



eID

Transport &
Smart Cities

Traceability &
Brand Protection

Payment

Press release - 26th July 2022 – 7.30 am

Record full-year revenues 2021/2022 at €130.8m, growing +56% and exceeding guidance

- Strong commercial activity in 4th quarter with growth of +68%.
- Annual organic growth of 37%
- Sustained double-digit growth across all divisions in 2021/2022
- Success in pursuit of strategic initiatives: Digital Mobile and Account-Based-Ticketing Platforms, UHF RFID tags for IoT, RTLS Platforms and Own-Manufactured Metal Payment Cards
- Excellent performance of acquisitions made during financial year (Security Label and EDM)

Paragon ID (Euronext Paris - FR0013318813 - PID), the European leader in ID solutions, technologies used in the Mass Transit & Smart Cities, e-ID, Track & Trace and Payment markets, announces its revenues for the 4th quarter 2021/2022 (1st April 2022 – 30th June 2022)

In M€ - IFRS Unaudited data	2019/20 consolidated	2020/21 consolidated	2021/22 consolidated	Change	Change at constant exchange rates and like-for-like basis
Q1 Turnover	26.8	19.3	25.7	+34%	+21%
Q2 Turnover	29.5	21.4	31.1	+45%	+31%
Q3 Turnover	29.0	19.6	34.6	+76%	+57%
Q4 Turnover	22.7	23.7	39.7	+68%	+38%
12 months Turnover	108.0	83.9	130.8	+56%	+37%

airweb has been consolidated since 1st November 2020. Apitrak has been consolidated since 1st June 2021. Security Label has been consolidated since 1st July 2021. The new subsidiary EDM Technology has been consolidated since 1st October 2021. The company UrbanThings has been consolidated since 1st July 2022 (for the next financial year 2022/23).

Strong commercial activity in 4th quarter of 2021/22

In the 4th quarter of its 2021/22 financial year, Paragon ID recorded consolidated revenues of €39.7m, up +68% compared to the 4th quarter of 2020/21. At constant exchange rates and on a like-for-like basis, organic growth in the quarter was +38%.

This performance in the 4th quarter exceeded expectations. The end of strikes in the Finnish paper mills, the easing of supply chain bottlenecks and improvements in transportation availability and conditions helped ensure that the strong commercial activity throughout the quarter translated into recognized revenues.

Paragon ID's revenues continued to benefit from increases in its selling prices in the fourth quarter. These were applied in order to offset some of the company's own increases in raw material and component costs. This price effect is estimated to have contributed around €2.0m to the growth in turnover for the 4th quarter of 2021/22 (€1.5m in the 3rd quarter).

All divisions showed sustained growth in the last quarter of the year, with a particularly strong performance in the **Transport & Smart Cities** activity, growing +95% in the 4th quarter vs +75% over the previous nine months. This performance reflected large orders taken in the United States and the positive contribution of the new US subsidiary EDM Technology Inc. **Payment** activity also recorded strong growth of +39% in the 4th quarter vs. +16% over the previous 9 months, reflecting the continued success of Thames Card (acquired in 2019) and of AmaTech which benefited from large orders for RFID modules in the last quarter, as foreseen.

2021/2022 revenue target exceeded

Paragon ID's strong performance in the fourth quarter resulted in the company's posting full-year revenues of €130.8m for 2021/22, up +56% on prior year and +37% at constant exchange rates and on a like-for-like basis.

This marks a record level of turnover, significantly higher than the initial objective of double-digit growth and the revised target of more than €120m set at the end of April.

The contribution of the acquisitions made during the (calendar) year 2021 (Apitrak, Security Label GmbH and EDM Technology Inc.) amounted to €15.7m on a full-year basis.

Strong double-digit growth across all divisions in 2021/22

The 2021/22 financial year was marked by a strong rebound in commercial activity in **Transport & Smart Cities** (37% of 2021/22 revenue), with passengers returning to public transport and a resumption of sustained orders from operators to replenish their stocks of tickets and cards. In total, this division's turnover amounted to €48.6m, up 81% year-on-year. Organic growth was +67% over the year, illustrating the gains in market share achieved by Paragon ID post-pandemic. The most recently acquired company, EDM Technology Inc. in the United States, performed strongly with activity levels at the end of the year in line with those prevailing before the crisis.

Strategic initiative in Mass Transit & Smart Cities: Digital Mobile and Account-Based-Ticketing Platforms

The 2021/22 financial year saw continued growth in recurring revenues from airweb's mobile ticketing and Paragon ID's "account-based ticketing" activities, with multiple new deployments of these Mobility as a Service (MaaS) offers. Growth in this area will accelerate in 2022/23, with the recent acquisition of UrbanThings in the United-Kingdom.

Track & Trace (34% of 2021/22 revenues) posted turnover of €44.3m in 2021/22, up 61%. Organic growth was +27% at constant exchange rates and on a like-for-like basis. The acquisition of Security Label GmbH, Europe's leading supplier of baggage tags and other equipment to the aviation industry, at the beginning of the 2021/22 financial year, contributed significantly to the division's solid growth. Security Label's turnover in the 4th quarter increased sharply, reaching record levels, higher than those achieved by the company pre-COVID, even though air traffic, generally, remains lower than that of 2019.

Strategic initiative in Track & Trace (1/2): UHF RFID tags for IoT in Retail

The financial year 2021/22 saw the start of Paragon ID's sales of RFID tags to large partners servicing the *Retail* sector in the United States and other countries, where major household names are deploying the technology massively as part of their IoT (*Internet of Things*) strategies. This activity is expected to create growth in revenues in excess of €10m in the new financial year 2022/23.

Strategic initiative in Track & Trace (2/2): Real-Time-Locating-Systems (RTLS) Platforms

Paragon ID launched its RTLS activity in 2018 with the acquisition of RFID Discovery in the UK, a trusted partner to the National Health Service (NHS) for the provision of real-time tracking of equipment in hospitals. This activity has grown substantially over the last two years. The acquisition of French start-up "Apitrak" in May 2021 accelerated the development of cloud-based RTLS solutions, which are, in turn, facilitating worldwide distribution of this Platform as a Service offer, in industrial environments as well as in the medical sector, building the company's recurring revenues for the years ahead.

Payment (22% of 2021/22 revenues) accelerated its growth in revenues in the second half of the year (+34% vs. +9% in the first half), driven by major orders in AmaTech for RFID modules for contactless payment. Overall, the division finished 2021/22 with annual revenues of €28.7m, up 22% with no change in perimeter nor exchange rate. Thames Card continued to take market share in its traditional activity of gift and loyalty cards.

Strategic initiative in Payment: Development of Sales in Own-Manufactured Metal Payment Cards

AmaTech invented proprietary technology which permits a metal payment card to effect a contactless payment (overcoming the blocking of electromagnetic fields by the metal card body). This technology has been successfully licensed to most of the biggest manufacturers of payment cards in the world, creating recurring royalty revenues. Throughout 2020/21, teams from AmaTech and Thames Card have worked to produce Paragon ID’s first own-manufactured contactless metal payment cards. The first complete certifications of these cards have been achieved and new revenues from this activity will commence in the first half of the new financial year 2022/23.

Activity in **e-ID** (7% of 2021/22 revenues) benefited strongly from the reopening of borders and international travel recovery during the year. Turnover amounted to €9.3m, up 53% on prior year (same change at constant exchange rates and on a like-for-like basis). Strong demand for volumes of passport from existing clients, coupled with major orders for Paragon ID’s new polycarbonate products should continue to drive growth throughout 2022/23.

Outlook for 2022/23: sustained strong growth

While remaining particularly attentive to the economic and geopolitical context (raw material prices, component crisis, supply and transport conditions), Paragon ID intends to continue to deliver sustained growth in 2022/23 and has set itself the goal of achieving another year of strong double-digit growth in revenues.

Clem Garvey, CEO Paragon ID comments:

“The outstanding work done by Paragon ID’s teams during the last two years puts it in a very favourable position to achieve strong organic growth. This will come from the continued rebound in our traditional activities, growth from the investments made in the Strategic Initiatives in recent years and from our acquisitions.

I believe that we can now legitimately aspire to double the size of this company every three years.”

2022 financial calendar

2021/22 yearly results	25th October 2022
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These dates are given for information only and may be changed if necessary. Publications will take place before the opening of the Euronext markets.

About Paragon ID

Paragon ID is a leader in identification solutions, in particular in the e-ID, Transport & Smart Cities, Traceability & Brand Protection and Payment sectors. Paragon ID employs more than 650 staff, with manufacturing sites in US and Europe, close to its customers. Paragon ID is listed on Euronext Paris with a majority of its shares being held by Paragon Group, a leading provider of Customer Communications, Identification, Graphics Services and Office Services. Paragon Group has a turnover of €1.5 billion and more than 9,000 employees. Paragon Group combines generations of experience with the latest innovations in technology and smart data to enable responsive and meaningful interactions between organisations and their customers. For further information about Paragon Group, visit Paragon-Europe.com. Euronext Paris - Share identification: Paragon ID - ISIN Code: FR0013318813 - Mnemonic code: PID. For further information about Paragon ID, visit Paragon-id.com.

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