Press release

2022/23 Estimated consolidated annual results

- **Revenue stable at €184.4m**
- **A context of shortage of components and inflation that temporarily weighs on the Group's profitability**

Strasbourg (France), 29 June 2023 - 2CRSi (ISIN: FR0013341781), a designer and manufacturer of high-performance energy-efficient IT servers, releases its estimated consolidated annual results for financial year 2022/23 ended 28 February.

The estimated consolidated financial statements have been prepared under the authority of the Chairman and Chief Executive Officer, and the audit procedures of the auditors on the consolidated financial statements are in progress. It should be noted that following the announcement of the agreement reached in June 2023 on the sale of its stake in Boston Limited (press release of 16 June 2023), the scope of 2CRSi is expected to change very significantly. The refocusing on the innovation and production activity, the core business of the 2CRSi Group, is still expected for July 2023.

Simplified income statement In millions of EUR - IFRS	2022/2023 estimated	2021-2022 final
Revenue	**184.4**	**183.6**
Consumed purchases	(142.3)	(143.2)
Margin on revenue	42.1	40.4
Gross margin rate	22.8%	*22.0%*
Other income	0.8	2.5
External expenses	(12.2)	(10.9)
Personnel expenses	(27.1)	(23.6)
Taxes	(0.6)	(0.5)
Other operating income and expenses	(1.4)	0.5
EBITDA	**1.7**	**8.4**
EBITDA margin	*0.9%*	*4.6%*
Current operating income (expense)	**(8.9)**	**1.4**
Current operating margin		*0.8%*
Operating income (expense)	**(8.9)**	**1.4**
Net financial income	(2.6)	(3.0)
Income tax	(0.8)	(0.5)
Consolidated net income (expense)	**(12.4)**	**(1.1)**
Consolidated net income, Group share	**(11.6)**	**(1.1)**

"FY 2022-2023 was a particularly challenging period, with inflationary pressures and persistent component shortages weighing on our business momentum despite growing interest in our global technology solutions. As announced at the time of the publication of our revenue, these contrasting business conditions negatively impact profitability for the year. Nonetheless, we remain fully confident in our development prospects. The sale of Boston Limited will not only help strengthen our financial position but will also allow us to focus on our historic core business, where we continue to make a difference in innovation, performance and consideration of environmental issues, today's priority for all global technology players. We are therefore in a position to take a new step forward in the Group's development" says Alain Wilmouth, Chairman and Chief Executive Officer of 2CRSI.

Stable activity in a demanding environment

As announced in the publication of 2 May 2023, the 2CRSi Group generated revenue of €184.4 million compared with €183.6 million for the 2021-2022 financial year. This stability reflects the impact of persistent shortages in electronic component supplies, which weighed on the execution of several orders that had initially been scheduled for the end of the financial year.
Despite this particularly demanding environment, sales momentum remained solid, particularly in the defence, cloud and scientific research sectors.

Increase in gross margin

For the year, the gross margin amounted to €42.1 million. It accounted for 22.8% of revenue vs. 22% in the previous year, reflecting the good control of purchases despite supply conditions. Other business income stood at €0.8 million vs. €2.5 million in 2021-2022. This change includes an unfavourable comparison base, with the 2021-2022 financial year incorporating exceptional business income of around €1.7 million as part of the legal reorganisation of Blade.

EBITDA should remain positive

In addition to the level of activity affected by delays in order execution, operating profitability was penalised by inflationary pressures, which particularly weighed on the retail business. This activity had to cope with a sharp increase in payroll costs in the UK, Germany and Switzerland.

Against this backdrop, personnel expenses increased 15% to €27.1 million (14.7% of total revenue versus 12.8% in 2021-2002). External expenses were also up 12% to €12.2 million in 2022-2023 compared with €10.9 million in 2021-2022.

Other operating income and expenses also weighed on profitability at -€1.4 million versus €0.5 million in 2021-2022. This unfavourable change includes a negative foreign exchange effect of €0.6 million.

Despite these items, EBITDA remained positive at €1.7 million versus €8.4 million a year earlier.

Profit from recurring operations was negative at €8.9 million, including €9.6 million in depreciation, amortisation and provisions, compared with €6.5 million the previous year.

Taking into account the financial result, which rose from -3.0 million euros to -2.6 million euros, and tax, the Group share of consolidated net profit was a loss of 11.6 million euros, compared with a loss of 1.1 million euros the previous year.

A secure financial structure

At the end of the 2022-2023 financial year, inventories were down to €53.5 million compared with €56.4

million for the previous financial year. The level of trade receivables was also significantly reduced to €18.6 million compared with €26.2 million in 2021-2002.

At the end of February 2023, the Group's cash position stood at €6.4 million in 2022-2023 compared with €4.7 million in the previous financial year, up 35%.

Finally, the Group continued its deleveraging with financial debt excluding lease debt reduced from €55.3 million at end-February 2022 to €53.5 million at end-February 2023.

This financial situation is expected to be significantly improved in the coming months with the completion of the sale of the distribution business. As announced, the proceeds from this sale will be allocated as a priority to deleveraging and strengthening equity, which stood at €27.8 million at the end of February 2023.

Thus, the balance of the Boston Ltd acquisition loan, taken out in November 2019, will be fully repaid, i.e. €9 million to BNP Paribas. The closing of the transaction will also lead to the expiry of the call option and the put option of 30% of the shares of the minority shareholders of Boston Ltd, as well as the additional price expected for 2022/23, valued in financial debt for an amount of €13 million at the close.

Outlook: confidence confirmed

For the new financial year, despite the caution imposed by the general environment, which is still mixed, 2CRSi intends to accelerate its commercial transformation while maintaining strict discipline in terms of cost control and margin growth. With this in mind, refocusing on the core “designer and manufacturer” business with the planned disposal of the distribution business will be a decisive driver.

At the end of this transaction, a new roadmap associated with financial objectives will be presented taking into account the new scope.

2CRSi also confirmed its intention to propose to the Board of Directors to submit to the Annual General Meeting for approval a special dividend of €0.20 per ordinary share in order to share the proceeds of the sale of its distribution activity with all shareholders.

Simplified consolidated balance sheet In millions of EUR - IFRS	28/02/2023 *estimated*	29/02/2022 final
Goodwill	8,3	8,7
Intangible fixed assets	15,4	16,3
Tangible assets[1]	16,1	20
Non-current financial receivables	1,5	4,4
Other non-current assets	4,8	3,9
Total non-current assets	**46,1**	**53,3**
Inventories	53,3	56,4
Customers	18,6	26,2
Other current assets	17,5	16,8
Current financial receivables	7,5	5,9
Cash and cash equivalents	6,4	4,7
Total current assets	**103,2**	**110**
TOTAL ASSETS	**149,3**	**163,4**
Capital attributable to equity holders of the parent	28,9	40,5
Non-controlling interests	(1)	(0,3)
Consolidated capital	**27,8**	**40,3**
Borrowings and financial liabilities	13,2	26,5
Non-current lease liabilities	9,9	12,3
Other non-current liabilities	3,8	3,1
Total non-current liabilities	**26,8**	**42**
Trade payables	22,6	24,8
Current financial liabilities	40,3	29,8
Current lease liabilities	2,5	3
Other current liabilities	29,4	23,5
Total current liabilities	**94,7**	**81,1**
TOTAL LIABILITIES	**149,3**	**163,4**

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Next event: Annual General Meeting on 31 August 2023.

[1] Includes items associated with right-of-use assets (IFRS 16).

About 2CRSi

Founded in Strasbourg (France), 2CRSi group develops, produces and sells customised, high-performance and environmentally-friendly servers. In the 2022-2023 financial year, the Group generated revenue of €183.8 million. The Group today has around 390 employees and markets its offer of innovative solutions (processing, storage and network) in more than 50 countries. 2CRSi has been listed since June 2018 on the regulated market of Euronext in Paris (ISIN: FR0013341781) and its shares were transferred to the regulated market Euronext Growth on 25 November 2022.

For more information: www.2crsi.com

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