



Connecting Things for a Smarter Home



Montpellier, 31st May 2018

AwoX signs an agreement to acquire the Chacon Group, a leader in home automation and electrical equipment, and strengthens its position as a European leader on the Smart Home market

- A merger between a historic leader in home automation & electrical equipment and a specialist in connectivity, audio & smart lighting technologies
- A commercial presence extended to 12 European countries, and established distribution networks with major references in DIY and retail markets
- One of the larger players on the Smart Home market in Europe: more than 30M€ pro-forma revenues 2017 and a restated EBITDA¹ that is already positive

AwoX (Euronext – FRO011800218 – AWOX), a pure play company specialized in smart devices and smart home technologies, announces the acquisition², by signature of a SPA (sell and purchase agreement), of the Belgian Chacon Group, a key European player in electrical equipment and home automation systems.

AwoX + Chacon: the creation of a European leader on the Smart Home market

The acquisition is at the heart of the ambitious strategy set by AwoX whose objective is to become the key reference on the Smart Home market. The new group has complimentary services and a combination of product, technological and commercial expertise; with the ambition to mass distribute Smart Home technologies into households everywhere.

The merger will complement AwoX's Smart Lighting range. AwoX already has one of the largest offers in smart lighting and smart audio on the market, and will be adding Home Automation and Electrical equipment, as well as video security and comfort products; all of which are perfectly complimentary, creating one of the largest product offers available on the smart home market.

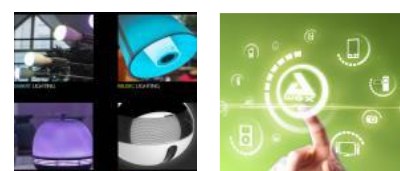
AwoX will be adding its expertise in wireless connectivity technology, which is essential in the development of IoT technology (converging Bluetooth / Wi-Fi, connecting devices, voice control). Organizing the transition from the wireless radio frequency technology of Chacon Home Automation products to AwoX connectivity technologies represents potential for major growth, as seen over the previous years with Cabasse moving from passive speakers into the booming market of Streaming Products. The new group will be able to capitalize an already existing client base consisting of over 3 million devices sold and a million European households equipped with products from the Chacon Group, to which AwoX will be adding an additional million products sold to date.

Furthermore, AwoX will be bringing its industrial expertise for technological products as well as its proven track record in negotiating partnerships with major European brands (Eglo, Orange, Schneider Electric, etc.) on related commercial segments.

AwoX will be able to quickly develop its sales operations by using the existing distribution network (DIY and Retail) created over 40 years by Chacon with major references and with its local commercial presence. An international

¹ Restated EBITDA pro forma 2017 excludes cost of wages and the costs associated with the 690K€ financial reduction plan accounted by AwoX for 2017 and non-reoccurring in 2018.

² Subject to different terms & conditions.





company, the Chacon Group is located in a dozen European countries, with a strong presence in Belgium, the Netherlands, France, Spain and Portugal.

This merger results in a new group weighing more than 30M€ in revenues and a restated EBITDA¹ near 2% (pro forma data based on the last financial year of the two groups).

Chacon: a historic reference in Smart Home products & management systems

Founded in 1977, Chacon is a reference group in the sector of Home Automation products designed for comfort, security and controlling use of energy. The Chacon Group offer is comprised of two reference brands, with different positioning on the home automation market and electrical equipment.

Operating under the **Chacon®** brand, the group offers a range of security solutions and traditional, non-connected equipment for home comfort and security (cameras, videophones, video surveillance systems, alarms, programmers, programmable thermostats, etc.).

The **Dio® Connected Home** brand is dedicated to wireless home products and home automatization services powered by the HomeBox management system, the DiO mobile app and its accessories that work based on a proprietary radio frequency protocol. Dio Connected Home solution packs make it possible to manage heating, lighting, shutters, video surveillance, gardens, home grounds, etc. Since its creation, over 3 million Dio® Connected Home products have been sold and equip over a million households.

On its last financial year, the Chacon Group reported 20M€ in revenues, with average annual growth at +9% over the last 5 financial years, with an EBITDA margin above 5%.

The two main directors of the Chacon Group will accompany the merger with AwoX, and will become shareholders through convertible bonds in AwoX shares, and will remain active participants in the company's future activities.

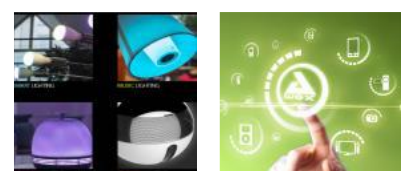
Principal terms & conditions of the merger

AwoX will acquire 100% capital of the Chacon Group on an evaluated base of 10M€, complimentary pricing included. The transaction will be financed up to 6.85M€ in cash and 3.15M€ in convertible bonds reserved for Chacon Group shareholders. These amounts do not include the different fees necessary for the transaction nor for financing.

Financing for the transaction is made up of the following:

- 3.8M€ via an increase in capital which the principal characteristics will be the following:
 - Preferential subscription rights (DPS in France) for AwoX shareholders,
 - Issue price with a 20% discount based on the average of last 20 stock prices before enacting the terms & conditions of the transaction,
 - The company informs the public that it already has subscription engagements from investors for this transaction. These engagements mainly come from new investors;
- 3M€ via bank loan through a pool of banks;
- 1M€ for a "Innovation Loan" provided by Bpifrance;
- 3.15M€ by issuing convertible bonds in AwoX shares (OCEANE), reserved for Chacon Group shareholders, which the principal characteristics will be:
 - 0.2M€ with a price equal to the average of the last 20 stock market prices before the date of conversion, convertible immediately,
 - 2M€ with a 40% premium based on the average of the last 20 stock market prices before the signature date of the SPA,
 - The different tranches of bonds, for a 6 year duration, will support an annual coupon at 4%, an OCEANE parity for a share and a 6% non-conversion premium at maturity.

AwoX plans to increase its capital while maintaining shareholder preferential subscription rights and issuing an OCEANE during the 3rd quarter in 2018, after convening with shareholders in a general meeting end of August 2018 in order to delegate the authorizations necessary to go forward with the acquisition, and subject to approval by the Autorité des marchés financiers (AMF) for a Prospectus Visa.





Alain Molinié, CEO AwoX, declared:

“We are very happy to accomplish this merger with the directors and shareholders from the Chacon Group. After successfully building a major brand in smart lighting in Europe, with over 1 million products sold, and only a few years after the acquisition of Cabasse and the company’s successful turnaround, this merger represents a major step in AwoX’s development, in line with our strategy.

With the support of our shareholders, we are going to strengthen our position as the reference European player on the Smart Home market, with revenues superior to 30M€ and profitable even before the first technological and commercial synergies of the group.

We now have competitive advantage in the three principal segments for the smart home: an impressive lineup of products with strong brands, a large presence in distribution networks, and perfect in-house connectivity technologies strengthened by our presence next to world giants in the main technology consortiums.

At a time when the smart home market is booming, it is particularly difficult to create a new brand in the traditional Home Automation and Electrical Equipment sector. We have decided to acquire a historic player in these market segments, with strongly established brands, to accompany its transformation into a world of connectivity. It is essential, for these markets, to rely on previously established expertise and commercial positions, as well as an extensive product range.”

Contacts

AwoX Alain Molinie - CEO Tel. + 33 (0)4 67 47 10 00 invest@awox.com	ACTUS – Investor relation Mathieu Omnes Tel. : + 33 (0)1 53 67 36 92 momnes@actus.fr	ACTUS – Press relation Nicolas Bouchez Tel. +33(0)1 53 67 36 74 nbouchez@actus.fr
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About AwoX

AwoX is a pure play company for both innovative technology and connected objects designed for Smart Homes. The group is a key player in connected lighting, with a large range of intelligent, LED light bulbs and connected accessories for the home, as well as connected multi-room audio solutions. These two key areas constitute the most dynamic segments of the Smart Home market.

The first publicly traded company specialized in connected objects listed in Europe in 2014, AwoX acquired Cabasse, a leader in electroacoustic technology, mainly due to its prestigious line of high-end speakers, its fitted acoustic solutions for the home and its High Fidelity connected speakers. AwoX and Cabasse joined forces to become the leader in prestigious, streaming audio systems dedicated to Smart Homes.

AwoX is also an industry reference in connected, wireless technology based on the worldwide standard for interconnected content in the home: UPnP/DLNA (Digital Living Network Alliance). AwoX is a life member of the administrative council of Bluetooth SIG and the OCF administrative council.

AwoX sells its solutions in over 30 countries, and benefits from an established worldwide network, with an industrial and a commercial subsidiary in Singapore, and commercial offices located in the USA (Palo Alto), Europe (Brest) and in China (Shenzhen). In 2017, the company was recognized for the second time as a “French Tech” business in “hyper growth”.



Name: AwoX
ISIN code: FR0011800218
Ticker: AWOX
Total number of shares comprising the share capital: 4,074,286

More information: AwoX.com

