

PRESS RELEASE

COGELEC LAUNCHES ITS IPO ON THE REGULATED MARKET OF EURONEXT PARIS

- Issuance of around €18.2 million new shares plus sale of around €17.8 million existing shares: total initial offer volume of €36 million¹
- Potential volume of around €41.8 million, in the event that the extension clause and overallotment option are exercised in full¹
- Potential price range: €10.40 to €13.10 per share
- Subscription period: 29 May until 12 June 2018 (inclusive) for the open price offer and until 13 June 2018 for the global placement
- Subscription commitments of €11.5 million

Mortagne-sur-Sèvre, FRANCE, on 29 May 2018, COGELEC, French leader in intercom and access control, announces launch of its IPO seeking a listing for trading in the Euronext Paris regulated market (ISIN: FR0013335742/Ticker: COGEC).

Following filing of its base document under number I.18-040 on 14 May 2018, the Autorité des marchés financiers (AMF) issued the prospectus visa, number 18-203, on 28 May 2018.

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 units, including 150,000 new housing units in 2017, out of 15.4 million potentially equipable housing in France.

¹ Based on the median of the indicative price range of the Offer.

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 performance. Revenue in 2017 was €30.6 million, up by nearly 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 2017².

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 universal key

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 in France 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.

² Company

The potential market in collective housing in the four European targeted countries represents a potential of 25.1 million homes³ equip. The Group has already had good sales wins, particularly in the UK and Belgium.

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 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 on 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.”*

OBTAINING THE PROSPECTUS

Copies of the prospectus approved by the AMF on 28 May 2018 under visa number 18-203, comprising the base document registered by the AMF on 14 May 2018 under number I.18-040 and a securities note (including the summary prospectus) 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://www.investir.cogelec.fr>) and the AMF (www.amf-france.org).

Risk factors

Any investment in shares carries risks. The public's attention is drawn to chapter 4 “Risk factors” in the base document and chapter 2 “Risk factors related to the offer” in the securities note.

³ Company estimate, www.populationdata.net, <https://www.insee.fr/fr/statistiques/2381488>, Eurostat June 2017

PARTNERS IN THE IPO

Adviser to the company



Joint lead manager and bookrunner



Auditors



Financial communications



Joint lead manager and bookrunner



Legal advisory



Auditors



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

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TERMS OF THE OFFER

Share capital before the offer

Société anonyme (French limited company) with board of directors, share capital €3,203,298 represented by 7,118,440 shares of €0.45 nominal value.

Characteristics of the share

- Company name: COGELEC
- Ticker: COGEC
- ISIN: FR0013335742
- Market: regulated market of Euronext Paris, Compartment C
- ICB Classification: 2737 - Electronic Equipment
- Eligible for PEA-PME

Structure of the offering (the “Offering”)

- A public offer to be held in France in the form of an open price offering intended for natural person investors (the “OPO”);
- A global placement mainly intended for institutional investors (the “Global Placement”), comprising:
 - a placement in France; and
 - an international private placement in certain other countries outside France excluding, notable, the United States of America.

The Offering includes both new shares to be issued and offered by COGELEC in an initial offering (the “Initial Offering”) and existing shares offered by SRC as the selling shareholder in a Secondary offering (the “Secondary Offering”).

Use of Proceeds

The main purpose of the Offering and admission of COGELEC’s shares for trading on Euronext Paris is to finance the Group’s development. In addition, its status as a listed company should give COGELEC greater visibility on its markets.

Initial Offering

Net proceeds from the Initial Offering will be allocated as follows:

- to the acceleration of the international investments to grow COGELEC’s market share in GSM intercoms systems for multi-unit dwellings in Europe (up to 70%) through the development of the Company’s European subsidiaries (for which the recruitment and the implementation of a sales force are needed);

- to marketing development of the Kibolt product (up to 10%), notably through the launch of communication and marketing campaigns;
- to the Group's external growth opportunities (up to 20%) (it being specified that as of the prospectus date, COGELEC has not made any firm commitment to carry out an external growth operation).

Secondary Offering

The selling shareholder, SRC SAS, will be the sole beneficiary of the sale of the Sold Shares. The proceeds will be used firstly for the repayment of SRC's financial and bank debt (amounting to around €3.3 million) and secondly for the purchase by SRC of all or part of its own shares held by Naxicap Rendement 2018 and Banque Populaire Développement and half of the SRC SAS shares held by Patrick Fruneau.

Categories of orders in the OPO

Orders will be split into fractions based on the number of securities requested:

- A1 order fractions: from 10 to 200 shares (inclusive); and
- A2 order fractions: above 200 shares.

A1 order fractions will be preferred over A2 order fractions if not all orders can be fully met.

Indicative price range of the Offering

€10.40 to €13.10 per offered share.

Number of shares offered

- A maximum of 1,547,486 new shares to be issued as part of a capital increase in cash without preferential subscription rights and by way of a public offering (the "**Initial New Shares**") which may be increased by a maximum of 232,122 new shares in the event of full exercise of the extension clause (the "**Supplementary New Shares**" and together with the Initial New Shares, the "**New Shares**");
- A maximum of 1,512,667 existing shares will be sold by SRC SAS (the "**Selling Shareholder**") (the "**Initial Sold Shares**"), which may be increased by a maximum of 266,941 sold shares in the event of full exercise of the extension clause and the over-allotment option (the "**Additional Sold Shares**", and together with the Initial Sold Shares, the "**Sold Shares**").

The New Shares will be COGELEC ordinary shares and will be assimilable on issue with existing shares.

The New Shares and the Sold Shares are together defined as the "**Offered Shares**".

Gross proceeds of the Offering

The gross proceeds of the Initial Offering will be around €18.2 million, potentially rising to around 20.9 million in the event of full exercise of the extension clause⁴.

The gross proceeds of the Secondary Offering will be around €17.8 million, potentially rising to around €20.9 million in the event of full exercise of the extension clause and overallotment option⁵.

COGELEC will not receive any proceeds from the disposal of the Sold Shares by the Selling Shareholder.

Abstention and lock-up of shares undertakings

- Abstention undertaking by COGELEC: 6 months, subject to usual exclusions.
- Lock-up undertaking by SRC SAS in COGELEC: 18 months, subject to usual exclusions.
- Lock-up undertaking by SRC SAS associates in SRC SAS: 18 months, subject to usual exclusions.

Subscription undertakings

Sycomore Asset Management, Keren Finance and Ostrum Asset Management have undertaken to place cash subscription orders at a maximum price of €13.10 per share, for a total amount of €11,500,000. This amounts to 32% of the gross amount of the Offer and 63.2% of the gross amount of the Initial Offering (based on the median of the indicative Offer price range, without exercise of the extension clause or overallotment option).

These orders will be filled in full as a priority. However, they could nonetheless be reduced in accordance with regular allotment principles, most prominently in the event that subscriptions received for the Offer are much greater than the number of Offered Shares.

The table below details subscription commitments received:

Investor	Subscription commitment (in euros)
Sycomore Asset Management	5,000,000
Keren Finance	5,000,000
Ostrum Asset Management	1,500,000
Total	11,500,000

⁴ Based on the median of the indicative price range of the Offer.

⁵ Based on the median of the indicative price range of the Offer.

INDICATIVE OFFERING TIMETABLE

28 May 2018	<ul style="list-style-type: none"> ▪ AMF approval of the prospectus
29 May 2018	<ul style="list-style-type: none"> ▪ Opening of the OPO and the Global Placement
12 June 2018	<ul style="list-style-type: none"> ▪ Closing of the OPO at 5.00 pm (Paris time) for physical subscriptions and at 8.00 pm (Paris time) for online subscriptions.
13 June 2018	<ul style="list-style-type: none"> ▪ Closing of the Global Placement at 12.00 noon (Paris time) ▪ Setting of the Offering price and potential exercise of the extension clause ▪ Distribution of the press release announcing the Offering price, the final number of New Shares and the result of the Offering ▪ Euronext notice regarding the results of the Offering ▪ Signing of the placement agreement ▪ Beginning of the stabilisation period, share applicable
15 June 2018	<ul style="list-style-type: none"> ▪ Settlement-Delivery of the OPO and the Global Placement
18 June 2018	<ul style="list-style-type: none"> ▪ Start of trading of the COGELEC shares on the regulated market of Euronext Paris under the listing line called COGELEC
13 July 2018	<ul style="list-style-type: none"> ▪ Deadline for exercising the overallotment option ▪ End of the stabilisation period, where applicable

HOW TO SUBSCRIBE

Anyone wishing to participate in the OPO must place their orders through an authorised financial intermediary in France no later than 12 June 2018 at 5.00 pm (Paris time) for physical subscriptions and 8.00 pm for online subscriptions. In order to be taken into account, orders issued under the Global Placement must be received by the Joint Lead Managers and Bookrunners no later than 13 June 2018 at 12.00 noon (Paris time) unless the closing date is brought forward.

Disclaimer

In no way do this press release and the information it contains constitute either a purchase or subscription offer, or a purchase or subscription order, for COGELEC shares in any country whatsoever.

Dissemination of this press release may, in some countries, be subject to specific regulations. Consequently, persons in such countries where this press release is released, published or distributed should inform themselves of and comply with such laws and regulations.

This press release is promotional in nature and is not a prospectus, within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (as transposed, where applicable, into law in each Member State of the European Economic Area) (the "Prospectus Directive").

This press release does not constitute and may not be considered as a public offer, a subscription offer or a solicitation of public interest for a public offering of financial securities.

This press release constitutes neither an offer to sell securities nor a solicitation of an offer to purchase securities in the United States. Shares or other securities in COGELEC may only be offered for sale or sold in the United States following registration under the terms of the U.S. Securities Act de 1933, as amended ("US Securities Act"), or within the framework of an exemption from registration. Shares in COGELEC will be offered or sold exclusively outside the United States of America as offshore transactions, in accordance with Regulation S of the Securities Act. COGELEC has no intention of registering the offering in part or in whole in the United States, or of carrying out a public offering in the United States.

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.

In the UK, the press release is intended solely for persons who are (i) investment professionals in the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (current version, the "Financial Promotion Order"), (ii) are specified in article 49(2) (a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom invitations or inducements to engage in investment activity (in the meaning of section 21 of the Financial Services and Markets Act 2000) in the framework of the issue or sale of all securities can be legitimately communicated, directly or indirectly (collectively, the "Authorised Persons"). This press release is solely intended for the Authorised Persons and cannot be used by any person other than the Authorised Persons.