

## Revenue for the first half of 2015, and completion of W4 acquisition

- Significant seasonal shift of customer orders with respect to 2014
- 2015 forecast still holding strong, combining continued growth and improved profitability, pending deals now in the sales pipeline

ITESOFT (ISIN Code: FR0004026151, Mnemo code: ITE), a European software vendor specializing in solutions for automating and processing information workflows, announces its sales revenue for the first half of 2015.

Sales revenue <i>in M€, audited</i>	2015	2014 restated <sup>(1)</sup>
Q1	4.7	4.5
Q2	5.3	6.3
<b>HALF-YEAR TOTAL</b>	<b>10</b>	<b>10.8</b>

(1) The scope of restatement involves taking into account the sale of ITESOFT's Yooz business at the end of 2014, as if the transaction had taken place as of 1 January 2014.

### H1 2015 SALES REVENUE

A strong seasonal shift in customer orders, compared to 2014, had a temporary negative impact on Q2 sales.

In Q2 2015, ITESOFT posted sales revenue of €5.3 million, compared to €6.3 million for the same period in 2014. For the first six months of 2015, the Group's overall sales reached €10.0 million, compared to €10.8 million in the first half of 2014.

France saw sales of €4.2 million in Q2, representing a cumulative total for the half-year period of €8.3 million in sales revenue. International business reached €0.9 million in Q2, representing a cumulated total of €1.5 million in sales revenue for the half-year period.

In 2014, large customer orders had been placed during the first half of the year, totaling €1.1 million. This year, ITESOFT expects equivalent orders to be signed in the second half of the year, which explains the temporary decline in business over H1 2015.

Nonetheless, sales vitality held strong over the first 6 months of 2015, with several major references signed, notably:

- A major company in the automobile distribution sector in France, which chose to implement ITESOFT's SCPA for Suppliers solution to automate its accounts payable processing.
- One of the largest mutual insurance providers, which chose ITESOFT's innovative SCPA for Customers solution to process its incoming client workflows.
- A major French group in the luxury market, which chose to deploy the SCPA for Suppliers solution, integrated with its SAP ERP system for all of its subsidiaries around the world, notably in Asia and North America.

Many discussions have been initiated with large organizations that are attracted by ITESOFT's Secure Capture and Process Automation (SCPA) offering. These discussions continue to demonstrate that ITESOFT solutions are strategic for companies at this time, as they make it possible to optimize their client and supplier relations securely. Sectors in which companies have significant direct contact with their clients represent a particularly appropriate target for ITESOFT solution deployment. This includes banks, insurance and mutual insurance companies, financial services, telecom operators, public organizations, and more.

## FINALIZATION OF W4 ACQUISITION

### Terms of the operation

Following the agreement protocol covered by a press release on June 9, 2015, ITESOFT has finalized the acquisition of W4, a leading Business Process Management (BPM) processing company in Europe.

Already a shareholder in W4, with 5.6% of the shares, ITESOFT is acquiring the remaining 94.4% of the share capital from W4 shareholders for a total amount of €10.0 million. Given the cash position as of June 30, 2015, this represents an amount of €7.5 million.

This amount will be financed as follows:

- €8 million in cash
- The balance will be covered by issuing 437,438 new ITESOFT shares for W4 shareholders, at a unit price of 4.55€, for an amount of €2 million, representing a dilution of 7%.

As this issuance of shares is for an amount less than €5 million, and does not represent more than 50% of the company's share capital, there is no requirement to file a prospectus with the French Monetary Authority (AMF), pursuant to Article 211-3 of the AMF General Regulations. The

acquisition operation was authorized by the ITESOFT Board of Directors at its meeting on July 21, 2015.

W4 will be consolidated in ITESOFT's books starting July 1, 2015.

Founded in 1996 in the Paris region of France, W4 is a leading French software developer in the Business Process Management (BPM) sector, with a well-recognized offering that integrates all the components of a complete BPM suite.

W4 has a portfolio of over 300 clients, most of which are large companies. This includes: CNAV, SFR, Generali, Orange, Sanofi, Hachette Filipacchi, Prisma Media, Bred, Air Liquide, Cunningham Lindsey, Virgin Mobile, and La Cour des Comptes.

In 2014, W4 generated audited sales revenue of €4.8 million, with an EBIT margin of 8.5%, according to IFRS accounting standards. Over the period, license sales rose by 30% to reach €1.25 million.

## A synergy-generating operation

ITESOFT points out that integrating W4 will enable the company to expand the technological and commercial benefits derived from its already-successful collaboration ongoing since 2013. Joining forces with W4 opens many opportunities for synergy within the Group, notably:

- Strategic aspects – acquiring BPM technologies considered to be among the best in the world, and which integrate with one of the Group's future growth drivers.
- Commercial aspects – leveraging cross-selling opportunities and client portfolios across the two organizations in order to optimize sales.
- Marketing aspects – benefiting from increased visibility thanks to today's growing interest in BPM.
- Financial aspects – optimizing general expenses.

For ITESOFT, joining forces with W4 is a highly strategic step for the Group's future development.

## 2015 FORECAST

### The forecast for 2015 still holds strong, combining continued growth and improved profitability

ITESOFT remains confident regarding its ability to close major customer orders in the second half of the year, as well as to pursue the growth and profitability objectives set by the Group for the year overall.

Additionally, ITESOFT will benefit this year from the continued growth dynamics shown by W4 over the first 6 months of the year, with sales revenue of €2.8 million and growth of 18%. In particular, license sales rose by 29% to reach €0.9 million.

Generally speaking, and including W4 integration as of July 1, ITESOFT expects 2015 to show sales revenue growth with operating profit in the range of 10% to 12%.

The Group is seeking to achieve a normative operating margin above 15%.

## **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 modelling, 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 2014, ITESOFT generated consolidated revenue of €21.5 million and had a staff of 176 people.

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