Press release

2021/22 Consolidated annual results*

- Revenue of €183.6m, up 12.4%
- EBITDA margin up 70 basis points (5.2% of revenue)
- Changes in Group governance
- Upbeat on financial year 2022/23

Strasbourg (France), 11 July 2022 - 2CRSi (ISIN: FR0013341781), a designer and manufacturer of high-performance energy-efficient IT solutions, releases its consolidated annual results for financial year 2021/22 ended 28 February 2022.

The Group turned in consolidated full-year revenue of €183.6 million in 2021/22, up 12.4% year-on-year despite an unfavourable comparison base stemming from the bankruptcy of its main client, Blade (revenue of €17.9m in 2020/21), early in the year (2 March 2021).

The conditions created by Covid and Brexit generated additional costs and lead times affecting operational performance. Sales could have been significantly improved if relations with existing and prospective clients had gone ahead in a business as usual setting. The technological innovations of products designed and manufactured by 2CRSi and Tranquil-IT need to be seen, tested and validated.

Furthermore, the Group continued its global expansion, opening a new Canadian subsidiary in 2021. As an international, or more precisely "multi-local" group, 2CRSi is capable of overcoming global geopolitical challenges: revenue earned in France made up just 13% of total revenue (vs. 16% last year) and the Group's top 10 clients only accounted for 35% (vs. 43% in 2020/21). 79% of revenue is generated in the Group's countries of operation.

The Group has no exposure to Ukraine, Belarus or Russia.

CONSOLIDATED ANNUAL RESULTS FOR FY 2021/22

Simplified income statement - In millions of EUR - IFRS *(audit in progress)*	2021-2022	2020-2021	Change
Revenue	**183.6**	**163.3**	**+12.4%**
Other ordinary operating income	1.4	3.9	-65.1%
Revenue from ordinary activities	**185.0**	**167.2**	**+10.6%**
Consumed purchases	(141.0)	(129.7)	+8.7%
Gross margin rate	*23.2%*	*20.6%*	*+250 bp*
External expenses	(11.0)	(9.4)	+16.8%
Personnel expenses	(23.6)	(19.5)	+20.6%
Taxes	(0.6)	(0.6)	ns
Other operating income and expenses	0.6	(0.6)	ns
EBITDA	**9.5**	**7.4**	**+29.8%**
EBITDA margin	*5.2%*	*4.5%*	*+70 bp*
Other current operating income and expenses	(0.5)	(0.2)	+153.2%
Depreciation, amortisation and impairment	(8.3)	(6.6)	+25.6%
Current operating income (expense)	**0.7**	**0.6**	**+27.1%**
Current operating margin	*0.4%*	*0.3%*	*+10 bp*
Operating income (expense)	**0.7**	**0.6**	**+27.1%**
Financial income (expense)	(3.0)	(5.0)	-41.1%
Taxes	0,6	0,1	ns
Consolidated net income (expense)	**(1.6)**	**(4.3)**	**ns**
Group net income (expense)	**(1.6)**	**(4.2)**	**ns**

2CRSi's gross margin stood at 23.2%, compared with 20.6% in 2020/21.

Despite a relatively stable number of employees (+4.56%), personnel expenses were up 20.6%, particularly due to an accounting reclassification at Boston Server and Storage Solutions (Germany). Excluding this impact, personnal expenses increased by 12%, in line with activity.

External expenses increased by 16.8% over the year.

Thanks to a boost in sales of services, EBITDA rose 29.8% year-on-year to €9.5m, i.e. an EBITDA margin of 5.2% of total revenue, up 70 basis points.

Depreciation, amortisation and provisions amounted to €8.3m versus €6.6m the previous year

With financial expenses dropping from €(5.0)m to €(3.0)m, Group net income (expense) improved significantly from €(4.2)m last year to €(1.6)m this year.

Simplified consolidated balance sheet In millions of EUR - IFRS *(audit in progress)*	28/02/2022	29/02/2021
Goodwill	8.7	7.8
Intangible assets	16.3	15.6
Tangible assets[1]	20.0	22.2
Non-current financial receivables	4.4	7.2
Other non-current assets	4.1	3.2
Total non-current assets	**53.5**	**55.9**
Inventories	56.6	32.2
Customers	26.2	28.1
Other current assets	16.8	12.1
Current financial receivables	5.9	28.1
Cash and cash equivalents	4.7	4.5
Total current assets	**110.3**	**105.1**
TOTAL ASSETS	**163.8**	**161.0**
Capital attributable to equity holders of the parent	40.9	40.7
Non-controlling interests	(0.3)	(0.1)
Consolidated capital	**40.6**	**40.7**
Borrowings and financial debt	31.9	33.8
Non-current lease liabilities	12.3	14.0
Other non-current liabilities	3.1	3.6
Total non-current liabilities	**47.3**	**52.4**
Trade payables	24.8	24.1
Current financial liabilities	24.4	23.1
Current lease liabilities	3.0	2.9
Other current liabilities	23.5	17.9
Total current liabilities	**75.8**	**67.9**
TOTAL LIABILITIES	**163.8**	**161.0**

At the end of financial year 2021/22, inventories were up sharply to €56.6m, compared with €32.2m at 28 February 2021 (reflecting in particular the creation of strategic inventories of parts to address shortages and

[1] Includes items associated with right-of-use assets (IFRS 16).

the recovery of Blade assets at the start of the year. Conversely, inventories were down slightly compared to end-August 2021 (€57.4m).

At 28 February 2022, 2CRSi recorded current financial receivables of €5.9m versus €28.1m last year, due in large part to payments (€10.5m) for the acquisition of Blade by hubiC (Mr Octave Klaba) and the recovery of the remaining equipment.

In addition, the Group is continuing to reduce its bank debt, which fell from €38.8m to €28.0m.

Net FCF held steady at €2.9m at 28 February 2022 versus €3.1m at 28 February 2021.

In addition, on 4 July 2022, the Group recorded unused credit lines totalling €3.5m.

CHANGES IN GOVERNANCE:

Lilla Merabet, former Vice-Chair of the Grand Est Region, in charge of Competitiveness, Digital Technology and the Excellence Division, and former Director of Fondation de France, will be recommended as a new independent director at the next AGM on 31/08/2022, replacing Dominique Henneresse, who resigned.

A company director certified by the Institut Français des Administrateurs and Sciences Po, Lilla Merabet currently manages the Force Foundation for research and innovation in healthcare and regularly provides executive mentoring and transition management consulting services.

Marie de Lauzon left her position as Deputy Chief Executive Officer on 6 May 2022 and resigned from her office as director on 9 July 2022.

The company expresses its gratitude to Dominique and Marie for their hard work and service during their terms of office.

CURRENT FINANCIAL YEAR AND OUTLOOK

2CRSi boasted multiple major new commercial successes (https://investors.2crsi.com/fr/communiques-de-presse/) during the financial year spanning all regions of operation, including the record-setting €73m contract earned in March, a large order for thousands of servers in April, and developments in Germany, the United States, Africa, the Middle East and India.
Thanks to the investments and recruitments made, and its capacity for innovation, 2CRSi is particularly confident it will be able to forge ahead with its expansion. Against this backdrop, the Group will detail its long-term vision by the end of the year when it presents its new strategic plan, “Mission 2027”, a profitable growth plan driven by the strong ambition of achieving 1% market share on the global IT server segment.

*** The financial statements were approved by the Board of Directors on Monday, 11 July and are currently being audited**

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Next event: Annual General Meeting on 31 August 2022.

About 2CRSi

Founded in Strasbourg (France), 2CRSi group develops, produces and sells customised, high-performance and environment-friendly servers. In the 2021-22 financial year, the Group generated revenue of €183,6 million. The Group today has around 400 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). For further information please visit: www.2crsi.com.

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