

Press release
Paris, March 15th, 2019

LBO France announces the acquisition of the Passman group, the leading provider of digital solutions for the accommodation sector and care facilities in France and Belgium

Paris, March 15th, 2019 – LBO France is pleased to announce that it has acquired a majority stake in the capital of the Passman group. This transaction has been carried out alongside the two co-founding managers. On this occasion Andera Partners is reinvesting via its ActoMezz team.

This acquisition is in keeping with LBO France's Small Cap strategy dedicated to growing French and Italian SMEs and follows a remarkable period of growth (revenues have increased from €13m to €28m in five years) since the sponsorless LBO of April 2014 led by ActoMezz and the Siparex Group.

The Passman group, set up in 1995 by Frédéric Levy, as well as Patrick and Sylvain Layani, provides reliable, optimal and tailor-made digital solutions for the customer service offering of hotels, campsites, retail outlets, shopping centers, care facilities (clinics, nursing homes, etc). This involves in particular bandwidth management, network sizing and security in order to protect the responsibility of the group's clients and provide a high-quality user experience.

Its current range of solutions is the result of its considerable technical expertise and continuing investment in innovation through the work of its in-house R&D team and is based on four key products:

- **WiFi:** tailor-made WiFi connections
- **TV/IPTV:** provision of TVs connected to a user-friendly interface of a wide range of multimedia contents (TV channels, VOD, etc.)
- **WebCorner:** public Internet access point, equipped with computers, tablets and work pods
- **Digital dynamic signage:** broadcast of multimedia contents on all types of media (terminals, TVs, monitors) within a facility, in particular for information and advertising purposes

The group focuses mainly on high added-value activities, such as design, architecture, logistics, monitoring and hotline support, and outsources part of the installation and maintenance services. This organisational structure considerably enhances its agility and ensures a quality of service widely recognised on its market.

The Passman group, which is now in a period of consolidation, acquired in 2018 the Belgian company, Screen Services, thereby enabling it to develop its own IPTV product range and its health care client base. It has ambitious growth objectives, mainly based on organic growth, boosting international sales, developing new services and identifying strategic build-ups.

The Passman group, based in Villeurbanne, has just over 70 employees and more than 5,900 clients in France (including 3,500 hotels), which represents around 100,000 users per day. The group is present

in 42 countries and generates more than 50% of its revenues internationally. It had revenues of €27 million in 2018, with an average annual growth rate of more than 15% over the past 10 years.

Jean-Marie Leroy, Partner at LBO France, comments: *“Our ambition is to support the company’s founders in their external growth project. We want to help them in this structuring phase to become a fully-fledged acquisitions platform. In 2018, the Group acquired its Belgian competitor Screen Services, a company specialising in digital solutions for the hotel sector and care facilities and intends to continue to pursue its international development.*

We are proud to support one of the leading providers of digital solutions for the accommodation sector. It is a high-growth market since the needs of users are constantly evolving. To meet the increased demands of its clients, the Passman group needs to provide increasingly sophisticated solutions in terms of bandwidth levels and equipment, and our role is to support the group and its managers in this new stage of expansion.”

Frédéric Levy, co-founder of Passman, adds: *“We are delighted to have the opportunity to work with LBO France as the Passman group enters a new phase of development. This will enable us to implement our ambitious strategy over the short and medium term. First of all, we will focus on organic growth, by continuously strengthening our historical relationships and accelerating our expansion into new high-potential segments (health, retail, etc.). Then, we will set up a dynamic acquisitions policy in order to build a benchmark European platform offering a consistent range of high added-value solutions. It is obviously a major advantage to team up with a partner such as LBO France, which will contribute its expertise as an experienced investor.”*

Stéphane Bergez, Head of ActoMezz states: *“We are particularly happy with the partnership and mutual confidence established with Frédéric Levy & Patrick Layani. The sponsorless transaction of April 2014 has been an undeniable success with the group doubling in size over the period. We sincerely thank the Passman team and LBO France for allowing us to continue this adventure alongside them, via a mezzanine financing with an equity stake, in order to take part in the next exciting chapter of Passman’s growth.”*

Florent Lauzet and Cyril Fromager, Siparex Groups partners, add: *“We are proud to have supported Frédéric Levy and Patrick Layani since 2010 in the emergence and then the development of Passman, which has become a recognised leader in its market. The results achieved are remarkable and the Siparex Group remains committed to enable talented entrepreneurs to grow their businesses from the SME stage to a mid-cap company level.”*

Main participants in the transaction:

LBO France team: Jean-Marie Leroy, Emmanuel Fiorentino, Charles Béal, Philippe Karmin

Andera Partners, ActoMezz team: Stéphane Bergez, Xavier Buisson, Pierre-Luc Wilain de Leymarie

Siparex Group: Florent Lauzet, Cyril Fromager (*Rhône-Alpes PME*), Henri Dumas

Natixis Partners (selling shareholders’ adviser): Jean-Baptiste Marchand, Benjamin Giner, Thomas D’Espois, Adrien David, Chloé Nonat, Patrice Raulin

Archers (selling shareholders’ lawyers): Marc Baffreau, Emily Pabot du Chatelard, Anna Verri

Themis (mezzanine debt lawyers): Siham Belarbi, Xavier Roguet

Jeanetet (LBO France’s lawyers & Legal, Tax and Social DD): Philippe Matignon, Pascal Georges, Blandine Lebreton, Camille Perodeau

Financial VDD: Eight Advisory (Christophe Delas, Benoit Madelaine)

Strategic VDD: Neovian Partners (Patrick Richer, Martin Fougerolle)

LBO France Financial DD: KPMG (Philippe Blanadet, Andreea Ganea)

LBO France Strategic DD: AMR (Florent Jarry, Aziz Naitraiss)

Tranches A/B senior debt: Arranger CIC Lyonnaise de Banque (Caroline Castets, Norbert Bokobza), participants Arkea, LCL and Crédit Agricole Mutuel Centre Est

Tranche C senior debt: BPI France (Stéphane Romang, David Cristea), SCOR Investment Partners (Rémy Chupin, Pierre Cousin)

Bank debt lawyers: Depardieu (Corentin Coatelem, Aude Fourgassié)

About LBO France

Present on the non-listed segment in France for more than 30 years and as a key player in private equity with 4 billion euros of capital under management, LBO France has been an independent company since its creation. Its investment strategy is built on four distinct segments managed by dedicated teams: (i) Mid Cap Buyout through the White Knight funds and Small Cap Buyout through the Hexagone/Small Caps Opportunities funds, (ii) Venture Capital through the SISA/Digital Health funds, (iii) Real Estate through the White Stone and Lapillus funds, (iv) Debt. LBO France has recently launched the FCPR White Caps Sélection, a private equity fund for individual investors. LBO France is 100% owned by its management and employs nearly 60 professionals.

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About Andera Partners:

Set up in 2001 within the Edmond de Rothschild Group, Andera Partners is a benchmark in the private equity investment sector, both in France and internationally. It manages more than EUR 2.3 billion based around life sciences (BioDiscovery), expansion and buyout capital (Winch Capital for mid-caps and Cabestan Capital for small-caps) and sponsorless mezzanine debt (ActoMezz). Providing services to entrepreneurs and respect for the partners are the foremost concerns of Andera Partners, which is wholly owned by its teams.

Based in Paris, Andera Partners is an asset management company approved by the AMF (French Financial Markets Authority). It has 62 employees, including 40 investment professionals. The firm is organised as a partnership and managed by a college of ten partners. The performance of its funds, the diversity of its offering and its organisational model enable Andera Partners to stand out in the markets where it operates and to be recognised as a key market player.

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About Siparex:

Siparex Group, founded 40 years ago, is France's leading independent private equity investor specializing in midmarket and intermediate-sized companies. The Group has nearly €2 billion in assets under management in Midmarket (middle-market and intermediate-sized companies), Mezzanine, and Small Caps (intermediate-sized companies), as well as in Innovation finance under the XAnge brand

(start-ups in the digital, deep tech, and societal impact sectors). Siparex serves companies nationwide from its offices in Paris, Lyon, Nantes, Besançon, Lille, Strasbourg, Dijon, and Toulouse, and it has a presence in Milan, and Munich.

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