



**SMART SOLUTIONS FOR A SMART WORLD**

## **SHARE CAPITAL REDUCTION THROUGH A REDUCTION IN THE PAR VALUE AND AN ORNAN BOND DRAWDOWN**

GECI International (the “**Company**”) is announcing that it has carried out a capital reduction by reducing the par value of the Company’s shares. Alongside this, the Company is announcing the drawdown of a tranche of ORNAN bonds redeemable in cash and/or new shares (the “**ORNAN bonds**”) for a total of €0.25m, with a net subscription price of €242,500.

### **Share capital reduction through a reduction in the par value of the Company’s shares**

During its meeting on June 15, 2023, the Board of Directors (i) decided to use the delegation of authority granted to it by the Combined General Shareholders’ Meeting on September 29, 2022, under the terms of its 22<sup>nd</sup> resolution, to reduce the Company’s share capital as a result of losses by reducing the par value of the Company’s shares, and (ii) granted full powers to the Chairman and CEO to implement this decision.

On June 27, 2023, the Chairman and CEO, under the powers granted to him by the Board of Directors, decided to reduce the Company’s share capital by €(2,231,795.67) euros, by reducing the par value of the Company’s shares from €0.001 to €0.0001.

This purely technical operation did not impact the number of Company shares outstanding. Following this operation, the Company’s share capital now represents €247,977.30 and comprises 2,479,772,970 ordinary shares with a par value of €0.0001.

### **Drawdown of an ORNAN bond tranche for a nominal total of €0.25m**

In addition, the Chairman and CEO, under the powers granted to him by the Board of Directors, decided to draw down a tranche of 25 ORNAN bonds today representing a principal total of €0.25m, with a subscription price of €242,500.

This operation, decided on in accordance with the 17<sup>th</sup> resolution from the Combined General Shareholders’ Meeting on September 29, 2022, is being carried out in the context of the financing set up on May 12, 2023 for a maximum nominal amount of €10m, with a view to providing the Company with additional potential financial resources to further strengthen its development and capitalize on opportunities for external growth<sup>1</sup>.

In addition to further strengthening the Company’s capital, these financial resources will support its strategy, combining technology, digital and smart cities.

The main characteristics of the warrants (the “**Warrants**”) and the ORNAN bonds issued to YA II PN, LTD., represented by its management company Yorkville Advisors Global, LP (collectively the “**Investor**”) (with the detailed terms and conditions available on the Company’s site ([www.geci.net](http://www.geci.net)) under “Investor Relations”) were presented in a press release on May 12, 2023.

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<sup>1</sup> See press release from May 12, 2023.

## Impact of the drawdown of the tranche of 25 ORNAN bonds on a shareholder's interest based on the share price

For illustration purposes, the impact of the issue of the tranche of 25 ORNAN bonds on the interest of a shareholder owning 1% of the Company's capital prior to the issue and not subscribing for the issue (calculations based on 2,429,772,970 shares comprising the Company's capital at June 27, 2023 and a reference share price equal to GECI International's closing share price on June 22, 2023, i.e. €0.0011) would be as follows:

	Undiluted basis	Diluted basis <sup>(2)</sup>
Prior to issue	1.00%	0.92%
Following issue of 250,000,000 new shares <sup>(1)</sup> resulting from the conversion of the 25 ORNAN bonds subject to this drawdown	0.91%	0.85%

(1) Maximum theoretical number of shares that may result from the conversion of a total nominal amount of €0.25m of ORNAN bonds at a conversion price equal to 93% of the reference share price retained as an assumption (i.e. €0.001).

(2) Assuming the exercising of all the dilutive instruments that exist to date which could result in the creation of an indicative maximum of 201,850,000 new shares.

## Impact of the drawdown of the tranche of 25 ORNAN bonds on a shareholder's interest based on the current par value

For illustration purposes, the impact of the issue of the tranche of 25 ORNAN bonds on the interest of a shareholder owning 1% of the Company's capital prior to the issue and not subscribing for the issue (calculations based on 2,429,772,970 shares comprising the Company's capital at June 27, 2023 and the par value of GECI International's share, i.e. €0.0001) would be as follows:

	Undiluted basis	Diluted basis <sup>(2)</sup>
Prior to issue	1.00%	0.92%
Following issue of 2,500,000,000 new shares <sup>(1)</sup> resulting from the conversion of the 25 ORNAN bonds subject to this drawdown	0.50%	0.48%

(1) Maximum theoretical number of shares that may result from the conversion of a total nominal amount of €0.25m of ORNAN bonds at a conversion price equal to 93% of the reference share price retained as an assumption (i.e. €0.0001).

(2) Assuming the exercising of all the dilutive instruments that exist to date which could result in the creation of an indicative maximum of 201,850,000 new shares.

## DISCLAIMER

For reference, on May 12, 2023, the Company set up new financing based on ORNAN bonds, to be issued on a staggered basis as the ORNAN Warrants are exercised, with the Investor, which, after receiving the new shares resulting from the conversion of the ORNAN bonds, does not intend to continue to be a Company shareholder.

The new shares resulting from the conversion of the ORNAN bonds will in general be sold on the market within very short timeframes, which may create strong downwards pressure on the share price. Shareholders may lose the capital that they have invested as a result of a significant decrease in the value of the Company's share, in addition to a strong level of dilution resulting from the large number of securities issued to the Investor.

Investors are invited to take all reasonable care before any decision to invest in the securities of the Company, which carries out such dilutive financing operations, particularly when they are carried out successively. In this respect, the Company reminds investors that this dilutive financing operation is not the first that it has put in place.

Specifically, investors are invited to consider the risks relating to such operations, as mentioned below in this press release.

## **NEXT DATE**

2022-23 full-year earnings scheduled for July 11, 2023 after close of trading.

## **ABOUT GECI INTERNATIONAL**

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

GECI International is a specialist Technology and Digital group. Since it was founded in 1980, the Group has innovated to design and develop smart solutions, products and services for the Research, Industry and Service sectors.

Driven by its recognized expertise, its ecosystem of technological partnerships, its business alliances and its highly qualified capabilities around the world, GECI International is positioned, with agility, across the entire value chain - consulting and expertise, development and integration, IT outsourcing and training - to support businesses and organizations with their search for a competitive strategy.

GECI International is also rolling out a robust new entrepreneurial approach with the development of new smart and technological solutions focused on smart cities, transport and aerospace.

GECI International is listed on the Euronext Growth Paris market. ISIN (shares): FR0000079634 – ALGEC.

## **CONTACTS**

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