

INFORM P. LYKOS S.A.

Significant strengthening of cash flow and maintaining operating profitability (EBITDA)

- **Sales growth +9.2% - Transportation project ATH.ENA**
- **Increased postal services share**
- **Maintaining operating profitability (EBITDA)**
- **Stronger contribution of new innovative higher value added services CCM (Customer Communication Management)**

Koropi, 28/09/2018 – 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.).

INFORM Group presented sales growth in the first semester of 2018 with the OASA project (project for public transportation of Athens) for the production of the electronic rechargeable cards (ATH.ENA Card) and the electronic rechargeable tickets (ATH.ENA Ticket) of € 3.8 million budget being the main contributor of growth. The above mentioned initiative compensated the shortfall in operating profitability from the existing product range due to the competitive environment we operate which lead to pricing pressure and as such the operating profitability was maintained at the same level as the first semester of 2017. Despite the price pressure, the sales volume of the Group continues to be strong due to the long term contracts and the healthy relationship with our customers, creating a significant share of recurring revenues.

During H1 of 2018, the sales of the Group increased by € 2.9 million or 9.2% compared to the corresponding semester of 2017 and amounted to € 34.9 million compared to € 31.9 million, thanks to OASA project and the increase in postal services both in Greece and Romania. The above increase in sales compensated the reduced volume of bank credit cards issued in Greece the first semester of 2018 compared to the corresponding semester of 2017, since in 2018 we do not have bulk renewal of credit cards for the existing customers like we had in 2017.

Specifically by eliminating the impact of intercompany transactions, the sales of the parent company INFORM P. LYKOS S.A. amounted to € 17.8 million in H1 2018 compared to € 15.4 million in the corresponding semester of 2017, increased by € 2.4 million, while the sales of the subsidiary in Romania amounted to € 16.7 million compared to € 16.1 million in the corresponding semester of 2017, increased by € 0.6 million.

The operating expenses excluding depreciation in the first semester of 2018 declined by 3.6%, thanks to the focus in driving efficiencies with the investment in new highly productive digital equipment to the companies of the Group in recent years.

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

- The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group, reached € 2.7 million at the same level with the corresponding semester of 2017,
- The earnings before interest and taxes (EBIT) of the Group, reached € 618 thousand compared to € 805 thousand in the corresponding semester of 2017, reduced by € 186 thousand or -23%, due to the increased depreciations in ultra-modern digital equipment,
- The earnings before taxes (EBT) of the Group, were marginally negative (€ 339) compared to € 191 thousand in the corresponding semester of 2017,
- The consolidated earnings after taxes (EAT) of the Group, reached to € 38 thousand compared to € 32 thousand in the corresponding semester of 2017, increased by 19.3%.

The consolidated operating cash flow in the H1 of 2018, improved significantly reaching € 5.6 million compared to € 1.5 million in the corresponding period of 2017, mainly due to the focus in improving the working capital by € 4 million. The bank debt of the Group reached € 19.1 million in the first semester of 2018 compared to € 19.7 million in the corresponding semester of 2017, reduced by € 0.6 million.

For the second half of 2018, the Group continues to focus in the direction of strengthening its position in the areas that already is active, with ultimate target to provide integrated solutions and create higher added value service for its existing as well as the new customers.

In this direction, INFORM invested in developing new electronic 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 segment and already provides CCM service to selected customers in the insurance and common utility sectors.

The contribution of the new innovative products and higher value added services is expected to increase in the second half of the year, as some of the new contracts started gradually in the first half of the year, while some others will start within the second half of 2018.

It is noted that the consolidated financial statements of Inform P. Lykos S.A. include the following companies: INFORM P. LYKOS S.A., LYKOS PAPERLESS SOLUTIONS S.A., ALBANIAN DIGITAL PRINTING SOLUTIONS Sh.p.k., 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 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 active internationally and is leader in the area of printing

management, production of secured documents, and Business Process Outsourcing, offering services of printing and embossing statements, electronic presentation of statements and printing management for Banks, Telecommunication companies, Public sector and Industrial/Trade companies, and occupies about 380 employees.

It is a member of the Group AUSTRIACARD AG headquartered in Austria, which is an international group active also in the business areas 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 € 120 million and EBITDA € 10.7 million, occupying in total about 830 employees.

For any additional information, visit the website www.lykos.gr