Revenue for 2016 fiscal year: €25.7 million, +10.8%

- Net rebound in license sales: +10.0% *pro-forma*

- Improved operating income expected for 2016

- Continued growth in 2017

ITESOFT (ISIN Code: FR0004026151, Mnemo code: ITE), European software developer specializing in solutions for automating and processing information flows, announces its sales revenue for the 2016 fiscal year.

Revenue *in M€, audited*	2016	2015	CHANGE
France	22.3	19.6	+13.8%
International	3.4	3.6	-5.6%
TOTAL	25.7	23.2	+10.8%

As a reminder: the acquisition of W4 was consolidated in ITESOFT's books as of July 1, 2015.

As expected ITESOFT recorded renewed growth in its business activity over the fiscal year.

In 2016, revenues reached €25.7 million, compared to €23.2 million in 2015, representing growth of +10.8%, which corresponds to a *pro forma* increase of +1.2%, given the slowdown of some non-strategic W4 activities [1].

In France, business activity over the period showed progression of +13.8%, rising to €22.3 million. International sales reached €3.4 million, compared to €3.6 in 2015.

Net rebound in license sales: +10.0 % *pro-forma*

Over the past six months, ITESOFT continued the positive momentum recorded during the first half of the year.

License sales over the period rose by +10.0% in pro-forma[1] terms. This growth results from implementing commercial and technological synergies with W4, acquired in 2015. The company's solid sales vitality enabled it to sign new projects with existing clients, as well as to win over major new accounts, notably:

- A major company in the energy and nuclear sector reconfirmed its trust in ITESOFT to expand the use of its BPM platform.

- A major European industrial player in the agri-food market, after studying other solutions available on the market, chose ITESOFT to handle its digitalization and process automation for managing accounts payable in an SAP environment.

- The leader in automobile window repair and replacement, already an ITESOFT client in France, chose to deploy ITESOFT solutions in the United Kingdom to accompany its growth in the region.

- A real estate company in the United Kingdom chose ITESOFT solutions to digitize and automate its supplier invoice process management. The solutions deployed by ITESOFT will be hosted on the Cloud.

Having announced the availability of its SaaS offering in late 2016, ITESOFT has already signed several new clients, notably:

- A major Anglo-Saxon law firm, for digitization and supplier invoice process automation.

- Territorial authorities in southern London, for digitization and process automation to handle health billing for its citizens.

- A not-for-profit international organization, for digitization and process automation to handle invoices for its sites in the United Kingdom.

ITESOFT's SaaS offering has received positive reviews and has enabled the company to secure recurring revenue in the United Kingdom, despite a corresponding decline in traditional license sales.

Improved operating income expected for 2016

Strong business performance recorded over the fiscal year, notably increased license sales during the period, enables ITESOFT to remain confident that it will achieve significantly higher operating income in 2016 than in 2015.

Continued growth in 2017

ITESOFT expects to benefit from several levers to accelerate its growth in 2017.

First, innovation – one of the long-standing pillars of the company's development – further strengthened by the acquisition of W4, enabled ITESOFT to launch new products in 2016 that will contribute to 2017 revenue. This includes, for example:

- The "E-contract" offering, a solution for managing online contract processes using electronic signatures. In 2017, ITESOFT signed a first contract with one of the leading French automobile dealership networks. The purpose of implementing the ITESOFT solution is to simplify the process for second-hand vehicle sales via the online commercial site.

- The "Fraud Detection SaaS" platform, a solution that meets the growing needs of organizations to fight against fraud and document falsification. ITESOFT signed a partnership agreement with a management center for health establishments. The purpose of this agreement is to develop

specific offerings for mutual insurance providers to control and avoid fraud in health expense reimbursements. Commercialization of a first offering is planned for the second half of 2017.

In addition, successful preliminary Cloud mode license sales in the United Kingdom further validate ITESOFT's SaaS strategy, giving the company confidence with respect to its commercialization of a full Cloud-mode SCPA suite in France starting this year, as a complement to the traditional on-premises model.

Having achieved these successes, ITESOFT is now moving forward to carry its growth dynamics into 2017.

(1)   Pro-forma data considers that the W4 acquisition had taken place as of January 1, 2015. Any comparison with pro-forma data is provided for information only, to offer a clearer picture of business activity for the overall 2016 tax year.

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 207 people, the company generated consolidated revenue of 23.1 M€ in 2015.

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