

Levallois (France), 22 October 2020

LONG PATH PARTNERS AND CERTAIN LEGACY SHAREHOLDERS ENTER INTO EXCLUSIVE NEGOTIATIONS



Dalet's management team and certain legacy shareholders announce today the entry into exclusive negotiations with Long Path Partners in relation to the acquisition of a majority equity interest in Dalet followed by the filing of a simplified tender offer.

Levallois (France), October 22nd, 2020 - Long Path Partners has entered into exclusive negotiations with the management team of Dalet SA ("Dalet" or the "Company") and certain of its legacy shareholders¹ to acquire, by way of sale and contribution, through a dedicated vehicle ("Newco"), a block of 3,212,399 Dalet shares (the "Controlling Block"), representing approximately 80.7% of the share capital and 84.5% of the voting rights of the Company, at a price of 13.52 euros per share.

The price of 13.52 euros per share, which values 100% of Dalet's share capital and voting rights at approximately 53.8 million euros on a fully diluted basis, reflects a premium of 36.6% over the closing spot price on October 21st, 2020 and premiums of 41.5%, 37.2% and 38.9%, respectively, over the volume-weighted average closing prices of the last 20, 60 and 120 trading days.

Newco, previously capitalized by a dedicated entity incorporated by Long Path Partners for the purpose of the transaction (the "Long Path SPV"), would acquire in cash approximately half of the Controlling Block, the remainder of Dalet shares being rolled over by the relevant shareholders. Upon completion of the transfer of the Controlling Block to Newco, Long Path SPV would own approximately 49% of Newco's share capital.

The signing of the final agreements relating to the transfer of the Controlling Block to Newco remain subject to the information and consultation process of the Company's employee representative bodies.

Upon completion of the transfer of the Controlling Block, Newco will be required to file a mandatory simplified tender offer for the remaining Dalet shares at the same price of € 13.52 per share. Newco may also decide to implement a squeeze-out at the end of the tender offer if the threshold condition is met. At the closing of the transaction, Dalet group will continue to be managed by the management team currently in place.

An independent expert will be appointed by Dalet's board of directors, in accordance with the provisions of articles 261-1 I and II of the general regulations of the *Autorité des Marchés Financiers*, in connection with the tender offer. As Dalet's board of directors cannot set up an ad hoc committee, this appointment would be made in accordance with article 261-1-1 I of the general regulations of the *Autorité des Marchés Financiers*, subject to the non-exercise of the right of opposition from the *Autorité des Marchés Financiers* pursuant to article 261-1-1 III of its general regulations.

¹ Including in particular Windcrest Partners LP, Hinsdale LLC, SOJE Fund LP and Mr. John J. Pinto.



In the event that the simplified tender offer and squeeze-out are implemented, Newco will be controlled by Long Path SPV up to 58% of its share capital, it being specified that Long Path SPV will fully finance the aforementioned tender offer and squeeze-out.

The closing of the simplified tender offer may occur in the first quarter of 2021. Dalet and Long Path Partners will keep the market informed of any significant developments in the proposed transaction. The listing of Dalet's shares, which was suspended yesterday, will resume as of tomorrow, October 23rd, 2020.

The backing to a long-term shareholder is today motivated by Dalet group's transformation, with the evolution of its offerings towards the Cloud, agile solutions and a recurring revenue model, initiated with the acquisition of the Ooyala Flex platform in 2019. In an uncertain economic environment, Dalet will thus benefit from long-term resources to carry out the necessary investments to meet the future challenges of its industry.

In this context, David Lasry, CEO of Dalet, declared, *"We are delighted by the confidence Long Path Partners and our historical shareholders, namely Windcrest Partners and SOJE Fund LP, have shown in us by choosing to accompany the group in its continued transformation towards a SaaS-first model. With this long-term support, the management team will have the necessary latitude to implement its vision over several years. Thanks to the talent and commitment of our employees, Dalet will continue to support its many customers in managing and optimizing their business processes and, alongside them, meet the challenges of a rapidly changing media industry."*

In 2019, Long Path Partners, acting on behalf of the Long Path Smaller Companies Fund, LP which it manages, gradually increased its stake in Dalet's capital until it offered to support Dalet's development over the long term while offering the opportunity to delist, as the listing is no longer adapted to the Company's development plan. Commenting on the proposed transaction, Brian Nelson, Partner at Long Path Partners declared: *"We are thrilled to partner with David and the founding management team at Dalet. In the thirty years since Dalet's founding in 1990, the founders have created an undisputed leader in mission-critical workflow software for some of the most sophisticated and demanding media organizations across the globe. We are fully committed to providing the financial resources necessary to support the founders' ongoing strategy to be the global leader in cloud-based workflow solutions to the media vertical and the ongoing conversion to a SaaS-first business model. I have been an investor in Dalet for many years and look forward to Long Path continuing to be a long-term oriented partner to the Dalet team going forward."*

Commenting on behalf of SOJE Fund, Dalet's largest shareholder prior to the transaction, John J. Pinto declared: *"Through SOJE Fund, Hinsdale LLC and my personal holdings, we have been investors in Dalet for nearly 18 years and would like to express our appreciation for the work the management team has done over that time to deliver a positive outcome for shareholders. The company is undertaking a critical transition from an on-premise licensed software provider to a SaaS model in the coming years, and Long Path's sector expertise and value-add over the last two years presented us with the right partner to help support the company through this period of investment. We are excited to rollover a portion of our capital alongside David Lasry and the management team, Windcrest and Long Path during this next phase."*

Newco is advised by Alantra France Corporate Finance and by King & Spalding LLP, which is also Dalet's legal counsel on this transaction.



About Dalet Digital Media Systems

DALET solutions and services enable media organizations to create, manage and distribute content faster and more efficiently, fully maximizing the value of assets. Based on an agile foundation, DALET offers rich collaborative tools empowering end-to-end workflows for news, sports, program preparation, post-production, archives and enterprise content management, radio, education, governments and institutions.

DALET platforms are scalable and modular. They offer targeted applications with key capabilities to address critical functions of small to large media operations - such as planning, workflow orchestration, ingest, cataloguing, editing, chat & notifications, transcoding, play out automation, multi-platform distribution and analytics.

The integration of the Ooyala Flex Media Platform business has opened vast opportunities for DALET customers to deploy successful strategies that better address their audience with agile multi-platform content distribution in a wider range of markets, such as sports for teams and leagues, brands and corporate organizations, as well as Media and Entertainment companies looking to scale up their digital offerings.

DALET solutions and services are used around the world at hundreds of content producers and distributors, including public broadcasters (BBC, CBC, France TV, RAI, TV2 Denmark, RFI, Russia Today, RT Malaysia, SBS Australia, VOA), commercial networks and operators (Canal+, FOX, MBC Dubai, Mediacorp, Fox Sports Australia, Turner Asia, Mediaset, Orange, Charter Spectrum, Warner Bros, Sirius XM Radio), sporting organizations (National Rugby League, FIVB, Bundesliga) and government organizations (UK Parliament, NATO, United Nations, Veterans Affairs, NASA).

DALET is traded on the NYSE-EURONEXT stock exchange (Eurolist C): ISIN: FR0011026749, Bloomberg DLT: FP, Reuters: DALE.PA. For more information on DALET, visit www.dalet.com

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About Long Path Partners

Long Path Partners is a privately-owned investment firm based in Stamford, CT and Boston, MA. The Firm invests in a limited number of high quality, predictable businesses operating primarily in the enterprise software and business & information service markets. Long Path's patient and flexible capital base allows for partnering with management teams, often founders, to execute long-duration investments in both the public and private markets on a global basis.

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