

## **PITECO GROUP: SHAREHOLDERS' MEETING APPROVES THE 2017 FINANCIAL STATEMENTS, DISTRIBUTION OF A DIVIDEND PER SHARE OF EUR 0.15 AND THE PROJECT FOR ADMISSION TO MTA**

### **In Ordinary Session:**

- **Approved the Project for Admission to listing of shares and convertible bonds on the Electronic Share Market (MTA)**
- **Approved the financial statements as at 31 December 2017**
- **Appointed the Board of Directors and Board of Statutory Auditors**
- **Conferred the appointment to the Independent Auditors KPMG S.p.A.**

### **In Extraordinary Session:**

- **Approved amendments to the Articles of Association necessary to apply for admission to MTA**

*Milan, 16 April 2018*

The Shareholders' Meeting of Piteco (PITE:IM), a company listed on AIM Italia and a leading player in the financial software sector, met today in ordinary and extraordinary session, chaired by Marco Podini.

### **Approval of the project for admission to listing on the MTA**

The Shareholders' Meeting approved the project for admission to listing of shares and convertible bonds on the Electronic Share Market (MTA), organised and managed by Borsa Italiana SpA, subject to the approval of competent authorities, Borsa Italiana, and Consob.

The project, proposed by the Board of Directors on 26 February 2018, is designed to enhance the value of Piteco Group, which will benefit from greater liquidity of its shares, interest from institutional investors, and visibility on reference domestic and global markets, with further advantages in terms of competitive positioning.

In addition, in accordance with the recommendations of the Corporate Governance Code for listed companies approved by the Corporate Governance Committee of Borsa Italiana, the Shareholders' Meeting approved procedures to govern the functioning of Shareholders' Meetings, subject to the start of trading of the Company's shares and convertible bonds on the MTA.

### **Financial statements as at 31 December 2017**

The Shareholders' Meeting noted the Consolidated financial statements and examined and approved the Separate financial statements as at 31 December 2017.

### **Main consolidated results<sup>1</sup>**

**Total Revenues** amounted to EUR 17 million, +21% compared to EUR 14.1 million in 2016. This growth is mainly attributable to the increase in recurring fees relating to the use of software (+46% compared to FY 2016). The contribution for approximately 8 months of the American subsidiary Juniper Payments LLC amounts to EUR 2.9 million.

**EBITDA** amounted to EUR 6.5 million, equal to an EBITDA margin of 38%, up 15% compared to 2016 (EUR 5.6 million). The contribution of the American subsidiary Juniper Payments LLC amounts to EUR 1 million. For purely accounting reasons, it was not possible to include revenues of EUR 261,000 relating to the services provided in the first month of the US subsidiary's business activities, which were

<sup>1</sup> The consolidated financial statements were prepared based on the separate financial statements as at 31 December 2017 of Piteco SpA, Piteco North America, Corp., and Juniper Payments, LLC, which are included in the scope of consolidation and represent the first official consolidated financial statements of the Piteco Group.

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recognised only as a decrease in the acquisition price of the asset. **Consolidated EBITDA adjusted based on this would have resulted in growth of 19% compared to FY 2016.**

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

**Net Profit** of EUR 3.4 million decreased by 25% - due to the above-mentioned extraordinary items - compared to EUR 4.5 million in FY 2016 and amounted to 20% of Total Revenues.

**Net Financial Position** was negative for EUR 6.5 million, compared to positive EUR 2 million as at 31 December 2016. Note that in 2017 EUR 10.3 million was paid for Juniper Payments LLC to acquire the assets of Lendingtools and dividends were distributed for EUR 2.7 million.

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

### Main results of Parent Company Piteco SpA

**Total Revenues** amounted to EUR 14.2 million (EUR 14.1 million in 2016). It is worth noting that 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) against a reduction in Revenues from services (-9.3%). **EBITDA** amounted to EUR 5.5 million, equal to an EBITDA margin of 39%, substantially unchanged on 2016 (EUR 5.6 million).

### Dividend

The Shareholders' Meeting resolved the following allocation of profit for the year, equal to EUR 3.8 million: EUR 0.2 million to the legal reserve; EUR 3.6 million to the extraordinary reserve; distribution of a gross **dividend** to shareholders equal to EUR 0.15 per share, drawing from the extraordinary reserve for EUR 2.7 million. The coupon date will be 23 April 2018 (record date 24 April 2018) and the dividend will be paid starting 25 April 2018.

### Appointment of the Board of Directors and Board of Statutory Auditors

The Shareholders' Meeting, also called to resolve on the renewal of the **Board of Directors**, established the number of its members as 8, in order to ensure a composition suited to the company size and to the complexity of the business activities carried out. Based on the single list submitted by the shareholders Dedagroup S.p.A., Fago60 S.r.l., Paolo Virenti, Andrea Guido Guillermaz, and Riccardo Veneziani, with a total of 11,808,502 ordinary shares corresponding to 65.12% of the share capital, the following individuals were elected members of the Board of Directors: Marco Podini, Paolo Virenti, Riccardo Veneziani, Gianni Camisa, Andrea Guido Guillermaz, Maria Luisa Podini, Annamaria Di Ruscio, and Francesco Mancini.

The new Board will remain in office until the Shareholders' Meeting to approve the financial statements as at 31 December 2020.

The Shareholders' Meeting also appointed the **Board of Statutory Auditors**, which is composed of: Maurizio Scozzi - Chairman, Luigi Salandin - Statutory Auditor, Marcello del Prete - Statutory Auditor, Anna Postal - Alternate Auditor, and Gianandrea Borghi - Alternate Auditor. The new Board of Statutory Auditors will remain in office until the Shareholders' Meeting to approve the financial statements as at 31 December 2020. All members of the Board of Statutory Auditors were taken from the single list submitted by the shareholders Dedagroup S.p.A., Fago60 S.r.l., Paolo Virenti, Andrea Guido Guillermaz, and Riccardo Veneziani, which hold a total of 65.12% of the share capital.

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Finally, the Shareholders' Meeting resolved the compensation for the Board of Directors and the Board of Statutory Auditors.

**Conferral of the appointment to the Independent Auditors**

Based on the justified proposal from the Board of Statutory Auditors, the Shareholders' Meeting has awarded the independent auditors KPMG S.p.A. the appointment for the statutory audit of the Company's accounts for the years 2018-2026, pursuant to Italian Legislative Decree 39/2010 and Regulation (EU) no. 537/2014, with effect subject to admission to listing of the Company's shares and convertible bonds on the Electronic Share Market (MTA), organised and managed by Borsa Italiana. The Shareholders' Meeting also approved the related fees.

**Amendments to the Articles of Association**

In the extraordinary session, the Shareholders' Meeting, with the objective of adapting the provisions to the regulations for listed companies, approved the amendments to the Articles of Association, preliminary to and connected with the request for admission to listing of the shares and convertible bonds on the MTA.

**Resolutions of the new Board of Directors**

The new Board of Directors, which met at the end of the Shareholders' Meeting, confirmed Marco Podini as Chairman and Paolo Virenti as Chief Executive Officer of the Company.

The Board also verified that the independence requirements for directors Annamaria Di Ruscio and Francesco Mancini were satisfied.

Lastly, the Board of Directors appointed the Related Parties Committee, composed of three non-executive directors: Annamaria Di Ruscio, Francesco Mancini and Riccardo Veneziani.

*The minutes of the Shareholders' Meeting, the Summary report of votes, and the new Articles of Association will be made available to the public within the terms set out by current regulations.*

*The Annual Financial Report for 2017, together with the additional documentation approved by the Shareholders' Meeting, is available on the website [www.pitecolab.it](http://www.pitecolab.it) in the Investor Relations section.*

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

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