

Press release

Consolidated revenue for fiscal year 2020/2021: €163.8 million

- Growth of +16.1% compared to 2019/20 pro forma
- Continued customer diversification
- A dynamic second half

Correction of the consolidated accounts for the 2019/2020 financial year

Strasbourg (France), 29 April 2021 – 2CRSi (ticker: 2CRSI, ISIN: FR0013341781), a designer and manufacturer of high-performance, energy-efficient IT servers, publishes its revenue for the fiscal year 2020/21 (March 1, 2020 to February 28, 2021) and makes a correction to the consolidated financial statements for the fiscal year 2019/20.

As a reminder, the fiscal year 2019/20 was marked by the acquisition of the Boston Limited group and had an exceptional duration of 14 months, from January 1, 2019 to February 29, 2020. Therefore, for comparability purposes, revenue for fiscal year 2019/20 is hereafter presented on a pro forma¹ 12-month basis, from March 1, 2019 to February 29, 2020.

Financial year 2020/2021 revenue

IFRS In € million	2020/2021		2019/2020			Change vs. pro forma
	2CRSi (hist. scope)	Boston Limited	2CRSi (conso.)	2CRSi 14 months ¹ (conso.)	2CRSi 12 months pro forma ² (conso.)	
Revenue (in € million)	54.8	109.0	163.8	77.0	141.1	+16.1%

Note: FY2020/21 data unaudited.

Including the contribution of the historical 2CRSi scope of €54.8m and Boston Limited of €109.0m, 2CRSi's consolidated revenue for the full year 2020/21 reached €163.8m, an increase

¹ Revenue over the 14-month period running from Jan 1, 2019 to February 29, 2020 includes that of Boston Limited, consolidated since November 18, 2019.

² Pro forma revenue for the 12-month period running from Mar. 1, 2019 to Feb. 29, 2020 was based on:

- 2CRSi's historical Group revenue for the 14-month period from which was deducted revenue recognized for the period running from January 1, 2019 to February 28, 2019 on the same scope of consolidation basis.
- The addition of Boston Limited's consolidated revenue for the period from March 1, 2019 to February 29, 2020.

of +16.1% compared to the 2019/20 pro forma. This performance is in line with the revised revenue target following the change in the situation of customer Blade³.

Continued diversification of customer portfolio

The Group confirms the trend of expansion and diversification of its customer base:

- The Group's top client accounts for 10% of total revenue in the period, versus 13% in the first half 2020/21,
- The Group's top 10 clients contribute 41% of total revenue in the period, versus 49% in the first half 2020/21.

A growth year, reinforced by a dynamic second half

Thanks to the diversification of the customer portfolio, the second half of the year saw major commercial successes with new customers in the cloud industry, the banking sector, HPC (high performance computing) services or cryptocurrencies, while the Group also continued its activities with historical customers such as OVHcloud.

In addition, the value-added distribution business resulting from the acquisition of Boston Limited also contributed to growth during the year, while a large proportion of its customers were affected by the sanitary context.

"2020 has been a challenge for the entire economy. In this troubled context and thanks to the mobilization of our teams, we have managed to achieve a solid growth in our revenue of over 16%; this is driven by good sales momentum in the second half of the year with the closing of several significant contracts. This is a demonstration of the relevance of our strategy," said Marie de Lauzon, COO of 2CRSi.

Update on Blade's³ situation

In the context of the receivership of Blade SAS, 2CRSi, still the owner of the materials of the ongoing contracts with Blade, has reached agreements with the last two candidates for the takeover. The decision of the Paris Commercial Court concerning this takeover is expected on Friday April 30, 2021.

³ As a reminder, on March 3 and 11, 2021, the Group published updates re. the filing for bankruptcy protection of one of its main customers, Blade SAS, and the subsequent filing for bankruptcy protection of its US subsidiary Blade Global Corp. In this context, for the 2020/2021 fiscal year, Blade ordered 9.3 million euros worth of computing servers that could not be delivered to the customer and, consequently, were not recognized as revenues. The portion of the order that was not delivered to Blade, combined with the postponement of orders (now signed) due to the sanitary context, led 2CRSi to revise its 2020/2021 revenue target to between €162 million and €175 million.

Update on the shortage of electronic components

The first months of 2021 remain marked by the global shortage of electronic components. While this shortage affected more specifically power supplies, memory modules and graphics cards, it has spread in 2021 to all products related to data storage (controllers, hard disks, flash) as well as to processors.

In the short term, 2CRSi has sufficient inventory to deliver its customers' orders and to face longer lead times. However, the Group's growth could be affected, should the shortage continue in the medium term.

Finally, as this shortage of components is worldwide and widespread, the associated cost increases have so far been passed on to sale prices.

Correction to the 2019/20 consolidated financial statements

In the process of preparing its annual financial statements as of February 28, 2021, the company noted that operating expenses for the previous year 2019/2020 had been understated by €2.8m, following an incorrect booking of one credit note to be received. This mistake led to an overstatement of EBITDA by €2.8m and of consolidated net income, Group share, by €2.1m in the financial statements for the year ending February 29, 2020.

This error gives rise to a correction of -€2.8m in EBITDA and -€2.1m in consolidated net income for the year ended February 29, 2020. The consolidated balance sheets as of February 29, 2020 and August 31, 2020 are also modified. It has however no impact on the results of the interim consolidated financial statements as of August 31, 2021.

Modified consolidated income statement and balance sheet are annexed to this release.

While Boston Limited was being consolidated for the first time, closing work for fiscal year 2019/2020 was also constrained as a direct consequence of the health crisis and the first national lockdown. 2CRSi has since reinforced its finance department in France and in the United Kingdom and initiated a plan to improve processes and adapt them to the current situation.

Next event: fiscal year 2020/2021 annual results on May 31, 2021, after trading.

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About 2CRSi

Founded in Strasbourg (France), 2CRSi group develops, produces and sells high-performance customised and environment-friendly servers. In the financial year 2020/2021, the Group achieved turnover of €164m. 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

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Income statement

Simplified audited income statement In millions of EUR - IFRS	2019-2020 14 months			2019-2020 12 months pro forma*		
	published	correct ^o	restated	published	correct ^o	restated
Revenue	77.0		77.0	141.1		141.1
Other ordinary operating income	1.7		1.7	0.9		0.9
Revenue from ordinary activities	78.6		78.7	141.8		141.8
Cost of supplies	(57.1)	-2.8	(59.9)	(109.0)	-2.8	(111.8)
External charges	(8.2)		(8.2)	(11.7)		(11.7)
Personnel expense	(12.4)		(12.4)	(16.8)		(16.8)
Tax	(0.6)		(0.6)	(0.6)		(0.6)
EBITDA	0.4	-2.8	(2.4)	3.8	-2.8	1.0
<i>EBITDA margin</i>	<i>0.5%</i>		<i>-3%</i>	<i>2.7%</i>		<i>0.7%</i>
Other current op. income and expenses	(0.6)		(0.6)	(0.6)		(0.6)
Depreciation, amortization and impairment	(5.1)		(5.1)	(4.8)		(4.8)
Current operating income	(5.3)	-2.8	(8.1)	(1.6)	-2.8	(4.4)
Operating profit	(5.5)	-2.8	(8.3)	(1.7)	-2.8	(4.5)
Financial income (expense)	0.6		0.6	0.9		0.9
Consolidated net income (expense)	(4.5)	-2.1	(6.6)	(0.6)	-2.1	(2.7)
Net income (Group share)	(4.3)	-2.1	(6.4)	(0.8)	-2.1	(2.9)

* The pro forma income statement for the 12 months from March 1, 2019 to February 29, 2020 has been prepared:

- Based on the consolidated financial statements of the historical 2CRSi group for the 14-month period from which the consolidated financial statements drawn up for the period from January 1, 2019 to February 28, 2019 on the same scope have been deducted.
- By adding the consolidated income statement of the Boston Ltd group for the period from March 1, 2019 to February 29, 2020, considering that the fair value adjustments determined as of November 18, 2019 would have been identical as of March 1, 2019 (without taking into account the amortization of the customer relationship and the financial expense of the accretion of the debt related to the put).

Balance sheet

Simplified consolidated balance sheet In millions of EUR - IFRS	29 February 2020			31 August 2020		
	published	correct°	restated	published	correct°	restated
Goodwill	7.1		7.1	6.7		6.7
Intangible assets	15.8		15.8	15.5		15.5
Property, plant & equipment	23.6		23.6	22.1		22.1
Non-current financial receivables	10.9		10.9	15.1		15.1
Other non-current assets	4.0	0.7	4.7	4.7	0.7	5.4
Total non-current assets	61.4	0.7	62.1	64.1	0.7	64.8
Inventory	34.5		34.5	38.9		38.9
Trade receivables	21.8		21.8	22.7		22.7
Other current assets	17.8	-2.8	15.0	11.4	-2.8	8.6
Current financial receivables	11.8		11.8	11.6		11.6
Cash and cash equivalents	10.2		10.2	5.3		5.3
Total current assets	96.1	-2.8	93.3	89.9	-2.8	87.1
TOTAL ASSETS	157.5	-2.1	155.4	153.9	-2.1	151.8
Capital attributable to equity holders of the parent	47.2	-2.1	45.1	43.5	-2.1	41.4
Non-controlling interests	(0.1)		(0.1)	(0.2)		(0.2)
Consolidated capital	47.1	-2.1	45.0	43.3	-2.1	41.2
Borrowings and financial debt (incl. lease liab.)	53.0		53.0	52.6		52.6
Other non-current liabilities	3.5		3.5	3.2		3.2
Total non-current liabilities	56.5	-	56.5	55.7	-	55.7
Trade payables	20.3		23.1	22.3		22.3
Financial liabilities (including lease liabilities)	16.6		16.6	16.9		16.9
Other current liabilities	17.0		17.0	15.7		15.7
Total current liabilities	53.9	-	56.7	54.9	-	54.9
TOTAL LIABILITIES	157.5	-2.1	155.4	153.9	-2.1	151.8