

**PRESS RELEASE**

FY 2022-23

Paris, December 16, 2022 - 6:30pm

**SMART SOLUTIONS FOR A SMART WORLD****2022-23 FIRST-HALF EARNINGS**

- **Half-year revenues<sup>1</sup> up +16.4%**
- **Significant improvement in half-year earnings**
- **Group's financial structure further strengthened**
- **Objectives confirmed for strong full-year growth**
- **Business model expanded to include smart cities in 2023**

During the Board meeting on December 15, 2022, the Directors reviewed and approved the half-year financial statements for the period ended September 30, 2022.

€m	2022-23 (6 months)	2021-22 (6 months)	2021-22 (12 months)
<b>Revenues</b>	<b>9.8</b>	<b>8.4</b>	<b>18.3</b>
<b>Current operating income</b>	<b>(0.3)</b>	<b>(0.8)</b>	<b>(0.9)</b>
<b>Pre-tax current income</b>	<b>(0.4)</b>	<b>(1.5)</b>	<b>(1.4)</b>
<b>Consolidated net income</b>	<b>(0.3)</b>	<b>(1.5)</b>	<b>(1.4)</b>
<b>Net income (Group share)</b>	<b>(0.3)</b>	<b>(1.4)</b>	<b>(1.3)</b>

**FIRST-HALF KEY DEVELOPMENTS**

During the first half of FY 2022-23, the GECI International Group continued moving forward with its turnaround, confirming its ability to achieve strong growth, while further strengthening its profitability profile. With +16.4% revenue growth and a significant improvement in its financial indicators, the Group is demonstrating the relevance of its redeployment and structural optimization strategy.

These developments are supported by the Group's robust growth on the strong value-added Digital and Technology markets, and specifically HPC, financial IT and telecoms in Brazil. The renewal of several client listings on these markets and the major new contracts signed, particularly in Brazil, made it possible to offset the slowdown in the IT outsourcing and telecoms activities in France, as well as the withdrawal from the activities in South Africa.

Alongside this, the Group's streamlining of its cost structure has contributed to a better level of agility.

Lastly, the financing set up with the issue of ORNAN bonds redeemable in cash and/or new shares has enabled the Group to cover its short and medium-term cash requirements, while supporting the strengthening of its financial position.

Overall, the Group's robust commercial development, its strict control over costs and its continued deleveraging made it possible to achieve a significant improvement in its financial structure and results.

<sup>1</sup> After adjustment following financial elements reported by the subsidiaries in relation to revenues reported on November 15, 2022. Specifically, revenues were adjusted for France by +€0.01m and Brazil by +€0.03m. Brazil's revenues of €2.3m factor in a positive exchange effect in Brazil for €0.04m, representing 0.4% of revenues, in view of the Brazilian real's revaluation against the euro during the first half of this year.

## FIRST-HALF EARNINGS

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The Group's half-year revenues at September 30, 2022 came to €9.8m, up +16.4% from the first half of 2021-22 (+15.9% at constant exchange rates), with the following breakdown: 60.6% for **Digital** and 39.4% for **Technology**, with international operations representing 23.8% of the Group's business.

Current operating income is negative, coming in at €(0.3)m, compared with €(0.8)m for the first half of the previous year. This improvement in operational efficiency primarily reflects the progress made with the gross margin in a context of stronger value-added growth, as well as the effective management of overheads, which have been reduced for the last three half-year periods.

Net income (Group share) came to €(0.3)m at September 30, 2022, compared with €(1.4)m at September 30, 2021. It includes €(0.3)m of non-recurring costs linked in particular to the early exit from the lease in Trappes following the deconsolidation of the company Etud Intégral in 2021.

## FINANCIAL STRUCTURE

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After factoring in half-year earnings, shareholders' equity (Group share) is positive at September 30, 2022, with €2.6m, versus €1.6m at March 31, 2022. It includes a total of €1.0m for the capital increases carried out through the conversion of 100 ORNAN bonds<sup>2</sup> issued in connection with the financing agreement set up on September 30, 2020. This financing also enabled the Group to repay part of its debt.

The Group had €6.6m of net financial debt at end-September 2022, down €1.0m or -13.3% from March 31, 2022 (€7.6m). It includes €2.9m of financial debt, €0.7m for the restatement of lease charges, €3.4m of debt linked to the Eolen Group's acquisition (put and vendor loan), €0.2m for a partner current account<sup>3</sup> and €0.7m of cash.

## OUTLOOK

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The Group is actively moving forward with its innovation strategy, combining **technology** and **digital**, to further strengthen its positions on its high-potential markets - telecommunications, transport, renewable energies, IT and smart cities - and meet the challenges of a rapidly evolving planet by supporting institutions and businesses with their digital, ecological and energy transformation needs.

GECI International is benefiting from technological partnerships, business alliances and the creativity required to support the development of its two business divisions, ramp up their convergence and roll out a robust new entrepreneurial approach with the development of new smart products and solutions for smart cities.

With this in mind, the Group has embarked on a first stage by signing, in September 2022, an exclusive distribution agreement with Gertrude SAEM, a company specialized in Intelligent Transportation Systems (ITS), with GECI International's subsidiaries in Israel and Brazil to sell the Gertrude ITS software. This smart traffic management system optimizes public and private vehicle flows, reduces pollution and improves the safety of urban and metropolitan roads.

With the innovative mindset that has guided the Group since it was founded, its expert management of complex projects, and its ability to drive progress with new technological companies, the Group aims to expand its business model to include new growth drivers, while aligning its development with a roadmap for profitable growth.

Following these first-half results, the Group is forecasting double-digit growth in its full-year revenues, combined with a further improvement in its results.

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<sup>2</sup> As authorized by the extraordinary general meeting on November 12, 2020, on the same day the Group set up financing 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 first half of this year, the Group carried out two drawdowns for 50 ORNAN bonds each on May 25, 2022 and July 27, 2022. There are still 450 ORNAN bonds outstanding, representing a gross total of €4.5m.

The partner current account concerns the leading shareholder XLP Holding, which contributed €0.2m in August 2022 to support the Group's development strategy.

The half-year financial report is available on the company website ([www.geci.net](http://www.geci.net)).

## **NEXT DATE**

2022-23 full-year revenues on May 15, 2023 (after close of trading)

## **ABOUT GECI INTERNATIONAL**

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

GECI International, driven by Innovation since it was founded in 1980 and combining Technology and Digital, provides advanced digital solutions and technology consulting services for major players from the Industry, Finance, Research, Services and Telecoms sectors.

GECI International is also rolling out a robust new entrepreneurial approach with the development of new smart products and solutions for smart cities, thanks to an ecosystem of technological partnerships, business alliances and highly qualified capabilities around the world.

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

## **CONTACTS**

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