



2017 FIRST-QUARTER REVENUES

Payment business volume up +62% to €607 million
Consolidated revenues down 11% as expected, linked to the Telecom division's realignment

Brussels, 28 April 2017 (7 am)

Regulated information

Dalenys (ISIN: BE0946620946 -- Ticker: NYS) is reporting 2017 first-quarter revenues of €14.6 million, down 11% linked to the contraction in business for the Telecom division, resulting from the strategic realignment rolled out mid-2016.

2017 first-quarter business

In thousand euros	Q1 2017	Q1 2016 (*)	Change
Dalenys	14,597	16,410	-11%
Payment	5,001	4,515	11%
Marketing	1,326	1,307	1%
Telecom	8,270	10,588	-22%

(*) Pro forma excluding Reputation (Marketing division) sold as of June 30, 2016; The published turnover in Q1 2016 amounted to € 150k and was restated for comparative purposes

Thibaut Faurès Fustel de Coulanges, Dalenys' Chief Executive Officer: "Business for the first quarter of 2017 is in line with our expectations, with Marketing and Telecom divisions that have now been realigned around their fundamentals and a Payment division that is confirming its robust development. Be2Bill is now the preferred solution for the main online merchants in France and is gradually gaining ground in Europe to become a benchmark operator. Dalenys' technological innovation is a key factor driving our upcoming developments, with an in-store payment solution released throughout Europe and new high value-added features that will capitalize on data, particularly with artificial intelligence applied for risk management and transaction conversion".

Payment division: progress with in-store business and international operations

The Payment division's transaction volume climbed to €607 million in the first quarter of 2017, up 62% from the first quarter of 2016. This progress has been particularly strong for the in-store business, with the level of payments processed multiplied by 2.3 in one year to now represent 11% of the overall total, while the online business in France is up 38%.

This change in the mix over the quarter, combined with a more aggressive strategy to deliver market share growth with e-commerce key accounts, is reflected in an average commission rate of 0.82% for the quarter, consistent with industry standards, compared with 0.98% for 2016.

Payment revenues reached €5 million for the quarter, up 11%, identical to the growth recorded in the fourth quarter of 2016.

The run rateⁱ at end-March 2017 came to €2.5 billion, compared with €1.5 billion one year earlier. Commercial trends are strong for the online business in France, as well as the in-store and international segments.

The Group is particularly active on this last segment, with flows outside of France representing 21% of the first quarter's transaction volume and continuing to progress quickly, thanks notably to the ramping up of the contracts signed in the past six months. Moving forward with its strategy to grow market shares with e-commerce key accounts, while continuing to ramp up existing clients, the Group is focusing its footprint on Europe in order to have a balanced product mix that will make a stronger contribution in terms of margins.

Dynamic development trends have also been confirmed for in-store transaction processing. Be2bill is one of the few European firms able to process and collect flows whatever the sales channel (online and/or offline), throughout the SEPA area, in euros or other currencies, with light terminals (mPOS, dongle) or conventional terminals. Today, Be2bill offers retailers a connected card acceptance & acquiring solution, as well as a centralized and fully reconciled offer enabling international merchants to develop omnichannel and cross-channel strategies.

Upturn in the Marketing business, visible from the second half of the year

Following the contraction recorded in 2016, the Marketing division's revenues stabilized in the first quarter, both year-on-year and quarter-on-quarter.

Revenues came to €1.3 million for the quarter and do not yet reflect the impact of the regeneration of this division, which is carrying out effective commercial work with major online merchants and has been sized to successfully take on board incoming deals.

This robust development is being further strengthened, notably because Eperflex is now one of the most effective solution in France for email retargeting and remarketing with tier 1 e-commerce operators. It confirms the relevance of deploying Payment Marketing solutions enabling merchants to fully benefit from synergies between various products, maximizing conversion rates.

Considering the timeframes for processing and acceptance, these developments will start to have a positive impact on revenues from the third quarter of this year.

Telecom division revenues down 22%, expected impact of the strategic realignment

The Telecom division generated €8.3 million in revenues for the first quarter of 2017, versus €10.6 million for the first quarter of 2016. On the first quarter of 2016, the division was targeting volumes and recorded 63% growth compared with the same period in 2015. The strong basis of comparison has therefore a significant impact, but this change primarily factors in the strategic realignment since mid-2016 around stronger value-added activities.



The Telecom division's clients have once again confirmed their confidence in the products and this business is continuing to develop around financially sound foundations.

Outlook

Following a year of reorganisation for the Marketing and Telecom activities in 2016, the three divisions are now aligned with the same strategy for growth delivering extensive synergies. Considering the developments recorded and the contracts signed in the past few months, the Dalenys Group is renewing its confidence that it will be able to achieve its €5 billion run rateⁱ target by 2018.

Next financial dates:

General Meeting: 29 May 2017

2017 first-half results: 30 August 2017 after market closing

To see the press release on Dalenys' website, visit:

<https://www.dalenys.com/en/news/2017-04-28-1st-quarter-2017-sales.html>

About Dalenys

Founded in 2002 by Jean-Baptiste Descroix-Vernier, Dalenys -NYS- (formerly Rentabiliweb) offers Payment Marketing solutions that aim to increase revenues for online and point-of-sale merchants. Ranked #1 of French Fintech by Frenchweb in June 2016, Dalenys offers solutions that integrate transactional and marketing data to increase the conversion of the customers during their purchasing path. With over 200 employees in France and abroad, publicly traded on Euronext Brussels and Paris (C compartment), the company rigorously applies the ten principles laid out by the UN Global Compact and is eligible to the FCPI investment funds and to the French PEA-PME savings plan. Dalenys website: www.dalenys.com

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ⁱ Run rate: volume of sales received during the final month extrapolated over the entire year