

## PITECO GROUP APPROVES THE CONSOLIDATED RESULTS H1 2018: REVENUES + 19%, EBITDA + 28%

- Revenues: € 9.0 million, + 19% (H1 2017: € 7.6 million)
- Revenues from recurring fees + 34% vs. H1 2017
- EBITDA: € 3.3 million, 36% of Revenues, + 28% vs. H1 2017 (€ 2.5 million)
- Profit before tax: € 2.5 million, + 209% vs. H1 2017 (€ 0.8 million)
- Net Profit: € 2.2 million, + 120% vs. H1 2017 (€ 1.0 million)
- Operating Cash Flow: Euro 5.5 million, 61% of Revenues
- Net Financial Position: € 5.1 million (FY 2017: € 6.5 million)
  
- Net Financial Position including PUT option: € 7.5 million (FY 2017: € 8.9 million)

Milan, September 26, 2018

The Board of Directors of PITECO, a company listed on the MTA market and leading player in the financial software sector, approved today the consolidated H1 2018 financial report, prepared in accordance with IAS / IFRS accounting standards.

**Marco Podini**, Chairman of Piteco: *"The Group results in H1 2018 reflect the improvement of the expansion strategy that accompanied us on our path of internationalization. These results reflect the excellent work done by the newly-controlled USA Juniper Payments LLC in the Banking sector and the confirmation of the leadership in the Italian cash management and financial planning sector of PITECO SPA, which acquired up today 30 new customers, including companies such as Dolce & Gabbana, Marcegaglia Group and GUESS Inc. (USA). The first half of the year recorded a 19% increase in total revenues, confirming the growth trend in revenues from recurring fees, a precise strategic choice of our Board (+ 34% compared to H1 2017). Our growth path continues through external lines through the acquisition of software houses with a business profile similar to Piteco Group: on July 2, we signed a binding agreement for the purchase of 56% of Myrios Srl (revenues 2017 equal to 2.8 million euro and EBITDA margin 55%) whose revenue model, based on the licensing of the software fee and on specialist advice, guarantees visibility of revenues, important margins and cash flows."*

### Main consolidated results H1 2018

**Revenues** amounted to € 9.0 million, an increase of 19% compared to € 7.6 million at H1 2017, also thanks to the contribution of the US subsidiary Juniper Payments LLC, which in H1 2017 had only partially contributed. The trend in recurring fees was very positive, which increased by 34% overall compared to H1 2017, of which + 5% was recorded in the Corporate Treasury segment.

**EBITDA** is equal to Euro 3.3 million, 31% higher than H1 2017 (Euro 2.5 million). The recorded performance is better than the increase in Revenues as the increase in Operating Costs is limited to 13% compared to H1 2017 and benefits from the full contribution of the subsidiary Juniper Payments LLC.

The **pre-tax result** amounted to € 2.5 million, 208% higher than H1 2017 result (€ 0.8 million). PITECO Spa incurred extraordinary expenses of approximately € 121,000 related to part of the costs for the

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listing project on the MTA market and financial income of approximately € 126,000 related to the valuation of the PUT option for the purchase of the remaining 40% of Juniper Payments LLC and unrealized exchange rate gains (approximately Euro 255,000) connected to US dollar exchange rate compared to the exchange rate at the end of 2017, concerning the current loan vs US subsidiary.

**Net Income**, equal to € 2.2 million (€ 1.0 million in H1 2017), benefited from the items described above and from the confirmation of the tax benefits deriving from the subjection of a large part of the revenues to the "Patent Box" tax regime".

**Cash flow** confirmed the Group's very high cash conversion capacity during the half-year. Operating Cash Flow amounted to € 5.5 million in the H1 2018 and represents 61% of Revenues.

**Net Financial Position** at June 30, 2018 is equal to € 5.1 million; as of December 31, 2017 it was € 6.5 million. In H1 2018 dividends were distributed to shareholders in the amount of € 2.7 million.

### **Significant events after June 30, 2018 and foreseeable development of operations**

On July 2, 2018, Piteco Spa signed with the shareholders of Myrios S.r.l. a binding agreement aimed at acquiring a majority stake of 56% of Myrios share capital. The agreement provides for the parties to sign the definitive agreements by October 15, 2018. Myrios is a company active in the design and implementation of IT solutions with high added value dedicated to the finance sector of banks, insurance companies, industry and public administration. The Company has developed Myrios FM (Financial Modeling), a software to support Financial Risk Management processes.

On September 21, 2018, Piteco shares have been admitted to trading on the MTA with effect from September 25, 2018.

The Interim Consolidated Financial Report at June 30, 2018 will be public available, as required by law, at the registered office, on the company website [www.pitecolab.it](http://www.pitecolab.it) (Investor Relations - Financial Statements and Reports) and on the authorized storage mechanism IInfo ([www.1info.it](http://www.1info.it)).

The manager in charge of preparing the corporate accounting documents, Riccardo Veneziani, declares pursuant to art. 154-bis, paragraph 2, of Legislative Decree no. 58/98, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

*The press release is available on the following websites [www.pitecolab.it](http://www.pitecolab.it) and [www.1info.it](http://www.1info.it)*

**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 3.300 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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All the attached documents are prepared in compliance with the International Accounting Standards (IAS / IFRS). The figures as at 30 June 2018 are subject to limited review by the Auditing Company KPMG Spa:

- Profit & Loss
- Balance Sheet
- Cash Flow Statement
- Net Financial Position

PROFIT AND LOSS	H1 2018	% on turnover	H1 2017	% on turnover	2018/2017	% 18/17
Net Sales Revenues	8.831	97,7%	7.391	97,4%	1.440	19,5%
Other Revenues	200	2,2%	191	2,5%	9	4,7%
Work in Progress (change)	6	0,1%	8	0,1%	-2	-25,0%
<b>TURNOVER</b>	<b>9.037</b>	100,0%	<b>7.590</b>	100,0%	1.447	19,1%
Raw Materials	161	1,8%	95	1,3%	66	69,5%
Services	1.620	17,9%	1.342	17,7%	278	20,7%
Personnel Costs	3.920	43,4%	3.585	47,2%	335	9,3%
Other Costs	15	0,2%	33	0,4%	-18	-54,5%
<b>TOTAL OPERATING COST</b>	<b>5.716</b>	63,3%	<b>5.055</b>	66,6%	661	13,1%
<b>EBITDA</b>	<b>3.321</b>	36,7%	<b>2.535</b>	33,4%	786	31,0%
Depreciation and Amortization	801	8,9%	616	8,1%	185	30,0%
<b>EBIT</b>	<b>2.520</b>	27,9%	<b>1.919</b>	25,3%	601	31,3%
Financial Incomes (Costs)	-132	-1,5%	-243	-3,2%	111	-45,7%
Forex Gains (Losses)	255	2,8%	-640	-8,4%	895	-139,8%
Non recurring Incomes (Costs)	-121	-1,3%	-217	-2,9%	96	-44,2%
<b>EBT</b>	<b>2.522</b>	27,9%	<b>819</b>	10,8%	1.703	207,9%
Tax	308	3,4%	-187	-2,5%	495	-264,7%
<b>NET PROFIT (Loss)</b>	<b>2.214</b>	24,5%	<b>1.006</b>	13,3%	1.208	120,1%

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BALANCE SHEET	H1 2018	FY2017	changes
Work in progress	144	103	41
Trade credits	5.149	3.993	1.156
Tax Credits	11	42	-31
Other current credits	553	234	319
<b>(A) Current Assets</b>	<b>5.857</b>	<b>4.372</b>	<b>1.485</b>
Accounts payable	1.262	746	516
Tax Debts	385	295	90
Other current Debts	5.782	2.445	3.337
<b>(B) Current Liabilities</b>	<b>7.429</b>	<b>3.486</b>	<b>3.943</b>
<b>(A-B) Net Working Capital</b>	<b>-1.572</b>	<b>886</b>	<b>-2.458</b>
Tangible Assets	1.470	1.486	-16
Intangible Assets	36.982	37.416	-434
Financial Assets	19	28	-9
Tax Accounts	493	418	75
<b>(C) Non Current Assets</b>	<b>38.964</b>	<b>39.348</b>	<b>-384</b>
Severance pay and other funds	1.167	1.179	-12
Other non current Funds	49	46	3
Deferred Tax	203	141	62
<b>(D) Non Current Liabilities</b>	<b>1.419</b>	<b>1.366</b>	<b>53</b>
<b>(NWC+C-D) Net Invested Capital</b>	<b>35.973</b>	<b>38.868</b>	<b>-2.895</b>
Share Capital	18.155	18.155	0
Reserves	6.279	5.933	346
Profit (loss) previous years + reserves FTA/IAS	1.851	2.443	-592
Profit (loss) of the year	2.214	3.385	-1.171
<b>(E) Total Equity</b>	<b>28.499</b>	<b>29.916</b>	<b>-1.417</b>
Cash and Deposits	6.147	5.154	993
Bank Debts within 12 months	1.126	1.133	-7
Debts to other lenders	1.254	1.192	62
Convertible Bond	4.712	4.658	54
Bank Debts over 12 months	4.148	4.696	-548
Other non current Debts	2.381	2.427	-46
<b>(NFP) Net Financial Position</b>	<b>7.474</b>	<b>8.952</b>	<b>-1.478</b>
<b>(E+NFP) Total Sources</b>	<b>35.973</b>	<b>38.868</b>	<b>-2.895</b>

## PRESS RELEASE

CASH FLOW STATEMENT	H1 2018	H 2017
EBIT	2.520	1.919
Extraordinary and Forex Gain/Loss	134	-857
<b>NOPAT</b>	<b>2.654</b>	<b>1.062</b>
Depreciation and amortization	784	474
Total changes N.W.C.	2.093	2.192
Total changes in funds	5	-21
<b>Operating Cash Flow</b>	<b>5.536</b>	<b>3.707</b>
	% on Sales	48,8%
	% on Ebitda	146,2%
Capex	-325	-9.208
<b>Free Cash Flow to Firm</b>	<b>5.211</b>	<b>-5.501</b>
Interest paid	-67	-80
<b>Free Cash Flow Before Debt Repairment</b>	<b>5.144</b>	<b>-5.581</b>
Loan Repairment	-550	5.495
Equity changes	-3.601	-2.892
<b>Free Cash Flow to Equity</b>	<b>993</b>	<b>-2.978</b>
Cash beginning of the period	5.153	10.870
Cash at the end of the period	6.147	7.892

NET FINANCIAL POSITION	H1 2018	FY 2017	changes	% ch.
<b>Cash, Deposits and equivalents</b>	<b>6.147</b>	<b>5.154</b>	<b>993</b>	<b>19,3%</b>
Bank Debts within 12 months	-1.126	-1.133	7	-0,6%
Debts to other lenders within 12 months	-1.254	-1.192	-62	0,0%
<b>Current Financial Position</b>	<b>-2.380</b>	<b>-2.325</b>	<b>-55</b>	<b>2,4%</b>
<b>Current NET Financial Position</b>	<b>3.767</b>	<b>2.829</b>	<b>938</b>	<b>33,2%</b>
Bank Debts over 12 months	-4.148	-4.696	548	-11,7%
Other non current Debts over 12 months	-2.381	-2.427	46	-1,9%
Debts to other lenders over 12 months	-4.712	-4.658	-54	1,2%
<b>Non Current Financial Position</b>	<b>-11.241</b>	<b>-11.781</b>	<b>540</b>	<b>-4,6%</b>
<b>Net Financial Position</b>	<b>-7.474</b>	<b>-8.952</b>	<b>1.478</b>	<b>-16,5%</b>
<b>Net Financial Position (no PUT)</b>	<b>-5.093</b>	<b>-6.525</b>	<b>1.432</b>	<b>-21,9%</b>