



Monday 22 April 2024

Lisses, France

Entry into exclusive negotiations between AURES, Advantech and Patrick Cathala to fund AURES, together with the contemplated acquisition of a block of shares by Advantech followed by the launch of a mandatory cash tender offer

AURES Group (the “**Issuer**”), Advantech Group (“**Advantech**”) and Patrick Cathala, the founder and main shareholder of the Issuer, announce today that they have signed an exclusivity undertaking pursuant to which they will negotiate in good faith the terms and conditions of a transaction (the “**Transaction**”) which should consist of (i) the issuance of new convertible bonds by the Issuer for the sole benefit of Advantech, in two (2) tranches of €2,500,000 of principal amount each, (ii) an off-market acquisition by Advantech of all the 1,430,381 existing shares of the Issuer held by Patrick Cathala¹ at a price per share of €6.31 (the “**Block Trade**”), and (iii) the filing of a mandatory cash tender offer with the *Autorité des marchés financiers* (the “**AMF**”) on all the shares of the Issuer not already held by Advantech, at the same price per share as the Block Trade (the “**Tender Offer**”).

During this phase of exclusive negotiations, the Issuer, Advantech and Patrick Cathala (together, the “**Parties**”) will negotiate in good faith the definitive documentation pertaining to the Transaction.

The board of directors of the Issuer gave a favorable welcome to the proposed Transaction, without prejudice to the review of the definitive documentation and the Tender Offer documentation, as well as the reasoned opinion to be issued by the board of directors of the Issuer following the submission of the report of the independent expert on the Tender Offer in case of completion of the Block Trade.

Rationale behind the proposed Transaction

Through the Transaction, the Parties intend to provide the Issuer with the resources it needs to reach a new level and realize its new ambitions. These ambitions will be underpinned by the Issuer’s reputation and differentiation in terms of design and by Advantech’s strength, international footprint and quality of technical achievements.

“The transaction we are announcing today is the culmination of a well-considered process. It accurately recognizes the value of the work carried out by the leadership team. I, along with the Board, unanimously welcome this transaction, and believe that it is in the best interest of the Issuer, its employees, its clients, its shareholders and all other key stakeholders” says Patrick Cathala, founder, Chairman and Chief Executive Officer of AURES.

¹ Corresponding to 35.8% of the share capital of the Issuer as at April 17, 2024.

“Advantech and AURES synergistically enhance each other across product, manufacturing, service, and global sales systems. This integration, empowered by AIoT technologies, will greatly enhance the competitiveness of both companies in the global retail market, enabling the progression of Smart Retail Solutions” says MC Chiang, Vice President of the Service-IoT Group at Advantech.

Description of the proposed Transaction

- ***Issuance of new convertible bonds***

In parallel with the exclusive negotiations between the Parties, the Issuer will convene a shareholders’ meeting to approve a resolution for the issuance of convertible bonds, to be subscribed by Advantech in two (2) tranches of €2,500,000 of principal amount each, each convertible bond giving the right to subscribe to one (1) share of the Issuer at a conversion price of €4. It is reminded that similar convertible bonds were issued by the Issuer to Advantech on October 13, 2023 (see the press release of the Issuer dated October 16, 2023).

After the approval of the relevant resolution by the Issuer’s shareholders’ meeting, and simultaneously with the signing of the documentation pertaining to the Block Trade, Advantech and the Issuer would enter into a convertible bonds issuance agreement for the issuance of the two (2) tranches of convertible bonds, as follows:

- issuance of convertible bonds having an aggregate principal amount of €2,500,000, upon the closing of the Block Trade (the “**First Tranche**”);
- issuance of convertible bonds having an aggregate principal amount of €2,500,000, upon the completion of the Tender Offer or on an earlier date subject to Advantech’s prior consent (the “**Second Tranche**”).

- ***Off-market acquisition of shares by Advantech***

Simultaneously with the entry into the convertible bonds issuance agreement for the issuance of the two (2) tranches of convertible bonds, Advantech and Patrick Cathala would sign the documentation pertaining to the off-market acquisition by Advantech of all the 1,430,381 existing shares of the Issuer held by Patrick Cathala at a price per share of €6.31.

As a result of the Block Trade, Advantech would hold at least 35.8% of the share capital of the Issuer.

Upon completion of the Block Trade, Patrick Cathala would resign from his positions as Chairman of the board of directors and Chief Executive Officer of the Issuer and would be replaced by a representative of Advantech. However, Patrick Cathala would enter into a services agreement with the Issuer in order to perform a smooth transition with Advantech.

- **Filing of the draft Tender Offer**

Subject to the completion of the Block Trade, Advantech would file the draft Tender Offer with the AMF for all remaining outstanding shares of the Issuer², on the same financial terms as the Block Trade, i.e., €6.31 per share (the “**Tender Offer Price**”).

The Tender Offer Price of €6.31 per share represents a premium of approximately:

- 63.05% of the closing price of the shares as at April 17, 2024 (i.e., €3.87);
- 48.83 % of the volume weighted average price of the shares observed over the three months preceding April 17, 2024 (i.e., €4.24); and
- 105.54% of the volume weighted average price of the shares observed over the six months preceding April 17, 2024 (i.e., €3.07).

The opening of the Tender Offer shall be subject to the AMF’s declaration of conformity (*déclaration de conformité*).

Should the threshold of 90% of the share capital and voting rights be crossed at the end of the Tender Offer, Advantech would request the implementation of a squeeze-out procedure of the shares of the Issuer.

Next steps of the proposed Transaction

The Parties will negotiate in good faith the terms and conditions of the Transaction and the definitive documentation to be entered into by the Parties.

The board of directors of the Issuer will appoint an independent expert to draw up a report (including a fairness opinion) on the financial terms of the Tender Offer, including in the event of a squeeze-out procedure, in accordance with the provisions of the AMF general regulation. Since the Issuer will not be able to set up an *ad hoc committee*, it will submit to the AMF the identity of the independent expert it is considering appointing.

The Issuer’s shareholder’s meeting is expected to be convened shortly in order to approve the issuance of the First Tranche and the Second Tranche, and to be held no later than June 15, 2024 on first convening.

The signature of the definitive documentation will only take place once the board of directors of Advantech shall have granted its approval to the Transaction, and once the information and consultation procedure of the Issuer’s social and economic committee, which will be initiated as soon as possible, shall have been completed.

² Pursuant to the provisions of Article 234-2 of the AMF general regulation, as a result of the crossing of the threshold of 30% of the share capital and voting rights of the Issuer by Advantech in the framework of the completion of the Block Trade.

The subscription to the First Tranche by Advantech and the completion of the Block Trade are expected to take place prior to the end of the second quarter of 2024, and the filing of the Tender Offer shortly thereafter.

The completion of the Block Trade will not be subject to obtaining any regulatory approvals.

The market will be kept informed of the progress of discussions between the Parties, and further announcements will be made in due course, as appropriate.

Advisors

The Issuer's financial advisors for the Transaction are TP ICAP, with Hoche Avocats acting as legal advisor.

Jeantet AARPI and LCS & Partners are acting as legal advisors of Advantech for the Transaction.

About the AURES Group

Founded in 1989 and listed on Euronext Growth, AURES Technologies is an IT developer and manufacturer of hardware (POS, Mobile POS & KIOSK), digital and application solutions for all segments of the POS market.

The AURES Group has a global presence, with its headquarters in France and subsidiaries in the UK, Germany, Australia, the US and Tunisia, as well as a network of partners, distributors and resellers in over 60 other countries.

ISIN: FR 0013183589

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