

FINANCIAL PRESS RELEASE

Paris, France, November 27, 2018

H1 2018/2019 Results

Strong business dynamic: +9% over the first half

Net improvement of operational results (+47%) and EBITDA (+16%)

Confirmation of 2018/2019 goals

Generix Group, Industrial, Logistical and Retail Ecosystems provider with leading Collaborative Software Solutions, today issued its half-year results for the period ended September 30, 2018.

According to Jean-Charles Deconninck, Chairman of the Board: “Over the first half of the current fiscal year, Generix Group has continued its commercial impetus. In addition to a 9% growth in sales, we have seen a marked increase in our signature rate for SaaS contracts. This performance has been accompanied by greater profit. We continue our actions to achieve the Group’s growth potential and maintain our service quality standards.”

Key figures on September 30, 2018

IFRS consolidated accounts, in millions of Euros	Six months ended September 30,		Variation	
	2018	2017	M€	%
Key elements of the consolidated income statement				
Revenues	37,3	34,3	3,0	9%
EBITDA	4,5	3,9	0,6	16%
Operating income	2,9	2,0	0,9	47%
Financial result	- 0,7	- 0,3	- 0,4	152%
Income taxes benefit	- 1,2	- 0,6	- 0,6	93%
Net profit Group share	0,5	0,6	- 0,1	-11%
Key elements of the consolidated Balance Sheet				
Net debt	- 13,3	- 11,3	- 2,0	18%
Free cash flow	- 6,7	- 5,0	- 1,7	33%

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Noted improvement in profit

The first half of 2018/2019 was characterized by a 9% growth in turnover, which was driven by the dynamics of the strategic SaaS model, in particular for international sales.

Over this period, Generix Group showed an EBITDA of €4.5 M, a rise of 16% with respect to end September 2017, along with an EBITDA margin of 12%. This performance can be explained by the growth of sales and the stabilization of sales force and marketing costs.

Operating income was €2.9 M, an increase of 47% with respect to end September 2017, after accounting for the activation of software design costs, depreciation and provisions.

The financial result for the half includes €0.5 M in earn-outs tied to the acquisition of 30% of the remaining shares of Generix Group North America¹.

After accounting for the impact of updating tax rates in the calculation of deferred taxes and minority interests tied to Generix Group North America, net income for the Group share is €0.5 M, as compared to €0.6 M for the first half of the preceding fiscal year.

A healthy financial situation

The cash flow statement indicates the flows between March 31 and September 30, 2018, as compared to the same period in the previous fiscal year. Between these two dates, working capital requirements increased because of the invoicing of annual maintenance contracts at the start of the calendar year. These contracts are accounted for as turnover throughout the entire year.

Cash flow for the first half of 2018/2019 compared to the same half in the preceding fiscal year was characterized by:

- a self-financing capacity of 9% of turnover;
- an increase in the variation of the need for working capital due to:
 - accelerated growth;
 - debt related to shares subscribed to in the amount of €0.9 M by Group management, which was settled in early October 2018².
- the increase in cash flow tied to financing activities, explained primarily by:
 - the impact of share subscription (+€0.9 M);
 - the stability of financing tied to factoring compared to a decrease of €0.8 M in the first half of the preceding financial year;
 - taking out a BPI loan for €0.7 M related to an innovation program.

¹ See financial press release dated November 6, 2018

² See financial press release dated November 5, 2018

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Prospects

Performance in this first half demonstrates the pertinence of the strategic SaaS model and international development potential. On the strength of this dynamic and thanks to the stabilization of Sales and Marketing costs, the Group confirms the improvement in turnover and EBITDA for the 2018/2019 fiscal year.

Supplemental and non-IFRS Financial Information

Supplemental non-IFRS information (above-mentioned as EBITDA or net debt) presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

The Half-Year Financial Report at September 30, 2018 is available for download at the address:

<https://www.generixgroup.com/fr/rapports-financiers>

Next financial press release: January 28, 2019 after the market closes

Revenues for the third quarter of financial year 2018/2019

About Generix Group

Generix Group is a Collaborative Supply Chain expert present in 60 countries, thanks to its subsidiaries and network of partners. More than 5,000 companies around the world use its SaaS solutions. The group's 550 employees provide daily support for such customers as Carrefour, Danone, FM Logistic, McKesson, Bic, Essilor, Bic and Ferrero in the digital transformation of their Supply Chain.

Its collaborative platform, **Generix Supply Chain Hub**, helps companies to keep the promises they make to their customers. It combines the capabilities to execute physical flows, digitalize information flows, manage collaborative processes and connect companies to all their partners, in real time.

Generix Supply Chain Hub is aimed at all players in the Supply Chain: manufacturers, third- and fourth-party logistics providers (3PL/4PL) and retailers.

www.generixgroup.com

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Annexes

IFRS consolidated accounts, in millions of Euros	Six months ended September 30,		Variation	
	2018	2017	M€	%
Revenues	37,3	34,3	3,0	9%
Other income from operations	1,0	0,9	0,1	13%
Operational expenses	- 33,8	- 31,3	- 2,5	8%
<i>Other purchases and external charges</i>	- 11,1	- 10,6	- 0,5	5%
<i>Personnel costs</i>	- 20,8	- 19,0	- 1,8	10%
<i>Taxes and similar payments</i>	- 0,8	- 0,8	0,0	3%
<i>Other</i>	- 1,1	- 1,0	- 0,1	15%
EBITDA	4,5	3,9	0,6	16%
EBITDA margin	12%	11%	1%	6%
Software design costs activated net of depreciation	- 0,3	- 0,5	0,2	-39%
Net depreciation and provisions	- 1,3	- 1,4	0,1	-8%
Recurring operating income	2,9	2,0	0,9	45%
Other operational income and expenses	- -	0,0	0,0	-100%
Operating income	2,9	2,0	0,9	47%
Financial result	- 0,7	- 0,3	0,4	152%
Income taxes benefit	- 1,2	- 0,6	0,6	93%
Net result after tax	0,9	1,0	0,1	-10%
Net profit Group share	0,5	0,6	0,1	-11%

⁽¹⁾ EBITDA = current operating income + net provisions on current assets + net provisions for risks and charges + depreciation on fixed assets - capitalized production costs.

Net debt, in millions of Euros	Six months ended September 30,		Variation	
	2018	2017	M€	%
Cash and cash equivalents, end of period	0,6	0,2	0,4	290%
Short-term and long-term portions of financial obligations	- 13,8	- 11,4	- 2,4	21%
Net debt	- 13,3	- 11,3	- 2,0	18%

Consolidated statements of cash flows, in millions of Euros	Six months ended September 30,		Variation	
	2018	2017	M€	%
Net income adjusted by non-cash items	3,3	3,1	0,2	8%
Change in working capital	- 9,0	- 7,3	- 1,7	24%
Net cash by operating activities	- 5,7	- 4,2	- 1,5	36%
Net cash used in investing activities	- 1,0	- 0,8	- 0,2	22%
Free cash flow	- 6,7	- 5,0	- 1,7	33%
Net cash by financing activities	1,1	1,7	2,8	-161%
Net increase in cash and cash equivalent	- 5,6	- 6,8	1,1	-17%
Cash and cash equivalent, end of period	0,6	0,2	0,4	290%

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