

PRESS RELEASE

PITECO GROUP APPROVES THE CONSOLIDATED H1 2017 RESULTS: 13% REVENUES GROWTH

- **Revenues: € 7,6 million, +13% (H1 2016: € 6,7 million)**
- **Recurring Revenues: +28% compared to H1 2016**
- **EBITDA: € 2,5 million, 33% on Total Revenues, +2,4% vs H1 2016 (€ 2,5 million)**
- **EBITDA adjusted: € 2,8 million, +14% vs H1 2016 (€ 2,5 million)**
- **Pre-tax profit: €1,2 million (H1 2016: € 2,2 million)**
- **Net profit: € 1,0 million (H1 2016: € 1,8 million)**
- **Operating Cash Flow: € 3,8 million, 51% of Net Sales**
- **Net Financial Position: € 6,6 million (FY 2016: € 2,0 million positive)**

Milan, September 28th, 2017

Today, the Board of Directors of Piteco, a company listed on AIM Italia, Italian leader in the design and implementation of management solutions for Treasury and Financial Planning, approved the "first" H1 consolidated financial statement at June 30th, 2017, in accordance with IAS / IFRS.

Marco Podini, Piteco Chairman: *"For the first time we present ourselves as a Group, thanks to the international expansion strategy which accompanied us on our capital market listing path. The H1 2017 figures confirm our leadership in the Italian market of Cash Management and Financial Planning solutions outlining the basis of the continuous growth in the US Banking Software market. These are the drivers of the H1 results closed with 13% revenue increase also due to the contribution (approx 2 months) of the newly-controlled American Juniper Payments LLC. The figures confirm a strong growth in recurring fees revenue, a clear strategic choice of our Board to keep improving our growing strategies based on the predictability of future revenues.*

Regarding the subsidiary Juniper Payments, the business model strength is confirmed by the continuity of its recurring fees due to long-term contracts signed with US Banks and fully predictable costs, thus generating a minimum guaranteed marginality. The margins have been affected in the first month of business exclusively by accounting policy and one-time costs related to the business asset acquisition."

H1 2017 main results

Revenues amounted to € 7,6 million, and registered a growth of 13% compared to € 6,7 million at June 30th 2016, also considering the 2-months contribution of the American subsidiary Juniper. Recurring fees show the very positive trend with 28% increase compared to June 30th 2016, of which a 5% are from Cash Management.

EBITDA, amounted to € 2,5 million, 2,4% higher than H1 2016. Almost 300.000 USD Revenues related to the first month activity of Juniper Payments were not calculated due to accounting issues, they were instead booked as lower acquisition price. **The EBITDA considering this adjustment would have been recorded a 14% growth compared to H1 2016.**

Pre-tax profit amounted to € 1,2 million (€ 2,2 million at June 30th 2016). In comparison to the previous year result, beside the above mentioned accounting issue of about 300.000 USD, it has to be considered extraordinary expenses of 240.000 USD for the Landingtools Business Unit acquisition and exchange rate losses (figuratives) related to the weakness of the USD at 30th June 2017 compared to the 10 million Intercompany loan (valued around 640.000 €).

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Net Profit amounted to 1,0 million (€ 1,8 million at 30th June 2016), is affected by the extraordinary negative factors previously outlined, despite the “Patent Box” fiscal benefits.

Cash flow in H1 2017 confirmed the high cash conversion capability. **H1 Operating Cash Flow** amounts to € 3,8 million representing 51% of net sales revenues.

Net financial position at June 30th 2017 is equal to € 6,6 million; at 31.12.2016 it was € 2,0 million positive. In the first half of the year €10,3 million were paid for the acquisition of US Lendingtools assets and €2,7 million were distributed as dividends.

Significant events following June 30th, 2017 and predictable management evolution

After the first half year, Piteco SpA extinguished the residual mortgage loan of € 3,5 million value, no longer matching the financial requirement needs.

Since the share price remained permanently above the “conversion value” (€ 4,2 per Share) a shares conversion of the convertible Bond, expiring on 31st July 2020, started spontaneously.

Total Revenues at August 31st show a 17% yoy growth and 24 New Clients, as of today, joined the Piteco customer community making us confident on an overall 2017 profitability growth.

The consolidated H1 Financial Report as of June 30th, 2017 will be public in Investor Relations section “Balances and Reports” on internet website www.pitecolab.it, within the terms set by AIM Italia Issuer Regulations.

The press release is available on the company's website www.pitecolab.it and www.1info.it

PITECO GROUP (PITE:IM), an important player in financial software sector, with an internationalization strategy based on two business lines:

1) PITECO SpA, absolute leader in Italy in proprietary solutions for Treasury management and Financial Planning used by 650 national and international groups operating in all industrial sectors (excluding Banks and P.A.). 85 highly qualified professionals and 3 branches (Milan, Rome, Padua), operating for more than 30 years, cover the complete software's value chain: R&D, design, realization, sales and service. Its proprietary software products communicate with the principal company information systems (Sap, Oracle, Microsoft), are customizable to customers' needs and are present in more than 40 countries. Solid customer portfolio and the unique business model based on recurrent fees, enable a high visibility on the turnover forecast.

2) JUNIPER PAYMENTS LLC, Software House, US leader with proprietary solutions in “digital payment” and clearing house market. It manages the interbank financial transaction accounting (bank transfer and check collection control) of 3.500 American bank institutions for over 3 billion dollars daily. JUNIPER represents one of the largest US interbank networks and was established in April 2017 to acquire activities from LandingTools.com Inc., a US company active in the industry since 2000.

ISIN ordinary shares: IT0004997984 - ISIN POC “Piteco 4,50% 2015-2020”: IT0005119083

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All the attached documents are prepared in accordance with the International Accounting Standard (IAS/IFRS). All the financial statements as of 30 June 2017 have been subject to limited review by Baker Tilly Revisa Spa:

- Profit & Loss at 30 June 2017
- Balance Sheet at 30 June 2017
- Net Financial Position at 30 June 2017
- Cash Flow Statement at 30 June 2017

PROFIT AND LOSS	H1 2017	% on turnover	H1 2016	% on turnover	2017/2016	% 17/16
Net Sales Revenues	7.391.057	97,4%	6.547.029	97,6%	844.028	12,9%
Other Revenues	191.552	2,5%	163.643	2,4%	27.909	17,1%
Work in Progress (change)	8.199	0,1%	-5.885	-0,1%	14.085	-239,3%
TURNOVER	7.590.808	100,0%	6.704.786	100,0%	886.021	13,2%
Raw Materials	91.511	1,2%	61.012	0,9%	30.499	50,0%
Services	1.355.721	17,9%	1.177.165	17,6%	178.556	15,2%
Personnel Costs	3.584.565	47,2%	2.976.484	44,4%	608.081	20,4%
Other Costs	24.344	0,3%	15.655	0,2%	8.689	55,5%
EBITDA	2.534.667	33,4%	2.474.471	36,9%	60.196	2,4%
Depreciation and Amortization	615.104	8,1%	137.598	2,1%	477.506	347,0%
EBIT	1.919.563	25,3%	2.336.872	34,9%	-417.310	-17,9%
Financial Incomes (Costs)	-242.920	-3,2%	-184.759	-2,8%	-58.161	31,5%
Forex Gains (Losses)	-640.172	-8,4%	0	0,0%	-640.172	NC
Non recurring Incomes (Costs)	116.802	1,5%	95.501	1,4%	21.301	22,3%
EBT	1.153.272	15,2%	2.247.615	33,5%	-1.094.343	-48,7%
Tax	147.493	1,9%	463.864	6,9%	-316.371	-68,2%
NET PROFIT (Loss)	1.005.779	13,2%	1.783.750	26,6%	-777.972	-43,6%

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BALANCE SHEET	H1 2017	FY2016
Tangible Assets	1.558.642	1.365.305
Intangible Assets	9.393.643	934.943
Goodwill	27.773.759	27.690.778
Other Financial assets	10.157	11.357
Tax Accounts	221.178	88.085
Total non current assets	38.957.378	30.090.468
Work in progress	145.979	137.780
Trade and other receivable	4.825.850	4.148.095
Tax receivables	79.871	80.076
Other receivables	160.024	170.404
Cash and Deposits	7.892.311	10.869.599
Accrued revenues & prepaid expenses	430.718	125.130
Total current assets	13.534.755	15.531.083
TOTAL ASSETS	52.492.132	45.621.551
Share Capital	18.125.500	18.125.500
Reserves	8.667.452	7.057.067
Profit (loss) previous years + reserves FTA/IAS	2.372.842	2.336.556
Profit (loss) of the year	1.005.779	4.503.177
Total Equity	30.171.572	32.022.300
Convertible Bond	4.632.650	4.582.164
Bank Debts over 12 months	7.018.545	2.622.042
Severance pay and other funds	1.132.426	1.192.258
Other non current Funds	44.819	42.470
Deferred Tax	138.958	137.392
Total non current Liabilities	12.967.399	8.576.326
Bank Debts within 12 months	2.835.108	1.719.265
Accounts payable	640.633	392.421
Tax Debts	416.331	241.425
Other current Debts	2.355.371	2.454.982
Accrued liabilities and deferred incomes	3.105.718	214.833
Total current Liabilities	9.353.161	5.022.925
TOTAL LIABILITIES	52.492.132	45.621.551

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CASH FLOW STATEMENT	H1 2017	FY2016
EBIT	1.396.193	5.414.889
Taxes paid	-103.911	-660.737
NOPAT	1.292.282	4.754.152
Depreciation and amortization	474.659	297.961
Total changes N.W.C.	2.059.523	-270.063
Total changes in funds	-57.482	81.766
Operating Cash Flow	3.768.982	4.863.817
Capex	-9.209.676	-346.587
Free Cash Flow to Firm	-5.440.694	4.517.230
Interest paid	-242.920	-364.516
Free Cash Flow Before Debt Repairment	-5.683.614	4.152.715
Loan Repairment	5.562.834	-1.621.454
Equity changes	-2.856.507	-1.859.765
Free Cash Flow to Equity	-2.977.287	671.495
Cash beginning of the year	10.869.599	10.198.104
Cash at the end of the year	7.892.311	10.869.599

NET FINANCIAL POSITION	H1 2017	FY 2016	2017/2016	% 17/16
Deposits	7.891.487	10.869.137	-2.977.650	-27,4%
Cash and equivalents	824	462	362	78,5%
CASH	7.892.311	10.869.599	-2.977.287	-27,4%
Bank Debts within 12 months	-2.835.108	-1.719.265	-1.115.844	64,9%
Debts to other lenders within 12 months	0	0	0	0,0%
Current Financial Position	-2.835.108	-1.719.265	-1.115.844	64,9%
Current NET Financial Position	5.057.203	9.150.334	-4.093.131	-44,7%
Long Term Financial Credits	10.157	9.557	600	6,3%
Bank Debts over 12 months	-7.018.545	-2.622.042	-4.396.504	167,7%
Debts to other lenders over 12 months	-4.632.650	-4.582.164	-50.486	1,1%
Non Current Financial Position	-11.641.038	-7.194.649	-4.446.389	61,8%
Net Financial Position	-6.583.835	1.955.685	-8.539.521	-436,7%