PRESS RELEASE

2019 Annual Results

- Strong revenue growth: +19%
- These results include the new costs associated with setting up our international structures
- Q1 revenue up to 4.2%, impacted by Covid-19


At its meeting of 21 April 2020, the Board of Directors approved the annual financial statements for fiscal year 2019. These financial statements were audited and the associated certification reports are currently being prepared.

International accounting standard IFRS 16, concerning the treatment of leases in the consolidated financial statements, came into force on 1 January 2019. The COGELEC Group chose to apply this standard using the simplified retroactive approach, in which there are no adjustments for the previous year. Note that the implementation of IFRS 16 requires a change in the presentation of the consolidated financial statements as approved at 31 December 2019, with the balance sheet showing a liability in respect of future lease payments and an asset in respect of rights of use. On the income statement, the lease expense previously recognised under operating costs is now recognised partly as a depreciation charge and partly as a financial cost.

<table>
<thead>
<tr>
<th>IFRS (€M)</th>
<th>2019</th>
<th>2018</th>
<th>% Change</th>
<th>Impact IFRS 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>40.0</td>
<td>33.6</td>
<td>19.1%</td>
<td></td>
</tr>
<tr>
<td>-France</td>
<td>36.4</td>
<td>31.0</td>
<td>17.5%</td>
<td></td>
</tr>
<tr>
<td>-Exports</td>
<td>3.5</td>
<td>2.5</td>
<td>39.2%</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>25.5</td>
<td>20.7</td>
<td>23.0%</td>
<td></td>
</tr>
<tr>
<td>As a % of revenue</td>
<td>63.7%</td>
<td>61.7%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-14.2</td>
<td>-10.0</td>
<td>41.9%</td>
<td></td>
</tr>
<tr>
<td>External charges</td>
<td>-8.2</td>
<td>-6.8</td>
<td>19.7%</td>
<td>+0.7</td>
</tr>
<tr>
<td>EBITDA(1)</td>
<td>2.8</td>
<td>3.2</td>
<td>-13.3%</td>
<td>+0.7</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-3.7</td>
<td>-2.9</td>
<td>26.2%</td>
<td>-0.7</td>
</tr>
<tr>
<td>allocations/reversals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current operating income</td>
<td>-0.9</td>
<td>0.7</td>
<td>-</td>
<td>n/s</td>
</tr>
<tr>
<td>Operating income</td>
<td>-0.9</td>
<td>0.3</td>
<td>-</td>
<td>n/s</td>
</tr>
<tr>
<td>Financial profit (loss)</td>
<td>-0.1</td>
<td>-0.3</td>
<td>-68.8%</td>
<td>n/s</td>
</tr>
<tr>
<td>Income Tax</td>
<td>-1.9</td>
<td>-1.1</td>
<td>70.9%</td>
<td>n/s</td>
</tr>
<tr>
<td>Net income</td>
<td>-2.9</td>
<td>-1.1</td>
<td>-</td>
<td>n/s</td>
</tr>
</tbody>
</table>

(1) COGELEC defines EBITDA as operating income before depreciation, amortization and impairment of assets, net of reversals.
2019 Activity and Results

Revenue for fiscal 2019 stood at €40.0M vs. €33.6M in 2018, up 19.1%. Revenue in France increased by 17.5% to €36.4M vs. €31.0M, driven mainly by sales of Intratone products. It was boosted by both equipment sales (€30.2M, +18%) and subscriptions (€9.8M, +23%) which now comprise 25% of revenue. Today, COGELEC outfits 1.2 million dwellings.

Revenue from international activities reached €3.5M vs. €2.5M the previous year, an increase of 39.2% thanks to a ramp-up of sales activities in Europe.

The gross margin was up 23% at €25.5M, representing 63.7% of revenue. This growth confirms an increase in the subscriber base.

In general, revenue for 2019 includes all of the costs related to international deployment without fully benefiting from its investments in the activity.

Consistent with the recruitment plan, 2019 showed an increase in personnel costs at €14.2M vs. €10.0M the previous year. COGELEC had 256 employees at 31 December 2019 vs. 213 employees at 31 December 2018. External costs also increased to €8.2M vs. €6.8M; the 19.7% change is explained by a €1.5M increase to cover the costs of rolling out subsidiaries abroad.

In accordance with IFRS 16, rental expenses are restated at €0.7M, with a €0.7M impact on depreciation, amortization and provisions.

The Group generated a positive EBITDA of €2.8M while bearing the costs necessary for the development of its subsidiaries. Operating profit stood at -€0.9M. Income Tax is up due to the Income tax on tax profit of Cogelec SA. The net result was a loss of -€2.9M.

At 31 December 2019, shareholders’ equity stood at €15.9M vs. €19.5M at 31 December 2018. Financial debt increased to €12M vs. €8.0M at 31 December 2018, including €1.1M pursuant to IFRS 16. At 31 December 2019, the Group’s gross cash position stood at €17.4M.

Q1 revenue up to 4.2%, impacted by Covid-19

The Covid-19 epidemic and the related confinement measures have had an impact on the Group’s activity. COGELEC has been able to maintain a portion of its activities, while implementing the necessary protection measures for its employees.

Several of the Group’s services have thus been able to carry on via telework, notably after-sales service, R&D, and the in-house sales representatives.
Partial unemployment measures were implemented for travelling sales representatives and part of the production workforce, who were put on leave from 17 to 30 March 2020. Production restarted on 31 March 2020 with 40% of the workforce.
As of March 2020, COGELEC also took measures to reduce its cost base, in particular with the introduction of partial unemployment. These measures reduced expenses by 14%. COGELEC has not requested the carryover of any cost resulting from social and tax charges or appropriations. No application has been made for a government-backed loan. The Group does not envisage any risk of non-payment at this stage.

The impact of confinement on revenue has been felt since mid-March.

As of Q1 2020, revenue still grew by 4.2% to €9.8M vs. €9.4M for Q1 2019 despite 11 unworked business days due to Covid-19, 17% fewer days worked. Growth in France was 1.1% at €8.7M vs. €8.6M. Internationally, growth stood at €1.1M vs. €0.8M the previous year, an increase of 36.5%. Subscriptions continued to grow, at €2.7M vs. €2.4M, an increase of 9.2%.

Adjustment of objectives, new outlooks

Given the current context, COGELEC is reviewing its 2021 objectives announced during the IPO.

Activity in France fell by 40 to 50% in April and to date. Internationally, COGELEC’s activity is still growing to some extent.

For the whole of the 2020 fiscal year, COGELEC projects a recovery to follow along with the deconfinement measures. In France, the Group anticipates a stable activity with a wait-and-see position linked to the postponement of General Meetings. Abroad, COGELEC forecasts double-digit growth with a robust recovery of sales activities. Concerning Kibolt, the Group notes a delay in the manufacture of its key, linked to complications during assembly and the stoppage of 2 subcontractors due to the Covid-19 epidemic. The massive and intensive launch is thus postponed until Q1 2021. Activity growth is expected to be weak in 2020, but should, however, be accompanied by a positive EBITDA.

For fiscal 2021 and if the Covid-19 episode is over, the Group should regain its strong level of growth both in France and abroad and benefit from the take-off of Kibolt. COGELEC should also reach an EBITDA of between 15% and 20%.

In subsequent years, very strong growth should be recorded across all activities, with profitability of over 20% to be achieved by fiscal 2022.

The financial report on the 2019 annual accounts has been made public and filed with the AMF. It is available in French on the Company’s website at: https://www.cogelec.fr/investisseurs/documentations/
Contacts

**Cogelec**
Véronique Pochet  
Chief Financial Officer  
+33 (0)2 72 67 00 91  
investors@cogelec.fr

**Actifin, Financial Communication**  
Ghislaine Gasparetto  
+33 (0)1 56 88 11 22  
ggasparetto@actifin.fr

**Actifin, Financial Press Relations**  
Jennifer Jullia  
+33 (0)1 56 88 11 19  
jjullia@actifin.fr

About COGELEC
COGELEC is the French leader in access control systems for building complexes. As early as 2007, COGELEC created the first universal wireless intercom subscription service under the Intratone brand.
COGELEC has already outfitted 1 million homes, out of a potential total of 15.4 million homes in France. COGELEC is an international group also offering its solutions in Germany, the United Kingdom, the Netherlands, Belgium and Luxembourg.
Based on an indirect distribution model, combined with very close-knit relations with end clients (social landlords and building complex management associations), COGELEC posted revenue of €40M in 2019.
COGELEC is listed on Euronext, compartment C and is listed on the CAC SMALL, CAC MID & SMALL and CAC ALL TRADABLE indices.
For more information: [www.cogelec.fr](http://www.cogelec.fr)