2016/2017 Results

Ebitda of 5% of revenue

Paris, May 29, 2017 – **Generix Group, Industrial, Logistical and Retail Ecosystems provider with leading Collaborative Software Solutions, issued today the results for its fiscal year 2016/2017 ended March 31, 2017.**

Revenue growth of 8%, 21% of which is generated by SaaS

The Generix Group has recorded recurring revenue for its publishing business (Maintenance and SaaS) representing over 62% of its revenue for the fiscal year.

Revenue for SaaS business amounted to €21.6 million (+21%), becoming the largest contributor to the Group's revenue. With an average term of 3.1 years, new SaaS contracts concluded will, once the various deployments are completed, allow us to generate additional annual revenue of close to €4.4 million, which is an increase of almost 10% in CMRR*.

	Twelve months ended March 31,		Variation	
IFRS consolidated accounts, in millions of Euros (unaudited)	**2017**	**2016**	**m€**	**%**
Revenues	**63,0**	**58,4**	**4,6**	**8%**
Which licenses	4,6	4,1	0,5	13%
Which maintenance	17,6	17,4	0,1	1%
Which SaaS	21,6	17,8	3,7	21%
Which Consulting Services	19,3	19,0	0,3	1%
Operational expenses / other income from operations	-61,0	-55,0	-5,9	11%
Profit (loss) from current operations	**2,0**	**3,3**	**-1,3**	**-39%**
Other operational income and expenses	-0,6	-1,1	0,5	-46%
Profit (loss) from operations	**1,5**	**2,3**	**-0,8**	**-36%**
Financial expenses	-0,3	-0,2	-0,1	39%
Loss before income taxes	1,1	2,0	-0,9	-45%
Income taxes benefit	-1,1	-0,7	-0,3	47%
Net result after tax	**0,0**	**1,3**	**-1,3**	**-97%**
Net result	**-0,2**	**1,2**	**-1,4**	**-115%**

EBITDA in millions of euros (unaudited)	Twelve months ended March 31, 2017	2016	Variation M€	%
Revenues	63,0	58,4	4,6	8%
Other income from operations	1,7	1,4	0,3	20%
Cost of goods sold	- 1,0	-0,9	0,0	3%
Other purchases and external expenses	- 20,7	-19,2	-1,6	8%
Taxes and similar payments	- 1,7	-1,6	-0,2	11%
Personnel costs	- 36,1	-32,4	-3,6	11%
Other expenses on operations	- 0,6	-0,8	0,2	-22%
Reversals of used provisions during the period	- 0,4	-1,0	0,6	-62%
Capitalized production	- 1,4	-0,9	-0,4	45%
EBITDA (1)	**2,9**	**3,0**	**-0,1**	**-4%**

(1) EBITDA = current operating income + net provisions on current assets + net provisions for risks and charges + depreciation on fixed assets - capitalized production costs.

The Group has recorded stable EBITDA of 5% of revenue, including:

- €2.1 million on a comparable basis, a reduction of €0.9 million, primarily due to an increase in the Group's Sales & Marketing resources,
- €0.8 million originating from Sologlobe's North American business over the first 6 months of consolidation, from October 3, 2016, to March 31, 2017.

On a Group level, the net impact of the costs of activated software and net allocations to depreciation and provisions amounts to - €0.9 million, compared to €+0.3 million for the previous fiscal year. The variation in these items, with no cash flow impact, relates to reversals of provisions recorded for the previous fiscal year following the switch of old debts into irrecoverable debts and the outcome of certain disputes, as well as amortization recorded since the past fiscal year for investment in relocating a site. Hence, current operating income amounts to €2.0 million.

Other operating expenses and revenues, amounting to -€0.6 million are singled out in the income statement for their non-recurring nature. For the past fiscal year, they equate specifically to expenses relating to acquisitions. It should not be forgotten that operating expenses for the previous fiscal year related primarily to a site relocation (- €0.8 million) as well as part of the acquisition price for the company GMI Connectivity to be recorded in the income statement(- €0.3 million).

After taking account of the financial income statement and tax (which has increased by € 0.6 million, due to the impact on deferred taxes of the future reduction in corporate tax rates), the Group's net income reached breakeven point for the fiscal year 2016/2017 (including - €0.5 million on a comparable basis with the previous fiscal year and + €0.5 million generated by Sologlobe).

An improvement in net debt of €0.7 million before taking account of financing for Sologlobe (€4.5 million)

Net debt, in millions of Euros (unaudited)	Twelve months ended March 31, 2017	2016	Variation m€	%
Cash and cash equivalents, end of period	6,9	5,5	1,5	27%
Short-term and long-term portions of financial obligations	-13,2	-7,9	-5,3	67%
Net debt	**-6,2**	**-2,4**	**-3,8**	**160%**

	Twelve months ended March 31,		Variation	
Consolidated statements of cash flows, in millions of Euros (unaudited)	2017	2016	m€	%
Net income adjusted by non-cash items	2,5	2,4	0,1	6%
Change in working capital	1,7	-1,9	3,6	-191%
Net cash by operating activities	4,2	0,5	3,7	780%
Net cash used in investing activities	-8,1	-3,6	-4,4	121%
Free cash flow	**-3,9**	**-3,2**	**-0,7**	**22%**
Net cash by financing activities	5,3	0,6	4,7	733%
Net increase in cash and cash equivalent	1,5	-2,5	4,0	-158%
Cash and cash equivalent, end of period	**6,9**	**5,5**	**1,5**	**27%**

Our cash flow for the fiscal year 2016/2017 was primarily characterized by:

- Stability of internal financing capacity,
- A favorable variation in WCR of €1.7 million (stability of debt indicating an improvement in DSO combined with an increase in year-end DPO),
- investment and financing flows, the variation in which, compared to N-1, represents the acquisition and financing of Sologlobe.

Prospects

The growth dynamic associated with the recurrence of SaaS business, as well as international development and the launch of the new "Generix Supply Chain HUB" platform in October, allows the Group to foresee double-digit revenue growth and an improvement in the level of profitability for the fiscal year 2017/2018.

*Monthly recurring revenue after taking into account contracts that are signed but which have not started yet and cancellations that have not yet taken effect.

Supplemental and non-IFRS Financial Information

Supplemental non-IFRS information (mentioned above as CMRR, EBITDA or net debt) presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

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Next press release: July 31, 2017, after closing of the stock exchange
Release of first quarter revenues for the fiscal year 2017/2018

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About Generix Group

Generix Group, a Software as a Service Company, helps its customers to face the challenges of the digital enterprise: facilitating buying journeys, building a digital supply chain and dematerializing all data flows. By building differentiating services, our mission is keeping our customers' promise to their customers.

Generix Group is present in France, Russia, Brazil, Italy, Spain, Portugal, Benelux and North America as well as in nearly 50 countries through its partners. Over 5000 international clients have established Generix Group as a leader in digital transformation, on a unique cloud offer that brings together the informational and execution sides of the Supply Chain.

For more information: generixgroup.com