Informazione Regolamentata n. 0524-15-2019	Data/Ora Ricezione 19 Aprile 2019 18:41:06	MTA - Star

Societa'	:	IT WAY
Identificativo Informazione Regolamentata	:	117323
Nome utilizzatore	:	ITWAYN02 - Passatempi
Tipologia	:	1.1
Data/Ora Ricezione	:	19 Aprile 2019 18:41:06
Data/Ora Inizio Diffusione presunta	:	19 Aprile 2019 18:45:23
Oggetto	:	BoD approves Financial Statements as of December 31, 2018

Testo del comunicato

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Press Release

The BoD of the Itway Group approves the Financial Statements as of December 31, 2018
New agreement for the sale to Cyber Security 1 of the Itway Hellas SA and Itway Turkyie Ltd subsidiaries

- **Total revenue** of Euro 33.1 million (+6%) compared with Euro 31.1 million in the previous fiscal year, net of the Business-e revenue and extraordinary transaction
- **Net result of** the period f Euro 354 thousand, compared with Euro 294 thousand previously, net of the Business-e revenue and extraordinary transaction
- Consolidated **EBITDA Euro +1.6 million** compared with Euro 195 thousand in the previous period
- **EBIT** of Euro 1.2 million compared with Euro -1.0 million previously
- Group **Net Financial Position** improves to Euro -4.3 million compared with Euro -6.8 million as of 31.12.2017
- **Net result** of the Parent Company Itway Euro 172 thousand compared with Euro -1,783 thousand as of 31.12.17;
- The **Net Financial Position** of the Parent Company Itway Spa Euro -4.6 million vs Euro -7.0 million in the previous fiscal period
- **Allocation of the result of the period:** Proposal to allocate Euro 172 thousand to reserve

Ravenna, April 18 2019 – The **Board of Directors of Itway S.p.A,** a company listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana, active in the IT sector, approved today the financial statements as of December 31, 2018 to submit for shareholder approval

In 2018, Itway continued, as it did in 2016 and 2017, to reposition and to reorganize the Group with an industrial plan that targets significant growth in the coming years and to value the experience matured and the investments made in the past that have continued in the current period. Itway returned to being an operational holding company while increasing at the same time its presence in consultancy and in planning and system integration for cyber security, with a particular focus on the client, product and the market in order to develop and establish itself in the more favourable industrial sector, that is more dynamic and with higher value added. This plan, while foreseeing the exit from the VAD sector (which is now low margin), is evolving towards the Digital product oriented model and higher growth activities, aimed at replacing lower margin lines with higher value added ones that require less use of working capital, that are realized through the establishment of four Business Units: *Cybersecurity, Adapt/Smartys, Data Science and Safety*

In April 2018, Itway signed an exclusive agreement with Cyber Security 1 AB (formerly Cognosec), a company listed on the Nasdaq First North Stockholm and a leading supplier of Cyber Security solutions, for the sale of 100% of Itway Hellas SA and Itway Turkyie Ltd at an agreed price, for both subsidiaries, of Euro 10 million made up of a cash deposit of Euro 2 million, to be paid at closing, of which Euro 500 thousand cashed in at the time of the signing of the Sales and Purchase Agreement (SPA) and a component in nature made up of No. 16,666,666 Cyber Security 1 AB newly issued shares for a total value of Euro 8 million and representing 6.35% of share capital. The closing of the transaction, initially scheduled for July 2018 was delayed and on November 8, 2018 all the cash component of the consideration was cashed in.

Also, in 2018 there was a favourable settlement of the dispute with Maticmind with the cashing in of the balance of the transaction for the sale of the Business-e subsidiary that had a Euro 1.6 million impact on the financial receivables of affiliate company Be Innova Srl and brought to cash proceeds of over Euro 300 thousand in the first quarter.

"The 2018 fiscal period proved intense and full of events that followed the strategic project to reposition the Group that began in previous years and is still not complete," said ***Chairman and CEO of Itway G. Andrea Farina****. "We completed the disposal program of the VAD activities to Cyber Security 1 of the high value added distribution of products and services in Greece and Turkey, strengthening also our position with Cyber Security 1 and its markets. Today the organizational structure of the Group is geared towards the development of the Digital product oriented model and the greater growth activities, aimed at replacing lower margin lines with an integrated offer of consultancy, engineering products that we plan and own that are higher value added and that are realized on the market through the establishment of four business units: Cybersecurity, Adapt/Smartys, Data Science and Safety in Italy and the foreign Countries where the Group is present. The new corporate flexibility and the investments made in previous years will allow the Group to seize new challenges and position itself also on the Digital Transformation market that leads to a new vision of corporate organization.*

In October 2018 iNebula (IoT) was liquidated due to the continued significant losses and Itway bought at a price of Euro 1,198 thousand some innovative assets related to iNebula, the brand and the portal. The Group through the Be Innova affiliate (50% controlled), which increased its presence on the market, presided over security activities and Managed Security Services (MSS) as well as the development and the use of Smartys to manage bed space in hospitals, nursing homes, assisted living and in particular home care. It also assigned to 4Science (100% controlled) Data Science solutions and services, Data Management and Artificial Intelligence for scientific research, cultural heritage and Big Data. As a result of the above, the net financial position of the Group as of December 31, 2018 improved Euro 2.5 million compared with December 31, 2017.

ANALYSYS OF THE OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS OF THE GROUP IN 2018

Following are the main consolidated economic indicators for the fiscal period ended December 31, 2018 highlighting the new operating perimeter (Net Itway Group) compared with those of the previous fiscal period (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).

	2018		2017		
Million of Euro	Itway Group		Itway Group	Business-e transaction	Total Itway Group
Revenue	33,1		31,1	13,5	44,6
EBITDA	1,6		(0,2)	(1,3)	(1,4)
EBIT	1,2		(1,0)	(1,6)	(2,6)

In relation to the perimeter of the Group corresponding to the assets that remained within Itway, consolidated Revenue came in at Euro **33.1** million, **up 6%** from Euro 31.1 million in the 2017 fiscal period

EBITDA was a positive Euro 1.6 million compared with a negative Euro 0.2 million in 2017; **EBIT** was a positive Euro 1.2 million compared with a negative Euro 1.0 million the previous year.

The **Result before taxes** amounted to Euro 921 thousand compared with Euro 1,428 thousand in 2017

The data for the period were impacted by Euro 600 thousand of non-recurring costs related to the remodulation of debt and the management of extraordinary transactions as well as non-recurring proceeds of Euro 3 million mainly related to the deposit received for the sale of the Greek and Turkish subsidiaries and non-operating income for the removal of Euro 1 million of debt positions that were negotiated on a bilateral basis.

Group Net Financial Position

Thousands of Euro	31/12/2018	31/12/2017
Cash on hand	951	440
Financial receivables	2,526	812
Current financial assets	1,268	1,428
Current financial liabilities	(9,247)	(9,667)
Current net financial position	**(4,502)**	**(6,987)**
Non-current financial assets	2,098	2,098
Non-current financial liabilities	(1,862)	(1,899)
Non current net financial position	**236**	**199**
Total net financial position	**(4,266)**	**(6,788)**

The Net Financial Position as of December 31, 2018 amounted to Euro -4.3 million compared with Euro -6.8 million as of December 31, 2017. The Net Financial Position improved approximately Euro 2.5 million due to the cashing in of the guarantee deposit on the sale of the Greek and Turkish subsidiaries, which impacted financial receivables towards the affiliate company BE Innova for a total of Euro 1.6 million and for Euro 319 thousand for amounts cashed in by the parent company. Furthermore some debt positions were removed, allowing the company to book non-operating income of approximately Euro 800 thousand. Payables towards to banking institutions were defined through the sale to the related company Fartech, which then settled with Itway for the definitive closing of the position while Unicredit and Banco BPM sold their positions to Mercatoria S.p.A. (a company with a debt collection license pursuant to article 115 of the TULPS) which has Euro 2.1 million of financial receivables towards Itway S.p.A. Current liabilities include an Iccrea medium term financing, for a total of Euro 766 thousand, the related covenants of which have not been respected and therefore are currently classified as short term, even if the redefinition of these parameters is currently underway in order to maintain the original medium term classification.

Market context

In November 2018, Gartner announced that the evolution in the digital market – Digital Product Marketing, Privacy, Digital Twin, Augmented Intelligence (AI), Culture – with the presence of digital products in high growth fields, would distinguish successful companies from the others. The digital market in Italy ended 2018 with growth of 2.3% for the entire sector, with segments related to Digital Innovation, defined as Digital Enablers, that continue growing at double digit rates [Assinform 2016-2019: 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, 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)

Through 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.

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

Thousands of Euro	31/12/2018	31/12/2017
Total revenue	27,219	26,056
EBITDA*	1,352	1,954
EBIT*	1,299	1,895
Result before taxes	1,501	1,782
Result for the period	1,031	1,369

** The definition of Ebitda and Ebit is included in the explanatory notes to the consolidated financial statements attached to the current Report*

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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 2017 and a net result of almost Euro 900 thousand. The results for the period were however impacted by the performance of the Turkish Lira exchange rate, which lost approx. 33% of its value against the Euro compared with 2017. Therefore, in local currency terms, results would show a revenue increase of 30%.

The Greek subsidiary ended the period with a revenue increase of 25% compared with the previous fiscal period ending with a result before taxes of approximately Euro 300 thousand. These results position the Group as the leading VAD in the security market in Greece.

Developments in 2019

On April 4, 2018, Itway signed an exclusive agreement with Cyber Security 1 AB (formerly Cognosec), a company listed on the Nasdaq First North Stockholm (COGS OTC-Nasdaq Intl. Designation: CYBNY), a leading supplier of Cyber Security solutions operating in Europe, Africa and the Middle East, for the sale of 100% of Itway Hellas SA and Itway Turkyie Ltd. After the completion of the due diligence, an agreement was signed on June 19, 2018 with a Special Purpose Agreement (SPA) that can be summed up as follows:

- The agreed price paid by Cyber Security 1 AB to Itway for both sakes totals Euro 10 million and is made up of a cash deposit of Euro 2 million, to be paid at closing, of which Euro 50 thousand was cashed in at the signing of the SPA, and a component in nature comprising No 16,666,666 newly issued Cyber Security 1 shares for a total of Euro 8 million and representing 6.35% of share capital.
- It will be possible to sell the shares in quarterly instalments during the first five quarters after the closing of the transaction and the value of these shares, equal to Euro 1.6 million for each instalment, will be guaranteed by a PUT option, released by a company that is owned by the reference shareholder of Cyber1, Kobus Paulsen, that will be able to allow the sale of these shares at the same assigned price.

The closing of the transaction, originally scheduled for the end of July 2018, was delayed, through three amending acts requested by the buyer, to November 8, 2018 in exchange for the commitment to pay the total cash part of the consideration, which at that date was cashed in, and the release of guarantees necessary for the cashing in of the subsequent Euro 8 million. In case of delay of the closing, a mechanism kicked in whereby the buyer had to pay a penalty of Euro 15 thousand per day until the effective closing of the transaction.
The third amending act signed on October 26, 2018 reaffirmed very clearly that only after receiving a bank guarantee, issued by a leading banking institution, it would have been possible to proceed with the sale of the Turkish and Greek subsidiaries. The last date foreseen by the contract was January 31, 2019. Upon request from Cyber 1 this date was delayed further since the share performance did not allow the company to be able to issue the necessary guarantees, while they accelerated the process of listing on the New York Nasdaq through the a 120 million dollar merger with a SPAC (Special Purpose Acquisition Company), listed on the New York Nasdaq, that will allow to face the commitments made. To the date of writing, the delay has been of 158 days and penalties of Euro 2.37 million have matured and were included, at the same level as the shares received, at the resumption of negotiations, as we will later see, to reach a new agreement.
Following these events, which took place between in the months of January to April 2019 the parties, upon request of Cyber 1 negotiated in good faith a new agreement the main points of which can be summarized as follows: recognition of an increase in the price of Euro 5 million, in addition to the Euro 2 million already cashed in at the signing of the original SPA, which they did not respect, with Euro 250 thousand already cashed in at the writing of the current press release and the balance of Euro 4.75 million in cash and/or convertible shares of the SPAC that will be cashed in by July 30, 2019. The Cyber 1 shares currently in the hands of Itway will be converted into shares of the SPAC, at a minimum value of Euro 8 million and will be subject to a lock-in until September 30, 2019; after that date Itway will be able to exercise its right to sell. As a result of these agreements, Itway will sell a controlling stake in Greece and Turkey to Cyber 1 through vehicle under Italian law that will be 95% owned by Cyber 1 and 5% by Itway. Upon completion of the payments, Itway will sell for Euro 1 the remaining 5% stake to Cyber 1.

Itway, with the sale of the companies that distribute high value added products and services (Value Added Distribution, or VAD) in Greece and Turkey, completed its VAD activities disposal program.

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 tat are in an operational and commercial start-up phase. Following the sale of Business-e, starting from the middle of 2018, Itway has become an operational holding that includes system integration and production activity.

- **Itway S.p.A**. returns to being an operational holding and deals 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, in the liquidation process underway, part of the products under development and the brand name.

- **4Science S.r.l.** regards services and solutions for Big Data and Data Management and AI for the scientific research, cultural heritage and Big Data markets.

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

(Thousands of €uro)	31/12/18	31/12/17
Revenue	5,024	3,926
EBITDA	1,125	(1,760)
EBIT	871	(2,182)
Result before taxes	427	(1,265)
Result of the period	172	(1,783)

The parent company Itway S.p.A. in the fiscal period ended December 2018 posted a positive result of Euro 172 thousand, compared with the negative Euro 1,783 thousand as of December 31, 2017.
EBIT was a positive Euro 871 thousand compared with the negative Euro 2,182 thousand at December 31, 2017.

Net financial position of the Parent Company

Thousands of Euro	31/12/2018	31/12/2017
Cash on hand	468	129
Financial receivables	2.525	812
Current financial liabilities	(7.835)	(8.171)
Current net financial position	**(4.842)**	**(7.230)**
Non-current financial assets	2.098	2.098
Non-current financial liabilities	(1.862)	(1.899)
Non current net financial position	**236**	**199**
Total net financial position	**(4.606)**	**(7.031)**

The net financial position of the Parent Company as at December 31, 2018 improved by some Euro 2.4 million compared with December 31, 2017.
Current financial liabilities for the time being include a medium-term Iccrea financing for Euro 194 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.

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 (solicitation, interruption of supply, injunctions, etc.)

As of December 31, 2018 expired financial positions of the parent company Itway amounted to Euro 7.8 million, while at the same date the expired financial positions of the Itway Group stood at Euro 8.6 million. Talks with banks have been opened to re-define the terms and conditions to remodulate financial indebtedness, with the objective of consolidating indebtedness; they are continuing on a bilateral basis with the single banking institutions.

The parent company as of December 31, 2018 has expired account indebtedness towards suppliers of approx. Euro 3.1 million (of which approx. Euro 0.5 million for amounts being contested by one debtor, also through legal procedures) and an indebtedness towards tax authorities of Euro 28 thousand, which is expected to be paid by the terms foresees by regulations in force.

The Itway Group as of December 31, 2018 had an expired account indebtedness towards suppliers of the Companies of the Group of approx. Euro 7.3 million (of which approx. Euro 2.2 million for amounts being contested by the debtors, also through legal proceedings) and an expired indebtedness towards tax authorities of approx. Euro 327 thousand related to debt not paid at the natural expiry during previous fiscal periods and that are expected to be paid within the terms foreseen by regulations in force.

As of December 31, 2018 legal disputes that emerged following initiatives by creditors (injunctions and writ of summons) stood at Euro 1,035 thousand. Furthermore, as of December 31, 2018 foreclosure acts for a total of Euro 798 have been notified. To date these disputes have been resolved negotiating bilaterally with debtors a payment plan and a partial removal of the positions.
As of December 31, 2018 the Parent Company and the Itway Group have debt with social security bodies that expired at their natural maturity for Euro 13 thousand and Euro 28 thousand, respectively, while there are no expired debts towards employees.

Going concern assessment

The consolidated financial statements of the Group as of December 31, 2018 report a positive result of Euro 354 thousand while the Parent Company ended the period with a net result of Euro 172 thousand. From a financial point of view, as already reported in the financial statements to December 31, 2017, the sale on November 30, 2016 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, 2018, the Itway Group had a current net financial indebtedness of approximately Euro 9.2 million, of which Euro 8.6 million already expired at the date of writing of the balance sheet, an indebtedness towards tax authorities and social security institutions of Euro 327 thousand (which will be paid with the terms foreseen by regulations in force) and an indebtedness towards suppliers of approx. Euro 7.3 million (of which approx. Euro 2.2 million for amounts being contested, also through legal means).

This financial stress is still present, given the lower proceeds derived from the sale of Business-e S.p.A. compared with what was foreseen in the sales contract. To face this tension the Company has for some time started talks to remodulate debt on a bilateral basis with each lender and during the fiscal period this led to the definition of positions with two banking institutions that sold their receivables to related company Fartech, which in turn settled with Itway the definitive closing of the positions. Unicredit and Banco BPM sold their positions to Mercatoria S.p.A.

(a company with a debt collection license pursuant to art. 115 of the TULPS) which has Euro 2.1 million of financial receivables towards Itway S.p.A. To date negotiations are still under way with Monte dei Paschi di Siena, Banca Intesa and other minor lenders while agreements are underway with Mercatoria to define the balance and the removal of the acquired positions.

In this context the Company deemed necessary to proceed with the sale of the stakes in Itway Hellas SA and Itway Turkyie Ltd to Cyber Security 1 AB and towards this end signed a Sale and Purchase agreement on June 19, 2018 for a total of Euro 10 million, of which Euro 2 million due at the closing that was scheduled by the end of September 2018 and Euro 8 million in Cyber 1 shares that could be sold as the same assignment price in five quarterly instalments starting from three months from the closing date.

The closing of the transaction, originally scheduled for July 2018, was delayed through three amending acts upon request of the buyer, to November 8, 2018 in exchange for a commitment to pay the total cash amount, which at that date was cashed in, and the release of the necessary guarantees to cash in the subsequent Euro 8 million. In case of delays in the closing, a penalty at the expense of the buyer of Euro 15 thousand per day kicked in that will be calculated until the effective date of the closing of the sale.

The third amending act signed on October 26, 2018 reaffirmed very clearly that only after receiving a bank guarantee, issued by a leading banking institution, it would have been possible to proceed with the sale of the Turkish and Greek subsidiaries. The last date foreseen by the contract was January 31, 2019. Upon request from Cyber 1 this date was delayed further since the share performance did not allow the company to issue the necessary guarantees, while they accelerated the process to list shares on the New York Nasdaq through the 120 million dollar merger with a SPAC (Special Purpose Acquisition Company), listed on the Nasdaq, that will allow to face the commitments made. To the date of writing, the delay has been of 158 days and penalties of Euro 2.37 million have matured that will be included, at the same level as the shares received, upon resumption of negotiations, as we will later see, to reach a new agreement.

Following these events, which took place between in the months of January to April 2019 the parties, upon request of Cyber 1 negotiated in good faith a new agreement the main points of which can be summarized as follows: recognition of an increase in the price of Euro 5 million, in addition to the Euro 2 million already cashed in at the signing of the original SPA, which they did not respect, with Euro 250 thousand already cashed in at the writing of the current press release and the balance of Euro 4.75 million in cash and/or convertible shares of the SPAC that will be cashed in by July 30, 2019. The Cyber 1 shares currently in the hands of Itway will be converted into shares of the SPAC, at a minimum value of Euro 8 million and will be subject to a lock-in until September 30, 2019; after that date Itway will be able to exercise its right to sell. As a result of these agreements, Itway will sell a controlling stake in Greece and Turkey to Cyber 1 through vehicle under Italian law that will be 95% owned by Cyber 1 and 5% by Itway. Upon completion of the payments, Itway will sell for Euro 1 the remaining 5% stake to Cyber 1.

Itway, following the sale of the companies that distribute high value added products and services (Value Added Distribution, or VAD) in Greece and Turkey, completes its disposal programs of VAD activities.

Industrial plan 2019-2022 and financial plan of Itway SpA 2019-2020

The Board of Directors of Itway also approved the guide lines of the industrial plan of the Group for the period 2018-2022. These guidelines foresee that the Group does not exit from the security sector but that it re-positions itself on the basis of investments made by Itway S.p.A., the coverage of which will derive from financial proceeds from the sale of the Greek and Turkish subsidiaries as well as a greater focus on the affiliate company Be Innova S.r.l. and 4Science S.r.l. There will also be a continuation of the development of foreign operations in the MENA area where the group is present through stakes in Itway Mena FZC. The plan foresees the continuation of the above mentioned activities and from a financial point of view is based on two key premises:

- The payment of financial proceeds deriving from the al of the stakes in Itway Hellas SA and Itway Turkyie Ltd;
- The favourable outcome of negotiations, as indicated above, with the remaining banking institutions in order to allow remodulating maturities according to the forecasts of the plan.

Today, the Board of Directors approved the financial plan for Itway S.p.A. until all of 2020.

On the basis of this approved financial plan and having made the necessary checks on future expected cash flows, the Directors, though acknowledging elements of uncertainty surrounding the positive outcome of the transactions that make up the fundamental assumptions of the plan, drafted the balance sheet on the basis that the Group in its new configuration will be able to fulfil its commitments in the 2019-2022 time frame and therefore confirmed the adoption of the going concern principle in the drafting of the consolidated and separate financial statements of the Parent Company as at December 31, 2018.

Relationships with related parties

In the 2018 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.

SUBSEQUENT EVENTS

Foreseeable evolution of operations

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

Furthermore, we count on developing alliances and partnerships with players that have synergies with us, therefore with skills that are complementary to ours and with whom to face projects that are now we do not have access to. While considering also projects that are financed at a national and/or European level, we will focus only on those projects where we satisfy the requirements to take part, some already in the 2018-2019 Pipeline Prospects, not with the view of a non-repayable funding but with a view of a sub-supplier, where the activities of the Group will be remunerated.

Own shares

The Parent Company as at December 31, 2018 owns 853,04 own shares (equal to 10.79% of share capital) for a nominal value of Euro 426,522 and a net movement in 2018 of approx. Euro -40 thousand and an overall purchase cost for the shares held in portfolio of 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). During the 2018 fiscal year, as authorized by the Shareholders meeting of Itway Spa, a total of 34,323 own shares were sold (equal to 0.43% of share capital) for a nominal value of Euro 17,162.

Proposal for the allocation of the Result of the period

The Company proposes to allocate to reserve the profit for the 2018 period of Euro 172 thousand.

Other deliberations

The Board of Directors also approved the Report on Corporate Governance and Ownership Structure and proceeded to ascertain the persistence of the requirements of independence of non-executive directors Valentino Bravi, Annunziata Mangotti and Piera Magnatti pursuant to article 148, paragraph 3 of the TUF as well as the Code of Self Conduct for listed companies.

The Board of Directors also approved the Interim Management report as of September 30, 2018. For further details please see the Interim Management Report as of September 30, 2018 that will be published on www.itway.com

The Board of Directors, lastly, deliberated to convene the Annual General Meeting of Shareholders of the Company in first and second call on May 22-23, at the headquarters in Ravenna.

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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

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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

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Tables attached to the press release

ITWAY GROUP

CONSOLIDATED STATEMENTS
AS OF DECEMBER, 31 2018

CONSOLIDATED INCOME STATEMEMT

Thousand of Euro	*Fiscal year as of*			
	31 Dec 2018	*31 Dec 2017*		
	Net amount Itway Group	*Net amount Itway Group*	*Business-e*	*Total*
Revenues from sales	28,941	28,035	12,912	40,947
Other operating revenues	4,115	3,152	539	3,691
Products	(24,811)	(24,140)	(5,981)	(30,121)
Costs of services	(2,656)	(2,801)	(2,265)	(5,066)
Costs of personnel	(2,360)	(2,696)	(5,350)	(8,046)
Other operating expenses	(1,600)	(1,745)	(1,122)	(2,867)
EBITDA	**1,629**	**(195)**	**(1,267)**	**(1,462)**
Depreciations and amortisations	(416)	(800)	(299)	(1,099)
EBIT	**1,213**	**(995)**	**(1,566)**	**(2,561)**
Financial proceeds	94	93	5	98
Financial charges	(385)	(1,195)	(511)	(1,706)
Capital gain from the sale of equity investments net of direct financial charges indictment	-	3,525	-	3,525
Profit before taxes	**922**	**1,428**	**(2,072)**	**(644)**
Taxes	(567)	(1,139)	-	(1,139)
Result for the period	**355**	**289**	**(2,072)**	**(1,783)**
Attributable to:				
Sharedholders of parent company	520	445	(2,072)	(1,627)
Minorities	(165)	(156)	-	(156)
Result per share				
From operations:				
Basic	0,05	(0,26)	-	(0,26)
Diluted	0,05	(0,26)	-	(0,26)

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

Thousand of Euro	*Fiscal year as of*			
	31 Dec 2018	***31 Dec 2017***		
	Net amount Itway Group	***Net amount Itway Group***	***Business-e***	***Total***
Net result	355	289	(2,072)	(1,783)
Components that can be reclassified to the income statement:				
Profit/(Losses) from the conversion of the balance sheet of foreign subsidiaries	(778)	(610)	-	(610)
Components that cannot be reclassified to the income statement:				
Actuarial gain (losses) on defined-benefit plans	22	(1)	-	(1)
Comprehensive result	**(401)**	**(322)**	**(2,072)**	**(2,394)**
Attributable to:				
Sharedholders of parent company	(236)	(166)	(2,072)	(2,238)
Minorities	(165)	(156)	-	(156)

CONSOLIDATED FINANCIAL STATEMENT

Thousand of Euro		Fiscal year as of 31 Dec 2018	31 Dec 2017
ASSETS			
Net current assets			
Property, plans and machinery		3,719	3,908
Goodwill		1,853	1,856
Other intangible assets		1,894	2,607
Investments		3,141	1,063
Deferred tax assets		146	103
Non-current financial assets		2,098	2,098
Other non current assets		34	128
	Total	**12,885**	**11,763**
Current assets			
Inventories		464	1,071
Account receivables - Trade		17,834	17,397
Other current assets		1,812	4,793
Cash on hand		951	440
Other financial credits		2,526	812
Current financial assets		1,268	1,428
	Total	**24,855**	**25,941**
Total assets		**37,740**	**37,704**
NET EQUITY AND LIABILITIES			
Share capital and other reserves			
Share capital and reserves		6,067	8,410
Net result of the period		520	(1,627)
Total Net Equity		**6,587**	**6,783**
Share capital and reserves of minorities		(352)	(187)
Total Group Net Equity		**6,235**	**6,596**
Non current liabilities			
Severance indemnity		321	388
Provision for risks and charges		14	103
Non current financial liabilities		1,862	1,899
	Total	**2,197**	**2,390**
Current liabilities			
Financial current liabilitites		9,247	9,667
Account payable – Trade		14,500	15,997
Tax payable		2,040	1,937
Other current liabilities		3,521	1,117
	Total	**29,308**	**28,718**
Total liabilities		**31,505**	**31,108**
Total Net Equity and Liabilities		**37,740**	**37,704**

Consolidated statement of charges in equity

					Cumulated profit (loss)						
Thousand of Euro	**Share capital**	**Own share reserve**	**Share premium reserve**	**Legal reserve**	**Voluntary reserve**	**Other reserve**	**Transaltion 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)
Other components of comprehensive results at 31 Dec 2017:											
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**

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

CONSOLIDATED STATEMENT OF CHARGES IN FINANCIAL POSITION

Thousand of Euro	**Fiscal year as of** **31 Dec 18**	**31 Dec 17**
Results for the period “Net ampunt Itway Group”	355	1,428
Adjustments of items not affecting liquiduty:		
Depeciations of tangible assets	210	216
Depeciations of intangible assets	206	467
Allowances for doubtful accounts	265	1,005
Other writedowns	-	117
Reversal of the gain from the sale of Business-e	-	(4,595)
Provisions for severance indemnity, net of payments to social security bodies	69	69
Variation in non current assets/liabilitites	(35)	320
Cash flow from operating activities, gross of the variation in working capital	**1,070**	**(973)**
Payments of secerance indemnity	(114)	(27)
Variation in trade receivable and other current assets	725	7,429
Variation in inventories	607	(377)
Variation in trade payables and other current liabilities	1,009	(9,550)
Cash flow from operations generated/(absorbed)by changes in NWC	**2,227**	**(2,525)**
Cash flow from operations (A)	**3,297**	**(3,498)**
Additions in tangible assets (net of assets sold)	(21)	-
Variation in trade receivable and other current assets	(37)	(1,629)
Variation in trade payables and other current liabilities	(1,571)	(962)
Sale Business-e	-	10,606
Cash flow from investing activities (B)	**(1,629)**	**8,015**
Variation of onw shares	40	148
Cash flow from financial activities (C)	**40**	**148**
Net impact of the variation in translation of non euro exchange rates of cash on hand	(778)	(610)
Cash flow from asset sold (D)	**-**	**7,359**
Increase/(Decrease)cash available and cash equivalents (A+B+C+D)	**930**	**11,414**
Short term Net Financial Position at the beginning of the period	(9,227)	(20,641)
Short term Net Financial Position at the end of the period	(8,297)	(9,227)

SEPARATED STATEMENTS OF ITWAY S.P.A.
AS OF DECEMBER, 31 2018

SEPARATED INCOME STATEMENT

Euro	Fiscal year as of	
	31 Dec 2018	**31 Dec 2017**
Revenues from sales	1,161,160	745,823
of which to Group companies	*403,127*	*745,823*
Other operating revenues	3,863,137	3,180,148
of which to Group companies	*480,999*	*499,500*
Products	(1,156,150)	(763,469)
of which to Group companies	-	-
Costs of services	(1,976,719)	(2,914,887)
of which to Group companies	*(84,453)*	*(670,936)*
Costs of personnel	(435,698)	(495,544)
Other operating expenses	(330,869)	(1,511,650)
of which to Group companies	*(59,622)*	*(59,622)*
EBITDA	**1,124,861**	**(1,759,579)**
Depreciations and amortisations	(254,058)	(422,416)
EBIT	**870,803**	**(2,181,995)**
Financial proceeds	87,702	210,541
of which to Group companies	*18,021*	*119,219*
Financial charges	(580,320)	(972,066)
Result of subsidiaries evaluated using the equity method	900,258	(1,846,596)
Capital gain from the sale of equity investments net of direct financial charges indictment and loss Business-e S.p.A.	-	3,525,318
Adjustment of subsidiary company assets	(851,299)	-
Profit before taxes	**427,144**	**(1,264,798)**
Taxes	(255,170)	(518,341)
Result for the period	**171,974**	**(1,783,139)**

COMPREHENSIVE SEPARATED INCOME STATEMENT

Euro	**31 Dec 2018**	**31 Dec 2017**
Net result	171,974	(610,391)
Components that cannot be reclassified to the income statement:		
Actuarial gain (losses) on defined-benefit plans	2,954	(30,718)
Components that can be reclassified to the income statement:		
Profits/(Losses) comprensive from evaluated using the equity method	(778,379)	(473,745)
Result of the period	**(603,451)**	**(1,114,854)**

SEPARATED FINANCIAL STATEMENT

Euro	31 Dec 18	31 Dec 17
ASSETS		
Net current assets		
Property, plans and machinery	2,786,088	2,927,956
Other intangible assets	1,307,400	220,208
Investments	8,275,733	6,248,499
Deferred tax assets	293,009	226,251
Non-current financial assets	7,002	49,457
Other non current assets	2,098,000	2,098,000
Total	**14,767,232**	**11,770,371**
Current assets		
Account receivables - Trade	5,816,444	5,153,058
Financial receivables from subsidiaries of a financial	8,610,261	9,532,714
Commercial receivables from subsidiaries of a financial	518,254	1,789,250
Other current assets	1,051,107	4,128,148
Other financial credits	2,525,818	812,187
Cash on hand	468,125	129,203
Total	**18,990,009**	**21,544,560**
Total assets	**33,757,241**	**33,314,931**
NET EQUITY AND LIABILITIES		
Share capital and other reserves		
Share capital	3,952,659	3,952,659
Own share reserve	(1,347,103)	(1,386,937)
Share premium reserve	17,583,874	17,583,874
Legal reserve	484,904	484,904
Retained earnings / (losses) reserve	(14,786,318)	(12,227,753)
Other reserves	171,974	(1,783,139)
Total Net Equity	**6,059,990**	**6,623,608**
Non current liabilities		
Severance indemnity	218,860	283,001
Provision for risks and charges	8,157,842	8,005,321
Non current financial liabilities	1,861,803	1,898,640
Total	**10,238,505**	**10,186,962**
Current liabilities		
Financial current liabilitites	7,835,096	8,171,163
Account payable – Trade	4,748,469	5,504,453
Payables to subsidiaries	1,748,856	1,880,422
Tax payable	69,779	252,441
Other current liabilities	3,056,549	695,882
Total	**17,458,746**	**16,504,361**
Total liabilities	**27,697,521**	**26,691,323**
Total Net Equity and Liabilities	**33,757,241**	**33,314,931**

SEPARATED STATEMENT OF CHARGES IN EQUITY

Euro	Share capital	Own share reserve	Share premium reserve	Legal reserve	Cumulated profit (loss) Retained earning/losses reserve	Result of the period	Net equity
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)**
Other components of comprehensive results at 31 Dec 2017:							
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**

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

SEPARATED STATEMENT OF CHARGES IN FINANCIAL POSITION

Thousand of Euro	**Fiscal year as of 31 Dec 2018**	**Fiscal year as of 31 Dec 2017**
Results for the period	427	(1,264)
Adjustments of items not affecting liquiduty:		
Depeciations of tangible assets	143	149
Depeciations of intangible assets	111	156
Allowances for doubtful accounts	-	970
Provisions for severance indemnity, net of payments to social security bodies	28	23
Controlled results evaluated using the PN method	(900)	1,847
Devaluation of participation	852	117
Gains on sale of the company Business-e S.p.A.	-	(4,595)
Cash flow from operating activities, gross of the variation in working capital	**661**	**(2,597)**
Payments of secerance indemnity	(92)	(9)
Variation in trade receivable and other current assets	(663)	8,281
Variation in financial credits	1,341	4,472
Variation in inventories	-	-
Variation in trade payables and other current liabilitites	2,917	(3,040)
Variation in account payable	(888)	(6,954)
Cash flow from operations generated/(absorbed)by changes in NWC	**2,615**	**2,750**
Cash flow from operations (A)	**3,276**	**153**
Change in non-current assets / liabilities to subsidiaries and others	(61)	(850)
Investments in tangible assets (net of disinvestments)	(1)	-
Change in financial receivables	(1,714)	(79)
Payments in c / capital holdings	-	-
Sale Business-e S.p.A.	-	6,515
Dividends collected	325	651
Investment in other intangible assets (net of disinvestments)	(1,193)	(178)
Cash flow from investing activities (B)	**(2,644)**	**6.059**
IAS 19	3	9
Variations in own shares	40	148
Cash flow from financial activities (C)	**43**	**156**
Cash flow from asset sold (D)	**-**	**-**
Increase/(Decrease)cash available and cash equivalents (A+B+C+D)	**675**	**6,368**
Short term Net Financial Position at the beginning of the period	(8,042)	(14,410)
Short term Net Financial Position at the end of the period	(7,367)	(8,042)

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