

THE CAD IT BOARD OF DIRECTORS APPROVES THE CONSOLIDATED FINANCIAL RESULTS AND THE DRAFT FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2018

The CAD IT Group closes 2018 with a Production Value of Euro 66.4 million compared to Euro 62.8 million in the previous financial period.

EBITDA stands at Euro 13.5 million (Euro 12.5 million in 2017).

EBIT stands at Euro 8.5 million (Euro 6.1 million in 2017).

Result of the period, net of tax, attributable to owners of the parent stands at Euro 5.5 million (Euro 3.7 million in 2017).

The Group's Consolidated Net Financial Position is in credit by Euro 14.9 million compared to Euro 8.5 million registered at 31st December 2017.

The Board of Directors of CAD IT S.p.A. (www.caditgroup.com), leader in the Italian financial software market, today approved the consolidated financial results of the Group and of the Parent company CAD IT S.p.A. as at 31st December 2018.

The Consolidated Financial Statements as at 31st December 2018, which for the first time includes the Spanish companies acquired during the financial year, show:

- **Production Value** of Euro 66.4 million (Euro 62.8 million in 2017); the revenues from sales and services of increases of Euro 62.3 million (Euro 58.5 million in 2017);
- **Gross Operational Result (EBITDA)** of Euro 13.5 million (20.3% of Production Value) compared to Euro 12.5 million in 2017 (19.8% of Production Value);
- **Operational Result (EBIT)** of Euro 8.5 million (12.9% of Production Value), compared to Euro 6.1 million in 2017 (9.7% of Production Value);
- **Result of the period, net of tax, attributable to owners of the parent** of Euro 5.5 million (8.3% of Production Value) compared to Euro 3.7 million registered in the previous year (5.9% of Production Value).

CAD IT S.p.A. hereby reports that the **Group's Consolidated Net Financial Position** at 31st December 2018 is in credit by Euro 14.9 million, compared to Euro 8.5 million registered at 31st December 2017.

The reverse merger of the parent company (CAD IT S.p.A., merged company) into the fully owned subsidiary CAD IT S.p.A. (surviving company, formerly CAD S.r.l.) became effective on 1st December 2018, pursuant to Article 2504-bis, paragraph 2, of the Italian Civil Code. The operations of the merged company are charged to the financial statements of the surviving company from 1st January 2018.

The **Parent Company CAD IT S.p.A.** recorded a Production Value of Euro 60.0 million, a Gross Operational Result (EBITDA) of Euro 10.8 million, a Operational Result (EBIT) of Euro 5,4 million and a Net Result of Euro 4.7 million.

The CAD IT Board of Directors intends to make use of the broader term provided for by Article 2364 of the Italian Civil Code and by Article 14 of the by-laws for calling the shareholders' meeting called to approve the 2018 financial statements and proposes to allocate the financial year's net profit to the extraordinary reserve of undivided profits.

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The Manager charged with preparing the company's financial reports, Michele Miazzi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Furthermore, it is pointed out that this press release, in addition to the conventional financial indicators required by IFRS, also contains some alternative performance indicators in order to allow a better assessment of the economic and financial management trend. These indicators are calculated according to the usual market practices and in compliance with the previous company's communications.

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It should be noted that the auditing of the draft financial statements is being completed and that the draft financial statements and the consolidated financial statements, together with the Board of Auditors' and the Auditing Firm's reports, will be made available to the public at CAD IT S.p.A. registered office within the deadlines provided for by law.

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Consolidated Financial Statements of the CAD IT Group

Consolidated income statement

(in thousands of Euro)

	Period 2018		Period 2017		Variations	
	€/000	% PV	€/000	% PV	€/000	%
Income from sales and services	62,348	93.9%	58,529	93.2%	3,819	6.5%
Asset increases due to internal work	2,744	4.1%	3,658	5.8%	(914)	(25.0%)
Other revenue and receipts	1,305	2.0%	634	1.0%	671	105.8%
Production value	66,397	100.0%	62,821	100.0%	3,575	5.7%
Purchase costs	(357)	(0.5%)	(355)	(0.6%)	(2)	(0.7%)
Service costs	(10,244)	(15.4%)	(8,545)	(13.6%)	(1,699)	(19.9%)
Other operational costs	(924)	(1.4%)	(843)	(1.3%)	(81)	(9.6%)
Added value	54,871	82.6%	53,079	84.5%	1,793	3.4%
Labour costs	(39,279)	(59.2%)	(38,342)	(61.0%)	(937)	(2.4%)
Other administrative expenses	(2,092)	(3.2%)	(2,281)	(3.6%)	189	8.3%
Gross operational result - EBITDA	13,500	20.3%	12,456	19.8%	1,044	8.4%
Allocation to fund and credit depreciation	(126)	(0.2%)	(145)	(0.2%)	19	13.3%
Intangible fixed asset amortization and depreciation	(4,148)	(6.2%)	(5,445)	(8.7%)	1,297	23.8%
Tangible fixed asset amortization and depreciation	(681)	(1.0%)	(585)	(0.9%)	(95)	(16.3%)
Other allocation	0	0.0%	(160)	(0.3%)	160	100.0%
Operational result - EBIT	8,545	12.9%	6,120	9.7%	2,425	39.6%
Financial income	193	0.3%	7	0.0%	185	2,516.6%
Financial expenses	(109)	(0.2%)	(45)	(0.1%)	(64)	(143.3%)
Revaluations and depreciations	(248)	(0.4%)	476	0.8%	(724)	(152.1%)
Pre-tax result	8,381	12.6%	6,559	10.4%	1,822	27.8%
Income taxes	(2,368)	(3.6%)	(1,951)	(3.1%)	(416)	(21.3%)
Profit/(loss) for the period	6,013	9.1%	4,607	7.3%	1,406	30.5%
Profit/(loss) for the period attributable to:						
Non-controlling interests	521	0.8%	907	1.4%	(386)	(42.6%)
Owners of the parent	5,492	8.3%	3,700	5.9%	1,792	48.4%
Weighted average number of ordinary shares outstanding	8,980,000		8,980,000			
Basic earnings per share (in €)	0.612		0.412			

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	Period 2018	Period 2017
Profit (loss) for the period	6,013	4,607
Other comprehensive income that will not be reclassified subsequently to profit or (loss)		
Actuarial gains/(losses) on defined benefit liabilities net of tax effects	283	3
Other comprehensive income that will be reclassified subsequently to profit or (loss)		
Gains/(Losses) from the revaluation of other financial assets	(4)	
Total comprehensive income (loss)	6,292	4,610
Comprehensive income (loss) attributable to:		
- Non-controlling interests	576	899
- Owners of the parent	5,716	3,711

Consolidated Statement of Financial Position

(in thousands of Euro)

ASSETS	31/12/2018	31/12/2017
A) Non-Current Assets		
Property, plant and equipment	18,342	18,139
Intangible assets	14,697	16,625
Goodwill	15,255	8,309
Investments	895	2,500
Investments at fair value recorded in the income	39	89
Other non-current financial assets	729	326
Credits due to deferred taxes	542	825
TOTAL NON-CURRENT ASSETS	50,500	46,813
Current Assets		
Inventories	21	53
Trade receivables and other credits	20,505	29,606
Tax credits	1,272	1,216
Other current financial assets	579	-
Cash on hand and other equivalent assets	22,860	14,150
TOTAL CURRENT ASSETS	45,238	45,025
TOTAL ASSETS	95,737	91,838
EQUITY AND LIABILITIES		
A) Equity		
Company capital	4,670	4,670
Reserves	32,003	35,246
Accumulated profits/losses	23,886	15,023
Total equity attributable to owners of the parent	60,559	54,939
Capital and reserves of third parties	2,432	2,175
Profit (loss) of third parties	521	907
Non-controlling interests	2,952	3,082
TOTAL EQUITY	63,511	58,021
B) Non-current liabilities		
Financing	6,230	1,663
Deferred tax liabilities	2,544	2,520
Employee benefits and quiescence provisions	7,170	7,837
Expense and risk provisions	-	160
TOTAL NON-CURRENT LIABILITIES	15,944	12,180
C) Current liabilities		
Trade payables	3,765	5,800
Current tax payables	3,126	4,540
Short-term financing	2,352	3,948
Other liabilities	7,040	7,350
TOTAL CURRENT LIABILITIES	16,282	21,637
TOTAL LIABILITIES AND EQUITY	95,737	91,838

Consolidated Cash Flow Statement

(in thousands of Euro)

	Period 2018	Period 2017
A) OPERATING ACTIVITIES		
Profit (loss) for the period	6,013	4,607
Amortisation, revaluation and depreciation:		
- Property, plant and equipment depreciation	681	585
- Intangible fixed asset amortisation	4,148	5,445
- revaluation of investments and of other financial assets	(513)	(476)
- depreciation of investments	761	-
Allocations (utilization) of provisions	(435)	24
Financial performance:		
- Net financial receipts (charges)	(84)	37
- Profit/(loss) on foreign exchange	(3)	(2)
Other working capital variations	6,357	4,714
Income taxes paid	(2,847)	(696)
Interest paid	(105)	(42)
A) - Cash flows from (used in) operating activities	13,972	14,197
B) INVESTMENT ACTIVITIES		
Investments in activities		
- purchase of property, plant and equipment	(689)	(313)
- purchase/production of intangible assets	(2,902)	(3,769)
- purchase of other investments and other non-current assets	-	(50)
- purchase of investments in subsidiaries net of cash availability	(4,624)	-
- increase in other non-current financial assets	(173)	(24)
Disinvestment activities		
- transfers of property, plant and equipment	145	2
- transfers of intangible assets	274	
- transfers of other investments and other non-current assets	50	23
- transfers of investments in subsidiaries	100	
- decrease in other non-current financial assets	532	11
Cashed Interest	33	7
Cashed dividends	309	178
(B) - Cash flows from (used in) investment activities	(6,943)	(3,935)
C) FINANCING ACTIVITIES		
Medium/long term financing repayment	(1,671)	(599)
Medium/long term financing opening	6,237	586
Allocation of profits to directors of subsidiary companies	(27)	-
Minority owners payments in subsidiary companies	-	30
Dividends paid	(1,263)	(1,959)
(C) - Cash flows from (used in) financing activities	3,277	(1,943)
(A+B+C) - Total cash and other equivalent assets flows	10,306	8,319
Opening cash balances and equivalents	10,203	1,883
Closing cash balances and equivalents	20,508	10,203

Consolidated Net Financial Position

(in thousands of Euro)

<i>Net consolidated financial position / (indebtedness)</i>	<i>31/12/2018</i>	<i>31/12/2017</i>	<i>Variations</i>	<i>Var. %</i>
Cash-on-hand and at bank	22,860	14,150	8,710	61.6%
Current financial assets	579	0	579	-
Payables due to banks current portion	(2,352)	(3,948)	1,596	40.4%
Net short-term financial position/(indebtedness)	21,087	10,203	10,884	106.7%
Long-term loans	(6,230)	(1,663)	(4,567)	(274.6%)
Net long-term financial position/(indebtedness)	(6,230)	(1,663)	(4,567)	(274.6%)
Net financial position/(indebtedness)	14,857	8,540	6,318	74.0%

CAD IT S.p.A. Financial Results

CAD IT S.p.A. Income Statement

(in thousands of Euro)

	Period 2018		Period 2017 pro-forma ⁽¹⁾		Variations	
	€/000	% Vdp	€/000	% Vdp	€/000	%
Income from sales and services	56,410	93.9%	56,548	92.6%	(138)	(0.2%)
Asset increases due to internal work	2,773	4.6%	3,929	6.4%	(1,156)	(29.4%)
Other revenue and receipts	883	1.5%	620	1.0%	263	42.4%
Production value	60,065	100.0%	61,097	100.0%	(1,031)	(1.7%)
Purchase costs	(331)	(0.6%)	(325)	(0.5%)	(6)	(1.9%)
Service costs	(16,280)	(27.1%)	(16,205)	(26.5%)	(76)	(0.5%)
Other operational costs	(572)	(1.0%)	(613)	(1.0%)	41	6.7%
Added value	42,882	71.4%	43,954	71.9%	(1,072)	(2.4%)
Labour costs	(30,775)	(51.2%)	(32,472)	(53.1%)	1,698	5.2%
Other administrative expenses	(1,342)	(2.2%)	(1,580)	(2.6%)	237	15.0%
Gross operational result - EBITDA	10,765	17.9%	9,902	16.2%	862	8.7%
Allocation to fund and credit depreciation	(120)	(0.2%)	(135)	(0.2%)	15	11.1%
Intangible fixed asset amortization and depreciation	(4,662)	(7.8%)	(6,030)	(9.9%)	1,368	22.7%
Tangible fixed asset amortization and depreciation	(543)	(0.9%)	(496)	(0.8%)	(47)	(9.4%)
Other allocation	0	0.0%	(160)	(0.3%)	160	100.0%
Operational result - EBIT	5,440	9.1%	3,081	5.0%	2,359	76.5%
Financial income	1,509	2.5%	420	0.7%	1,089	259.4%
Financial expenses	(61)	(0.1%)	(30)	(0.0%)	(32)	(106.3%)
Revaluations and depreciations	(664)	(1.1%)	(35)	(0.1%)	(630)	(1,823.0%)
Pre-tax result	6,224	10.4%	3,437	5.6%	2,787	81.1%
Income taxes	(1,520)	(2.5%)	(1,048)	(1.7%)	(472)	(45.0%)
Profit/(loss) for the period	4,704	7.8%	2,389	3.9%	2,315	96.9%

⁽¹⁾ Comparative figures restated as an aggregate of the values of the surviving company, according to the international accounting standards, and of the merged company net of mutual relationships and cancellation of the investment.

CAD IT S.p.A. Statement of Financial Position

(in thousands of Euro)

	31/12/2018	31/12/2017 Pro-forma ⁽¹⁾
ASSETS		
A) Non-Current Assets		
Property, plant and equipment	16,262	16,430
Intangible assets	15,769	18,234
Goodwill	7,004	7,004
Investments	11,736	3,891
Investments at fair value recorded in the income	-	50
Other non-current financial assets	69	26
Credits due to deferred taxes	188	285
TOTAL NON-CURRENT ASSETS	51,029	45,920
B) Current Assets		
Inventories	1	44
Trade receivables and other credits	20,025	30,242
Tax credits	1,206	1,156
Cash on hand and other equivalent assets	17,508	12,173
TOTAL CURRENT ASSETS	38,740	43,615
TOTAL ASSETS	89,769	89,536
EQUITY AND LIABILITIES		
A) Equity		
Company capital	4,670	4,670
Reserves	32,003	32,101
Accumulated profits/losses	20,507	15,549
TOTAL EQUITY	57,179	52,320
B) Non-current liabilities		
Financing	5,503	841
Deferred tax liabilities	2,461	2,461
Employee benefits and quiescence provisions	5,198	5,813
Expense and risk provisions	-	160
TOTAL NON-CURRENT LIABILITIES	13,162	9,274
C) Current liabilities		
Trade payables	9,237	13,568
Current tax payables	1,903	4,050
Short-term financing	2,335	3,937
Other liabilities	5,952	6,386
TOTAL CURRENT LIABILITIES	19,428	27,941
TOTAL LIABILITIES AND EQUITY	89,769	89,536

⁽¹⁾ Comparative figures restated as an aggregate of the values of the surviving company, according to the international accounting standards, and of the merged company net of mutual relationships and cancellation of the investment.

CAD IT S.p.A. Net Financial Position

(in thousands of Euro)

	31/12/2018	31/12/2017 Pro-forma ⁽¹⁾	Variations	%
Cash-on-hand and at bank	17,508	12,173	5,335	43.8%
Payables due to banks current portion	(2,335)	(3,937)	1,602	40.7%
Net short-term financial position/(indebtedness)	15,173	8,236	6,937	84.2%
Long-term loans	(5,503)	(841)	(4,662)	(554.6%)
Net long-term financial position/(indebtedness)	(5,503)	(841)	(4,662)	(554.6%)
Net financial position/(indebtedness)	9,670	7,395	2,275	30.8%

⁽¹⁾ Comparative figures restated as an aggregate of the values of the surviving company, according to the international accounting standards, and of the merged company net of mutual relationships and cancellation of the investment.

GRUPPO CAD IT

CAD IT fornisce software e servizi ad aziende di elevato standing in Europa. I clienti di CAD IT includono banche, assicurazioni, fondi, brokers, fornitori di servizi in outsourcing, enti pubblici e imprese.

Ogni giorno, le soluzioni sviluppate da CAD IT, supportano oltre 1.000 organizzazioni in Europa, grazie al know-how di oltre 600 professionisti altamente specializzati e con il dominio di tecnologie innovative.

Con oltre 200.000 utenti appartenenti ad istituzioni finanziarie di elevato standing, Area Finanza di CAD IT rappresenta il sistema più utilizzato in Europa per la gestione dei processi di trading e post trading di strumenti finanziari. "Area Finanza" è una soluzione completa front-to-back, cross-business, cross-asset, multi-canale, multi-browser, multi-lingua, multi-valuta e multi-istituto.

CAD IT è inoltre leader di mercato in Italia nel settore del software per la riscossione dei tributi per la Pubblica Amministrazione e rappresenta un punto di riferimento per le aziende del "made in Italy" come fornitore di strumenti software e servizi ad alto valore aggiunto.

CAD IT GROUP

CAD IT supplies software and services to high-standing companies in Europe. CAD IT's customers include banks, insurance companies, investment fund organisations, brokers, IT outsourcers, public administration and manufacturing companies.

Due to the exceptional know-how of over 600, highly specialised experts and with a dominion of innovative technologies, CAD IT's software solutions daily provide support to over 1,000 European organisations.

With over 200,000 users at high-standing financial institutions, CAD IT's Finance Area software suite is the most commonly-used system in Europe for managing financial instrument trading and post-trading processes. "Finance Area" is a complete front-to-back, cross-business, cross-asset, multi-channel, multi-browser, multi-language, multi-currency and multi-entity solution.

Moreover, CAD IT is not only the leader in the Italian financial software market but also for Public Administration tax collection and represents a reference point for Made in Italy companies as a supplier of software tools and services that guarantee high added value.

GRUPO CAD IT

CAD IT suministra software y servicios a empresas de alto nivel en Europa. Los clientes CAD IT incluyen bancos, seguros, fondos, agentes de bolsa, proveedores de servicios de externalización, entes públicos y empresas.

Cada día, las soluciones desarrolladas por CAD IT, suportan más de 1.000 organizaciones en Europa, gracias al know-how de más de 600 profesionales altamente especializados y con el dominio de tecnologías innovadoras.

Con más de 200.000 usuarios pertenecientes a instituciones financieras de alto nivel, el Area Finanza de CAD IT representa el sistema más usado en Europa para la gestión de los procesos de negociación y post-negociación de instrumentos financieros. "Area Finanza" es una solución integral para los servicios de: atención al público y administración (front-to-back), multi-sociedades (cross-business), activos cruzados (cross-asset), multi-canales, multi-navegadores, multi-idiomias, multi-moneda y multi-institución.

CAD IT es además, líder del mercado en Italia en el sector del software para la recaudación de impuestos para la Administración Pública y representa un punto de referencia para las empresas del "Made in Italy" como proveedor de instrumentos software y servicios de alto valor añadido.

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