

Press release - May 2021

Yotta Capital Partners and Bpifrance strengthen FOLAN's capital *Strong support in the manufacturer's growth strategy*

Lyon, May 20, 2021 - Folan is strengthening its equity with Yotta Capital Partners and Bpifrance making a €9 million investment in its capital. This is a first in the life of our SME, which has grown steadily over the past 30 years and has very strong development ambitions, in particular on the international stage. The objective is to make FOLAN a mid-cap company with European, and ultimately global reach.

Ludovic Robert, CEO of the company founded in 1988, decided to offer a minority stake in its capital to two structures heavily involved in the development of digital projects: the Yotta Capital Partners investment fund and Bpifrance. By doing so, the Group is generating new investment capacity that will benefit our clients - operators, installers, integrators and local authorities.

The objective is to gain a stronger foothold in territorial digital development markets (fiber broadband, 5G, smart city and smart energy) by rapidly cornering markets expected to grow sharply, in particular on the international stage.

Move quickly to win contracts on emerging markets

The UK and Germany are the two priority targets of the growth strategy conceived by Ludovic Robert in 2018. With emerging national fiber broadband plans with tremendous potential (+500% in Germany and +800% in the UK in the FttH sector between 2018 and 2025; data center market in each of these countries twice the size of France's, etc.), the objective is to quickly enter these markets via external growth transactions, advanced negotiations being underway with initial targets.

FOLAN already operates on the international stage (Europe, Lebanon and a number of African countries), which accounts for 15% of its business for a turnover of €40 million this year. This proportion should reach 40% in 4 years' time, while the Group's turnover should nearly triple. The workforce will expand from 270 to approximately 500 employees.

This growth is also consistent with FOLAN's responsible ambition. Convinced that environmentally and socially responsible behavior is compatible with said development, we continue to commit to improving the carbon footprint of our business and our value chain. Having joined the Global Compact in 2013 and obtained an Ecovadis gold rating, we are ramping up our carbon footprint and emission reduction approach, in keeping with Yotta Capital Partners' investment thesis and Bpifrance's commitments as the 'Climate Bank'.

Between "made in France" and global competition: an agile model

FOLAN's success is partly based on the agile model we have managed to build.

From its headquarters in the Lyon suburbs, the company runs 3 production units to meet the diverse needs of the market. The French workshop is dedicated to urgent needs, small batches and agile solutions, while the Romanian unit produces intermediate amounts in response to specific needs, and the Chinese plant manufactures sizable volumes but as part of a fully integrated and controlled qualitative approach (specific product design, etc.).

Thanks to this organization, combined with remarkable innovations, FOLAN is recognized for its high level of service (quality, responsiveness, adaptability) as well as attractive pricing policy on every market segment.

"FOLAN is entering a new entrepreneurial phase. Building on our expertise, acquired in particular on the French market, we are ready to focus on our neighboring countries who are launching fiber broadband and 5G projects. The support of Yotta Capital Partners and Bpifrance will allow us to increase our production capacity and our geographic presence alongside our clients", points out Ludovic Robert.

Benoît Perrot, Founding partner of Yotta Capital Partners: "FOLAN is the perfect illustration of the type of company we wish to support. Positioned as the French leader, the company is now acquiring the resources it needs to increase its international competitiveness. We are happy and proud to leverage our expertise in growth through acquisitions and our ecosystem of entrepreneurs to support this strategy. Yotta and its partner Carbone 4 will also help the company implement its carbon footprint improvement plan".

Cédric Béal, Senior Investment Director at Bpifrance: "We are delighted to accompany Ludovic Robert in this new important step in FOLAN's development. With this first opening of the capital, Bpifrance is proud to contribute, alongside Yotta Capital Partners, to this scaling-up strategy which combines organic growth with international development and external growth, on exciting and promising markets".

Participants:

- Investors: Yotta Capital Partners (Benoît Perrot, Daniel Javed, Nina Hervé) – Bpifrance (Cédric Béal, Vincent Groeber, Thibaut Labrosse)
- Consulting firm: Goutagny Associés (Pierre Dord)
- Legal advice: Lamartine Conseil (Fabien Mauvais, Clara Tournes)
- Due diligence: Eight Advisory (Christophe Delas, Maxime Goerens, William Jarraud), Lamartine Conseil (Fabien Mauvais, Clara Tournes), Carbone 4 (Clémence Lacharme, Victor Murzeau), Ethifinance (Jean-Baptiste Fourmi, Natally Loaiza-Santamaria)

Press contacts:

- FOLAN: Sylvie Le Roux - 06 28 69 05 24 - sylvie.leroux@pressentiel.fr
- Yotta Capital Partners: Benoît Perrot – 06 82 94 23 41 – bp@yottacapital.fr
- Bpifrance: Sarah Madani – 01 42 47 96 89 – sarah.madani@bpifrance.fr