

PRESS RELEASE

Full-year earnings
FY 2023-24
Paris, July 16, 2024 - 6:00pm



SIGNIFICANT PROGRESS WITH FULL-YEAR EARNINGS FOR 2023-24

- Full-year revenues¹ of €22.7m
- Positive operating income of €1.7m
- Net income (Group share) of €1.1m
- Financial structure further strengthened with €7.0m of equity and net debt reduced to €0.9m
- Stronger outlook for High Performance Computing, Artificial Intelligence and Financial IT

During the Board meeting today, the Directors reviewed and approved the annual and consolidated financial statements for FY 2023-24, ended March 31, 2024.

Consolidated financials

€m	2023-24	2022-23	Change	
	(12 months)	(12 months)	€m	%
Revenues	22.7	20.6	+ 2.1	+ 10.4%
Current operating income	(0.6)	(0.3)	- 0.4	- 137%
Operating income	1.7	(0.4)	+ 2.1	+ 527%
Pre-tax current income	1.6	(0.6)	+ 2.2	+ 363%
Consolidated net income	1.2	(0.7)	+ 2.0	+ 271%
Net income (Group share)	1.1	(0.8)	+ 1.8	+ 241%
Shareholders' equity (Group share)	7.0	2.8	+ 4.2	+ 148%
Net financial debt	0.9	6.7	- 5.8	- 86%

Key developments for the year

During FY 2023-24, the GECL International Group (the “**Company**”) continued building on its robust growth and improved its profitability despite certain challenges relating to a complex economic environment. Thanks to its strategic management, including the divestment of non-essential assets and taking into account an appeal ruling on a previous litigation, the Company improved its financial results and further strengthened its position for the future.

Illustrating this, the Company recorded a 10.4% increase in its consolidated revenues compared with the previous year. This robust organic growth was supported by the ramping up of operations to install telecommunications equipment in Brazil, helping establish a leading position, recognized at national level, as well as the continued development of the High Performance Computing (HPC) business in France. These positive performances largely offset the contraction in the IT outsourcing activities.

The consolidated financial statements take into account the deconsolidation of the Eolen Group’s telecoms engineering activity in France since March 1, 2024, following the sale of its business operations².

¹ Adjusted following financial elements reported by the subsidiaries. Compared with the revenues reported on May 15, 2024, revenues were adjusted for digital division in particular by -€0.1m (i.e. €10.46m versus €10.57m). The €9.14m of revenues for Brazil factor in a non-significant negative exchange effect, representing 0.1% of revenues.

² See press release from March 22, 2024

In this context, the Company's full-year results show a significant improvement, with a positive impact for €2.4m linked to non-recurring items, including the capital gain on the sale of the telecommunications engineering activity in France, as well as the appeal ruling in the dispute with the party selling the Eolen companies.

This turnaround in profitability was combined with a significant reduction in the Company's debt and a strengthening of its equity at end-March 2024, consolidating the Company's outlook for development.

Earnings

The Group's full-year revenues at March 31, 2024 came to €22.7m, up + 10.4% from the previous year (+ 10.6% at constant exchange rates), with the following breakdown: 46.0% for **Digital** and 54.0% for **Technology**, with international operations representing 40.2% of the Group's business.

Current operating income came to -€0.6m, compared with -€0.3m at March 31, 2023. This change in operational profitability reflects a reduction in the gross margin, despite the business growth achieved, and a temporary increase in overheads during the second half of the year.

The Digital division was affected by a significant contraction in its IT outsourcing business, following the end of a major contract, with -€0.6m of current operating income, versus €0.1m the previous year. Contrasting with this, the Technology division's current operating income, supported by the positive trend for its activities, recorded a year-on-year improvement of +€0.1m to €0.4m at March 31, 2024.

€m	2023-24				2022-23			
	Digital	Technology	Holding	March-24	Digital	Technology	Holding	March-23
Revenues	10.5	12.3		22.7	11.9	8.7		20.6
Current operating income	(0.6)	0.4	(0.4)	(0.6)	0.1	0.3	(0.7)	(0.3)
% of revenues	(5.7)%	2.9%	-	(2.8)%	1.1%	3.1%	-	(1.3)%

Operating income at March 31, 2024 came to €1.7m, compared with a -€0.4m loss one year earlier. This result includes €2.4m of non-recurring income, based on:

- A €1.7m capital gain with the sale of the Eolen Group's telecommunications engineering business in France.
- €0.7m of non-recurring income corresponding to the €4.7m settlement awarded, as set out in the Paris Court of Appeals' ruling from February 13, 2024, concerning the dispute between GEICI International and the company Anthéa as well as its manager relating to the Eolen Group's acquisition in 2015, after deducting the provision for the recovery of this claim (€4.0m).

After taking into account a significantly lower level of net financial expenses (-€0.1m) and a higher tax expense (+€0.2m), net income (Group share) is positive, climbing to €1.1m at March 31, 2024, compared with a -€0.8m loss at March 31, 2023.

Financial position

Shareholders' equity (Group share) at March 31, 2024 totaled €7.0m, compared with €2.8m for the previous year (+€4.2m over the year). It takes into account earnings for the year (+€1.1m) and includes the capital increases carried out through the drawdown of 25 ORNAN bonds redeemable in cash and/or new shares³ in June 2023 (+€0.3m), as well as the impact of the treatment of the put (+€2.75m net), with the corresponding initial change recognized in equity.

Net financial debt was reduced from €6.6m in March 2023 to €0.9m⁴ in March 2024, down -€5.8m (-87%), and represented 12% of shareholders' equity, compared with 235% at March 31, 2023. This change primarily factors

³ As authorized by the Combined General Meeting on September 29, 2022, the Company set up financing on May 12, 2023 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 full year, the Company carried out one drawdown for 25 ORNAN bonds on June 25, 2023. Out of these 25 ORNAN bonds drawn down, 11 were converted in November 2023 and led to the creation of 1,100,000,000 new shares, while 14 were converted in January 2024 following the stock consolidation and covered by the creation of 115,641 shares. At year-end, there were still 975 ORNAN bonds (undrawn), representing a gross total of €9.75m and a net total of €9.1m.

⁴ after adjustment for financial feedback from subsidiaries. Compared with the net financial debt communicated on May 15, 2024 (0.9 million euros), net financial debt has been adjusted by +0.4 million euros for the overall cash position, following the sale in March of the Eolen Group's telecom engineering business in France, and the receipt at the end of the year of part of the OBSA financing.

in the appeal ruling in the Company's dispute with the party selling the Eolen companies, as well as the repayment of certain debt lines.

At end-March 2024, net financial debt includes €0.5m of financial debt (including overdrafts), €1.6m for the factoring advance, €0.9m of net OBSA bond (simple bonds with warrants attached) and convertible bond debt, €0.4m for the restatement of lease charges, and €2.6m of cash, further strengthened for €1.7m through the sale of the business operations of the Eolen Group's telecoms engineering activity in France and the receipt of part of the OBSA financing.

The strengthening of the Company's financial resources and the significant reduction in its debt have opened up new headroom to support its development plan.

Outlook

The digital and technology markets, rapidly expanding with annual growth rates of over 10%, are evolving quickly and offer significant new opportunities for development. GECl International, particularly through its subsidiary Alliance Services Plus (AS+), is now established as a French market leader for HPC. This technology, which is essential for cutting-edge sectors such as scientific research, industry, biotech, oil and finance, makes it possible to process massive volumes of data and carry out complex simulations in extremely short timeframes, providing a competitive advantage in an increasingly demanding economic environment.

For FY 2024-25, GECl International aims to capitalize on these opportunities for growth, supported by a differentiated business model structured around two main divisions:

1. **Digital:** This division includes High Performance Computing (HPC), High Performance Data Analysis (HPDA), Cloud Computing, Artificial Intelligence (AI), IT Consulting, Financial IT, IT Outsourcing and Cybersecurity. The Company's HPC solutions are used in a wide range of areas, from scientific research to digital simulation and modeling, covering disciplines such as physics, nuclear physics, astrophysics, biotechnology, pharmacology, genomes, chemistry, seismology and meteorology. The Company aims to play a leading role in France and Europe, while continuing to strengthen its technical expertise and commercial resources.
2. **Technologies & Smart City:** Alongside its telecommunications equipment installation activity, this division is focused on developing smart solutions for urban traffic management, smart parking, energy savings and the Internet of Things (IoT). The Company is currently working on smart city projects aimed at optimizing energy efficiency and improving the quality of urban life through innovative mobility, smart public security and connectivity solutions.

Supporting this growth requires new financial resources to promote activities, strengthen technical resources, commercial efforts and enhance quality. Although the Company's financial situation has improved, its shareholders' equity is insufficient to cover these investments. To this end, the Company currently has a number of financing options at its disposal, such as a contribution to shareholders' current accounts, the exercise of BSA₁ warrants attached to OBSA bonds and, in the last resort, a minimum drawdown of ORNAN bonds, with this option remaining secondary.

Targeting profitable growth, GECl International is building around its expertise in terms of innovating and managing complex projects to further strengthen and ramp up its technological and commercial partnerships, both in France and internationally.

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 annual financial report.

Next date

- Publication of the 2022-23 annual financial report on July 24, 2024 after close of trading

ABOUT GECl INTERNATIONAL

“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.

Building on its recognized expertise, its ecosystem of technological and business partnerships, and its highly qualified capabilities, GECI International is rolling out a dynamic new entrepreneurial approach through customized solutions focused on the digital transformation, IT consulting, smart cities and emerging technologies. As a strategic partner, GECI International supports businesses and organizations with their drive for competitiveness, efficiency and effectiveness.

GECI International is listed on the Euronext Growth Paris market. ISIN (shares): FR001400M1R1 – ALGEC.

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