

PRESS RELEASE

FY 2022-23

Paris, November 15, 2022 - 6:30pm

**SMART SOLUTIONS FOR A SMART WORLD****STRONG REVENUE GROWTH FOR THE FIRST HALF OF 2022-23**

GECI International, the Digital and Technology specialist, further strengthened its development during the first half of FY 2022-23, with revenues up +16.4%. This performance confirms the Group's objectives for 2022-23 full-year growth.

FIRST-HALF KEY DEVELOPMENTS

GECI International recorded consolidated revenues of €9.77m during the first half of 2022-23, up +16.4% year-on-year (+15.9% at constant exchange rates), confirming its robust development.

This development is capitalizing on the Group's redeployment around the high value-added Digital and Technology markets, and particularly high performance computing (HPC), financial IT and telecoms in Brazil. This redeployment has 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 Africa¹.

At September 30, 2022, the breakdown of the Group's consolidated revenues was as follows: 76.4% in France and 23.3% in Brazil. This factors in a positive exchange effect in Brazil for €0.04m, representing 0.4% of revenues, in view of the Brazilian real's appreciation against the euro during the first half of this year.

At end-September 2022, the Group had a total of 442 employees, compared with 439 at end-March 2022 and 491 at end-September 2021. This temporary reduction in the global headcount is linked primarily to the completion of a telecommunications project in Brazil, the streamlining of the administrative team and the end of the contract in South Africa.

Alongside this, in the context of its redeployment, the Group is continuing to develop its international network of recruitment, technology and commercial partnerships.

CHANGE IN REVENUES FOR EACH BUSINESS LINE AND REGION

(currently being audited)	Apr 2022 to Sep 2022 (6 months)		Apr 2021 to Sep 2021 (6 months)		Change (%)
	€m	% of rev	€m	% of rev	
<i><u>Business division</u></i>					
Digital	5.93	60.7%	4.77	56.9%	+24.3%
Technologies	3.83	39.3%	3.62	43.1%	+5.9%
Half-year revenues	9.77	100%	8.40	100%	+16.4%
<i><u>Region</u></i>					
France	7.47	76.4%	6.41	76.3%	+16.5%
Brazil	2.27	23.3%	1.76	20.9%	+29.5%
South Africa	0.00	0.0%	0.23	2.7%	na
Israel	0.03	0.3%	0.00	0.1%	ns
Half-year revenues	9.77	100%	8.40	100%	+16.4%

¹ The contract with ESKOM (energy) ended in November 2021.

The **Digital division** (€5.9m, representing 60.7% of half-year revenues) is reporting +24.3% growth compared with the first half of the previous year. The contraction in IT Outsourcing activities (-6.5%) was offset by the increase in HPC sales (+23.9%) and growth in the Finance activities (+54.6%).

The **Technology division** (€3.8m, representing 39.3% of half-year revenues) is up +5.9% from the previous year. The Telecoms business in France is down -8.6% due to a reduction in demand. However, the Brazilian subsidiary's revenue growth (+27.1% at constant exchange rates), following the rollout of major Telecoms contracts signed in the last two years, has consolidated the subsidiary's positioning.

FINANCIAL POSITION

The Group has further strengthened its financial position by:

- (i) reinforcing its presence alongside its main contracting authorities with a range of stronger value-added solutions, notably reflected in a significant increase in revenues for the banking and services activities (+54.6%) and high performance computing (+23.9%);
- (ii) increasing the average daily billing rate in France (+18.4% between April 2021 and October 2022).

The Group's net financial debt totaled €6.5m at end-September 2022 (figures currently being audited), including €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 and €0.7m of cash.

The net financial debt is therefore down €1.1m or -14.0% compared with March 2022 (€7.6m). The partner current account concerns the leading shareholder XLP Holding, which contributed €0.2m in August 2022 to support the Group's development strategy.

During the first half of FY 2022-23, the Group raised €1m gross through the conversion of 100 ORNAN bonds². This refinancing enabled the Group to repay part of its debt and further strengthen its equity at end-September 2022, through capital increases for the same amount.

OUTLOOK

The GECl International Group is redefining its strategy with its withdrawal from South Africa, the realignment of its IT business around finance and services, the development of HPC for industry and the expansion of its Telecoms business transitioning towards smart urban equipment and smart city solutions and products.

Against this backdrop of its relaunch and transformation, the Group is further strengthening its innovation strategy, combining technology and digital, to support its redeployment and serve high-potential markets - telecommunications, transport, renewable energies, financial IT and smart cities.

In the cybersecurity sector, the Group has also decided to focus its expertise on SOC (Security Operations Center) consulting, with an original range of 24-7 multilingual services, in addition to suspending the distribution of cybersecurity software.

GECl International is benefiting from technological alliances and innovation capabilities, thanks in particular to its network of alliances in France, Israel and Brazil, to support the development of its Digital and Technology activities, ramp up the convergence of its two divisions, and meet the challenges of a new world looking for an energy transition and an economy adapted for the conditions of a rapidly evolving planet.

For the current financial year, considering the good trends observed, the Group is forecasting double-digit growth in its full-year revenues.

With the convergence of its Digital and Technology activities, 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 continue moving forward with its development in line with a new roadmap for profitable growth, while diversifying its business model to include new sources of growth, particularly in the smart city sector.

² 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.

NEXT DATE

2022-23 half-year earnings on December 16, 2022 (after close of trading).

ABOUT GECI INTERNATIONAL

“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.

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