liabilities	1,785	1,862
<b>Total</b>	<b>2,707</b>	<b>2,982</b>
<hr/>		
<b>Current liabilities</b>		
Financial current liabilities	7,985	9,247
Account payable – Trade	14,158	14,500
Tax payable	2,447	2,040
Other current liabilities	2,570	3,521
<b>Total</b>	<b>27,160</b>	<b>29,308</b>
<hr/>		
<b>Total liabilities</b>	<b>29,867</b>	<b>32,290</b>
<hr/>		
<b>Total Net Equity and Liabilities</b>	<b>37,874</b>	<b>38,525</b>



## Consolidated statement of charges in equity

Thousand of Euro	Cumulated profit (loss)										
	Share capital	Own share reserve	Share premium reserve	Legal reserve	Voluntary reserve	Other reserve	Transaction reserve	Result for the period	Net equity of Group	Minority interests	Total Net Equity
<b>Balance at January 1, 2018</b>	3,953	(1,386)	17,584	485	4,792	(15,086)	(1,932)	(1,627)	6,783	(187)	6,596
Variation in own shares	-	40	-	-	-	-	-	-	40	-	40
<b>Total operations with shareholders</b>	-	40	-	-	-	-	-	-	40	-	40
Allocation of the result for the year	-	-	-	-	-	(1,627)	-	1,627	-	-	-
<b>Result of the period</b>	-	-	-	-	-	-	-	520	520	(165)	355
Other operations	-	-	-	-	-	-	-	-	-	-	-
<i>Other components of comprehensive results at 31 Dec 2018:</i>											
Gain/(Losses) on defined benefit plans	-	-	-	-	-	22	-	-	22	-	22
Overall result	-	-	-	-	-	-	(778)	-	(778)	-	(778)
<b>Comprehensive result</b>	-	-	-	-	-	22	(778)	520	(236)	(165)	(401)
<b>Balance at December 31, 2018</b>	3,953	(1,346)	17,584	485	4,792	(16,691)	(2,710)	520	6,587	(352)	6,235

Thousand of Euro	Cumulated profit (loss)										
	Share capital	Own share reserve	Share premium reserve	Legal reserve	Voluntary reserve	Other reserve	Transaction reserve	Result for the period	Net equity of Group	Minority interests	Total Net Equity
<b>Balance at January 1, 2019</b>	3,953	(1,346)	17,584	485	4,792	(16,691)	(2,710)	520	6,587	(352)	6,235
Variation in own shares	-	-	-	-	-	-	-	-	-	-	-
<b>Total operations with shareholders</b>	-	-	-	-	-	-	-	-	-	-	-
Allocation of the result for the year	-	-	-	-	-	520	-	(520)	-	-	-
<b>Result of the period</b>	-	-	-	-	-	-	-	2,041	2,041	(4)	2,037
Other operations	-	-	-	-	-	-	-	-	-	-	-
<i>Other components of comprehensive results at 31 Dec 2019:</i>											
Gain/(Losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Overall result	-	-	-	-	-	-	(265)	-	(265)	-	(265)
<b>Comprehensive result</b>	-	-	-	-	-	-	(265)	2,041	1,776	(4)	1,772
<b>Balance at December 31, 2019</b>	3,953	(1,346)	17,584	485	4,792	(16,171)	(2,975)	2,041	8,363	(356)	8,007

## CONSOLIDATED STATEMENT OF CHARGES IN FINANCIAL POSITION

<i>Thousand of Euro</i>	<b>Fiscal year as of</b>	
	<b>31 Dec 19</b>	<b>31 Dec 18</b>
Results for the period "Net amount Itway Group"	2,037	355
<b><u>Adjustments of items not affecting liquidity:</u></b>		
Depeciations of tangible assets	168	210
Depeciations of intangible assets	326	206
Depeciations of intangible assets	99	-
Allowances for doubtful accounts	7	265
Provisions for severance indemnity, net of payments to social security bodies	60	69
Variation in non current assets/liabilites	(141)	(35)
<b><u>Cash flow from operating activities, gross of the variation in working capital</u></b>	<b>2,558</b>	<b>1,070</b>
Payments of secerance indemnity	25	(114)
Variation in trade receivable and other current assets	(529)	725
Variation in inventories	(189)	607
Variation in trade payables and other current liabilities	(888)	1,009
<b><u>Cash flow from operations generated/(absorbed)by changes in NWC</u></b>	<b>(1,581)</b>	<b>2,227</b>
<b><u>Cash flow from operations (A)</u></b>	<b>977</b>	<b>3,297</b>
Additions in tangible assets (net of assets sold)	2,559	(21)
Rights of use	(2,900)	-
Variation in trade receivable and other current assets	(77)	(37)
Variation in trade payables and other current liabilities	625	(1,571)
<b><u>Cash flow from investing activities (B)</u></b>	<b>207</b>	<b>(1,629)</b>
Variation of onw shares	-	40
<b><u>Cash flow from financial activities (C)</u></b>	<b>-</b>	<b>40</b>
Net impact of the variation in translation of non euro exchange rates of cash on hand	(265)	(778)
<b><u>Cash flow from asset sold (D)</u></b>	<b>-</b>	<b>-</b>
<b><u>Increase/(Decrease)cash available and cash equivalentents (A+B+C+D)</u></b>	<b>919</b>	<b>930</b>
Short term Net Financial Position at the beginning of the period	(8,297)	(9,227)
Short term Net Financial Position at the end of the period	(7,377)	(8,297)

**SEPARATED STATEMENTS OF ITWAY S.P.A.  
AS OF DECEMBER, 31 2019**

## SEPARATED INCOME STATEMENT

Euro	Fiscal year as of	
	31 Dec 2019	31 Dec 2018
Revenues from sales	358,945	1,161,160
<i>of which to Group companies</i>	127,263	403,127
Other operating revenues	3,428,874	3,863,137
<i>of which to Group companies</i>	279,300	480,999
Products	(117,653)	(1,156,150)
Costs of services	(1,707,805)	(1,976,719)
<i>of which to Group companies</i>	(80,000)	(84,453)
Costs of personnel	(410,060)	(435,698)
Other operating expenses	(299,848)	(330,869)
<i>of which to Group companies</i>	(59,622)	(59,622)
<b>EBITDA</b>	<b>1,252,453</b>	<b>1,124,861</b>
Depreciations and amortisations	(501,472)	(254,058)
<b>EBIT</b>	<b>750,981</b>	<b>870,803</b>
Financial proceeds	17,168	87,702
<i>of which to Group companies</i>	407	18,021
Financial charges	(279,030)	(580,320)
Result of subsidiaries evaluated using the equity method	1,438,748	900,258
Adjustment of subsidiary company assets	-	(851,299)
<b>Profit before taxes</b>	<b>1,927,867</b>	<b>427,144</b>
Taxes	108,398	(255,170)
<b>Result for the period</b>	<b>2,036,265</b>	<b>171,974</b>

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**COMPREHENSIVE SEPARATED INCOME STATEMENT**

<i>Euro</i>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Net result	2,036,265	171,974
<b>Components that cannot be reclassified to the income statement:</b>		
Actuarial gain (losses) on defined-benefit plans	-	2,954
<b>Components that can be reclassified to the income statement:</b>		
Profits/(Losses) comprehensive from evaluated using the equity method	(264,780)	(778,379)
<b>Result of the period</b>	<b>1,771,485</b>	<b>(603,451)</b>

## SEPARATED FINANCIAL STATEMENT

<i>Euro</i>	31 Dec 19	31 Dec 18
<b>ASSETS</b>		
<b>Net current assets</b>		
Property, plans and machinery	76,253	2,786,088
Other intangible assets	1,284,307	1,307,400
Rights of use	2,778,132	-
Investments	7,874,403	8,275,733
Deferred tax assets	418,884	293,009
Non-current financial assets	7,002	7,002
Other non current assets	2,098,000	2,098,000
<b>Total</b>	<b>14,536,981</b>	<b>14,767,232</b>
<b>Current assets</b>		
Account receivables - Trade	5,964,122	5,816,444
Financial receivables from subsidiaries of a financial	9,731,454	8,610,261
Commercial receivables from subsidiaries of a financial	424,619	518,254
Other current assets	630,849	1,051,107
Other financial credits	2,498,398	2,525,818
Cash on hand	21,097	468,125
<b>Total</b>	<b>19,270,539</b>	<b>18,990,009</b>
<b>Total assets</b>	<b>33,807,520</b>	<b>33,757,241</b>
<b>NET EQUITY AND LIABILITIES</b>		
<b>Share capital and other reserves</b>		
Share capital	3,952,659	3,952,659
Own share reserve	(1,347,103)	(1,347,103)
Share premium reserve	17,583,874	17,583,874
Legal reserve	484,904	484,904
Retained earnings / (losses) reserve	(14,879,124)	(14,786,318)
Other reserves	2,036,265	171,974
<b>Total Net Equity</b>	<b>7,831,475</b>	<b>6,059,990</b>
<b>Non current liabilities</b>		
Severance indemnity	265,943	218,860
Provision for risks and charges	8,172,875	8,157,842
Non current financial liabilities	1,830,226	1,861,803
<b>Total</b>	<b>10,269,044</b>	<b>10,238,505</b>
<b>Current liabilities</b>		
Financial current liabilities	7,160,802	7,835,096
Account payable – Trade	5,263,538	4,748,469
Payables to subsidiaries	1,457,648	1,748,856
Tax payable	27,903	69,779
Other current liabilities	1,797,110	3,056,549
<b>Total</b>	<b>15,707,001</b>	<b>17,458,746</b>
<b>Total liabilities</b>	<b>25,976,045</b>	<b>27,697,521</b>
<b>Total Net Equity and Liabilities</b>	<b>33,807,520</b>	<b>33,757,241</b>

## SEPARATED STATEMENT OF CHARGES IN EQUITY

Euro	Share capital	Own share reserve	Share premium reserve	Cumulated profit (loss)		Result of the period	Net equity
				Legal reserve	Retained earning/losses reserve		
<b>Balance at January 1, 2018</b>	<b>3,952,659</b>	<b>(1,386,937)</b>	<b>17,583,874</b>	<b>484,904</b>	<b>(12,227,753)</b>	<b>(1,783,139)</b>	<b>6,623,608</b>
Variations in own share	-	39.834	-	-	-	-	39.834
<b>Total operations with shareholders</b>	-	<b>39.834</b>	-	-	-	-	<b>39.834</b>
Allocation of the result for the year	-	-	-	-	(1,783,139)	1,783,139	-
<b>Result of the period</b>	-	-	-	-	-	<b>171,974</b>	<b>171,974</b>
<i>Other components of comprehensive results at 31 Dec 2018:</i>							
Total profits / (losses) deriving from the application of IAS 27	-	-	-	-	(778,379)	-	(778,379)
Gain/(Losses) on defined benefit plan:	-	-	-	-	2,954	-	2,954
<b>Comprehensive result</b>	-	-	-	-	<b>(775,426)</b>	<b>171,974</b>	<b>(603,452)</b>
<b>Balance at December 31, 2018</b>	<b>3,952,659</b>	<b>(1,347,103)</b>	<b>17,583,874</b>	<b>484,904</b>	<b>(14,786,318)</b>	<b>171,974</b>	<b>6,059,990</b>

Euro	Share capital	Own share reserve	Share premium reserve	Cumulated profit (loss)		Result of the period	Net equity
				Legal reserve	Retained earning/losses reserve		
<b>Balance at January 1, 2019</b>	<b>3,952,659</b>	<b>(1,347,103)</b>	<b>17,583,874</b>	<b>484,904</b>	<b>(14,786,318)</b>	<b>171,974</b>	<b>6,059,990</b>
Variations in own share	-	-	-	-	-	-	-
<b>Total operations with shareholders</b>	-	-	-	-	-	-	-
Allocation of the result for the year	-	-	-	-	171,974	(171,974)	-
<b>Result of the period</b>	-	-	-	-	-	<b>2,036,265</b>	<b>2,036,265</b>
<i>Other components of comprehensive results at 31 Dec 2019:</i>							
Total profits / (losses) deriving from the application of IAS 27	-	-	-	-	(264,780)	-	(264,780)
Gain/(Losses) on defined benefit plan:	-	-	-	-	-	-	-
<b>Comprehensive result</b>	-	-	-	-	<b>(264,780)</b>	<b>2,036,265</b>	<b>1,771,485</b>
<b>Balance at December 31, 2019</b>	<b>3,952,659</b>	<b>(1,347,103)</b>	<b>17,583,874</b>	<b>484,904</b>	<b>(14,879,124)</b>	<b>2,036,265</b>	<b>7,831,475</b>



## SEPARATED STATEMENT OF CHARGES IN FINANCIAL POSITION

<i>Thousand of Euro</i>	<b>Fiscal year as of 31 Dec 2019</b>	<b>Fiscal year as of 31 Dec 2018</b>
Results for the period	1,928	427
<b><u>Adjustments of items not affecting liquidity:</u></b>		
Depeciations of tangible assets	128	143
Depeciations of intangible assets	226	111
Allowances for doubtful accounts	-	-
Provisions for severance indemnity, net of payments to social security bodies	21	28
Controlled results evaluated using the PN method	(1,439)	(900)
Devaluation of participation	45	852
<b><u>Cash flow from operating activities, gross of the variation in working capital</u></b>	<b>909</b>	<b>661</b>
Payments of secerance indemnity	11	(92)
Variation in trade receivable and other current assets	(148)	(663)
Variation in financial credits	(1,028)	1,341
Variation in inventories	-	-
Variation in trade payables and other current liabilities	557	2,917
Variation in account payable	224	(888)
<b><u>Cash flow from operations generated/(absorbed)by changes in NWC</u></b>	<b>(384)</b>	<b>2,615</b>
<b><u>Cash flow from operations (A)</u></b>	<b>525</b>	<b>3,276</b>
Change in non-current assets / liabilities to subsidiaries and others	(2,921)	(61)
Investments in tangible assets (net of disinvestments)	2,582	(1)
Change in financial receivables	27	(1,714)
Dividends collected	215	325
Investment in other intangible assets (net of disinvestments)	(203)	(1,193)
<b><u>Cash flow from investing activities (B)</u></b>	<b>(299)</b>	<b>(2,644)</b>
IAS 19	-	3
Variations in own shares	-	40
<b><u>Cash flow from financial activities (C)</u></b>	<b>-</b>	<b>43</b>
<b><u>Cash flow from asset sold (D)</u></b>	<b>-</b>	<b>-</b>
<b><u>Increase/(Decrease)cash available and cash equivalents (A+B+C+D)</u></b>	<b>226</b>	<b>675</b>
Short term Net Financial Position at the beginning of the period	(7,367)	(8,042)
Short term Net Financial Position at the end of the period	(7,140)	(7,367)

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