

Cari investitori,

la nostra società aveva programmato la partecipazione a due importanti incontri con gli investitori internazionali, a Parigi durante il mese di aprile e a Francoforte a maggio, che dati gli eventi legati alla pandemia sono stati ovviamente annullati.

Ci sentiamo però in dovere di mantenere il contatto con la comunità finanziaria e con i nostri investitori attuali e potenziali e abbiamo quindi preparato questa presentazione per dare un aggiornamento non solo sui risultati dell'anno trascorso ma anche una rinnovata visione sull'operatività completa delle aziende che compongono il nostro gruppo nella convinzione che queste informazioni possano essere utili per aggiornare tutti coloro che sono interessati all'andamento della nostra società.

I primi mesi del 2020 confermano certamente il trend di crescita delle Business Unit del Gruppo.

In relazione al segmento del Treasury Management PITECO SPA ha proseguito il suo trend di espansione del business con la sottoscrizione di numerosi contratti con nuovi clienti nel territorio italiano mentre la neonata Myrios Switzerland ha contrattualizzato il suo primo cliente internazionale, la multinazionale del caffè Cofiroaster con sede a Ginevra.

Nel Financial Risk Mng Myrios Srl sta lavorando a pieno regime per lo start-up dei nuovi clienti recentemente acquisiti fra i quali si segnalano per importanza Telecom Italia Spa e Medio Credito Centrale. Le trattative con potenziali nuovi clienti proseguono e si conferma un interesse crescente delle Large Corporate e del segmento Mid-Banking alle soluzioni software offerte da Myrios.

Sul fronte USA (Banking) la controllata Juniper Payments è impegnata nella realizzazione di soluzioni fortemente innovative per la comunicazione tra gli istituti bancari, da proporre alla sua clientela e a nuovi istituti di credito.

La nostra società ha proseguito anche in questo periodo particolare il suo percorso di acquisizioni di realtà software specializzate in ambito finanziario; avrete avuto notizia della recente acquisizione del ramo di azienda Everymake, una start-up innovativa nel settore del Financial Data Matching, che noi già presidiamo, con soluzioni in cloud per il mondo delle Utilities, dei beni di consumo e altri settori in crescita anche in questo momento di incertezza.

Insomma, non ci fermiamo! Anche se la diffusione del Covid-19 ha creato un contesto di generale incertezza i cui effetti sull'economia mondiale non sono ad oggi ancora prevedibili, siamo ancora più convinti che le nostre soluzioni software ed il percorso di crescente digitalizzazione delle aziende continuerà a sostenere l'ampliamento delle nostre operazioni. Il nostro Gruppo si è mosso con rapidità affinché tutti i processi operativi potessero continuare a svolgersi in modo efficiente ed in sicurezza attraverso una organizzazione completa in modalità smart working. Tutti i servizi e gli strumenti software che caratterizzano la nostra offerta sono implementabili e fruibili in modalità remota e sicura da tutti i nostri Clienti e risultano ancora più strategici in situazioni di incertezza economica come queste, per comprendere meglio i fenomeni finanziari e poter orientare al meglio le decisioni delle aziende.

Alla luce di tutto ciò rimaniamo convinti che anche il 2020 possa rappresentare per Piteco un ulteriore anno di crescita e rafforzamento della propria posizione di leadership sul mercato italiano e contemporaneamente vedere proseguire la nostra penetrazione sui mercati internazionali anche attraverso ulteriori opportunità di M&A.

Vi ringrazio dell'attenzione e vi saluto cordialmente in attesa di un prossimo incontro.

Marco Podini, Presidente Piteco Spa

# INVESTOR PRESENTATION

INTERNATIONAL GROUP ACTIVE IN TREASURY & BANKING SOFTWARE MARKET

FY 2019 RESULTS PRESENTATION

# Index

|           |                                      |    |
|-----------|--------------------------------------|----|
| Section 1 | <b>Executive Summary</b>             | 3  |
| Section 2 | <b>Group Presentation</b>            | 5  |
| Section 3 | <b>PITECO</b>                        | 19 |
|           | 3.1 <b>Software and clients</b>      |    |
|           | 3.2 <b>Market info</b>               |    |
| Section 4 | <b>JUNIPER</b>                       | 34 |
|           | 4.1 <b>Software and clients</b>      |    |
|           | 4.2 <b>Market info</b>               |    |
| Section 5 | <b>MYRIOS</b>                        | 45 |
|           | 5.1 <b>Software and clients</b>      |    |
| Section 6 | <b>Listing on the Stock Exchange</b> | 51 |
| Section 7 | <b>Financial Results</b>             | 53 |
|           | <b>Key contacts</b>                  | 60 |

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.

The GROUP is listed on the MTA managed by Borsa Italiana.

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 650 large industrial groups active in a highly diversified number of business sectors.
2. JUNIPER PAYMENTS LLC, **Software House** leader in the USA with **proprietary solutions for digital payments 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 billion USD per day. It can be considered one of the largest US interbank networks.
3. MYRIOS S.r.l., an Italian **Software House** offering **Risk Management, Capital Markets and Compliance software** dedicated to Banks (60% of revenues) as well as to the manufacturing and service industries (40%).

## PITECO GROUP FINANCIAL STATEMENTS FY 2019:

- **Revenues:** € 24,0 million, +19% (FY 2018: € 20,2 million)
- **EBITDA:** € 10,2 million, +24% (FY 2018: € 8,3 million);  
EBITDA margin 43%
- **Pre-tax Profit Adjusted\*:** € 6,4 million, +11% (FY2018: € 5,7 million)
- **Net Profit Adjusted\*:** € 5,7 million, +8% (FY 2018: € 5,3 million)
- **Operating cash flow:** € 7,3 million (32% Net Revenues; 71% Ebitda)
- **Net Financial Position:** € 14,6 million (FY2018: € 15,3 million)
- **Net Financial Position including Put option:** € 27,5 million (FY2018: € 26,8 million)

\*Adjustment due to accounting € 2,7 million financial costs related to the revaluation of Earnout and Put Option

section 2

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# Group Presentation



Since 1980 Piteco is an absolute software house leader in Italy providing proprietary solutions for **Treasury Management** and **Financial Planning**. Piteco is operating in all industry sectors by means of hundreds of projects carried out in well known national and international Groups.



**Juniper Payments** is a USA market leader in *Digital Payments* services. Juniper Payments serves more than 3,300 **Banks** and **Credit Unions** managing their transactions on its platform.

Juniper is the third largest payment service provider after the **Federal Reserve** and the first among those controlled by private parties.



**Myrios** is a software house marked by strong competence in **Finance** and **Risk Management** topics. Years of experience in finance issues enabled Myrios to develop an innovative application platform; **Myrios Financial Model**.



# 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 **650 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. 35 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





# 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 software platform** 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 except 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 centres 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 & support. Generally an average contract lasts 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)**.

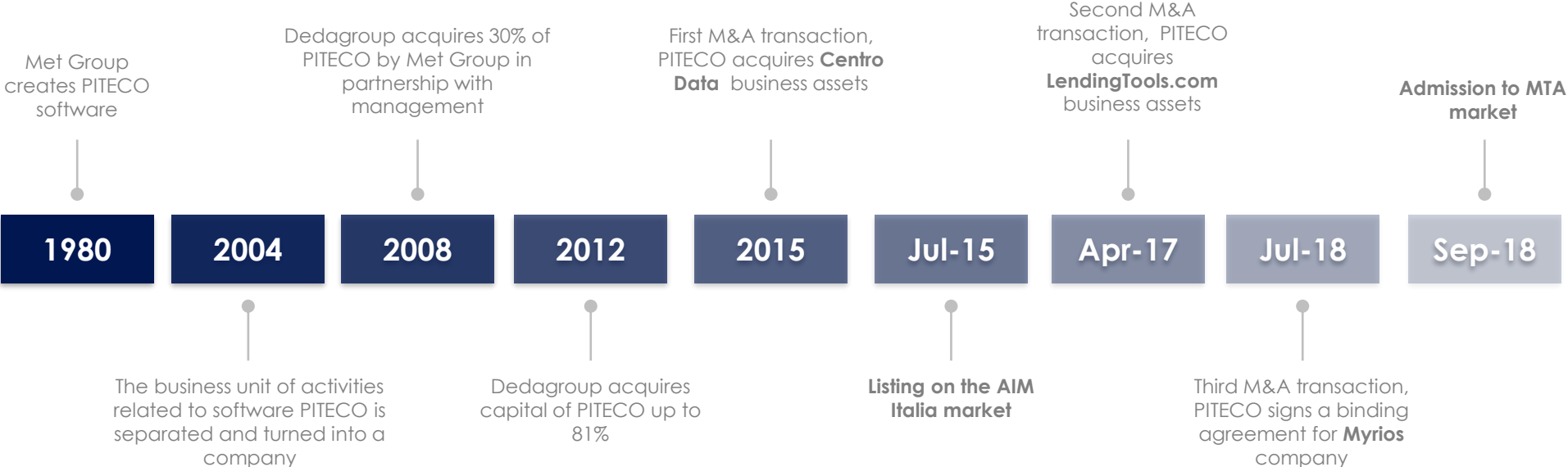
More than 50% of the turnover is represented by **recurring fees**, granting relevant cash-flow visibility. Software lumpsum licenses reach 20% of the turnover. The company offers **massive returns** and generates huge visible cash flows.

Myrios has a 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.

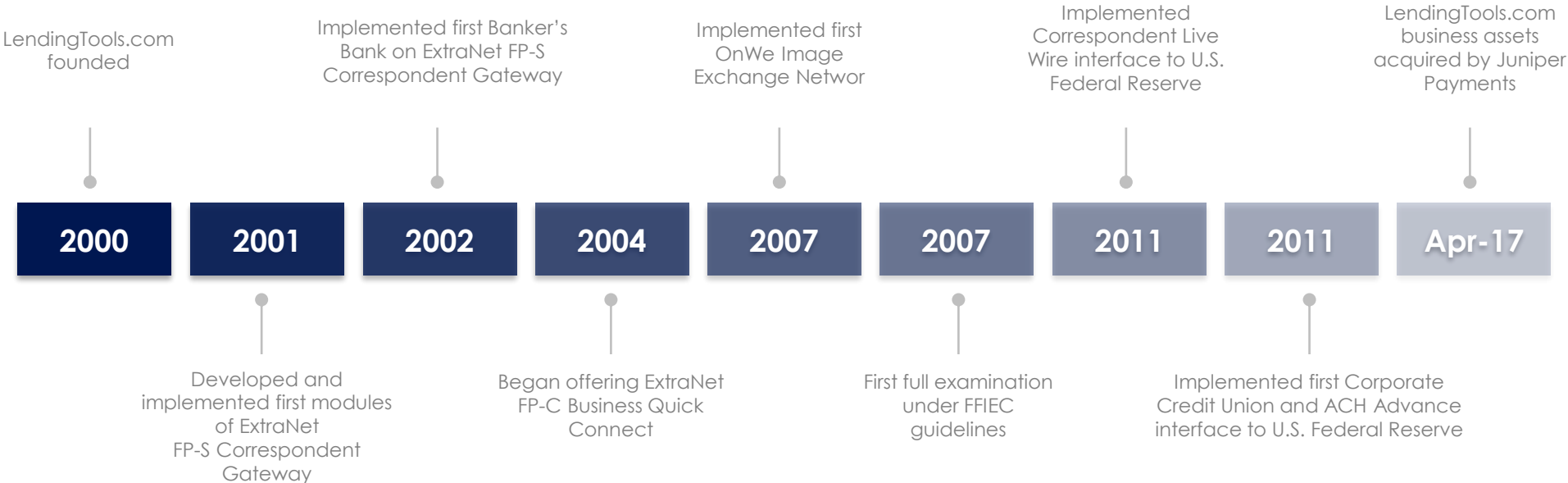


# Storyline

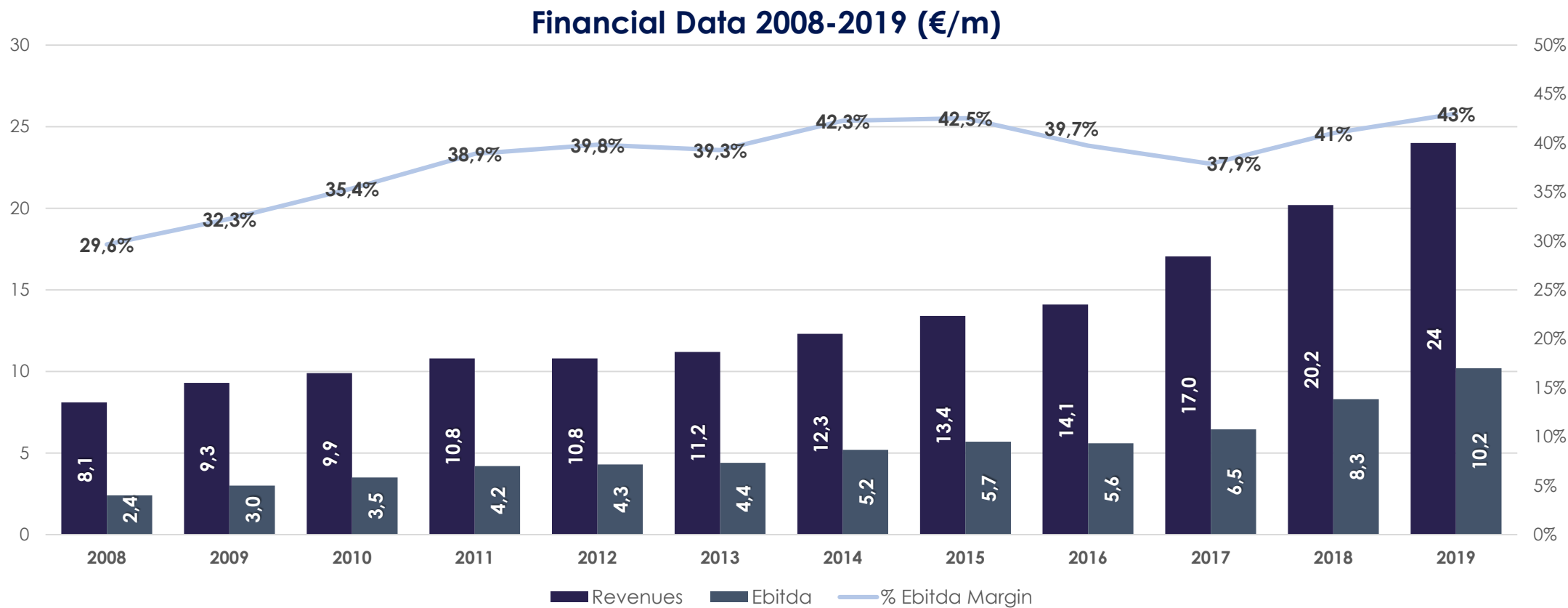
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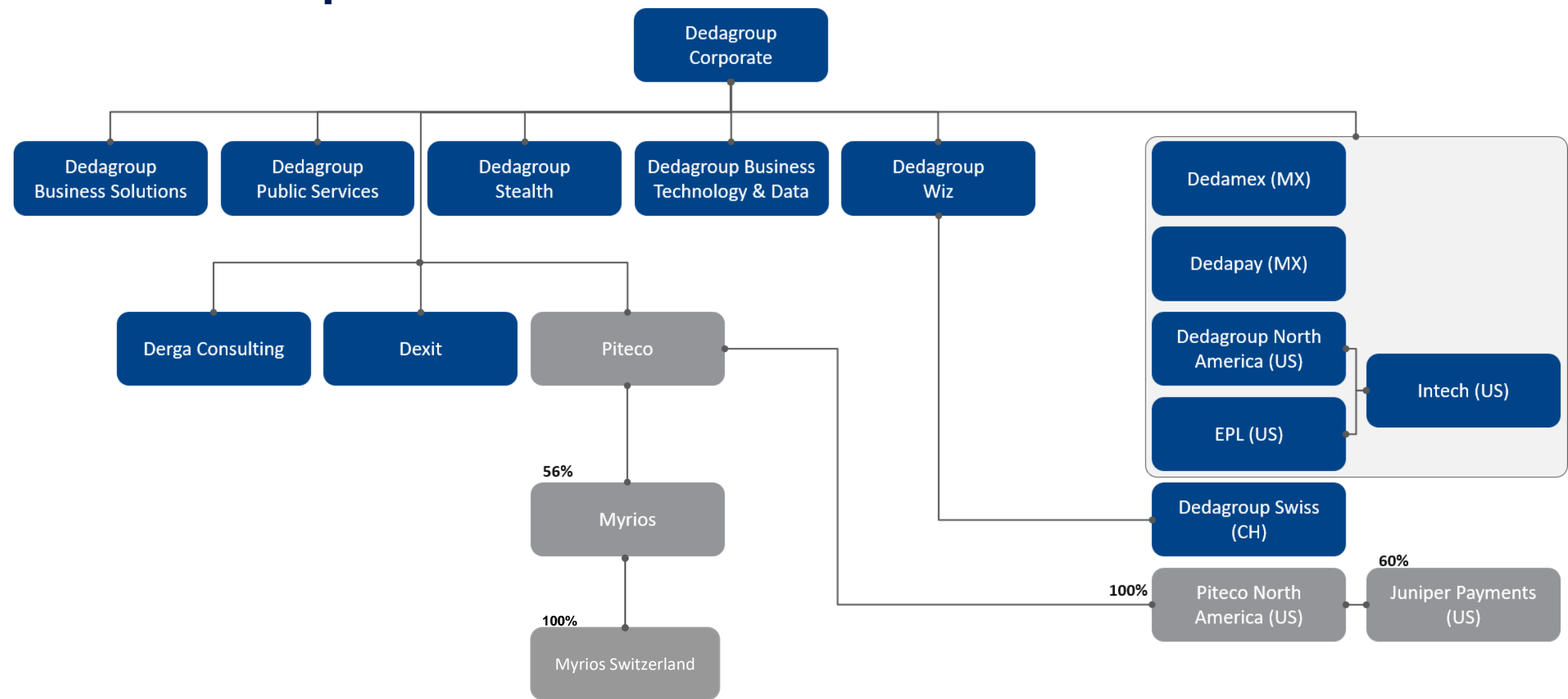


# PITECO Group at a glance



- About **650 Corporate** clients for Cash Management and Financial Planning solutions in 50 **different countries**
- About **3.300 financial institutions** clients for Banking solutions in **USA market**
- About **50 Corporate & Bank** clients for Risk Management solutions in manufacturing and service industries.
- Approximately **60% of revenues** derives from **recurring fees** and it's continuously growing
- About **130** employees in Italy (Milan, Rome, Padua, Turin), Switzerland and USA

# The DEDAGroup



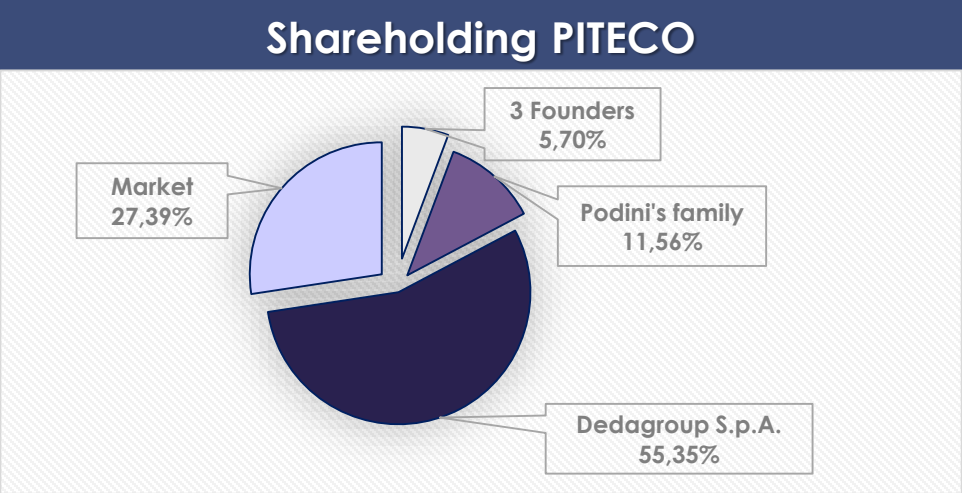
Piteco is part of DEDAGROUP, an important Italian company with strong IT competences. The group boasts a significant international presence in Europe, USA and South America.

**Turn over group:** 220 mln €

**Turn over USA:** 25 MLN €

**Dedagroup people:** + 1,600

# Shareholding & Management

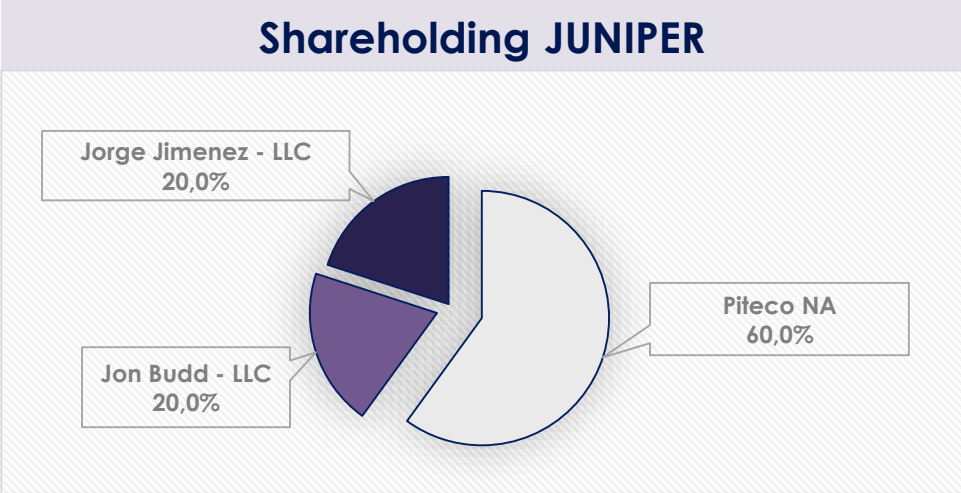


### BOARD OF DIRECTORS

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|--|--|
| <br><b>MARCO PODINI</b><br>Partner<br><br>CHAIRMAN            | <br><b>PAOLO VIRENTI</b><br>Founding Partner<br><br>CEO                 |
| <br><b>RICCARDO VENEZIANI</b><br>Founding Partner<br><br>CFO | <br><b>ANDREA GUILLERMAZ</b><br>Founding Partner<br><br>SALES DIRECTOR |

**Other BoD Members:**

|                               |                                   |
|-------------------------------|-----------------------------------|
| Mauro Rossi (Independent)     | Annamaria Di Ruscio (Independent) |
| Maria Luisa Podini (Director) | Francesco Mancini (Independent)   |



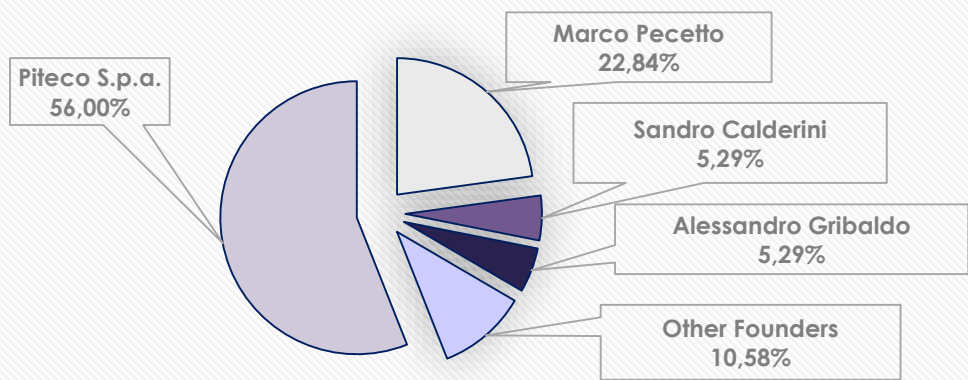
### BOARD OF DIRECTORS

|  |   |
|--|---|
| <br><b>JORGE JIMENEZ</b><br><br>CHAIRMAN      | <br><b>JON BUDD</b><br><br>CEO                     |
| <br><b>MARCO PODINI</b><br><br>BOARD MANAGER | <br><b>ALESSANDRO POCHER</b><br><br>BOARD MANAGER |

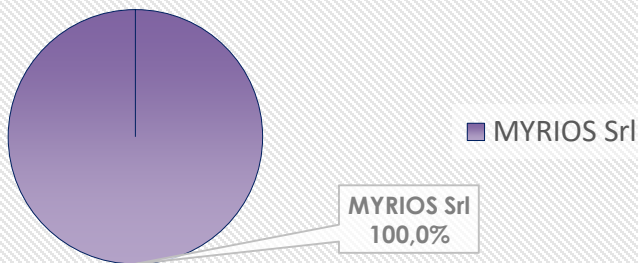


# Shareholding & Management

## Shareholding MYRIOS



## Shareholding MYRIOS SWITZERLAND



## BOARD OF DIRECTORS



MARCO PODINI

CHAIRMAN



PAOLO VIRENTI

BOARD MANAGER



RICCARDO VENEZIANI

BOARD MANAGER

MARCO PECETTO  
FOUNDING PARTNER



CEO

ALESSANDRO GRIBALDO  
FOUNDING PARTNER



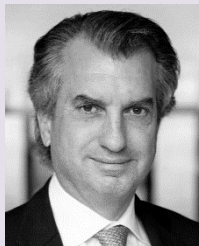
CIO

## 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 offering.
- 3. Acquisitions on the national market:** PITECO has acquired the Business Assets from Centro Data , the majority shareholding of MYRIOS Srl and the Business Asset from Everymake.
- 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) and founded Myrios Switzerland SA.



# M&A activity

## Business Assets from Everymake

The company acquired the **Business Assets from Everymake S.r.l.** with effect from **1 April 2020**. Everymake S.r.l. is providing CLOUD software solutions for financial data matching (EveryMake software).

This acquisition has allowed the company to add **new software modules** to its offer, in areas corresponding the current core business and about **23 clients** in business sectors with high level of growth, like Utilities and Consumer goods.

|                                      |                        |
|--------------------------------------|------------------------|
| <b>Equivalent</b>                    | <b>€ 1.000.000</b>     |
| - <i>cash at closing</i>             | <i>550.000</i>         |
| - <i>earnout on FY2022 (maximum)</i> | <i>450.000</i>         |
| <b>Turnover 2019</b>                 | <b>about € 500.000</b> |
| <b>Number of Clients</b>             | <b>23</b>              |



# 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 **Euro 11,1 million**.

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    | FY2018 | FY2019 |
|---------------|--------|--------|
| Turnover      | 3,0 ml | 3,9 ml |
| EBITDA        | 1,8 ml | 2,5 ml |
| Net Profit    | 1,3 ml | 1,8 ml |
| Ebitda Margin | 60%    | 63%    |

The logo for Myrios, featuring the word "myrios" in a lowercase, 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's product portfolio and the related combined offer.

|                                  |                 |
|----------------------------------|-----------------|
| <b>Capital Injection on 2017</b> | <b>\$ 13 ml</b> |
|----------------------------------|-----------------|

|          |         |
|----------|---------|
| - equity | \$ 3 ml |
|----------|---------|

|                         |          |
|-------------------------|----------|
| - I/C debt (10 Y: 2,5%) | \$ 10 ml |
|-------------------------|----------|

|                         |  |
|-------------------------|--|
| <b>Financial FY2019</b> |  |
|-------------------------|--|

|          |           |
|----------|-----------|
| Turnover | \$ 5.1 ml |
|----------|-----------|

|        |           |
|--------|-----------|
| EBITDA | \$ 1,8 ml |
|--------|-----------|

|               |     |
|---------------|-----|
| EBITDA margin | 36% |
|---------------|-----|



# 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.

### Equivalent

€ 1.085.000

|                       |       |
|-----------------------|-------|
| - cash                | 55,3% |
| - debt                | 23,9% |
| - anticipated revenue | 20,8% |

### Turnover 2019

€ 1.600.000

Number of Clients

50



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 customisation to client's needs. The average value of a typical contract is **€65.000** (€35.000 for software and € 30.000 for advisory)



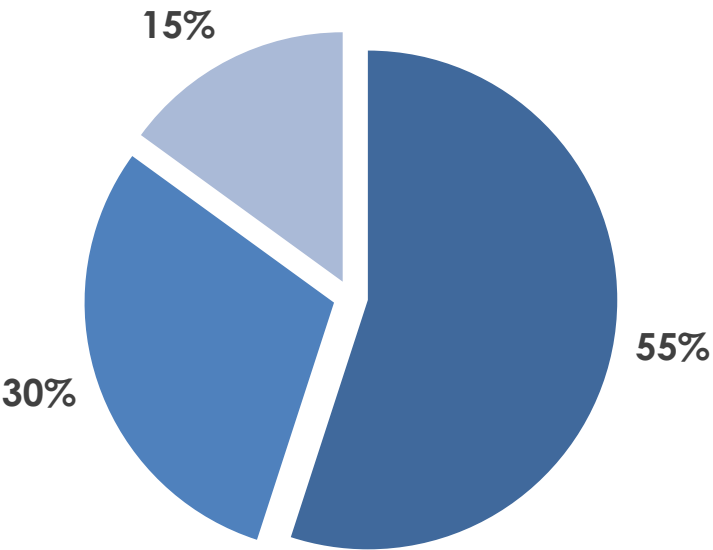
**Maintenance:** recurrent annual maintenance fee, on average **€11.000** (showing steady growth and inflation linked) and invoiced in advance



**Upgrading:** additional cross-selling of the current **19 software modules** which are part of the total PITECO offer. The upgrading leads to a constant increase in the average annual maintenance fee

## Sales Breakdown

(% on 2019 sales)



- Maintenance & recurring fees
- Sales of services
- Software sales

# Integrated Treasury Management Platform: EVO

EVO

PITECO EVO is the functional response to business needs in **Treasury and Financial Planning**.

PITECO EVO is chosen by over **3,500 businesses** worldwide operating in all business sectors: from **construction** to **retail**, from **fashion** to **mechanics**, from **utilities** to **consumer goods manufacturers**, from **services** to **finance**.

**Piteco**

## Cash Management



Complete outlook on companies' **liquidity**, on behalf, financial item, currency and country. Group's Cash Position consolidation throughout control and centralization models.

## Financial Planning



Liquidity planning fine-tuned by **Collection and Payment strategies**. Precautionary control of financial dynamics carried out by **Cash Flow and Net Financial Position** forecasts.

## Digital Payments



Centralization, coordination and traceability of all **payment procedures** set by the companies towards banks.

## Supply Chain Finance



**Working Capital** streamlining and control supported by functionalities which consent an optimal collection and allocation performance of companies' liquidity.

## Risk Management



**Corporate Financial Risk management** and the related risk exposure governance in terms of foreign exchange and interest rates, related to middle and back office.

## Trade Finance



Management of **global market** financial requirements throughout functionalities for commercial operation in foreign currencies.



# Integrated Treasury Management Platform: EVO

EVO

PITECO EVO is a wide range of **integrated modules** offering a set of features dedicated to every single business requirement.

**Piteco**

## Cash Management

Liquidity, Cash Flow Forecast.  
Bank Relationship Management.

## Home Banking

Daily reporting and account  
reconciliation.

## Credit Lines

Registry management by type of  
use, costs and commission.

## Retail & e-Commerce

Stores collection, accounting and  
forecasting management.  
E-commerce management.

## Customer Reconciliation

Matching platform for collection,  
closing and reconciliation.

## Bills Portfolio

Cash orders, SDD, Payment via  
advice, Bills of exchange, Foreign  
effects.

## Payments

Financial and accounting processes  
governance. of Corporate payments.

## Netting

Regulation of Intercompany debt  
and credit items.

## In House Banking

Treasury in the name and on behalf,  
Cash pooling, ZBA, Intercompany,  
Centralisation and consolidation.

## Long-T. loan & Leasing

Amortisation plans, amortised cost  
and IFRS16

## Short-T. loan & Deposits

Corporate and Intercompany loans  
and deposits Management.

## Guarantees

Guarantee sureties - bond,  
performance bond, bid bond.

## Trade Finance

Import – Export letter of credit  
financial operation management.

## FX & IR Derivatives

Exchange and interest rate hedging  
transactions in terms of middle and  
back office management.

## Supply Chain Finance

Factoring, Reverse Factoring e  
Dynamic Discount.

## Global Financial Reporting

Advanced tool for reporting management.

## Financial Planning

Integrated features for short, medium and long term  
planning management.

# Integrated Treasury Management Platform: CBC

CBC

**Corporate Banking Communication** is Piteco's Digital Payments proposal to manage authorisation workflows and safe dispatch of disposal flows towards national and international banking systems.

## Workflow



Implementation of **company procedures, profiling** and centralization of **authorisation steps**.

## Security



Iterability guarantee of the workflows transmitted to the banking institutions. Access and identification through Strong Customer Authentication and with authentication systems (credentials, Smart Card, Token, OTP, App).

## Digital



**Dematerialization, delocalization** and **simplification** of corporate payment authorisation processes.

## Mobility



Multi-device applications: **desktop, laptop, smartphone, tablet**.

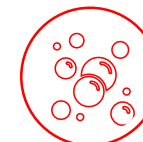


## Traceability



Procedures and completed authorisation workflows **centralisation** and **storage**.

## Banking Hub



**Connection** with the main online banking systems, **Swift** and **Service Bureau**.

# Integrated Treasury Management Platform: MATCH.IT

MATCH.IT

**MATCH.IT** is a validation and reconciliation tool for heterogeneous databases, based on recognition and parametric matching criteria.

Improves Cash Collection processes, eliminates manual activities and guarantees better operative performances.

## Semantic Analysis



Semantic analysis of disorganized data, **transformation** and **normalization** activity of information from different corporate departments. (orders, warehouse, expenses reports)

## Validation



Application of logical **parametric matching**, rules and procedures allowing the automation of further reconciliation steps.

## Flexibility



**Parametric definition** of data structure and report customising.

## Audit



**Traceability** of each operational matching sequence and assistance of audit activity.

## Data Matching

**95 %**

Self-learning, matching **percentage** improvement, management efficiency guarantee.

## Operating costs

**- 80 %**

Significant reduction of **manual** and **semi-automatic** data recognition and matching activities.

## Managerial efficiency

**+ 50 %**

Better interchangeability and **flexibility of resources**, qualitative improvement of controls.

## Integration



Integration with **PITECO EVO**, companies' **ERP** and **Treasury software**.

# Piteco High Value Proposal: Solution Delivery



**Ready-to-use cloud**

Standard Solution

Annual Fee

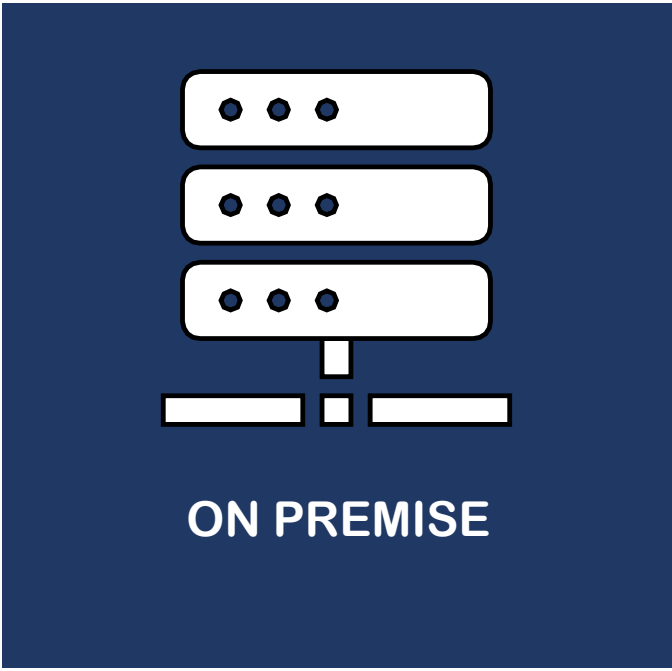


**Dedicated cloud**

Customizable Solution

Annual Fee

**Support 24/7**



**Installed locally**

Standard & Customizable

One-Off Fee + Annual maintenance Fee

# FinTech Solutions: Piteco Integration

## SUPPLY CHAIN FINANCE

### VIRTUAL PAYMENT

Credit card plafond

DPO improvement

Payment Process Efficiency

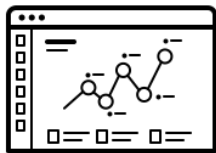
### DYNAMIC DISCOUNT

Liquidity Optimization

Partnership with suppliers



System  
Integration



Real time  
data **update**

### FACTORING

Credit optimization

Improved cash flow

Quick funding



**Efficiency**

## WORKING CAPITAL

### CURRENCY ACCOUNTS

Tailored solutions

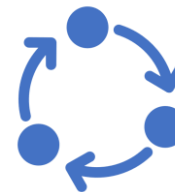
Fast payments

### REVERSE FACTORING

Improved Cash Flow

Reduced Early Payment Requests

Long-term Relationship

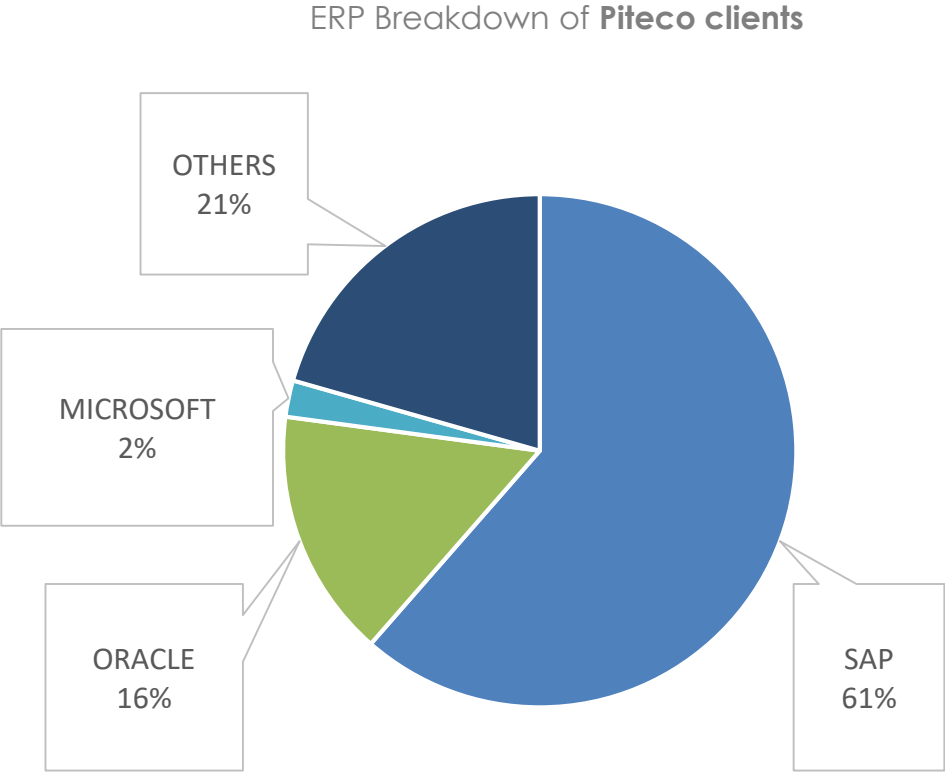


**Automation**



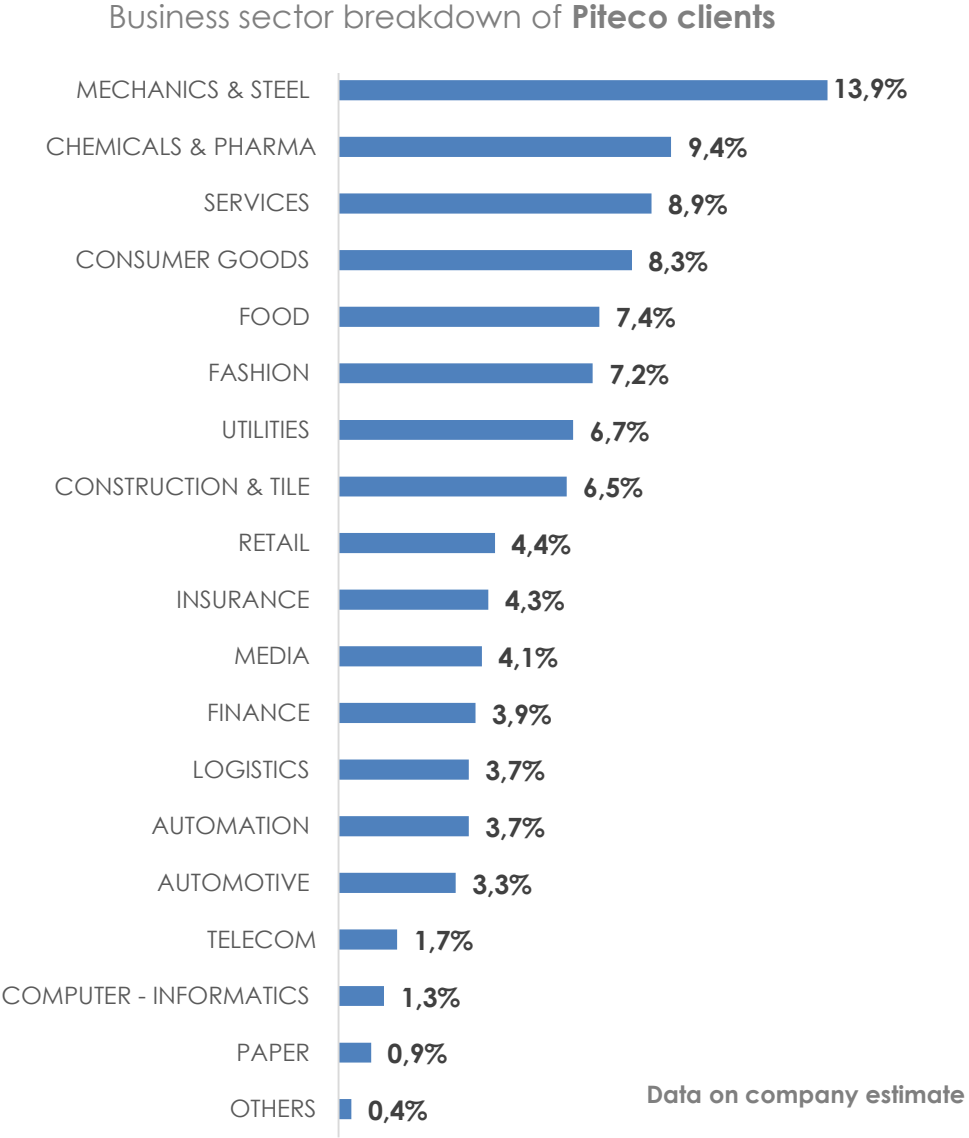
**Monitoring**

# PITECO clients



Data on company estimate

- PITECO currently has 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%



Data on company estimate

# 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

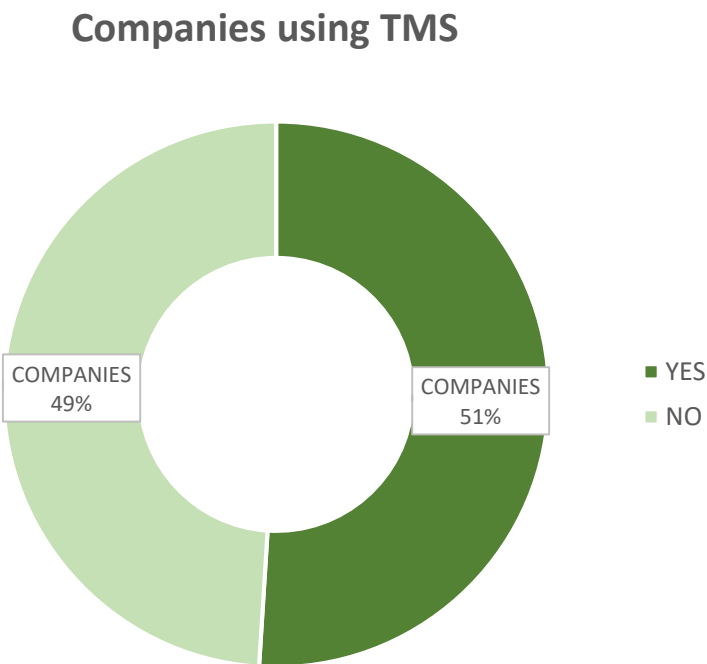
**MANAGEMENT &  
FINANCIAL ANALYSIS  
SOFTWARE**

TREASURY SOFTWARE

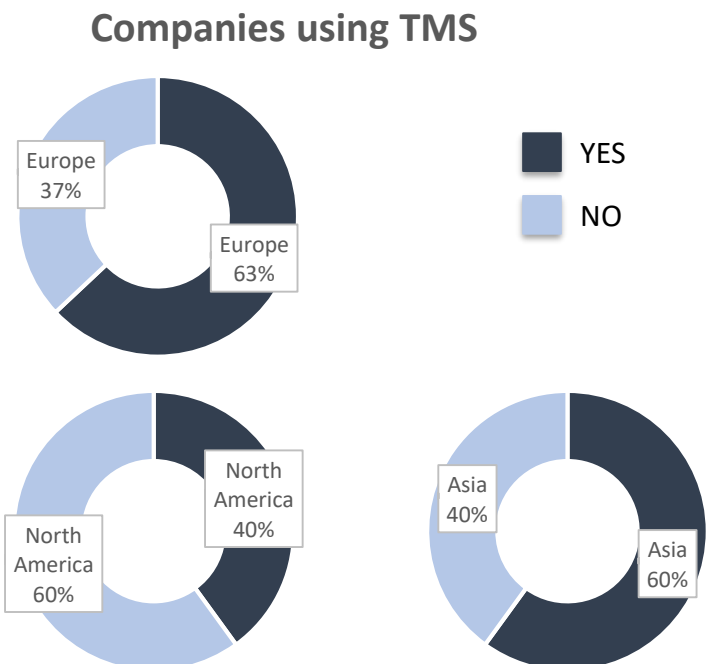
**Piteco**  
FINANCIAL SOFTWARE & CONSULTING

# Future growth of the Treasury Management Systems industry

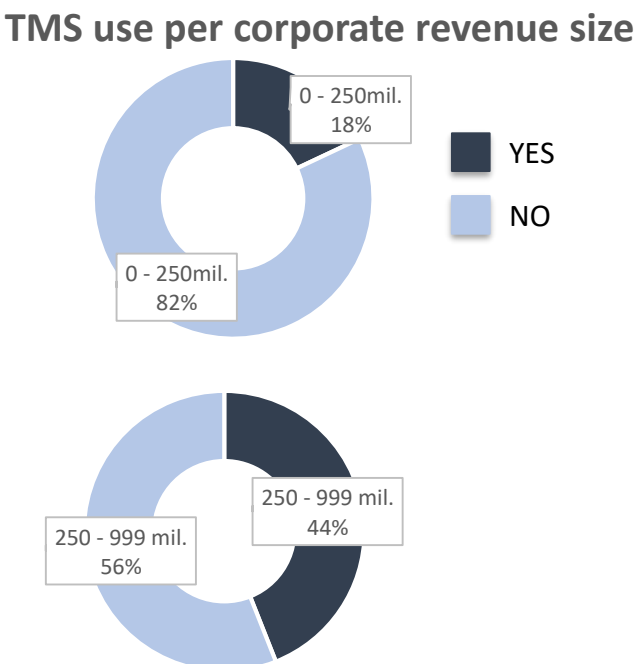
TMS industry has only just begun to grow... As revealed by the latest survey published by Bloomberg in April 2016



Only 51% of the surveyed companies already uses a Software to manage their Treasury (TMS).



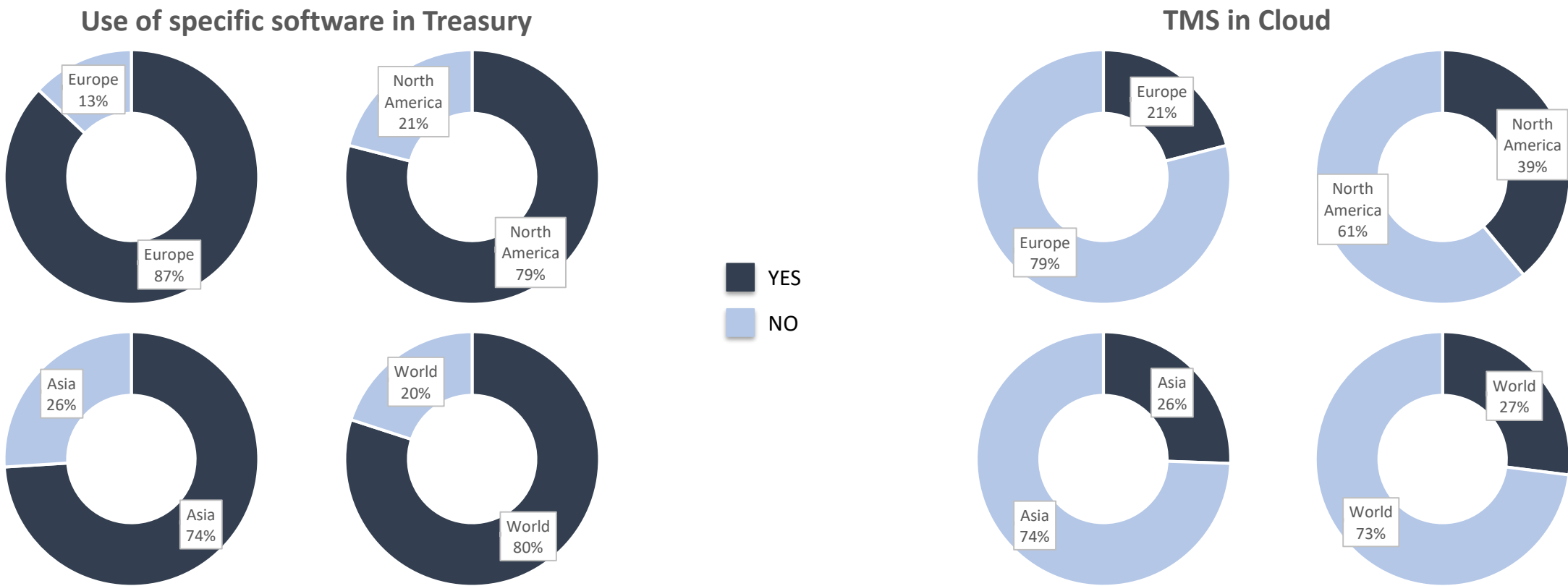
Geographically analyzing this data we notice a substantial maturity of the European market (63% uses TMS) in comparison to North American (only 40% uses TMS).



Analyzing the TMS spreading by the corporates revenue size, we still observe a very low penetration in **companies with turnover <\$1 billion:** only **18%** in companies with less revenue then \$ 250 mil and only **44%** in those up to \$999 mil.

# Current trends in the TMS industry

## Corporates question when selecting a TMS



### 1. Specific Software or an ERP module?

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).

### 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.

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. In addition to direct sales, channel sales through core-banking partner providers, and other service partners represent the main method to gain greater market penetration.

**The lifetime renewal rate for customer contracts is nearly 85%**



**Service:** Monthly subscription billing provides recurring revenue for the duration of the contract period, which automatically renews. Additional revenue is gained by cross-selling partner services and expanding on Juniper services offerings.

**Multi-year contracts with automatic renewal**



**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 includes additional one-time purchase/implementation fees. Additionally, custom programming services are utilized to facilitate correspondent customer operational or market differentiation needs.

**Recurring Fee about 90% of Revenues**

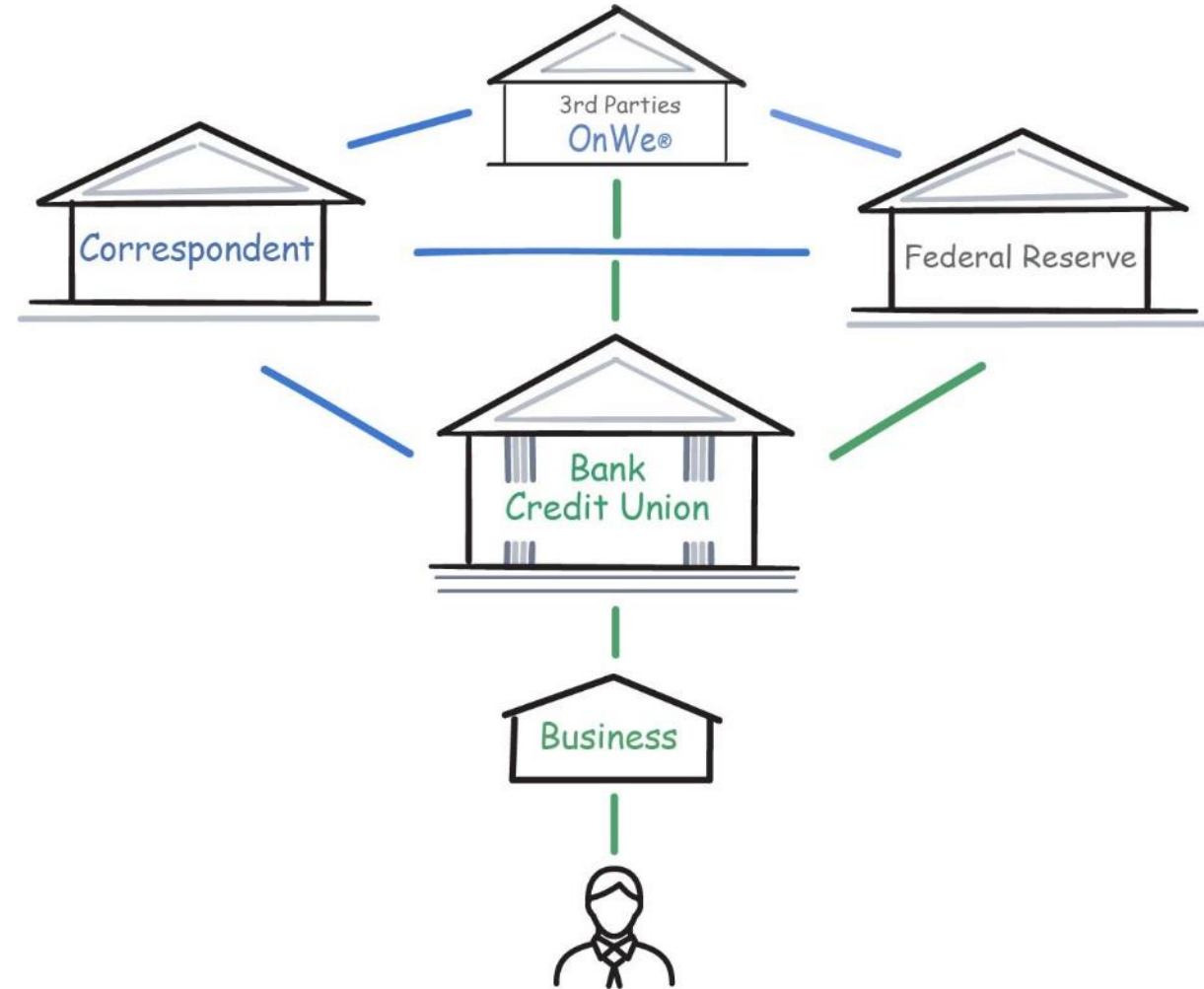
# Juniper's product families

The company offers **three 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.

The third, Instant Payments Hub, **LIVEWIRE**, automates sending, receiving, balance checks of Wires, RTP, and OnWe instant payments to the core of any Financial Institution. Payments are sent and received in real-time via Juniper Payments' FedLine Direct® and Clearing House connection. Our platform reduces dependencies on internal resources and gets your solution to market quickly making deployment a snap.



# ExtraNet FP-S Correspondent Gateway

|   |   |   |
|---|---|---|
| <b>Administration and Control</b>                       | ExtraNet FP-S Base System<br>Archival<br>Authentication   | Security, content and user experience management<br>Transaction retention and download<br>Extensive multi-factor validation including biometric scanning  |
| <b>Payments Origination Transmission and Settlement</b> | ACH Advance<br>ACH Entry/Management<br>International ACH - IAT<br>Domestic Wires - Live Wire<br>Domestic Wires Entry<br>Domestic Wires - FR-ETA<br>International FX<br>Check Image Returns<br>Check Adjustments<br>Account to Account Transfers<br>Fed Funds/EBA Management<br>Vault Cash Orders<br>Foreign Currency Orders | Automated delivery/transmission to ACH Operator<br>Origination/upload/validation/processing of ACH and auto-origination of files per pre-defined schedules<br>Origination of ACH transactions to US FedGlobal<br>Automated wire transfers to/from US Federal Reserve<br>Origination/upload/validation of US wires<br>Origination/upload/validation of US Electronic Tax wires<br>Interfaces to various FX providers for foreign wires and currency<br>Create check image returns from receipt files<br>Online entry of check image correction adjustments<br>Direct transfers between respondents<br>Online display/entry of overnight investment orders<br>Online entry of domestic branch cash orders<br>Online orders buy/sell foreign currency, travelers checks, drafts, cash letters, collections |
| <b>ExtraNet CL</b>                                      | OnWe® Clearing Network  | Check image direct exchange between respondents   |
| <b>ExtraNet FT</b>                                      | Secure File Transfer  | Validation/transmission of check image files  |
| <b>Risk Management</b>                                  | OFAC Scanning<br>ACH Risk Management<br>Wire Risk Management<br>Trend Analytics ACH/Wires   | Immediate validation of ACH/Wires against US Treasury lists<br>Limits and reporting for ACH origination files<br>Limits and reporting for wire transfers<br>Multi-day trend analysis for transactions/files   |
| <b>Reporting and Audit</b>                              | Account Inquiry<br>Real Time Interface<br>Report File Delivery<br>Loan Pyament/Advance<br>Credit Card Payment   | Balance and transaction listing with core interface<br>Immediate cash position of intra-day activity<br>Unlimited report delivery classes-online/download<br>Submit and report payment and advance requests<br>Submit and report end user credit card payments  |



# ExtraNet FP-C Business Quick Connect

## Automated Wires, RTP, On-WE

- Branch level, wizard assisted, entry with dual approval options
- Integrated OFAC screening and management
- Flexible workflows based on roles, departments and operations
- Core integrated balance checks and auto-posting via API
- Real-time acknowledgement options
- Integration options for business internet banking

## 24 Hrs Outsourced Monitoring

- User facing dashboard includes daily wire data - inbound & outbound
- Federal Reserve Bank balance monitoring
- Exception Management for decisioning and approval
- Integrated audit, activity, and balance reporting
- Complete control of roles, access, permissions and wire types
- Integrated risk management tools
- On demand document creation - integrated electronic signature options
- Archive

# LIVEWIRE-Instant Payments Hub

## 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

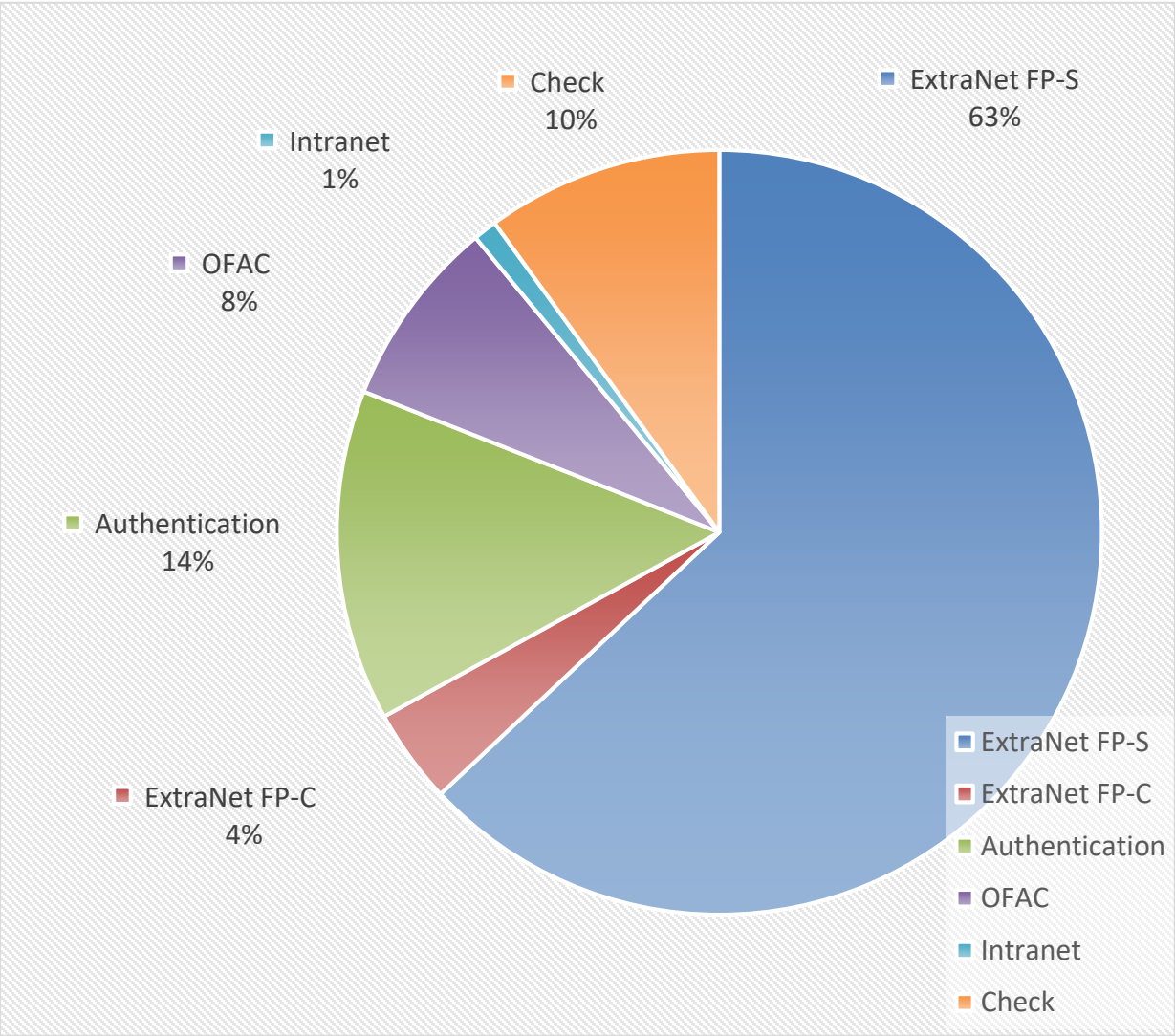
Business customer entry level program for Automated Clearing House (ACH) and wire transfer payments  
Facilitates one-time payments, templates for repetitive payments and upload of formatted payment files from other systems  
Integrated Office of Foreign Asset Control (OFAC) scanning for compliance with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

## 2019 Sales breakdown:



## Example of clients



*section 4.2*

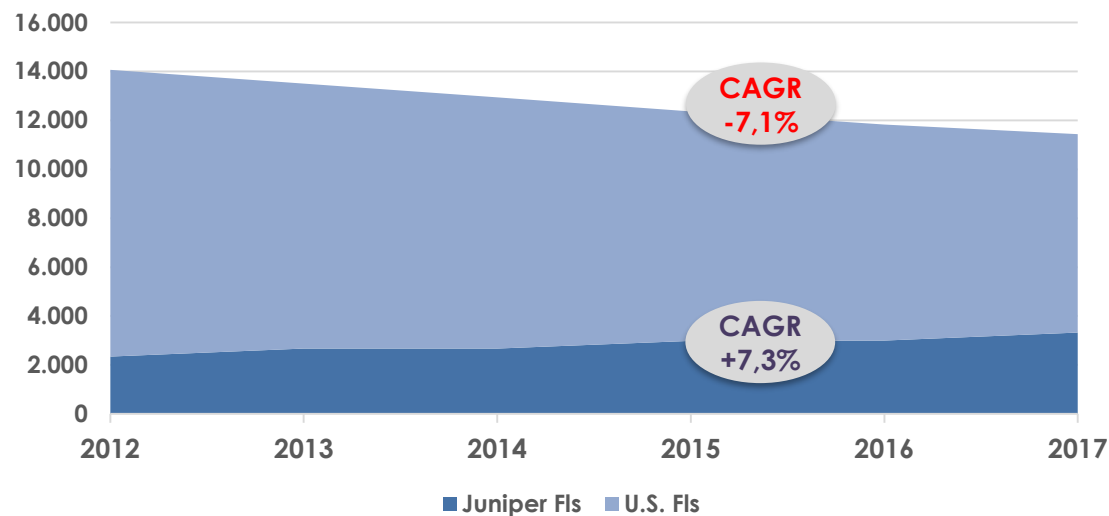
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# Market info

# 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 service agreements and only 10% by customization services sales, advice and support. The contracts have an average duration of 5 years with a high customer retention rate.

Graph: Juniper market share



Fons: FDIC and NCUA annual summaries 2012 – Q3 2017 (FDIC), Q2 2017 (NCUA)

| Total 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

# Market Trends in US

Financial Institutions trends are working on:

Providing Faster Payments to consumers and businesses



2016 MC acquires Vocalink (provider of Faster Payments) for almost 1 billion USD

Better user experience and value adds



credit karma

2020 Intuit buys credit Karma (provider of credit activity) for 7.1 billion USD

Better integration with bank systems and 3rd parties

VISA



2020 VISA acquires Plaid 5.3 billion-multibank balance check

**Juniper is investing R&D in all three areas**

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**

# Integrated Treasury Management Platform: FM

FM

**Myrios FM** suite is the solution dedicated to governance of Corporate Financial Risk Management processes and to management of **Front, Middle, Back Office & Risk Management** activities.

## Exposure Management



Management of **industrial** and **financial exposures**.

## Deal Management



**Administrative**, events, **Workflow** and **Confirmation** operation management.

## Hedging



Management of the most widespread **hedging instruments**: FX Hedging, Interest Rate Hedging and Commodity Hedging.

## Emir



Reporting to the Trade Repository as required by **Emir legislation**, through automations which simplify the process implementation.

## Valuation



**Derivative Instrument** evaluation and its efficiency test performance in real-time and deferred, MTM calculation storage in the database.

## Market Data



Useful information **login** – prices, rates, curves, volatility – through connections with the most common info providers.

## Hedge Accounting



Fair Value Hedge/Cash Flow Hedge (IAS 39, IFRS 7, IFRS 9, IFRS 13), **Hedging Card** creation and in case of IR component, creation of amortised cost too.

## Reporting



**Position Analysis**, **Liquidity Analysis**, Risk Analysis, What If Analysis, Portfolio Analysis, CVA/DVA.

# Integrated Treasury Management Platform: FM

FM

Multi company and multi currency **modular FM suite** is integrated with PITECO EVO, with the most popular ERPs and with the accounting management systems.

## Forex

**Industrial exposure in currency:** budget, commercial offers, orders, invoices, collections / payments.

**Foreign currency financial exposures:** loans, bond issues, equity investments, shares, bonds, funds, payables / receivables in foreign currency, current accounts.

**Forex derivatives:** Fx Forward, Spot, FxSwap, not Deliverable Forward, Cross Currency Swap, Forex Option, Barrier Option, Zero Cost Collar, Flexible Forward, Forward/Option Accumulator, Exotic Forex Option.

## Commodities

**Industrial exposure in Commodities:**  
Requirements plan, purchase and sale orders for commodities, subdivision of orders with definition of quantities and prices, invoices

**Commodities derivatives:** Listed, Option Listed, Spread Listed, Swap, Option OTC, Zero Cost Collar, Exotic Commodities Options.

## IR Risk

**Emissions:** bonds, inflation – linked bonds.

**Bank loans:** fixed rate, float rate with minimum maximum rate pooled, intercompany. **Credit lines:** Revolving, Hot Money, Passive Deposits, Guarantees.

**IR derivatives:** Interest Rate Swap, Basis Swap, Cross Currency Swap, Cap, Floor, Collar.

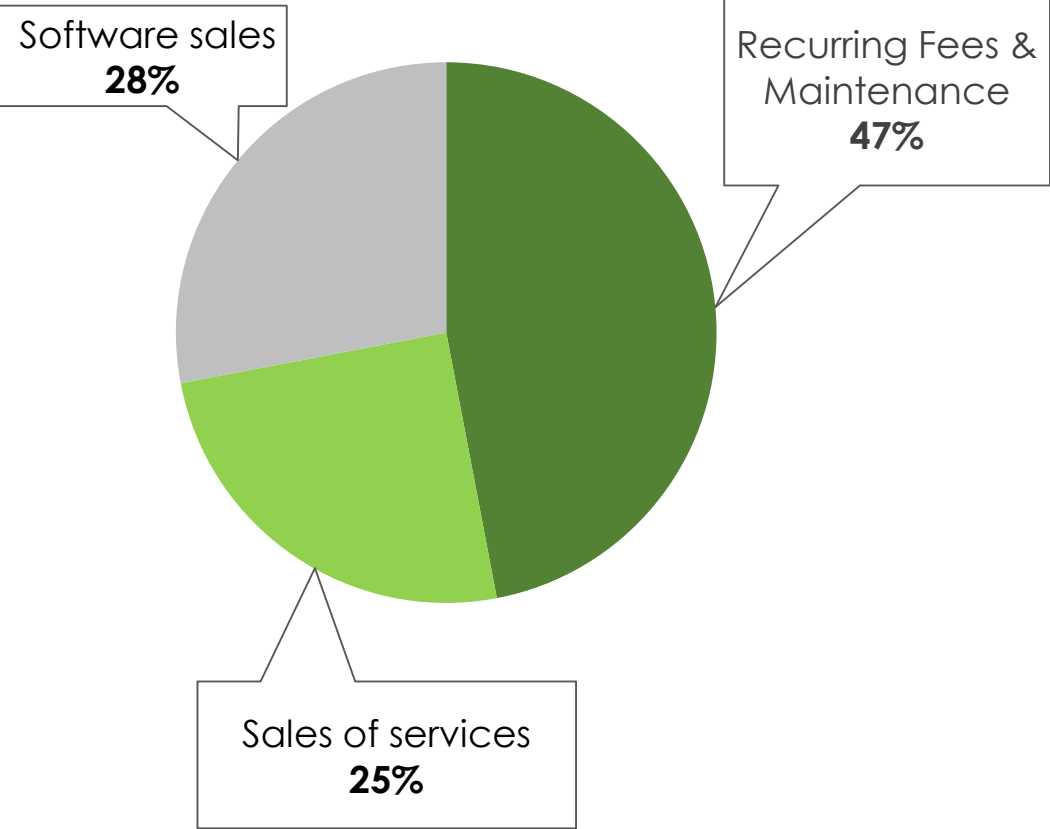
## Portfolio Investments

Position, performance, Income Statement, Risk Analysis.

Bond, Equity, Fund, Derivatives, MM, FX.

# Myrios clients

Sales Breakdown by product.  
Revenue is for the period FY 2019



## Example of clients



section 6

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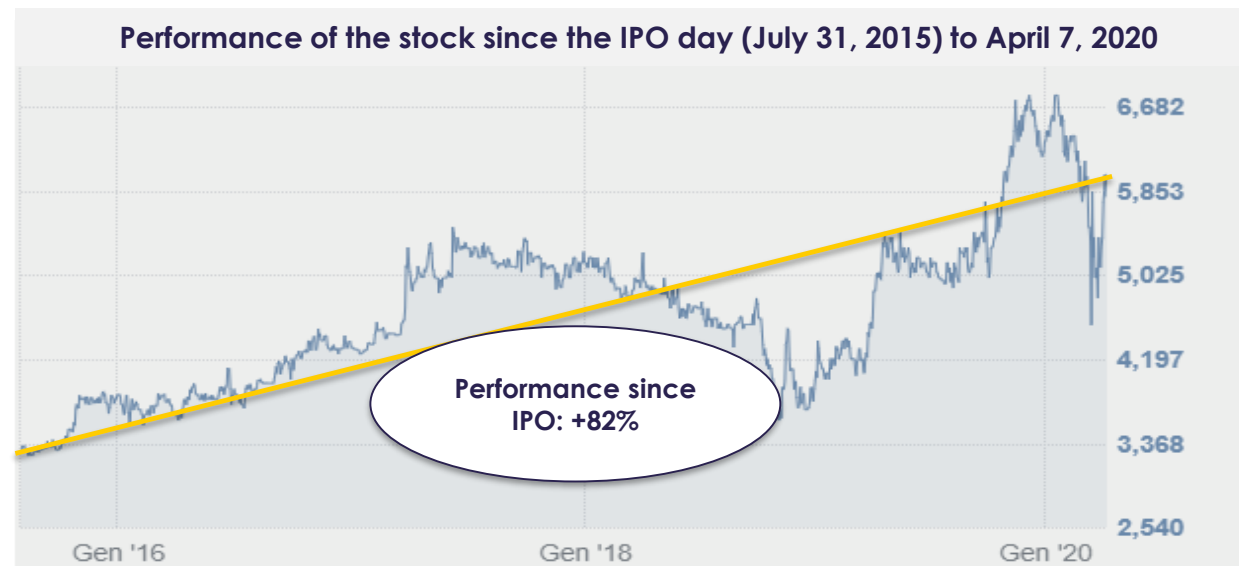
# Listing on the Stock Exchange

# 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 April 7, 2020      | € 6,00       | Coupon           | 4,5%         |
| Capital Raised on IPO       | € 11,5 mln   | Maturity         | 2015-2020    |
| Market Cap at April 7, 2020 | € 111,6 mln  | Strike price     | € 4,20       |



section 7

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# Financial Results

## IAS-IFRS

# Income Statement Piteco Group FY 2019/2018

Data in EUR/1000

| Profit and Loss                      | FY2019        | %             | FY2018        | %             | Changes        | Ch %        |
|--------------------------------------|---------------|---------------|---------------|---------------|----------------|-------------|
| Net Sales Revenues                   | 22.774        | 94,7%         | 19.374        | 95,9%         | 3.400          | 18%         |
| Other Revenues                       | 1.286         | 5,3%          | 940           | 4,6%          | 346            | 37%         |
| Work in Progress (change)            | -21           | -0,1%         | -100          | -0,5%         | 79             | -79%        |
| <b>TURNOVER</b>                      | <b>24.039</b> | <b>100,0%</b> | <b>20.214</b> | <b>100,0%</b> | <b>3.825</b>   | <b>19%</b>  |
| Raw Materials                        | 146           | 0,6%          | 306           | 1,5%          | - 160          | -52%        |
| Personnel Costs                      | 9.372         | 39,0%         | 8.122         | 40,2%         | 1.250          | 15%         |
| Services                             | 4.138         | 17,2%         | 3.442         | 17,0%         | 696            | 20%         |
| Other Costs                          | 145           | 0,6%          | 78            | 0,4%          | 67             | 86%         |
| <b>OPERATIVE COSTS</b>               | <b>13.801</b> | <b>57,4%</b>  | <b>11.948</b> | <b>59,1%</b>  | <b>1.853</b>   | <b>16%</b>  |
| <b>EBITDA</b>                        | <b>10.238</b> | <b>42,6%</b>  | <b>8.266</b>  | <b>40,9%</b>  | <b>1.972</b>   | <b>24%</b>  |
| Depreciation and Amortization        | 2.983         | 12,4%         | 1.867         | 9,3%          | 1.116          | 60%         |
| <b>EBIT</b>                          | <b>7.255</b>  | <b>30,2%</b>  | <b>6.399</b>  | <b>31,6%</b>  | <b>856</b>     | <b>13%</b>  |
| Gain (Loss) Forex                    | 158           | 0,7%          | 392           | 1,9%          | - 234          | -60%        |
| Financial Incomes (Costs)            | -612          | -2,5%         | -517          | -2,6%         | - 95           | 18%         |
| Fin. Incomes (Costs) Fair Value adj. | -2.694        | -11,2%        | 177           | 0,9%          | - 2.871        | -1622%      |
| Extraordinary Incomes (Costs)        | -428          | -1,8%         | -719          | -3,6%         | 291            | -40%        |
| <b>EBT</b>                           | <b>3.679</b>  | <b>15,3%</b>  | <b>5.732</b>  | <b>28,4%</b>  | <b>- 2.053</b> | <b>-36%</b> |
| Tax                                  | 662           | 2,8%          | 467           | 2,3%          | 195            | 42%         |
| <b>NET PROFIT (Loss)</b>             | <b>3.017</b>  | <b>12,6%</b>  | <b>5.265</b>  | <b>26,1%</b>  | <b>- 2.248</b> | <b>-43%</b> |
| Net Fin. Inc/Cost FairValue adj.     | 2.677         |               | -197          |               |                |             |
| <b>NET PROFIT ADJUSTED</b>           | <b>5.694</b>  | <b>23,7%</b>  | <b>5.068</b>  | <b>25,1%</b>  | <b>626</b>     | <b>12%</b>  |



# Balance Sheet Piteco Group FY 2019- FY 2018

Data in EUR/1000

| Balance Sheet                                   | FY2019         | FY2018         | Changes      |
|---|----------------|----------------|--------------|
| Work in progress                                | 107            | 128            | -21          |
| Trade credits                                   | 6.368          | 4.680          | 1.688        |
| Tax Credits                                     | 11             | 28             | -17          |
| Other current credits                           | 502            | 501            | 1            |
| <b>(A) Current Assets</b>                       | <b>6.988</b>   | <b>5.337</b>   | <b>1.651</b> |
| Accounts payable                                | 927            | 673            | 254          |
| Debts from financial contracts                  | 597            | 299            | 298          |
| Tax Debts                                       | 1.166          | 172            | 994          |
| Other current Debts                             | 3.618          | 3.216          | 402          |
| <b>(B) Current Liabilities</b>                  | <b>6.308</b>   | <b>4.360</b>   | <b>1.948</b> |
| <b>(A-B) Net Working Capital</b>                | <b>680</b>     | <b>977</b>     | <b>-297</b>  |
| Tangible Assets                                 | 4.015          | 2.098          | 1.917        |
| Intangible Assets                               | 56.900         | 58.301         | -1.401       |
| Financial Assets                                | 20             | 23             | -3           |
| Tax Accounts                                    | 1.153          | 462            | 691          |
| <b>(C) Non Current Assets</b>                   | <b>62.088</b>  | <b>60.884</b>  | <b>1.204</b> |
| Severance pay and other funds                   | 1.398          | 1.294          | 104          |
| Other non current Funds                         | 54             | 50             | 4            |
| Deferred Tax                                    | 2.439          | 2.587          | -148         |
| <b>(D) Non Current Liabilities</b>              | <b>3.891</b>   | <b>3.931</b>   | <b>-40</b>   |
| <b>(NWC+C-D) Net Invested Capital</b>           | <b>58.877</b>  | <b>57.930</b>  | <b>947</b>   |
| Share Capital                                   | 19.125         | 18.155         | 0            |
| Reserves  | 7.025          | 5.901          | 0            |
| Profit (loss) previous years + reserves FTA/IAS | 2.253          | 1.815          | 0            |
| Profit (loss) of the year                       | 3.016          | 5.265          | 0            |
| <b>(E) Total Equity</b>                         | <b>31.419</b>  | <b>31.136</b>  | <b>0</b>     |
| Cash and Deposits                               | 3.046          | 5.572          | -2.526       |
| Current Financial Assets                        | 99             | 262            | -163         |
| Short Term Financial Credits                    | 609            | 0              | 609          |
| Bank Debts within 12 months                     | -3.635         | -1.960         | -1.675       |
| Debts to other lenders within 12 months         | -6.101         | -4.119         | -1.982       |
| Put Options over 12 months                      | -12.859        | -11.512        | -1.347       |
| Debts to other lenders over 12 months           | -2.356         | -5.352         | 2.996        |
| Bank Debts over 12 months                       | -6.261         | -9.685         | 3.424        |
| <b>(NFP) Net Financial Position</b>             | <b>-27.458</b> | <b>-26.794</b> | <b>-664</b>  |
| <b>(E-NFP) Total Sources</b>                    | <b>58.877</b>  | <b>57.930</b>  | <b>947</b>   |

# Summary by Business Sector Piteco Group FY 2019/2018

Data in EUR/1000

|                           | FY 2019       |               |              |                    | FY 2018   |               |              |                        | changes    |              |             |                    |
|---------------------------|---------------|---------------|--------------|--------------------|---|---------------|--------------|------------------------|------------|--------------|-------------|--------------------|
| Profit and Loss           | Total         | Treasury MNG  | Banking      | Financial Risk MNG | Total   | Treasury MNG  | Banking      | Financial Risk MNG (*) | Total      | Treasury MNG | Banking     | Financial Risk MNG |
| Net Sales Revenues        | 22.774        | 15.055        | 4.512        | 3.207              | 19.374  | 14.090        | 4.451        | 833                    | 18%        | 7%           | 1%          | 285%               |
| Other Revenues            | 1.286         | 863           | 60           | 363                | 940   | 738           | 108          | 94                     | 37%        | 17%          | -44%        | 286%               |
| Work in Progress (change) | - 21          | -54           | -            | 33                 | -100  | -17           | -            | - 83                   | -79%       | 218%         |             | -140%              |
| <b>Turnover</b>           | <b>24.039</b> | <b>15.864</b> | <b>4.572</b> | <b>3.603</b>       | <b>20.214</b>   | <b>14.811</b> | <b>4.559</b> | <b>844</b>             | <b>19%</b> | <b>7%</b>    | <b>0%</b>   | <b>327%</b>        |
| Raw Materials             | 146           | 121           | 2            | 23                 | 306   | 234           | 13           | 59                     | -52%       | -48%         | -85%        | -61%               |
| Personnel Costs           | 9.372         | 6.747         | 1.505        | 1.120              | 8.122   | 6.307         | 1.564        | 251                    | 15%        | 7%           | -4%         | 346%               |
| Services                  | 4.138         | 2.342         | 1.449        | 347                | 3.442   | 2.280         | 1.101        | 61                     | 20%        | 3%           | 32%         | 469%               |
| Other Costs               | 145           | 60            | 28           | 57                 | 78  | 66            | 9            | 3                      | 86%        | -9%          | 211%        | 1800%              |
| <b>Operative Costs</b>    | <b>13.801</b> | <b>9.270</b>  | <b>2.984</b> | <b>1.547</b>       | <b>11.948</b>   | <b>8.887</b>  | <b>2.687</b> | <b>374</b>             | <b>16%</b> | <b>4%</b>    | <b>11%</b>  | <b>314%</b>        |
| <b>EBITDA</b>             | <b>10.238</b> | <b>6.594</b>  | <b>1.588</b> | <b>2.056</b>       | <b>8.266</b>  | <b>5.924</b>  | <b>1.872</b> | <b>470</b>             | <b>24%</b> | <b>11%</b>   | <b>-15%</b> | <b>337%</b>        |
| Ebitda Margin             | 43%           | 42%           | 35%          | 57%                | 41%   | 40%           | 41%          | 56%                    |            |              |             |                    |
|                           |               |               |              |                    | (*) Finalcial Risk MNG (Myrios Srl) data 2018 only 2,5 months |               |              |                        |            |              |             |                    |

# Net Financial Position Piteco Group FY 2019/FY 2018

Data in EUR/1000

| Net Financial Position                  | FY2019         | FY2018         | Changes       | %19/18         |
|---|----------------|----------------|---------------|----------------|
| Cash and Deposits                       | 3.046          | 5.572          | -2.526        | -45,3%         |
| <b>CASH</b>                             | <b>3.046</b>   | <b>5.572</b>   | <b>-2.526</b> | <b>-45,3%</b>  |
| Current Financial Assets                | 99             | 262            | -163          | -62,2%         |
| Bank Debts within 12 months             | -3.635         | -1.960         | -1.675        | 85,5%          |
| Debts to other lenders within 12 months | -6.101         | -4.119         | -1.982        | 48,1%          |
| <b>Current Financial Position</b>       | <b>-9.637</b>  | <b>-5.817</b>  | <b>-3.820</b> | <b>65,7%</b>   |
| <b>Current NET Financial Position</b>   | <b>-6.591</b>  | <b>-245</b>    | <b>-6.346</b> | <b>2590,2%</b> |
| Non Current Financial Assets            | 609            | 0              | 609           |                |
| Bank Debts over 12 months               | -6.261         | -9.685         | 3.424         | -35,4%         |
| Debts to other lenders over 12 months   | -2.356         | -5.352         | 2.996         | -56,0%         |
| <b>Non Current Financial Position</b>   | <b>-8.008</b>  | <b>-15.037</b> | <b>7.029</b>  | <b>-46,7%</b>  |
| <b>NET Financial Position</b>           | <b>-14.599</b> | <b>-15.282</b> | <b>683</b>    | <b>-4,5%</b>   |
|   |                |                |               |                |
| Put Options over 12 months              | -12.859        | -11.512        | -1.347        | 11,7%          |
| <b>NET Financial Position with PUT</b>  | <b>-27.458</b> | <b>-26.794</b> | <b>-664</b>   | <b>2,5%</b>    |

# Cash Flow Statement Piteco Group FY 2019/2018

Data in EUR/1000

| Cash Flow Statement  | FY2019       | FY2018       |
|--|--------------|--------------|
| <b>NET PROFIT (Loss)</b>   | <b>3017</b>  | <b>5265</b>  |
| Financial Incomes (Costs)  | 3306         | 338          |
| Taxes  | 707          | 457          |
| Depreciation and amortization                                    | 2936         | 1862         |
| increases in fixed assets for internal processing and minus-plus | -863         | -607         |
| <b>Cash Flow from operation before change in NWC</b>             | <b>9103</b>  | <b>7315</b>  |
| Financial Incomes (Costs) paid                                   | -621         | -336         |
| Taxes paid   | -336         | -648         |
| Total changes N.W.C.   | -960         | -107         |
| Total changes in funds   | 74           | 15           |
| <b>Operating Cash Flow</b>                                       | <b>7260</b>  | <b>6239</b>  |
| % on Net Sales   | 32%          | 32%          |
| % on Ebitda  | 71%          | 75%          |
| Capex  | -134         | -10642       |
| <b>Free Cash Flow Before Debt Repairment</b>                     | <b>7126</b>  | <b>-4403</b> |
| Loan/Lease Disbursement (Repayment)                              | -6071        | 9260         |
| Equity changes   | -3792        | -4438        |
| <b>Financial Changes</b>   | <b>-9863</b> | <b>4822</b>  |
| <b>Changes in Liquidity</b>                                      | <b>-2737</b> | <b>419</b>   |
| <b>Cash beginning of the year</b>                                | <b>5572</b>  | <b>5153</b>  |
| <b>Cash at the end of the year</b>                               | <b>2835</b>  | <b>5572</b>  |

# Income Statement Piteco SpA FY 2019/2018

Data in EUR/1000

| Profit and Loss                       | FY2019        | %             | FY2018        | %             | Ch %       |
|---------------------------------------|---------------|---------------|---------------|---------------|------------|
| Net Sales Revenues                    | 15.074        | 94,9%         | 14.090        | 95,2%         | 7%         |
| Other Revenues                        | 863           | 5,4%          | 734           | 4,9%          | 18%        |
| Work in Progress (change)             | -54           | -0,3%         | -16           | -0,1%         | 238%       |
| <b>TURNOVER</b>                       | <b>15.883</b> | <b>100,0%</b> | <b>14.808</b> | <b>100,0%</b> | <b>7%</b>  |
| Raw Materials                         | 232           | 1,5%          | 312           | 2,1%          | -26%       |
| Personnel Costs                       | 6.746         | 42,5%         | 6.307         | 42,6%         | 7%         |
| Services                              | 2.499         | 15,7%         | 2.318         | 15,7%         | 8%         |
| Other Costs                           | 60            | 0,4%          | 65            | 0,4%          | -8%        |
| <b>OPERATIVE COSTS</b>                | <b>9.537</b>  | <b>60,0%</b>  | <b>9.002</b>  | <b>60,8%</b>  | <b>6%</b>  |
| <b>EBITDA</b>                         | <b>6.346</b>  | <b>40,0%</b>  | <b>5.806</b>  | <b>39,2%</b>  | <b>9%</b>  |
| Depreciation and Amortization         | 633           | 4,0%          | 360           | 2,4%          | 76%        |
| <b>EBIT</b>                           | <b>5.713</b>  | <b>36,0%</b>  | <b>5.446</b>  | <b>36,8%</b>  | <b>5%</b>  |
| Gain (Loss) Forex                     | 157           | 1,0%          | 392           | 2,6%          | -60%       |
| Financial Incomes (Costs)             | -721          | -4,5%         | -135          | -0,9%         | 434%       |
| Extraordinary Incomes (Costs)         | -338          | -2,1%         | -719          | -4,9%         | -53%       |
| <b>EBT</b>                            | <b>4.811</b>  | <b>30,3%</b>  | <b>4.984</b>  | <b>33,7%</b>  | <b>-3%</b> |
| Tax                                   | 564           | 3,6%          | 385           | 2,6%          | 46%        |
| <b>NET PROFIT (Loss)</b>              | <b>4.247</b>  | <b>26,7%</b>  | <b>4.599</b>  | <b>31,1%</b>  | <b>-8%</b> |
| Fin. Incomes (Costs) Fair V alue adj. | 1.394         |               | 85            |               |            |
| <b>NET PROFIT ADJUSTED</b>            | <b>5.641</b>  | <b>35,5%</b>  | <b>4.684</b>  | <b>31,6%</b>  | <b>20%</b> |

# Balance Sheet Piteco Spa FY 2019- FY 2018

Data in EUR/1000

| Balance Sheet                                   | FY2019        | FY2018        | Changes       |
|---|---------------|---------------|---------------|
| Work in progress                                | 67            | 122           | -55           |
| Trade credits                                   | 4.607         | 4.010         | 597           |
| Tax Credits                                     | 0             | 0             | 0             |
| Other current credits                           | 250           | 193           | 57            |
| <b>(A) Current Assets</b>                       | <b>4.924</b>  | <b>4.325</b>  | <b>599</b>    |
| Accounts payable                                | 913           | 658           | 255           |
| Debts from financial contracts                  | 511           | 287           | 224           |
| Tax Debts                                       | 972           | 138           | 834           |
| Other current Debts                             | 2.949         | 2.656         | 293           |
| <b>(B) Current Liabilities</b>                  | <b>5.345</b>  | <b>3.739</b>  | <b>1.606</b>  |
| <b>(A-B) Net Working Capital</b>                | <b>-421</b>   | <b>586</b>    | <b>-1.007</b> |
| Tangible Assets                                 | 3.129         | 1.274         | 1.855         |
| Intangible Assets                               | 29.026        | 28.874        | 152           |
| Equity Investments                              | 13.952        | 13.952        | 0             |
| Financial Assets                                | 19            | 22            | -3            |
| Tax Accounts                                    | 864           | 321           | 543           |
| <b>(C) Non Current Assets</b>                   | <b>46.990</b> | <b>44.443</b> | <b>2.547</b>  |
| Severance pay and other funds                   | 1.211         | 1.151         | 60            |
| Other non current Funds                         | 53            | 50            | 3             |
| Deferred Tax                                    | 263           | 234           | 29            |
| <b>(D) Non Current Liabilities</b>              | <b>1.527</b>  | <b>1.435</b>  | <b>92</b>     |
| <b>(NWC+C-D) Net Invested Capital</b>           | <b>45.042</b> | <b>43.594</b> | <b>1.448</b>  |
| Share Capital                                   | 19.125        | 18.155        | 970           |
| Reserves  | 10.036        | 8.889         | 1.147         |
| Profit (loss) previous years + reserves FTA/IAS | 2.400         | 2.400         | 0             |
| Profit (loss) of the year                       | 4.247         | 4.598         | -351          |
| <b>(E) Total Equity</b>                         | <b>35.808</b> | <b>34.042</b> | <b>1.766</b>  |
| Cash and Deposits                               | 215           | 2.386         | -2.171        |
| Short Term Financial Credits                    | 2.401         | 1.318         | 1.083         |
| Bank Debts within 12 months                     | -9.509        | -4.768        | -4.741        |
| Short Term Financial Debts                      | -188          | 0             | -188          |
| Long Term Financial Credits                     | 6.429         | 6.544         | -115          |
| Long Term Financial Debts                       | -2.322        | -5.348        | 3.026         |
| Bank Debts over 12 months                       | -6.260        | -9.684        | 3.424         |
| <b>(NFP) Net Financial Position</b>             | <b>-9.234</b> | <b>-9.552</b> | <b>318</b>    |
| <b>(E-NFP) Total Sources</b>                    | <b>45.042</b> | <b>43.594</b> | <b>1.448</b>  |

# Net Financial Position Piteco SpA FY 2019/FY 2018

Data in EUR/1000

| Net Financial Position                  | FY2019        | FY2018        | Changes       | % 19-18       |
|---|---------------|---------------|---------------|---------------|
| Cash and Deposits                       | 215           | 2.386         | -2.171        | -91,0%        |
| <b>CASH</b>                             | <b>215</b>    | <b>2.386</b>  | <b>-2.171</b> | <b>-91,0%</b> |
| Debts to other lenders within 12 months | -6.062        | -2.807        | -3.255        | 116,0%        |
| Bank Debts within 12 months             | -3.635        | -1.961        | -1.674        | 85,4%         |
| Short Term Financial Credits            | 2.401         | 1.318         | 1.083         | 82,2%         |
| <b>Current Financial Position</b>       | <b>-7.296</b> | <b>-3.450</b> | <b>-3.846</b> | <b>111,5%</b> |
| <b>Current NET Financial Position</b>   | <b>-7.081</b> | <b>-1.064</b> | <b>-6.017</b> | <b>565,5%</b> |
|   |               |               |               |               |
| Long Term Financial Credits             | 6.429         | 6.545         | -116          | -1,8%         |
| Bank Debts over 12 months               | -6.260        | -9.685        | 3.425         | -35,4%        |
| Debts to other lenders over 12 months   | -2.322        | -5.348        | 3.026         | -56,6%        |
| <b>Non Current Financial Position</b>   | <b>-2.153</b> | <b>-8.488</b> | <b>6.335</b>  | <b>-74,6%</b> |
|   |               |               |               |               |
| <b>Net Financial Position</b>           | <b>-9.234</b> | <b>-9.552</b> | <b>318</b>    | <b>-3,3%</b>  |

# Cash Flow Statement Piteco SpA FY 2019/2018

Data in EUR/1000

| Cash Flow Statement  | FY2019       | FY2018       |
|--|--------------|--------------|
| <b>NET PROFIT (Loss)</b>   | <b>4247</b>  | <b>4598</b>  |
| Financial Incomes (Costs)  | 721          | 135          |
| Taxes  | 609          | 377          |
| Depreciation and amortization                                    | 586          | 355          |
| increases in fixed assets for internal processing and minus-plus | -482         | -364         |
| <b>Cash Flow from operation before change in NWC</b>             | <b>5681</b>  | <b>5101</b>  |
| Financial Incomes (Costs) paid                                   | 670          | -137         |
| Taxes paid   | -218         | -329         |
| Total changes N.W.C.   | 52           | 333          |
| Total changes in funds   | 25           | 6            |
| <b>Operating Cash Flow</b>                                       | <b>6210</b>  | <b>4974</b>  |
| % on Net Sales   | 41%          | 35%          |
| % on Ebitda  | 98%          | 86%          |
| Capex  | -440         | -11327       |
| <b>Free Cash Flow Before Debt Repairment</b>                     | <b>5770</b>  | <b>-6353</b> |
| Loan/Lease Disbursement (Repayment)                              | -4773        | 9311         |
| Equity changes   | -3378        | -3612        |
| <b>Financial Changes</b>   | <b>-8151</b> | <b>5699</b>  |
| <b>Changes in Liquidity</b>                                      | <b>-2381</b> | <b>-654</b>  |
| <b>Cash beginning of the year</b>                                | <b>2385</b>  | <b>3039</b>  |
| <b>Cash at the end of the year</b>                               | <b>4</b>     | <b>2385</b>  |





Via Imbonati, 18  
20159 – Milan

Phone: +39 023660931  
E-mail: [investor@pitecolab.it](mailto:investor@pitecolab.it)