

Revenue for Q1 2016-2017

Sharp increase in revenue: up by 38%¹

FreePrints (mobile printing) has doubled its revenue¹

In one year, the customer base increased from 2.4 to 4.5 million

Nearly two-thirds of revenue stem from high-growth activities

Paris, France – November 8, 2016. The growth of the Avanquest Group (ISIN: FR0004026714) in the first quarter of the 2016-2017 fiscal year (July 1 - September 30, 2016) has confirmed the success of the strategy implemented by CEO Pierre Cesarini. Consolidated revenue increased by 38% **on a like-for-like basis and constant exchange rate, reaching €25.8 million** (up by 32% at equivalent scope and by 24% over published revenue).

<i>in millions of euros</i>	Q1 2016-2017 July to Sept.	Q1 2015-2016 July to Sept.	Δ	<i>Δ on a like-for-like basis and constant exchange rate</i>
Avanquest Software	9.8	9.2	6%	6%
PlanetArt	15.4	9.5	63%	75%
myDevices	0.7	0.8	-19%	-19%
Revenue at equivalent scope	25.8	19.5	32%	38%
Other*		1.3	-100%	
Published revenue	25.8	20.8	24%	

* Avanquest Software Publishing Ltd

This growth in revenue stems from the ongoing sharp increase in the revenue of PlanetArt, the mobile photo printing business which jumped 63% to €15.4 million. This increase is mainly attributable to FreePrints applications, **which posted a year-on-year rise of 100%** (at constant exchange rates) to €13.3 million and a **35% increase compared to the previous quarter** ended June 30, 2016.

By offering the simplest solution and best value for money on the market, the FreePrints application has consolidated Avanquest's leading position in mobile printing solutions. Over the past twelve months, the customer base grew by an average of 17% per quarter. In Q1 2016-2017, growth even exceeded this trend, reaching 20%, with a gain of over 800,000 customers to 4.5 million, nearly double (up 84%) the 2.4 million customers recorded a year earlier. It should be noted that former customers regularly return to the brand and generate over 75% of today's revenue.

After photo printing, the Group developed a strategy of capitalizing on its customer base with the launch of a second application at the start of the year – FreePrints Photobooks, the market's simplest and least expensive solution to print photo albums from a smartphone. In a little more than six months, **Photobooks – which clears a much higher gross margin than FreePrints – already accounted for 23% of Mobile Revenue, with practically no marketing expenses**, thereby demonstrating the Group's ability to capitalize on the customer base developed through FreePrints. This

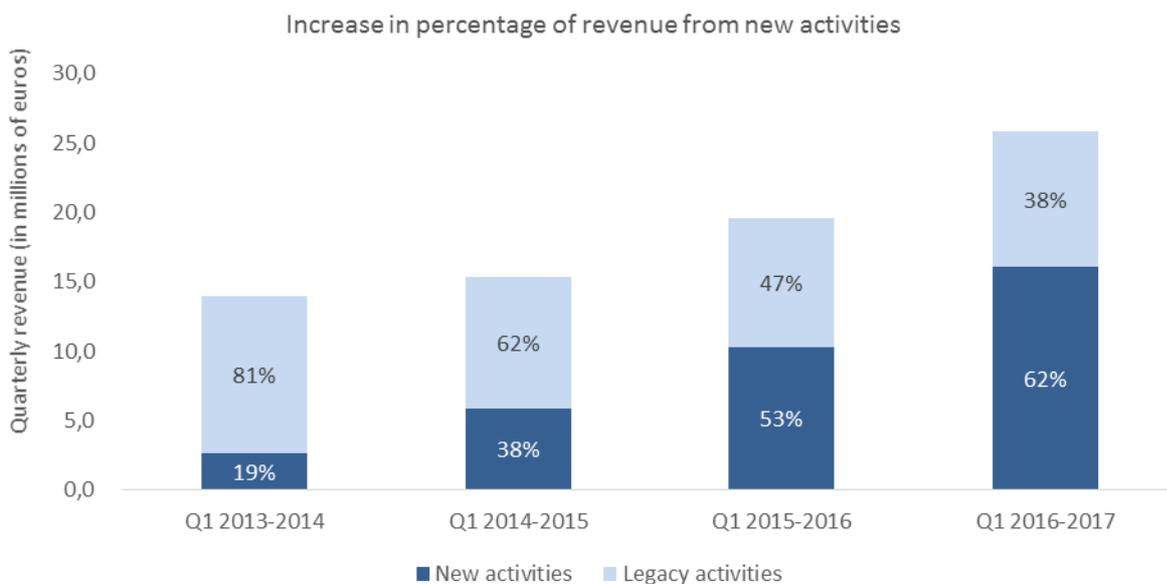
¹ Compared to the first quarter of the previous year, on a like-for-like basis and constant exchange rate

approach has also triggered the process of shedding some of the weight of marketing expenses. These expenses amounted to 14% of revenue over the last six months versus 20% for the previous six months.



These quarterly results confirm the relevance of the Group's focus on these new activities, which now account for nearly two-thirds of revenue (62%) compared to only 19% three years ago.

In fact, yearly growth in these business lines has exceeded 50% for the past three years.



myDevices, the IoT (Internet of Things) solutions division, posted quarterly revenue of €0.7 million due to the scheduled ending of embedded software sales, and time-to-market requirements for the myDevices platform. The division's highly

positive development momentum is illustrated by the continuous growth of its developer community around Cayenne, an intuitive and dynamic tool for the creation of IoT projects. **In October 2016, Cayenne exceeded 82,000 users and has posted an average monthly growth rate of 66% since its launch last January**, confirming its target of becoming **the world's #1 IoT developer community**.

On a like-for-like basis, at the end of September the **Avanquest Software** division posted a 6% increase in revenue to €9.8 million and is pushing ahead with a strategy focused on increasing profitability.

According to Avanquest CEO Pierre Cesarini: "The past three months have confirmed the potential of PlanetArt, with business continuing to grow sharply and now accounting for nearly 2/3 of revenue, less than three years after its start-up. We are looking to the future with confidence and keeping on track toward profitable growth."

Upcoming events:

- Combined General Shareholders' Meeting: November 30, 2016
- Half-year revenue (July to December 2016): February 9, 2017

About Avanquest:

A global Internet and mobile player, Avanquest is one of the few French groups in this sector to post sales of over €100 million, of which more than one half in the United States. Inspired by its CEO, Pierre Cesarini, Avanquest has undergone a strategic reorientation focused on three areas of business - digital printing through the Group's new PlanetArt division, IoT management via the myDevices division, and e-commerce through the Avanquest Software division:

- *PlanetArt: world leader in mobile device printing, in particular via the FreePrints offer – the world's least expensive and simplest solution to print photos from a smartphone. FreePrints has already conquered over 4.5 million customers, with numbers climbing more than 100% in the space of one year;*
- *myDevices: a global platform for IoT management (Internet of Things) enabling major corporations from whatever business sector to quickly develop and roll out an IoT solution for their customers;*
- *Avanquest Software: the world's #1 distributor of third-party software. Each year, Avanquest Software sells over a million software products via websites and sales outlets worldwide.*

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