



SPAFID CONNECT

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Oggetto : PR_The BoD approves balance sheets at
31 12 17 and 31 03 18.

Testo del comunicato

Vedi allegato.

The Board of Directors of the Itway Group approves the 2017 Financial Statements and the Interim Management Report as at March 31, 2018

2017 FINANCIAL STATEMENTS

The BoD of the Itway Group approves the 2017 Financial Statements

- **Total revenue** Euro 44.6 million, **after the disposal** of Business-e for Euro 31.1 million
- **Net result** for the period totalling Euro -1,783 thousand compared with Euro -62 thousand in the previous fiscal period
- **Consolidated EBITDA** Euro -1.4 million of which Euro -1.3 million related to the disposed of Business-e subsidiary
- **Improvement in the Group Net Financial Position** Euro-6.8 million Vs Euro -21.3 million as at 31.12.2016
- **Net result of the Parent Company** Itway totalling Euro -1,783 thousand compared with Euro -64 thousand in the same period of 2016
- **Improvement in the Net Financial Position** of the Parent Company Itway Spa: Euro -7.0 million Vs. -16.3 million a year earlier

INTERIM MANAGEMENT REPORT AS AT MARCH 31, 2018

- **Revenue** totalling Euro 7.4 million in Q1 2018 vs Euro 6 million in Q1 2017 net of the Business-e disposal
- **Consolidated EBITDA Euro** -369 thousand vs Euro -472 thousand in the same period of 2017 (net of disposal)
- **EBIT** Euro -519 thousand Vs, Euro -622 thousand as at 31.3.2017 (net of disposal)
- **Net Financial Position** improved as at 31.3.2018 totalling Euro -5.4 million compared with Euro -6.7 million as at 31.12.2017

Ravenna, May 30, 2018 – The Board of Directors of Itway S.p.A., a company listed on the Star segment of Borsa Italiana, approved today the financial statements as at December 31, 2017 and the individual financial statements to submit to the shareholders' meeting.

At the same meeting the Board of Directors also approved the interim financial report as at March 31, 2018.

2017 saw a continuation of the strategic re-positioning of the Group that started in past fiscal years following the sale in 2016 to the Esprinet Group of the value added IT distribution activities related to wholesale marketing to System Integrators and Value Added Resellers of hardware, software and various services in Italy, Spain and Portugal. In particular, in 2017 there was a further disposal, completed in November 2017, whereby all of the share capital of the Business-e S.p.A subsidiary was sold to Maticmind S.p.A, a company also operating in the IT sector, for an agreed price of Euro 12,335,526 (of which Euro 6.6 million was already received). This transaction was already communicated to the market with press releases on October 16, 2017 and November 8, 2017.

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The transaction was completed on November 8, 2017 by collecting a first installment of the consideration equal to Euro 6,140,526, paid by Maticmind SpA, which was added to the deposit of Euro 500,000 paid upon signing the preliminary contract. The contractual agreements stipulated with Maticmind stipulated that the balance of the price should be paid in further tranches with deferred payments until the 1st anniversary of the closing of the sale.

However, on March 31, 2018 and April 30, 2018, pending the completion of certain accounting audits initiated by Maticmind S.p.A. upon the acquisition of 100% of Business-E, Maticmind omitted the payment of two tranches of price, expiring on those dates, for a total of Euro 3 million.

In May 2018, several meetings took place between the buyer and the seller to clarify some issues which Maticmind objected to and which they considered to justify the non-payment. Following these meetings, a settlement agreement is being formalized, aimed at preventing possible litigation,

The Itway Group operates in three main types of activities: 1) value added distribution of “best of breed” software technology (the best among what is available, at all moments, on the market) in Greece and Turkey; 2) offer of services and consultancy aimed at training and supporting companies in the fields of Cybersecurity, IT security, Managed Security Services; 3) and in the innovative and emerging Cloud Computing, Internet of Things, Big Data and Blockchain. The main Strategic Business Units (SBU) are in charge of these sectors: the VAD SBU (Value Added Distribution), the VAR SBU (Value Added Reseller) and the VAS SBU (Value Added Services).

ANALYSYS OF THE OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS OF THE GROUP IN 2017

Following are the main consolidated economic indicators for the fiscal period ended December 31, 2017 compared with those of the previous fiscal period and with the new operating perimeter highlighted (Total Group includes the business unit sold, the results of the disposed Business-e subsidiary alone and the net result corresponding to the new consolidation perimeter).

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Thousands of Euro	2017			2016			
	Total Group	Business-e transaction	Net Itway Group	Total Group	Business-e transaction	Italy, Iberica VAD transaction	Net Itway Group
Revenue	44,6	13,5	31,1	91,7	25,4	36,9	29,3
EBITDA	(1,4)	(1,3)	(0,1)	4,1	1,2	2,6	0,3
EBIT	(2,6)	(1,6)	(1,0)	3,2	1,1	2,1	0,0

In relation to the perimeter of the Group corresponding to the assets that remained within Itway, consolidated Revenue **totalled Euro 31.1 million**, up 6.1% compared with Euro 29.3 million in 2016

EBITDA was a negative Euro 1.4 million compared with a positive Euro 4.1 million in 2016; **EBIT** in 2017 was a negative Euro -2.6 million compared with Euro 3.2 million year on year. The **Result before taxes** was a negative Euro -0.6 million compared with a negative Euro -1.5 million in the same period of 2016.

Group Net Financial Position

Thousands of Euro	31/12/2017	31/12/2016
Cash on Hand	440	1,523
Financial receivables	812	2,483
Current financial assets	1,428	-
Current financial liabilities	(9,667)	(22,164)
Current net financial position	(6,987)	(18,158)
Non current financial assets	2,098	500
Non current financial liabilities	(1,899)	(3,642)
Non current net financial position	199	(3,142)
Total net financial position	(6,788)	(21,300)

The Financial Position as of December 31, 2017 totalled approx. Euro -6.8 million compared with Euro -21.3 million at December 31, 2016, improving by approx. Euro 14 million mainly as a result of:

- The receipt of the first tranche from Maticmind;
- The deconsolidation of financial payables belonging to the disposed subsidiary Business-e;
- Payment of a significant share of account receivables in force as of December 31, 2016 with the business units sold in 2016, which allowed paying back the relative bank advances and due to the sale of Business-e S.p.A..

Current liabilities furthermore include two Iccrea medium-term loans, for a total of Euro 912 thousand, for which the covenants were breached and that are therefore currently classified as short term, even though the parameters are currently being redefined in order to maintain the original status of medium-term.

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Market context

The digital market in Italy in 2017 grew +2.3% (compared with 1.8% in 2016) with the innovative Digital Enablers sectors continuing to expand. These are the segments in which the Group made important investments over the past five years and is well positioned. Assinform forecasts for 2016-2019 continue to indicate an expansion in the different sectors with double digit growth rates [Cybersecurity (+11.9%), Cloud Computing (+19.8%), IoT (+14.3), Big Data (+23.1%)]

Market Positioning: The Itway Group during the fiscal year continued to invest in the markets of Cybersecurity, Cloud Computing, IoT and Big Data that are all related and correlated. Furthermore, it continued to reposition on new product lines in order to replace low margin lines with those with higher value added that also allow for a lower use of working capital.

Performance of the Business Areas

Sector performance: Value Added Distribution (VAD)

In the Value Added Distribution sector the Group operates in Greece and Turkey in the distribution of specialized hardware and software products, certification services on distributed software technologies and pre- and post-sale technical assistance for clients that are System Integrators and Value Added Resellers that sell products directly to end clients.

Following are the main economic indicators of the VAD SBU, compared with those of the previous fiscal year; in the Italy and Iberica VAD Transaction column are the data of the business units sold in the previous fiscal year, as already indicated:

(thousands of Euro)	December 31, 2017		December 31, 2016	
	Net Itway VAD	Net Itway VAD	Italy, Iberica VAD transaction	Total Itway VAD
Total Revenue	26,056	28,135	36,861	64,996
Ebitda	1,954	1,490	2,609	4,099
Ebit	1,895	1,405	2,166	3,571
Result before taxes	1,782	1,548	1,264	2,812
Result for the period	1,369	1,116	261	1,377

Country analysis:

The Turkish subsidiary confirmed once again the development prospects of the Country and ended the fiscal period with revenue volumes and profitability in line with the same period of 2016. The results for the period were however impacted by the performance of the Turkish Lira exchange rate, which lost approx. 23% of its value against the Euro compared with 2016. Therefore, in local currency terms, results would show a revenue increase of 16% and a growth in the Result for the period of 22% and a net profit of over Euro 1 million.

The performance of the Greek subsidiary was in line with 2016 and, despite the continued delicate situation of the Country, is consolidating the results achieved in the past fiscal years ending the period with a net profit of over Euro 300 thousand.

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Sector performance: Value Added Reseller SBU

Through the Value Added Reseller SBU, the Group operates in the following market segments:

- Distribution and integration of products and services for logical security of information systems;
- Professional services and provider of solutions and software technologies for e-business ;
- Professional service of system integrators and centralization of applications .

Following is the brief income statement of the VAR SBU, compared with the previous fiscal year. The data refer to the Business-e subsidiary, 100% of which was sold to Maticmind in November 2017.

Thousands of Euro	Business-e transaction	
	31/12/2017	31/12/2016
Total revenue	13,451	25,451
Ebitda	(1,267)	1,203
Ebit	(1,566)	1,115
Result before taxes	(2,072)	528
Result for the period	(2,072)	214

Business-e, a leader in Italy in the Cybersecurity sector, after its sale has continued its growth within the Maticmid S.p.A. group with which Itway has in place industrial agreements for the future on Cybersecurity that also involve 4Science (Data Curation and Big Data), with the VAR SBU and iNebula (Cloud Computing and IoT) of the VAS SBU.

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

After the sale of the Italian distribution activities to Esprinet S.p.A., Itway has 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 new sectors, described below, which are investing in the realization of products and that are in an operational and commercial start-up phase.

Furthermore, Itway S.p.A., following the sale of Business-e, starting from 2018 has become an operational holding with activities including the VAR SBU.

These sectors, related but that do not coincide with the historical ones (VAD and VAR) still, do not yet make a relevant contribution to the consolidated results but they are important in terms of strategy to strengthen and diversify the business segments

These new innovative sectors, still in the start-up phase, are::

- **In the cloud information services:** “Managed Services” for SMEs in Network and Cloud environment in areas of Security, Storage Management, Business Continuity, Green IT, Energy Recovery, Intelligent Analysis of video-surveillance, Internet of Things platform

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During the period further services were developed that relate to more administrative aspects and that were thought for professional and accounting firms. This expansion was made possible thanks to the introduction in iNebula (the company of the Group that covers “in the cloud” services) of the specific know how of some professional and technical experts that came from the cloud services for professionals sector and that had gained important experience specialized companies. This also allowed to also expand, in addition to the previously described sectors, to the area of Process Governance with proprietary and high value added services and know-how.

- **Assisted services in N+SOC e MSSP solutions**, to check networks;

Information Technology for Science: ICT for Cultural Heritage and Data Curation services, in the start-up phase. The reference market is worth Euro 4 billion in Europe and there are slightly more than 10 players specialized in this sector at a global level

ANALYSIS OF OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS OF THE PARENT COMPANY ITWAY SPA

For the parent company Itway SpA, the fiscal year as at December 31, 2017 ended with a **Net Result** of Euro -1,783 thousand, compared with Euro -64 thousand in the previous year.

EBIT came in at a negative Euro 2,182 thousand compared with a positive Euro 602 thousand in the previous year.

Net Financial Position of the Parent Company

-thousands of Euro	31/12/2017	31/12/2016
Cash on hand	129	119
Financial receivables	812	397
Current financial liabilities	(8,171)	(14,529)
Current net financial position	(7,230)	(14,013)
Non current financial assets	2,098	500
Non current financial liabilities	(1,899)	(2,845)
Non current financial position	199	(2,345)
Total net financial position	(7,031)	(16,358)

Also the net financial position of the parent company Itway S.p.A. as of December 31, 2017 improved by approx. Euro 9.3 million compared with December 31, 2016 as it received a significant portion of account receivables of the business units sold in 2016 and that were in force as of December 31, 2016, which allowed to pay back the related bank advances.

Current financial liabilities for the time being include a medium-term Iccrea financing for Euro 267 thousand, for which the terms of the covenants were not observed and is therefore classified as short term. The parameters are currently being redefined in order to maintain the original status of medium term.

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Expired debt positions of Itway S.p.A. and of the Itway Group, divided by type (financial, account, tax, social security and towards employees) and the eventual related reaction initiatives of creditors (reminders, interruption of supply, injunctions, etc.)

As of December 31, 2017 expired financial positions of the parent company Itway totalled Euro 6.9 million, which the expired financial positions of the Itway Group totalled Euro 7.7 million. Talks with Banks are underway to re-define the terms and conditions to remodulate financial indebtedness.

The parent company as of December 31, 2017 has expired account indebtedness towards suppliers of approx. Euro 2.5 million (of which approx. Euro 0.4 million for amounts being contested by debtors, also through legal procedures) and an indebtedness towards tax authorities for VAT debt expired as of December 31, 2017 totalling approx. Euro 0.2 million related to debt not paid at their natural expiry and that was settled by the terms foreseen by regulations in force in the month of May 2018.

The Itway Group as of December 31, 2017 had an expired account indebtedness towards suppliers of the Companies of the Group totalling approx. Euro 6.8 million (of which approx. Euro 2.1 million for amounts being contested by the debtors, also through legal proceedings) and an indebtedness towards tax authorities for VAT debt that expired as of December 31, 2017 totalling approx. Euro 0.35 million related to debt not paid at the natural expiry during the 2016 fiscal year but that is expected to be paid within the terms foreseen by regulations in force.

As of March 31, 2018 the Itway Group had an expired account indebtedness towards suppliers of the Companies of the Group totalling approx. Euro 7.5 million (of which some Euro 2.1 million for amounts being contested by debtors also through legal proceedings) and an indebtedness towards tax authorities that expired March 31, 2018 totalling some Euro 559 thousand relate to debt not paid at the natural expiry in previous fiscal periods of which Euro 290 thousand were settle in the month of May 2018 and the balance is expected to be paid within the terms foreseen by regulations in force.

Please note that the Itway Group as of March 31, 2018 had social security debt not paid at the natural expiry totalling Euro 179 thousand of which Euro 156 thousand was settled in the month of May 2018 and the balance will be paid within the terms foreseen by the regulations in force while there are no debts towards employees that have not been paid at the natural expiry.

In relation to the financial and account expired indebtedness of Itway S.p.A. and the Itway Group, mentioned above, please note that to date some reminders from creditors were received and there are legal disputes or initiatives for Euro 750 thousand while there has been no suspension of service. Furthermore, the Company and the Group have begun talks with financial creditors in a bid to define the terms and conditions to remodulate debt.

The Company and the Group as of December 31, 2017 did not have social security debt and debt towards employees that were not paid at the natural expiry.

Relations with related parties:

During the 2017 fiscal period 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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Industrial plan for 2018-2022 and financial plan of Itway Spa for 2018/2019

The Board of Directors approved the guidelines of the industrial plan of the Group for the period 2018-2022 and the financial plan for Itway S.p.A. for all of 2019 following the sale of Business-e and also considering the sale of Itway Hellas SA and Itway Turkyie Ltd for which the legal and financial due diligence leading up to the Sale and Purchase Agreement has been completed. These guidelines foresee that the Group does not exit from the security sector but that it re-positions itself. Furthermore the plan foresees a greater focus on the Be Innova S.r.l. subsidiary and on the iNebula and 4Science start-ups. There will be a continuation of the development of foreign subsidiaries also in the MEA area where the Group is present through its stake in Itway Mena FZC.

In light of the what emerges from the approved financial plan and after having made the necessary checks of future expected cash flows, also considering the sale of Itway Hellas SA and Itway Turkyie Ltd for which the legal and financial due diligence leading up to the Sale and Purchase Agreement has been concluded, the Directors have deemed with reasonable certainty that the Company and the Group in the new configuration are able to face their commitments in the 2018-2019 timeframe and therefore confirmed the adoption on the going concern principle in drafting the consolidated financial statements and the separate financial statements of the Parent Company as at December 31, 2017.

Foreseeable evolution of operations

The sale of Business-e S.p.A. that represented an important asset in the strategic vision of the Group, significantly rebalanced the Group's finances. As seen in the 2018-2022 Industrial Plan there is no exit from the security sector: a re-positioning is underway and based on investments made by Itway S.p.A. that will be covered with the proceeds from the sale of the Greek and Turkish subsidiary. This will go hand in hand with a greater focus on the Be Innova subsidiary and the iNebula and 4Science start-ups.

Proposal for the allocation of the Result of the period

In terms of the allocation of the result for the period, the Board of Directors proposes to carry forward the loss of Euro 1,783,139 incurred in 2017.

INTERIM MANAGEMENT REPORT AS AT MARCH 31, 2018 (unaudited)

In the quarter ended March 31, 2018 **operating revenue** of the "Itway Group" rose in volume terms by 23.9% compared with the same year earlier period while **EBITDA** was a negative Euro 369 thousand compared with Euro -472 thousand in the same period of 2017. **EBIT** and the **Result before taxes** came in respectively at Euro -519 thousand and Euro -571 thousand compared with the same period of 2017 when EBIT came in at Euro -622 thousand and the Result before taxes at Euro -626 thousand.

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(Thousands of Euro)	Quarter ended March 31, 2018		Quarter ended March 31, 2017 (restated)	
	Itway Group	Itway Group	Business-e transaction	Total consolidated
Revenue				
Revenue	7,368	6,043	6,081	12,124
EBITDA	(369)	(472)	287	(185)
EBIT	(519)	(622)	270	(352)
Result before taxes	(571)	(626)	181	(445)

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The Net Financial Position of the Group improved as at March 31, 2018 to Euro -5.4 million compared with Euro -6.8 million as at December 31, 2017 due to the cash on hand of the Greek and Turkish subsidiaries.

Own Shares

The Parent Company as at December 31, 2017 owns 887,366 own shares (equal to 11.22% of share capital) for a nominal value of Euro 443,683 and a net movement in 2017 of approx. Euro -148 thousand and an overall purchase cost for the shares held in portfolio of Euro 1,386 thousand (equal to the amount reflected in the Own share reserve deducted from net equity of the fiscal period and at a consolidated level). During the 2017 fiscal year, as authorized by the Shareholders meeting of Itway Spa, a total of 200 own shares were purchased (equal to 0.00% of share capital) for a nominal value of Euro 100 and a total of 82,600 shares were sold (equal to 1.04% of share capital) for a nominal value of Euro 41,300.

As of March 31, 2018 the Parent Company owns No. 886,366 own shares (equal to 11.21% of share capital) for a nominal value of Euro 443,183 and a revenue (booked in the balance sheet as a deduction from net equity) for the period equal to Euro 1,360.00; during the period a total of No. 1,000 own shares were sold (equal to 0.01% of share capital) for a nominal value of Euro 500, as authorized the Shareholders' meeting of Itway S.p.A..

Following the end of the quarter and to the date of the current report no own shares were purchased or sold.

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, cloud computing and big data sectors. Since 2001, Itway has been listed on the STAR segment of Borsa Italiana. www.itway.com

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Financial Statements tables attached to the press release

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CONSOLIDATED INCOME STATEMENT

	<i>Fiscal year as of</i>				
	<i>31 Dec 2017</i>		<i>31 Dec 2016</i>		
	<i>Net amount Itway Group</i>	<i>Business-e</i>	<i>Net amount Itway Group</i>	<i>Business-e</i>	<i>Italy, Iberica VAD unit</i>
Revenues from sales	28,035	12,912	29,167	23,974	30,907
Other operating revenues	3,152	539	185	1,477	5,954
Products	(24,140)	(5,981)	(25,293)	(14,075)	(28,190)
Costs of services	(2,801)	(2,265)	(1,131)	(2,873)	(3,289)
Costs of personnel	(2,696)	(5,350)	(2,037)	(6,225)	(1,811)
Other operating expenses	(1,745)	(1,122)	(579)	(1,075)	(962)
EBITDA	(195)	(1,267)	312	1,203	2,609
Depreciations and amortisations	(800)	(299)	(355)	(88)	(443)
EBIT	(995)	(1,566)	(43)	1,115	2,166
Financial proceeds	93	5	13	102	-
Financial charges	(1,195)	(511)	(296)	(689)	(902)
Capital gain from the sale of equity investments net of direct financial charges indictment	3,525	-	-	-	-
Profit before taxes	1,428	(2,072)	(326)	528	1,264
Taxes	(1,139)	-	(210)	(314)	(1,003)
Result for the period	289	(2,072)	(536)	214	261
Attributable to:					
Shareholders of parent company	445	(2,072)	(502)	214	261
Minorities	(156)	-	(34)	-	-
Result per share					
<u>From operations:</u>					
Basic	(0.26)	-	(0.04)	-	0.03
Diluted	(0.26)	-	(0.04)	-	0.03

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> Cap. Soc. Int Ver. € 3.952.659

Reg. Imprese RA n° 01346970393
R.E.A. n° 1573724
P.IVA e C.F. n° 01346970393

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

Thousand of Euro	Fiscal year as of				
	31 Dec 2017		31 Dec 2016		
	Net amount Itway Group	Business-e	Net amount Itway Group	Business-e	Italy, Iberica VAD unit
Net result	289	(2,072)	(536)	214	261
Components that can be reclassified to the income statement:					
Profit/(Losses) from the conversion of the balance sheet of foreign subsidiaries	(610)	-	(464)	-	-
Components that cannot be reclassified to the income statement:					
Actuarial gain (losses) on defined-benefit plans	(1)	-	(41)	-	-
Comprehensive result	(322)	(2,072)	(1,041)	214	261
Attributable to:					
Sharedholders of parent company	(166)	(2,072)	(1,007)	214	261
Minorities	(156)	-	(34)	-	-

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CONSOLIDATED FINANCIAL STATEMENT

<i>Thousand of Euro</i>	Fiscal year as of	
	31 Dec 2017	31 Dec 2016
ASSETS		
Net current assets		
Property, plans and machinery	3,908	4,200
Goodwill	1,856	5,145
Other intangible assets	2,607	3,756
Investments	1,063	1,176
Deferred tax assets	103	330
Non-current financial assets	2,098	500
Other non current assets	128	419
Total	11,763	15,526
Current assets		
Inventories	1,071	987
Account receivables - Trade	17,397	49,229
Other current assets	4,793	4,598
Cash on hand	440	1,523
Other financial credits	812	2,483
Current financial assets	1,428	-
Total	25,941	58,820
Total assets	37,704	74,346
NET EQUITY AND LIABILITIES		
Share capital and other reserves		
Share capital and reserves	8,410	8,906
Net result of the period	(1,627)	(28)
Total Net Equity	6,783	8,878
Share capital and reserves of minorities	(187)	(31)
Total Group Net Equity	6,596	8,847
Non current liabilities		
Severance indemnity	388	585
Provision for risks and charges	103	87
Non current financial liabilities	1,899	3,642
Total	2,390	4,314
Current liabilities		
Financial current liabilities	9,667	22,164
Account payable – Trade	15,997	30,265
Tax payable	1,937	6,166
Other current liabilities	1,117	2,590
Total	28,718	61,185
Total liabilities	31,108	65,499
Total Net Equity and Liabilities	37,704	74,346

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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 reserves	Translation reserve	Result for the period	Net equity of Group	Minority interests	Total Net Equity
Balance at January 1, 2016	3,953	(1,345)	17,584	456	4,792	(15,007)	(858)	25	9,600	3	9,603
Variation in own shares	-	(189)	-	-	-	-	-	-	(189)	-	(189)
Total operations with shareholders	-	(189)	-	-	-	-	-	-	(189)	-	(189)
Allocation of the result for the year	-	-	-	29	-	(4)	-	(25)	-	-	-
Result of the period	-	-	-	-	-	-	-	(28)	(28)	(34)	(62)
Other operations	-	-	-	-	-	(41)	-	-	(41)	-	(41)
<i>Other components of comprehensive results at 31 Dec 2016:</i>											
Gain/(Losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Overall result	-	-	-	-	-	-	(464)	-	(464)	-	(464)
Comprehensive result	-	-	-	-	-	(41)	(464)	(28)	(531)	(34)	(565)
Balance at December 31, 2016	3,953	(1,534)	17,584	485	4,792	(15,052)	(1,322)	(28)	8,878	(31)	8,847

Thousand of Euro	Cumulated profit (loss)										
	Share capital	Own share reserve	Share premium reserve	Legal reserve	Voluntary reserve	Other reserves	Translation reserve	Result for the period	Net equity of Group	Minority interests	Total Net Equity
Balance at January 1, 2017	3,953	(1,534)	17,584	485	4,792	(15,052)	(1,322)	(28)	8,878	(31)	8,847
Variation in own shares	-	148	-	-	-	-	-	-	148	-	148
Total operations with shareholders	-	148	-	-	-	-	-	-	148	-	148
Allocation of the result for the year	-	-	-	-	-	(28)	-	28	-	-	-
Result of the period	-	-	-	-	-	-	-	(1,627)	(1,627)	(156)	(1,783)
Other operations	-	-	-	-	-	(5)	-	-	(5)	-	(5)
<i>Other components of comprehensive results at 31 Dec 2017:</i>											
Gain/(Losses) on defined benefit plans	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Overall result	-	-	-	-	-	-	(610)	-	(610)	-	(610)
Comprehensive result	-	-	-	-	-	(6)	(610)	(1,627)	(2,243)	(156)	(2,399)
Balance at December 31, 2017	3,953	(1,386)	17,584	485	4,792	(15,086)	(1,932)	(1,627)	6,783	(187)	6,596

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CONSOLIDATED STATEMENT OF CHARGES IN FINANCIAL POSITION

Thousand of Euro	Fiscal year as of	
	31 Dec 17	31 Dec 16
Results for the period "Net amput Itway Group"	289	(537)
<u>Adjustments of items not affecting liquidity:</u>		
Depeciations of tangible assets	216	212
Depeciations of intangible assets	467	586
Allowances for doubtful accounts	1,005	750
Other writedowns	117	-
Reversal of the gain from the sale of Business-e	(4,641)	-
Provisions for severance indemnity, net of payments to social security bodies	69	137
Variation in non current assets/liabilitites	320	503
<u>Cash flow from operating activities, gross of the variation in working capital</u>	(2,158)	1,651
Payments of secerance indemnity	(27)	(131)
Variation in trade receivable and other current assets	7,429	4,899
Variation in inventories	(387)	2,189
Variation in trade payables and other current liabilities	(8,364)	(5,653)
<u>Cash flow from operations generated/(absorbed)by changes in NWC</u>	(1,340)	1,304
<u>Cash flow from operations (A)</u>	(3,498)	2,955
Additions in tangible assets (net of assets sold)	(11)	(231)
Variation in trade receivable and other current assets	(1,629)	(1,614)
Variation in trade payables and other current liabilities	(951)	(995)
Sale Business-e	10,606	-
<u>Cash flow from investing activities (B)</u>	8,015	(2,840)
Variation of onw shares	148	(189)
<u>Cash flow from financial activities (C)</u>	148	(189)
Net impact of the variation in translation of non euro exchange rates of cash on hand	(610)	(464)
<u>Cash flow from asset sold (D)</u>	7,359	(5,173)
<u>Increase/(Decrease)cash available and cash equivalentes (A+B+C+D)</u>	11,414	(5,711)
Short term Net Financial Position at the beginning of the period	(20,641)	(14,930)
Short term Net Financial Position at the end of the period	(9,227)	(20,641)

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SEPARATED INCOME STATEMENT

Euro	Notes	Fiscal year as of		
		31 Dec 2017 Total Itway	31 Dec 2017 Net amount Itway	VAD Italia unit
Revenues from sales	1	745,823	-	30,523,663
<i>of which to Group companies</i>		745,823	-	4,448,671
Other operating revenues	2	3,180,148	1,155,929	4,350,377
<i>of which to Group companies</i>		499,500	892,926	-
Products	3	(763,469)	-	(28,711,293)
<i>of which to Group companies</i>		-	-	(1,539)
Costs of services	4	(2,914,887)	(1,361,017)	(2,859,716)
<i>of which to Group companies</i>		(670,936)	(729,863)	(213,758)
Costs of personnel	5	(495,544)	(332,356)	(845,167)
Other operating expenses	6	(1,511,650)	(307,869)	(716,825)
<i>of which to Group companies</i>		(59,622)	(60,537)	-
EBITDA		(1,759,579)	(845,313)	1,741,038
Depreciations and amortisations	7	(422,416)	(87,857)	(206,277)
EBIT		(2,181,995)	(933,170)	1,534,761
Financial proceeds	8	210,541	359,060	-
<i>of which to Group companies</i>		119,219	347,765	-
Financial charges		(972,066)	(562,501)	(776,880)
<i>of which to Group companies</i>		-	-	-
Result of subsidiaries evaluated using the equity method		(1,846,596)	323,486	-
Capital gain from the sale of equity investments net of direct financial charges indictment and loss Business-e S.p.A.		3,525,318	-	-
Profit before taxes		(1,264,798)	(813,125)	757,881
Taxes	9	(518,341)	202,734	(211,449)
Result for the period		(1,783,139)	(610,391)	546,432

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COMPREHENSIVE SAPARATED INCOME STATEMENT

<i>Euro</i>	<i>31 Dec 2017</i>		<i>31 Dec 2016</i>	
	<i>Total Itway</i>	<i>Net ampunt Itway</i>	<i>VAD Italia unit</i>	
Net result	(1,783,139)	(610,391)	546,432	
Components that cannot be reclassified to the income statement:				
Actuarial gain (losses) on defined-benefit plans	8,591	(30,718)	-	
Components that can be reclassified to the income statement:				
Profits/(Losses) comprensive from evaluated using the equity method	(610,000)	(473,745)	-	
Result of the period	(2,384,548)	(1,114,854)	546,432	

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SEPARATED FINANCIAL STATEMENT

<i>Euro</i>	31 Dec 2017	31 Dec 2016
ASSETS		
Net current assets		
Property, plans and machinery	2,927,956	3,076,809
Other intangible assets	220,208	198,484
Investments	6,248,499	13,510,443
Deferred tax assets	1,131,969	1,091,445
Non-current financial assets	49,457	103,755
Other non current assets	2,098,000	500,000
Total	12,676,089	18,480,936
Current assets		
Account receivables - Trade	5,153,058	8,701,305
Financial receivables from subsidiaries of a financial	9,532,714	12,822,389
Commercial receivables from subsidiaries of a financial	1,789,250	3,912,251
Other current assets	4,128,148	1,927,564
Other financial credits	812,187	396,719
Cash on hand	129,203	118,711
Total	21,544,560	27,878,939
Total assets	34,220,649	46,359,875
NET EQUITY AND LIABILITIES		
Share capital and other reserves		
Share capital	3,952,659	3,952,659
Own share reserve	(1,386,937)	(1,534,454)
Share premium reserve	17,583,874	17,583,874
Legal reserve	484,904	484,904
Retained earnings / (losses) reserve	(12,227,753)	(11,562,385)
Other reserves	(1,783,139)	(63,959)
Total Net Equity	6,623,608	8,860,639
Non current liabilities		
Severance indemnity	283,001	268,442
Provision for risks and charges	8,005,321	7,613,757
Deferred tax liabilities	905,718	823,750
Non current financial liabilities	1,898,640	2,844,543
Total	11,092,680	11,550,492
Current liabilities		
Financial current liabilities	8,171,163	14,528,597
Account payable – Trade	5,504,453	5,153,036
Payables to subsidiaries	1,880,422	1,847,229
Tax payable	252,441	4,081,862
Other current liabilities	695,882	338,020
Total	16,504,361	25,948,744
Total liabilities	27,597,041	37,499,236
Total Net Equity and Liabilities	34,220,649	46.359.875

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Separated statement of charges in equity

Euro	Cumulated profit (loss)						Net equity
	Share capital	Own share reserve	Share premium reserve	Legal reserve	Retained earning/losses reserve	Result of the period	
Balance at January 1, 2016	3,952,659	(1,345,130)	17,583,874	455,818	(11,054,834)	25,999	9,618,386
Variations in own share	-	(189,324)	-	-	-	-	(189,324)
Total operations with shareholders	-	(189,324)	-	-	-	-	(189,324)
Allocation of the result for the year	-	-	-	29,086	(3,087)	(25,999)	-
Result of the period	-	-	-	-	-	(63,959)	(63,959)
<i>Other components of comprehensive results at 31 Dec 2016:</i>							
Total profits / (losses) deriving from the application of IAS 27	-	-	-	-	(473,745)	-	(473,745)
Gain/(Losses) on defined benefit plans	-	-	-	-	(30,718)	-	(30,718)
Comprehensive result	-	-	-	-	(504,463)	(63,959)	(568,422)
Balance at December 31, 2016	3,952,659	(1,534,454)	17,583,874	484,904	(11,562,385)	(63,959)	8,860,639

Euro	Cumulated profit (loss)						Net equity
	Share capital	Own share reserve	Share premium reserve	Legal reserve	Retained earning/losses reserve	Result of the period	
Balance at January 1, 2017	3,952,659	(1,534,454)	17,583,874	484,904	(11,562,385)	(63,959)	8,860,639
Variations in own share	-	147,517	-	-	-	-	147,517
Total operations with shareholders	-	147,517	-	-	-	-	147,517
Allocation of the result for the year	-	-	-	-	(63,959)	63,959	-
Result of the period	-	-	-	-	-	(1,783,139)	(1,783,139)
<i>Other components of comprehensive results at 31 Dec 2017:</i>							
Total profits / (losses) deriving from the application of IAS 27	-	-	-	-	(610,000)	-	(610,000)
Gain/(Losses) on defined benefit plans	-	-	-	-	8,591	-	8,591
Comprehensive result	-	-	-	-	(601,409)	(1,783,139)	(2,384,548)
Balance at December 31, 2017	3,952,659	(1,386,937)	17,583,874	484,904	(12,227,753)	(1,783,139)	6,623,608

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SEPARATED STATEMENT OF CHARGES IN FINANCIAL POSITION

Thousand of Euro	Notes	Fiscal year as of 31/12/2017	Fiscal year as of 31/12/2016
Results for the period		(1,783)	(610)
<u>Adjustments of items not affecting liquidity:</u>			
Depeciations of tangible assets	6-10	149	133
Depeciations of intangible assets	6-11	156	161
Allowances for doubtful accounts	7-17	970	485
Provisions for severance indemnity, net of payments to social security bodies	22	23	35
Controlled results evaluated using the PN method	13	1,847	(323)
Devaluation of participation		117	-
Gains on sale of the company Business-e S.p.A.		(4,641)	-
<u>Cash flow from operating activities, gross of the variation in working capital</u>		(3,162)	(119)
Payments of secerance indemnity	22	(9)	(26)
Variation in trade receivable and other current assets	17-18	8,281	6,116
Variation in financial credits	18-19	4,472	7,298
Variation in inventories	16	-	1,087
Variation in trade payables and other current liabilities	18-28-29	(2,475)	381
Variation in account payable	26-27	(6,954)	(7,040)
<u>Cash flow from operations generated/(absorbed)by changes in NWC</u>		3,315	7,816
<u>Cash flow from operations (A)</u>		153	7,697
Change in non-current assets / liabilities to subsidiaries and others	14-15-23-24-25	(850)	(2,046)
Investments in tangible assets (net of disinvestments)	10	-	(240)
Change in financial receivables		(79)	17
Payments in c / capital holdings		-	(2,699)
Sale Business-e S.p.A.		6,515	-
Dividends collected		651	-
Investment in other intangible assets (net of disinvestments)	12	(178)	(126)
<u>Cash flow from investing activities (B)</u>		6,059	(5,094)
IAS 19		9	(31)
Variations in own shares		148	(189)
<u>Cash flow from financial activities (C)</u>		156	(220)
<u>Cash flow from asset sold (D)</u>		-	(2,408)
<u>Increase/(Decrease)cash available and cash equivalents (A+B+C+D)</u>		6,368	(25)
Short term Net Financial Position at the beginning of the period	20-26	(14,410)	(14,385)
Short term Net Financial Position at the end of the period	20-26	(8,042)	(14,410)

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