

PRESS RELEASE

COGELEC ANNOUNCES THE FILING OF ITS BASE DOCUMENT FOR ITS UPCOMING IPO ON EURONEXT PARIS

Mortagne-sur-Sèvre, FRANCE, on 15 May 2018, COGELEC, French leader in intercom and access control, announces the filing of its base document with the Autorité des Marchés Financiers (AMF) under number I.18 - 040 on 14 May 2018.

The filing of the base document marks the first step in COGELEC's IPO on the regulated market of Euronext Paris, which remains subject to market conditions and to the issuance of the AMF visa on the relevant Prospectus.

The access control market is changing fast

The access control industry for residential buildings is in the throes of an unprecedented transformation with the development of GSM intercom technology. The benefits of wireless intercoms are many: quick to install, no major works and they function immediately; they also offer real-time remote management for building managers and ease of use for residents.

A French leader in access control in a growth market

Since 2007, COGELEC has created a range that has transformed the intercom market for building managers, social landlords and managing agents. COGELEC has created the first full-function wireless intercom range, branded as Intratone®. This unique range applies a disruptive economic model that includes equipment, an intercom solution and an online management tool. The solution is sold as a subscription and has been a great success.

COGELEC has already equipped 850,000 housing, including 150,000 new housing in 2017, out of a total of 15.4 million potentially equipable housing in France.

Wired intercoms still have 95% of the French market. The GSM intercom solution therefore has huge scope to expand in France in coming years.

COGELEC has been exporting its products for 5 years and is also offering its solutions in several European countries, prioritising growth markets like Germany, the UK, the Netherlands and Belgium through subsidiaries that are already operational or being set-up now.

Exports made up 8% of Group revenue in 2017.

A track record of growth and profitability

Based on an indirect distribution model coupled with strong local links to final customers (social landlords and agents), COGELEC has a record of robust performances. Revenue in 2017 was €30.6 million, up by 17% on the year.

The Group is highly visible in its business sector, with strongly recurrent income (subscriptions, which contributed €7.4 million, are recurrent income). COGELEC also estimates that 5% of the global installed base is renewed each year. The churn rate was less than 0.25% of the number of residences in 2017¹.

The Group makes solid operating margins with current operating margin of 16.3% in 2017 for current operating income of €5 million. COGELEC's net profit was €2.9 million, a net margin of 9.5%.

Kibolt, the new disruptive innovation

Kibolt is a new and disruptive innovation, the result of 10 years of R&D. Kibolt is a universal key that allows dynamic and easy management of access: a single key to open all the doors in a building. Access can be allocated and revoked at any moment, remotely and in real-time.

Kibolt is a high-tech product for which COGELEC has invested nearly €3.2 million and filed 9 patents. COGELEC plans to launch Kibolt at the beginning of 2019.

A clear strategy and ambitious objectives

COGELEC's deployment strategy aims to triple its revenue to €90 million in 2021. To achieve this, COGELEC can count on several levers:

- the conquest of new market share in GSM intercom in France in collective housing through its Intratone® brand, with a target of €45 million in 2021;
- development of its European market share in several targeted European countries (UK, Germany, Netherlands and Belgium), with a target of €30 million in 2021;
- marketing of Kibolt, a new universal key, first in France then in Europe, with a revenue target of €15 million in 2021.

The potential market in collective housing in the four European targeted countries represents a potential of 25.1 million homes² to equip. The Group has already had good sales wins, particularly in the UK and Belgium.

(1) Source: Company

(2) Source: Company estimate, www.populationdata.net, <https://www.insee.fr/fr/statistics/2381488>, Eurostat June 2017.

COGELEC is determined to accelerate its international development by duplicating its successful model to conquer new market shares. The Group is ready to go with its sales staff in place in each country and a substantial hiring plan to take the sales force to 34 by end-2019.

Kibolt, the latest disruptive innovation, will also be ramped up through the sales networks already in place in France and Europe.

Roger Leclerc, Chairman, CEO and founder of COGELEC, comments the planned IPO: *“Our IPO on the regulated market of the Euronext Paris is part of the drive to accelerate our roll-out in France and Europe. We have already become the French market leader, thanks to our unique GSM intercom range based on a disruptive technology that benefits building managers and residents alike. Our potential in Europe is considerable and we have all the assets in place to extend our market positions rapidly in our selected target countries. The launch of Kibolt, our latest innovation, is an additional driver of growth in these markets. The success of our IPO would be a decisive factor in achieving our ambition: to become the European leader in access control to collective housing.”*

For all information
on COGELEC's IPO see:
<http://investir.cogelec.fr>

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Obtaining the base document

Copies of the base document, registered by the AMF on 14 May 2018 under number I.18 - 040, are available free of charge on request from the registered office of COGELEC (370 rue de Maunit, 85290 Mortagne-sur-Sèvre) and on the websites of COGELEC (<http://investir.cogelec.fr>) and the AMF (www.amf-france.org).

Risk factors

The public's attention is drawn to chapter 4 "Risk factors" in the base document filed with the AMF.

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For EEA Member States having transposed the Prospectus Directive (a "Relevant Member State"), no action has been or will be undertaken with a view to enabling a public share offering that would make it necessary to publish a prospectus in one or more of said Relevant Member States, other than France. Accordingly, shares in COGELEC cannot and will not be offered in any member state other than France, except under the derogations provided for in Article 3(2) of the Prospectus Directive, if they have been transposed into law in that member state or in other cases that do not require the company to publish a prospectus under Article 3(2) of the Prospectus Directive and/or regulations applicable in the member state concerned.

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