

Note to the reader: This English language version is a free translation from the original financial release which is in French and is available on the company's corporate website (www.archos.com). In the event of inconsistencies between the original French language version and this English translation, the French version will take precedence.

## Combined revenue as of September 30<sup>th</sup>, 2018

Consolidated revenues (in €M)	From January to September 2018 (9 months)	From January to September 2017 (9 months)	Variation	Variation as a %
ARCHOS	39,4	71,4	-32,0	-45%
LOGIC INSTRUMENT	8,4	9,2	-0,8	-9%
<b>Total</b>	<b>47,8</b>	<b>80,6</b>	<b>-32,8</b>	<b>-41%</b>

ARCHOS recorded a combined turnover of € 47.8 million at the end of September 2018 compared with € 80.6 million for the same period in 2017. In the third quarter of 2018, revenue stood at € 15.5 million against € 30.2 million in 2017.

This decrease is mainly due to the significant drop in smartphone sales caused by amplified pressure by Chinese manufacturers. It reflects the Group's decision to refocus on high value-added businesses, particularly around Artificial Intelligence and Blockchain.

The introduction of personal voice and video assistants and cold storage hardware wallets for the Blockchain will impact the turnover gradually from October 2018, with a significant effect from January 2019.

## Perspectives

Since 2017, ARCHOS has implemented its strategic plan to make a radical change in its activity and focus its development efforts around three pillars of activities, in order to increase the monetization of services in relation to the sales of devices and to promote gradually its installed base of users.

### 1. Mobile Solutions

This pillar brings together mobile solutions, including tablets, smartphones, and electric vehicles, for the BtoC and BtoB segments. ARCHOS plans to continue offering innovative solutions for wireless charging, flexible displays, equipments designed for hostile environments and extreme conditions of use and the first deployments of 5G, with its partner ZTE / Nubia.

### 2. Artificial Intelligence

This pillar includes all the solutions designed around Artificial Intelligence, such as the Hello Range in Google Android environment, but also the Mate Range, which activates Amazon Alexa. It will also include the ecosystem of intelligent voice-controllable objects, such as PicoWAN, and also a significant number of industrial partner solutions offering smart accessories such as light bulbs, thermostats, video door entry units or air quality detectors.



### 3. Blockchain Solutions

ARCHOS enters the Blockchain era with two products, the Safe-T mini and the Safe-T Touch, ultra-secure physical wallets for crypto-assets. The ARCHOS Safe-T Touch brings a breakthrough innovation with an integrated solution that makes it easy to purchase, trade, sell and convert crypto-assets to euros, from a single platform. An ICO is under consideration to accelerate the deployment of the installed base from January 2019, when the product will be presented at CES (January 8 to 11, 2019, Las Vegas, USA).

This radical change initiated in 2017 will bear fruit from 2019 in order to return to growth driven by innovation.

#### About ARCHOS:

ARCHOS, a pioneer in consumer electronics, continues to innovate and revolutionize the consumer electronics market. Among others, the French manufacturer was first with an HDD MP3 player in 2000, a multimedia player in 2003, Google Android powered tablets in 2009, a connected Smart Home in 2014 and PicoWAN, the first collaborative network dedicated to the IoT, in 2016. Today, ARCHOS designs and democratizes solutions with high innovation value: tablets and smartphones, home and IoT, urban mobility, and security and blockchains. With headquarters in France, offices in Europe and in Asia, ARCHOS has become a strong pan-European player. ARCHOS is quoted on Compartment C of Eurolist, Euronext Paris, ISIN Code: FR0000182479.

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