

## PRESS RELEASE

FY 2023-24

Paris, January 30, 2024 - 6:30pm



**SMART SOLUTIONS FOR A SMART WORLD**

### 2023-24 FIRST-HALF EARNINGS

- **Half-year revenues<sup>1</sup> up 18.0%**
- **Current operating income breaking even**

During the Board meeting on January 29, 2024, the Directors reviewed and approved the half-year financial statements for the period ended September 30, 2023.

€m	2023-24	2022-23	Change		2022-23
	(6 months)	(6 months)	€m	%	(12 months)
Revenues	11.57	9.80	+ 1.8	+ 18%	20.57
Current operating income	(0.06)	(0.28)	+ 0.2	+ 79%	(0.26)
Pre-tax current income	(0.09)	(0.37)	+ 0.3	+ 75%	(0.59)
Consolidated net income	(0.26)	(0.35)	+ 0.1	+ 25%	(0.73)
Net income (Group share)	(0.25)	(0.34)	+ 0.1	+ 26%	(0.75)
Shareholders' equity (Group share)	2.70	2.62	+ 0.1	+ 3%	2.84
Net financial debt	6.54	6.60	- 0.1	- 1%	6.66

### FIRST-HALF KEY DEVELOPMENTS

During the first half of FY 2023-24, the GECI International Group (the “**Company**”) recorded sustained business growth, with consolidated revenues up +18.0% from the first half of the previous year.

This robust organic growth was driven by the development of the telecoms activities, benefiting from the delivery of major contracts in Brazil, as well as the solid performance by the financial IT and high performance computing (HPC) activities. These positive trends made it possible to largely offset the contraction in the IT outsourcing activities.

The turnaround in the Company’s profitability continued to progress over the first half of this year. With its sustained commercial trends, agile organization and effective cost management despite the inflationary context, the Company’s current operating income broke even during the first half of 2023-24.

Lastly, the financing set up with the issue of ORNAN bonds redeemable in cash and/or new shares enabled the Company to cover its short and medium-term cash requirements, while continuing to further strengthen its financial structure.

### FIRST-HALF EARNINGS

The Company’s half-year revenues at September 30, 2023 came to €11.6m, up +18.0% from the first half of 2022-23 (+18.7% at constant exchange rates), with the following breakdown: 44.9% for **Digital** and 55.1% for **Technology**, with international operations representing 40.8% of the Group’s business.

<sup>1</sup> Adjusted following financial elements reported by the subsidiaries. Compared with the revenues reported on November 14, 2023, revenues were adjusted for Brazil in particular by +€0.02m. Brazil’s revenues of €4.72m factor in a negative exchange effect for €0.07m, representing 0.6% of total revenues, following the Brazilian real’s revaluation against the euro during the first half of this year.

Current operating income came close to breaking even at €(0.06)m, compared with €(0.28)m for the first half of the previous year. The good level of the gross margin (in value terms) in a context of strong growth and the continued reduction of overheads (-8% for H1) contributed to this improvement in operational profitability.

The two business sectors, Digital and Technology, recorded encouraging results during the first half of this year. The Digital division's current operating income was close to breaking even at €(0.1)m, stable compared with the first half of the previous year, thanks to the effective management of operating expenses. The Technology division's current operating income was positive at €0.4m (+€0.5m versus the first half of the previous year), driven by the positive business trends.

€m	H1 2023-24				H1 2022-23			
	Digital	Technology	Holding	Sep-23	Digital	Technology	Holding	Sep-22
Revenues	5.19	6.38		<b>11.57</b>	5.49	3.86		<b>9.80</b>
Current operating income	(0.10)	0.40	(0.36)	<b>(0.06)</b>	(0.10)	(0.08)	(0.09)	<b>(0.28)</b>
% of revenues	(2.0)%	6.2%	-	<b>(0.5)%</b>	(1.7)%	(2.1)%	-	<b>(2.8)%</b>

After taking into account a stable level of net financial expenses and a higher tax expense (+€0.2m), net income (Group share) came to €(0.25)m at September 30, 2023, compared with €(0.34)m at September 30, 2022.

## FINANCIAL STRUCTURE

After factoring in half-year earnings, shareholders' equity (Group share) is positive at September 30, 2023, with €2.7m, versus €2.8m at March 31, 2023. It includes a total of €0.15m for the capital increases carried out through the conversion of 15 ORNAN bonds<sup>2</sup> issued in connection with the drawdown on December 21, 2022. This financing also enabled the Group to repay part of its debt.

Net financial debt came to €6.5m at end-September 2023, down €0.12m from March 31, 2023 (€6.7m). It includes €0.64m of financial debt (including overdrafts), €1.66m for the factoring advance, €0.42m for the ORNAN bond and convertible bond debt, €0.63m for the restatement of lease charges, €3.45m of debt linked to the Eolen Group's acquisition (put and vendor loan), €0.14m for a partner current account and €0.39m of cash.

## POST-CLOSING EVENTS

### GECI International stock consolidation

As indicated in its press releases on November 15, 2023, and January 8, 2024, the Company carried out a stock consolidation operation, based on one (1) new share with a par value of €1 to be issued for ten thousand (10,000) existing shares with a par value of €0.0001 to be consolidated. This operation was completed on January 5, 2024.

This consolidation aims to reduce the number of Company shares outstanding, a source of volatility and management difficulties, while recreating positive dynamics for the Company on the stock market.

Following the consolidation, the Company's share capital now stands at 465,477.00 euros, divided into 465,477 ordinary shares with a par value of 1 euro each.

<sup>2</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 first half of this year, the Group converted 15 ORNAN bonds, with 200,000,000 new shares created. At the end of the first half of this year, there were still 15 ORNAN bonds outstanding, which were converted in full in October 2023, with 975,000,000 new shares created. Furthermore, as authorized by the Combined General Meeting on September 29, 2022, the Company set up financing on May 12, 2023 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, the Company carried out one drawdown for 25 ORNAN bonds on June 25, 2023. Out of these 25 ORNAN bonds drawn down, 11 were converted in November 2023, with 1,100,000,000 new shares created, while 14 were converted in January 2024 after the stock consolidation, giving rise to the creation of 115,641 new shares. At the end of the first half of this year, there were 975 ORNAN bonds (undrawn), representing a gross total of €9.75m.

The Company reminds that the period of suspension of the rights of holders of securities giving access to the capital ended on January 6, 2024.

## OUTLOOK

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The growth in revenues, the ongoing strengthening of the financial position, and the expected improvement in profitability bolster the Group's confidence in the relevance of the implemented strategy and its ability to pursue sustainable growth.

In a disruptive environment driven by the new challenges of the digital, ecological and energy transformation of organizations and businesses, the Company is continuing to move forward with its strategy for innovation and redeployment on high-growth markets, focusing in particular on the HPC sector, where there are major opportunities around Big Data, Cloud and Artificial Intelligence.

Alongside this, the Company is expanding its technological alliances and commercial partnerships, especially in France and Brazil, to further strengthen its IT and telecoms activities.

These alliances will also help market a range of smart solutions with strong potential for the smart city market (smart cities and related systems such as traffic systems, public lighting, parking, residences, internet of things, etc.).

With the innovative mindset that has guided the Company since it was founded, its expert management of complex projects, and its ability to drive progress with new technologies, GECI International aims to continue building on its profitable growth.

*The half-year financial report is available online at [www.geci.net](http://www.geci.net).*

## NEXT DATE

2023-24 full-year revenues on May 15, 2024 (after close of trading)

## 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): FR001400M1R1 – ALGEC.

## CONTACTS

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