

PRESS RELEASE

Paris, 25 November 2019

INNOVAFONDS enters the RAIL INDUSTRIES group capital upon acquiring IDEMIA's railway activities

After acquiring SNIC in 2017, the RAIL INDUSTRIES group (Marolles-en-Brie) continues its development strategy in the railway signalling industry with the takeover of an IDEMIA branch of activities. Founded in September 2017 by two former investors, Vincent Menudier (21CP, Aquasourça) and Xavier Payet (21CP and Alpha PE), InnovaFonds, along with EMZ, will be investing in the RAIL INDUSTRIES group to achieve this second development operation.

This railway division focuses on two projects: train detectors (Cautor & Forfex products - an €8m capital) and tracks-and-train communication systems (a €2,5m capital). French railway networks (SNCF, RATP) and many international networks are clients of these key elements of railway safety which are supplementary to SNIC's activity, the designer and producer of connectors for railway signalling. Upon acquisition, the RAIL INDUSTRIES group will generate a turnover of more than €14m in 2019.

This second acquisition forms part of the RAIL INDUSTRIES group's strategy to become a reference in the field of critical products and systems for high-performing industries including railway safety, aeronautics and defence.

High-level commitment from Rail Industries executives

The takeover of the RAIL INDUSTRIES group is driven by the Xavier Payet's and Vincent Menudier's strong ambitions aiming to *"create an integrated business by offering a diversified range of products in connectivity and safety for the railway, defence and aeronautics sectors while growing market shares in France and abroad."* They project to double the group's turnover within 4 years.

New external development operations are already being planned to strengthen or expand their presence in the rail, aeronautics and defence sectors and to complete their range of solutions. Cyril Chaumien, Managing Partner of InnovaFonds, comments: *"Rail Industries intends to accelerate its organic development and InnovaFonds is providing active support in its targeted external development strategy in France and internationally."*

About:

IDEMIA, the global leader in Augmented Identity, provides a trusted environment in which citizens and consumers can carry out their most important everyday activities (paying, connecting or travelling), whether in the physical or digital world.

RAIL INDUSTRIES is a French group designing and manufacturing components and systems for critical applications such as railway signalling and aeronautics.

INNOVAFONDS is an independent private equity firm with nearly €200M assets under management, dedicated to the financing and development of industrial SMEs. As an active partner with management, InnovaFonds is involved in a financial and industrial partnership with a strong business approach. Adding value to growth is at the heart of InnovaFonds' investment strategy that provides to portfolio companies its expertise and networks in order to support business development projects.

EMZ Partners is a French investor specialized in supporting business leaders. Since 1999, EMZ Partners has invested more than 3.5 billion euros alongside founding managers, family shareholders or management teams wishing to strengthen control over their companies or preserve their independence. EMZ investment per operation ranges from 10 to 100 million euros, combining private bond and equity financing. EMZ Partners is an independent company, controlled by its partners, and financed by leading French and European institutions.