



Interim management report of the Itway Group as of March 31, 2019

Board of Directors

(Until the approval of the December 31, 2019 Financial Statements)

Name and last name	Position
Giovanni Andrea Farina	President and Chief Executive
Cesare Valenti	Managing Director
Valentino Bravi	Independent Director
Piera Magnatti	Independent Director
Annunziata Magnotti	Independent Director

Board of Statutory Auditors

(Until the approval of the December 31, 2019 Financial Statements)

Daniele Chiari	President
Silvia Caporali	Member
Rita Santolini	Member

Substitute auditor Rita Santolini has taken the place of standing auditor Dario Rossi following his resignation and will remain in the position until the next annual general meeting, called on May 22-23, 2019 in first and second call respectively, which will proceed with the reintegration of the Board of Statutory Auditors.

Manager mandated to draft corporate accounting documents

The board of directors named Sonia Passatempi (Administrative Manager of the Group) as the Manager in charge of drafting corporate accounting documents for the Itway Group.

Auditing company

Analisi S.p.A.

The mandate for the auditing firm was given by the General Meeting on July 2, 2018 for a period of nine years until the approval of the financial statements for the year ending December 31, 2026 and, pursuant to the regulations in force, it cannot be renewed.

Interim management report as of March 31, 2019

For the sake of continuity with the past, Itway decided to draft and publish the interim management report to March 31, 2019 despite changes to the Issuers' Regulations in relation to interim management statements that abolished the obligation to publish these reports.

The publication of the current interim management report, not subject to audit, was authorized by the Board of Directors on May 15, 2019.

In the current interim management Report as of March 31, 2019, the analysis of the economic performance was carried out with reference to the situation in the period January 1-March 31, 2019 compared with the same period of 2018. The net financial position and the balance sheet information refer to March 31, 2019 compared with the consolidated Financial Statements as of December 31, 2018.

The accounting statements to March 31, 2019 were drafted before taxes and of the fiscal effects on the results of the period

Performance of the Group and the reference market

The accounting principles, the evaluation principles and the consolidation principles referred to in preparing the Interim Financial Report as of March 31, 2019 are, as in the previous fiscal year, the international accounting principles defined as IFRS. In particular, these principles require forward looking statements, as indicated in the continuation of the current report, in particular in the section "Foreseeable Evolution of operations". In the context of the economic uncertainty illustrated below, please note that these forecasts have a component of risk and uncertainty. Therefore, it cannot be ruled out that in the near future the results achieved could be different from those forecast, therefore requiring revisions that today cannot be either estimated or forecasted.

The Group has repositioned, starting from 2018, following the sale of Business-e that interrupted for a year its activities in the security market that was in any case presided over through its 50%-owned BE Innova affiliate, which increased its market presence.

Digital Transformation brings to a new vision of corporate organization. The Itway Group since 2015 has started a progressive repositioning in growth markets disposing of its lower margin activities (VAD) considering that since 2017 onwards it has been undergoing a period of financial stress. To support its financial needs it also sold Growth Areas (Business-e) while keeping companies with products under development. The evolution of the digital market that Gartner announced at its Symposium in Barcelona in November 2018 was very clear and goes by the name "ContinuousNext", starting from the following pillars: Digital Product marketing, Privacy, Digital Twin, Augmented Intelligence (AI), Culture. The presence of digital products

in high growth segments will mark the difference between successful and non-successful companies. Itway has developed, through significant investments in previous year, the culture of the product and the positioning of Itway evolves towards the Digital product-oriented model through the constitution of four business units:

- Cybersecurity
- Adapt/Smartys
- Data Science
- Safety

Business unit areas:

- **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 Science and Data Management for the scientific research, cultural heritage and Big Data markets.
- **Be Innova S.r.l.** carries out Managed Security Services (MSS) with cyber security and network monitoring services through its NOC-SOC located in Trento. The main client of Be Innova is the Province of Trento for which it handles 24/365 days/year Cybersecurity. Also worthy of mention is the strong partnership created with IBM, for which in March 2019 it became a Service Center for Information Security
- **Be Innova** also has Smartys, or the commercial name of the so-called ADAPT project co-financed with the Ministry of Education (MIUR) that regards the management of bed space in hospitals, nursing and assisted homes and most importantly home care. In the future, part of the activities will be allocated to services for the individual citizens, users of the services. The project was developed with a Security by design logic and using the experience in IoT that iNebula acquired.

General context and performance of the ICT Market: The forecasts for 2018 of the Italian digital market seem to be confirmed with an overall growth of 2.3% and with those segments tied to digital innovation, defined as Digital Enablers that continue with their double digit rate increases [Assinform projections for 2016-2019]: Cybersecurity (+11.9%), Cloud Computing (+19.8%), IoT (+14.3%), Big Data (+23.1%)

Market positioning: The Itway Group during the period continued to invest in Cybersecurity, IoT 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

Group's industrial policy. The industrial policy of the Group continued to focus on higher value added business lines represented by the new Business Unit described above.

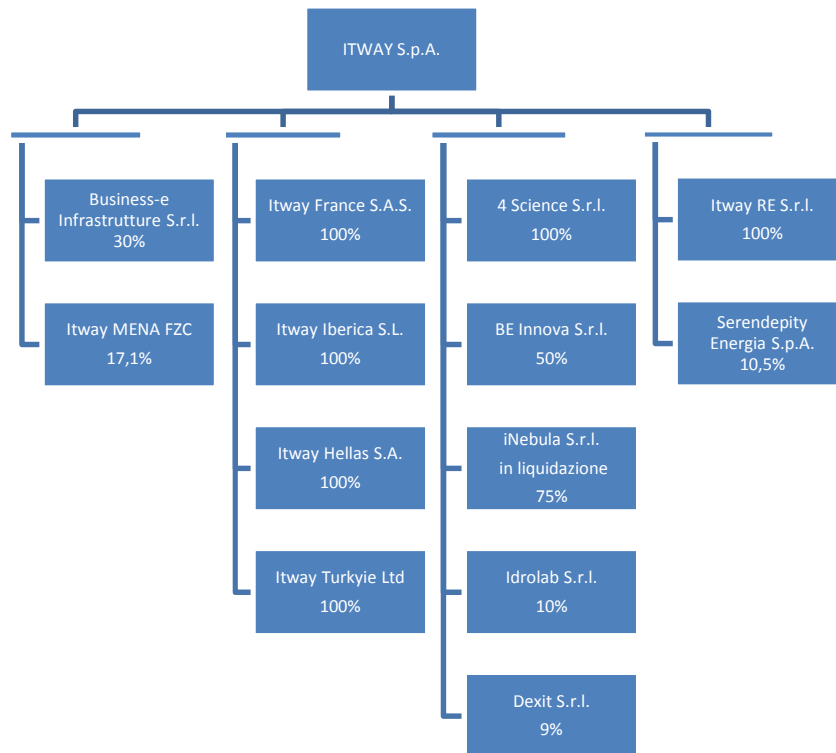
Following is the consolidated condensed income statement at March 31, 2019 compared with that of the same period a year earlier

	Quarter ended March 31	
	2019	2018
<i>(Thousands of Euro)</i>		
	Itway Group	Itway Group
Turnover		
Sales Revenue	6,771	7,196
Other operating revenue	215	172
Total turnover	6,986	7,368
Operating costs		
Cost of products	5,776	6,246
Personnel costs	537	644
Other costs and operating charges	571	847
Total operating costs	6,884	7,737
EBITDA	102	(369)
Amortization	97	150
EBIT	5	(519)
Net financial charges	(130)	(52)
Result before taxes	(125)	(571)

In the quarter ended March 31, 2019 operating revenue of the "Itway Group" was broadly stable with that posted in the same year earlier period while EBITDA was a positive Euro 102 thousand compared with a negative Euro - 369 thousand. EBIT and the Result before taxes were respectively at Euro 5 thousand and Euro -125 thousand compared with the same period of 2018 when EBIT stood at Euro -519 thousand and the Result before taxes at Euro -571 thousand.

Structure and Activities of the Group

The Interim Management report includes the accounting situations of the companies of the Itway Group that as of March 31, 2019 had the following structure.



Following is the list of fully consolidated companies on which Itway S.p.A. exercises, directly or indirectly, control through the majority of voting rights:

NAME	HEADQUARTERS	Share capital è	% direct ownership	% indirect ownership	% total ownership
Itway Iberica S.L.	Argenters 2, Cerdanyola del Vallès - Barcelona	560,040	100%	-	100%
Itway France S.A.S.	4, Avenue Cely – Asniere sur Seine, Cedex	100,000	100%	-	100%
Itway Hellas S.A.	Agiou Ioannou Str , 10 Halandri - Athens	846,368	100%	-	100%
Itway Turkiye Ltd.	Eski Uscudar Yolu NO. 8/18 – Istanbul	1,500,000 *	100%	-	100%
iNebula in liquidation S.r.l.	Via A. Papa, 30 - Milan	10,000	75%	-	75%
Itway RE S.r.l.	Via L. Braille 15, Ravenna	10,000	100%	-	100%
4Science S.r.l.	Via A. Papa, 30 – Milan	10,000	100%	-	100%

*The value is expressed in the New Turkish Lira (YTL)

Following are the affiliate companies, valued with the net equity method, which essentially coincides with the cost:

NAME	HEADQUARTERS	SHARE CAPITAL€	% direct ownership	% indirect ownership	% total ownership
BE Innova S.r.l.	Via Cesare Battisti 26 - Trento (TN)	20,000	50%	-	50%
Be Infrastrutture S.r.l.	Via Trieste, 76 - Ravenna	100,000	30%	-	30%

Following are minority interests, valued at cost:

NAME	HEADQUARTERS	SHARE CAPITAL €	% direct ownership	% indirect ownership	% total ownership
Serendipity Energia S.p.A.	Piazza Bernini 2 – Ravenna	1,117,758	10,5%	-	10,5%
Dexit S.r.l.	Via G. Gilli 2 – Trento	700,000	9%	-	9%
Idrolab S.r.l.	Via dell'Arrigoni, 220 - Cesena FC	52,500	10%	-	10%
Itway MENA FZC	PO Box 53314, HFZ, Sharjah, United Arab Emirates	35,000*	-	17,1%	17,1%

* The value is expressed in Dirham of the United Arab Emirates (AED)

Sector performance: Value Added Distribution

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.

The clients are System Integrators and Value Added Resellers that sell products to the end user market.

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

(Thousands of €uro)	Quarter ended	
	31/03/2019 Itway Group (Greece and Turkey)	31/03/2018 Itway Group (Greece and Turkey)
Revenue	6,587	6,671
Ebitda	494	506
Ebit	480	489
Result before taxes	474	569

The subsidiaries operating in Greece and Turkey in the quarter posted volumes and results that were in line with those of the same year earlier period.

As widely described in the management report of the financial statements for the year ended December 31, 2018 published at the end of April, to which we refer for further details, please note that in April a new agreement was signed with Cyber1 for the sale of the Greek and

Turkish subsidiaries through the establishment of a NewCo called Credence Security Europe S.r.l that is 95% owned by Cyber 1 and 5% by Itway and that owns 100% of the two subsidiaries.

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

After the sale of assets carried out in past fiscal years, 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 described hereinafter that are investing in the realization of products and that are in an operational and commercial start-up phase.

- **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.** offers services and solutions for Big Data and Data Management for the scientific research, cultural heritage and Big Data markets.

Following is the condensed income statement, compared with the same period a year ago including data from the Parent Company and other sectors in the start-up phase:

(Thousands of €uro)	Quarter ended	
	31/03/2019	31/03/2018
Revenue	399	697
Ebitda	(392)	(875)
Ebit	(475)	(1,008)
Result before taxes	(599)	(1,140)

Following is a brief comment on the activities carried out by 4Science

4Science S.r.l. has been fully operational since September 2016 with highly specialized personnel to carry out its objectives: become the reference company in the emerging Data Science, Data Management, Big Data (Data Curation) as well as Digital Repository and Preservation of digital assets of cultural and artistic heritage, the so-called Digital Library. Its industrial plan foresees the realization of two key platforms and four add-on products, most of which have been realized and in part being developed:

- DSpace-CRIS (distro 4Science based on DSpace): information management aimed in particular at the research sector: acquisition, normalization, metadatation, classification, conservation, dissemination;
- DSpace-GLAM (distro 4Science based on DSpace): management of digital objects related to the world of cultural assets and cultural Heritage: acquisition, normalization, metadatation, classification, conservation and dissemination.

- Image Viewer (add-on developed by 4Science based on IIPImage): image visualization: segmentation, zooming, resizing, rotation;
- CKAN (4Science integration): Interpretation and visualization of tabular data of research: grid, graph, map
- Document viewer, OCR, Video Audio streaming: add-ons developed by 4Science to view text and multimedia content and to recognize text in multi-language mode.

4Science during the quarter consolidated the presence on international markets it started in the previous fiscal year with the acquisition of important and prestigious clients in the scientific and university sectors. Unfortunately, due to the economic hardships of national cultural institutions, the Italian cultural and scientific assets market does not represent the main reference for 4Science, despite its top-rated references. The market is mostly abroad, exporting its unique skills.

iNebula S.r.l. was liquidated in October 2018 as better specified in the 2018 annual report.

All assets of iNebula Connect (IoT market and of security solutions for work-safety ICOY) in addition to the iNebula portal were sold to Itway at a price of Euro 1,198 thousand. In the first months of 2019 other activities, including iNebula Vidio and other software assets were sold at a price of Euro 50 thousand. For the I Care Of You (ICOY) product, planned and realized to ensure safety and the lives of workers, the MOVER solution has reached its final stages of realization and in the coming days there will be the commissioning of the Proof Of Concept (POC) realized in Marcegaglia S.p.A. The MOVER solution aims to protect workers from loads hanging from cranes. Icoy Mover TM will be a solution with an abundant use of AI (Artificial Intelligence), unique on the market. The filing the patent is underway.

Net financial position

Following is the detail of the net financial position:

	31/03/2019	31/12/2018
Thousands of Euro		
Cash on hand	568	951
Financial receivables	2,601	2,526
Current financial assets	625	1,268
Current financial liabilities	(8,918)	(9,247)
Current net financial position	(5,124)	(4,502)
Non current financial assets	2,098	,2,098
Non current financial liabilities	(1,829)	(1,862)
Non current financial position	269	236
Total net financial position	(4,855)	(4,266)

Net financial position of the Parent Company

	31/03/2019	31/12/2018
Thousands of Euro		
Cash on hand	176	468
Financial receivables	2,601	2,525
Current financial liabilities	(7,520)	(7,835)
Current net financial position	(4,743)	(4,842)
Non current financial assets	2,098	2,098
Non current financial liabilities	(1,829)	(1,862)
Non current financial position	269	236
Total net financial position	(4,474)	(4,606)

The net financial position of the Parent Company as of March 31, 2019 was broadly unchanged compared with December 31, 2018.

Current liabilities include an Iccrea medium term financing, for a total of Euro 176 thousand, the related covenants of which have not been respected and therefore are currently classified a short term, even if the redefinition of these parameters is currently underway in order to maintain the original medium term classification.

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 March 31, 2019 expired financial positions of the parent company Itway amounted to Euro 7.2 million, while at the same date the expired financial positions of the Itway Group stood at Euro 8 million. Talks with banks to consolidate financial indebtedness are ongoing with the single banking institutions following the termination of collegiate negotiations.

The parent company as of March 31, 2019 has expired trade indebtedness towards suppliers of approx. Euro 2.8 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 117 thousand, which is expected to be paid by the terms foreseen by regulations in force.

The Itway Group as of March 31, 2019 had an expired trade indebtedness towards suppliers of the Companies of the Group of approx. Euro 6.7 million (of which approx. Euro 2.2 million for amounts being contested by the debtors, also through legal proceedings) and an indebtedness towards tax authorities that expired as of March 31, 2019 of approx. Euro 464 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.

With reference to the expired trade and financial positions of Itway S.p.A. and the Itway Group, as indicated above, please note that to date reminders have been received by some creditors and there are legal disputes or initiatives for a total of Euro 1,538 thousand underway while there has been no suspension of services.

Indebtedness of Itway towards social security institutes that expired as of March 31, 2019 for a total of Euro 57 thousand refers to debt not paid at the natural expiry and that are expected to be paid within the terms foreseen by regulations in force. At the same date, the indebtedness of the Itway Group towards social security institutes that expired as of March 31, 2019 for a total of Euro 75 thousand refer to debt not paid at their natural expiry and that are expected to be paid within the terms foreseen by th regulations in force.

Subsequent events

Please note that in April 2019, as part of the closing activities with Cyber1, a new agreement was signed in relation to the sale of the Greek and Turkish subsidiaries which established a NewCo called Credence Security Europe Srl. – owned 95% Cyber 1 and 5% Itway-, which holds 100% of the two subsidiaries. The establishment of the NewCo as part of the closing activities is to reference the “Credence Security” name and brand under which Cyber1 operates its Value Added Distribution business of which the Greek and Turkish subsidiaries will form a part.

Foreseeable evolution of operations

Following the sale of Business-e S.p.A., which took place in the 2017 fiscal year, the Group did not exit the security market, as seen in the 2019-2022 Industrial Plan: there is a repositioning underway that will see the full realization of investments that will be carried out by Itway S.p.A.as foreseen by the industrial plan.

Furthermore, the development carried out and underway in the Middle East Africa (MEA) region regards system and security integration activities of the group; these types of distinctive products and skills can be exported.

During April 2019, the Board of Directors updated the Industrial Plan of the Group approved on May 30, 2018 for the 2019-2022 five-year period and the financial plan Itway S.p.A. for all of 2020.

As already stated, the guidelines foresee that the Group focuses on the security sector, a market that 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.

Following is the foreseeable evolution of operation in 2019, divided by SBU:

4Science s.r.l.

4Science S.r.l. has been fully operational since September 2016 with highly specialized personnel to carry out its objectives: becoming the reference company in the emerging Data Science, Data Management of Big Data (Data Curation) and Digital Repository and Preservation of cultural and artistic assets, the so-called Digital Library. Its industrial plan is incurring some delays in its realization due to the situation of financial stress of the group that has not allowed investing commercial and technical resources. Growth for the unit continues, but less than the market potential.

The industrial Plan foresees the continued evolution of two basic platforms and four add-on products, on which the budgeted sales are focused on:

- DSpace-CRIS (distro 4Science based on DSpace): information management aimed in particular at the research sector: acquisition, normalization, metadatation, classification, conservation, dissemination;
DSpace-GLAM (distro 4Science based on DSpace): management of digital objects related to the world of cultural assets and cultural heritage: acquisition, normalization, metadatation, classification, conservation and dissemination
- Image Viewer (add-on developed by 4Science based on IIPImage): image visualization: segmentation, zooming, resizing, rotation;CKAN (4Science integration): Interpretation and visualization of tabular data of research: grid, graph, map
- Document viewer, OCR, Video Audio streaming (add-ons developed by 4Science): viewing text and multimedia content and recognizing text in multi-language mode.

The Big Data market is seen growing on average 23.1% (Assinform- 2016/2019) and 48% of companies foresee in the future investments in this sector.

The services offered by 4Science places the company in a highly specialized sector. On the one hand we can say that 4Science operates in the so-called Big Data segment but on the other hand this sector is very broad and it is necessary to have a focus. Our skills are in data management for digital libraries and digital repositories and this market is definitely related to so-called Business Analytics, Deep Learning and Artificial or Augmented Intelligence; this brings us to make some considerations on how to interact and collaborate with companies that are specialized in this sector.

Furthermore, alliances and partnerships will be developed with single players that bring synergies, with skills, therefore, that are complementary to our own and with whom to take part in projects from which we are excluded. While keeping an eye on projects that are financed at a national and/or European level, we will only focus on those projects that will allow us to take

part (some are already in the 2018-2019 Pipeline Prospect) not just from a financial point of view, more or less non-refundable, but in terms of a subcontracting where our activities are fully remunerated.

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, as better described and detailed previously. In the Safety sector, there will be a particular focus on the development and sale of ICOY solutions for which important POC (Proof of Concept) with important national clients are being finalized.

Relationships with related parties

During the period the Group had commercial and financial relationships with related companies. 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. Following is a summary:

Thousands of €uro	Receivables	Payables	Costs	Revenue
Itway S.p.A. vs Giovanni Andrea Farina & Co. S.r.l.	377	-	50	1
Itway S.p.A. vs Be Innova S.r.l.	4,547	-	-	31
Itway S.p.A. vs Fartech S.r.l.	34	1,005	10	-
TOTAL	4,958	1,005	60	32

Itway S.p.A. directs and coordinates its subsidiaries in Italy. This activity consists of indicating the general strategic and operational direction of the Group, defining and adjusting the organizational model and elaborating the general policies to manage human and financial resources.

No company directs or controls Itway S.p.A

Own shares

The Parent Company as of March 31, 2019 owned No. 853,043 own shares (equal to 10.79% of share capita) for a nominal value of Euro 426,522.

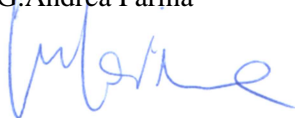
During the period no purchases or sale of own shares were carried out, as in the after the close of the quarter and to the date of writing of the current report.

Ravenna, May 20, 2019

FOR THE BOARD OF DIRECTORS

President and Chief Executive

G.Andrea Farina



Declaration of the manager mandated to draft the accounting documents pursuant to article 154-bis, paragraph 2 of Legislative Decree No. 58/1998 (Testo Unico della Finanza)

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

Ravenna, May 20, 2019

The Mandated Manager
Sonia Passatempi