

Press release

Information following the initiation of the receivership procedure of Blade SAS Revised revenue target for 2020/21: €162-175 million

Strasbourg (France), March 3, 2021 - 2CRSi (ISIN: FR0013341781), a designer and manufacturer of high-performance, energy-efficient IT servers, provides information to its shareholders following the opening of receivership proceedings in favor of its customer Blade SAS.

The company Blade SAS, the specialist of cloud PC for video game players, was placed in receivership proceedings by the Paris Commercial Court yesterday.

2CRSi has a hold on €30.2 million of hardware used by Blade SAS

In all contracts between the two companies, the servers provided remain the property of 2CRSi¹ until all lease payments or instalments are paid by Blade. As a result, 2CRSi now has the capacity to take over servers corresponding to €30.2 million worth of orders placed in 2017, 2018 and 2020.

These servers that 2CRSi could take over are high-end graphics card (GPU) based compute servers and storage servers. Given the shortage of electronic components and more specifically graphics cards since the end of 2020, there is a strong demand on the market for this type of equipment and 2CRSi has already received indications of interest from several customers for the servers involved.

2CRSi will initiate a claim procedure without delay, in accordance with legal provisions, in order to recover this equipment, which is still owned by the Group.

Receivables on equipment sold or leased to Blade SAS: €10.8 million

Within the framework of the collective proceedings of Blade SAS, 2CRSi may not be able to recover all or part of the sums owed by the customer under the current contracts mentioned above. The corresponding receivables amount to €10.8 million in the consolidated financial statements as of February 28, 2021 (including interests).

The financial debt corresponding to the financing of the contracts with Blade SAS amounts to €3.7 million as of today.

¹ For some equipment, 2CRSi used lease financing. In this case, ownership remains with the financier until full payment of the lease payments and the purchase option. The amount of these financial debts amounts to €3.7 million.

In brief :

Group exposure to Blade SAS	Amounts (€m)
Client receivables	10.8
of which accruing interest	1.5
Corresponding financial debt	3.7
Recoverable hardware (historical order value)	30.2

€2 million invested in Blade's capital in 2019

In 2019, 2CRSi participated in the capital increase of Blade SAS, investing €2 million by offsetting receivables corresponding to interests owed by Blade under an equipment sale contract. With the entry of Blade into receivership proceedings, this investment will be fully depreciated.

Update on US subsidiary Blade Corp

To date, 2CRSi is only aware of one procedure concerning Blade SAS. The US subsidiary, Blade Corp, is also a historical customer of 2CRSi.

For general information (amounts in \$ millions):

Group exposure to Blade Corp	Amounts (\$m)
Client receivables	23.3
of which accruing interest	3.0
Corresponding financial debt	1.2
Recoverable hardware (historical order value)	29.4

A long-standing customer whose weight is now reduced

In 2020/2021, orders delivered to the entire Blade Group are expected to represent a total of €17 million. Some compute servers, for an amount of €9.3 million, which were part of the order confirmed by Blade in April 2020, have been subject to repeated postponements on Blade's initiative and therefore have not been delivered to date.

While 2CRSi has supported Blade in its development since 2017 by providing it with a high-performance server infrastructure with reduced energy consumption, Blade now represents about 10% of the Group's deliveries, thanks to the work carried out over the past 2 years to expand and diversify the customer portfolio.

The Group revises its revenue target for the year 2020/21

The undelivered part of the Blade order, combined with delays on signed orders related to the health context, leads 2CRSi to refocus its revenue target for the financial year closed on February 28, 2021. This should be between €162m and €175m (vs. €170-200m initially targeted). Both these recent orders and the solid current sales momentum make it possible to start the 2021/22 financial year with confidence.

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Next on the agenda: 2020/2021 revenue on April 29, 2021, after trading.

About 2CRSi

Founded in Strasbourg (France), 2CRSi group develops, produces and sells high-performance customised and environment-friendly servers. In the financial year 2019/2020, the Group achieved *pro forma* turnover of €141.1m. The Group today has approximately 350 employees and markets its offer of innovative solutions (processing, storage and network) in more than 50 countries. 2CRSi has been listed since June 2018 on the regulated market of Euronext in Paris (ISIN Code: FR0013341781) and is included in the European Rising Tech label. For further information please visit: www.2crsi.com

Contacts

2CRSi

Marie de Lauzon
COO
investors@2crsi.com
+33 3 68 41 10 70

Actifin

Simon Derbanne
Financial Communication
sderbanne@actifin.fr
+ 33 1 56 88 11 14

Actifin

Jennifer Jullia
Financial PR
jjullia@actifin.fr
+ 33 1 56 88 11 19