

## **PITECO GROUP APPROVES CONSOLIDATED RESULTS FOR FY2017: REVENUES +21%, EBITDA +15% (Adjusted EBITDA +19%)**

- **Revenues: € 17 million, +21% (FY2016: € 14.1 million)**
- **Revenues from Recurring Fees +46% compared to FY 2016**
- **EBITDA: € 6.5 million, +15% (FY2016: € 5.6 million); EBITDA margin 38%**
- **Adjusted EBITDA: € 6.7 million, +19% (FY2016: € 5.6 million)**
- **Net Profit: € 3.4 million, -25% (FY2016: € 4.5 million), 20% of revenues**
- **Operating Cash Flow: € 6.3 million, +33% FY2016 (39% of Revenues and 98% of EBITDA)**
- **Net Financial Position: € 6.5 million (FY2016: positive € 2.0 million)**
- **30 new customers during 2017**
- **Proposed dividend of € 0.15 p.s. (72% payout ratio) with a yield of 3.1%**

Milan, 15 March 2017

The Board of Directors of Piteco (PITE:IM), a company listed on AIM Italia and a leading player in the financial software sector, approved today the Consolidated Financial Statements and the Draft Separate Financial Statements as at 31 December 2017, drawn up in accordance with the IAS/IFRSs.

**Marco Podini**, Chairman of **Piteco**: *"The results of the first consolidated financial statements show growth of 21% in Revenues due to the finalisation of the international expansion strategies that resulted in the inclusion, in April 2017, of the new US subsidiary Juniper Payments LLC (operating on the US market in banking software) and the confirmation of the leadership on the Italian market of our cash management and financial planning software (30 new customers).*

*The figures confirm sharp growth in revenues from recurring fees (+46%), further improving the predictability of future revenues, also due to the contribution of Juniper Payments' business model based on Revenues from recurring fees on long-term contracts with US banks.*

*This first consolidated financial year is influenced by extraordinary "one-off" accounting items and costs connected with the acquisition of the business unit, which generate a temporary reduction in Earnings Before Taxes. Again, this year, we confirm the proposal for the distribution of dividends totalling € 2.7 million, with a yield of 3,1% and a payout ratio of 72%, much higher than the 40% announced during the IPO, supported by the exceptional cash generation that distinguishes our Group."*

### **Main consolidated results as at 31 December 2017**

The consolidated financial statements have been drawn up based on the separate financial statements for the year ended as at 31 December 2017 of the consolidated companies Piteco SpA, Piteco North America Corp and Juniper Payments LLC, and are the first official consolidated financial statements of the Piteco Group.

**Total Revenues** amounted to € 17 million, +21% compared to € 14.1 million in 2016. The roughly 8-month contribution of the US subsidiary Juniper Payments LLC amounted to € 2.9 million. This growth is mainly attributable to the increase in recurring fees relating to the use of software (+46% compared to FY 2016).

**EBITDA** amounted to € 6.5 million, equal to an EBITDA margin of 38%, up by 15% compared to 2016 (€ 5.6 million). The contribution of the US subsidiary Juniper Payments LLC amounted to € 1 million. For purely accounting reasons, it was not possible to calculate Revenues of around € 261,000 related to services provided by the US subsidiary in the first month of business, which were recognised only as a decrease in the acquisition price of the assets. The **consolidated EBITDA adjusted based on this would record growth of 19% compared to FY 2016.**

PRESS RELEASE

**Earnings Before Tax**, equal to € 3.5 million, recorded a decrease of 31% compared to the € 5 million in 2016 due to the accounting items listed above as well as to extraordinary costs of around € 208,000 connected with the acquisition of the Lendingtools business unit and the (unrealised) forex losses linked to the weakness of the USD in relation to the exchange rate for disbursement of the intercompany loan to the US subsidiary (amounting to around € 1 million).

The **Net Profit** of € 3.4 million decreased by 25% - due to the above-mentioned extraordinary items relating to the acquisition of the Lendingtools business unit - compared to € 4.5 million in FY 2016 and, in any event, amounted to 20% of Total Revenues.

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.

The **Operating Cash Flow** amounted to € 6.3 million (up by 33% compared to € 4.8 million in FY 2016) and showed exceptional Cash Conversion of 39% of revenues and 98% of EBITDA.

**Main results of the Parent Company Piteco SpA as at 31 December 2017**

**Total Revenues** amounted to € 14.2 million, substantially unchanged compared to € 14.1 million in 2016. It is worth noting that, though revenues remained stable, the mix improved, with growth in Revenues from recurring fees and sales of Software licences (+5.2% and +8.4%, respectively, compared to FY 2016) in relation to a reduction in Revenues from services (-9.3%).

**EBITDA** amounted to € 5.5 million, equal to an EBITDA margin of 39%, substantially unchanged on 2016 (€ 5.6 million).

**Dividend**

The Board of Directors of PITECO SPA resolved to propose to the Ordinary Shareholders' Meeting the following allocation of profit for the year, of € 3.8 million:

- € 0.188 million to the legal reserve
- € 3.6 million to the extraordinary reserve
- Distribution of a gross dividend of € 0,15 for each of the 18,132,500 ordinary shares in issue, calling on the extraordinary reserve for € 2.7 million

For the dividend to be paid starting on 26 April 2018 - coupon date 23 April 2018 and record date 24 April 2018 - the dividend yield comes to 3,1%, while the payout ratio amounts to 72% of the Parent Company's profit.

**Significant events after the end of the year and outlook for operations**

The initial months of 2018 showed signs that there will be generalised growth in results for the current year. The company is involved in a project to move to the MTA market, expected following the approval of the annual financial statements for 2017 and after obtaining authorisation from the competent authorities, Borsa Italiana and CONSOB.

**Call of the Ordinary and Extraordinary Shareholders' Meeting**

The Board resolved to call the ordinary shareholders' meeting (followed by the extraordinary one) on 16 April 2018 at 2:30 p.m. at UPTOWN PALACE in Via Santa Sofia 10, Milan, Italy, on single call, to discuss and resolve on the following agenda:

## PRESS RELEASE

- Approval of the Separate financial statements as at 31 December 2017; Reports of the Directors' Board, the Board of Statutory Auditors and the Independent Auditors; allocation of profit for the year; pertaining and consequent resolutions, also in relation to the expiry of the term of the Board of Directors and the Board of Statutory Auditors.
- Proposal to adopt new Articles of Association for the purpose of compliance with the current regulations on companies with shares listed on a regulated market with effect subordinate to the start of trading of the Company's shares on the Mercato Telematico Azionario (Screen-Based Share Market) organised and managed by Borsa Italiana S.p.A.; pertaining and consequent resolutions.
- Any other business.

The documentation regarding the agenda will be made available to the public at the registered office and on the website [www.pitecolab.it](http://www.pitecolab.it) within the terms set out by current regulations.

The press release can be viewed on the [www.pitecolab.it](http://www.pitecolab.it) and [www.info.it](http://www.info.it) websites

**PITECO GROUP (PITE:IM)**, an important player in financial software sector, with a determined internationalization and diversification project led by 2 business lines:

1) PITECO SpA, absolute leader in Italy in proprietary solutions for Treasury management and Financial Planning used by more than 600 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, USA leader with proprietary solutions in "digital payment" and clearing house area for 3.500 American bank institutions. Manages the interbank financial transaction accounting (bank transfer and check collection control) for over 3 billion dollars daily. Represents one of the largest USA interbank networks. JUNIPER was established in April 2017 to acquire activities from Landing Tools.com Inc., a USA company active in the industry since 2000.

ISIN ordinary shares: IT0004997984 - ISIN Convertible Bonds "Piteco 4,50% 2015-2020": IT0005119083

### Contacts

#### IR TOP

##### Investor Relations

Maria Antonietta Pireddu  
[m.pireddu@irtop.com](mailto:m.pireddu@irtop.com)

##### Media Relations

Domenico Gentile, Antonio Buoizzi  
[ufficiostampa@irtop.com](mailto:ufficiostampa@irtop.com)  
Via C. Cantù, 1 - 20123 Milano  
T. +39 02 45473884/3  
[www.aimnews.it](http://www.aimnews.it)

#### ADVANCE SIM S.p.A.

##### NomAd

Massimo Grosso  
[massimo.grosso@advancesim.it](mailto:massimo.grosso@advancesim.it)  
Piazza Cavour, 3 - 20121 Milano  
T. +39 327 9031218

#### CFO SIM S.p.A.

##### Specialist

Via dell'Annunciata 23/4  
20121 Milano  
T. +39 02 303431  
[filippomaria.palmarini@cfsim.com](mailto:filippomaria.palmarini@cfsim.com)

## PRESS RELEASE

All attached documents (relating to the results of the Piteco Group and the Parent Company Piteco Spa) have been prepared in compliance with the International Accounting Standards (IAS/IFRS). The figures are undergoing certification by the Independent Auditors.

### PITECO GROUP

Profit and Loss IAS/IFRS	31/12/2017	%	31/12/2016	%2	Changes	Change %
Net Sales Revenues	16.374	96,1%	13.478	95,4%	2.896	21,5%
Other Revenues	707	4,1%	663	4,7%	44	6,6%
Work in Progress (change)	-35	-0,2%	-16	-0,1%	- 19	118,8%
<b>TURNOVER</b>	<b>17.046</b>	<b>100,0%</b>	<b>14.125</b>	<b>100,0%</b>	<b>2.921</b>	<b>20,7%</b>
Raw Materials	267	1,6%	167	1,2%	100	59,9%
Personnel Costs	7.420	43,5%	5.983	42,4%	1.437	24,0%
Services	2.835	16,6%	2.316	16,4%	519	22,4%
Other Costs	67	0,4%	36	0,3%	31	86,1%
<b>OPERATIVE COSTS</b>	<b>10.589</b>	<b>62,1%</b>	<b>8.502</b>	<b>60,2%</b>	<b>2.087</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>834</b>	<b>14,8%</b>
Depreciation and Amortization	1.483	8,7%	314	2,2%	1.169	372,3%
<b>EBIT</b>	<b>4.974</b>	<b>29,2%</b>	<b>5.309</b>	<b>37,6%</b>	<b>- 335</b>	<b>-6,3%</b>
Gain (Loss) Forex not realized	-1.106	-6,5%	0	0,0%	- 1.106	0,0%
Financial Incomes (Costs)	-537	-3,2%	-365	-2,6%	- 172	47,1%
Extraordinary Incomes (Costs)	126	0,7%	106	0,8%	20	18,9%
<b>EBT</b>	<b>3.457</b>	<b>20,3%</b>	<b>5.050</b>	<b>35,8%</b>	<b>- 1.593</b>	<b>-31,5%</b>
Tax	72	0,4%	547	3,9%	- 475	-86,8%
<b>NET PROFIT (Loss)</b>	<b>3.385</b>	<b>19,9%</b>	<b>4.503</b>	<b>31,9%</b>	<b>- 1.118</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>		1.095	19,5%

PRESS RELEASE

PITECO GROUP

<b>Balance Sheet</b>	<b>31/12/2017</b>	<b>31/12/2016</b>	<b>Changes</b>
Work in progress	103	138	-35
Trade credits	3.993	4.299	-306
Tax Credits	42	80	-38
Other current credits	234	144	90
<b>(A) Current Assets</b>	<b>4.372</b>	<b>4.661</b>	<b>-289</b>
Accounts payable	746	840	-94
Tax Debts	295	241	54
Other current Debts	2.445	2.225	220
<b>(B) Current Liabilities</b>	<b>3.486</b>	<b>3.306</b>	<b>180</b>
<b>(A-B) Net Working Capital</b>	<b>886</b>	<b>1.355</b>	<b>-469</b>
Tangible Assets	1.486	1.366	120
Intangible Assets	37.416	28.626	8.790
Financial Assets	0	2	-2
Tax Accounts	418	88	330
<b>(C) Non Current Assets</b>	<b>39.320</b>	<b>30.082</b>	<b>9.238</b>
Severance pay and other funds	1.179	1.192	-13
Other non current Funds	46	42	4
Other non current Debts	2.427	0	2.427
Deferred Tax	141	137	4
<b>(D) Non Current Liabilities</b>	<b>3.793</b>	<b>1.371</b>	<b>2.422</b>
<b>(NWC+C-D) Net Invested Capital</b>	<b>36.413</b>	<b>30.066</b>	<b>6.347</b>
Share Capital	18.155	18.126	29
Reserves	5.933	6.950	-1.017
Profit (loss) previous years + reserves FTA/IAS	2.443	2.443	0
Profit (loss) of the year	3.385	4.503	-1.118
<b>(E) Total Equity</b>	<b>29.916</b>	<b>32.022</b>	<b>-2.106</b>
Cash and Deposits	5.154	10.869	-5.715
Bank Debts within 12 months	-1.133	-1.719	586
Debts to other lenders	-1.192	0	-1.192
Long Term Financial Credits	28	10	18
Convertible Bond	-4.658	-4.582	-76
Bank Debts over 12 months	-4.696	-2.622	-2.074
<b>(NFP) Net Financial Position</b>	<b>6.497</b>	<b>-1.956</b>	<b>8.453</b>
<b>(E+NFP) Total Sources</b>	<b>36.413</b>	<b>30.066</b>	<b>6.347</b>

PRESS RELEASE

PITECO GROUP

<b>Net Financial Position</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>2017/2016</b>	<b>% 2017/2016</b>
Cash and Deposits	5.154	10.869	-5.715	-52,6%
<b>CASH</b>	<b>5.154</b>	<b>10.869</b>	<b>-5.715</b>	<b>-52,6%</b>
Bank Debts within 12 months	-1.133	-1.719	586	-34,1%
Debts to other lenders	-1.192	0	-1.192	0,0%
<b>Current Financial Position</b>	<b>-2.325</b>	<b>-1.719</b>	<b>-606</b>	<b>35,3%</b>
<b>Current NET Financial Position</b>	<b>2.829</b>	<b>9.150</b>	<b>-6.321</b>	<b>-69,1%</b>
Long Term Financial Credits	28	10	18	180,0%
Bank Debts over 12 months	-4.696	-2.622	-2.074	79,1%
Debts to other lenders over 12 months	-4.658	-4.582	-76	1,7%
<b>Non Current Financial Position</b>	<b>-9.326</b>	<b>-7.194</b>	<b>-2.132</b>	<b>29,6%</b>
<b>Net Financial Position</b>	<b>-6.497</b>	<b>1.956</b>	<b>-8.453</b>	<b>-432,2%</b>

PITECO GROUP

<b>Cash Flow Statement</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
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>
% on Sales	39%	35%
% on Ebitda	98%	85%
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>

PRESS RELEASE

PITECO SpA

<b>Profit and Loss IAS/IFRS</b>	<b>31/12/2017</b>	<b>%</b>	<b>31/12/2016</b>	<b>%</b>	<b>Changes %</b>
Net Sales Revenues	13.500	95,3%	13.478	95,4%	0,2%
Other Revenues	704	5,0%	663	4,7%	6,2%
Work in Progress (change)	-35	-0,2%	-16	-0,1%	118,8%
<b>TURNOVER</b>	<b>14.169</b>	<b>100,0%</b>	<b>14.125</b>	<b>100,0%</b>	<b>0,3%</b>
Raw Materials	264	1,9%	167	1,2%	58,1%
Personnel Costs	6.127	43,2%	5.983	42,4%	2,4%
Services	2.225	15,7%	2.316	16,4%	-3,9%
Other Costs	64	0,4%	36	0,2%	77,8%
<b>OPERATIVE COSTS</b>	<b>8.680</b>	<b>61,3%</b>	<b>8.502</b>	<b>60,2%</b>	<b>2,1%</b>
<b>EBITDA</b>	<b>5.489</b>	<b>38,7%</b>	<b>5.623</b>	<b>39,8%</b>	<b>-2,4%</b>
Depreciation and Amortization	483	2,1%	314	2,1%	53,8%
<b>EBIT</b>	<b>5.006</b>	<b>35,3%</b>	<b>5.309</b>	<b>37,6%</b>	<b>-5,7%</b>
Gain (Loss) Forex not realized	-1.103	-7,8%	0	0,0%	0,0%
Financial Incomes (Costs)	-359	-2,5%	-365	-2,6%	-1,6%
Extraordinary Incomes (Costs)	334	2,4%	106	0,8%	215,1%
<b>EBT</b>	<b>3.878</b>	<b>27,4%</b>	<b>5.050</b>	<b>35,8%</b>	<b>-23,2%</b>
Tax	122	0,9%	547	3,9%	-77,7%
<b>NET PROFIT (Loss)</b>	<b>3.756</b>	<b>26,5%</b>	<b>4.503</b>	<b>31,9%</b>	<b>-16,6%</b>

PRESS RELEASE

PITECO SpA

<b>Balance Sheet</b>	<b>31/12/2017</b>	<b>31/12/2016</b>	<b>Changes</b>
Work in progress	103	138	-35
Trade credits	3.874	4.299	-425
Tax Credits	42	80	-38
Other current credits	220	144	76
<b>(A) Current Assets</b>	<b>4.239</b>	<b>4.661</b>	<b>-422</b>
Accounts payable	704	840	-136
Tax Debts	274	241	33
Other current Debts	2.434	2.225	209
<b>(B) Current Liabilities</b>	<b>3.412</b>	<b>3.306</b>	<b>106</b>
<b>(A-B) Net Working Capital</b>	<b>827</b>	<b>1.355</b>	<b>-528</b>
Tangible Assets	1.316	1.366	-50
Intangible Assets	28.751	28.626	125
Equity Investments	2.818	0	2.818
Financial Assets	0	2	-2
Tax Accounts	366	88	278
<b>(C) Non Current Assets</b>	<b>33.251</b>	<b>30.082</b>	<b>3.169</b>
Severance pay and other funds	1.179	1.192	-13
Other non current Funds	46	42	4
Deferred Tax	141	137	4
<b>(D) Non Current Liabilities</b>	<b>1.366</b>	<b>1.371</b>	<b>-5</b>
<b>(NWC+C-D) Net Invested Capital</b>	<b>32.712</b>	<b>30.066</b>	<b>2.646</b>
Share Capital	18.155	18.126	29
Reserves	8.674	6.950	1.724
Profit (loss) previous years + reserves FTA/IAS	2.443	2.443	0
Profit (loss) of the year	3.756	4.503	-747
<b>(E) Total Equity</b>	<b>33.028</b>	<b>32.022</b>	<b>1.006</b>
Cash and Deposits	3.039	10.869	-7.830
Short Term Financial Credits	753	0	753
Bank Debts within 12 months	1.133	1.719	-586
Long Term Financial Credits	7.011	10	7.001
Convertible Bond	4.658	4.582	76
Bank Debts over 12 months	4.696	2.622	2.074
<b>(NFP) Net Financial Position</b>	<b>-316</b>	<b>-1.956</b>	<b>1.640</b>
<b>(E+NFP) Total Sources</b>	<b>32.712</b>	<b>30.066</b>	<b>2.646</b>



PRESS RELEASE

PITECO SpA

Net Financial Position	31.12.2017	31.12.2016	2017/2016	% 2017/2016
Cash and Deposits	3.039	10.869	-7.830	-72,0%
<b>CASH</b>	<b>3.039</b>	<b>10.869</b>	<b>-7.830</b>	<b>-72,0%</b>
Bank Debts within 12 months	-1.133	-1.719	586	-34,1%
Short Term Financial Credits	753	0	753	0,0%
<b>Current Financial Position</b>	<b>-380</b>	<b>-1.719</b>	<b>1.339</b>	<b>-77,9%</b>
<b>Current NET Financial Position</b>	<b>2.659</b>	<b>9.150</b>	<b>-6.491</b>	<b>-70,9%</b>
Long Term Financial Credits	7.011	10	7.001	70010,0%
Bank Debts over 12 months	-4.696	-2.622	-2.074	79,1%
Debts to other lenders over 12 months	-4.658	-4.582	-76	1,7%
<b>Non Current Financial Position</b>	<b>-2.343</b>	<b>-7.194</b>	<b>4.851</b>	<b>-67,4%</b>
<b>Net Financial Position</b>	<b>316</b>	<b>1.956</b>	<b>-1.640</b>	<b>-83,8%</b>

PITECO SpA

Cash Flow Statement	31.12.2017	31.12.2016
EBIT	5006	5309
Taxes paid	-327	-661
<b>NOPAT</b>	<b>4679</b>	<b>4648</b>
Depreciation and amortization	303	298
Total changes N.W.C.	463	-270
Total changes in funds	-9	82
<b>Operating Cash Flow</b>	<b>5436</b>	<b>4758</b>
% on Sales	40%	35%
% on Ebitda	99%	85%
Capex	-10950	-347
<b>Free Cash Flow to Firm</b>	<b>-5514</b>	<b>4411</b>
Extraordinary Incomes (Costs)	334	106
Forex Gain (Losses)	-1103	0
Interest paid	-360	-365
<b>Free Cash Flow Before Debt Repayment</b>	<b>-6643</b>	<b>4152</b>
Loan Disbursement (Repayment)	1592	-1621
Equity changes	-2780	-1860
<b>Free Cash Flow to Equity</b>	<b>-7831</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>3.039</b>	<b>10.870</b>