

2017 half-year results

- Revenue of €11.9 million – Sustained sales activity
- Net profit practically stable at €0.2 million – Solid financial situation
- Positive dynamics already engaged for second half-year – Confirmation of annual objectives
- Dividend payment in 2017

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 2017, approved by the Board of Directors on September 25, 2017 and following limited review by the company's auditors.

<i>in M€, as of June 30</i>	H1 2017	H1 2016 ⁽¹⁾
Revenue	11.9	12.6
Gross operating surplus	1.0	1.1
Current operating income	0.4	0.8
Operating income	0.4	0.8
Financial income	(0.2)	(0.4)
Taxes	-	(0.1)
Net results, Group share	0.2	0.3

(1) 2016 H1 accounts were modified due to the allocation of W4 goodwill as of July 1, 2015.

Revenue of €11.9 million. Sustained commercial activity.

As announced in the ITESOFT press release on July 21, 2017, consolidated sales revenue for the first half of 2017 shows a slight slowdown, mainly due to delays concluding several large orders. However, ITESOFT remains confident that it will confirm those orders in the second half of the year.

The first six months of 2017 were nonetheless marked by sustained sales activity, notably with:

- Contracts signed with new large clients, especially in the banking and insurance sectors.
- Ramp-up of ITESOFT solutions for existing clients, generating continuously higher levels of usage and services, further demonstrating the solutions' effective performance in operation.
- In France, the signature of a first SaaS contract with France Télévisions, reinforcing ITESOFT's

offering within the AZURE Cloud ecosystem, as part of a partnership agreement with Microsoft to develop SaaS solutions.

- Multi-country deployment of solutions for strategic clients, illustrating the Group's ability to assist its clients internationally and in multi-ERP environments.

Net profit practically stable at €0.2 million. Solid financial situation.

Current operating income reached €0.4 million for H1 2017, representing a current operating margin of 3.0% for the period.

While continuing its investment in Research and Development, the Group lowered operating expenses by 3% with respect to the previous year, highlighting ongoing effort by ITESOFT to improve its efficiency.

These results also include a €0.3 million increase in provisions for delay of trade receivables, following the strict application of internal procedures relating to late payments. The Group is confident that it will be able to absorb these provisions in the second half of the year.

The Group share of net profit remains practically stable at €0.2 million.

As of June 30, 2017, the Group's financial situation remained strong, with balance sheet equity of €7.2 million, long-term financial debt of €6.3 million, and a net cash position of €5.7 million, integrating the receipt of payment for maintenance contracts invoiced in late 2016.

Positive dynamics already engaged for the second half-year. Confirmation of annual objectives.

The second half of 2017 already appears promising, with the signature in France of a new SaaS contract with one of Europe's major players in omni-channel customer relations confirming the attractiveness of the ITESOFT Cloud offering with decision-makers. Further talks are in progress to conclude new SaaS contracts by the end of the year.

ITESOFT confirms its growth objectives for the year, expecting to reach double-digit current operating margin.

Dividend payment in 2017.

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 to be held in December 2017, a proposal to pay a dividend of 0.10€ per share, to be paid before the end of the year.

The full half-year financial report for the first six months of the 2017 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.fr).

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 million in 2016.

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