

2013 financial results

Continued increase in operating profitability

ITESOFT (ISIN Code: FR0004026151, Mnemo code: ITE), a European software developer specializing in solutions for automating and processing information flows, announces the publication of its audited results ⁽¹⁾ for the 2013 tax year, approved at the company's Board of Directors meeting held on 16 April 2014.

<i>Euros (millions)</i>	FreeMind		Yooz		Group	
	2012	2013	2012	2013	2012	2013
Sales revenue	21.10	20.40	0.56	1.22	21.66	21.62
Operating expenses	(19.01)	(18,26)	(2.09)	(2.66)	(21.10)	(20.92)
Current operating income	2.09	2.46	(1.53)	(1.44)	0.56	1.02
<i>% of revenue</i>	9.9%	12.1%			2.6%	4.7%
Operating income	2.09	2.14	(1,53)	(1,44)	0.56	0.70
<i>% of revenue</i>	9.6%	10.5%	-		2.6%	3.2%
Consolidated net income					0.64	0.46

BUSINESS ACTIVITY

In 2013, ITESOFT posted consolidated revenue at a stable level of €21.62 million, marked by 4.5% growth of sales in France despite a general economic environment that remains challenging.

Yooz, the company's SaaS-mode document automation solution once again posted a significant increase in sales revenue (+117.7%) and saw its base of client subscriptions increase by +60%. It is worth noting that 40% of the new Yooz clients originated from indirect sales through Yooz partners and recommenders.

ANALYSIS OF TAX YEAR RESULTS

Meeting its objectives for the year, ITESOFT posted an increase in its operational profitability for 2013. This performance is all the more noteworthy as it was achieved in parallel with continued R&D investment for both FreeMind and Yooz to support the Group's future growth

vectors. R&D investment in 2013 reached €5.4 million, representing 25% of consolidated revenue over the period.

Current operating income rose by +84.5% to reach €1.0 million, compared to €0.6 million in 2012. Operating income rose by +26.1% to reach €0.7 million, compared to €0.6 million in 2012. This includes partial goodwill depreciation by the Group's UK subsidiary for an amount of 325 K€. The Group is nonetheless confident with respect to its actions over the period in the United Kingdom to boost business. Net income reached 457 K€, compared to 646 K€ in 2012.

As of December 31, 2013, the Group's financial situation remained healthy and strong, with balance sheet net equity of €6.2 million, long-term financial debt of €2.4 million corresponding to repayable BPI advances, and a net cash position of €6.6 million.

Q1 2014 sales revenue

<i>in M€</i>	2013	2014
Q1	5.0	4.9

For the first quarter of 2014, ITESOFT revenue reached €4.9 million, down slightly with respect to the same period in 2013. The French division was responsible for €3.9 million (compared to €4.2 million in Q1 2013), while international activities contributed €1.0 million (compared to €0.8 million the previous year).

In Q1 2014, Yooz revenue reached €0.4 million, up +34.5% from the same quarter in 2013 (€0.3 million).

Despite the contrasts of early 2014, ITESOFT remains confident in its ability to achieve growth boosted by the expected ramp-up of the new FreeMind offering and continued growth dynamics for Yooz over the year.

OUTLOOK

Ever since the company was founded, ITESOFT's mission has always been to bring its clients greater value by leveraging its technologies.

Companies continually seek flexible solutions that enable them to manage their business processes. In order to help these companies meet the major challenges they are facing, ITESOFT launched a software solution earlier this year dedicated to banks, insurance and complementary insurance companies, and pension institutions. This solution specifically optimizes client management processes.

Named "Intelligent Capture and Process Automation" (ICPA), this software suite offers a complete optimization chain for business processes, from multi-channel capture (paper, e-mail, mobile phone) to an automation solution that handles business processes and enables end-to-end monitoring in real-time.

ITESOFT's new offering was very well received at its presentation during "Documation 2014," a conference on content and strategic information management.

The FreeMind business unit expects its first orders of the new software solution in 2014, with full deployment starting in 2015.

For Yooz, the Group's SaaS-mode offering, the launch of "Yooz'Mobile" and the development of new features such as handling purchase order requests and matching orders and invoices, should enable the business unit to once again achieve strong growth and pass the 1,000 client mark in 2014. Yooz'Mobile allows clients to capture, approve, and look-up invoices electronically on mobile devices.

About ITESOFT - www.itesoft.com

ITESOFT is an international software vendor of multichannel document capture and process automation solutions aimed at accelerating, streamlining, and securing document-centric business processes. Leveraging its specialized R&D labs and research programs, the performance and innovation of ITESOFT's solutions have helped the company gain the status of an internationally recognized leader beyond its number 1 market position in France.

ITESOFT deploys its solutions to automate critical business processes for over 1,000 clients in large- to mid-sized organizations and SMEs in 29 countries, handling more than a billion documents every year across business sectors.

Founded in 1984, ITESOFT has offices in Germany, the United Kingdom, and France, serving western European markets (Germany, Belgium, Luxembourg, Switzerland, the United Kingdom, and France), as well northern Africa and the United States. With a staff of 196 people, the company generated consolidated revenue of 21.7 M€ in 2012. ITESOFT has been listed on the Euronext Paris stock exchange since February 2001.

ITESOFT's two-fold go-to-market strategy :

- Selling "on premise" solutions (the company's ITESOFT FreeMind activity) including software licenses and associated professional services to implement automated document capture and processing projects, both for large organizations and intermediate-sized companies.
- Providing automated supplier invoice capture and processing as an SaaS (software as a service) solution through Yooz, ITESOFT's independent business unit serving SMEs, associations, certified accountants, and local government organizations.

Value proposition

ITESOFT's solutions measurably and significantly increase the efficiency of document-centric business processes, both paper and electronic, such as Purchase-to-Pay, Order-to-Cash, customer case handling, and more, by increasing productivity and reducing costs while ensuring end-to-end process reliability and traceability. These solutions provide managers with the decision-making tools they need to monitor and control their processes, including supplier scoring, KPI monitoring, and reporting.

CONTACTS

ACTIFIN

76-78 rue Saint Lazare
75009 Paris, France
Tel: +33 (0)1 56 88 11 11
Fax: +33 (0)1 56 88 11 12

Investor Relations: Alexandre Commerot, acommerot@actifin.fr

Press Relations: Charlène Masson, cmasson@actifin.fr

