

## INFORM P. LYKOS S.A.

### Increasing market shares with parallel Sales and Operating Profitability improvement

- **Sales growth (+10.2%) with key growth drivers the production of security ballots in Nigeria as well as the acquisition of business activity in Romania**
- **Significant improvement in operating profitability (+42.7%)**
- **EBT reached € 1.5 million**

*Koropi, 27/09/2019 – 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.).*

The first half of 2019, INFORM was assigned and successfully carried out the production of security ballots in the presidential elections held on 23 February 2019 in Nigeria. The implementation process took place in 2 stages. The 2 state-of-the-art factories of the group (located in Greece & Romania) gained the necessary certifications by Nigeria's State Organization and Election Organization, as suitable for the production of security forms and the management of large and critical government projects. Following this certification, all works began to complete such a demanding project. The high standards set out, are reflected in the fact that it is a project of particular requirements for the production of security ballot forms, distribution, personalization and dispatch to 120,000 polling stations in the country, within a very tight timetable. The project posed a great challenge for INFORM as it had to complete the production of 150 million security ballots consuming 1,800 tons of paper in just 35 days. The project amounted to 4.7 million euros and demonstrates the company's dynamics, to meet an international project, of the highest caliber and volume with absolute success.

In addition, INFORM ROMANIA (a Subsidiary of INFORM GREECE) successfully concluded a Business Transfer Agreement (BTA) with STAR STORAGE on the 1st of April 2019. The STAR STORAGE Business, that was transferred, was involved in Output Management Outsourcing (OMO Business) including both Digital printing and distribution. The transaction involves transfer of customer contracts, know how, employees and equipment that are currently supporting this line of business.

Group sales in the first half of 2019 increased by € 3.5 million or +10.2% compared to the corresponding period of 2018 and reached € 38.4 million versus € 34.9 million, with the project of the production of security ballots in Nigeria contributing € 4.7 million and secondly the transfer of the new customer contracts (BTA) in Romania which contributing € 0.8 million in the second quarter of 2019 in which were incorporated. The above-mentioned sales' increase offsets OASA project for the production of the electronic rechargeable cards (ATH.ENA Card) and tickets (ATH.ENA Ticket) implemented in Greece, amounting to € 2.5 million, in the first half of 2018. Specifically by excluding intra-group transactions, the sales of the parent company INFORM P. LYKOS SA reached € 18.1 million versus € 17.8 million in the corresponding period of 2018, increased by € 0.3 million, while the sales of the subsidiary in Romania amounted to € 19.9 million versus € 16.7 million in the first half of 2018, increased by € 3.2 million.

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 € 3.9 million compared to € 2.7 million in the corresponding period of 2018, increased by € 1.2 million or + 42.7% due to the good profitability of the above-mentioned projects,

-The earnings before interest and taxes (EBIT) of the Group, reached € 2.2 million compared to € 0.6 million in the corresponding period of 2018, increased by € 1.6 million, improved further by € 0.5 million due to the reduced depreciations from the impairment of old technology machines which took place within last year,

-The earnings before taxes (EBT) of the Group, reached € 1.5 million compared to marginally negative (€ 339) in the corresponding period of 2018,

-The consolidated earnings after taxes (EAT) of the Group, reached to € 1.4 million compared to € 38 thousand in the corresponding period of 2018.

The net debt of the Group amounted to € 19.5 million in the first half of 2019 from € 14.9 million in the corresponding period of 2018, increased by € 4.6 million, mainly due to the investments in Romania, the acquisition of the business activity of STAR STORAGE by € 2.5 million and the purchase of the second ultra-modern digital machine by € 0.8 million, as well as the Group needs for working capital by € 0.9 million and the impact of the first adoption of IFRS 16 by € 0.4 million.

For the second half of 2019, the Group continues to focus on strengthening its position in the sectors that already operates, with the ultimate goal of providing integrated solutions and generating higher added value for its existing and new customers.

In this direction, INFORM Romania (INFORM LYKOS S.A), a subsidiary of INFORM P. LYKOS S.A. Greece, on the 8th of August 2019, signed an agreement to acquire the majority stake in SISTEC NEXT DOCS S.R.L. and SISTEC CONFIDENTIAL S.R.L. More specifically INFORM Romania will acquire 65.07% of SISTEC NEXT DOCS S.R.L. and 65.45% of SISTEC CONFIDENTIAL S.R.L. The finalization of the agreement will be subject to the successful fulfillment of the requirements set forth in the Share Purchase Agreement (SPA) and the estimated time of finalization will not exceed a 3 month period. By carrying out such an investment, INFORM Romania extends the services range in its portfolio, currently being offered to existing customers, as well as the ability to enhance new business development by providing document management services (including electronic archiving, workflow and business process development, scanning, internal form creation, indexing, process control and access), as well as physical archiving and certified secure document shredding. The above mentioned services are fully connected and complementary to existing INFORM activities related to data management reproduction in either hard copy or digital form. SISTEC NEXT DOCS and SISTEC CONFIDENTIAL have been active in the Romanian market for the past five (5) years with a successful track record and have a significant market share in their respective business industries.

At the same time, the Board of Directors of INFORM in Greece on 20.06.2019 decided to start the spin - off process of the production, processing, development and trading sector of printed information systems and its contribution to a new 100% subsidiary company established for this purpose. The business unit spin - off and its contribution to the new company will be carried out in accordance with the provisions of Law 4601/2019, Law 4548/2018 and the article 54 of Law 4172/2013. The balance sheet date has been set as 30.06.2019. The intention of the company is to complete the spin - off within fiscal year of 2019. The spin - off essentially aims at the organizational segregation of the Group's business activities and will not affect its financial data as the new subsidiary company formed for this purpose will be fully consolidated, as the Group will own its 100%. The

completion of the spin - off is subject to the approval required by the INFORM General Meeting of Shareholders as required by law and by obtaining all necessary approvals of the competent Authorities for this purpose.

**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 390 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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