

# 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 the Financial Software market, offering Risk, Treasury & Banking software solutions

It is developing a challenging internationalization and diversification process, driven by 3 business lines:

1. PITECO Spa, the leading Italian **Software House** for **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)
2. MYRIOS S.r.l., an Italian **Software House** offering **Risk Management, Capital Markets and Compliance software** to Banks & Large Corporates
3. 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

## PITECO GROUP FINANCIAL STATEMENTS H1 2019:

- **Revenues:** € 11,1 million, +23% (H1 2018: € 9,0 million)
- **EBITDA:** € 4,3 million, +31% (H1 2018: € 3,3 million); EBITDA margin 39%
- **Pre-tax Profit:** € 2,3 million, (H1 2018: € 2,5 million)
- **Net Profit:** € 2,1 million, (H1 2018: € 2,2 million)
- **Operating cash flow:** € 4,0 million (91% Ebitda)
- **Net Financial Position:** € 14,8 million (FY2018: € 15,3 million)
- **Net Financial Position including Put option:** € 26,4 million (FY2018: € 26,8 million)

On July 31, 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)

On September 25, 2018, Piteco Spa has been **admitted** on the main market **(MTA)**

section 2

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# Group 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 **three 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

Software sales (about 15% of annual revenues) allows PITECO to generate significant recurring revenues from maintenance fees (55% of revenues, steadily increasing year by year) and services with high added value (30% 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

# Presentation of Myrios

Myrios develops treasury, capital markets and risk management software:

**Myrios Financial Modelling**, a software solution dedicated to the manufacturing and service industries (40%) as well as to banks (60%). The solution helps clients with the complex calculations and procedures of the Finance & Risk Management areas.

The **business model** is based on software **rental license fees** and on methodological-functional advisory, ensuring high revenues leveraged on the consolidated customer portfolio.

The company has software engineers skilled in financial issues, financial analysts and professionals in the quantitative assessment of derivatives, securities, financial instruments and consultants with a strong knowledge of the processes.

Myrios is based in **Turin** and **Geneva (CH)** with 16 employees.

More than 50% of the turnover is represented by **recurring fees**, granting relevant cash-flow visibility. Software lumpsum licenses reach 20% of the turnover. The company offers **massive returns** and generates huge visible cash flows.

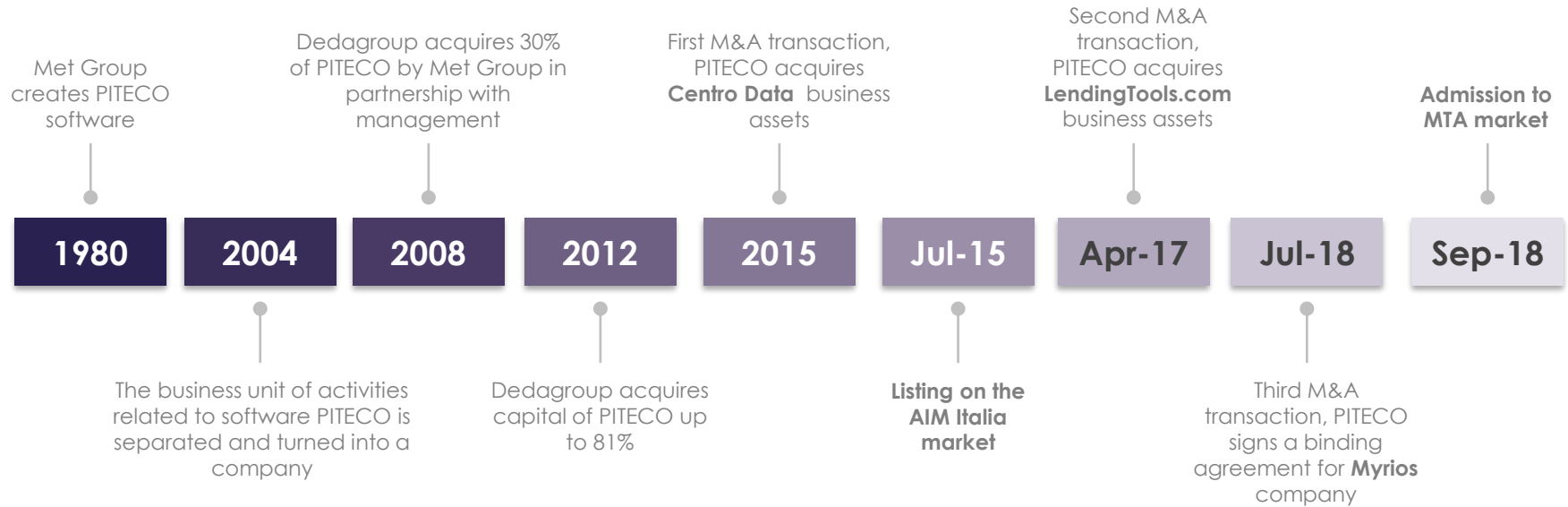
Myrios has high retention rate of rental contracts due to high flexible and scalable configuration as a result of recent design and innovative technology. This is one of the main reason for the success in the software substitution of competitors.



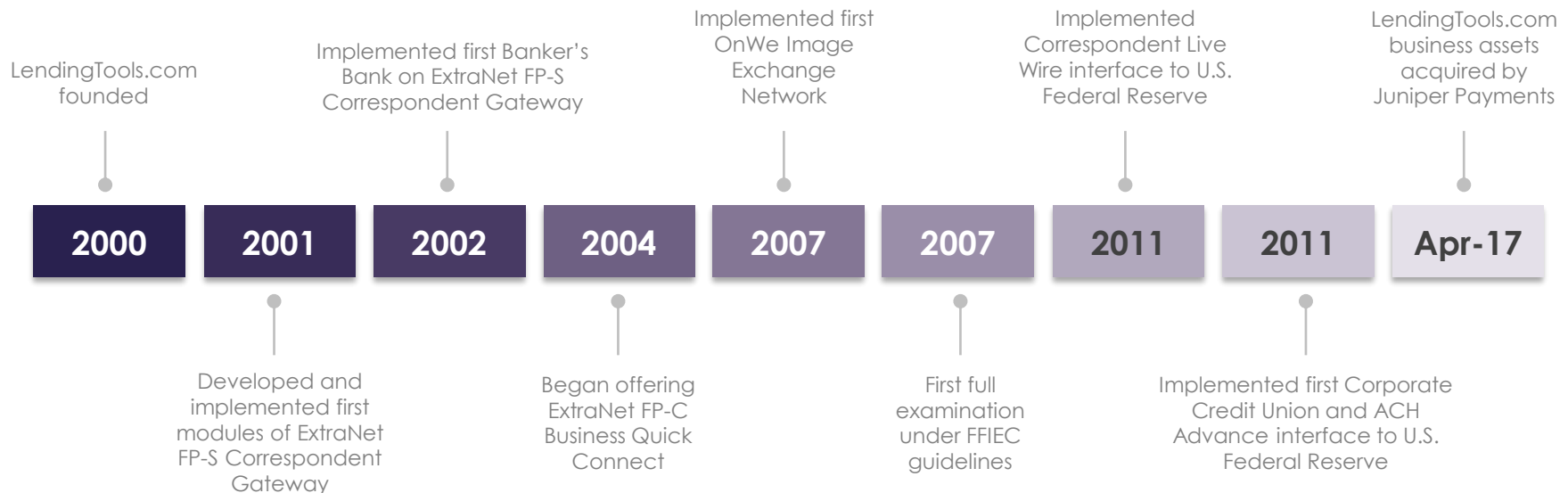


# Storyline

## PITECO

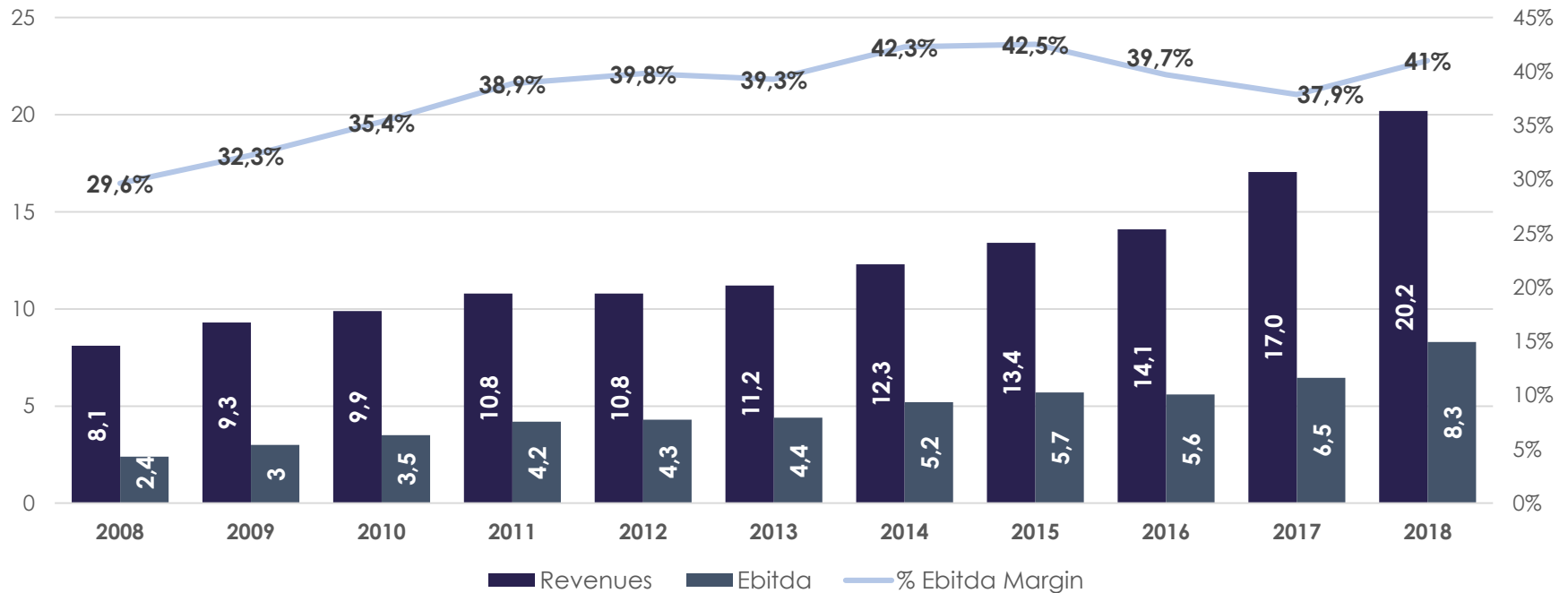


## JUNIPER



# PITECO Group at a glance

Financial Data 2008-2018 (€/m)



○ About **600 Corporate** clients for Cash Management and Financial Planning solutions in **42 different countries**

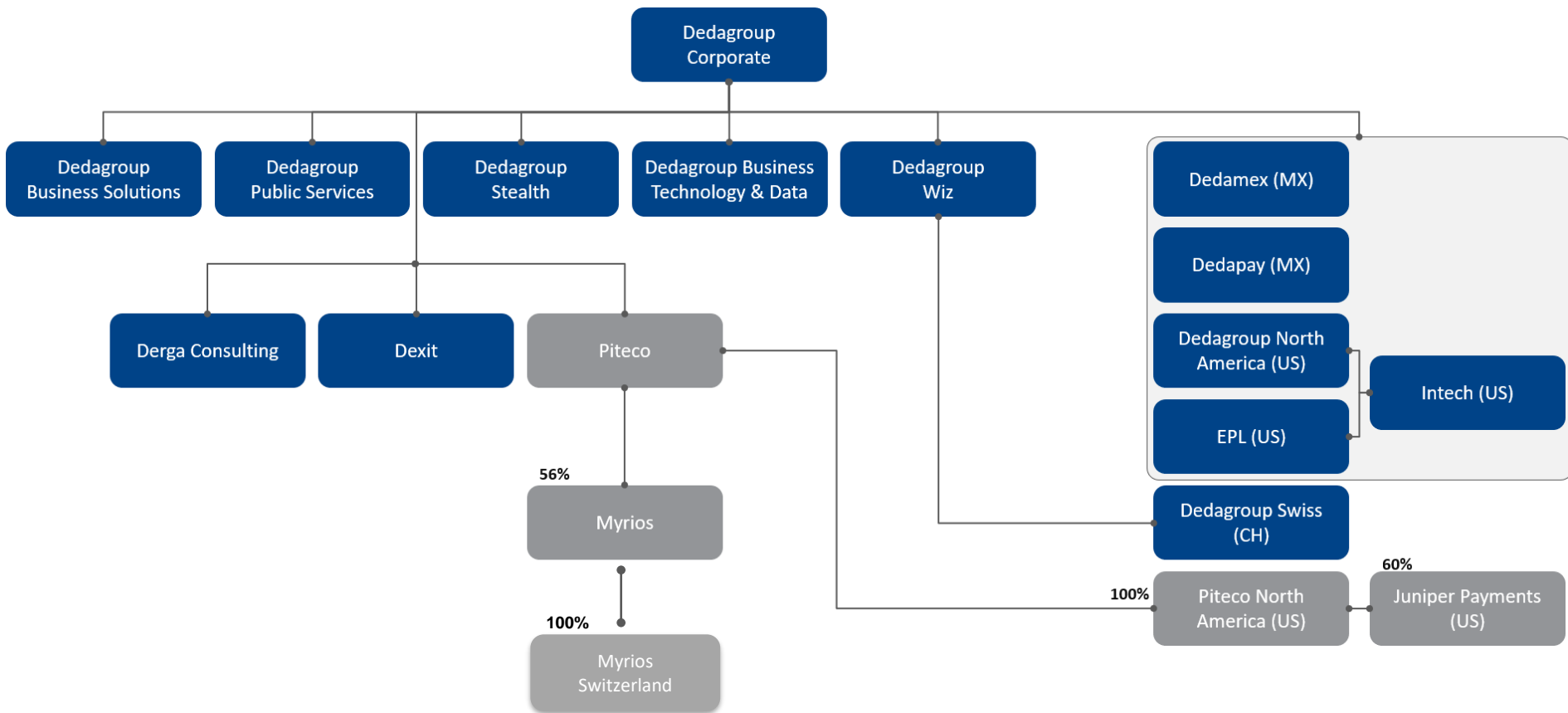
○ Approximately **65% of revenues** derives from **recurring fees** and it's continuously growing

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

○ **122 employees** in Italy (Milan, Rome, Padua, Turin), Switzerland and USA

○ About **50 Corporate & Bank** clients for Risk Management solutions in manufacturing and service industries.

# 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.

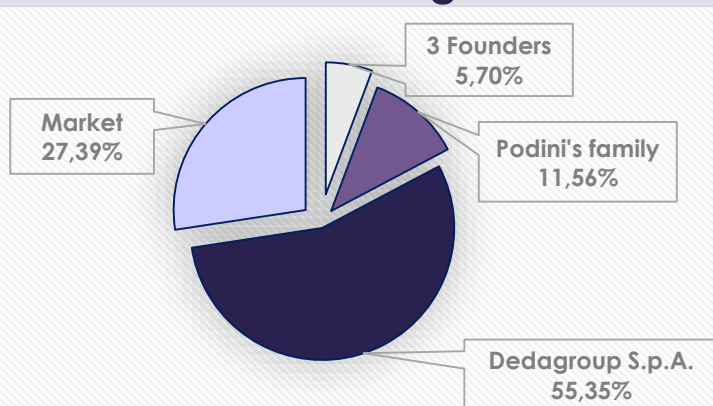
**Turn over group: 220 mln €**

**Turn over USA:** 25 MLN €

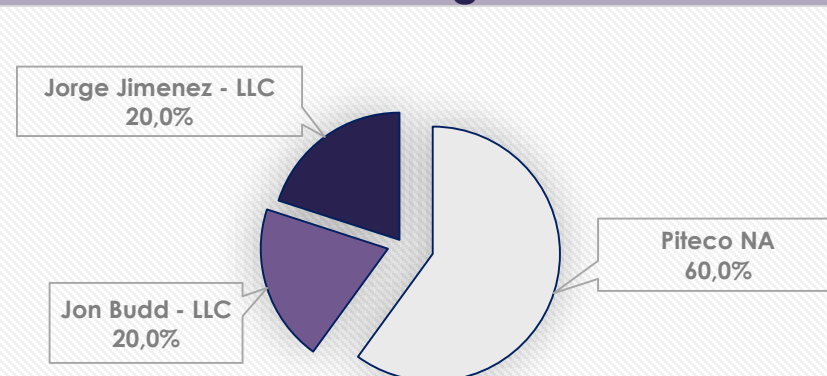
**Dedagroup people: + 1,600**

# Shareholding & Management

## Shareholding PITECO



## Shareholding 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:

Mauro Rossi (Independent)  
Maria Luisa Podini (Director)

Annamaria Di Ruscio (Independent)  
Francesco Mancini (Independent)

## BOARD OF DIRECTORS



**JORGE JIMENEZ**

CHAIRMAN



**JON BUDD**

CEO



**MARCO PODINI**

BOARD MANAGER

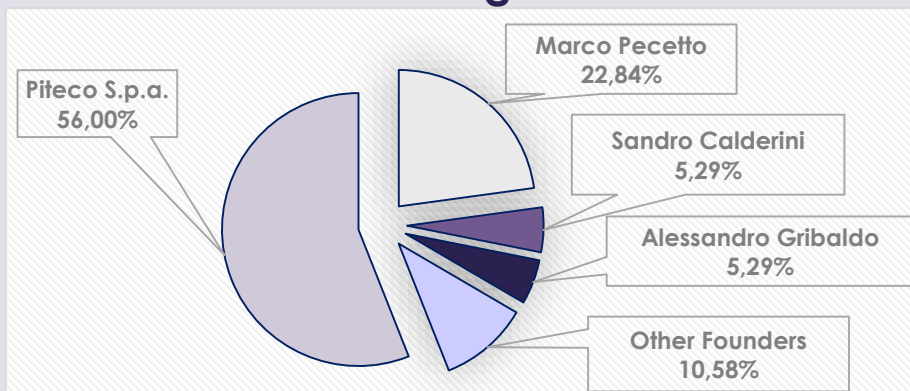


**ALESSANDRO POCHER**

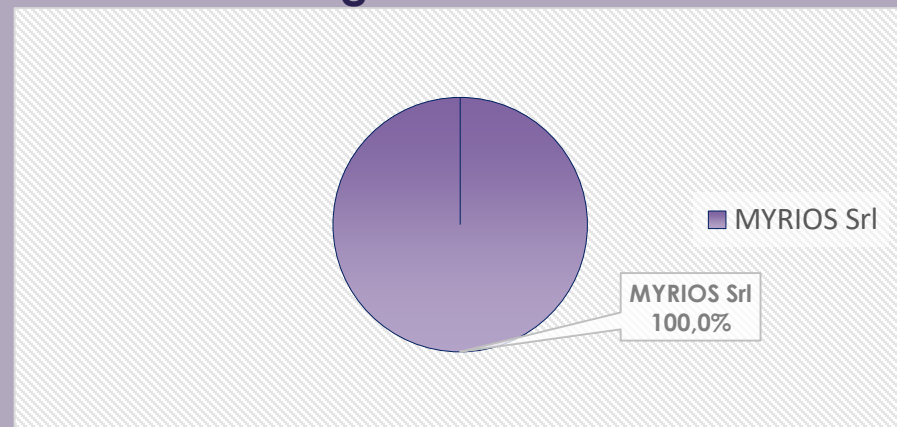
BOARD MANAGER

# Shareholding & Management

## Shareholding MYRIOS



## Shareholding MYRIOS SWITZERLAND



## BOARD OF DIRECTORS

MARCO PODINI  
CHAIRMAN

MARCO PECETTO  
FOUNDING PARTNER  
CEO

PAOLO VIRENTI  
BOARD MANAGER

ALESSANDRO GRIBALDO  
FOUNDING PARTNER  
CIO

RICCARDO VENEZIANI  
BOARD MANAGER

## BOARD OF DIRECTORS

MARCO PECETTO  
CHAIRMAN

ROBERT DE PICCIOTTO  
EXECUTIVE MANAGER

RICCARDO VENEZIANI  
BOARD MANAGER

PAOLO VIRENTI  
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 and the majority shareholding of MYRIOS Srl

**(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

## acquisition of majority stake in Myrios Srl

The company acquired the majority stake (56%) in **Myrios Srl**, with effect from **15 October 2018**, by the founding shareholders, remaining in the company to run the business.

The majority shares have been paid for a first part of the price, equal to **Euro 7,7 million**.

A second and third part of the price will be paid according to an "earn out" on 2018 and 2019 Financial Statements, according to a formula that takes into account the growth of MYRIOS' Ebitda.

The founding shareholders have a put option for the remaining 44% of the share capital, exercisable in the period between the approval of the financial statements 2020 - 2024.

At least 50% of the exercise price will be paid for by assigning Piteco SpA shares.

Financials	FY2017	FY2018
Turnover	2,8 ml	3,0 ml
EBITDA	1,5 ml	1,8 ml
Net Profit	1,1 ml	1,3 ml
Employees	14	15

The logo for Myrios, featuring the word "myrios" in a lowercase, sans-serif font. The "myri" part is in a dark blue color, and the "os" part is in a lighter blue color.

# 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 the 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>Capital Injection</b>	<b>\$ 13 ml</b>
- equity	\$ 3 ml
- I/C debt (10 Y: 2,5%)	\$ 10 ml
<b>Financial FY2018</b>	
Turnover	\$ 5.3 ml
EBITDA	\$ 2,2 ml
EBIDA margin	42,2%



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



# M&A activity

## Business Assets from Centro Data

The company acquired the **Business Assets from Centro Data S.r.l.** with effect from **1 July 2015**. Centro Data S.r.l. is providing solutions for financial transactions reconciliation and complex data matching. (**MATCHIT software**).

This acquisition has allowed the company to add **new software modules** to its offer, in areas corresponding the current core business and about **50 new clients** mainly in areas not completely covered by the company, as insurance and consumer credit.

<b>Equivalent</b>	<b>€ 1.085.000</b>
- <i>cash</i>	<i>55,3%</i>
- <i>debt</i>	<i>23,9%</i>
- <i>anticipated revenue</i>	<i>20,8%</i>
<b>Turnover 2016</b>	<b>€ 1.350.000</b>
<b>Number of Clients</b>	<b>50</b>



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)

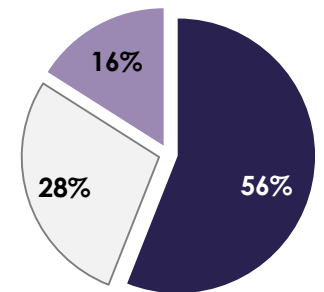


**Maintenance**: recurrent annual maintenance fee, on average **€11.000** (showing steady growth and inflation linked) and invoiced in advance



**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 2018 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>FACTORING</b>	Credit management.
<b>FINANCIAL CONTROL AND RISK MANAGEMENT</b>	<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>GLOBAL FINANCIAL REPORTING</b>	Advanced tool for management of the financial reporting.
<b>ECONOMIC &amp; FINANCIAL PLANNING</b>	<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.

# 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

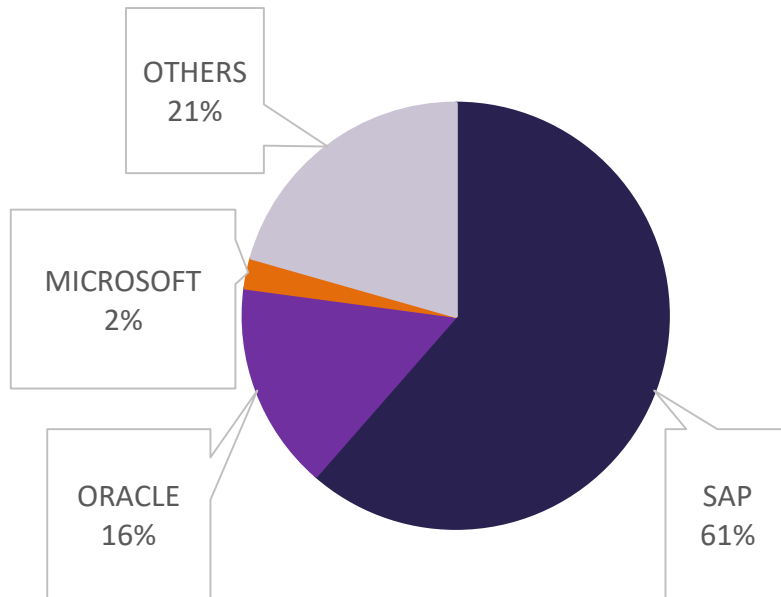
- Multiple payment disposals vs invoices/credit notes for GDO suppliers;
- Broker account statements vs issued insurance policies;
- Long/short term loans collection vs financing practices for Consumer Credit;
- Corporate billing vs collective collection for Multiutility;
- Front and back end data reconciliation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

## Better performance

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

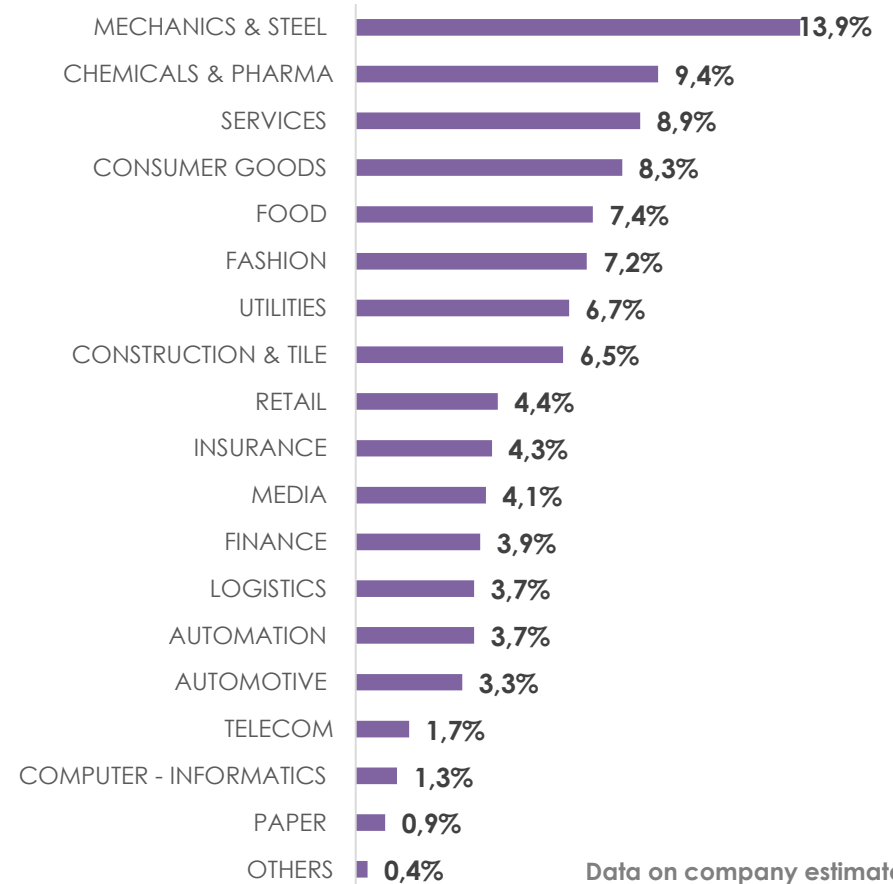
# PITECO clients

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%



# Examples of Clients



*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

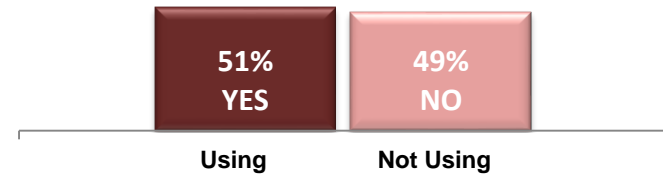
# Future growth of the Treasury Management Systems industry

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

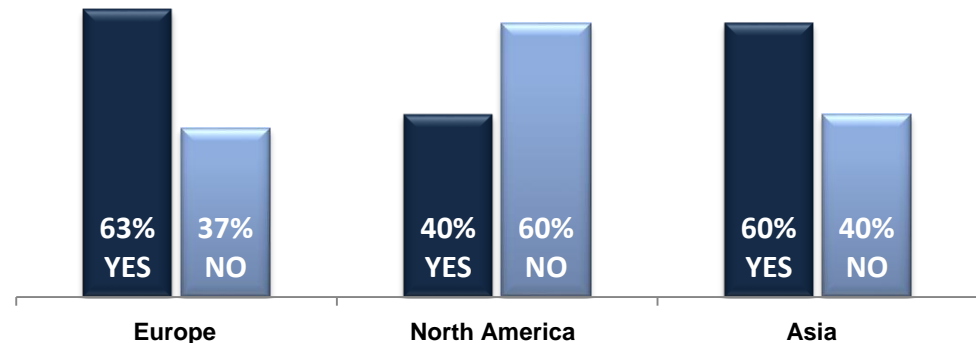
...As revealed by the latest survey published by Bloomberg in April 2016, **only 51% of the surveyed companies** already uses a Software to manage their Treasury (TMS).

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).

Companies using TMS

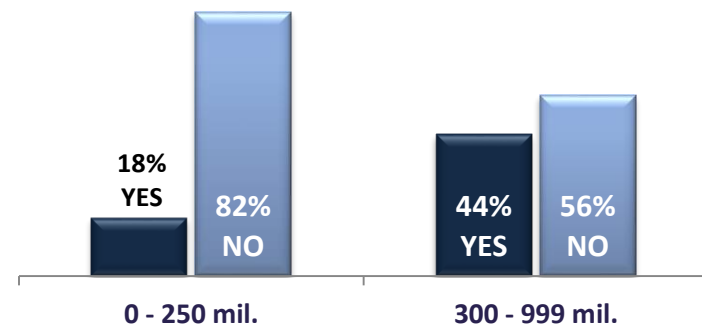


Companies using TMS



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.

TMS use per corporate revenue size



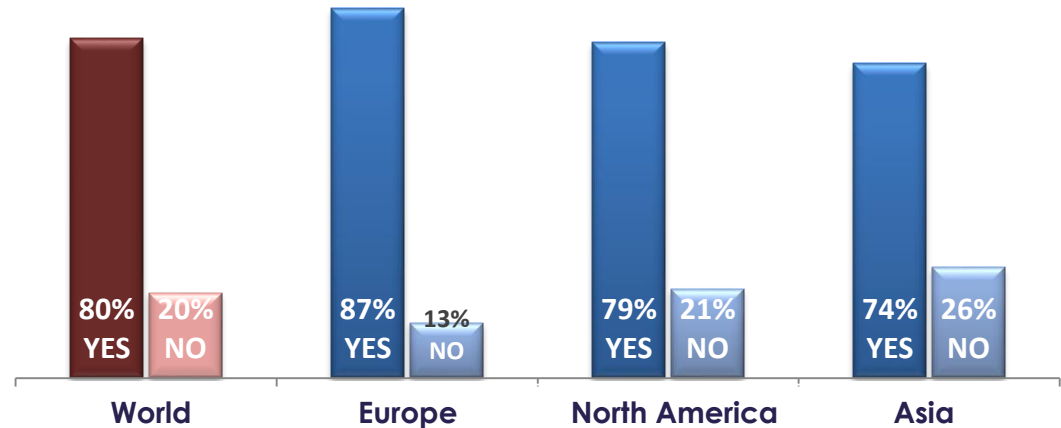
# Current trends in the TMS industry

## 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

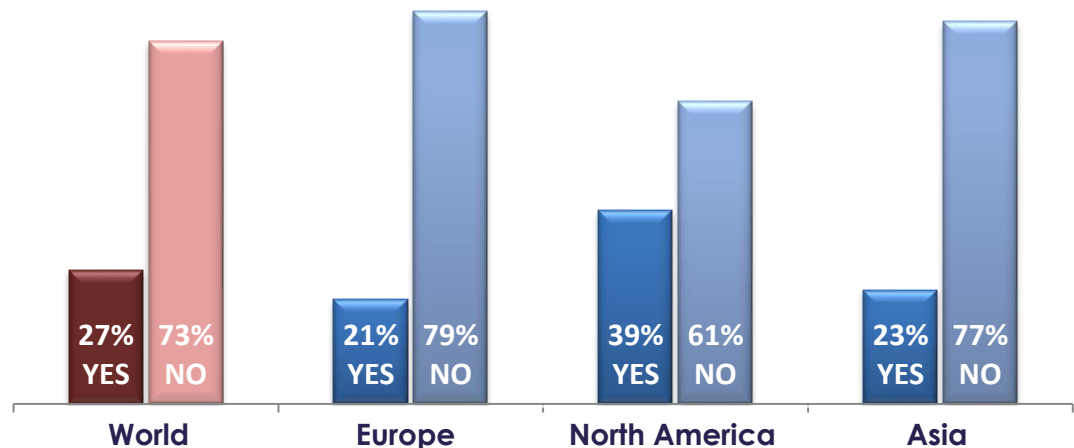


### 2. Cloud or not ?

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

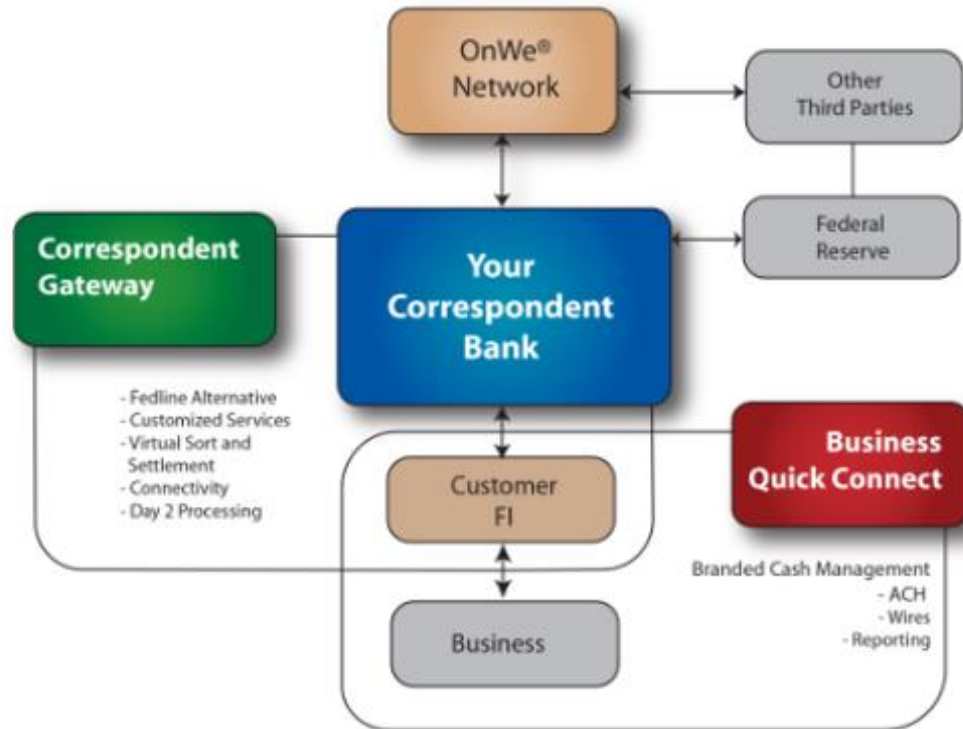


# Juniper's product families

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

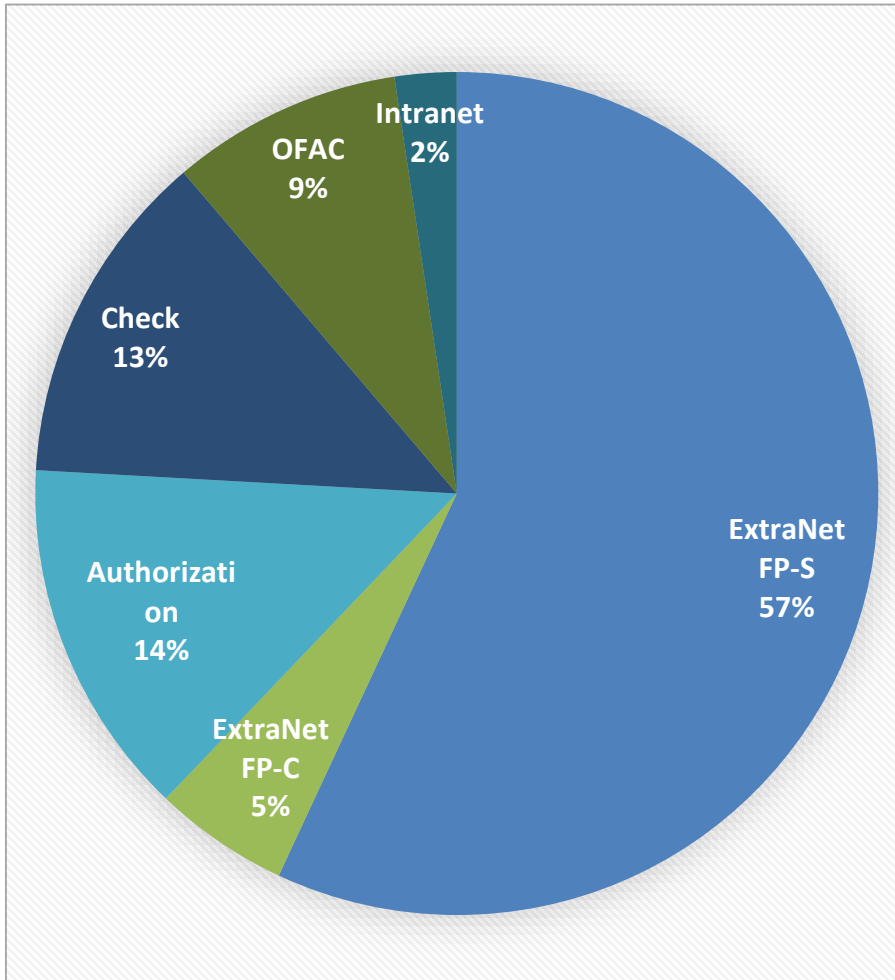
- Business customer entry level program for Automated Clearing House (ACH) and wire transfer payments
- Facilitates one-time payments, templates for repetitive payments and upload of formatted payment files from other systems
- Integrated Office of Foreign Asset Control (OFAC) scanning for compliance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

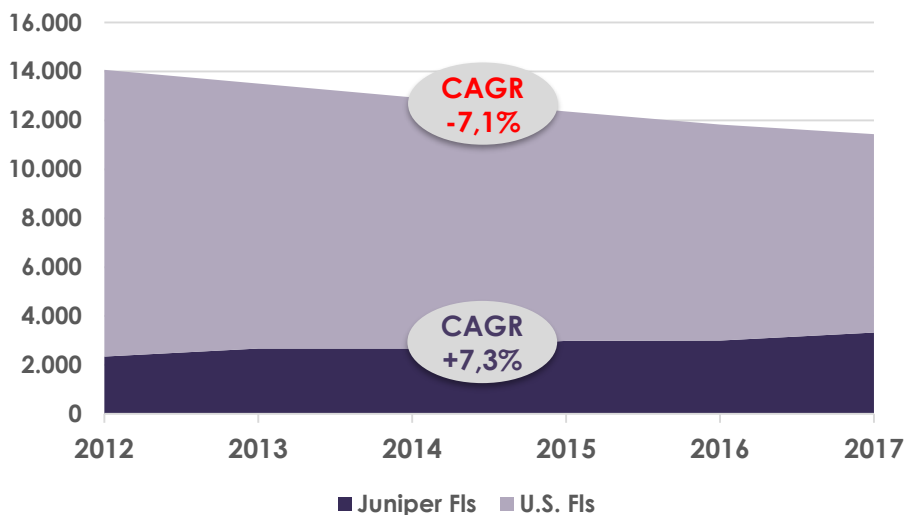
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# Market info

# 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)

Totale 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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# MYRIOS

*section 5.1*

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



**Enhancements:** Customers often purchase a subset of total modules 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.

**Multi-year contracts with automatic renewal**

**Revenues massive increase as a result of new modules and additional implementation**

# Myrios' product families

Myrios FM is a software solution dedicated to processes in the Finance & Risk Management areas.

## Forex

- Exposure
- FX Hedging
- Market Data
- Real Time Evaluation
- Deal Management
- Hedge Accounting
- Reporting

## Commodity

- Exposure
- Commodity Hedging
- Market Data
- Deal Management
- Hedge Accounting
- Reporting

## Debt

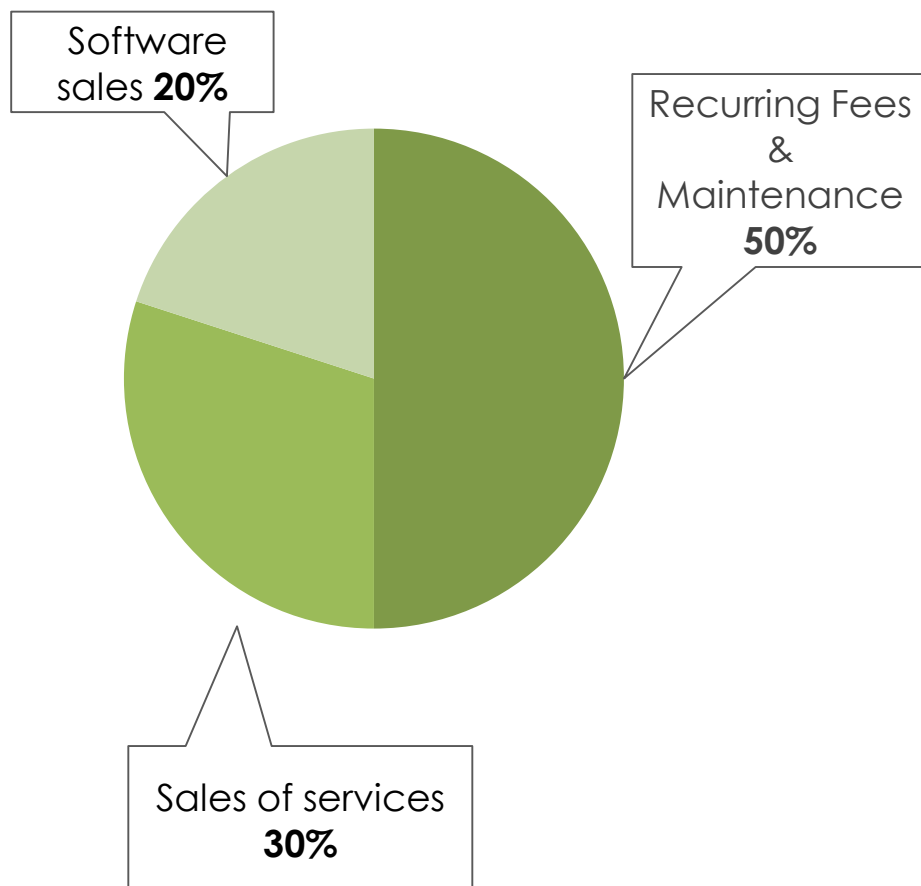
- Exposure
- Interest Rate Hedging
- Market Data
- Deal Management
- Real Time Evaluation
- Hedge Accounting
- Reporting

## Investments

- Financial Instruments<sup>1,19</sup>
- Market Data
- Portfolio Analysis
- Accounting
- Reporting

# Myrios clients

Sales Breakdown by product.  
Revenue is for the period FY 2018



## Example of clients



section 6

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# Listing on the Stock Exchange

# Listing on the Stock Exchange

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

## ISSUED INSTRUMENTS

Stock		Convertible Bond	
ISIN code	IT0004997984	ISIN code	IT0005119083
IPO value	€ 3,30	Issued	€ 5 mln
Value at September 30, 2019	€ 5,20	Coupon	4,5%
Capital Raised on IPO	€ 11,5 mln	Maturity	2015-2020
Market Cap at Sept. 30, 2019	€ 94,5 mln	Strike price	€ 4,20

Performance of the stock since the IPO day (July 31, 2015) to Sept 30, 2019



section 7

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# Financial Results

## IAS-IFRS

# Income Statement Piteco Group H1 2019/2018

Data in EUR/1000

Profit and Loss	H1 2019	% on turnover	H1 2018	% on turnover	changes	% ch.
Net Sales Revenues	10.587	95,4%	8.831	97,7%	1.756	19,9%
Other Revenues	433	3,9%	200	2,2%	233	116,5%
Work in Progress change	80	0,7%	6	0,1%	74	1233,3%
<b>TURNOVER</b>	<b>11.100</b>	<b>100,0%</b>	<b>9.037</b>	<b>100,0%</b>	<b>2.063</b>	<b>22,8%</b>
Raw Materials	150	1,4%	161	1,8%	-11	-6,8%
Services	1.965	17,7%	1.620	17,9%	345	21,3%
Labour Costs	4.564	41,1%	3.920	43,4%	644	16,4%
Other Costs	79	0,7%	15	0,2%	64	426,7%
<b>TOTAL OPERATING COST</b>	<b>6.758</b>	<b>60,9%</b>	<b>5.716</b>	<b>63,3%</b>	<b>1.042</b>	<b>18,2%</b>
<b>EBITDA</b>	<b>4.342</b>	<b>39,1%</b>	<b>3.321</b>	<b>36,7%</b>	<b>1.021</b>	<b>30,7%</b>
Depreciation & Amortization	1.404	12,6%	801	8,9%	603	75,3%
<b>EBIT</b>	<b>2.938</b>	<b>26,5%</b>	<b>2.520</b>	<b>27,9%</b>	<b>418</b>	<b>16,6%</b>
Financial Incomes/Costs	-571	-5,1%	-132	-1,5%	-439	332,6%
Forex Gains/Losses	45	0,4%	255	2,8%	-210	-82,4%
Non recurring Incomes/Costs	-143	-1,3%	-121	-1,3%	-22	18,2%
<b>EBT</b>	<b>2.269</b>	<b>20,4%</b>	<b>2.522</b>	<b>27,9%</b>	<b>-253</b>	<b>-10,0%</b>
Tax	220	2,0%	308	3,4%	-88	-28,6%
<b>NET PROFIT (Loss)</b>	<b>2.049</b>	<b>18,5%</b>	<b>2.214</b>	<b>24,5%</b>	<b>-165</b>	<b>-7,5%</b>

Di seguito si evidenziano EBIT, EBITDA e NET PROFIT ADJUSTED al netto dei maggiori ammortamenti derivanti dall'acquisizione di MYRIOS Srl di Euro 332.000 derivanti dalla applicazione del IFRS 3 in sede di consolidamento.

Depreciation & Amortization	1.072	9,7%	801	8,9%	271	33,8%
<b>EBIT ADJUSTED</b>	<b>3.270</b>	<b>29,5%</b>	<b>2.520</b>	<b>27,9%</b>	<b>750</b>	<b>29,8%</b>
Financial Incomes/Costs	-571	-5,1%	-132	-1,5%	-439	332,6%
Forex Gains/Losses	45	0,4%	255	2,8%	-210	-82,4%
Non recurring Incomes/Costs	-143	-1,3%	-121	-1,3%	-22	18,2%
<b>EBT ADJUSTED</b>	<b>2.601</b>	<b>23,4%</b>	<b>2.522</b>	<b>27,9%</b>	<b>79</b>	<b>3,1%</b>
Tax	323	2,9%	308	3,4%	15	4,9%
<b>NET PROFIT ADJUSTED</b>	<b>2.278</b>	<b>20,5%</b>	<b>2.214</b>	<b>24,5%</b>	<b>64</b>	<b>2,9%</b>

# Balance Sheet Piteco Group H1 2019- FY 2018

Data in EUR/1000

Balance Sheet	H1 2019	FY2018	changes
Work in progress	208	128	80
Trade credits	8.280	4.680	3.600
Tax Credits	22	28	-6
Other current credits	712	501	211
<b>(A) Current Assets</b>	<b>9.222</b>	<b>5.337</b>	<b>3.885</b>
Accounts payable	1.065	673	392
Tax Debts	451	172	279
Other current Debts	7.652	3.515	4.137
<b>(B) Current Liabilities</b>	<b>9.168</b>	<b>4.360</b>	<b>4.808</b>
<b>(A-B) Net Working Capital</b>	<b>54</b>	<b>977</b>	<b>-923</b>
Tangible Assets	2.427	2.098	329
Intangible Assets	57.487	58.301	-814
Financial Assets	19	23	-4
Tax Accounts	543	462	81
<b>(C) Non Current Assets</b>	<b>60.476</b>	<b>60.884</b>	<b>-408</b>
Severance pay and other funds	1.369	1.294	75
Other non current Funds	52	50	2
Deferred Tax	2.495	2.587	-92
<b>(D) Non Current Liabilities</b>	<b>3.916</b>	<b>3.931</b>	<b>-15</b>
<b>(NWC+C-D) Net Invested Capital</b>	<b>56.614</b>	<b>57.930</b>	<b>-1.316</b>
Share Capital	18.247	18.155	92
Reserves	7.654	5.901	1.753
Profit (loss) previous years + reserves FTA/IAS	2.253	1.815	438
Profit (loss) of the year	2.049	5.265	-3.216
<b>(E) Total Equity</b>	<b>30.203</b>	<b>31.136</b>	<b>-933</b>
Cash and Deposits	1.947	5.572	-3.625
Current financial asset	0	262	-262
Bank Debts within 12 months	2.580	1.960	620
Debts to other lenders	870	4.119	-3.249
Other non current Debts (Conv.Bonds, Lease)	4.741	5.352	-611
Bank Debts over 12 months	8.548	9.685	-1.137
Other non current Debts (Put Options)	11.619	11.512	107
<b>(NFP) Net Financial Position</b>	<b>26.411</b>	<b>26.794</b>	<b>-383</b>
<b>(E+NFP) Total Sources</b>	<b>56.614</b>	<b>57.930</b>	<b>-1.316</b>



# Summary by Business Sector Piteco Group H1 2019/2018

Data in EUR/1000

	H1 2019				H1 2018		changes	
PROFIT AND LOSS	Total	Treasury	Banking	Risk Mng	Treasury	Banking	Treasury	Banking
Net Sales Revenues	10.587	7.003	2.228	1.356	6.655	2.176	5,2%	2,4%
Other Revenues	433	374	31	28	170	30	120,0%	3,3%
Work in Progress change	80	18	0	62	6	0	200,0%	#DIV/0!
<b>Turnover (Total Revenues)</b>	<b>11.100</b>	<b>7.395</b>	<b>2.259</b>	<b>1.446</b>	<b>6.831</b>	<b>2.206</b>	<b>8,3%</b>	<b>2,4%</b>
Raw materials	150	140	1	9	154	7	-9,1%	-85,7%
Labour costs	4.564	3.310	726	528	3.122	798	6,0%	-9,0%
Services	1.965	1.097	753	115	1.120	500	-2,1%	50,6%
Other Costs	79	18	8	53	12	3	50,0%	166,7%
<b>Total Operating Costs</b>	<b>6.758</b>	<b>4.565</b>	<b>1.488</b>	<b>705</b>	<b>4.408</b>	<b>1.308</b>	<b>3,6%</b>	<b>13,8%</b>
<b>EBITDA</b>	<b>4.342</b>	<b>2.830</b>	<b>771</b>	<b>741</b>	<b>2.423</b>	<b>898</b>	<b>16,8%</b>	<b>-14,1%</b>
Ebitda Margin (%)	39,1%	38,3%	34,1%	51,2%	35,5%	40,7%		

# Net Financial Position Piteco Group H1 2019/FY2018

Data in EUR/1000

Net Financial Position	H1 2019	FY 2018	changes	% ch.
<b>Cash, Deposits and equivalents</b>	<b>1.947</b>	<b>5.572</b>	<b>-3.625</b>	<b>-65,1%</b>
Current Financial Assets	0	262		
Bank Debts within 12 months	-2.580	-1.960	-620	31,6%
Debts to other lenders within 12 months	-870	-4.119	3.249	0,0%
<b>Current Financial Position</b>	<b>-3.450</b>	<b>-5.817</b>	<b>2.367</b>	<b>-40,7%</b>
<b>Current NET Financial Position</b>	<b>-1.503</b>	<b>-245</b>	<b>-1.258</b>	<b>513,5%</b>
Bank Debts over 12 months	-8.548	-9.685	1.137	-11,7%
Other non current Debts over 12 months	0	0	0	#DIV/0!
Debts to other lenders over 12 months	-4.741	-5.352	611	-11,4%
<b>Non Current Financial Position</b>	<b>-13.289</b>	<b>-15.037</b>	<b>1.748</b>	<b>-11,6%</b>
<b>Net Financial Position</b>	<b>-14.792</b>	<b>-15.282</b>	<b>490</b>	<b>-3,2%</b>
Put Options over 12 months	-11.619	-11.512	-107	<b>0,9%</b>
<b>NET Financial Position with PUT</b>	<b>-26.411</b>	<b>-26.794</b>	<b>383</b>	<b>-1,4%</b>

# Cash Flow Statement Piteco Group H1 2019/2018

Data in EUR/1000

Cash Flow Statement	H1 2019	H1 2018
<b>NET PROFIT (Loss)</b>	<b>2.049</b>	<b>2.214</b>
Financial Incomes (Costs)	570	132
Taxes	220	308
Depreciation and amortization	1.377	784
Increases in fixed assets for internal processing	- 231	- 30
<b>Cash Flow from operation before change in NWC</b>	<b>3.985</b>	<b>3.408</b>
Financial Incomes (Costs) paid	- 466	- 67
Taxes paid	- 88	-
Total changes N.W.C.	501	2.093
Total changes in Funds	35	5
<b>Operating Cash Flow</b>	<b>3.967</b>	<b>5.439</b>
Capex	58	- 51
<b>Free Cash Flow Before Debt Repairment</b>	<b>4.025</b>	<b>5.388</b>
Loan Disbursement (Repayment)	- 4.932	- 504
Financial Changes (options, etc..)	- 241	- 331
Equity Changes	- 2.795	- 3.561
<b>Financial Changes</b>	<b>- 7.968</b>	<b>- 4.396</b>
<b>Changes in Liquidity</b>	<b>- 3.943</b>	<b>992</b>
<b>Cash beginning of the period</b>	<b>5.572</b>	<b>5.153</b>
<b>Cash at the end of the period</b>	<b>1.628</b>	<b>6.147</b>



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