

PRESS RELEASE

Full-year earnings
FY 2020-21
Paris, July 21, 2021 – 6:30pm



2020-21 FULL-YEAR EARNINGS

Thanks to the in-depth transformation work carried out, GECI International is reporting a strong improvement in its results and a positive net income figure for the full year

During the Board meeting on July 21, 2021, the Directors reviewed and approved the annual financial statements for FY 2020-21, ended March 31, 2021.

Consolidated financials

€m	2020-21 (12 months)	2019-20 (12 months)	Change
Revenues	16.7	25.5	-8.8
Current operating income	(1.6)	(2.9)	+1.3
Pre-tax current income	1.0	(6.5)	+7.5
Net income from continuing operations	1.4	(6.9)	+8.3
Net income from discontinued operations	(1.1)	-	ns
Consolidated net income	0.3	(6.9)	+7.2
Net income (Group share)	0.7	(6.4)	+7.2

Key developments

In FY 2020-21, during a year significantly affected by the health crisis, the Group showed its resilience and agility to mobilize around its core goals: returning to profitability and redeploying its strategy around Digital and Technology.

The results for the year highlight the progress made. The restructuring operations carried out since September 2019 - scaling back premises, optimizing processes and headcounts, outsourcing functions, etc. - have made it possible to reduce the impact of the contraction in business on the Group's results, including a reduction of the operating loss.

These restructuring operations are also reflected in the Group's withdrawal from the Automotive sector, with the deconsolidation of ETUD Integral. This has made it possible to significantly reduce the Group's cash consumption, while improving its financial position.

Lastly, the financing agreement set up in November 2020 based on issuing ORNAN bonds redeemable in cash and/or new shares has enabled the Group to return to a sound financial position, while securing its stability over the medium and long term. Specifically, this financing has provided the Group with the financial resources needed to cover its obligations over the short and medium term, while continuing to move forward with its deleveraging strategy and supporting its redeployment.

Earnings

The Group's full-year revenues at March 31, 2021 came to €16.7m, down 35% year-on-year (-26% versus the previous year on a comparable basis). International operations represent 19% of the Group's full-year revenues. The breakdown of the Group's operations between its various markets is as follows: 91% for Digital Transformation and 9% for Technology Consulting.

Current operating income came to -€1.6m, compared with -€2.9m at March 31, 2020. This positive change illustrates the impacts of the fixed cost reduction and savings plan rolled out for nearly two years.

Other operating income and expenses are positively impacted by the deconsolidation of ETUD Integral and the realignment of the Group's services. In this context, net income from continuing operations came to +€1.4m.

In accordance with the Group's realignment strategy, income from discontinued operations in 2020-21 includes the losses relating to the liquidation of ETUD Integral's business, for -€1.1m, corresponding to the share of income and expenses from this business unit between April 2020 and November 2020.

At March 31, 2021, net income (Group share) is positive with €0.7m, up from a net loss of -€6.5m at March 31, 2020.

Financial position

After factoring in earnings for the year, shareholders' equity (Group share) represents €(1.0)m, compared with €(4.9)m at March 31, 2020. This includes a total of €3.5m for the capital increases carried out through (i) the conversion of the remaining ORNAN bonds issued on February 13, 2019¹, (ii) the conversion of part of the ORNAN bonds issued in connection with a financing agreement for up to €9.3m set up on September 30, 2020², and (iii) the exercising of the BSAR A redeemable warrants³ freely distributed following the general meeting on July 28, 2017.

Thanks to the financing in place, the Group has been able to cover its short and medium-term cash requirements, while reducing its debt. The Group's net debt at March 31, 2021 totaled €(9.6)m, compared with €(12.6)m at March 31, 2020, and includes bank borrowings for €1.2m, lease commitments for €1.8m and advances granted by the factor for €1.9m. Cash and cash equivalents are stable compared with the previous year at +€1.2m.

Outlook

The Group's indicators show positive trends. Covering dynamic sectors with its innovative, value-added solutions, the Group is positioned to move forward with its recovery.

FY 2021-22 has started with new dynamics in place, driven by a new experienced operational leadership team, a stronger sales force, an acceleration of recruitment for specialist staff, an extension of the international recruitment partner network, and various alliances with technology companies, focused in particular on cybersecurity and smart solutions and products.

Since the start of FY 2021-22, several operational developments have confirmed the relevance of the strategic plan implemented, including the upturn on several markets and the higher billing rates, aligned with the premiumization of the services offered.

The Group is therefore confident that it will be able to continue building on its recovery with sustainable foundations. The recent convertible bond issue in June 2021 is enabling it in particular to continue with its strategy to return to a balanced position and finance its development.

"FY 2020-21 has started with positive dynamics, following on from the significant improvement seen in the second six months compared with the first half of the previous year. We will continue moving forward with our redeployment around the high value-added Digital and Technology markets. We are particularly confident about our return to growth for our

¹ On February 11, 2019, the Group set up financing for a nominal total of €4m by issuing 400 bonds redeemable in cash and/or new Company shares ("ORNAN bonds"), reserved exclusively for YA II PN, LTD, an investment fund managed by the management company Yorkville Advisors Global, LP. Over the full year, 79 ORNAN bonds were converted into shares, with 34,833,332 new shares created. The outstanding warrants to be converted (34 ORNAN bonds) were redeemed at par on November 13, 2020, with the drawdown of a new ORNAN bond tranche from a new ORNAN bond financing line set up on September 30, 2020.

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. Over the full year, 365 ORNAN bonds (out of 400) were converted into shares, with 270,833,332 new shares created.

³ As authorized by the extraordinary general meeting on July 28, 2017, the Group freely awarded 77,326,418 BSAR A warrants to the Company's shareholders on July 31. During FY 2020-21, 51,536 free BSAR A warrants were exercised, with 12,884 new shares created, for a total of €3,478.68. The contract runs through to July 31, 2021. The BSAR A warrants are listed on Euronext.

French and International operations, as well as the continued improvement of our margins”, concluded Serge Bitboul, GECI International Group Chairman and CEO.

Next dates

- Publication of the 2020-21 annual financial report on July 22, 2021 after close of trading
- General Meeting in September 2021

ABOUT GECI INTERNATIONAL

“Smart Solutions for a Smart World”

Founded in 1980, GECI International is a specialist Digital Transformation and Technology Consulting group. For over 40 years, GECI International has innovated alongside major industrial and service companies to provide smart solutions, products and services. With its network of partner companies and expert capabilities worldwide, the Group offers integrated solutions for Finance, Services and Industry for its clients, from key accounts to SMEs and startups.

GECI International has been listed on the Euronext Growth Paris market since March 29, 2021.
ISIN (shares): FR0000079634 – ALGEC / ISIN (BSAR A warrants): FR0013266764 – GECBT

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