

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.

THIRD QUARTER 2019 REVENUE

The ARCHOS Group posted a turnover of €11.1 million in the third quarter of 2019, compared to €15.5 million for the same period in 2018:

Consolidated revenue (in € million) *	Q3 2019	Q3 2018	Variation	Variation as a %
ARCHOS	7.5	12.6	-5.1	-40%
LOGIC INSTRUMENT	3.6	2.9	+0.7	+25%
Total	11.1	15.5	-4.5	-28%

* Unaudited figures

This decline is mainly due to the decrease in sales of smartphones and tablets, in a falling European market, affected by the exacerbated competition of major Asian brands.

Actions & Perspectives 2020

In this difficult context, the Group has decided to implement the following restructuring actions:

Revenue and gross margin

- Refocusing on France, Benelux, Germany and England.
- Creation of a product and service offering that exploits ARCHOS's expertise in the distribution of electronic consumer solutions in Europe.

Optimization of the logistics value chain

- Reorganization around a single shipping and receiving center in Europe, in order to save time, flow and price per unit.

Plan to reduce all fixed costs, up to more than 30%, in line with the Group's decrease.

The setting up of the financing line by issuance of notes convertible into shares with share subscription warrants attached, announced on September 26th, 2019, will allow ARCHOS to finance the restructuring actions and to develop a new range of products and services.

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 in three segments: smart devices, AI & IoT, blockchain. With headquarters in France, offices in Europe and in Asia, ARCHOS is a strong European player. ARCHOS is listed on Compartment C of the regulated market of Euronext Paris, ISIN Code: FR0000182479.

Contact

Loïc Poirier – CEO – poirier@archos.com - + 33 169 33 16 90

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