LACROIX

PRESS RELEASE

05/07/2021

LACROIX launches a capital increase with preferential subscription rights (PSR) for shareholders in the amount of €47.7m, which may be increase to €54.9m if the extension clause is exercised in full

The priority element at the core of the transaction: implementing the Leadership 2025 strategic plan to support the Group's change in dimension

A prospectus relating to this capital increase with preferential subscription rights is available

Capital increase with preferential subscription rights (PSR)

- Subscription price: €41.65 per new share
- Subscription parity: 7 new shares for 23 existing shares
- PSR negotiation period: 7 July to 19 July 2021
- Subscription period: 9 July to 21 July 2021
- Subscription commitments for a total amount of €34.0m, of which €15.0m from historical family shareholders, representing 71% of the initial transaction amount

"After having demonstrated our resilience in the face of the crisis, we are now ideally positioned to take advantage of the many growth opportunities opening up to us. Through an ambitious strategic plan, designed to enable us to nearly double in size between 2020 and 2025, to reach €800 million in revenue, we are now poised to establish ourselves as one of the leaders on our markets. This change in dimension should be accompanied by strong growth in our margins, with a recurring EBITDA target amounting to around 9% of our revenue by 2025. As the end of the crisis is becoming a reality and we have already returned to a solid growth trajectory, we are launching this capital increase with preferential subscription rights with the intention of involving all our shareholders in this pivotal strategy. This transaction open to all will also prove to be an opportunity to welcome new shareholders ready to commit alongside us. True to our values, the Group's family shareholders as well as multiple prominent investors have already pledged their support with €34m in subscription commitments. This mobilisation is a strong sign of confidence in our project at the heart of current technological revolutions." declares Vincent Bedouin, CEO of LACROIX.

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New money to accelerate the deployment of Leadership 2025

The capital increase with preferential subscription rights for shareholders (the "**Capital increase with PSR**") forms part of the "Leadership 2025" plan announced by the Company on 7 April 2021, which is aimed at enabling the Group to establish itself among the global leaders in industrial IoT solutions and electronic equipment for critical applications.

For 2025, LACROIX aims to record sales of €800 million compared with €441 million in 2020 (12-month combined). This realistic ambition includes the acquisitions that could be made over the period.

As pertains to profitability, the ambition is to generate a recurring EBITDA margin[1] of around 9%. By way of reminder, it amounted to 5.9% in 2020 (12-month combined).

Terms of the transaction

Structure of the issuance

1,146,344 new shares will be issued as part of the Capital Increase with PSR (the "**New Shares**"), this number may increase by up to 15%, by the issuance of 171,951 additional shares (hereinafter the "**Additional Shares**"), in the context of the exercise of an extension clause (the "**Extension Clause**"). The New Shares and the Additional Shares taken together form the offering shares (the "**Offering Shares**").

The Offering Shares will be issued under the 24th resolution adopted by the combined general meeting of shareholders of the Company held on 11 May 2021 (the "**Offer**").

Subscription price of the Offering Shares

The Offering Shares will be issued at a unit subscription price of 41.65 euros (the "**Offering Price**"), including a nominal value of 6.64 euros and a premium issue of 35.01 euros, to be fully paid at the time of subscription, by payment in cash. Based on the volume-weighted average of closing prices of the Company's share over the three trading days preceding the date of approval by the AMF of the prospectus, i.e. 49.00 euros, the subscription price of the Offering Shares reflects a discount of 15.0%.

Subscription terms

Subscription for the Offering Shares shall be reserved, by preference (i) for existing shareholders registered in their securities account at the end of the day of 6 July 2021 according to the indicative timetable, for an existing preferential subscription right per share and (ii) for assignees of preferential subscription rights.

The holders of preferential subscription rights may subscribe, from 9 July 2021 until the end of the subscription period, i.e. until 21 July 2021 inclusive, by exercising their preferential subscription rights (i) on an irreducible basis, at the rate of 7 New Shares for 23 existing shares held, without this resulting in an allocation of a fraction of New Shares and (ii) on a reducible basis, the number of Offering Shares which they would like in addition to that due to them exercising their rights on an irreducible basis, being specified

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[1] Recurring EBITDA is an Alternative Performance Indicator (API) used by the Group and defined as Profit from Operating Activities plus depreciation and amortisation charges on property, plant and equipment and intangible assets as well as those related to rights of use (where applicable, also those recognised during a business combination), and the IFRS 2 charge for "share-based payment". To ensure consistency with the fact that this API is based on operating income, the term "recurring EBITDA" is replacing the term "EBITDA" previously used by the Group in its financial communication.

that only the Offering Shares which may not be subscribed on an irreducible basis, will be allocated between subscribers on a reducible basis, to the extent of their demand, and pro rata the number of existing shares from which rights will have been exercised to subscribe on an irreducible basis, without this resulting in an allocation of a fraction of New Shares. Preferential subscription rights forming odd lots may be sold on Euronext Paris during the preferential subscription rights trading period.

Gross amount of issue

The total amount of this issue, including issue premium, is 47.7 million euros (of which 7.6 million euros nominal and 40.1 million euros issue premium). This figure may amount to 54.9 million euros if the Extension Clause is fully exercised.

Net proceeds of the transaction and use thereof

The estimated net proceeds from the Offer amount to approximately 46.3 million euros (which may increase to approximately 53.2 million euros if the Extension Clause is exercised in full. It will contribute globally to the financing of the Company's development and the axes of the “Leadership 2025” strategic plan. Over the duration of the plan, the breakdown of needs per axis is as follows:

a) Approximately 37% towards extending international reach and M&A, with the ambition of conducting more than 70% of total business outside France within 5 years. LACROIX particularly intends to carry out targeted acquisitions allowing to strengthen existing activities abroad, and also take position on complementary market segments, or expand the “smart” offer by integrating new high value-added technological building blocks.

b) Approximately 35% towards the reinforcement of the Group’s technological leadership with the development of technological platforms around key expertise such as cybersecurity or edge computing. In that respect, the set objective is to double R&D expenditure to more than 5% of total revenue. This reinforcement of resources towards innovation should allow, for the revenue from LACROIX design, to drive the share of new products (less than 5 years) to 50%.

c) Approximately 27% towards developing leadership in industrial efficiency, particularly relying on opportunities offered by “Industry 4.0”, with an increased role of artificial intelligence and robotisation, the digitisation of flows, and the application of Lean production methods. As with its new future French electronics factory “Symbiose”, to be completed at the end of 2021, these methods will apply to 100% of the Group’s industrial sites by 2025.

d) Finally, to a lesser extent, approximately 1% for the start of the transition from equipment manufacturer to that of a supplier of high value-added end-to-end solutions for the Smart World, with the deployment of new services generating recurring revenue and margin appreciation.

The first axis a) presented above will require, in particular, the use of the net proceeds from the Offer, given that the other needs could be mostly self-financed. Consequently, if the Offer is 75% completed, the budget allocated to M&A in this first axis a) would be reduced. Without affecting the determination increase the international reach, this decrease would impact the size of the targets sought.

Subscription commitments

The group made up of shareholders who are members of the Bedouin family (the “**Bedouin Family**”), a reference shareholder holding 70.39% of the Company’s capital before the Offer, has undertaken under customary conditions, to subscribe on an irreducible basis by exercising part of its preferential subscription rights, to new shares of the Company, in the amount of €15 million, through Vinila Investissements, which

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itself holds 57.59% of the Company's capital prior to the Offer (representing approximately 31% of the total amount of the Offer). This subscription commitment by Vinila Investissements may be completed by a complementary subscription on a reducible basis for a maximum amount of €2 million, to the extent it is necessary for subscriptions to reach 75% of the amount of the Offer.

Furthermore, ten investors, some of which are shareholders of the Company, have irrevocably undertaken to subscribe to the Offer for an amount of €19 million (representing 40% of the total amount of the Offer), of which €17.1 million on an irreducible basis, mainly by exercising preferential subscription rights previously purchased from the Bedouin Family at the lump-sum price of 1 euro per block of preferential subscription rights, and €1.9 million on a reducible basis.

Thus, the total of subscription commitments amounts to 34 million euros (representing 71% of the total amount of the Capital Increase with PSR), to which may be added the complementary subscription from Vinila Investissements for a maximum amount of €2 million, representing 75% of the total amount of the Capital Increase with PSR.

At the date of the present Prospectus, the Company is not aware of any intention of other shareholders or members of its administrative or management bodies to participate in the Offer.

Commitment to retain shares

The Bedouin Family has undertaken to retain its Lacroix shares until the expiry of a period of twelve months from the settlement-delivery date of the Offering Shares, it being specified that the New Shares subscribed by Vinila Investissements in the context of the Offer will be subject to the same retention commitment.

Commitments to abstain

Under the investment agreement entered into with Portzamparc (BNP Paribas Group), acting as Global Coordinator and Joint Bookrunner of the Offer and Gilbert Dupont, acting as Joint Bookrunner of the Offer, the Company made a commitment to abstain for a period of 180 days from the date of settlement-delivery of the Offering Shares.

Impact of the Offer on the distribution of capital and voting rights

On a non-diluted basis

	Before the Offer			Post-Offer	
Shareholders	**Number of shares**	**% of capital**	**% of DDV exercisable**	**Number of shares**	**% of capital**
Bedouin Family	2,651,445	*70.39*	*84.51*	3,011,589	**61.30**
o/w Vinila Investissements	*2,169,069*	*57.59*	*69.12*	*2,529,213*	*51.48*
Fidelity Puritan Trust	376,656	10.00	6.01	376,656	7.67
Float	**591,544**	**15.71**	**9.48**	**1,377,744**	**28.04**
Treasury shares*	146,915	3.90	-	146,915	2.99
TOTAL	**3,766,560**	**100.00**	**100.00**	**4,912,904**	**100.00**

**It being specified that the number of treasury shares is subject to variation depending on the vesting of 15,002 existing free shares, thereby reducing the number of treasury shares.*

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Impact of the issue on the financial position of the shareholder

For information purposes, the impact of the issuance of the Offering Shares on the stake of a shareholder owning 1% of the Company's capital prior to the issue of the Offering Shares and not subscribing to the issue of the Offering Shares (calculations made on the basis of the number of shares forming the Company's share capital on the date of this press release, after deduction of treasury shares), would be as follows:

Shareholder's stake (in %)	
	Non-diluted basis
Before the Offer	1.00
After the Offer at 100%	0.77
After the Offer in case of exercise of the Extension Clause	0.74
After the Offer in the event of a limit at 75%	0.81

(1) Assuming the vesting of bonus shares.

Placement - Warranty

The Offering Shares shall be placed by Portzamparc (BNP Paribas Group) and Gilbert Dupont as Joint bookrunners, both acting in accordance with the terms of a Placement Agreement entered into with the Company. This contract does not constitute a performance guarantee within the meaning of Article L. 225-145 of the French Commercial Code.

Offer Schedule

1 July 2021	Board of Directors deciding the terms of the Offer
2 July 2021	Approval of the Prospectus by the AMF
5 July 2021	Publication of a press release describing the main characteristics of the transaction and the procedures by which the Prospectus will be available (before market opening) Publication by Euronext of the notice of issue
6 July 2021	Accounting day at the end of which the holders of existing shares recorded in their securities accounts will be granted preferential subscription rights
7 July 2021	Detachment and start of trading of preferential subscription rights on Euronext Paris
9 July 2021	Opening of the subscription period
19 July 2021	End of listing of preferential subscription rights on Euronext Paris
21 July 2021	End of subscription period
26 July 2021	Date on which the Extension Clause may be exercised by the Company, if any Publication of a press release by the Company announcing the result of the subscriptions Publication by Euronext of the notice of admission of the Offering Shares indicating the final amount of the capital increase and indicating the allocation scale for subscriptions subject to reduction
28 July 2021	Issue of Offering Shares - Settlement-delivery
29 July 2021	Admission of Offering Shares for trading on Euronext Paris

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Partners of the Offer:

PORTZAMPARC BNP PARIBAS GROUP	GILBERT DUPONT GROUPE SOCIETE GENERALE
Global Coordinator, Leader and Joint Bookrunner	*Joint Bookrunner*

Information to the public

The Prospectus, drawn up in the form of a Union reminder prospectus in accordance with Article 14a and Annex V bis of the Prospectus Regulation amended by Regulation (EU) 2021/337 of 16 February 2021, has received from the AMF the approval number 21-271 dated 2 July 2021 and is available on both the AMF (www.amf-france.org) and Company (https://www.lacroix-group.com/) websites. Risk factors related to the Group, its business segments, markets and offered securities are described in Section IV of the Prospectus. The listing of risks is not exhaustive. At the date of approval of this Prospectus, other risks which have not been identified or regarded as significant by the Company may exist. Potential investors are advised to read the Prospectus before making an investment decision in order to fully understand the potential risks and benefits associated with the decision to invest in the securities. The approval of the Prospectus by the AMF should not be construed as a favourable opinion on the securities offered or admitted to trading on a regulated market.

Upcoming dates

Turnover for the first half of 2021: 26 August 2021 after market close

Find our financial data in our Investors' Zone

https://www.lacroix-group.com/investors/

About LACROIX

Convinced that technology should contribute to making our living environments simple, more sustainable and safer, LACROIX supports its customers in the construction and management of intelligent living ecosystems, thanks to connected equipment and technologies.

As a publicly-listed family-owned mid-cap, LACROIX combines the essential agility required to innovate in an ever-changing technological sector with the ability to industrialise robust and secure equipment, cutting-edge know-how in industrial IoT solutions and electronic equipment for critical applications and the long-term vision to invest and build for the future.

LACROIX Group designs and manufactures its customers' electronic equipment, in particular in the industrial, automotive, home automation, aeronautical,and health sectors. LACROIX also provides safe, connected equipment for the management of critical infrastructures such as smart roads (street lighting, traffic signs, traffic management, V2X) and the management and operation of water and energy systems.

Drawing on its extensive experience and expertise, the Group works with its customers and partners to build the connection between the world of today and the world of tomorrow. It helps them to create the industry of the future and to make the most of the opportunities for innovation that surround them, supplying them with the equipment for a smarter world.

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Disclaimer

This press release does not constitute, and shall not be deemed to constitute, an offer to the public, an offer to purchase or subscribe for shares or an offer to solicit the public for the purpose of a public offering. This press release does not constitute an assessment of the merits of an investment in the Company. No guarantee is given as to the completeness, reality and accuracy of the information provided. The information and opinions contained in this press release as well as all the elements presented at today's information meeting are provided on the date of this press release and are subject to change at any time. Some of the information contained in the press release is purely forward-looking and prospective. This information is given as of the date of the press release and no guarantee is given as to the reliability of this information, which the Company will not be under any obligation to update.

No communication or information relating to the proposed capital increase may be disseminated to the public in any country in which a registration or authorisation requirement must be satisfied. No steps have been taken (or will be taken) in any country (other than France) in which such steps would be required. The subscription or purchase of Company securities may be subject to specific legal or regulatory restrictions in certain countries. The Company assumes no liability for any violation by any person of such restrictions.

The press release does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). The offer will be open to the public in France only after the Autorité des marchés financiers has issued an approval on the prospectus prepared in accordance with the Prospectus Regulation.

In France, the public offering of securities requires a prospectus approved by the AMF. With regard to the Member States of the European Economic Area other than France (the "**Member States**"), no action has been taken or will be taken to allow a public offering of securities making it necessary to publish a prospectus in one of these Member States. Consequently, the securities may not and will not be offered in any of the Member States (other than France), except in accordance with the exemptions provided for in Article 1(4) of the Prospectus Regulation, or in other cases not requiring the publication by the Company of a prospectus under the Prospectus Regulation and/or the regulations applicable in these Member States.

The release has not been approved by an authorised person ("**authorised person**") within the meaning of Section 21(1) of the Financial Services and Markets Act 2000. Consequently, the press release is intended solely for (i) persons located outside the United Kingdom, (ii) investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (iii) persons referred to in Article 49(2) (a) a (d) (high net worth companies, unregistered associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iv) any other person to whom the press release may be sent in accordance with the law (the persons referred to in paragraphs (i), (ii), (iii) and (iv) together being referred to as the "**Authorised Persons** »). Any person other than an Authorised Person must refrain from using or relying on the press release and the information it contains. The press release is not a prospectus approved by the Financial Services Authority or any other UK regulator within the meaning of Section 85 of the Financial Services and Markets Act 2000.

The press release does not constitute an offer of securities or any solicitation to purchase or subscribe for securities or any solicitation to sell securities in the United States. The shares of the Company described in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold in the United States without registration or exemption from the registration obligation under the U.S. Securities Act. The Company does not intend to make any public offering of its shares in the United States.

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and observe such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

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SUMMARY OF THE PROSPECTUS

Section A – Introduction and disclaimers

Issuer's securities: ordinary shares (LACROIX GRP, ISIN code FR0000066607). **Issuer's contact details**: LACROIX GROUP, 17, rue Océane, 44800 Saint Herblain, France (LEI code: 9695009SISMDAOR3GO20).

Competent authority having approved the Prospectus on 2 July 2021: AMF, 17 place de la Bourse, 75001 Paris.

Disclaimer: this summary should be read as an introduction to the Prospectus. Any decision to invest in the Company's shares should be based on a review of the Prospectus in its entirety. Investors may lose all or part of the capital invested. If an action concerning the information contained in the Prospectus is brought before a court, the plaintiff investor may, depending on national law, have to bear the costs of having the Prospectus translated before the start of legal proceedings. Civil liability shall attach to the persons who submitted the summary, including its translation, only to the extent that the content of the summary is misleading, inaccurate or inconsistent when read in conjunction with the other parts of the Prospectus, or does not provide, when read in conjunction with the other parts of the Prospectus, key information to assist investors when considering investing in these securities.

Section B – Key information about the issuer

Main activities: As a publicly-listed family-owned mid-cap, LACROIX combines the essential agility required to innovate in an ever-changing technological sector with the ability to industrialise robust and secure equipment, cutting-edge know-how in industrial IoT solutions and electronic equipment for critical applications and the long-term vision to invest and build for the future. LACROIX Group designs and manufactures its customers' electronic equipment, in particular in the industrial, automotive, home automation, aeronautical, and health sectors. LACROIX also provides safe, connected equipment for the management of critical infrastructures such as smart roads (street lighting, traffic signs, traffic management, V2X) and the management and operation of water and energy systems. LACROIX's operations are divided into three main businesses: i) the **Electronics** business in the **"Smart Industries"** universe, which develops, industrialises, produces and integrates electronic assemblies and sub-assemblies for the automotive, aerospace, home automation, industrial and health sectors; ii) the **City** business in **"Smart Mobility",** which designs and produces equipment for the management of smart road infrastructures around 4 areas of expertise (street lighting, signalling, traffic management and regulation, and V2X), and; iii) the **Environment** business with solutions from **"Smart Water & Energy"** which designs and produces equipment to remotely control, automate and manage water and energy infrastructures. For the full 2019-2020 financial year (15 months, from 1 October 2019 to 31 December 2020), LACROIX recorded revenue of €566.3 million, up 17.6% on a reported basis. On a pro forma basis (12 months, from 1st January to 31 December 2020), the latter came to €441.0 million, down 8.4%, entirely in line with the target announced in spring 2020 (expected fall of around 10%). On a reported basis, current operating profit came to €20.1 million, down by only 3.0% compared with 2018/2019. The current operating margin held up well with a limited drop of 70 basis points to 3.6%. On 10 May 2021, LACROIX announced sales of €127.6 million for the first quarter of the 2021 financial year, making for 12.5% growth in sales (+11.7% on a like-for-like basis) compared to Q1 2020 - January to March 2020 - driven by a favourable base effect and recovery that is gaining traction.

Economic and financial impact of the COVID-19 pandemic: during the financial year ended 31 December 2020, Lacroix and its activities were impacted by the COVID-19 crisis through a loss of business that materialised mainly from mid-March 2020 until end-June 2020, with specifically a 36% decrease in activity in the Third Quarter compared to the previous year. During the Fourth and Fifth Quarters of the financial year ended 31 December 2020 (15-month financial year), the Group's activities returned to levels that were generally stable compared with previous financial years. The main support measures from which the Group benefited during this period included the payment of short-time working within its European scope for an overall amount of €2.6 million as well as the securing of loans guaranteed by the State (PGE) for a total amount of €18.5 million, repayable *in fine*, the repayment of which will be made in full by the end of July 2021. With regard to the future impact of the COVID-19 pandemic, even though the Group has shown good resilience in the face of the COVID-19 crisis with a return to normal business operations since the Second Half of 2020, the fact remains that COVID-19 and its variants still create some uncertainty over the coming months. The travel restrictions enacted in the various countries where the Group operates may in particular impact the smooth running of its plants. This uncertainty could also prompt some clients or prospects to postpone their investment decisions, to arbitrate in their investments, or to forego certain investments.

Section C – Key information on securities

Nature, category and ISIN code: the 1,146,344 new shares (the "**New Shares**") for which admission to trading on the regulated market of Euronext Paris ("**Euronext Paris**") is sought as part of the capital increase with preferential subscription rights of shareholders (the "**Capital increase with preferential subscription rights**") referred to in the Prospectus will be ordinary shares of the same class as the existing shares of the Company. This number may increase by up to a maximum of 15% through the issuance of 171,951 additional shares (hereinafter the "**Additional Shares**"), in connection with the exercise of an extension clause (the "**Extension Clause**"), the sole purpose of which would be to satisfy any orders for excess shares that could not be filled. The New Shares and the Additional Shares taken together form the offering shares (the "**Offering Shares**"). The Offering Shares will be admitted for trading on the regulated market of Euronext Paris (Compartment C, Lacroix GRP) under ISIN code FR0000066607. **Nominal value**: 6.64 Euros. **Rights attached to the Offering Shares**: as from their issue, the Offering Shares shall be subject to all the provisions of the Company's Articles of Association. They will carry current dividend rights and will entitle their holders to all the rights attached to the existing ordinary shares detailed in the Company's Articles of Association.

Section D – Key information about the Offer

Structure of the issue: the Offering Shares are issued as part of a capital increase with preferential subscription rights for shareholders in accordance with the 24th Resolution adopted by the Combined General Meeting of Shareholders of the Company held on 11 May 2021 (the "**Offer**").

Subscription price of the Offering Shares: the Offering Shares are issued at a unit subscription price of 41.65 euros (the "**Offering Price**"), including a nominal value of 6.64 euros and an issue premium of 35.01 euros, to be fully paid up at the time of subscription, by payment in cash. Based on the volume-weighted average of closing prices of the Company's share over the three trading days preceding the date of approval by the AMF of the prospectus, i.e. 49.00 euros, the subscription price of the Offering Shares reflects a discount of 15.0%

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Preferential subscription right: the holders of preferential subscription rights may subscribe, from 9 July 2021 until the end of the subscription period, i.e. until 21 July 2021 inclusive, by exercising their preferential subscription rights (i) on an irreducible basis, at a rate of 7 New Shares for 23 existing shares held, without resulting in an allocation of a fraction of New Shares and (ii) on a reducible basis, the number of Offering Shares which they would like in addition to that due to them as a result of the exercise of their rights on an irreducible basis.

Issue amount: the total amount of the issue, including the issue premium, amounts to 47,745,227.60 euros (of which 7,611,724.16 euros nominal and 40,133,503.44 euros in issue premium). This figure may amount to 54,906,986.75 euros if the Extension Clause is fully exercised.

Subscription intentions of the main shareholders or members of its administrative or management bodies, intending to subscribe for more than 5% of the Offering Shares: the group of shareholders belonging to the Bedouin family (the "**Bedouin family**"), a reference shareholder holding 70.39% of the Company's capital before the Offer, has undertaken under customary conditions, to subscribe on an irreducible basis by exercising part of its preferential subscription rights, to new shares of the Company, in the amount of €15 million, through Vinila Investissements, which itself holds 57.59% of the Company's capital prior to the Offer (representing approximately 31% of the total amount of the Offer). This subscription commitment by Vinila Investissements may be completed by a complementary subscription on a reducible basis for a maximum amount of €2 million, to the extent it is necessary for subscriptions to reach 75% of the amount of the Offer. Furthermore, ten investors, some of which are shareholders of the Company, have irrevocably undertaken to subscribe to the Offer for an amount of €19 million (representing 40% of the total amount of the Offer), of which €17.1 million on an irreducible basis, mainly by exercising preferential subscription rights previously purchased from the Bedouin Family at the lump-sum price of 1 euro per block of preferential subscription rights, and €1.9 million on a reducible basis. Thus, the total of subscription commitments amounts to 34 million euros, to which may be added the complementary subscription from Vinila Investissements for a maximum amount of €2 million, representing 75% of the total amount of the Capital Increase with PSR. At the date of the present Prospectus, the Company is not aware of any intention of other shareholders or members of its administrative or management bodies to participate in the Offer.

Estimated use and net amount of the proceeds: the estimated net proceeds from the issue of the New Shares amounts to approximately 46.3 million euros (which may increase to approximately 53.2 million euros if the Extension Clause is fully exercised. It will contribute globally to the financing of the Company's development and the axes of the "Leadership 2025" strategic plan. Over the duration of the plan, the breakdown of needs by axis is as follows: a) around 37% towards extending international reach and M&A, with the ambition of conducting more than 70% of total activity outside France within 5 years, in particular stepping up operations Germany and the United States, and carrying out targeted acquisitions to strengthen existing activities abroad, take position in complementary market segments, or expand the "smart" offer by integrating new technological building blocks; b) around 35% towards innovation by doubling R&D expenditure to more than 5% of total turnover; c) around 27% towards the development of leadership in terms of industrial efficiency with a greater role of robotisation, the digitisation of flows, the application of "Lean" production methods and artificial intelligence; d) to a lesser extent, around 1% for the start of the transition from equipment manufacturer to supplier of "End-to-End" solutions. The first axis a) of this plan will require, in particular, the use of the net proceeds from the Offering, given that the other needs could mainly be self-financed. Consequently, if the Offer is 75% completed, the budget allocated to M&A in this first axis a) would be reduced. Without modifying the desire for international influence, this decrease would impact the size of the targets sought.

Commitment to retain shares: the Bedouin Family has undertaken to retain its Lacroix shares until the expiry of a period of twelve months from the date of settlement-delivery of the Offering Shares, it being specified that the New Shares subscribed for by Vinila Investissements in the context of the Offering will be subject to the same commitment to retain.

Commitments to abstain: under the placement agreement entered into with Portzamparc (BNP Paribas Group) and Gilbert Dupont, acting as Joint Bookrunners of the Offering, the Company made an abstention commitment for a period of 180 days from the settlement-delivery date of the Offering Shares.

Dilution resulting from the Capital Increase with preferential subscription rights:

Impact of dilution on capital (in %)	**Shareholder's interest (non-diluted basis)**
Before the Offer	1.00
After the 100% Offer %	0.77
After the Offer in the event of full exercise of the Extension Clause	0.74
After the Offer in the event of limitation to 75%	0.81

Statement on working capital: as of the date of the Prospectus, the Company certifies that, in its view, prior to the completion of the Offering that is the subject of the Prospectus, its net working capital is sufficient to meet its obligations and cash requirements over the next twelve months.

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