



2014 Interim results

- ▶ **Strong growth in e.ID Passport**
- ▶ **Ongoing industrial transformation**
- ▶ **Solid financial position after IPO on 1 July 2014**
- ▶ **Strategic roadmap confirmed: €100 million in turnover by 2017**

ASK (Euronext Paris - FR0011980077 - ASK), a global leader in secure contactless technology solutions for the Transport and Identity sectors, has published its interim results for H1 2014 (1 January - 30 June). The Company's condensed interim consolidated financial statements below were approved by its Board of Directors on 23 September 2014. The financial statements have been audited and the auditors' report is in the process of being issued.

in € millions Audited figures)	H1 2014	H1 2013	2013
Consolidated turnover	20.3	19.5	39.8
EBITDA ⁽¹⁾ restated ⁽²⁾	0.7	1.0	1.7
EBITDA ⁽¹⁾	(0.1)	0.6	0.5

(1) Earnings before interest, taxes, depreciation, amortization and non-recurring items

(2) Adjusted for additional production costs resulting from the simultaneous operation of units in India and China and to completing the transfer of production from India to China (completed in Q3 2014)

ASK's consolidated turnover was €20.3 million in H1 2014, up 4% on the same period in 2013, in a competitive market environment. Including the activities of its joint ventures⁽³⁾, Group turnover increased 8% to €22.6 million, boosted by the strong growth in e.ID Passport solutions around the world (including the U.S. passports produced by its joint venture, ASK IntTag) and the performance of its Contactless Solutions division.

ASK's restated EBITDA for the period is €0.7 million, slightly lower compared to restated EBITDA of €1.0 million in the same period in 2013 due to investments made in hiring additional resources in its Research & Development and Sales teams.

As presented in its IPO materials, 2014 will be a year of ongoing industrial transformation for ASK in order to:

- **increase gross margin** to the standard level of the sector; and
- **expand its production capacity** to support its strategic plan.

(3) US joint venture, ASK IntTag, in which ASK holds 50.01% and Chinese joint venture, ASK TongFang, in which ASK holds 50.01%.



The Company's industrial transformation is proceeding according to its initial plans, with the gradual transfer of production from India to the new Group entity in China, Beijing ASK Smart Technology. ASK's earnings for H1 2014 were impacted by the additional production costs resulting from the simultaneous operation of units in India and China, and the non-recurring expenses linked to the transfer of production.

H1 2014 earnings also include IPO fees, that were not booked to new issue premium, of €(0.4) million.

Net of these non-recurring items, IPO fees, amortisation, depreciation and provisions, ASK's operating results were €(1.5) million for H1 2014, against €(0.2) million in H1 2013.

Financial expenses at €1.2 million for H1 2014, against €0.3 million in H1 2013, consisted primarily of the interest on bond debt (€1.1 million).

For H1 2014, ASK's net results after tax were €(2.0) million, against €(0.5) million in H1 2013.

The effective closure of ASK's entity in India during September 2014 will allow the Group to lower its fixed costs by streamlining the industrial equipment at its three production units in Burlington (United States), Sophia Antipolis (France) and Beijing (China).

ASK expects to reap the full benefits of these transformational measures from the start of 2015.

► **Solid financial position after a capital increase on 1 July 2014**

The €21.9 million in share capital raised as a result of ASK's IPO in the first half of 2014 has substantially strengthened the Group's balance sheet.

Since the period end, ASK repaid all of its bond debt ahead of schedule, which will significantly reduce the Group's financial expenses.

On 1 July 2014, ASK's equity capital increased to €17.3 million from €153,000 on 31 December 2013. Financial debt amounted to €18.9 million (including €6.2 million in bond debt which was repaid since then), Financial debt is made up of primarily factoring debt, lease commitments in connection with fixed assets, and advance payments and subsidies. Cash stood at €20.5 million after the IPO.

Today, ASK's healthy and robust balance sheet means it is able to step up its growth plan with increased operational flexibility.

► **Strategic roadmap and targets confirmed**

ASK has confirmed its target of €100 million in turnover by 2017, and is looking forward to dynamic growth in its key markets of e.ID and Transport, as the convergence of the world's banking sector offers a multitude of opportunities.

To achieve this turnover target, ASK has already begun the investments in industrial organization, technologies and sales needed to achieve its strategic plan. Alongside its industrial transformation, ASK is focused on expanding its R&D and Sales teams in order to broaden its presence and scope across key regions including Europe, the United States and Latin America.

In order to fully capitalise on the Group's significant potential in the United States, ASK is continuing discussions with its U.S. partner to increase its presence in the United States.



About ASK

ASK provides secure contactless solutions for sensitive applications linked to individuals. Founded in 1997, ASK has developed patented technology based on a unique silver printing process. It creates genuine solutions to the security and reliability challenges of its markets. ASK offers a full range of contactless cards and inlays (electronic covers and integrated antennas) for passports, transport cards, tickets, terminals, operating systems and personalisation services.

ASK's innovative technology and global organisation, with manufacturing units in Europe (France), Asia (China) and the USA, make it the reference player in secure contactless solutions for identity (e.ID) and transport markets. In e.ID, ASK has worked with top global customers since 2006, providing inlays for US, UK, French, Israeli, Philippine and other passports. In the transport market, ASK has strengthened its leadership position since 2001, assisting over 103 cities in 27 countries, including Atlanta, Chicago, Dubai, Lisbon, London, Mexico City, Miami, Paris, Singapore, Sydney and Tel Aviv.

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For more information, see www.ASK-Contactless.

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