

## PRESS RELEASE

Full-year earnings  
FY 2021-22  
Paris, July 22, 2022, 6:00pm



**SMART SOLUTIONS FOR A SMART WORLD**

## 2021-22 FULL-YEAR EARNINGS

- **Full-year revenues<sup>1</sup> up 10%**
- **Earnings break even in the second half of 2021-22**
- **Group financial structure turned around, with equity back in positive territory at March 31, 2022**
- **Objectives to accelerate growth and diversify the business model for FY 2022-23**

During the Board meeting on July 21, 2022, the Directors reviewed and approved the annual financial statements for FY 2021-22, ended March 31, 2022.

### Consolidated financials

€m	2021-22 (12 months)	H2 2021-22 (6 months)	H1 2021-22 (6 months)	2020-21 (12 months)
<b>Revenues</b>	<b>18.3</b>	<b>9.9</b>	<b>8.4</b>	<b>16.7</b>
<b>Current operating income</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(0.8)</b>	<b>(1.6)</b>
<b>Pre-tax current income</b>	<b>(1.4)</b>	<b>0.1</b>	<b>(1.5)</b>	<b>1.0</b>
<b>Consolidated net income</b>	<b>(1.4)</b>	<b>0.1</b>	<b>(1.5)</b>	<b>0.3</b>
<b>Net income (Group share)</b>	<b>(1.3)</b>	<b>0.1</b>	<b>(1.4)</b>	<b>0.7</b>

### Key developments for the year

During FY 2021-22, despite an unprecedented and relatively complex period, the GECI International Group successfully achieved growth, while confirming its ability to turn its profitability around. The Group resumed its growth, with full-year revenues up +9.7% and a more dynamic second half of the year (+19.6%). Its results benefited from this return to growth, with a significant year-on-year improvement in current operating income and, above all, operations breaking even in the second half of the year.

These positive trends are supported by the Group's redeployment around the high value-added Digital and Technology markets to relaunch its activities and capitalize on the recovery. Several commercial successes were recorded, with the renewal of several client listings, the major contracts signed in France, including the one signed in September 2021 in high performance computing (5-year contract for a total amount of 7 million euros), and the transformation of a major contract in Brazil in telecoms (the framework contract signed in September 2020 for the deployment of mobile networks has taken full effect and represents 15 million reais over the entire financial year).

<sup>1</sup> After adjustment following financial elements reported by the subsidiaries in relation to revenues reported on May 16, 2022. Revenues were notably adjusted for France by +€0.3 million and Brazil by +€0.1 million. Revenues in Brazil of 4.3 million euros consider a negative exchange rate effect in Brazil for a total amount of 0.3 million euros, i.e. 1.6% of sales, given the devaluation of the Brazilian real against the euro during the 2021-2022 financial year.

The sustained growth in high performance computing (HPC), the upturn in Finance and the strong growth in Brazil in particular made it possible to offset the contraction in other activities, which have continued to be affected by the consequences of the health crisis (more specifically IT infrastructure and Telecoms in France).

Lastly, the Group has continued moving forward with its actions to help optimize its fixed costs in order to further strengthen its agility. In addition, the financing set up with the issue of ORNAN bonds redeemable in cash and/or new shares, and the equitized bond financing carried out through a management trust have enabled the Group to cover its short and medium-term cash requirements, while continuing to improve its financial position.

Globally, the initiatives to relaunch the Group's commercial development, ensure strict control over its costs and roll out its deleveraging program are starting to deliver benefits and are reflected in the improvement in current operating income and the stronger financial structure.

## Earnings

The Group's full-year revenues at March 31, 2022 climbed to €18.3m, with 10% year-on-year growth on a comparable basis. International operations represent 25 % of the Group's full-year revenues. The breakdown of business between the two divisions is as follows: 58% for Digital and 42% for Technology.

Current operating income came to -€0.9m, compared with -€1.6m at March 31, 2021. Following an improved first half of the year, despite revenues being stable, the second half of the year confirmed the turnaround in current operating income, which was close to breaking even for this period thanks to the positive changes in the Company's business model.

Net income (Group share) shows a -€1.3m loss, compared with +€0.7m at March 31, 2021, which included a non-current profit of +€2.7m linked to the deconsolidation of the subsidiary ETUD Integral during FY 2020-21.

## Financial position

Shareholders' equity (Group share) at March 31, 2022, after factoring in earnings for the year, totaled +€1.6m, compared with -€1.0m the previous year. This includes €4.2m for the capital increases carried out mainly through (i) the conversion of 125 ORNAN bonds<sup>2</sup> over the financial year (of which 75 for the 2<sup>nd</sup> drawdown in February 2021 and 50 for the 3<sup>rd</sup> drawdown in June 2021), i.e. 91,666,666 new shares, (ii) the exercise of 377,436 BSAR A, which has led to the creation of 94,359 new shares and finally (ii) the bond financing with equitization through a management trust<sup>3</sup>, signed in July 2021.

These financing facilities have enabled the Group to put in place the financial resources needed to have sufficient working capital to cover its obligations and its cash requirements over the short and medium term, and to continue with its deleveraging.

The Group's net debt at March 31, 2022 totaled €7.6m, compared with €9.6m at March 31, 2021. Cash and cash equivalents represent €0.8m, down -0.4 million euros compared to the previous year.

Gross financial debt is composed of (i) rental debt for 1.3 million euros (in application of IFRS 16), (ii) bank debt for 1 million euros, (iii) 50 ORNAN and 56 convertible bonds for 0.6 million euros, (iv) Factor financing for 1.9 million euros and (v) 3.5 million euros of "vendor credit" and "Put" related to the acquisition of the Eolen Group. Previous debts have been frozen. The Company estimates that its business plan and the control of its fixed costs will enable it to meet its cash requirements for the next twelve months.

## Outlook

The GECI International Group has effectively weathered the last two years marked by the health crisis. In an economic environment with stronger technological and digital intensity, the Group's current business lines

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<sup>2</sup> As authorized by the extraordinary general meeting on November 12, 2020, on the same day the Group set up financing for a total net nominal amount of up to €9.3m through the issuing of up to 1,000 ORNAN bonds reserved for YA II PN, Ltd. During the year, 125 ORNAN bonds were converted, with 91,666,666 new shares created. There are still 600 ORNAN bonds outstanding, representing a gross total of €6m.

<sup>3</sup> As authorized by the extraordinary general meeting on June 23, 2021, the Group launched a public offering of convertible bonds in June 2021 for a maximum net total of €2,595,000 on the one hand, and on the other hand, set up an equitization mechanism for the convertible bonds, by (i) creating a management trust for the convertible bond holders that transferred their bonds to the trust, and (ii) issuing stock warrants to this trust, with their terms and conditions for exercising enabling the convertible bonds transferred in this way to be transformed into shares. In total, 2,944 convertible bonds were covered by this equitization, with 405,470,197 new shares created during the year, giving an equitization value of €2.9m.

remain buoyant and are expected to continue to grow in FY 2022-23. This objective is being supported by the new markets conquered, as illustrated by the Group's latest commercial success in Brazil to supply, install and commission a fixed network infrastructure and fleet of IP equipment, as well as continued growth in its billing rates, aligned with the premiumization of its products and services.

Buoyed by this turnaround and an unprecedented international context, the Group is also ramping up its innovation strategy, combining technology and digital, and rolling out a robust new entrepreneurial approach to address new markets and increase its potential for profitable growth.

Within a continuously changing environment, the Group has decided to strengthen its focus on incubating high-potential startups with innovative projects and a multi-entrepreneurial approach based on capital partnerships or commercial alliances.

The contribution by these companies, enabling synergies with the Group's areas of expertise, will help support the development of emerging technologies on target markets with strong potential, from smart cities to services and industry. It will also help drive the development of the Group's technologies, its expert capabilities and its value added across its solutions.

Various partnerships have already been set up to expand the Group's platform of solutions and capitalize on technologies focused on smart products and services for smart cities (sensors, smart cameras, smart parking, etc.). The proofs of concept carried out will enable it to demonstrate the feasibility of these various innovations and launch commercial developments on new high-potential markets.

In France and Israel, several strategic developments to launch new growth drivers have been subject to advanced studies, focused in particular on designing and promoting intelligent traffic management system (ITMS) solutions to respond to the growing concerns surrounding urban and road traffic congestion and the development of smart cities around the world. These developments are notably reflected in the strategic cooperation set up with a Bordeaux-based company specialized in developing road traffic improvement and regulation systems, with a view to launching a first pilot project in Israel.

The new economic landscapes taking shape in our world are being accompanied by a range of opportunities for the Group to grow. The Group has expertise in high performance computing, networks, agile developments, and human-machine interfaces. With the convergence of its digital and technology activities, the innovative mindset that has guided the Group since it was founded, its expert management of complex projects, and its ability to drive progress with new technological companies, the Group aims to continue moving forward with its development in line with a new roadmap for profitable growth, while diversifying its business model to include new sources of growth, particularly in the smart city sector.

### **Additional information**

The statutory auditors have completed the audit procedures on the corporate and consolidated accounts. The certification reports will be issued once the necessary procedures have been finalized for publishing the full-year financial report.

### **Next dates**

- Publication of the 2021-22 annual financial report on July 29, 2022 after close of trading
- General Meeting in September 2022

## **ABOUT GECI INTERNATIONAL**

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### ***“Smart Solutions for a Smart World”***

Founded in 1980, GECI International is a specialist Digital and Technology group. From the outset, GECI International has innovated alongside major industrial and service companies and provided smart services, solutions and products for its clients, from key accounts to SMEs and startups. With its network of technological partners and expert capabilities worldwide, the Group offers integrated

and competitive solutions for Finance, Services, Industry and Research. GECI International is listed on the Euronext Growth Paris market. ISIN (shares): FR0000079634 – ALGEC.

## **CONTACTS**

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