

## PRESS RELEASE

Full-year earnings

FY 2022-23

Paris, July 11, 2023 - 6:00pm



**SMART SOLUTIONS FOR A SMART WORLD**

## 2022-23 FULL-YEAR EARNINGS

- **Full-year revenue growth of +12.3% year-on-year, with the second half up +9.8% compared with the first six months**
- **Current operating income of €(0.3)m, following a year-on-year improvement of +69.7%, with the second half of the year breaking even**
- **Shareholders' equity up +80.9% year-on-year to €2.8m at March 31, 2023**
- **Objectives to drive growth and diversify the business model**

During the Board meeting today, the Directors reviewed and approved the annual and consolidated financial statements for FY 2022-23, ended March 31, 2023.

### Consolidated financials

€m	2022-23	2021-22	Change	
	(12 months)	(12 months)	€m	%
Revenues	20.6	18.3	+ 2.3	+ 12.3%
Current operating income	(0.3)	(0.9)	+ 0.6	+ 69.7%
Pre-tax current income	(0.6)	(1.4)	+ 0.9	+ 58.9%
Consolidated net income	(0.7)	(1.4)	+ 0.7	+ 49.2%
Net income (Group share)	(0.8)	(1.3)	+ 0.5	+ 42.0%
Shareholders' equity (Group share)	2.8	1.6	+ 1.2	+ 80.9%
Net financial debt	6.7	7.6	- 1.1	- 12.6%

### Key developments for the year

During FY 2022-23, the GECI International Group recorded solid growth in business, while improving its profitability.

Growth was driven by the Group's realignment around its core Digital and Technology markets, and specifically the high performance computing (HPC), financial IT and telecoms activities, thanks to the renewal of client listings and the concrete progress made with major new contracts in Brazil in particular. These positive trends made it possible to largely offset the contraction in the IT outsourcing activities and the withdrawal from South Africa.

Alongside this, its flexible organization and streamlined cost structure enabled the Group to further strengthen its agility and turn around its profitability.

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 structure.

### Earnings

The Group's full-year revenues at March 31, 2023 climbed to €20.6m, with +12.3% year-on-year growth (+13.4% at constant exchange rates). Specifically, this progress reflects a robust second-half performance (+9.8% compared with the first half of the year), driven by the development of the technology division (+24.2% compared with the first half of the year).

The Group would like to confirm that the growth reported in the press release from May 15, 2023 (+15.6%) was incorrect due to a reporting error with revenues for the previous year. For FY 2022-23, the Digital division (€11.9m; 58% of consolidated revenues) is up +12.9% year-on-year. The technology division (€8.7m; 42% of consolidated revenues) recorded year-on-year growth of +11.6%. International operations represent 25.7% of the Group's business.

Current operating income came to -€0.3m, compared with -€0.9m at March 31, 2022. It broke even for the second half of the year (H1 : -€0,3m; H2 : €0m). The increase in the gross margin in a context of stronger value-added growth and the effective management of overheads, which were reduced by -40% over the last three years, are the main factors behind this improvement in operational profitability.

Both business segments, Digital and Technology, improved their results over the full year. Profit from recurring operations was positive by €0.1m for the Digital division (+€0.5m on the previous year) and by €0.3m for the Technology division (+€0.2m on the previous year).

€m	2022-23				2021-22			
	Digital	Technology	Holding	march-23	Digital	Technology	Holding	march-22
Revenues	11.9	8.7		<b>20.6</b>	10.6	7.8		<b>18.3</b>
Current operating income	0.1	0.3	(0.7)	<b>(0.3)</b>	(0.4)	0.0	(0.5)	<b>(0.9)</b>
% of revenues	1.1%	3.1%	-	<b>(1.3)%</b>	(3.9)%	0.6%	-	<b>(4.8)%</b>

Net income (Group share) was impacted by €(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, and €(0.2)m of provisions for liabilities. It shows a -€0.8m loss, compared with -€1.3m at March 31, 2022.

## Financial position

Shareholders' equity (Group share) at March 31, 2023, after factoring in earnings for the year, totaled +€2.8m, compared with +€1.6m the previous year. It includes a total of €2.2m for the capital increases carried out through the conversion of 220 ORNAN bonds<sup>1</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's net financial debt at March 31, 2023 totaled €6.5m, compared with €7.6m at March 31, 2022, down -14.6%. Cash and cash equivalents totaled €0.6m, down -€0.2m from the previous year.

Gross financial debt includes €3.5m of debt linked to the Eolen Group's acquisition (put and vendor loan), €1.9m for the factoring advance, €0.7m of bank debt (including overdrafts) and €0.5m for the restatement of lease charges, in addition to 30 ORNAN bonds and 37 convertible bonds for €0.3m and a €0.2m partner current account<sup>2</sup>. The Company estimates that its business plan and its effective management of fixed costs will enable it to cover its cash requirements for the next 12 months.

In addition, on May 12, the Group set up new financing with an ORNAN bond issue for a maximum nominal total of €10m, in accordance with the delegation of authority granted to the Board of Directors by the Shareholders' Meeting on September 29, 2022 under the terms of its 17<sup>th</sup> resolution. These additional potential financial resources, without any drawdown requirements, will also make it possible to finance external growth operations, if required, as well as investments in organic growth. Under the delegation granted to it, the Board of Directors decided on June 27 to draw down a first tranche of ORNAN bonds for a total of €0.25m.

## Outlook

The Group is continuing to move forward with its development strategy, combining **technology** and **digital**, in order to drive convergence across its two business lines, offer strategic differentiation, further strengthen its

<sup>1</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 year, the Group carried out two drawdowns for 50 ORNAN bonds each on May 25, 2022 and July 27, 2022, followed by a drawdown for 100 ORNAN bonds on December 21, 2022. There are still 30 ORNAN bonds outstanding, representing a gross total of €0.3m at March 31, 2023. 1,420,833,333 new shares were created during the year. At year-end, there were still 20 ORNAN bonds to be converted following the conversion of 10 ORNAN bonds on April 18, 2023 and May 31, 2023, with the creation of 100,000,000 new shares.

<sup>2</sup> The partner current account concerns the leading shareholder XLP Holding, which contributed €0.2m in August 2022 to support the Group's development strategy.

positions on its growing markets - telecommunications, transport, IT – and respond to the new challenges linked to the digital, ecological and energy transformation of organizations and businesses.

Alongside this, the Group is moving forward with the diversification of its business model, capitalizing on technological alliances and commercial partnerships, especially in France, Israel and Brazil, to market new smart products and services with strong potential, focusing in particular on the smart city market (smart traffic systems, smart public lighting, internet of things, etc.).

With the innovative mindset that has guided the Group since it was founded, its expert management of major projects, and its ability to drive progress with new technological companies, the Group is looking ahead to the future with confidence. The improvement in its results and the strengthening of its financial structure confirm the relevance of the strategic plan implemented, including gains on several markets and the higher billing rates, aligned with the premiumization of the services offered.

For FY 2023-24, in a still uncertain economic environment, the Group is setting itself objectives to continue building on its organic revenue growth and further improve its operational profitability.

### **Additional information**

The statutory auditors have completed the audit procedures on the corporate and consolidated accounts. The certification reports will be issued once the necessary procedures have been finalized for publishing the annual financial report.

### **Next dates**

- Publication of the 2022-23 annual financial report on July 28, 2023 (after close of trading)
- General meeting on September 27, 2023

## **ABOUT GECI INTERNATIONAL**

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

GECI International is a specialist Technology and Digital group. Since it was founded in 1980, the Group has innovated to design and develop smart solutions, products and services for the Research, Industry and Service sectors.

Driven by its recognized expertise, its ecosystem of technological partnerships, its business alliances and its highly qualified capabilities around the world, GECI International is positioned, with agility, across the entire value chain - consulting and expertise, development and integration, IT outsourcing and training - to support businesses and organizations with their search for a competitive strategy.

GECI International is also rolling out a robust new entrepreneurial approach with the development of new smart and technological solutions focused on smart cities and the world of transport.

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

## **CONTACTS**

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