

Press release
Estimated 2020-21 annual results

Estimated 2020/2021 consolidated annual results

- Revenue of €163.3m, in line with the revised target
- EBITDA of €7.3m, compared to €(2.4)m in 2019/2020
- EBITDA margin of 4.5%, up +7.5 points
- Exceptional provisions, pending settlement of the Blade situation
- Net income Group share of €(4.7)m

Positive momentum in early 2021/2022

Strasbourg (France), 15 June 2021 - 2CRSi (ISIN: FR0013341781), a designer and manufacturer of high-performance, energy-efficient servers, today presents its estimated results for the 2020/21 financial year (from 1 March 2020 to 28 February 2021).

2CRSi today announces its estimated annual results for the 2020/21 financial year. The Company has adopted a conservative approach in preparing these estimates. The audit is in progress. Audited consolidated accounts will be approved by the Board of Directors in the course of the month of June and will then give rise to a press release.

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

HIGHLIGHTS OF THE 2020/2021 PERIOD:
CONFIRMATION OF GOOD SALES MOMENTUM

In a 2020/21 financial year marked by the health crisis, the Group estimated revenue increased by +15.8%.

¹ 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).

Including the contribution of the historical 2CRSi scope of €55.1 million and Boston Limited for €108.2 million, it came to €163.3m, compared to €141.1m *pro forma* over 12 months in 2019/20. A performance in line with the revised revenue target following the change in the situation of the Blade customer².

Over the period, the Group's activity was characterised by good sales momentum, particularly in the second half of the year. This was driven by the internationalisation of its activities and the diversification of its client portfolio, with the top 10 clients accounting for only 43% of the Group's revenues over the financial year, compared to 49% in the first half of 2020-21. All of the Group's subsidiaries, i.e. Boston Limited's value-added distribution and retail business as well as the historical scope of 2CRSi, posted growth over the year.

As announced on 29 April 2021, this dynamic is illustrated in particular by major commercial successes in both the banking and cloud sectors, high-performance computing services and cryptocurrencies. These successes have more than offset the negative impact of COVID-19 and Blade in terms of activity.

ESTIMATED 2020/21 RESULTS

As a reminder, the 2019/20 period lasted 14 months (1 January 2019 to 29 February 2020), the end of its fiscal year having been set to end-February to align with that of Boston Limited and present its activities in a manner that is more consistent with the seasonal nature of its business, which is traditionally strong over the final months of the year. Operating expenses for 2019-20 are presented as corrected³.

² As a reminder, on 3 March, 11 March and 5 May 2021, the Group published updates regarding the receivership of one of its main clients, Blade SAS, and then the declaration of bankruptcy of its American subsidiary, Blade Global Corp. In this context, for the 2020/21 financial year, computing servers ordered by Blade for an amount of €9.3 million could not be delivered to the client and therefore could not be recognised as revenue. The portion of the order not delivered to Blade, combined with delays in orders (signed since) related to the health context, had led 2CRSi to revise its 2020/21 revenue target between €162m and €175m.

³ See press release of 29 April 2021. As part of the preparation of its annual financial statements at 28 February 2021, the company noted that operating expenses for the 2019/20 financial year were undervalued by €2.8m following the incorrect recognition of an asset receivable. This error gave rise to a correction of -€2.8m in EBITDA and -€2.1m in consolidated income for the year ended 29 February 2020 in the income statement presented. The consolidated balance sheet at 29 February 2020 was also amended.

Simplified income statement - In millions of EUR - IFRS	Estimated 2020/21 12 months	2019/20 14 months	2019/20 12 months pro forma
Revenue	163.3	76.9	141.1
Other ordinary operating income	3.9	1.7	0.9
Revenue from ordinary activities	167.2	78.6	142.0
Consumed purchases	(129.9)	(59.9)	(111.8)
External charges	(9.4)	(8.2)	(11.7)
Personnel expenses	(19.4)	(12.4)	(16.8)
Tax	(0.6)	(0.6)	(0.6)
Other operating income and expenses	(0.6)	-	-
EBITDA	7.3	(2.4)	1.1
<i>EBITDA margin</i>	4.5%	-3.1%	0.8%
Other current operating income and expenses	(0.2)	(0.6)	(0.6)
Depreciation, amortisation and impairment	(6.6)	(5.1)	(4.8)
Current operating income (expense)	0.5	(8.1)	(4.4)
Operating profit	0.5	(8.3)	(4.5)
Financial income (expense)	(5.4)	0.6	0.9
Consolidated net income (expense)	(4.9)	(6.6)	(2.7)
Net income (Group share)	(4.7)	(6.4)	(2.9)

For fiscal year 2020/21, 2CRSi posted an estimated gross margin rate of 20.5% compared to 20.8% in 2019/20 (12 months *pro forma*).

Estimated external charges amounted to €(9.4)m, down 20% mainly linked to the decrease in marketing and travel expenses since March 2020 due to the pandemic.

Estimated payroll costs amounted to €(19.4)m, at 11.9% of Group revenue, compared with €(16.8)m and 11.9% of *pro forma* 2019/20 revenue. This increase reflects an overall increase in headcount, which reached 373 employees, compared to 355 at the end of February 2020. In particular, the sales and sales support teams were strengthened in the Middle East, the United States and Europe.

Estimated EBITDA for the financial year was €7.3m, up €6.2m compared to the *pro forma* for financial year 2019/20.

Estimated net depreciation and provisions are €(6.6)m. The increase compared to 2019/20 (12 months *pro forma*) was mainly due to additional depreciation expenses of €1.1m and operating provisions up €0.7 m.

Estimated operating income for the period is €0.5m.

Estimated financial income was negative at €(5.4)m. It was mainly affected by the impairment of Blade shares (€2m), impairment of financial receivables on Blade 2020 leases (€2.5m), foreign exchange losses (€0.5m) and a decline in financial income from equipment leases (-€0.2m).

Estimated consolidated net income (Group share) was €(4.7)m over the year.

CASH POSITION AT END-MAY 2021

As of end of 31 May 2021, the Group's cash position was €10.9m. In addition, there are financing lines available for a total of €7.2 million (bank overdraft, undrawn short-term credit lines).

IMPACT OF THE CURRENT GLOBAL SHORTAGE OF COMPONENTS

In connection with the health crisis and its consequences in terms of the disorganisation of worldwide logistics, in the first months of 2021 the shortage of electronic components continued and extended to now affect all data storage products (controllers, hard drives, flash drives) and processors in addition to graphic cards, memory modules and power supplies.

As already stated, although the situation calls for increased vigilance, 2CRSi currently has sufficient inventories (€32.2m at end-February 2021) to allow it to cope with the lengthened supply deadlines due to the shortage.

A GROUP IN WORKING ORDER FOR 2021/22

The first months of 2021/22 were in line with the second half of the previous financial year, with positive commercial momentum. Among the major new orders registered, several contracts were won with CERN (European Organization for Nuclear Research) for an expected turnover that will exceed \$15 million over the current financial year, as well as with EdgeMode, an HPC and cryptocurrency company, for a total amount of \$2.3 million.

In addition to these recent commercial successes, 2CRSi is continuing its strategic investments in order to modernise its production facilities and accelerate its international growth. The Company recently announced that it won in a call for projects called "France Relance", with its "2CRSindustrie 4.0" project, aimed at digitising its industrial facilities and relocating the electronic production of some partners now carried out in Asia to Strasbourg; for this project, 2CRSi will receive a grant of €0.8 million.

The Group has also laid the groundwork for its green computing power offer in the North East of the United States with a *datacenter* in Rouses Point, in New York State, which will be the first stage of a campus including a production site, offices, training space, etc.

In total, several million euros in investments are planned, the results of which will be visible in the Group's results over the next six months and in the years to come.

- END -

Upcoming events: General Shareholders' Meeting on 31 August 2021.

About 2CRSi

Founded in Strasbourg (France), 2CRSi group develops, produces and sells customised, high-performance and environmental-friendly servers. In the 2020/2021 financial year, the Group generated revenue of €163 million. The Group today has around 373 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 has been awarded the European Rising Tech label. For further information please visit: www.2crsi.com

Contacts 2CRSi

2CRSi

Marie de Lauzon
Directeur Général Délégué
investors@2crsi.com
03 68 41 10 70

Actifin

Simon Derbanne
Communication financière
sderbanne@actifin.fr
01 56 88 11 14

Actifin

Jennifer Jullia
Relations Presse financière
jjullia@actifin.fr
01 56 88 11 19