

Focus on the Sale of Boston Limited

Strasbourg (France), August 30, 2024 - 2CRSi (ISIN: FR0013341781)

In accordance with the provisions of IAS 10.21 on post-closing events (for the fiscal year 2022/2023 ending in late February 2023) and at the request of the French Financial Markets Authority, 2CRSi presents the figures allowing for a full understanding of, on the one hand, the financial impacts of the sale of Boston Limited that occurred on June 30, 2023, the amounts of which could not be disclosed during the publication of the 2022/2023 annual report, and on the other hand, the expected impacts on the fiscal year 2023/2024, which ended on June 30, 2024.

Context

The acquisition of Boston Limited in late November 2019 aimed to create significant synergies, both by diversifying the customer base and accessing new markets, as well as by expanding international positions. The 2CRSi Group's revenue increased from 65 million euros in 2018 to 183.5 million euros for the fiscal year ending in late February 2023. However, although Boston Ltd generated a majority share of the Group's revenue, its integration faced unexpected operational and logistical challenges, notably due to component shortages, Brexit, and the crises related to Covid.

A Strengthened Financial Structure

The proceeds from the sale were primarily used to reduce bank debt and strengthen the equity of the 2CRSi Group. The balance of the acquisition loan contracted in November 2019, amounting to 9 million euros with BNP Paribas, was fully repaid. The release of the pledge on Boston Ltd shares was conditional upon this repayment. Additionally, this sale led to the termination of the call and put option on the 30% shares held by minority shareholders of Boston Ltd, as well as the earn-out provision for the 2022/2023 fiscal year. An extraordinary dividend of €0.20 per ordinary share was distributed at the end of 2023, thereby sharing the profits of this sale with all 2CRSi shareholders.

Refocusing

This sale is part of a global strategy enabling 2CRSi to fully maintain its industrial activity in France and internationally while refocusing on innovation and production to return to its core expertise. The development of intellectual property created by the Group constitutes the strategy for enhancing the value of its products and brands. The manufacturing of 2CRSi's IT solutions is inspired by its research and development teams based in Strasbourg (France) and Manchester (United Kingdom). These unique products reduce the energy and ecological impact of the Cloud, Artificial Intelligence, and data storage. They offer specific competitive advantages through their density, ease of use, performance, and reduced operational costs (OPEX).

In millions of Euros (EUR)

In Euros	2022/23	2023/24
	(12 months)***	(16 months)
Boston Limited (divested asset) - Revenue	153,8	45*
2CRSi Group (including Boston Limited) - Revenue	183,5	220**

(*) Data provided by Boston management, unaudited as of 06/30/2023

(**) 2CRSi data published on 07/25/2024, consolidated under French accounting standards, currently under audit

<i>In millions of Euros (EUR) as of 02/28/2023</i>	Net value of divested assets	Total consolidated balance sheet	Ratio in %
Net value of divested assets relative to total consolidated balance sheet	53,13	151,66	35%

<i>In millions of Euros (EUR) – Fiscal Year 2022-23</i>	Operating income before tax generated by the divested asset	Consolidated operating income before tax
Operating income before tax generated by divested assets relative to consolidated operating income before tax as of 02/28/2023	6,40	-9,52

Sale of the Boston Group

<i>In thousands of Euros as of 06/30/2023</i>	Amount (€)
Sale price of the 70% shares held by 2CRSi	24 671
Payment of Earnouts related to the acquisition	3 845
Full repayment of the bank loan (BNPP)	9 089
Amount remaining to be received subject to release of escrow by 06/30/2025 at the latest	932***

*** €291 pending the transfer of shares of the Boston India JV entity, in progress, and €641 related to the issuance of free shares.

As of today, 2CRSi no longer has any commitments to the buyer that could negatively impact its current or future accounts. The escrows are in the process of being resolved and are expected to be settled by June 30, 2025, with impacts limited to the amounts being held.

The last extraordinary shareholders' meeting decided on a new fiscal year-end date to better align with the operational realities of the group's businesses and to take advantage of seasonality, thereby enabling better financial communication from the group.

Entering a New Growth Cycle

As indicated in the press release of May 2, 2024, the sale of Boston Limited has freed up operational resources, allowing 2CRSi to focus on the commercialization of its solutions for artificial intelligence (servers and computing power). Since June 30, 2023, this refocusing has led to a significant increase in revenue, bringing it to 220 million euros at the end of the

16-month fiscal year ending on June 30, 2024 (including 45 million euros in revenue generated by Boston before its sale).

About 2CRSi

Founded in Strasbourg, the 2CRSi Group designs and manufactures eco-efficient high-performance servers, particularly dedicated to Artificial Intelligence. In the 2023-2024 fiscal year, the Group achieved a revenue of €220 million. The Group now markets its innovative solutions (computing, storage, and networking) in over 50 countries. 2CRSi has been listed on the regulated Euronext market in Paris since June 2018 (ISIN Code: FR0013341781), and its shares were transferred to Euronext Growth in November 2022.

For further information: [2crsi.com](https://www.2crsi.com)

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