

**A successful capital increase
with pre-emptive subscription right maintained,
raising €44.3 million**

**LACROIX on the way
to achieve its 2025 ambitions**

Successful capital increase with pre-emptive subscription right maintained:

- €44.3 million gross raised, at a subscription price of €41.65 per share
- 1,062,536 new shares subscribed, of which 93% on an irreducible basis
- Free float extended to 27% of capital
- Historical family shareholder participation amounting to €15 million

“We are particularly satisfied with the success of this capital increase, which convinced a very large majority of our shareholders, while also attracting major new investors. With a total of more than €44 million raised, the successful completion of this operation provides clear evidence of the support for our new Leadership 2025 Plan, designed to enable the Group to almost double in size and reach €800 million in turnover and 9% in current EBITDA margin by 2025. In a real strategic turning point for LACROIX, the funds raised will enable us to accelerate the deployment of each of the plan’s focus areas, in particular acquisitions and the strengthening of the Group’s technological leadership. Now set to make our aspirations for 2025 a reality, on behalf of the Group, I want to thank all our shareholders, both old and new, for the trust they showed through their participation in this operation,” says Vincent Bedouin, Chairman and CEO of LACROIX.

Result of the capital increase with pre-emptive subscription right maintained

At the end of the subscription period, which closed on 21 July 2021, demand on an irreducible basis amounted to 991,858 shares, or 93% of new shares to be issued, while demand on a reducible basis, which was fully allocated, amounted to 70,678 shares, or 7% of new shares to be issued.

As a result, the gross amount of the capital increase with pre-emptive subscription right maintained (the **“Offer”**), as recorded by the Board of Directors on 26 July 2021, reached €44.3 million, including a nominal value of €7.1 million and an issue premium of €37.2 million, resulting in the issue of 1,062,536 new shares (the **“New Shares”**) at a unit subscription price of €41.65, including a nominal value of €6.64 and an issue premium of €35.01. Based on the volume-weighted average of closing prices of the Company’s share over the three trading days preceding the date of approval by the AMF of the Prospectus, i.e. 49.00 euros, the subscription price of the Offering Shares reflects a discount of 15.0%.

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The Offering Shares will be issued under the 24th resolution adopted by the combined general meeting of shareholders of the Company held on 11 May 2021.

For this Offer, Portzamparc (BNP Paribas Group) acted as Global Coordinator, Lead Manager and Joint Bookrunner, and Gilbert Dupont as Joint Bookrunner.

Nicolas Bedouin, Deputy CEO & Executive Vice-President Finance, stated: *“We can be satisfied with the success of this capital increase with pre-emptive subscription right maintained, in multiple respects. First of all, evidence of strong support for the project, the operation attracted the broad participation of our shareholders, and notably Amiral Gestion, CDC Croissance, Financière Arbevel and Value8. It is also an opportunity for LACROIX to welcome into its capital new leading institutional investors such as BNP Paribas Développement, DNCA Investments, Finexis S.A, Indépendance et Expansion AM, or Vatel Capital, and significantly expand its free float to 27%, for a market capitalisation of over €200 million.”*

Objectives of the Offer

The net proceeds from the Offer will contribute broadly to financing the Company’s development as well as the ‘Leadership 2025’ Strategic Plan”. As a reminder, over the duration of the plan, the breakdown of needs by axis of development is as follows:

- a) Approximately 37% for the extension of international reach and M&A, with the aim of conducting more than 70% of the total business outside of France within 5 years’ time. In particular, LACROIX intends to make targeted acquisitions that enable it to strengthen existing international operations or possibly even take up positions in complementary market segments or broaden the ‘smart’ offer through the integration of new building blocks with high technological added value.
- b) Approximately 35% towards strengthening the Group’s technological leadership, with the development of technological platforms around cutting-edge areas of expertise such as cybersecurity or edge computing. Towards this end, the objective is to double R&D expenditure to more than 5% of total turnover. By dedicating more resources towards innovation, the Group expects to increase the proportion of new products (less than 5 years old) to 50% of turnover from LACROIX-designed products.
- c) Around 27% towards the development of leadership in industrial efficiency, drawing in particular on the opportunities offered by “Industry 4.0” with an increased role for artificial intelligence and robotisation, the digitisation of flows, and the implementation of “Lean” production methods. Mirroring “Symbiose”, the new French electronic plant of the future, which will be open at the end of 2021, these principles will apply to 100% of the Group’s industrial sites by 2025.
- d) Lastly, to a lesser extent, approximately 1% will go towards initiating the transition from the equipment manufacturer role to that of a supplier of high value-added “end-to-end” solutions for the “Smart World”, with new services that will eventually generate recurring revenue and leverage margins.

The first axis of development a) described above will require, more particularly, the use of the net proceeds from the Offer given that the other needs could be primarily self-financed.

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Terms of the Offer

Subscription commitments

Prior to the Offer, the total amount of subscription commitments made by the Group consisting of members of the Bedouin family (the “**Bedouin family**”) on the one hand and ten institutional investors, some of whom were shareholders of the Company, on the other hand, was €34 million.

The Bedouin family, which had undertaken, under usual conditions, to subscribe to the Offer by exercising part of its pre-emptive subscription rights in the amount of €15 million through Vinila Investissements, subscribed 360,143 New Shares for an amount of €15 million.

Furthermore, the ten investors who had irrevocably committed to subscribe to the Offer for a total amount of €19 million, of which €17.1 million on an irreducible basis and €1.9 million on a reducible basis, were fully served. These investors are made up of existing shareholders (Amiral Gestion, CDC Croissance, Financière Arbevel, MCA Finances, Value8) and new shareholders (BNP Paribas Développement, DNCA Investments, Finexis S.A, Indépendance et Expansion AM, Vatel Capital).

Commitment to retain shares

The Bedouin Family has undertaken to retain its Lacroix shares until the expiry of a period of twelve months from the settlement-delivery date of the Offering Shares, it being specified that the New Shares subscribed for by Vinila Investissements in connection with the Offer will be subject to the same commitment to retain shares.

Commitment to abstain

In the context of the investment agreement concluded with Portzamparc (BNP Paribas Group), acting as Global Coordinator and Joint Bookrunner of the Offer, and Gilbert Dupont, acting as Joint Bookrunner of the Offer, the Company undertook to abstain for a period of 180 days from the date of settlement and delivery of the Offering Shares.

Impact of the New Shares issue on the distribution of capital and voting rights

Following the New Shares issue, the share capital of LACROIX will be made up of 4,829,096 shares with a nominal value of €6.64 each. It will be broken down as follows:

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On a non-diluted basis

Shareholders	Before the Offer			After the Offer		
	Number of shares	% of capital	% of exercisable voting rights	Number of shares	% of capital	% of exercisable voting rights
Bedouin Family	2,651,445	70.39	84.51	3,011,588	62.36	77.18
<i>Of which Vinila Investissements</i>	<i>2,169,069</i>	<i>57.59</i>	<i>69.12</i>	<i>2,529,212</i>	<i>52.37</i>	<i>64.02</i>
Fidelity Puritan Trust	376,486**	10.00	6.01	376,486**	7.80	5.14
Floating	591,714	15.71	9.48	1,294,107	26.80	17.69
Treasury shares*	146,915	3.90	-	146,915	3.04	-
TOTAL	3,766,560	100.00	100.00	4,829,096	100.00	100.00

* It being specified that the number of treasury shares is subject to variation depending on the vesting of 15,002 existing free shares, thereby reducing the number of treasury shares.

** As at the date of approval of the Prospectus by the AMF, i.e. 2 July 2021, Fidelity Puritan Trust held 376,656 shares. As per its notification of threshold crossing on 15 July 2021, it held 376,486 shares, i.e. 9.995% of capital, before completion of the capital increase with pre-emptive subscription right maintained.

Impact of the New Shares issue on the financial situation of the shareholder

The impact of the issue of the New Shares on the participation of a shareholder with 1% of the Company's capital prior to the issue of the New Shares and who did not subscribe to the issue of the New Shares (calculations made on the basis of the number of shares comprising the Company's share capital on the date of the Prospectus, after deduction of Treasury shares), is as follows:

Shareholder's interest (in %)	
	Non-diluted basis
Before the Offer	1.00
After the Offer	0.78

Settlement-delivery

Settlement-delivery and admission of New Shares for trading on Euronext Paris regulated market will take place on 28 July 2021.

Partners of the offer



Global Coordinator, Lead Manager and Joint Bookrunner



GRUPE SOCIETE GENERALE

Joint Bookrunner



Operation legal counsel

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Public information

The Prospectus, drawn up in the form of a Union Recovery prospectus in accordance with Article 14a and Annex Va of the Prospectus Regulation as amended by Regulation (EU) 2021/337 of 16 February 2021, was granted approval number 21-271 by the AMF on 2 July 2021 and is available on the AMF website (www.amf-france.org) and on the Company's website (<https://www.lacroix-group.com/>). The risk factors relating to the Group, its sector of activity, the markets and the securities issued are described in section IV of the Prospectus. This list of risks is not exhaustive. Other risks not yet identified or considered immaterial by the Company at the date of approval of the Prospectus may exist. Potential investors are advised to read the Prospectus before making an investment decision in order to fully understand the potential risks and benefits associated with the decision to invest in the securities. The approval of the Prospectus by the AMF should not be construed as a favourable opinion on the securities offered or admitted when trading on a regulated market.

Upcoming dates

First Half of 2021 Revenue: 26 August 2021 after market close

View our financial data on our Investors' Zone

<https://www.lacroix-group.com/investors/>

About LACROIX

Firm believers that technology should contribute to making our living environments simpler, more sustainable and safer, LACROIX supports its customers in the construction and management of intelligent living ecosystems, thanks to connected equipment and technologies.

As a publicly-listed family-owned mid-cap, LACROIX combines the essential agility required to innovate in an ever-changing technological sector with the ability to industrialise robust and secure equipment, cutting-edge know-how in industrial IoT solutions and electronic equipment for critical applications and the long-term vision to invest and build for the future.

LACROIX designs and manufactures electronic equipment for its customers' products, as well as IoT (hardware, software & cloud) and AI solutions, particularly in the industrial, automotive, home automation, avionics and health sectors. LACROIX also provides safe, connected equipment for the management of critical infrastructures such as smart roads (street lighting, traffic signs, traffic management, V2X) and the management and operation of water and energy systems.

Drawing on its extensive experience and expertise, the Group works with its customers and partners to build the connection between the world of today and the world of tomorrow. It helps them to create the industry of the future and to make the most of the opportunities for innovation that surround them, supplying them with the equipment for a smarter world.

Disclaimer

This press release does not constitute, and shall not be deemed to constitute, an offer to the public, an offer to purchase or subscribe for shares or an offer to solicit the public for the purpose of a public offering. This press release does not constitute an assessment of the merits of an investment in the Company. No guarantee is given as to the completeness, reality and accuracy of the information provided. The information and opinions contained in this press release as well as all the elements presented at today's

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information meeting are provided on the date of this press release and are subject to change at any time. Some of the information contained in the press release is purely forward-looking and prospective. This information is given as of the date of the press release and no guarantee is provided as to the reliability of this information, which the Company will not be under obligation to update.

No communication or information relating to the proposed capital increase may be given to the public in a country in which a registration or authorisation obligation must be satisfied. No steps have been taken (or will be taken) in any country (other than France) in which such steps would be required. The subscription or purchase of Company securities may be subject to specific legal or regulatory restrictions in certain countries. The Company assumes no liability for any breach by any person of such restrictions.

The press release does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”). The offer will be open to the public in France only after the French Financial Markets Authority (AMF) has issued an approval on the prospectus prepared in accordance with the Prospectus Regulation.

In France, the public offering of securities requires a prospectus approved by the AMF. With regard to the Member States of the European Economic Area other than France (the “**Member States**”), no action has been taken or will be taken to allow a public offering of securities making it necessary to publish a prospectus in one of these Member States. Consequently, the securities may not and will not be offered in any of the Member States (other than France), except in accordance with the exemptions provided for in Article 1(4) of the Prospectus Regulation, or in other cases not requiring the publication by the Company of a prospectus under the Prospectus Regulation and/or the regulations applicable in these Member States.

The release has not been approved by an authorised person (“**authorised person**”) within the meaning of Section 21(1) of the Financial Services and Markets Act 2000. Consequently, the press release is intended solely for (i) persons located outside the United Kingdom, (ii) investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (iii) persons referred to in Article 49(2) (a) a (d) (high net worth companies, unregistered associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iv) any other person to whom the press release may be sent in accordance with the law (the persons referred to in paragraphs (i), (ii), (iii) and (iv) together being referred to as the “**Authorised Persons**”). Any person other than an Authorised Person must refrain from using or relying on the press release and the information it contains. The press release is not a prospectus approved by the Financial Services Authority or any other UK regulator within the meaning of Section 85 of the Financial Services and Markets Act 2000.

The press release does not constitute an offer of securities or any solicitation to purchase or subscribe for securities or any solicitation to sell securities in the United States. The shares of the Company described in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and may not be offered or sold in the United States without registration or exemption from the registration obligation under the U.S. Securities Act. The Company does not intend to make any public offering of its shares in the United States.

This press release must not be published, distributed or circulated, directly or indirectly, in the United States, Australia, Canada or Japan. The distribution of this release to other countries may be subject to legislative or regulatory restrictions, and individuals in possession of this release should become familiar with and observe these restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

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