

PRESS RELEASE

FY 2018-19

Paris, December 18, 2018 – 6pm



SMART SOLUTIONS FOR A SMART WORLD

2018-19 half-year earnings

- **Consolidated revenues¹ up 23%***
- **Current operating income up €1.5m to €0.6m***
- **Balance sheet further strengthened with positive equity position of €1.0m**

At the Board meeting on December 18, 2018, the Directors reviewed and approved the 2018-19 half-year financial statements for the period ended September 30, 2018.

€m	2018-19 (6 months)	2017-18 (6 months)	2017-18 (12 months)
Revenues	15.32	12.49	27.72
Current operating income	0.55	(0.96)	(0.06)
Pre-tax current income	(0.34)	(2.18)	(2.73)
Consolidated net income	(0.27)	(2.38)	(2.26)
Net income (Group share)	(0.36)	(2.07)	(1.94)

Serge Bitboul, GECI International's Chairman and CEO: *"This return to a positive level of operational profitability highlights the dedication shown by all the teams and their commitment to our shared project to transform the Group into a platform for innovative solutions serving our clients, key accounts, SMEs and startups.*

In this environment, we are incorporating innovation into all our activities, as illustrated by the development of an autonomous shuttle prototype for a French startup. For a multinational telephone operator, present in Brazil, we are also implementing complete network activation solutions across the country.

The entire Group is therefore capitalizing on this robust progress to continue expanding the base of cybersecurity and mobility solutions, which we are benefiting from thanks to our Israeli subsidiary's participation in its local ecosystem".

¹ after adjustment following financial elements reported by the subsidiaries in relation to revenues reported on November 7, 2018

* vs first half of 2017-18

HIGHLIGHTS

The first half of the year delivered strong growth of 43.5% for Engineering and 26.3% for IT and Telecoms. The Engineering business is being driven primarily by its participation in autonomous vehicle projects, an emerging market for which the subsidiary Etud Integral is developing complete prototypes.

The IT and Telecoms business has also successfully found new markets, particularly in Brazil, with two major listings secured.

Against this backdrop of strong growth for operations both in France and internationally, the GECI International Group is continuing to improve its performance levels, and the first half of 2018-19 saw a further significant improvement in its current operating income, while strengthening its financial structure.

To support its development, the Group is continuing to strengthen its teams. At September 30, 2018, it had a total of 510 employees, up from 492 at March 31, 2018.

EARNINGS

The Group's half-year revenues at September 30, 2018 climbed to €15.32m, with 23% year-on-year growth. The breakdown of the Group's operations between its various markets is as follows: 56% for IT and Telecoms, 32% for Engineering and 12% for Finance. International operations represent 21% of the Group's business.

Current operating income shows a €0.55m profit, with a current operating margin of 4%. This compares with a €(0.9)m loss for the first half of the previous year. Its improvement reflects the growth in revenues and the gross margin, combined with effective cost management.

Net income (Group share) also shows a significant improvement, up from €(2.1)m at September 30, 2017 to €(0.4)m September 30, 2018. This result includes €0.8m of non-recurring expenses for the depreciation of intangible assets and non-recurring provisions for liabilities and charges. It also takes into account the significant reduction in financial expenses.

FINANCIAL STRUCTURE

After factoring in half-year earnings, shareholders' equity (Group share) is positive at September 30, 2018, with €1.0m, versus €(2.2)m at March 31, 2018. This includes a total of €3.95m for the capital increases, linked primarily to the conversion of part of the ORNANE bonds² issued on February 7, 2018 and June 11, 2018.

At September 30, 2018, the Group's net debt came to €11.3m, with €1.1m of cash and cash equivalents.

OUTLOOK

The second half of the year is expected to follow on from the first half, with a positive level of current operating income once again: from Engineering to IT and Telecoms, the Group is forecasting high levels of development.

² On December 19, 2016, the Group issued, followed by an amendment signed on February 15, 2017, €1m of ORNANE bonds, combined with BSA warrants within a maximum total commitment of €10m. The extraordinary general meeting on July 28, 2017 authorized the issuing, in several tranches, of ORNANE bonds for a maximum of €9m. The Group has made three drawdowns: on July 31, 2017 (€3m), on February 7, 2018 (€3.2m) and on June 11, 2018 (€2m). At December 3, 2018 and since the previous year-end, at March 31, 2018, 520 ORNANE bonds have been converted, leading to the creation of 37,229,670 new shares. At December 3, 2018, there were still 30 ORNANE bonds to be converted. A monitoring table is available online at http://geci.net/files/ORNANE/FRPDF20181203_SUIVI_ORNANE.pdf.

The new activities rolled out during the first half of the year, such as cybersecurity and new mobility solutions, are expected to ramp up the Group's growth, particularly with the deployment of projects at the heart of smart cities. Future growth will also be driven by the deployment of its cybersecurity solutions platform and the strategic partnerships supporting this. The Group's forecasts are therefore in line with its development plan.

In addition, the Group indicates that it may call on external financing for its development.

ADDITIONAL INFORMATION

The consolidated half-year financial statements have been subject to a limited review by the statutory auditors, in line with the regulations in force. The half-year financial report is available on the Group's site: www.geci.net.

NEXT DATES*

2018-19 third-quarter revenues on Thursday February 7, 2019

2018-19 full-year revenues on Wednesday May 15, 2019

2018-19 full-year earnings on Wednesday July 24, 2019

2019-20 first-quarter revenues on Thursday August 8, 2019

* publication after close of trading.

GECI INTERNATIONAL - SMART SOLUTIONS FOR A SMART WORLD

GECI International, the digital services and technology consulting specialist, is addressing the key challenges facing our society by offering its clients an integration platform, from R&D through to project implementation, against a backdrop of industrial and information system security. For 35 years, GECI International has successfully demonstrated its ability to lead major complex projects, bringing together a global network of technological and strategic partners and innovative high-growth companies.

GECI International is listed on the regulated market Euronext Paris - Compartment C - and is part of the CAC Small and CAC Technology indexes. GECI International is eligible for the SRD long-only deferred settlement service. ISIN (shares): FR0000079634 – GECP / ISIN (BSAR A warrants): FR0013266764 – GECBT.

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