

## INFORM P. LYKOS S.A.

### Significant increase in operating profitability with stable sales Development of new CCM digital service

- **EBITDA (+10.5%) in 2017 with stable revenues**
- **Significant improvement in operating cash flow to € 3.4 million**
- **Continuation of development new products and services through the digital service CCM (Customer Communication Management)**
- **Upgrading production capacity and services offered to the Romanian unit, by investing € 1.3 million in ultra-modern digital printing equipment.**

*Koropi, 03/04/2018 – 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.).*

In 2017, concentrating efforts to strengthen the Group's position in the markets it operates, INFORM achieved to win new customers while maintaining its existing customers as well. At the same time, the internal efficiency improvement programs that began in the past years have achieved the desired results, thus the EBITDA operating result increased by 10.5% or € 0.5 million from € 4.5 million in 2016 to € 5 million in 2017.

Significant investments were made in the direction of developing new products and services following the needs of existing and new customers. In this direction, INFORM invested in the development of new digital services, such as the CCM (Customer Communication Management) service, and created a new IT platform for this purpose, through which it provides vertical solutions to an organization's communication management with its customers. INFORM succeeded to gain market share in this new business field and already provides CCM service to selected customers in the insurance and utility sectors.

The subsidiary in Romania also completed a new investment of € 1.3 million in ultra-modern digital color printing equipment, thus enhancing its production capacity and the ability to deliver high quality products with significantly improved customer response times and at the same time reducing significantly the printing cost.

During the year 2017, the Group's sales remained stable at the level of the corresponding last year and amounted to € 62.6 million, and the earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group increased by 10, 5% or € 0.5 million from € 4.5 million in 2016 to € 5 million in 2017 as a) operating expenses decreased by € 0.3 million due to the internal efficiency improvement program and b) the results of 2016 were burdened by non-recurring expenses of € 0.3 million.

Specifically regarding the business by geographical area, in Greece, the parent company INFORM P. LYKOS S.A. recorded revenues of € 29.9 million compared to € 30.8 million in

last year, representing a decrease of 2.9%. The decrease of € 0.9 million is mainly related to a one-off public sector project in 2016. Despite the decline in sales, the earnings before interest, taxes, depreciation and amortization (EBITDA) of 2017 amounted to € 2.6 million at the same level as in 2016, as operating expenses were reduced by € 0.3 million.

In Romania, the subsidiary INFORM LYKOS S.A. recorded revenues of € 35.1 million compared to € 35 million in last year, representing a marginal increase of 0.3%. The earnings before interest, taxes, depreciation and amortization (EBITDA) of 2017 reached € 2.2 million compared to € 1.7 million in 2016, increased by 30.1%, or € 0.5 million, mainly due to (a) the best mix of sales and rationalization of pricing policy and (b) the results of 2016 were burdened by non-recurring expenses of € 0.3 million.

In Albania, the subsidiary ALBANIAN DIGITAL PRINTING SOLUTIONS Sh.pk, recorded revenues of € 741 thousand compared to € 653 thousand in 2016, representing an increase of 13.5%, and the earnings before interest, taxes, depreciation and amortization (EBITDA) of 2017 amounted to € 191 thousand compared to € 188 thousand in 2016, increased by 1.2%.

As a result, the key financial profitability figures of INFORM Group are presented improved, as follows:

- The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group, increased by € 0.5 million or 10.5% and reached € 5 million compared to € 4.5 million in 2016,
- The earnings before interest and taxes (EBIT) of the Group, improved by 45.1% or € 0.3 million and reached € 1 million compared to € 0.7 million in 2016,
- The earnings before taxes (EBT) of the Group, reached to losses € -0.2 million compared to losses € -0.5 million in 2016, representing a decrease in losses of € 0.3 million or 63.2%,
- The consolidated earnings after taxes (EAT) of the Group, reached to losses € -0.5 million compared to losses € -0.8 million in 2016, representing a decrease in losses of € 0.3 million or 41.1%.

The consolidated operating cash flow generated in 2017, reached € 3.4 million compared to € 0.6 million in 2016. The significant increase is mainly due to the improvement of results and working capital as well as the completion of the needs for the program of streamlining and restructuring of the Group's organization within 2016.

The net bank debt of the Group amounted to € 17.5 million in 2017 from € 16.6 million in 2016, increased by € 0.9 million, mainly due to the investment of € 1.3 million in a new ultra-modern digital color printing equipment in Romania through finance lease.

The Group having extensive experience and know-how in integrated solutions-services has developed long term customer relationships, offering the high level of products and services at competitive prices, so as to be considered a strategic supplier of banking institutions, telecommunications and other organizations either in the private sector or in the public sector.

After the completion of the new investments in ultra-modern digital printing equipment and software in Greece amounting to € 4.7 million in 2016 and in Romania amounting to € 1.3 million in 2017, is in the position to offer the possibility of direct, personalized and interactive information in the most efficient and economical way. At the same time, the investments in the field of electronic services continue in order to cover the needs of customers, by presenting innovative solutions for effective communication with products like the CCM (Customer Communication Management) service, as well as services like Cloud - Printing, e-Invoicing, Archiving.

It is noted that the consolidated financial statements of Inform P. Lykos S.A. include the companies: INFORM P. LYKOS S.A., LYKOS PAPERLESS SOLUTIONS S.A., ALBANIAN DIGITAL PRINTING SOLUTIONS Sh.p.k., SAGIME GmbH (Austria), as well as the consolidated financial statements of TERRANE LTD (INFORM LYKOS SA - Romania). The aforementioned financial statements are included in the consolidated financial statements of the parent company AUSTRIACARD AG (former LYKOS AG) with its headquarters in Austria.

### **About INFORM**

INFORM LYKOS was founded in 1897, has been listed on the Athens Stock Exchange since 1994 and today is an international Group with leading presence in the Central and Eastern Europe in the area of Information Management, with production facilities in Greece, Romania and Albania. The Group is activated internationally and is leader in the area of printing management, production of secured documents, and Business Process Outsourcing, offering services of printing and posting statements, electronic presentation of statements and printing management for Banks, Telecommunication companies, Public sector and Industrial/Trade companies, and occupies about 400 employees.

It is a member of the Group AUSTRIACARD AG (former LYKOS AG) headquartered in Austria, which is an international group active in the business areas of “Information Management” under the brand INFORM and of “Digital Security” under the brand AUSTRIACARD, having two additional production facilities for producing smart cards, identities, etc. in Austria and Romania, highest data security, certified by international organizations such as Visa, MasterCard, Diners etc. It has five personalization centers for smart cards in Greece, Austria, Poland, Romania and Turkey, also the highest data security and certified by international organizations.

In 2017, the Group recorded revenues of € 121 million and EBITDA € 10.7 million, occupying in total about 830 employees.

For any additional information, visit the website [www.lykos.gr](http://www.lykos.gr)