

INFORM P. LYKOS S.A.

Increased sales and operating profitability with parallel significant improvement in operating cash flow generation

- Sales reached € 68 million growing by (+8.9%) thanks to the contribution of ATH.ENA transportation project for cards and tickets as well as organic growth achieved in Romania
- Adjusted EBITDA at € 5.5 million in 2018 improved by (+10.9%) vs 2017
- Significant improvement in operating cash flow at € 6 million from € 3.4 million in 2017
- Positive contribution of new digital transformation products and services in the results
- Upgrade of the production capacity and services offered in the Romanian unit with the integration of a second digital printing machine of € 1 million in its manufacturing capabilities.

Koropi, 25/04/2019 – The consolidated financial statements of Inform P. Lykos S.A. are published today, in accordance with the International Financial Reporting Standards (I.F.R.S.).

During the year 2018, Group sales increased by € 5.6 million or 8.9% compared to the previous year and reached € 68 million. Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of the Group increased by 10.9% or € 0.5 million from € 4.9 million in 2017 to € 5.5 million in 2018 as operating expenses decreased by € 0.6 million, thanks to the reduction of printing cost as a result of automating and improvement of the digital production process in Romania by installing ultra-modern digital printing machines.

Specifically, with regard to the business performance in the main geographical segments, in Greece, the sales of the parent company INFORM P. LYKOS SA in 2018 increased by 11.3% and amounted to € 33.1 million compared to € 29.8 million in previous year. The increase of € 3.3 million is mainly attributed to the contribution of the ATH.ENA transportation project for cards and tickets worth € 4.4 million, which was partially offset by the impact of the cyclical decline in payment card sales, as well as the pressure of reducing the per unit sold prices in the traditional product categories of the Group due to the Greek market conditions. On the other hand, the sales of digital communication management services, which are a priority for future growth, are positive. Earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of 2018 amounted to € 2.5 million at the same level as in 2017.

In Romania, the sales increased by 4.9% and amounted to € 36.7 million, compared to € 35.0 million in 2017. This increase of € 1.7 million results from achieving an increase of our market share in the product and service categories we are competing. Earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of 2018 increased significantly reaching € 2.8 million compared to € 2.2 million in 2017, increased by € 0.6 million or 27.9%, thanks to the reduction of the printing cost per unit as a result of automating and improving the digital production process in Romania by installing ultra-modern digital printing machines.

In 2018, business-wise we also focused on rationalizing our product and service portfolio, integrating and redefining the manufacturing capabilities required to meet the Group's future needs. The Group continued to improve its operational efficiency while fully utilizing ultra-modern digital printing machines and achieving additional cost savings across the Group, which resulted to a significant increase of the adjusted EBITDA by 10.9% from € 4.9 million in 2017 to € 5.5 million in 2018.

The subsidiary in Romania further strengthened its production capacity with the acquisition of a second ultra-modern digital printing machine of € 1 million which was installed in early 2019 and offers the possibility to provide high quality products with significantly improved response time to the needs of customers while at the same time significantly reducing our printing costs.

In the year 2018, the Group's management decided to impair equipment that were put out of production operation in 2018, as the Group's recent investments in ultra-modern digital printing machines were completed within 2018 with the installation of the third ultra-modern digital machine and the purchase order of the fourth in Romania, following the previous installation of the two digital printing machines in Greece. The withdrawn older technology machines with a total net value of € 6.9 million, were impaired on 31 December 2018. The impairment of € 6.6 million has affected the results of the year and is presented in non-recurring expenses of these financial statements.

The consolidated operating cash flow generated in 2018 amounted to € 6 million compared to € 3.4 million in 2017. The significant increase was mainly due to the focus and efforts of managing the improvement of the working capital needs. The net debt of the Group amounted to € 15 million in 2018 from € 17.5 million in 2017, reduced by € 2.5 million, mainly due to the completion of a significant part of the investments in ultra-modern machinery in 2017 and the improvement of needs for working capital.

The Group, having extensive experience and know-how in integrated solutions and services, has developed long-term relationships with its customers offering the high quality of products and services at competitive prices and is considered a strategic partner for banking organizations, telecommunications and other organizations either in the Private or Public Sector.

After the completion of the new investments in ultra-modern digital printing machinery and software in Greece amounting to € 4.7 million and in Romania amounting to € 2.3 million, the Group is in the position to offer the possibility of direct, personalized and interactive information in the most efficient and competitive way. At the same time, we continue to focus in investing in the development of new products and services in the field of digital transformation in order to address our customer needs globally, providing customized and interactive communication with products such as the CCM (Customer Communication Management) service, or Enterprise Document Management, Scanning and Archiving.

About INFORM

INFORM was founded in 1897, it has been listed on the Athens Stock Exchange since 1994 and today it has a leading presence in Central and Eastern Europe in the field of Information Management, with production units in Greece, Romania and Albania. It is internationally active in the field of document management, security brochure and Business Process Outsourcing, providing printing and invoicing services, electronic presentation of accounts and print management for Banks, Telecommunications, Public Sector and Industrial / Commercial Companies and currently employs approximately 370 employees.

INFORM is a member of the Austria-based **AUSTRIACARD** Group, an international group active in Information Management under the brand **INFORM**, as well as in the digital security sector under the brand **AUSTRIACARD** with two additional smart card production units, in payment, identification, transport and access, etc. in Austria and Romania, certified by international organizations such as Visa, MasterCard, Diners, etc., as well as five smart card personalization centers in Greece, Austria, Poland, Romania and Turkey.

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