

## GROUP INFORM P. LYKOS HOLDINGS S.A.

### Improved operating profitability (adjusted EBITDA +6.6%), despite the current situation COVID-19 pandemic

- Sales at € 69.8 million reduced by (-3.7%) compared to 2019
- Gross margin at 17.4% improved by 1.3 percentage points
- Increased operating profitability (adjusted EBITDA) to € 6.6 million (+6.6%)

*Koropi, 31/03/2021 – The consolidated financial statements of INFORM P. LYKOS HOLDINGS S.A. are published today, in accordance with the International Financial Reporting Standards (I.F.R.S.).*

During the year 2020, Group sales decreased by only € 2.7 million or -3.7% compared to 2019 and reached € 69.8 million. Compared to the previous year, the key important deviations in the level of sales were the following:

a) Revenue loss of € 6 million attributed to COVID-19 pandemic due to the suspension of business operation of our customers in sectors such as Retail and Catering which led to a decrease in customer orders both in Greece and in Romania, as well as b) the one-off project of security ballots production for the presidential elections in Nigeria that took place in the first quarter of 2019 both in Greece and Romania worth of € 4.6 million.

The above negative uncontrolled deviations were largely offset by: a) the full turnover incorporation in 2020 of the two acquisitions of NEXT DOCS companies in Romania contributing € 3.2 million, b) the undertaking of a larger market share in the postal services both in Greece and Romania by € 3.2 million, c) the renewal of Bank payment cards in Greece by € 1.1 million and finally d) the increased contribution by € 0.4 million in turnover of digital transformation solutions, compared to 2019.

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of the Group increased by 6.6% or € 0.4 million from € 6.2 million reported in 2019 to € 6.6 million in 2020 driven from improved product mix, with higher contribution in the profitability from the services provided to our clients from the NEXT DOCS companies in Romania as well as the digital transformation solutions at Group level and therefore improved our reported gross profit margin by 1.3 percentage points from 16.1% in 2019 to 17.4% in 2020.

Despite the great challenges faced by the Group in 2020 related to the COVID-19 pandemic, we managed to maintain on a comparable basis the adjusted earnings before tax (adjusted EBT) in the amount of € 0.9 million to which it returned in 2019 after loss-making results reported in previous years, rewarding the efforts of its management and the trust of its shareholders.

Specifically, in relation to the business performance by main geographical segment, and excluding the intercompany transactions, Sales in Greece reached € 28.1 million compared to € 32.1 million reported in 2019, decreased by € 4 million or -12.4% compared to 2019, mainly from the revenue loss of € 4 million related to the effects of the COVID-19 pandemic and the one-off project of the production of security ballots for the presidential elections in Nigeria in 2019, worth of € 2.8 million. These effects were largely compensated by the undertaking of a larger market share in the postal services amounting to € 1.5 million, the renewal of Bank payment cards in Greece by € 1.1 million and the increased offering of digital transformation solutions by € 0.2 million, compared to 2019. Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) in 2020 reached € 1.7 million compared to € 2.4 million in 2019, decreased by € 0.6 million or -27%, and as a result mainly of revenue loss related to COVID-19 pandemic.

In Romania, the sales increased by 3.5% compared to 2019 and reached € 40.9 million compared to € 39.5 million reported in 2019. This increase of € 1.4 million is attributed to the full turnover incorporation in 2020 of the acquisition of NEXT DOCS companies contributing € 3.2 million, the undertaking of a larger market share in the postal services adding € 1.7 million in Sales and the provision of digital transformation solutions that were increased by € 0.2 million, compared to 2019. These increases fully offset the revenue loss of € 1.8 million related to the impact in Sales from the COVID-19 pandemic and the one-off project of the production of security ballots for the presidential elections in Nigeria in 2019, worth of € 1.9 million. Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of 2020, amounted to € 4.8 million compared to € 3.7 million in 2019, significantly improved by € 1.1 million or +29%, as a result of higher sales with improved mix mainly driven by the turnover incorporation of NEXT DOCS companies.

The Group operating cash flow generated in 2020 reached € 5.5 million compared to € 4.7 million in 2019. This increase of € 0.8 million was mainly related to the reduction of working capital needs, specifically from the better management of the amount of inventory coverage. The Net Debt of the Group is reported at € 18.6 million in 2020 from € 20 million in 2019, improved by € 1.4 million. The new investments of the Group in machinery and other equipment as well as in software development amounted to € 2 million.

Despite the current difficult situation and uncertainty related to the COVID-19 pandemic, we are moving forward steadily and working methodically to provide high technology solutions in the field of secure document and information management, constantly investing in specialized personnel to create new innovative services and address our client's needs.

The Group, having proved its ability to adapt to the rapidly changing and unpredictable conditions of the European market in which it operates, faced the challenges and continued to focus on the goal of developing higher value-added services, such as CCM (Customer Communication Management) services or Enterprise Document Management, Scanning & Archiving services, as well as the provision of highly specialized and technologically advanced digitalization solutions such as Digital Onboarding (DoB), OCR / Data Capture Solutions for automatic document recognition and registration (Process Automation) using Machine Learning (ML), Robotic Process Automation, Natural Language Understanding and Cognitive Analytics Solutions, in order to support existing and new customers in their own digital transformation.

#### About INFORM

**INFORM (LYK.ATH)** was founded in 1897, it has been listed on the Athens Stock Exchange since 1994 and provides products and services for secure document and information management, innovating in digital transformation of businesses and organizations for providing highly specialized solutions. It employs 520 workers, with 4 production plants in Greece, Romania and Albania and has a leading position in the markets of Central and Eastern Europe in the Public and Private Sector.

INFORM is a member of **AUSTRIACARD HOLDINGS**, an Austrian group of high-tech IT in **Hardware Embedded Security**, which employs **1.300** people and has an international presence in three Divisions, AUSTRIACARD, INFORM and NAUTILUS, in the fields of Digital Security, Information Management and IoT respectively, with a total turnover of € 174 million in 2020. The Group **AUSTRIACARD HOLDINGS** has a very strong European business footprint, from the United Kingdom to Greece and Turkey, with **six** production facilities and **eight** personalization centers in Europe, as well as **two** additional personalization centers in South America and the USA (at the construction stage), which allow to serve its customers, wherever they are, in the best possible way.

For more Information, visit the site [www.informlykos.com](http://www.informlykos.com)