

The Blockchain Group publishes its 2023 annual results

Puteaux, May 27, 2024 – The Blockchain Group (ISIN code: FR0011053636, ticker symbol: ALTBG) (the “Company”) announces the publication of its audited consolidated financial statements for the year ended December 31, 2023, as approved by the Board of Directors on May 22, 2024.

Audited Consolidated Financial Statements as of 12/31/2023 – In KEuros	12.2023	12.2022	Variation
Revenue	20,408	21,288	-4%
EBITDA	(4,882)	(6,908)	+29%
Operating income	(7,659)	(9,515)	+19%
Net consolidated income	(22,476)	(6,318)	-255%

It is noted that Eniblock is subject to judicial liquidation proceedings. It was fully consolidated until June 30, 2023, and deconsolidated as of July 1, 2023. A restated version of the financial figures on a comparable scope is provided for informational purposes at the end of this document.

Stable revenue, reduced investments and operating expenses

The consolidated financial statements for 2023 reflect a stable performance in the Group's service activities. Consolidated revenue declined by 4% in 2023. Excluding Eniblock, the revenue decreased by 1% (EUR 20,057 thousand versus EUR 20,265 thousand, unaudited data excluding Eniblock).

Capitalized production, reflecting investment in platform development, was more than halved over the period: EUR 2,081 thousand compared to EUR 4,563 thousand in the previous year.

Operating expenses declined by 13% to EUR 30,861 thousand versus EUR 35,500 thousand in 2022. The main contributors to this decrease were payroll expenses (down EUR 3,513 thousand) and purchases (down EUR 2,396 thousand), representing the first results of the restructuring plan.

An ambitious restructuring plan and a significant asset inventory review

The new management team, appointed in fall 2023, launched a major restructuring effort aimed at returning the Group to profitability. At the same time, a thorough review of the Group's balance sheet assets was undertaken.

These actions resulted in:

- The recognition of over EUR 4 million in provisions to cover estimated restructuring costs and impacts;
- Impairment of receivables held on Eniblock totaling over EUR 2 million;
- Recognition of deferred tax assets for nearly EUR 1 million;
- Impairment of asset values (products, goodwill, etc.) in the amount of approximately EUR 9 million.

Combined with the operating loss, these accounting measures led to a net loss of EUR 22,476

thousand.

As of December 31, 2023, the Group's equity amounted to EUR 7,420 thousand. Net financial debt stood at EUR 2,304 thousand, including EUR 1,355 thousand in cash and cash equivalents.

Going concern

As previously disclosed in the press release dated December 7, 2023 (<https://www.theblockchain-group.com/wp-content/uploads/2023/12/TBG-CP-Ouverture-RJ.pdf>), the Nanterre Commercial Court initiated judicial reorganization proceedings for THE BLOCKCHAIN GROUP, the Group's holding company, on December 6, 2023.

This ruling triggered an observation period during which the Court-appointed judicial administrator oversees the ongoing efforts to enable the Company to submit a recovery plan.

In accordance with the original timeline, a hearing took place on February 6, 2024, after which the Court authorized the continuation of the observation period.

The Company is still working on preparing a proposed recovery plan.

The consolidated financial statements for the year ended December 31, 2023, have been prepared on a going concern basis. The Group's projected cash flow for the twelve months following the 2023 year-end, as reviewed by the Board of Directors, indicates sufficient liquidity to meet its needs over that period.

These projections, taking into account the latest business forecasts, are based notably on:

- Approval of the recovery plan by the Commercial Court;
- The anticipated prompt reimbursement (before the end of summer) of the Research Tax Credit claim, filed in the amount of EUR 2.3 million. This amount was validated by an independent firm accredited by the State. Furthermore, under current legislation, companies under judicial reorganization are entitled to immediate reimbursement of the research tax credit;
- The restoration of bank credit facilities to levels compatible with the operational needs of the Group's subsidiaries.

These circumstances give rise to significant uncertainty regarding the Group's ability to continue as a going concern.

Ongoing restructuring of the Group

The Group continues to refocus on the core activities of its subsidiaries IORGA and TRIMANE. It intends to reinforce its positioning as an expert in the historical businesses of these entities:

- Development (Web2, Web3 and blockchain) for IORGA;
- Data (Data intelligence, big data and AI) for TRIMANE.

The legal restructuring plan remains ongoing as planned. This includes a simplified group structure and the divestment of non-strategic assets. Since the beginning of the year, the Group has completed the following transactions:

- Closure of two inactive legal entities;
- Merger of the legal entity Iorga Lyon into Iorga;
- Merger of Trimane Sud-Ouest into Trimane (Trimane retains its presence in the Southwest);
- Sale of the company ITAQUE.

Legal restructuring will continue throughout 2024.

The suspension of trading in TBG shares, announced in the press release dated November 17, 2023, remains in effect.

APPENDIX: Financial Statements Excluding ENIBLOCK (Unaudited)

For informational purposes and to allow for comparable scopes, we present below the financial statements excluding ENIBLOCK.

Unaudited financial statements excluding ENIBLOCK as of 12/31/2023 – In KEuros	12.2023	12.2022	Variation
Revenue	20 057	20 265	-1%
EBITDA	(3 852)	(4 539)	+15%
Operating income	(5 797)	(5 993)	+3%
Net consolidated income	(20 277)	(4 663)	-335%

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About The Blockchain Group (ALTBG)

The Blockchain Group is the French leader in blockchain. From consulting to technology services, including R&D, the group helps companies seize all the opportunities offered by blockchain, web3, Data Science, and AI across their entire value chain.

EURONEXT Growth Paris

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