

Assystem reinforces its positions in the Life Sciences sector by acquiring a controlling interest in The Biotech Quality Group

Paris, 5 December 2017, 5.35 p.m. (CET) – Assystem S.A. (ISIN: FR0000074148 - ASY), an international engineering group, today announced that it has acquired a 72.7% interest in the Belgian consulting firm, The Biotech Quality Group (BQG), which specializes in performance management and improving regulatory compliance within Europe's pharmaceutical and biotech industries.

BQG currently employs some 100 people and generates a total of €11 million in annual revenue across Belgium, France and Switzerland. Since it was founded in 2011 it has developed a range of bespoke methods and tools aimed at increasing the maturity and transforming the practices of the (bio)pharmaceutical industry, reducing time to market and production stoppages, and effectively managing and remedying crisis situations. BQG provides its clients with the necessary expertise to ensure that their projects meet the highest standards in terms of compliance, quality and performance.

BQG's skills and client portfolio form an excellent strategic fit with those of Assystem in the Life Sciences sector. Through its Energy & Infrastructure division ("Assystem E&I"), Assystem is specialised in the operational aspects of commissioning, certifying and validating drug and biopharmaceutical production lines allowing manufacturers to comply with regulatory requirements, including the most stringent of them.

The combined skills and expertise of BQG and Assystem will enable us to propose to the market a unique offering encompassing quality, regulatory compliance and performance at all stages of a drug's life cycle, from the creation phase right up until it is introduced on the market.

As a result of the acquisition of BQG, the number of Assystem's engineers, pharmacists and academics specialized in certification, validation and regulatory compliance in the pharmaceutical and biotech industries in Europe has increased to nearly 400. The merged outfit is expected to generate an estimated €40 million in revenue in 2018.

Through this move, Assystem has taken another major step forward in implementing its Life Sciences strategy, which is aimed at making the Group a European leader in the areas of commissioning, certification, validation and regulatory compliance in the pharmaceutical and biotech industries in Europe and at further developing its Life Sciences engineering activities.

After carrying out the requisite consultation processes with employee representatives, in order to leverage commercial, technical and organisational synergies between BQG's activities and Assystem's existing operations in the Life Sciences sector, it is planned that all of BQG's and Assystem's Life Sciences operations will be brought together into a single entity.

The Chairman, CEO and COO of the combined entity will be, respectively, Thomas Branche, Senior Vice President Energy Transition & Infrastructures of Assystem E&I, Fabrice Dekoninck, BQG's current CEO, and Laurent Hackenberger, the current Director of Assystem E&I's Life Sciences operations.

In order to foster the long-term commitment of BQG's three founders and managing shareholders, it is planned that in 2018 they will exchange their residual 27.3% interest in BQG for an approximate 11% ownership stake in the new entity. This stake will be covered by cross put and call options exercisable in the medium term in order to enable Assystem to ultimately hold 100% of the new entity's capital.

Thomas Branche, Senior Vice President Energy Transition & Infrastructures of Assystem E&I, stated: *"The major industrial challenges facing our clients in the Life Sciences sector are regulatory compliance and reducing time to market. By pooling the skills and expertise of Assystem and BQG we will be able to propose an end-to-end offer to help meet these challenges. The acquisition of BQG strengthens our positions in our existing markets and gives us greater capacity to conquer new markets."*

Fabrice Dekoninck, co-founder and CEO of BQG, said: *"I am delighted and proud that our company is joining the Assystem Group. We share the same project-focused culture in a highly-regulated industrial environment as well as the ability to work closely with our clients based on a true relationship of trust. The combination of our teams and expertise will enable us to offer the market a one-of-a-kind service offering, with integrated solutions across the whole drug lifecycle."*

ABOUT ASSYSTEM

Assystem is an international engineering group. As a key participant in the industry for 50 years, the Group supports its clients in managing their capital expenditure throughout the product life cycle. Assystem S.A. is listed on Euronext Paris.

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