

ITESOFT has entered into exclusive negotiations to acquire software company W4, one of Europe's leading BPM players.

ITESOFT (ISIN Code: FR0000035784, Ticker: ITE), a Europe-based company that develops document-centric process automation solutions, announces it has entered into exclusive negotiations to acquire 100% of the capital of W4 from its shareholders.

The plan was presented to the staff representative bodies on 21 May 2015. The exclusive negotiation period will be used to finalise a draft agreement. The deal, along with the publication of price and terms of payment, could take place as soon as August.

W4, a European leader in Business Process Management

Founded in 1996, based in Ile de France, W4 is a French software company leader in the field of Business Process Management (BPM) segment, with a recognised offering that integrates all components of a complete BPM suite.

BPM is considered a key technology in the digital transformation of companies.

W4 has more than 300 clients, mainly large accounts, which notably include: CNAV (French State pension fund), SFR, Generali, Orange, Sanofi, Hachette Filipacchi, Prisma Media, Bred, Air Liquide, Cunningham Lindsey, Virgin Mobile and the Cour des Comptes (French state finance control organization).

W4 is covered by most major analysts. Gartner Group recently included W4 in its Enterprise Business Process Analysis (EBPA) Market Guide.

In 2014, W4 announced an audited company turnover of €4.8 million and an estimated EBIT margin based on IFRS of 8.5%. Its licence sales grew by 30% over the period to €1.25 million. In December 2014, the company had a total headcount of 45, a cash position of €2.1 million and insignificant financial debt.

A historical alliance

ITESOFT has been owning 5.59% of W4's capital since 2005, and has been a member of its Supervisory Board.

In 2013, ITESOFT and W4 entered into a commercial and technological partnership to better meet the needs of companies looking for flexible solutions offering integrated management of their business processes.

Through this partnership, ITESOFT has been able to offer process optimisation across the entire business chain, from omnichannel capture (paper, email, and mobile) through automated business

processes, with end-to-end, real-time steering and supervision, and a particular focus on fraud detection.

An operation that would generate significant synergies

W4's integration will increase the technological and commercial benefits already displayed by the current partnership.

A merger between ITESOFT and W4 would offer the Group a number of synergies:

- Strategically, a future growth driver for the Group, with the acquisition of a technological foundation.
- Commercially, optimization of sales based on cross-business opportunities and the client portfolios of both structures;
- In marketing terms, increased visibility leveraging the current interest in BPM;
- Financially, capitalizing on shared overheads.

As part of the acquisition, Laurent Hénault and Jean-Luc Saouli, the two top managers of W4, would keep their positions at the helm of the company and would join ITESOFT's Management Committee.

Philippe Lijour, CEO of ITESOFT, says of the merger: *"We are very happy to announce the plans for the acquisition of W4, whose BPM technologies are considered among the best in the world. Such a highly strategic merger would represent a significant new step in our future development."*

Laurent Hénault, Chairman of the Executive Board of W4, adds: *"Our technology, already used in prestigious European companies, generates strategic, high value added to our customers. ITESOFT's commercial strength would make it an ideal candidate for a strategic industrial merger and to help speed up our development."*

Next financial press release: H1 2015 revenue on 17 July

About ITESOFT – www.itesoft.fr

The 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's solutions help improving the efficiency and flexibility of organizations in the processes management, notably their client's processes. In addition to productivity increase gained through capture and automation, we seek to help our clients design and manage business processes that will underpin their competitiveness now and in the future through our software solutions and the client assistance services proposed by ITESOFT and its partners.

ITESOFT's vision is to be a 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 its unique know-how established through its research laboratories and programmes, ITESOFT enjoys international recognition for the performance, robustness and innovative nature of its solutions, and is the leader on the French market.

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

ITESOFT's solutions, which are adapted to dematerialise and automate critical processes, process more than one billion document every year at more than 350 clients of all sizes, in all activity sectors, and in 29 countries.

Formed in 1984 and listed on Euronext Paris since February 2001, ITESOFT has offices in Germany, the UK and France. It operates via partnerships on other western European markets (Belgium, Luxembourg, Switzerland), and in the Maghreb, Australia and Brazil. In 2014, it generated consolidated revenue of €21.5 million and had a headcount of 176.

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