

# INVESTOR PRESENTATION

INTERNATIONAL GROUP ACTIVE IN TREASURY & BANKING SOFTWARE MARKET

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section 1

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# Executive Summary

# Executive Summary

PITECO GROUP is an important player active in treasury & banking software market. It is developing a challenging internationalization and diversification process, driven by two business lines:

1. PITECO Spa, the leading Italian **Software House** for **proprietary solutions** to **Corporate Cash Management and Financial Planning** serving more than 600 large industrial groups active in a highly diversified number of business sectors (Banks and P.A. excluded)

PITECO has over **30 years** of market history and covers all different links on the software value chain: R&D, project, development, implementation, sales and assistance

PITECO provides **100% proprietary software: integrable** with ERP software (such as Oracle, SAP, Microsoft etc), **customizable** according to client needs and working in over **40 countries**

2. JUNIPER PAYMENTS LLC, **Software House**, leader in USA with **proprietary solutions for digital payment and clearing house services to approximately 3.300 American Banks**, managing the settlement of Interbank financial flows (bank transfers and checks collection) for over 3 billions USD per day. It can be considered one of the largest US interbank networks

JUNIPER **has been established in April 2017** to acquire the business assets from LeandingTools.com Inc., a US company active in this business since 2000

## PITECO GROUP FINANCIAL STATEMENTS H1 2017:

- **Revenues:** € 17,0 million, +20,7% (FY 2016: € 14,1 million)
- **EBITDA:** € 6,5 million, +14,8% (FY 2016: € 5,6 million); EBITDA margin 37,9%
- **EBITDA adjusted:** € 6,7 million, +19,5% (FY 2016: € 5,6 million). The adjustment is due to Juniper first month revenues that are equal to € 261k according to IFRS accounting principles
- **Pre-tax Profit:** € 3,5 million, (FY 2016: € 5,0 million), due to forex differences from consolidation eur/\$ and extraordinary acquisition costs of US asset company
- **Net Profit:** € 3,4 million, (FY 2016: € 4,5 million)
- **Operating cash flow:** € 6,3 million (39% Net Sales Revenues)
- **Net Financial Position:** € 6,5 million (FY 2016: positive € 2,0 million)

On July 31st, 2015, Piteco Spa has been **listed** on **AIM Italia Market** with a **Global Offering** amounting to € 16.5 million (of which € 5 million in Convertible Bonds).

The company is in the process of moving to the main market (MTA).

section 2

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# Company Presentation

# Presentation of PITECO

PITECO, which stands for "Pianificazione Tesoreria Computerizzata", has been **active for over 30 years** on the Italian market. It is the leading company in Italy for **design, development and implementation of solutions for treasury management** in terms of size, number of resources, range of services offered and managed customers

PITECO holds three operating locations (Milan, Padua and Rome) and more than **600 software installations**. Milan, the headquarter, coordinates the activities and hosts the customer care service

The company offers **four product families**. The first, **PITECO EVO**, presents an integrated solution for the management of corporate finance and consists of 17 different modules. The second, **CBC**, meets the requirements of efficient management of the workflows of companies towards national and international banks. The third, **MATCH.IT**, dedicated to analysis and matching of complex data flows

The last, **AT.PRO**, designed for middle and back office management of securities portfolio

Software sales (15% of annual revenues) allows PITECO to generate significant recurring revenues from maintenance fees (50% of revenues, steadily increasing year by year) and services with high added value (35% of annual revenues). These features and the large customer base, spread over several industries and characterised by **very high retention** and the constant growth of the company (it acquires approx. 30 new clients per year on average, mainly medium to large companies), enable the company to record a remarkable **EBITDA**

The potential market includes all industrial companies (no banks and no public administration) that consider treasury management important to oversee and enhance the treasury function in case they increase their revenues and need to track their cash flows



CASH MANAGEMENT



FINANCIAL PLANNING



PAYMENT FACTORY



RISK MANAGEMENT



GLOBAL LIQUIDITY MANAGEMENT



SEPA



FINANCIAL SUPPLY CHAIN



SPECIALIZED SERVICES

# Presentation of JUNIPER



Juniper Payments serves a specialized niche market of wholesale correspondent banking. The company is the market leader in this sector with **more than 3.300 banks and credit unions utilizing its online platform** software to transmit and receive daily transactions that total over \$3 billion. No other U.S. third-party service provider maintains connections to more financial institutions exception the U.S. Federal Reserve.

**SaaS Model.** All products and support are delivered as services over the Internet. The system is modular in design, so correspondents may add new modules to their product over time. These modules may then be enabled for all or for a sub-set of the end user financial institutions. This provides a highly customized and dynamic service to meet each customers specific requirements

Juniper's headquarters is in Wichita, Kansas (USA), with data center in Kansas and Nebraska. The company has 20 long tenured employees.

Juniper is:

- Regulated as Technology Service Provider under FFIEC by U.S. Federal Banking Agencies;
- SSAE 16 Type II audited.

Juniper has:

- Private Data Centers with a fully mirrored Disaster Recovery site;
- 99,999% uptime since inception of company.

Juniper's **business model** is based on **recurring revenues**. 90% of annual revenues are based on "right to use" services by end-users via principal customer contracts. The remaining 10% is due to customization fees and technical advisory and support. An average contract lasts generally for about 5 years or more and the contracts have a **very high retention rate**.



ENTERPRISE



DIGITAL TRANSFORMATION



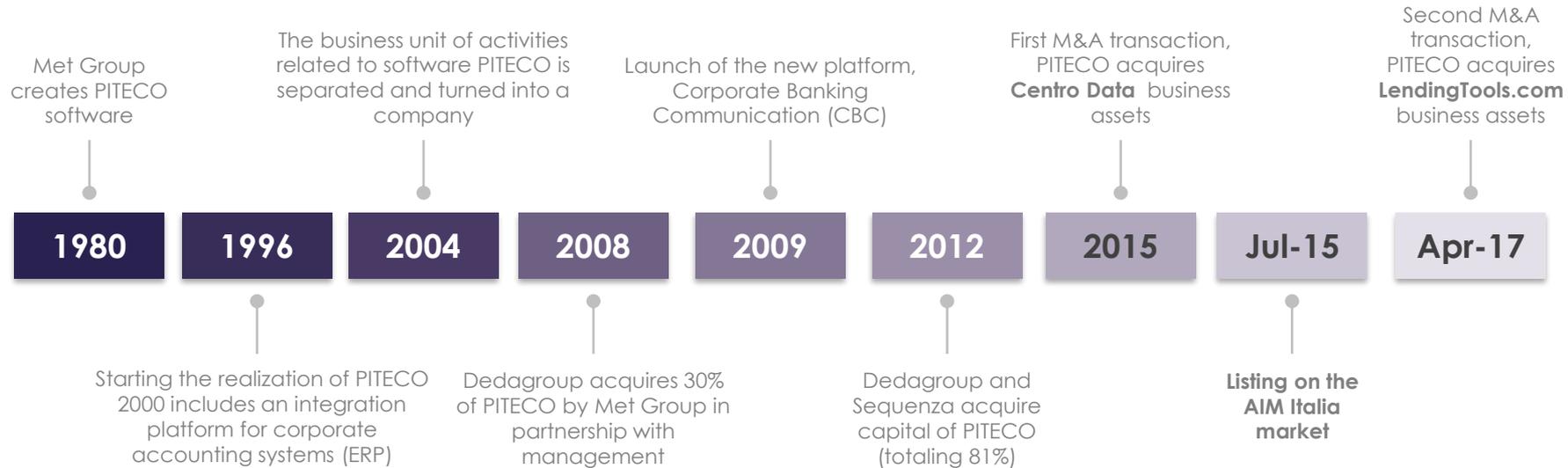
BRANCH



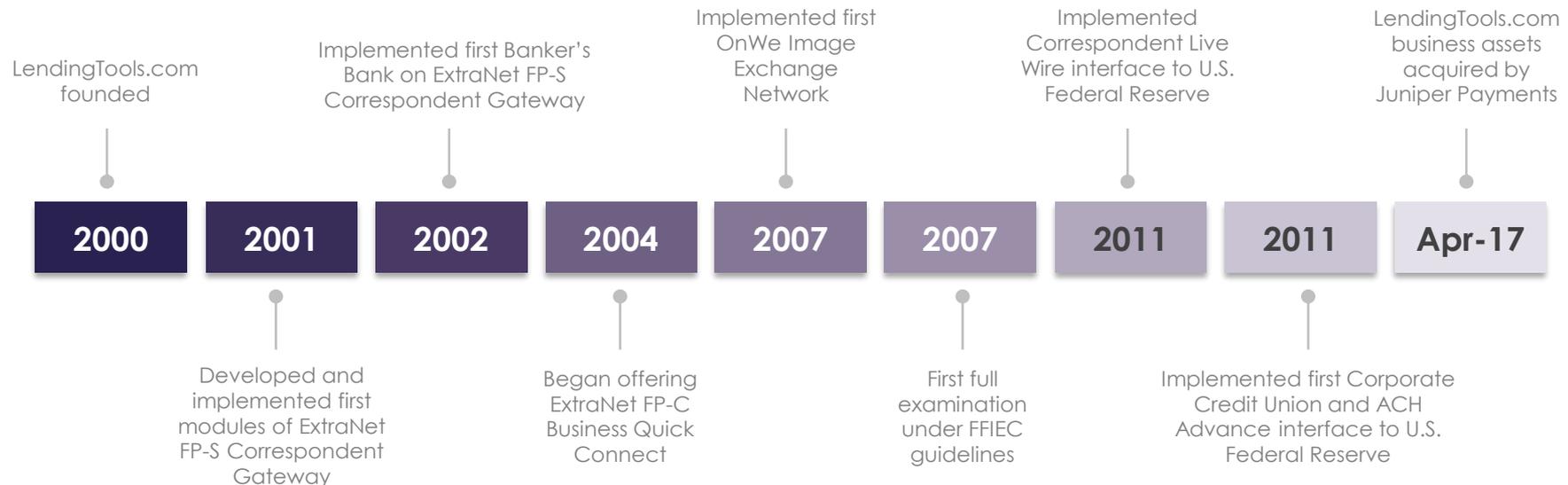
DATA CENTER

# Storyline

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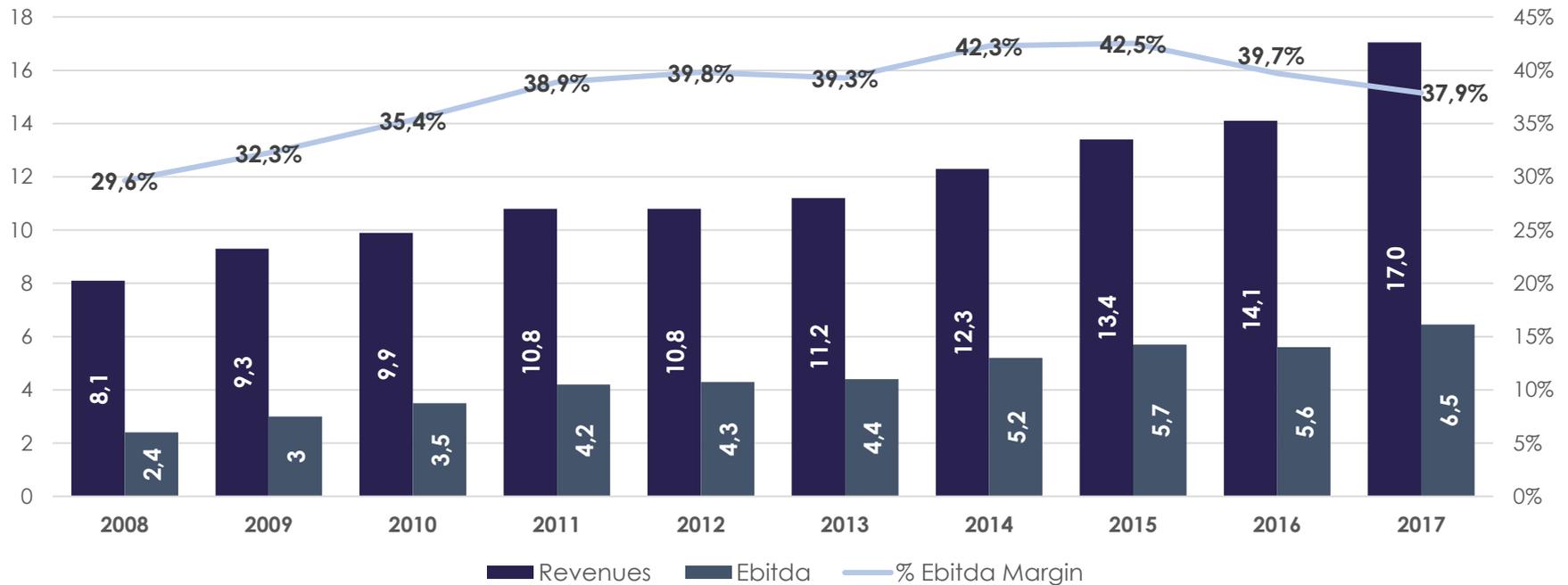


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# PITECO Group at a glance

Financial Data 2008-2016 (€/m)



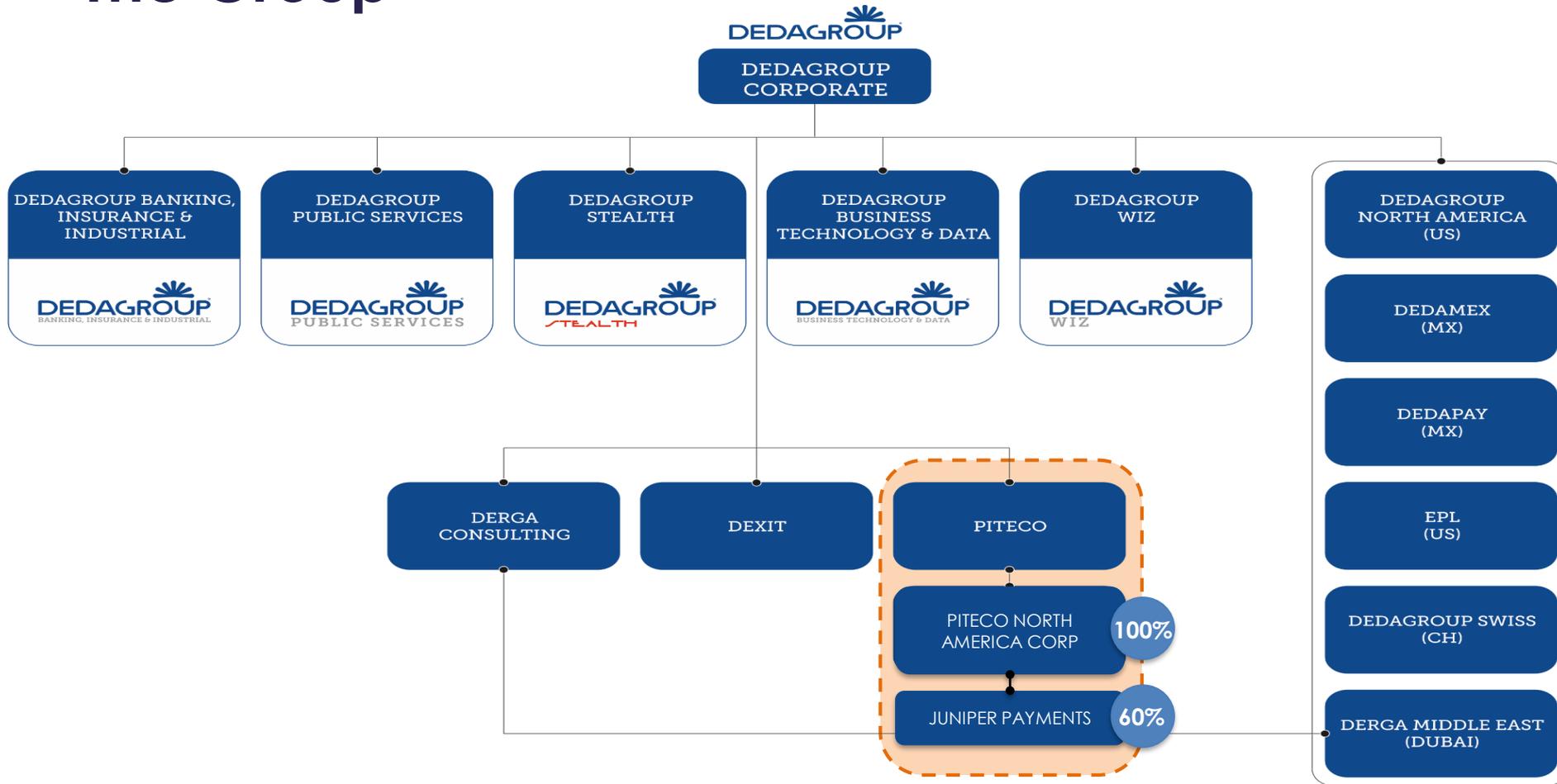
○ About **600 Corporate** clients for Cash Management and Financial Planning solutions in **40 different countries**

○ **Approximately 63% of revenues** derives from **recurring fees** and it's continuously growing

○ About **3.300 financial institutions** clients for Banking solutions in **USA market**

○ **105 employees** in Italy (Milan, Rome, Padua) and USA (Kansas)

# The Group



Piteco is part of DEDAGROUP, an important Italian company with strong IT competences. The group boasts a significant international presence in Europe, USA and South America.

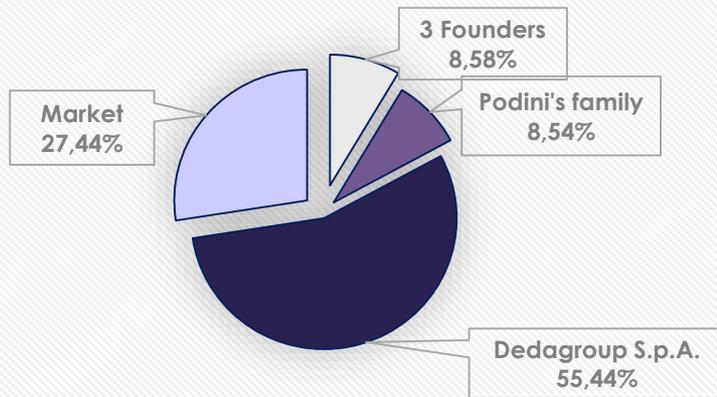
**Turn over group:** 220 mln €

**Turn over USA:** 25 MLN €

**Dedagroup people:** + 1,600

# Shareholding & Management

## Shareholding di PITECO



## Shareholding di JUNIPER



### BOARD OF DIRECTORS



**MARCO PODINI**  
Partner

CHAIRMAN



**PAOLO VIRENTI**  
Founding Partner

CEO



**RICCARDO VENEZIANI**  
Founding Partner

CFO



**ANDREA GUILLERMAZ**  
Founding Partner

SALES DIRECTOR

#### Other BoD Members:

Gianni Camisa (Director)  
Maria Luisa Podini (Director)

Anna Maria di Ruscio (Independent)  
Francesco Mancini (Independent)

### BOARD OF DIRECTORS



**JORGE JIMENEZ**

CHAIRMAN



**JON BUDD**

CEO



**MARCO PODINI**

BOARD MANAGER



**ALESSANDRO POCHER**

BOARD MANAGER

# Growth Drivers

PITECO has identified a number of Growth Drivers during the IPO process:

- (1) NEW LARGE CLIENTS
- (2) NEW MODULES
- (3) ACQUISITIONS (M&A)
- (4) MID-MARKET
- (5) NEW MARKETS

**(1) New Large Clients:** company results confirm the committed growth.

**(2) New Modules:** PITECO will continue investing in R&D to offer other modules on top of the existing.

**(3) Acquisitions on the national market:** PITECO has acquired the Business Assets from [Centro Data](#).

**(4) Mid-Market:** PITECO has developed a Cloud solution and a dedicated indirect sales force to broaden its offer into the Mid-market (companies with a turnover of € 50-100m).

**(5) New Market (USA):** PITECO has acquired the Business Assets from [LendingTools.com](#) (USA Company).

# M&A activity

## Business Assets from LendingTools.com

The company acquired the **Business Assets from LendingTools.com Inc.** with effect from **7 April 2017**. LendingTools.com Inc. is leader in USA for digital payment services and clearing house to approximately 3.300 American banks and manages the settlement of interbank financial flows (bank transfers and checks collection) for over 3 billion USD per day. It can be considered one of the largest US interbank networks.

This acquisition, interesting on stand alone bases considering its revenues, growth perspectives and profit margins, has even more value considering the future integration synergies with Piteco product portfolio and the related combined offer.

On top of this strategy, Piteco will be able to speed up the development of the US Corporates market with its Treasury solutions in a more effective way.

<b>Equivalent</b>	<b>\$ 13 ml</b>
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- equity \$ 3 ml

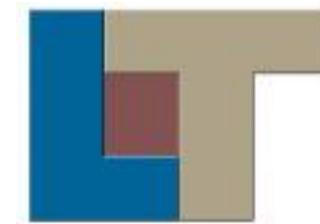
- debt (10 Y: 2,5%) \$ 10 ml

<b>Data 2016</b>	
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Turnover \$ 5.0 ml

EBT (Earnings Before Tax) \$ 1,75 ml

Employees 19



.....  
**The Correspondent Technology Expert.**  
.....



section 3

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**PITECO**

*section 3.1*

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# Software and clients

# Client lifecycle

The typical client lifecycle consists mainly of 3 phases:



**Acquisition:** first project phase concludes the process with the sale of PITECO software and customization to client's needs. The average value of a typical contract is **€65.000** (€35.000 for software and € 30.000 for advisory)

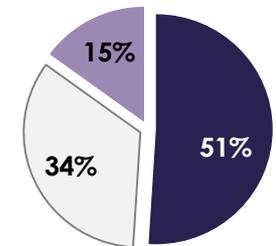


**Maintenance:** recurrent annual maintenance fee, on average **€11.000** (showing steady growth and inflation linked) and invoiced in advance



**Upgrading:** additional cross-selling of the current **20 software modules** which are part of total PITECO offer. The upgrading leads to a constant increase in the average annual maintenance fee

**Sales Breakdown**  
(% on 2016 sales)



- Maintenance recurring fees
- Sales of services
- Software sales

# PITECO Evo: integrated with 17 modules

PITECO Evo is a platform dedicated to an integration of corporate finances to the most widespread ERPs. The 17 module offer is illustrated below:

<b>CASH MANAGEMENT</b>	<b>BASE-CASH MANAGEMENT</b>	Cash Management, Credit management and sensitivity analysis.
	<b>HOME BANKING</b>	Automatic reconciliation of banking transactions.
	<b>MANAGEMENT SALES STORES</b>	Management of banking transactions per sales store, both in an accounting and forecasting.
	<b>CUSTOMER CASH ALLOCATION</b>	Collection of customer invoices in the accounting system.
	<b>ELECTRONIC CASH RECEIPTS</b>	Active management of electronic cash receipts.
<b>SOURCES AND APPLICATION OF FUNDS</b>	<b>TRADE PAYABLES</b>	Accounting and financial process management for payments to suppliers.
	<b>FINANCING &amp; DEPOSITS</b>	Analysis of accounts receivables, deposits towards clients or intercompany and sensitivity.
	<b>MORTGAGE &amp; LEASING</b>	Mortgages and lending management with amortisation schedule and control of payments.
<b>FINANCIAL CONTROL AND RISK MANAGEMENT</b>	<b>FACTORING</b>	Credit management.
	<b>LINE OF CREDIT</b>	Credit management for personal details, type of use and cost, and calculation of commission.
	<b>SURETIES</b>	Management of various types of commitment and guarantee (bond, derivatives, contracts)
	<b>LETTERS OF CREDIT</b>	Import-export documentary credit management.
	<b>FINANCIAL RISK MANAGEMENT</b>	Management of currency and exchange rate risk of hedging operations.
	<b>FINANCE INTELLIGENCE</b>	Data extraction tool for fueling of external data warehouses.
<b>ECONOMIC &amp; FINANCIAL PLANNING</b>	<b>GLOBAL FINANCIAL REPORTING</b>	Advanced tool for management of the financial reporting.
	<b>CASH POOLING &amp; IN HOUSE BANKING</b>	Management of the different centralisation structures, including mixed assessment scenarios.
	<b>ECONOMIC-FINANCIAL FORECASTING</b>	Integrated capabilities for the forecasting of short- and medium-/long- term management

# Corporate Banking Communication CBC

Corporate Banking Communication (CBC) is PITECO's proposal to companies for efficient workflow management towards national and international banks.

The use of CBC allows:

## Complete automation of authorisation workflows

- Compliance with procedures and business organisation
- Streamlining of the traditional authorisation procedures
- Improving the time required for the collection of authorisations in complex structures
- Using modern communications and authorisation systems

## Safe management of workflows

- Centralisation in a single system for authorisation procedures of banking arrangements (payments, electronic bill payment and presentment etc...)
- Storage in a single database of all workflows transmitted (L.262)
- Secure workflow submission to the banking system
- Use of digital signature on workflows

## Independence from remote banking

- Connectors with Remote Banking for the workflows automation that need to be sent
- Connectors with the Swift network using SWIFT Service Bureau LITE to send or receive workflows.

App CBC:



# MATCH.IT

MATCH.IT is PITECO's proposal for efficient management of analysis and matching of complex data flows based on flexible matching criteria in automation.

Features and key benefits:

## Technical and functional environment

- Semantic analysis of unstructured sequence of data.
- Guided acquisition, transformation and data upload for dynamic data flow treatment.
- Validation rules freely settable
- Learning curve allowing the system to improve data matching results.
- User friendly setup.

## Flexibility

- Multiple payment disposals vs invoices/credit notes for GDO suppliers;
- Broker account statements vs issued insurance policies;
- Long/short term loans collection vs financing practices for Consumer Credit;
- Corporate billing vs collective collection for Multiutility;
- Front and back end data reconciliation for e-Commerce

## Better performance

- Reduction of operational costs.
- Qualitative improvement of controls.
- Flexibility and optimization of resources.
- Improvement of traceability.

# AT.PRO

## Middle and back-office management

- Platform dedicated to middle and back office management related to securities portfolio. The securities are managed by financial characteristics and accounting targets.

## Portfolio organization

- The securities are grouped in order to financial and management requirements.

## Accounting

- Accounting of securities transactions and related flows

## Enhancement by standard methodologies

- Portfolios and single assets are set according to both management and tax rules (civil, tax, market-to-market, fair value, IAS/IFRS).

## Profitability analysis and performances

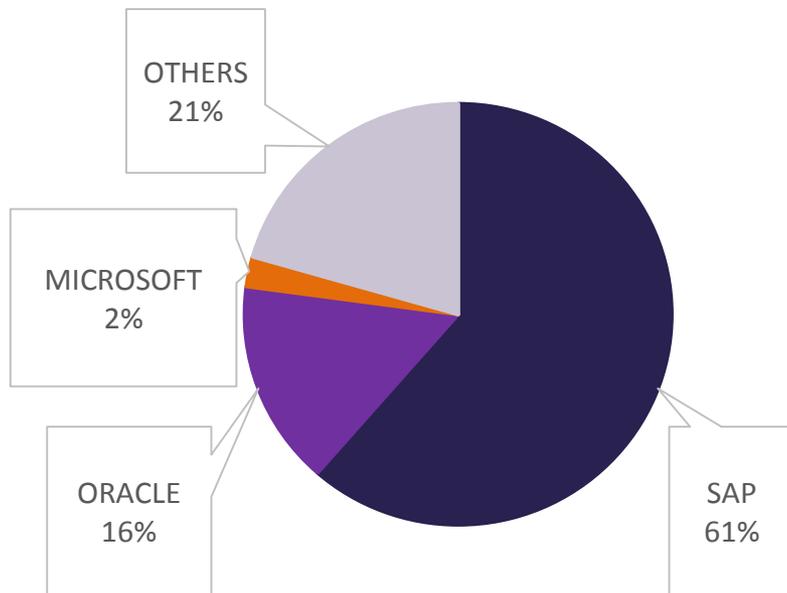
- Ability to perform profitability analysis and simulations oriented to decisional management.

## Standard and non-standard reporting

- Reporting on user friendly Excel files. Possibility to add new reporting templates.

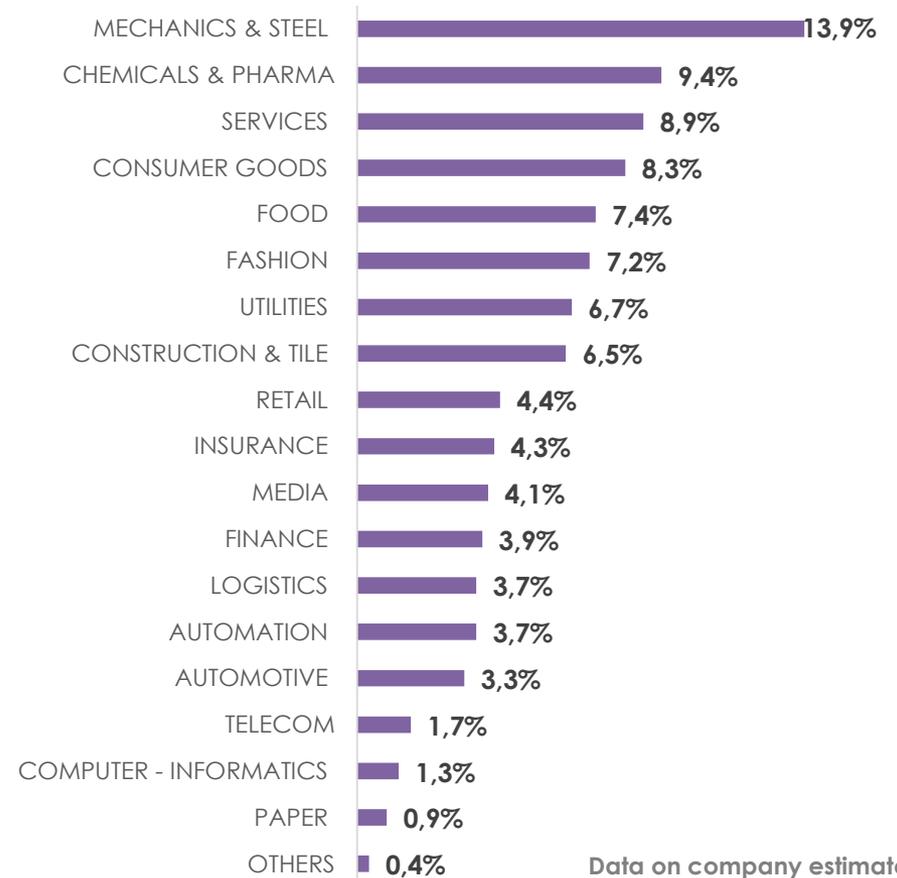
# PITECO clients

ERP Breakdown of **Piteco clients**



Data on company estimate

Business sector breakdown of **Piteco clients**



Data on company estimate

- PITECO currently counts more than 600 clients well-distributed across all industries
- 100% of PITECO's clients already employ a management software (ERP)
- The three main management software tools (SAP, Oracle and Microsoft) count for approximately 80%

# Example of Clients

UTILITIES	MECHANICS & STEEL	FASHION	CONSTRUCTION
FOOD & BEVERAGE	SERVICES	TLC	RETAIL
CHEMISTRY	CONSUMER	LOGISTICS & TRANSPORT	INSURANCE
AUTOMOTIVE	MEDIA	AUTOMATION & PAPER	FINANCE

*section 3.2*

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# Market info and trends

# Market sub-segments: management application software

SOFTWARE MARKET: € 6,2 billion

## SYSTEM SOFTWARE

Software which guarantees basic functions (operative systems, e.g. MAC OS or Windows)

## INFRASTRUCTURE SOFTWARE

Set of programs that act as intermediaries between different applications and software components

## APPLICATION SOFTWARE

Programs used for office automation (e.g. Word, Excel), particular professional needs and assets (e.g. the treasury, warehouse management), creation of software, and optimisation of computer processes.

MANAGEMENT APPLICATION SOFTWARE: € 4,5 billion

ACCOUNTING  
SOFTWARE

STORAGE  
SOFTWARE

PRODUCTION  
SOFTWARE

BUDGETING  
SOFTWARE

MANAGEMENT &  
FINANCIAL ANALYSIS  
SOFTWARE

TREASURY SOFTWARE

**Piteco**  
FINANCIAL SOFTWARE & CONSULTING

# Future growth of the Treasury Management Systems industry

At this point we may say that TMS industry has only just begun to grow...

...As revealed by the latest survey published by Bloomberg in April 2016, **only 51% of the surveyed companies** already uses a Software to manage their Treasury (TMS).

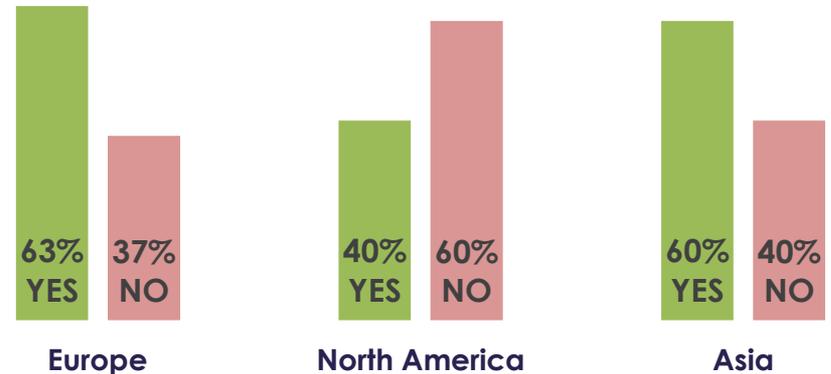
Geographically analyzing this data we can notice a substantial maturity of the European market (63% uses TMS) in comparison to the North American one (only 40% uses TMS).

Analyzing the TMS spreading by the corporates revenue size, we still observe a very low penetration in **companies with turnover <\$1 million**: only 18% in companies with less revenue then \$ 250 mil and only 44% in those up to \$999 mil.

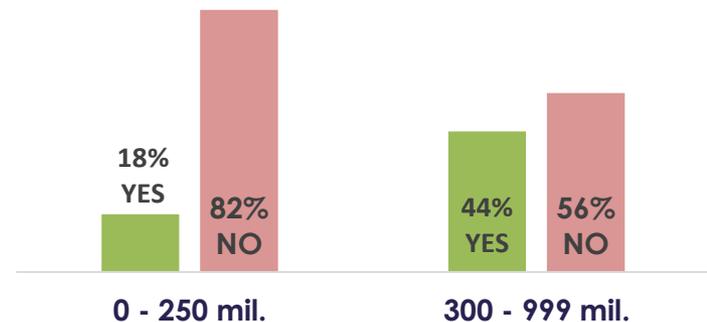
COMPANIES USING TMS



COMPANIES USING TMS



TMS USE PER CORPORATE REVENUE SIZE



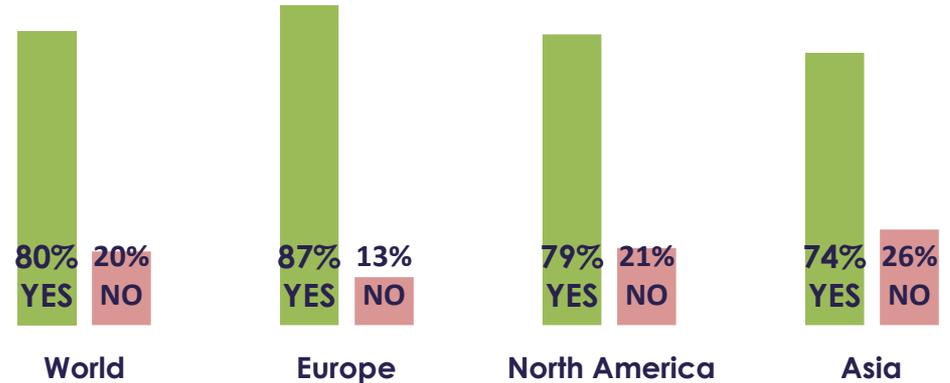
# Current trends in the TMS industry

## Corporates question when selecting a TMS

### 1. Specific Software or an ERP module?

To date, companies believe **it's strategic to use a specific software dedicated to Treasury (80%)**. Less popular is the approach of using or even adapting a module incorporated in companies' ERP (only 20% of companies).

### USE OF SPECIFIC SOFTWARE IN TREASURY

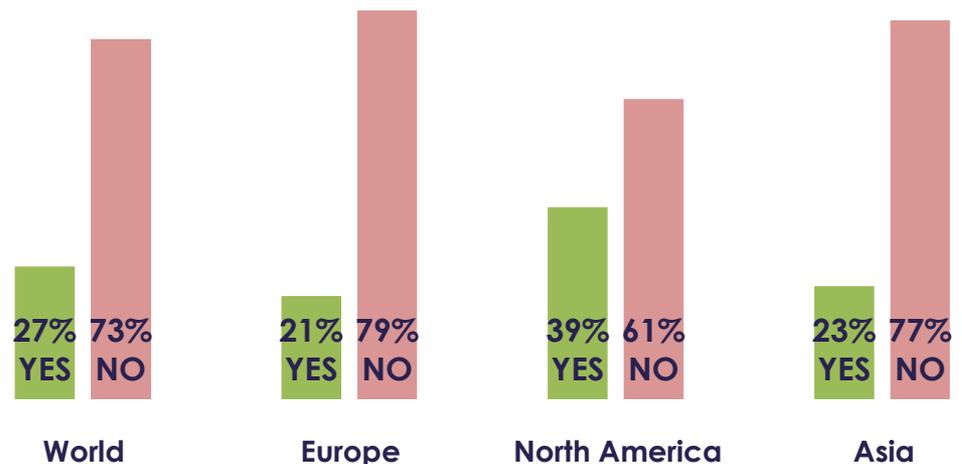


### 2. Cloud or not ?

The trend to use a Treasury software via **Cloud platform** is growing over time, although up **to date only 27%** of the surveyed companies are actually using it.

However, there is a higher penetration in the **US market, where already 39%** of the implementations is in cloud mode.

### TMS IN CLOUD



section 4

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# JUNIPER

*section 4.1*

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# Software and clients

# Client life cycle

The typical client life cycle consists mainly of 3 phases:



**Sales:** Process includes contracts that establish a recurring revenue annuity for services with correspondent customer as a subscription to utilize the software for its respondents. Additional contract revenue derives from one-time up-front purchase, implementation and integration fees associated with contract.



**Maintenance:** Monthly subscription billing provides recurring revenue for the duration of the contract period, which automatically renews.



**Enhancements:** Customers often purchase a subset of total Gateway offering in initial phase of implementation followed by purchase and implementation of additional modules over the contract period. This process included additional one-time purchase/implementation fees. Additionally, custom programming services are utilized to facilitate correspondent customer operational or market differentiation needs.

The lifetime renewal rate for customer contracts is nearly **85%**

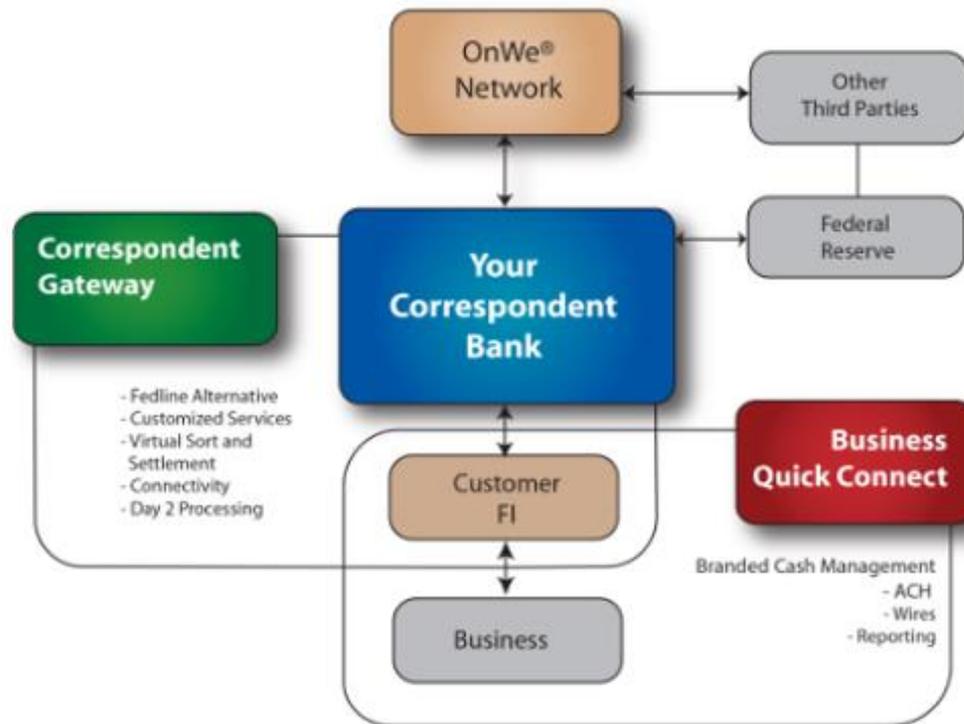
**Multi-year contracts with automatic renewal**

# Juniper's product families

The company offers **two product families**:

The first, **ExtraNet FP-S**, enables correspondent institutions to provide all payments, reporting and communications necessary to simultaneously serve as the sole aggregation and settlement point for large numbers of respondent institutions. This online gateway receives transactions and data from core processing systems, the U.S. Federal Reserve and other third-party providers to streamline and automate the entire correspondent service delivery process.

The second, **ExtraNet FP-C**, provides an internet based platform for business ACH origination and wire transfers. This service is sold to community financial institutions as a basic platform to enable electronic payments for their business customers.



# ExtraNet FP-S Correspondent Gateway

Administration and Control	ExtraNet FP-S Base System	Security, content and user experience management,
	Archival	Transaction retention and download
	Authentication	Extensive multi-factor validation including biometric scanning
	Secure File Management	Secure upload and transmission of files/documents
Payments Origination Transmission and Settlement	ACH Advance	Automated delivery/transmission to ACH Operator
	ACH Entry/Management	Origination/upload/validation/processing of ACH and auto-origination of files per pre-defined schedules
	International ACH - IAT	Origination of ACH transactions to US FedGlobal
	Domestic Wires – Live Wire	Automated wire transfers to/from US Federal Reserve
	Domestic Wires Entry	Origination/upload/validation of US wires
	Domestic Wires – FR-ETA	Origination/validation of US Electronic Tax wires
	International FX	Interfaces to various FX providers for foreign wires and currency
	Check Image Returns	Create check image returns from receipt files
	Check Adjustments	Online entry of check image correction adjustments
	Account to Account Transfers	Direct transfers between respondents
	Fed Funds/EBA Management	Online display/entry of overnight investment orders
	Vault Cash Orders	Online entry of domestic branch cash orders
	Foreign Currency Orders	Online orders buy/sell foreign currency, travelers checks, drafts, cash letters, collections,
ExtraNet CL	OnWe® Clearing Network	Check image direct exchange between respondents
ExtraNet FT	Secure File Transfer	Validation/transmission of check image files
Risk Management	OFAC Scanning	Immediate validation of ACH/Wires against US Treasury lists
	ACH Risk Management	Limits and reporting for ACH origination files
	Wire Risk Management	Limits and reporting for Wire transfers
	Trend Analytics ACH/Wires	Multi-day trend analysis for transactions/files
Reporting and Audit	Account Inquiry	Balance and transaction listing with core interface
	Real Time Interface	Immediate cash position of intra-day activity
	Report File Delivery	Unlimited report delivery classes - online/download
	Loan Payment/Advance	Submit and report payment and advance requests
	Credit Card Payment	Submit and report end user credit card payments
	Audit Trail	Complete tracking and reporting of every user action

# ExtraNet FP-C Business Quick Connect

## Administration and Control

- Internet based platform for community financial institutions to business customers
- Modular structure and control available at multiple levels
- Includes multi-factor authentication and user level permissions and limits
- Operates as a stand alone offering or integrated into Juniper's FP-S transaction flow

## Payments and Compliance

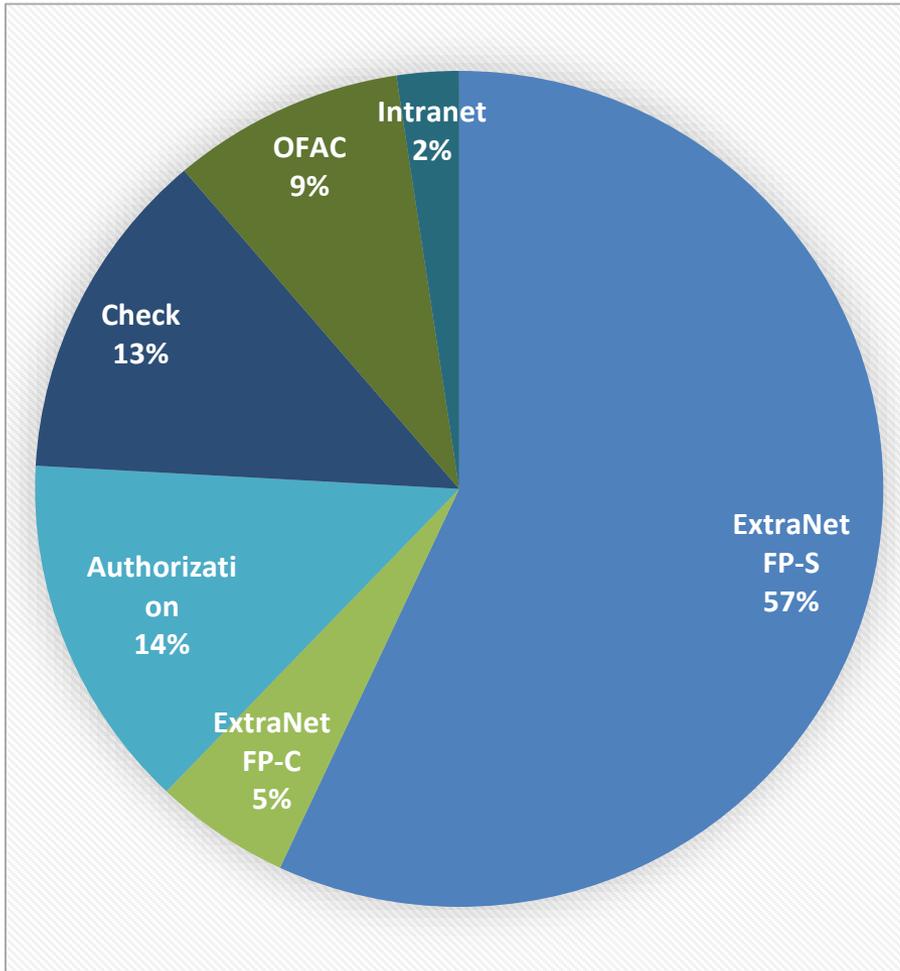
- Business customer entry level program for Automated Clearing House (ACH) and wire transfer payments
- Facilitates one-time payments, templates for repetitive payments and upload of formatted payment files from other systems
- Integrated Office of Foreign Asset Control (OFAC) scanning for compliance with regulations

## Reporting and Audit

- Complete tracking of all activity in Audit Trail reports with multiple search options
- Report delivery to business customer level also included
- Account balance data available via BAI file import

# Juniper clients

Sales Breakdown by product.  
Revenue is for the period May - December 2017



Example of clients



*section 4.2*

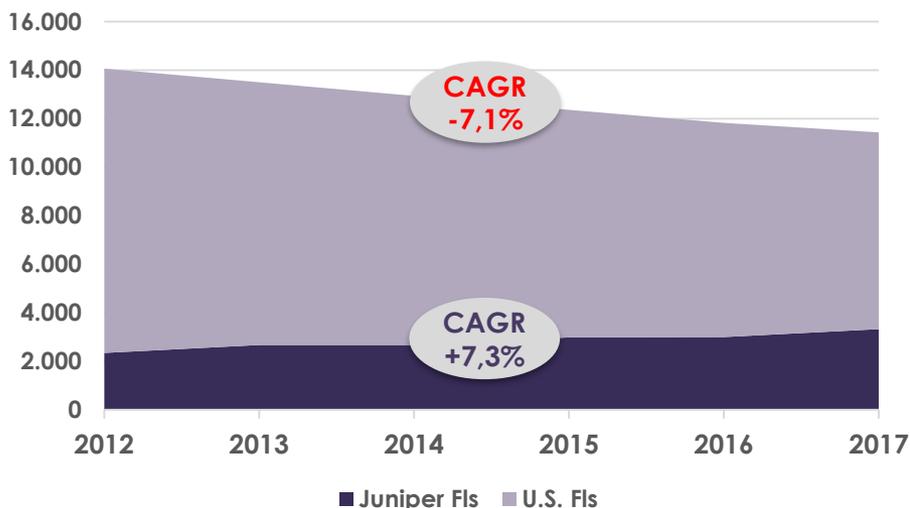
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# Market info

# Juniper market

- Juniper serves more than 3.300 banks and credit unions utilizing its online platform software to transmit and receive daily transactions that total over \$3 billion..
- Juniper's market share has been growing steadily since 2012 both in value and in comparison with the competitors.
- The business model is based on recurring fees. About 90% of the turnover is generated by license agreements and only 10% by customization services sales, advice and support. The contracts have an average duration of 5 years with an high customer retention rate.

Graph: Juniper market share



Fons: FDIC and NCUA annual summaries 2012 – Q3 2017 (FDIC), Q2 2017 (NCUA)

Total Bank Industry Assets	\$17,2 trillion
JP Morgan Chase Total Assets	\$2,1 trillion
Wells Fargo Bank Total Assets	\$1,7 trillion
Bank of America Total Assets	\$1,6 trillion
Citibank Total Assets	\$1,4 trillion
Number of institutions	5.733
Average asset size	\$1,8 billion
Median asset size	\$201 million
% of institutions with \$25 million or less in total assets	3%
% of institutions with \$100 million or more in total assets	77%

Fonte: FDIC Q3 2017

Total Credit Union Industri Assets	\$1,3 trillion
Navy Federal CU Total Assets	\$83,7 billion
State Employees' FCU Total Assets	\$37,1 billion
Pentagon FCU Total Assets	\$22,8 billion
Boeing Employees CU Total Assets	\$17,6 billion
SchoolsFirst Total Assets	\$13,9 billion
The Golden 1 Total Assets	\$11,3 billion
First Technology Total Assets	\$11,1 billion
Number of institutions	5,589
Average asset size	\$204 million
Median asset size	\$30 million
% of institutions with \$25 million or less in total assets	45%
% of institutions with \$100 million or more in total assets	27%

Fons: NCUA Q2 2017

section 5

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# Listing on the AIM Italia

# Listing on the AIM Italia

Trading of the ordinary PITECO shares and of the Convertible Bond "Piteco Convertible 4.50% 2015-2020" on the AIM Italia formally started on 31 July 2015. Following are the basic data of the two issued instruments:

## ISSUED INSTRUMENTS

### Stock

ISIN code	IT0004997984
IPO value	€ 3,30
Value at 04 May 2018	€ 4,84
Capital Raised on IPO	€ 11,5 mln
Market Cap at 04 May 2018	€ 88,4 mln

### Convertible Bond

ISIN code	IT0005119083
Issued	€ 5 mln
Cupon	4,5%
Maturity	2015-2020
Strike price	€ 4,20

## Performance of the stock since the IPO day (31 July 2015) to 04 May 2018



## Compared to FTSE AIM Italia (last 3 years)



section 6

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# Financial Results

## IAS-IFRS

# Income Statement FY2017/2016

Profit and Loss IAS/IFRS (data in € 000)	FY2017	%	FY2016	%	Change % YoY
Net Sales Revenues	16.374	96,1%	13.478	95,4%	21,5%
Other Revenues	707	4,1%	663	4,7%	6,6%
Work in Progress (change)	-35	-0,2%	-16	-0,1%	118,8%
<b>TURNOVER</b>	<b>17.046</b>	<b>100,0%</b>	<b>14.125</b>	<b>100,0%</b>	<b>20,7%</b>
Raw Materials	267	1,6%	167	1,2%	59,9%
Personnel Costs	7.420	43,5%	5.983	42,4%	24,0%
Services	2.835	16,6%	2.316	16,4%	22,4%
Other Costs	67	0,4%	36	0,3%	86,1%
<b>OPERATIVE COSTS</b>	<b>10.589</b>	<b>62,1%</b>	<b>8.502</b>	<b>60,2%</b>	<b>24,5%</b>
<b>EBITDA</b>	<b>6.457</b>	<b>37,9%</b>	<b>5.623</b>	<b>39,8%</b>	<b>14,8%</b>
Depreciation and Amortization	1.483	8,7%	314	2,2%	372,3%
<b>EBIT</b>	<b>4.974</b>	<b>29,2%</b>	<b>5.309</b>	<b>37,6%</b>	<b>-6,3%</b>
Gain (Loss) Forex not realized	-1.106	-6,5%	0	0,0%	0,0%
Financial Incomes (Costs)	-537	-3,2%	-365	-2,6%	47,1%
Extraordinary Incomes (Costs)	126	0,7%	106	0,8%	18,9%
<b>EBT</b>	<b>3.457</b>	<b>20,3%</b>	<b>5.050</b>	<b>35,8%</b>	<b>-31,5%</b>
Tax	72	0,4%	547	3,9%	-86,8%
<b>NET PROFIT (Loss)</b>	<b>3.385</b>	<b>19,9%</b>	<b>4.503</b>	<b>31,9%</b>	<b>-24,8%</b>
Revenues Juniper apr-17 not booked	261		0		
<b>EBITDA Adjusted</b>	<b>6.718</b>		<b>5.623</b>		<b>19,5%</b>

**TURNOVER (Total Revenues)** highlighted an increase of 20,7%, mostly generated by the Juniper acquisition and increase in recurring payments.

**EBITDA** amounted to € 6,5 million (37,9% of revenues) +14,8% compared to FY2016.

**EBITDA adjusted** equals € 6,7 million, +19,5% compared to FY2016. The adjustment is due to Juniper first month revenues that are equal to € 261k according to IFRS accounting principles.

**EBT** amounted to € 3,5 million, (FY2016: € 5,0 million), due to forex differences from consolidation eur/\$ and extraordinary acquisition costs of US asset company.

**Net Profit** amounted to € 3,4 million, (FY 2016: € 4,5 million).

# Balance Sheet FY2017/2016

Invested Capital	FY2017	FY2016
Work in progress	103	138
Trade credits	3.993	4.299
Tax Credits	42	80
Other current credits	234	144
<b>(A) Current Assets</b>	<b>4.372</b>	<b>4.661</b>
Accounts payable	746	840
Tax Debts	295	241
Other current Debts	2.445	2.225
<b>(B) Current Liabilities</b>	<b>3.486</b>	<b>3.306</b>
<b>(A-B) Net Working Capital</b>	<b>886</b>	<b>1.355</b>
Tangible Assets	1.486	1.366
Intangible Assets	37.416	28.626
Financial Assets	0	2
Tax Accounts	418	88
<b>(C) Non Current Assets</b>	<b>39.320</b>	<b>30.082</b>
Severance pay and other funds	1.179	1.192
Other non current Funds	46	42
Other non current Debts	2.427	0
Deferred Tax	141	137
<b>(D) Non Current Liabilities</b>	<b>3.793</b>	<b>1.371</b>
<b>(NWC+C-D) Net Invested Capital</b>	<b>36.413</b>	<b>30.066</b>

Sources	FY2017	FY2016
Share Capital	18.155	18.126
Reserves	5.933	6.950
Profit (loss) previous years + reserves FTA/IAS	2.443	2.443
Profit (loss) of the year	3.385	4.503
<b>(E) Total Equity</b>	<b>29.916</b>	<b>32.022</b>
Cash and Deposits	5.154	10.869
Bank Debts within 12 months	-1.133	-1.719
Debts to other lenders	-1.192	0
Long Term Financial Credits	28	10
Convertible Bond	-4.658	-4.582
Bank Debts over 12 months	-4.696	-2.622
<b>(NFP) Net Financial Position</b>	<b>6.497</b>	<b>-1.956</b>
<b>(E+NFP) Total Sources</b>	<b>36.413</b>	<b>30.066</b>

# Net Financial Position FY2017/2016

Net Financial Position	FY2017	FY2016	% 2017/2016
Cash and Deposits	5.154	10.869	-52,6%
<b>CASH</b>	<b>5.154</b>	<b>10.869</b>	<b>-52,6%</b>
Bank Debts within 12 months	-1.133	-1.719	-34,1%
Debts to other lenders	-1.192	0	0,0%
<b>Current Financial Position</b>	<b>-2.325</b>	<b>-1.719</b>	<b>35,3%</b>
<b>Current NET Financial Position</b>	<b>2.829</b>	<b>9.150</b>	<b>-69,1%</b>
Long Term Financial Credits	28	10	180,0%
Bank Debts over 12 months	-4.696	-2.622	79,1%
Debts to other lenders over 12 months	-4.658	-4.582	1,7%
<b>Non Current Financial Position</b>	<b>-9.326</b>	<b>-7.194</b>	<b>29,6%</b>
<b>Net Financial Position</b>	<b>-6.497</b>	<b>1.956</b>	<b>-432,2%</b>

The Net Financial Position was a negative € 6,5 million, compared to a positive € 2 million as at 31 December 2016. Note that in 2017 € 10,3 million was paid for Juniper Payments LLC to acquire the assets of Lendingtools and dividends were distributed for € 2,7 million.

# Cash Flow Statement FY2017/2016

Cash Flow Statement	FY2017	FY2016
EBIT	4.974	5.309
Taxes paid	-309	-661
<b>NOPAT</b>	<b>4.665</b>	<b>4.648</b>
Depreciation and amortization	1.302	298
Total changes N.W.C.	383	-270
Total changes in funds	-9	82
<b>Operating Cash Flow</b>	<b>6.341</b>	<b>4.758</b>
	<i>% on Sales</i>	39%
	<i>% on Ebitda</i>	35%
Capex	-10.230	-347
<b>Free Cash Flow to Firm</b>	<b>-3.889</b>	<b>4.411</b>
Extraordinary Incomes (Costs)	126	106
Forex Gain (Losses)	-1.106	0
Interest paid	-538	-365
<b>Free Cash Flow Before Debt Repayment</b>	<b>-5.407</b>	<b>4.152</b>
Loan Disbursement (Repayment)	2.784	-1.621
Equity changes	-3.094	-1.860
<b>Free Cash Flow to Equity</b>	<b>-5.717</b>	<b>671</b>
<b>Cash beginning of the year</b>	<b>10.870</b>	<b>10.198</b>
<b>Cash at the end of the year</b>	<b>5.153</b>	<b>10.870</b>

# PITECO Team

<b>Nomad &amp; Financial Advisor</b>	
<b>Specialist &amp; Corporate Broker</b>	
<b>Auditor</b>	
<b>Legal Advisor</b>	
<b>Tax Advisor</b>	<b>Studio Spalla e Associati</b>
<b>Investor Relator</b>	



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