

## 2015 financial results

- Revenues: +7.5%, with 8.7% current operating margin
- Confirmed dividend distribution for 2015
- 2016 outlook: continued deployment in France and internationally

ITESOFT (ISIN Code: FR0004026151, Mnemo code: ITE), a European software developer specializing in solutions for automating and processing information flows, today announces the publication of its financial statements for the 2015 fiscal year, approved by the company's Board of Directors meeting held on 21 April 2015.

<i>in M€</i>	2015	2014 <sup>(1)</sup>
Revenues	23.1	21.5
Current operating income	2.0	2.3
<i>% of revenues</i>	8.7%	10.6%
Goodwill impairment losses and restructuring costs	(1.3)	0
Operating income	0.7	2.3
<i>% of revenues</i>	3.0%	10.6%
Net results before results from activities discontinued or being discontinued	1.1	1.7
Results net of taxes, from activities discontinued or being discontinued	-	0.6
Net results, consolidated group	1.1	2.4

### Analysis of 2015 fiscal year results

For the year, overall Group revenue rose by +7.5% to reach 23.1 M€.

Above and beyond the sales momentum recorded by ITESOFT over the period, the Group also benefited from the contribution of W4, driven by a BPM (business process management) market in which technologies are now considered as being essential for helping companies with their digital transformation.

On a *pro forma basis*<sup>(2)</sup>, 2015 sales revenue reached €25.4 million.

Current operating income reached €2.0 million for the fiscal year, highlighting a current operating margin of 8.7%, higher than forecast.

This result is explained by:

- A 4<sup>th</sup> quarter with stronger sales than expected, benefiting from sustaining business by ITESOFT and W4.
- Results, after taking W4 acquisition expenses into account, which does not entail profit sharing payment (vs. 363 K€ for the 2014 fiscal year).
- Recovery for bad debt provisions in the 2<sup>nd</sup> half of the year, for an amount of 300 K€, from a total of 380 K€ which had been provisioned in the 1<sup>st</sup> half, due to strict application of procedures related to late payments by some clients.
- A 497 K€ increase in tax credit.

Operating income reached €0.7 million, compared to €2.3 million in 2014, including 225 K€ in goodwill depreciation for UK activity, and consideration for expenses of €1.1 million related to the acquisition of W4. It is noted that these items are non-cash and non-recurring.

Group net profit reached €1.1 million, integrating 702 K€ in financial income based on a combination of:

- Re-evaluating W4 shares at their fair value to take the acquisition cost of W4 into account in compliance with the IAS 39 standard. 453 K€ was already recorded for this in H1 2015.
- Exchange rate variations of 99 K€.

As of 31 December 2015, the Group's financial structure remained strong, with balance sheet equity of €8.8 million, long-term financial debt of €7.9 million (€7 million of which is for funding the acquisition of W4), and a net cash position of €4.2 million after paying 2014 dividends for a total amount of €2.5 million.

## Confirmed dividend distribution for the 2015 fiscal year

In compliance with ITESOFT's dividend policy, the Board of Directors will soon decide on the payment of dividends for the 2015 fiscal year, with payment to be made before the end of the year.

A Combined General Meeting will be held on Monday, June 6, 2016, at 2:30 PM, at the company's headquarters: Parc d'Andron, Le Séquoia, 30470 Aimargues, France, notably for the purpose of approving the annual financial statements for the period ending 31 December 2015. All of the

preparatory documents for the Meeting will be available on the company's website, and at its headquarters.

## Outlook for 2016

During the 4<sup>th</sup> quarter of 2015, the company's organization evolved to maximize synergy with W4, as well as to make the company more agile, particularly to promote its flagship Secure Capture and Process Automation (SCPA) offering.

SCPA combines ITESOFT's strengths in terms of omnichannel capture, with those of W4 in the BPM world, while also adding a third component to cover fraud detection. The risk of fraud is increasing with the process digitalization taking place at companies today, associated with the emergence of new channels.

ITESOFT intends to capitalize on this dynamic market by continuing to deploy its solutions in France and internationally.

In the United Kingdom, where the ITESOFT subsidiary had focused mainly on the P2P process market, ITESOFT now plans to commercialize its entire SCPA offering in order to bring greater value to its customers and further differentiate the company from its competitors. It is important to note that BPM represents a high potential market in the United Kingdom.

In France, ITESOFT will leverage the strong positions it already holds, now reinforced with the acquisition of W4 in July 2015, to accelerate the commercialization of its offering and to earn greater market share. To succeed, ITESOFT has defined an aggressive marketing plan that focuses on three key areas: digital marketing, with a strong focus on content marketing; participation in major industry trade shows; and developing an influence network involving the main analyst firms covering the company's market, namely: Gartner, Forrester, and CXP-Pierre Audoin Consultants.

In the long-term, ITESOFT seeks to become Europe's reference provider for secure solutions in omnichannel capture, paperless processing, and agile automation of client and supplier processes.

(1) *Audit procedures have been completed. The annual report will be published in late April, integrated into the Registration Document.*

(2) *Pro forma: considering the acquisition of W4 as if it had taken place as of January 1, 2015.*

## About ITESOFT - [www.itesoft.com](http://www.itesoft.com)

New developments in personal practices brought by new technologies have also meant major challenges for organizations, particularly in optimizing the client experience, which is key in preserving margins.

ITESOFT solutions help improve process management efficiency and flexibility for organizations, notably for their client-related processes. In addition to increasing productivity through capture and automation, we seek to help our clients design and manage business processes that will strengthen their competitiveness now and in the future by using our software solutions and the customer assistance services offered by ITESOFT and its partners.

ITESOFT's vision is to be a top European reference in secure solutions for omnichannel capture and flexible automation of client and supplier processes.

This hinges on cross-business solutions, innovative R&D that integrates the best technologies, leading technological partners and client business experts.

Thanks to unique know-how established through its research laboratories and programs, ITESOFT enjoys international recognition for the performance, robustness, and innovative nature of its solutions. The company is the leader on the French market.

ITESOFT's reference software suite is Secure Capture & Process Automation - SCPA. This suite is primarily targeted towards client (SCPA for Customers) and supplier (SCPA for Suppliers) management. It incorporates essential components for modeling, managing, steering, and monitoring key processes, from omnichannel capture to automatic application generation.

Adapted to digitize and automate critical processes, ITESOFT solutions process more than one billion documents every year for more than 350 clients of all sizes, in all activity sectors, across 29 countries.

Founded in 1984 and listed on Euronext Paris since February 2001, ITESOFT has offices in Germany, the United Kingdom, and France. The company leverages partnerships in other western European markets (Belgium, Luxembourg, Switzerland), and in Northern Africa, Australia, and Brazil. In 2015, ITESOFT generated consolidated revenue of €23.1 million and had a staff of 207 people.

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Bloomberg: ITES FP

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