

2023 HALF-YEAR RESULTS

- Increase in business of +11%
- ARR from SaaS subscriptions at 30 June 2023: €33m, up +70%
- EBITDA margin of 6.8%: alignment of the Group before implementing the new strategic plan

NEW SHIFT5 STRATEGIC PLAN UNVEILED ON 20 SEPTEMBER 2023

Lyon, 19 September 2023 – 6:00 p.m. Visiativ, a digital transformation and innovation expert for small and medium-sized businesses, is listed on Euronext Growth in Paris (FR0004029478, ALVIV).

H1 2023 was marked by an increase in business of 11%, reflecting the advancement of Visiativ's business model, with strong growth in SaaS subscriptions revenues of +85% (of which 64% organic), which now account for 22% of the SOFTWARE business (compared with 13% one year prior), and sustained activity in the CONSULTING business, responding to growing needs in innovation and cybersecurity. At end-June, ARR (*Annual Recurring Revenue*) from SaaS subscriptions came in at €33.1m, reflecting continuous growth (up +70% versus end-June 2022).

The EBITDA fell back (-10%) as a result of the effort to adapt sales force incentives to new sales models, the All Visiativ¹ programme, and international marketing investments for standardising the subsidiaries' brands. The EBITDA margin came to 6.8% in H1 2023.

As a result of net disposal proceeds of €3.1m linked to the withdrawal from the IT infrastructure management business, net income (Group share) came in at €3.4m in H1 2023, versus €1.2m one year prior, i.e. an increase of +183%.

While continuing to align its business model with the new strategic plan, dubbed SHIFT5 and due to be presented on 20 September 2023, Visiativ seeks to sustain its H2 2023 growth momentum, driven in particular by the acceleration in SaaS subscriptions revenues, and thus increase its profitability, benefiting the always more favourable seasonal effect in the 2nd half of the year.

| Data in €m - Limited audit ^a French accounting standards | H1 2022 (6 months) | H1 2023 (6 months) | Change | 2022 (12 months) |
|--|-----------------------|-----------------------|--------------|---------------------|
| Revenue | 110.4 | 122.6 | +11% | 258.8 |
| EBITDA^b | 9.2 | 8.3 | -10% | 28.4 |
| <i>EBITDA margin %</i> | 8.3% | 6.8% | | 11.0% |
| Operating profit | 4.5 | 3.7 | -18% | 19.0 |
| <i>Operating margin %</i> | 4.1% | 3.0% | | 7.3% |
| Non-operating income and expenses | -1.2 | -2.1 | | -3.2 |
| Exceptional items | 0.0 | 3.2 | | 0.0 |
| Net income (Group share) | 1.2 | 3.4 | +183% | 11.1 |

^a The half-year financial statements were approved by the Board of Directors at its meeting on 15 September 2023. A limited audit procedure of the consolidated financial statements was conducted; the statutory auditors' report is being prepared.

^b Earnings before depreciation and amortization of intangible assets.

¹ Deployment of new programmes to unify the "All Visiativ" user experience

**INCREASE IN BUSINESS OF +11% IN H1 2023**

In H1 2023, Visiativ's consolidated revenue came to €122.6m, up +11% versus last year. At constant scope and exchange rates, organic growth² came to +3% with, notably, an acceleration in Q2, when the Group returned to double-digit organic growth of +10%.

International activity (35% of business) continued to be a growth engine for the Group, with €43.4m in H1 revenue generated outside France, an increase of +16% (of which +6% organic).

Visiativ's two businesses fuelled growth in H1 2023: **+9% for SOFTWARE**, with a further strong increase in SaaS subscriptions revenues of +85%, which now account for 22% of the SOFTWARE business's activity versus 13% one year prior, and **+15% for the CONSULTING** business, responding to growing needs in innovation and cybersecurity.

Recurring business accounted for 66% of total sales, driven by the transformation models towards subscription, in line with Visiativ's strategic ambitions and the gradual shift in its sales model towards SaaS.

At end-June 2023, ARR from SaaS subscriptions totalled €33.1m, versus €19.4m at end-June 2022, representing growth of +70%, and versus €27.4m at end-December, i.e. sequential organic growth of +21%.

HALF-YEAR EBITDA MARGIN OF 6.8% - ALIGNMENT OF THE GROUP AND ITS MODEL BEFORE THE LAUNCH OF THE NEW STRATEGIC PLAN

The H1 2023 EBITDA³ came in at €8.3m, down -€0.9m versus H1 2022. This decline was mainly due to:

- i. An increase in personnel costs (+€12.7m) from one half-year to the next, due to the companies that have joined the Group in recent months, particularly outside France (MB CAD, Braithwaite, Daxium, Absiskey), and changes in the sales force incentive model, which is now based on order intake (bookings);
- ii. An increase in purchases and external costs, following marketing investments made to standardise brands in the scope of the Group's international expansion (United Kingdom, Germany, Benelux, Switzerland), and the escalation of investments linked to the CSR policy and the All Visiativ programme, focused on the employee experience.

The Group's EBITDA margin thus came in at 6.8%, versus 8.3% one year prior, which was a record level for a first half-year. Reminder: given the seasonal nature of Visiativ's business, this half-year EBITDA margin is not representative of the profitability level expected for the full year (EBITDA margin of 11.0% in FY 2022).

In France, Visiativ generated an EBITDA margin of 7.0% versus 7.2% in H1 2022, as a result of changes in the sales force incentive model.

Outside France, Visiativ's EBITDA margin came to 6.5% versus 10.5% in H1 2022, taking into account the marketing investments.

NET INCOME UP +183% TO €3.4M

After accounting for net depreciation, amortization and provisions, the H1 operating income amounted to €3.0m, representing an operating margin of 3.0%.

Net financial expense amounted to -€2.1m versus -€1.2m in H1 2022, reflecting the increase in financial debt, incurred by acquisitions and the rise in interest rates from one half-year to the next. To guard against a rise in interest rates, a hedging contract was taken out in January 2023 to cover the interest on 50% of variable-rate debt.

Visiativ booked net proceeds of €3.1m from the sale of its 100% stake in Visiativ Managed Services, an IT infrastructure and hosting manager, to XEFI's NEXEREN datacenter subsidiary.

As a result, net income (Group share) reached €3.4m in H1 2023, compared with €1.2m one year prior. This includes corporate tax of €0.8m, versus €1.5m in H1 2022, following international marketing investments.

€24.7M IN AVAILABLE CASH AT END-JUNE 2023

In H1 2023, the Group's cash flow amounted to €7.4m, versus €9.9m one year prior.

² Growth at constant consolidation scope, restated for the consolidations of MB CAD (on 1 April 2022), Daxium and Braithwaite (on 1 July 2022), Absiskey (on 1 October 2022), the exit of VMS on 30 April 2023, and at constant exchange rates.

³ Earnings before depreciation and amortization of intangible assets.



The €25.9m change in the working capital requirement is in line with the seasonality of the Group's business (€20.5m in H1 2022), accentuated by the contribution of acquisitions effected in H2 2022, and less recourse to factoring. Operating cash flow thus contracted by -€18.5m in H1 2023.

Investment flows totalled €7.6m, including €4.5m for acquisitions and buyouts of minority interests, €6.2m in CAPEX (of which €4.2m for R&D capital expenditure), less divestments of €3.0m.

In H1 2023, Visiativ paid out €5.0m in dividends in respect of FY 2022 (reminder: the dividend in respect of FY 2021 was detached in H2 last year) and carried out a capital increase of €1.2m subsequent to the 2023 employee shareholding plan campaign.

Overall, the change in cash and cash equivalents amounted to -€33.2m in H1 2023, compared with -€30.7m in H1 2022.

At 30 June 2023, Visiativ's available cash totalled €24.7m against borrowings and financial debts of €108.2m, including €28.6m in state-backed loans (PGE).

At mid-2023, net financial debt⁴ totalled €83.5m, and shareholders' equity amounted to €73.7m, representing a net gearing⁵ of 113%, still a high point at the mid-year stage. Reminder: Visiativ's bank debt was refinanced at the end of 2022. Moreover, securing new financing enabling the Group to significantly lengthen the average maturity of its debt, and to benefit from additional resources to seize new external growth opportunities in the scope of the new strategic plan. On the strength of the traditional cash flow generation in H2, Visiativ's target is to achieve a net gearing⁴ close to 70% by the end of 2023.

OUTLOOK

Visiativ intends to pursue its growth momentum in H2 2023, driven in particular by the acceleration in SaaS subscriptions revenues, and thus increase its profitability, benefiting the always more favourable seasonal effect in the second half of the year.

Visiativ will present its new strategic plan, dubbed SHIFT5, on 20 September 2023, along with its longer-term ambitions.

FINANCIAL AGENDA

| EVENTS | DATES |
|------------------------|----------------------------------|
| Q3 2023 revenues | Tuesday 24 October, 2023 |
| Full-year 2023 revenue | Wednesday 24 January 2024 |
| Full-year 2023 results | Tuesday 19 March 2024 |

These dates are an indication and may be changed if necessary. All publications will be issued after close of trading markets on Euronext Paris.

ABOUT VISIATIV

Visiativ's mission is to make digital transformation a performance lever for companies. We do this by co-building alongside our customers, over the long term. We call this our promise: "Sharing, is growing".

We support our customers by providing solutions and services to plan, implement, manage and monitor transformations with a unique and innovative approach through three pillars: Consult (consulting & support), Engage (solutions & deployment) and Connect (communities for exchange and sharing). With over 35 years of proven experience working with more than 23,000 Small & Mid-Market customers, Visiativ has achieved revenues of €259 million in 2022. Visiativ is present in 14 countries (Austria, Belgium, Brazil, Canada, France, Germany, Luxembourg, Morocco, the Netherlands, Poland, the United Kingdom, U.A.E, USA and Switzerland) and has more than 1,400 employees.

Visiativ (ISIN code FR0004029478, ALVIV) is listed on Euronext Growth in Paris. The share is eligible for PEA and PEA-PME.

For further information visit www.visiativ.com

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⁴ Available cash - Borrowings and financial debts

⁵ Net financial debt to consolidated equity ratio