



SMART SOLUTIONS FOR A SMART WORLD

GECI INTERNATIONAL CONFIRMS ITS RETURN TO GROWTH, WITH 2021-22 FULL-YEAR REVENUES UP 7.6%

GECI International, the Digital and Technology specialist, returned to growth in FY 2021-22, securing progress with its full-year revenues (+7.6%) and achieving a sustained rate of commercial development over the second half of the year.

KEY DEVELOPMENTS FOR THE YEAR

GECI International recorded €17.9m of full-year consolidated revenues (April 2021-March 2022), up +7.6% year-on-year (+8.7% at constant exchange rates), including +15.4% for the second half of the year, achieving its objective to return to competitive growth.

This robust commercial performance reflects the strong growth in Brazil, the sustained progress with high performance computing (HPC) and the robust development of IT Infrastructure focused on Finance. These developments offset the contraction in business in South Africa, which the Group has decided to withdraw from, and the decrease in the IT outsourcing business. The Group can therefore confirm that its strategic realignment around its higher-potential solutions and their gradual ramp-up are progressing well.

At March 31, 2022, the breakdown of the Group's consolidated revenues was as follows: 75.2% in France, 22.9% in Brazil and 1.8% in South Africa. This factors in a negative exchange effect in Brazil for €0.2m, representing 1.1% of revenues, in view of the Brazilian real's devaluation against the euro during FY 2021-22.

At end-March 2022, the Group had a total of 439 employees, compared with 392 at end-March 2021, up +12.0%. During the year, the Group continued to further strengthen its international network of recruitment, commercial and technological partners.

CHANGE IN REVENUES

Following its withdrawal from the automotive sector in 2020, the Group realigned its operating activities around two core business divisions during the year.

- i) **Digital**, with high performance computing, IT infrastructure and cybersecurity solutions,
- ii) **Technology**, with expertise in telecoms, engineering, smart products and solutions.

(currently being audited)	Apr 2021 to Mar 2022 (12 months)		Apr 2020 to Mar 2021 (12 months)		Change (%)
	€m	% of rev	€m	% of rev	
<i>Half-year periods</i>					
H1	8.40	46.9%	8.40	50.5%	+0.0%
H2	9.51	53.1%	8.24	49.5%	+15.4%
Full-year revenues	17.91	100%	16.64	100%	+7.6%
<i>Business division</i>					
Digital	10.30	57.5%	9.84	59.2%	+4.6%
Technology	7.61	42.5%	6.80	40.8%	+12.0%
Full-year revenues	17.91	100%	16.64	100%	+7.6%
<i>Region</i>					
France	13.47	75.2%	13.36	80.3%	+0.8%
Brazil	4.11	22.9%	2.29	13.8%	+79.2%
South Africa	0.33	1.9%	0.87	5.2%	-62.0%
Israel	0.00	0.0%	0.12	0.7%	ns
Full-year revenues	17.91	100%	16.64	100%	+7.6%

The Digital division (€10.3m, 57.5% of full-year revenues) is up +4.6% year-on-year. The contraction in IT Infrastructure activities and the realignment of the Cybersecurity business around consulting services were offset by the outstanding performance by the HPC business (+7.1%) and strong growth for the Finance business (+30.9%), which won back market shares with key accounts during the second half of the year.

The Technology division (€7.6m, representing 42.5% of full-year revenues) is up +12.0% year-on-year. The Brazilian subsidiary's strong revenue growth (+88.7% at constant exchange rates) is supported by the rollout of a major Telecoms sector contract signed in December 2020, notably offsetting the contraction in business in South Africa.

FINANCIAL POSITION

The Group has continued to further strengthen its financial position by:

- (i) Reinforcing its presence alongside its main contracting authorities with a range of stronger value-added solutions;
- (ii) Continuing to scale back its overhead structure and significantly increasing its average daily billing rate;
- (iii) Rolling out a deleveraging policy, thanks in particular to financing based on ORNAN bonds redeemable in cash and/or new shares¹.

These financing facilities set up in September 2020, followed by the bond financing with equitization through a management trust² signed in July 2021, enabled successive capital increases to be carried out for a gross total of €7.3m, helping further strengthen the Group's equity at end-March 2022. During the 2021-2022 financial year, the Company raised €4.2m, including €1.3m through the conversion of 125 ORNAN, and €2.9m (issue premium included) through the equitization of 2,944 convertible bonds. These financing facilities have also enabled the Group to cover its short and medium-term obligations, while ensuring the sustainability of its financial position and securing its activities.

¹ 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 year, 125 ORNAN bonds were converted, with 91,666,666 new shares created. On March 7, 2022, the Group drew down an additional 50 ORNAN bonds, which were fully converted in May 2022, with these conversions leading to the creation of 83,333,332 new shares. There are still 550 ORNAN bonds outstanding, representing a gross total of €5.5m.

² As authorized by the extraordinary general meeting on June 23, 2021, the Group launched a public offering of convertible bonds in June 2021 for a maximum net total of €2,595,000 on the one hand, and on the other hand, set up an equitization mechanism for the convertible bonds, by (i) creating a management trust for the convertible bond holders that transferred their bonds to the trust, and (ii) issuing stock warrants to this trust, with their terms and conditions for exercising enabling the convertible bonds transferred in this way to be transformed into shares. In total, 2,944 convertible bonds were covered by this equitization, with 405,470,197 new shares created during the first half of the year, corresponding to the full equitization of the convertible bonds.

The Group's net financial debt amounted to €7.6m at the end of the financial year (figures under audit), including financial debts for an amount of €8.4m and cash of €0.8m, and was down 20.4% compared to the previous year (€9.6m).

OUTLOOK

Despite a relatively complex period, the GECI International Group has successfully achieved growth, especially in its IT Infrastructure activities focused on finance, its High Performance Computing business and telecoms, particularly in Brazil. Its current business lines, which are fundamentally buoyant in an environment of strong technological and digital intensity, are expected to continue to grow, bringing on board new clients and signing new contracts in FY 2022-23.

Alongside this, the Group aims to further strengthen its potential for innovation with a view to capitalizing on new opportunities, further strengthening its expert solutions and developing its technological capabilities. By extending its international alliances, the Group is therefore looking to capitalize on several emerging technologies in the smart products and services sector.

In Israel, the Group is moving forward with various strategic developments to design and promote intelligent traffic management system (ITMS) solutions, such as cameras and other devices, to respond to the growing concerns surrounding urban and road traffic congestion and the development of smart cities around the world. The proofs of concept carried out will enable the GECI International Group to demonstrate the feasibility of these innovations and move into new high-potential markets.

With the convergence of its digital and technology activities, the innovative mindset that has guided the Group since it was founded, the ability to recruit international profiles and the expertise built up on complex projects, GECI International is confident about its future and its return to profitable growth.

NEXT DATES

2021-22 full-year earnings on July 22, 2022 after close of trading.

Publication of the Annual Financial Report on July 29, 2022 after close of trading.

ABOUT GECI INTERNATIONAL

“Smart Solutions for a Smart World”

Founded in 1980, GECI International is a specialist Digital and Technology group. From the outset, GECI International has innovated alongside major industrial and service companies and provided smart services, solutions and products for its clients, from key accounts to SMEs and startups. With its network of technological partners and expert capabilities worldwide, the Group offers integrated and competitive solutions for Finance, Services, Industry and Research.

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

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