



PRESS RELEASE – REGULATED INFORMATION

GLOBAL GRAPHICS PUBLISHES 2019 ANNUAL REPORT AND FINANCIAL STATEMENTS

Cambridge (UK), 11 March 2020 (08.00 CET): Global Graphics PLC (Euronext: GLOG) announces that it has published its annual report and financial statements for the financial year ended 31 December 2019.

The full document is available to download from the investors section of the Company's web site at: <http://www.globalgraphics.com/investors/financial-reports>

Should you wish to receive printed copies please send an e-mail to investor-relations@globalgraphics.com or make your request in writing, for the attention of the Company's Chief Financial Officer, to 2030 Cambourne Business Park, Cambourne, Cambridge, CB23 6DW, UK.

Mike Rottenborn, Global Graphics CEO comments, "As forecast, profitability was lower in 2019 due to investment in additional personnel and new product development. Revenue declined more than expected, primarily due to a slowdown in ceramic tiles and industrial printing that adversely affected our Printhead Solutions sales. For 2020, we look for continued growth in our Software segment fuelled by tighter integration between Global Graphics Software and Meteor Inkjet, as well as the late-2019 acquisition of Xitron, our largest reseller partner. We have started to see some recovery in industrial printing for 2020, although it is too early to estimate the impact of the coronavirus outbreak on this segment and the overall business."

Financial highlights

In thousands of euros	For the year ending 31 December		
	2019	2018	Change
Revenue	22,508	23,922	(1,414)
Operating profit	983	2,808	(1,825)
Profit before taxes	721	2,873	(2,152)
Tax expense	(269)	(504)	235
Profit for the year attributable to equity holders	452	2,369	(1,917)
EBITDA	4,377	5,720	(1,343)
Adjusted operating profit	2,666	4,759	(2,093)
Adjusted net profit	1,819	3,981	(2,162)
Basic earnings per share	0.04	0.20	(0.16)
Adjusted earnings per share	0.16	0.34	(0.18)
Available cash	4,995	5,650	(655)

The consolidated pre-tax result was a profit of €0.72 million compared with a profit of €2.87 million in 2018. The reduction in profitability of €2.15 million is due to:

- a decrease in revenue of €1.41 million;
- a decrease in cost of sales of €0.69 million;
- a decrease in other income of €0.02 million;
- an increase in selling, general and administrative expenses of €0.77 million;
- an increase in research and development expenses of €0.29 million;
- an increase in other operating expenses of €0.02 million;
- an increase in net finance expenses of €0.15 million; and
- an increase in foreign exchange losses of €0.18 million.

Revenue for the Software segment totalled €11.61 million for the year (2018: €9.98 million). The segment benefited from non-recurring revenue of €0.32 million from a new customer and a contract amendment with an existing customer that resulted in €2.00 million of revenue being recognised, which is also not expected to be recurring. Additionally, €0.71 million associated with the acquisition of Xitron, LLC from 1 November 2019 contributed to the segment's revenue.

Revenue for the Printhead Solutions segment was €6.87 million for the year (2018: €9.20 million). Revenue from existing customers was lower by €2.97 million and was offset by revenue from new customers of €0.64 million. The top three customers in the segment accounted for €2.66 million of the decline in existing customers, of which €0.68 million was non-recurring in 2018. Two of these customers are in China and one is in the United States.

Revenue for the Fonts segment was €4.03 million for the year (2018: €4.75 million). Included in the year was €0.78 million of non-recurring licence revenue (2018: €1.58 million).

Gross profit for the period has improved to 81.0% of revenue (2018: 79.3%), primarily due to the higher proportion of software revenue which generates a higher profit margin.

Included in selling, general and administrative expenses is amortisation of €1.23 million (2018: €1.16 million) related to intangible assets recognised as a result of acquisitions and €0.15 million (2018: €0.31 million) related to share-based payment expenses.

Included in research and development expenses is the capitalisation and amortisation of internally generated intangible assets. During the period there was a net expense of €0.13 million (2018: €0.36 million) related to these assets. The net expense was comprised of €1.44 million (2018: €1.41 million) in amortisation charge offset by €1.31 million (2018: €1.05 million) in capitalisation of development expenses.

The exchange rate losses are primarily due to the revaluation of currency balances held at the balance sheet date and the change in exchange rates during the year.

The Group presents EBITDA (earnings before interest, tax, depreciation and amortisation) and adjusted profit when reporting its financial results to provide investors with an additional tool to evaluate the Group's results in a manner that focuses on what the Group believes to be its underlying business operations. The Group's management believes that the inclusion of adjusted financial results provides consistency and comparability with past reports.

Additional commentary and analysis of the Group's consolidated results for the year ending 31 December 2019 can be found in the annual report and financial statements.

Annual General Meeting

The Company expects to hold its annual general meeting on Thursday 30 April 2020. The official notice of the meeting will be issued in accordance with applicable legal and regulatory requirements closer to the time.

About Global Graphics

Through its operating subsidiaries, [Global Graphics PLC](#) (Euronext Brussels: GLOG) is a leading developer of platforms for digital inkjet printing and type design and development. Customers for digital inkjet technology include press manufacturers such as HP, Canon, Durst, Roland, Hymmen and Mark Andy. Those for font design include numerous international brands, from manufacturers such as Mercedes Benz and Siemens, to digital media and epublishing companies. Global Graphics PLC is headquartered in Cambridge UK. Its subsidiary companies are printing software developers [Global Graphics Software](#); the type foundry, [URW Type Foundry](#), and the industrial printhead driver solutions specialists, [Meteor Inkjet](#); and the pre-press software specialists [Xitron](#).

Contacts

Jill Taylor

Corporate Communications Director

Tel: +44 (0)1223 926489

Email: jill.taylor@globalgraphics.com

Graeme Huttley

Chief Financial Officer

Tel: +44 (0)1223 926472

Email: graeme.huttley@globalgraphics.com

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On behalf of **Global Graphics** Building 2030, Cambourne Business Park, Cambridge, CB23 6DW GB