

PRESS RELEASE

**PITECO GROUP**  
**GROWTH ACCELERATES IN THE FIRST HALF OF 2019**  
**REVENUES + 23%, EBITDA + 31%**

- Revenues: € 11.1 million, + 23% (H1 2018: € 9.0 million)
- Revenues from recurring fees + 18% vs H1 2018
- EBITDA: € 4.3 million (39% Ebitda margin), + 31% (H1 2018: € 3.3 million)
- Profit before tax: € 2.3 million, ADJUSTED: € 2.6 million (H1 2018: € 2.5 million)
- Net profit: € 2.0 million, ADJUSTED: € 2.3 million (H1 2018: € 2.2 million)
- Operating Cash Flow: € 4.0 million, 91% of EBITDA
- Net Financial Position: €14.8 million (FY 2018: € 15.3 million)
- Net Financial Position including PUT options: € 26.4 million (FY 2018: € 26.8 million)

Milan, 27 September 2019

The Board of Directors of PITECO, a company listed on the MTA market and reference player in the financial software sector, today approved the consolidated half-year financial report as at 30 June 2019, prepared in accordance with IAS / IFRS accounting standards.

**Marco Podini**, Piteco chairman: *"The very positive results recorded in the first half of 2019 highlight the Group's ability to generate sustainable value for shareholders and the effectiveness of the strategy set, which envisages both strengthening in the sectors already covered and the acquisition and integration of excellent companies in the Italian and international market. On the Italian cash management and financial planning market, the parent company PITECO Spa confirms its leadership with excellent performance in terms of growth and margins (revenues + 8%, EBITDA + 17%) and the acquisition of 30 new customers, among which stand out companies such as Manpower, Bologna Marconi Airport and Miroglio Group. Thanks also to the positive contribution of the US subsidiary Juniper Payments LLC in the Banking sector and of Myrios Srl in the Risk Management software sector, in the first half the Group recorded a 23% increase in overall revenues, confirming the growth trend of revenues from Recurring fees and proprietary software licenses."*

**Main consolidated results as of June 30, 2019**

**Revenues** amounted to € 11.1 million and recorded an increase of 23% compared to € 9.0 million in H1 2018, as a result of the good performance of the historical business sectors and thanks to the contribution of the subsidiary Myrios Srl acquired in October 2018 (€ 1.4 million). The trend in recurring fees was very positive, increasing overall by 18% compared to H1 2018 and one-shot sales of proprietary software (+ 47% vs H1 2018). Revenues from Services, on the other hand, increased by 17%.

**EBITDA** is € 4.3 million, 31% higher than H1 2018 (€ 3.3 million). The performance recorded is better compared to the increase in revenues as the increase in operating costs is limited to 18% compared to H1 2018.

## PRESS RELEASE

**Profit before taxes** is € 2.3 million. Compared to H1 2018 (€ 2.5 million), it was affected by extraordinary expenses of € 143,000, mainly related to the startup of the Myrios Switzerland SA company, established in Geneva with the aim of accelerating diffusion in the European corporate market, and an increase in the Financial charges of which € 295,000 relating to the updating of the value of the PUT Options relating to the residual 40% of the capital of Juniper Payments LLC and 46% of Myrios Srl. We also note the presence of higher depreciation coming from the acquisition of MYRIOS Srl of € 429,000, of which € 332,000 coming from the application of IFRS 3 at the time of consolidation which would lead to an **Adjusted Result of € 2.6 million**.

**Net Profit**, equal to € 2.0 million (€ 2.2 million in H12018), is in line with the factors described above and with the confirmation of the tax benefits deriving from the subjection of a large part of revenues to the subsidized regime " Patent Box "also for the new subsidiary Myrios Srl. **Adjusted Net Profit amounts to Euro 2.3 million**.

**Cash flows** confirmed the very high cash conversion capacity of the Group during the half-year. **Operating Cash Flow** amounts to € 4.0 million in the half-year and represents 91% of EBITDA.

**Net Financial Position** at 30 June 2019 is € 14.8 million (at 31 Dec 2018 it was € 15.3 million) without considering the PUT options relating to the residual 40% of the capital of Juniper Payments LLC and 46% of Myrios Srl (the latter provides for the minimum payment of 50% with assignment of PITECO Spa shares). The NFP which includes the value of the PUT options amount to € 26.4 million (at 31 Dec 2018 it was € 26.8 million).

In the first-half, dividends distributed to shareholders amount at € 2.7 million.

### **Significant events after June 30, 2019 and predictable evolution of operations**

No significant events occurred after June 30, 2019.

The management of the Group is confident about the continued growth in revenues in the second half of the year related to the positive signals coming from the market, in particular we point out that Piteco Spa has so far already signed 30 contracts with new customers (compared to 37 in FY 2018) including, after the end of the semester, the Spanish insurance company Reale Seguros and that Myrios Srl started very important projects with new customers, including Telecom Italia Spa and Medio Credito Centrale.

*The Consolidated Half-Year Financial Report as at 30 June 2019 will be made available to the public, within the terms of law, at the registered office, on the website [www.pitecolab.it](http://www.pitecolab.it) (Investor Relations section - Financial Statements and Reports) and on the authorized storage mechanism Info ([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 can be consulted on the websites [www.pitecolab.it](http://www.pitecolab.it) and [www.1info.it](http://www.1info.it)*

**PITECO Group (PITE: IM)** is an international leader in the financial software sector. With over 120 employees in Italy, USA and Switzerland it is characterized by an important organic growth supported by an intense activity of M&A. The business model is characterized by the high level of revenue visibility (recurring fees of around 65%), high profitability and cash generation. The Group has a large portfolio of highly loyal customers from different sectors and operates through 3 business areas:

- **TREASURY MANAGEMENT:** Piteco S.p.A. is the leading software house in Italy in Corporate Treasury Management solutions and Financial Planning, with over 600 national and international groups active in all Industrial sectors (excluding Banks and P.A.). On the market for over 30 years, it covers the entire software value chain: R&D, design, implementation, sales and

## PRESS RELEASE

assistance. The software is wholly owned and can be integrated with the main corporate information systems (Oracle, SAP, Microsoft etc.), which can be customized according to the Customer's needs and is present in over 40 countries.

- **BANKING:** the subsidiary Juniper Payments LLC is leader in US market with proprietary solutions in the digital payments and clearing house sector. It manages the accounting regulation of interbank financial flows (bank transfers and check cashing) of about 3,300 US banks and 3 billion \$ a day. Represents one of the largest US interbank networks.

- **FINANCIAL RISK MANAGEMENT:** the subsidiary Myrios S.r.l. is an Italian software house that offers Risk Management, Capital Markets and Compliance services to banks and large companies.

In 2019, the company Myrios Switzerland S.A. was set up in Geneva to distribute the group's software solutions to the Suisse financial market.

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

### CONTACTS:

#### INVESTOR RELATIONS

IR Top Consulting | Maria Antonietta Pireddu | [m.pireddu@irtop.com](mailto:m.pireddu@irtop.com) | T +390245473884 | Via C. Cantù, 1 Milano

#### FINANCIAL MEDIA RELATIONS

IR Top Consulting | Domenico Gentile | [d.gentile@irtop.com](mailto:d.gentile@irtop.com) | T +390245473884 | Via C. Cantù, 1 Milano

#### SPECIALIST

CFO SIM S.p.A. | Filippo Palmarini | [filippomaria.palmarini@cfsim.com](mailto:filippomaria.palmarini@cfsim.com) | T +3902303431 | Via dell'Annunciata 23/4 Milano

All the attached documents are prepared in compliance with the International Accounting Standards (IAS / IFRS). The figures as of 30 June 2019 are subject to a limited review by the Auditing Company KPMG Spa:

- Profit & Loss
- Balance Sheet
- P&L by Business Sector
- Net Financial Position
- Cash Flow Statement

PRESS RELEASE

PITECO GROUP

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>	100,0%	<b>9.037</b>	100,0%	2.063	22,8%
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>	60,9%	<b>5.716</b>	63,3%	1.042	18,2%
<b>EBITDA</b>	<b>4.342</b>	39,1%	<b>3.321</b>	36,7%	1.021	30,7%
Depreciation & Amortization	1.404	12,6%	801	8,9%	603	75,3%
<b>EBIT</b>	<b>2.938</b>	26,5%	<b>2.520</b>	27,9%	418	16,6%
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>	20,4%	<b>2.522</b>	27,9%	-253	-10,0%
Tax	220	2,0%	308	3,4%	-88	-28,6%
<b>NET PROFIT (Loss)</b>	<b>2.049</b>	18,5%	<b>2.214</b>	24,5%	-165	-7,5%

The following EBIT, EBITDA and NET PROFIT ADJUSTED net of the higher depreciation deriving from the acquisition of MYRIOS Srl of € 332,000 deriving from the application of IFRS 3 upon consolidation.

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>

PRESS RELEASE

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 etc..)	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>

## PRESS RELEASE

SUMMARY BY BUSINESS SECTOR	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	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	0,9%
<b>NET Financial Position with PUT</b>	<b>-26.411</b>	<b>-26.794</b>	<b>383</b>	<b>-1,4%</b>

## PRESS RELEASE

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>