

2016 half-year results

- Growth in turnover from license sales: +18.5%
- Increased operating profitability
- Innovative new product launches
- Confirmation of dividend payments in 2016

ITESOFT (ISIN Code: FR0004026151, Mnemo code: ITE), a European software vendor specializing in solutions for automating and processing information flows, today announces the publication of its financial statements for the first half of 2016, approved by the Board of Directors on September 28, 2016 and following limited review by the company's auditors.

<i>in M€, as of June 30</i>	H1 2016	H1 2015
Sales turnover	12.6	9.9
Current operating income	0.9	0
<i>as % of turnover</i>	7.1%	-
Operating income	0.9	-0.3
Financial income	(0.4)	0.8
Taxes	(0.3)	(0.2)
Net results	0.2	0.3

As a reminder: the acquisition of W4 is consolidated in ITESOFT's books as of July 1, 2015. On a proforma basis, w4 had 2.6 million of revenues in first 6 months of 2015

Growth in turnover from license sales

Over the first 6 months of 2016, overall Group turnover rose by +26.0% to reach €12.6 million.

Over this period, business activity showed renewed growth in license turnover (+18% in *pro-forma* terms), reflecting the success of the new flagship offering, SCPA (Secure Capture and Process Automation), which continues to attract major decision-makers. In the first six months of the year, ITESOFT received orders from prestigious new references in the health, distribution, and financial services sectors.

SCPA also convinced several long-term ITESOFT customers, notably in the luxury and automobile sectors, once again renewing their confidence in the company. Following the success of preliminary projects that generated significant benefits, notably productivity gains, cost reduction, and process improvement, these clients are now deploying the solution internationally in the Asian and American regions.

Increased operating profitability

Operating income reached €0.9 million in H1 2016. Current operating margin for the period was 7.1%. These six-month results take the following into account:

- An increase in personnel expenses related to the merger with W4.
- Improved management of receivables, leading to an increase of 400 K€ with respect to the first half of 2015.
- A 200 K€ increase in tax credit.

Group net profit was €0.2 million, compared to €0.3 in the first half of 2015, including 378 K€ in negative exchange rate variation due to the British Pound.

As of June 30, 2016, the Group's financial structure remains strong, with balance sheet equity of €8.9 million, long-term financial debt of €7.4 million (including €7 million to fund the W4 acquisition), and a net cash position of €5.5 million.

Innovative new product launches

ITESOFT now offers companies its complete SCPA suite in *Cloud* mode in addition to the conventional *on-premises* mode. Based on the W4 technology foundation, *Cloud* development enables customers to benefit from platform sharing, while optimizing automated reading performance up to 80% and reducing processing and integration costs. The improved offering supports digital transition efforts in progress today for large companies seeking to adapt to new consumption trends.

Also, facing the increased risk of fraud related to the digitalization of corporate processes, and the emergence of new channels, ITESOFT enhanced its omni-channel capture and process automation offering with a third component focusing on fraud detection. ITESOFT launched its Fraud Detection SaaS platform to meet the growing needs of large companies and organizations in their fight against fraud and document falsification.

Leveraging these new features, and based on the dynamics of H1 2016, ITESOFT is confident with respect to its growth objectives and improved operating profit for 2016 overall.

Confirmation of dividend payments in 2016

As part of the dividend distribution policy implemented by the Group, ITESOFT's Board of Directors has decided to submit to its shareholders, during a General shareholder meeting scheduled for December 2016, a proposal to pay a dividend of 0.15€ per share, to be paid before the end of the year.

The full half-year financial report for the first six months of the 2016 tax year has been made available publicly and filed with the French Autorité des Marchés Financiers (Financial Markets Authority). The report may be accessed on the ITESOFT web site (www.itesoft.com).

About ITESOFT - 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 450 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 turnover of €23.1 million and had a staff of 207 people.

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