

First-half 2017 revenue

- Some large orders delayed until H2
- Signature in France of first SaaS contract
- International collaboration with strategic clients
- Confirmation of 2017 growth objectives

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 2017.

Revenue <i>in M€, audited</i>	H1 2017	H1 2016	CHANGE
France	9.7	10.9	-11.0 %
International	2.3	1.7	+35.3%
Half-year total	12	12.6	-4.7%

ITESOFT revenue declined slightly in the first half of 2017, despite sustained sales activity.

The decline in H1 revenue is mainly due to delays in finalizing several large orders during the period. These delays prevented ITESOFT from reaching the full potential of its efforts undertaken in the first half of the year, though the company remains confident that it will achieve positive growth over the fiscal year as a whole, and that it will conclude the delayed contracts in the second half of the year.

On the other hand, the first six months of 2017 were marked by a ramp-up of ITESOFT solutions used by existing clients. For example, France's Caisse Nationale des Allocations Familiales (CNAF), which uses ITESOFT solutions, exceeded the milestone of one million pages processed per day, once again demonstrating the performance of ITESOFT solutions in operation.

Signature in France of first SaaS contract

The first half of 2017 was also marked by the commercialization of ITESOFT's Cloud-based SCPA/S offering (supplier relations management) in France, as a complement to its historical On-premises offering.

In the first half of the year, ITESOFT signed its first SaaS (*software as a service*) contract with France Televisions as part of a public call for tender in competition with the other major players in the company's market. This success helps reinforce ITESOFT's offering within the AZURE Cloud ecosystem, as part of a partnership agreement with Microsoft to develop SaaS solutions.

Further talks are now in progress to conclude several other SaaS contracts by the end of the year.

International collaboration with strategic clients

Internationally, revenue rose over the period by +35.3% to reach €2.3 million.

This performance demonstrates the Group's ability to assist its clients with deployment internationally. In the first half of 2017, two strategic clients chose to have ITESOFT set up its solutions in new countries:

- A major automotive supplier deployed ITESOFT solutions in its 11th country, China, for an SAP environment.
- A major company in the luxury sector has now deployed ITESOFT solutions in over 25 countries, from the United States to China, for use in a multi-ERP environment, including SAP.

Confirmation of 2017 growth objectives

ITESOFT reiterates its confidence in being able to achieve revenue growth and a double-digit figure for current operating margin in 2017.

ITESOFT benefits from several strategic levers to achieve its goals, notably:

- The power of its information flow digitalization solutions, offering one of the highest rates of content recognition on the market, enabling ITESOFT clients to optimize their processes and reach ROI rapidly.
- Adaptation of its Fraud Detection SaaS offering (detection of fraud via document falsification) for different market sectors, with modeled processes and supervision on the ITESOFT Digital Business Platform. A partnership agreement signed during the period with a management center for health establishments is aligned with that context, the goal of which is to develop specific offerings for health insurance and supplementary insurance companies.
- The commercialization of SaaS solutions in France and internationally for large companies that have confirmed their interest in recent months.

About ITESOFT – www.itesoft.fr

Changes in personal practices brought about by technological evolution are posing considerable challenges to organizations, notably as related to optimizing the customer experience, a key element for preserving margins.

The objective of ITESOFT solutions is to help improve the efficiency and agility with which organizations manage their processes, in particular client processes. More than just improving productivity by capturing and automating processes, our desire is to help our clients build and manage business processes that ensure their competitiveness now and in the future, as much through our software solutions as through the assistance services that we offer with our partners.

ITESOFT's vision is to become Europe's reference for secure solutions in omni-channel capture, paperless processing, and agile automation of client and supplier processes.

This desire leverages vertical solutions, innovative R&D that integrates today's top technologies, leading technology partners, and experts in clients' professional activities.

Leveraging unique expertise developed in its laboratories and research programs, ITESOFT is recognized internationally for the performance, robustness and innovation of its solutions. The company is the leader in its field in France.

ITESOFT's reference software suite is SCPA, which stands for Secure Capture and Process Automation. This suite targets mainly customer relations (SCPA for Customers) and supplier relations (SCPA for Suppliers) activities. It includes the essential components for modeling, managing, steering, and supervising key processes, from omni-channel capture to automatic application generation. ITESOFT solutions are reinforced by W4 (ITESOFT's BPM activity), a major player in the business process automation market acquired in July 2015.

Deployed to capture and automate critical processes electronically, these solutions process over 1 billion documents every year, for over 650 clients of all sizes, across all business sectors in 35 countries.

Founded in 1984, and listed on the Euronext Paris stock exchange since February 2001, the ITESOFT group has offices in Germany, the United Kingdom, and France. The Group works with partners in Western European countries (Belgium, Luxembourg and Switzerland), Northern Africa, Australia, and Brazil. With a staff of 211 people, the company generated consolidated revenue of 25.8 M€ in 2016.

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