



**Inside Secure announces the success of its share capital increase with preferential subscription rights to existing shareholders and finalizes the financing of the acquisition of Verimatrix**

- **Subscription rate of 102.1%, enabling the Company to raise €22.5 million**
- **Settlement-delivery and commencement of trading: February 20, 2019**

**Aix-en-Provence, France, February 15, 2019 – Inside Secure** (Euronext Paris: INSD), at the heart of security solutions for mobile and connected devices, today announces the success of its share capital increase with preferential subscription rights to existing shareholders (the “**Rights Issue**”).

Final gross proceeds of the Rights Issue (including share premium) amount to €22.5 million and the issuance of 18,908,211 new shares (the “**New Shares**”).

Commenting on these results, Amedeo D'Angelo, chairman and CEO of Inside Secure stated: *“We are pleased with the success of this share capital increase which finalizes the financing of the acquisition of Verimatrix and we would like to thank our shareholders for their support. We can now focus on the closing of the acquisition which is expected to occur by the end of February 2019 and its integration in order to create a software-based security powerhouse.”*

At the end of the subscription period on February 8, 2019, total demand amounted to €23 million representing a subscription rate of 102.1%:

- 16,003,689 New Shares were subscribed on a non-reducible basis (“à titre irréductible”), representing 84.64 % of the New Shares;
- demand for the excess shares subject to reduction (“à titre réductible”) represented 3,298,055 New Shares and in consequence will only be partially met. 2,904,522 New Shares (representing 15.36% of the New Shares) will accordingly be allocated according to a ratio of 0.863074698 calculated on the number of rights presented to meet demand on a non-reducible basis, without this resulting in an allotment of fractional amounts of New Shares and without allowing for the allotment of an amount exceeding the number of New Shares applied for on a reducible basis;
- Due to the success of the Rights Issue which was oversubscribed, One Equity Partners (“**OEP**”) has not subscribed to any New Share pursuant to its underwriting commitment.

Equity financing related to the acquisition of Verimatrix was supplemented by the issuance decided on January 23, 2019 of bonds redeemable into new shares (“**ORA**”) fully subscribed by OEP for a nominal amount of €30 million. OEP undertook with the Company prior to January 28, 2020 to keep on a “fully diluted basis” (i.e. assuming the Bonds redeemed into new shares of the Company) all the new shares issued by the Company upon redemption of the Bonds, subject to certain customary exceptions, as well as the number of shares that OEP would be allowed to freely sell in order not to cross the 30% threshold of the Company’s share capital or voting rights.

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Based on information available to date, the breakdown of the Company's share capital following the Rights Issue is as follows:

	Number of Shares	% of Capital
<b>Members of the Board of Directors</b>	<b>1,942,720</b>	<b>3.08%</b>
<i>Amedeo D'Angelo</i>	1,890,819	3.00%
<i>Jean Schmitt</i>	2,904	0.00%
<i>Muriel Barnéoud</i>	5,713	0.01%
<i>Catherine Blanchet</i>	43,284	0.07%
<i>OEP VII IS, LLC <sup>(1)</sup></i>	-	-
OEP Inside B.V. <sup>(2)</sup>	-	-
Jolt Capital	3,214,811	5.10%
<b>Other shareholders</b>	<b>57,869,842</b>	<b>91.82%</b>
<b>Total</b>	<b>63,027,373</b>	<b>100.00%</b>

<sup>(1)</sup> The board of directors, during its meeting of February 14, 2019, acknowledged the resignation of Mr. Alain Blancquart from his office as director and the fulfillment of the condition precedent to which were subordinated (i) the appointment of OEP VII IS, LLC as a director of the Company, whose permanent representative will be Mr. Joerg Zirener and (ii) the appointment of Mr. Philipp von Meurers as a board observer at the board of directors of the Company. These appointments were decided by the combined shareholders' general meeting of January 21, 2019.

<sup>(2)</sup> Before redemption of the ORA. In the event of a redemption of the ORA at a redemption price of €1.38 (assuming a redemption upon request from OEP), OEP Inside B.V. would hold 21,739,130 shares of the Company, representing 25.65% of the share capital (on a non-diluted basis).

As a result of the Rights Issue, Company's share capital will amount to €25,210,949.20, divided into 63,027,373 shares of a nominal value of €0.40 each.

Settlement and delivery for the New Shares and their admission to trading on Euronext Paris (Compartment C) will occur on February 20, 2019. The New Shares will carry dividend rights in the year of issue and from their date of issuance to all distributions decided by the Company. These shares shall be immediately fungible and rank *pari passu* with the Company's existing shares and will be traded under the same ISIN code FR0010291245.

The Company has agreed to a lock-up expiring 180 calendar days following the issue date of the New Shares, subject to certain customary exceptions.

Natixis acted as sole Global Coordinator, Bookrunner and Lead Manager for the Rights Issue.

### **Information available to the public**

The Company has published a French language prospectus (the "**Prospectus**"), which has received the visa n°19-023 on January 24, 2019 from the *Autorité des marchés financiers* (the "**AMF**"), comprising (i) the registration document 2017 (*document de référence*) of the Company filed with the AMF on April 10, 2018 under number D.18-0307 (the "**Registration Document**"), (ii) its update (*actualisation*) filed with the AMF on December 21, 2018 under number D.18-0307-A01 (the "**Update**") and (ii) a securities note (*note d'opération*) (including a summary of the prospectus) (the "**Securities Note**").

Inside Secure draws the public's attention to the risk factors included in chapter 4 of the Registration Document, in section 3 of the Update and in chapter 2 of the Securities Note. The

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occurrence of all or any of these risks, separately or in combination, could have a material adverse effect on the Group's business, financial condition, results of operations or its ability to meet its objectives. Furthermore, additional risks that have not yet been identified or that are not considered material by the Group as of the date of the Prospectus could produce material adverse effects.

### Press and investor contacts

**Inside Secure****Investors relations**

Richard Vacher Detournière

General Manager & CFO

+33 (0) 4 42 905 905

[contactinvestisseurs@insidesecure.com](mailto:contactinvestisseurs@insidesecure.com)

**Inside Secure****Corporate communications**

Brigitte Foll

Marcom Director

+33 (0) 4 42 905 905

[communication@insidesecure.com](mailto:communication@insidesecure.com)

**Brunswick**

Julien Trosdorf

Jérôme Biscay

+33 (0)1 53 96 83 83

[insidesecure@brunswickgroup.com](mailto:insidesecure@brunswickgroup.com)

### About Inside Secure

Inside Secure (Euronext Paris – INSD) is at the heart of security solutions for mobile and connected devices, providing software, silicon IP, tools, services, and know-how needed to protect customers' transactions, ID, content, applications, and communications. With its deep security expertise and experience, the company delivers products having advanced and differentiated technical capabilities that span the entire range of security requirement levels to serve the demanding markets of network security, IoT and System-on-Chip security, video content and entertainment, mobile payment and banking, enterprise and telecom. Inside Secure's technology protects solutions for a broad range of customers, including service providers, operators, content distributors, security system integrators, device makers and semiconductor manufacturers. For more information, visit [www.insidesecure.com](http://www.insidesecure.com).

## Disclaimer

With respect to Member States of the European Economic Area that have transposed European Directive 2003/71/EC of the European Parliament and European Council of November 4, 2003, as amended (the "**Prospectus Directive**"), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release requiring the publication of a prospectus in any Member State. Therefore, such securities may not be and shall not be offered in any Member State other than in accordance with the exemptions of Article 3(2) of the Prospective Directive or, otherwise, in cases not requiring the publication of a prospectus under Article 3 of the Prospective Directive and/or the applicable regulations in such Member State.

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For a more detailed description of the risks and uncertainties with respect to Inside Secure, please refer to the "Risk factors" section of the 2017 registration document filed with the AMF on April 10, 2018 under number D.18-0307, as supplemented by the update to the registration document filed with the AMF under number D. 18-0307-A01., both available on [www.insideseure-finance.com/en](http://www.insideseure-finance.com/en).

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Natixis acted for Inside Secure and no one else in connection with the Rights Issue and will not regard any other person as its clients nor be responsible to any other person for providing the protections afforded to any of its clients or for providing advice in relation to any offering of the securities nor for providing advice in relation to the offering of securities, the contents of this announcement or any transaction, arrangement or other matter referred to herein.