

PRESS RELEASE

H1 2018 Results

Revenue: €15.7m

Current operating income: €1.1m

Continued international development and initial success stories

Enhanced financial structure thanks to a successful IPO

Mortagne-sur-Sèvre, France, 1 October 2018, COGELEC (ISIN: FR0013335742/ticker: COGEC), the French leader in access control for collective housing, is today publishing its results for the first half of 2018.

The Board of Directors approved the 2018 half-year financial statements at its meeting of 28 September 2018. They were subject to a limited review by the Statutory Auditors. The interim financial report is available on the Company's website (www.cogelec.fr).

IFRS (€m)	H1 2018	H1 2017	Change
Revenue	15.7	14.4	+8.9%
Gross margin (value)	10.5	9.2	+14.1%
Personnel expenses	-4.9	-4.2	+15.8%
External expenses	-3.3	-2.4	+36.5%
EBITDA	1.9	2.5	-26.8%
Current operating income	1.1	1.5	-27.8%
Operating income	0.7	1.5	-53.5%
As a % of revenue	4.5%	10.4%	-
Net income	0.03	0.8	NS
As a % of revenue	0.2%	5.7%	-

H1 2018 results in line with our expectations

During the course of H1 2018, COGELEC successfully completed its IPO on Euronext, raising a total of €41.7m on the primary and secondary offering.

As previously announced, first-half 2018 revenue amounted to €15.7m versus €14.4m in H1 2017, up +8.9%. This growth was driven by Intratone sales and subscriptions. COGELEC now services over 925,000 housings.

The gross margin climbed 66.8% over the first half on the back of a favourable product mix.

The rise in personal expenses can be attributed primarily to investments in the development of our international business (which generated more than €880k over the first half, including external expenses) and the expansion of our R&D teams, with the recruitment of 6 engineers and the opening of an office in Nantes. Since the IPO, the Group has hired 8 employees in Germany and inaugurated a showroom to get our foot in the door as quickly as possible on this market. COGELEC has also hired 4 employees in the UK, 2 in Belgium and is in the process of setting up a subsidiary in the Netherlands.

COGELEC currently has 11 sales representatives for Europe, with another 5 set to arrive in early October, in line with its recruitment plan (target: 23 sales reps by the end of the year).

External expenses were up €0.8m in the first half to €3.3m (increase in fees and communication/advertising expenses associated with the Company's development in Europe and new product launches).

Current operating income came to €1.1m, versus €1.5m in H1 2017, and net income totalled €0.03m in H1 2018.

At 30 June 2018, net financial debt was down €9.3m, with shareholders' equity of €20.9m and a substantial increase in the closing net cash position to €18.9m.

COGELEC thus boasts a robust financial position, giving it a solid foundation to pursue its client acquisition strategy both in France and across Europe.

Growth prospects on buoyant markets

Drawing on its substantial innovation momentum, the Group will be launching a button-intercom system for small building housings, allowing it to address 100% of the market as opposed to 30% now (small building complexes make up 70% of the global market).

On the international front, the Group has enjoyed commercial success by securing several contracts in Germany, most notably with the country's three main social housing landlords. The Company's sales teams have signed deals to manage the access control systems for 10 social collective housings in the Benelux, and for 4 such complexes then 4 private co-owned associations in the UK.

In accordance with the strategy announced in conjunction with the IPO, COGELEC is forging ahead with its expansion in France with a broader offer, rolling out the Intratone solution in 5 targeted European countries, and preparing to take Kibolt to market in France from Q1 2019, followed by Europe.

Upcoming events

Publication of Q3 2018 revenue: November 15, 2018 after market close.

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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 solution under the Intratone® brand. This unique offering boasts a disruptive economic model which simultaneously includes equipment, an intercom solution and an online management tool.

COGELEC has already outfitted 850,000 dwellings, including 150,000 new dwellings in 2017, out of a potential total of 15.4 million dwellings in France.

Present on the export market for five years, COGELEC also offers its solutions in Germany, the United Kingdom, the Netherlands and Belgium through existing subsidiaries or those currently being launched.

Based on an indirect distribution model associated with a strong local relationship with end customers (social housing landlords and co-owners' associations), COGELEC posted solid performances with revenue up nearly 17% to €30.6m in 2017, for current operating income of €5m and net income of €2.9m. COGELEC aims to triple its revenue to €90 million by 2021. For more information: www.cogelec.fr