Monday, 16 October 2023

ADVANTECH Group supports AURES with the subscription of convertible bonds for an amount of €3.2 million.

- **Loan term: 2 years**
- **Conversion price: €4**

The AURES Group announces the signing of a contract for the issue of convertible bonds for a nominal amount of €3.2 million with ADVANTECH Group.

ADVANTECH Group is a global leader in the fields of IoT intelligent systems and embedded platforms, with global presence in the sectors including Industry 4.0, embedding computing, transportation, environment monitoring, smart retail and logistics, fleet management, healthcare IT, industrial servers, and network computing.

The issue will support AURES' future growth.

Patrick Cathala, Chairman and Founder of AURES, and KC Liu, Chairman and Founder of ADVANTECH, said: "We are delighted about the future strategic cooperation between our two groups."

MAIN CHARACTERISTICS OF THE CONVERTIBLE BOND ISSUE

The main characteristics of the convertible bond issue (2023 CBs) are as follows:

Aggregate value of convertible bonds	€3.2 million
Number of 2023 CBs	800,000
Nominal value of 2023 CBs (representing a premium of €2.6206 compared to the share price of 1.3794)[(1)]	€4.00
Ratio	1 2023 CB gives right to 1 share
Term of convertible bonds	2 years from the issue date of the 2023 CBs
Interest rate	Interest payable: 4%
Maximum nominal amount of the capital increase (excluding protection measures)	€200,000

[(1)] Based on weighted average of the share price over the last 3 trading days preceding the issue.

The Chairman and CEO decided on the issue on 13 October 2023, acting on the sub-delegation of the Board of Directors granted on 4 September and 12 October 2023, itself using the delegation of authority granted by the Combined General Meeting on 26 January 2023, in its sixth extraordinary resolution, to issue securities giving access to the capital, without pre-emptive subscription rights, for the following categories of investors:

(i) natural or legal persons (including companies), investment companies, trusts, investment funds or other investment vehicles, whatever their form, governed by French or foreign law, investing on a regular basis in the IT equipment or software solutions sector; and/or

(ii) French or foreign companies, institutions or entities of any form that carry out a significant proportion of their business in the sectors referred to in (i).

In the context of today's issue decision for, and the terms and conditions of, the 2023 CBs, ADVANTECH has been designated as the beneficiary within the category. ADVANTECH will be entitled to exercise its conversion rights at any time from the issue date until the maturity date of the 2023 CBs.

No application will be made for the bonds to be admitted to trading on Euronext Growth.
The new shares resulting from the conversion of the 2023 CBs will be subject to all the provisions of the Articles of Association, rank pari passu with the existing ordinary shares and enjoy the same rights. They will be admitted to trading on Euronext Growth on the same quotation line as the existing shares.

SPECIAL AGREEMENT

ADVANTECH is to be appointed as a non-voting member of the Board of Directors, subject to the amendment to the Articles of Association to be submitted to a forthcoming General Meeting.

IMPACT OF THE ISSUE

- **IMPACT OF THE ISSUE ON THE BREAKDOWN OF SHARE CAPITAL**

Breakdown of capital before the issue:

Shareholder	**Number of shares**	**%**
Patrick CATHALA	1 377 016	34.4%
Treasury shares	62 988	1.6%
Registered shareholders	1 076 582	26.9%
Employees	11 918	0.3%
Free float	1 471 496	36.8%
TOTAL	**4 000 000**	**100.0%**

Simulation of breakdown of capital in case of conversion of 100% of the 2023CBs :

Shareholder	**Number of shares**	**%**
Patrick CATHALA	1 377 016	28.7%
ADVANTECH Co., Ltd	800 000	16.7%
Treasury shares	62 988	1.3%
Registered shareholders	1 076 582	22.4%
Employees	11 918	0.2%
Free float	1 471 496	30.7%
TOTAL	**4 800 000**	**100.0%**

- **IMPACT OF THE ISSUE IN TERMS OF DILUTION**

As an indication, the theoretical impact of the issue and conversion into new ordinary shares of the 2023 CBs on the stake of a shareholder owning 1% of the Company's capital prior to the issue and not benefiting from the issue, would be as follows:

	Stake of the shareholder
Before 2023 CB issue	**1%**
After 2023 CB conversion	**0.83%**

SCHEDULE

Issue date/beginning of conversion period of 2023 CBs	13 October 2023
Maturity and expiry date of 2023 CBs	12 October 2025

RISK FACTORS

The risk factors are presented in the 2022 annual report available on the Company's website: www.aures-pos.fr. See also the press release issued by the Company on 23 August 2023.

In addition, the risks related to the issue are as follows:

- In the event that the 2023 CBs are converted, the resulting issue of shares will lead to a potentially significant dilution for current and future shareholders of the Company.

EXEMPTION FROM PROSPECTUS REQUIREMENTS

This convertible bond issue to ADVANTECH does not give rise to the establishment of a prospectus subject to the approval of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF).

TP ICAP Midcap is acting as advisor on this issue.

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.

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Financial information : Sabine De Vuyst
www.aures.com