AGFA

PRESS RELEASE

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Agfa-Gevaert in 2019: Strong cash generation - Group margins resilient in spite of offset headwinds

Key strategic highlights

- **Sale of part of Agfa HealthCare's IT business: regulatory approvals received and employee consultation procedures concluded**
- **Strategic portfolio and business orientation decisions**
- **Measures to tackle challenges in offset industry**

Financial highlights

- **Strong cash generation and lower net financial debt, fueled by strong working capital improvements, more than offsetting pension de-risking effects**
- **All divisions but Offset Solutions delivered underlying profit growth**
- **Impairment loss of 66.7 million Euro booked following evolution in offset industry**
- **Net result at 19 million Euro before impairment loss and minus 48 million Euro including impairment loss (including IFRS 16)**

Mortsel (Belgium), March 11, 2020 - Agfa-Gevaert today commented on its results in 2019.

KEY STRATEGIC HIGHLIGHTS

Sale of part of Agfa HealthCare's IT business

The sale of part of Agfa HealthCare's IT activities to Dedalus Holding S.p.A. is well on track. The parties received all regulatory approvals and all employee consultation requirements have been met. Both parties aim to close the transaction in the course of the second quarter of 2020. The business that is to be sold consists of the Healthcare Information Solutions and Integrated Care activities, as well as the Imaging IT activities to the extent that these activities are tightly integrated into the Healthcare Information Solutions activities. This is the case mainly in the DACH region, France and Brazil.

"The sale of this business will be a major step in our transformation process. Going forward, Agfa HealthCare will focus on Imaging IT Solutions. Based on our flagship Enterprise Imaging platform and the IMPAX solutions, we will continue to deliver superior value to our Imaging IT customers. Imaging IT Solutions performed well in 2019, positively contributing to our profitability growth. Furthermore, the proceeds of the sale will allow us to further execute the strategies of our other divisions, to address long term liabilities and to reward our shareholders," said Pascal Juéry, President and CEO of the Agfa-Gevaert Group.

Strategic portfolio and business orientation decisions

In 2019, the Digital Print & Chemicals division decided to terminate its inkjet media reseller activities in the United States. The termination of these low-margin activities will allow the division to fully focus on selling its own inkjet solutions in the highly competitive US market. To allow correct comparison, the 2018 and 2019 numbers in this document have been restated, excluding the inkjet media reseller activities in the USA.

The HealthCare IT division decided to strengthen the focus of the Imaging IT Solutions on certain core customer segments and geographies and to wind down these solutions from certain less sustainable geographies and market segments. This decision already had a positive impact on the division's profitability in 2019.

Measures to tackle challenges in offset industry

Headwinds related to the printing industry incited Agfa to take a more cautious stand towards its future offset activities and to book an impairment loss of 66.7 million Euro.

The Offset Solutions division operates in a market that is characterized by multiple challenges, including a strong decline in demand for analog prepress technology, decreasing newspaper and commercial print volumes, price pressure caused by intense competition and high aluminum costs.

As a large part of the division's printing plates are manufactured in China, the recent corona virus outbreak is also likely to have an impact on the business. The supply chain in China is disrupted and the outbreak is also delaying the further implementation of the offset alliance with Lucky HuaGuang Graphics. This alliance was signed in 2018 and further implemented in 2019. It is an industrial partnership aimed at optimizing Agfa's manufacturing footprint competitiveness. Furthermore, it also includes the implementation of a common sales platform for the Chinese market.

One of the main priorities of the Agfa-Gevaert Group is to implement a comprehensive plan to improve the profitability of the Offset Solutions division.

FINANCIAL HIGHLIGHTS

In 2019, the Agfa-Gevaert Group generated strong cash flows and a dedicated program allowed it to substantially decrease the working capital. As a result, the net financial debt decreased by 38 million Euro, in spite of the implementation of pension de-risking measures.

Both the Radiology Solutions division and the HealthCare IT division delivered profitable growth. Excluding the fading of the positive effects of the alliance with Siegwerk, the core businesses of the Digital Print & Chemicals division were also able to substantially improve their profitability. As a result, the Agfa-Gevaert Group recorded a gross profit increase and a stable adjusted EBITDA in spite of the deteriorated conditions in the offset markets.

“As newly appointed CEO, I am happy to see that the Agfa-Gevaert Group was able to generate strong cash flows and that all divisions but Offset Solutions delivered underlying profit growth. In the next quarters, we will focus on our actions to tackle the offset headwinds and on facilitating our growth engines to realize their full potential,” said Pascal Juéry, President and CEO of the Agfa-Gevaert Group.

Statement on IFRS 16 and 2018 restated profit and loss numbers

Several factors influence the way the Agfa-Gevaert Group reports its financial results as from the first quarter of 2019.

The activities of the Agfa-Gevaert Group have been regrouped into four divisions. To allow for a more accurate assessment of the business performances, some costs of corporate functions at Group level are no longer attributed to the business divisions. For 2019, these costs amounted to 17 million Euro (2018: 14 million Euro). These costs are now grouped under Corporate Services. To allow comparison, the 2018 profit and loss numbers have been restated.

As from 2019, the Agfa-Gevaert Group has adopted the IFRS 16 accounting rules. However, to allow correct comparison with 2018, the tables below present the 2019 profit and loss numbers excluding the impact of IFRS 16.

In 2019, the Group terminated its inkjet media reseller activities in the USA. To allow correct comparison, the 2018 and 2019 numbers have been restated.

Agfa-Gevaert Group – full year 2019

in million Euro	2019 (excl. IFRS 16)	2018 Restated (excl. IFRS 16)	% change (excl. FX effects)
Revenue	2,239	2,191	2.2% (0.6%)
Gross profit (*)	729	710	2.8%
% of revenue	32.6%	32.4%	
Adjusted EBITDA (*)	180**	182	-1.1%
% of revenue	8.1%	8.3%	
Adjusted EBIT (*)	124**	128	-3.0%
% of revenue	5.5%	5.8%	

(*) before restructuring and non-recurring items
(**) 2019 Adjusted EBITDA including IFRS 16: 220 million Euro
2019 Adjusted EBIT including IFRS 16: 126 million Euro

Based on the solid performances of the growth engines and the hardcopy product line, the Agfa-Gevaert Group's top line grew by 2.2%. As from the second half of the year, the consolidation of the sales coming from the offset alliance with Lucky HuaGuang Graphics also started to show in the Group's top line.

The Group's gross profit grew from 710 million Euro (32.4% of revenue) in 2018 to 729 million Euro (32.6% of revenue).

Selling and General Administration expenses remained almost stable at 461 million Euro (20.6% of revenue).

R&D expenses amounted to 148 million Euro, versus 141 million Euro in 2018.

Excluding the effects of IFRS 16, adjusted EBITDA remained stable at 180 million Euro (8.1% of revenue). Adjusted EBIT reached 124 million Euro (5.5% of revenue), versus 128 million Euro (5.8% of revenue) in 2018.

Restructuring and non-recurring items (including IFRS 16) resulted in an expense of 112 million Euro, versus an expense of 66 million Euro in 2018. This amount includes an impairment loss of 66.7 million Euro that was booked to reflect the evolution of the offset industry.

The net finance costs (including IFRS 16) amounted to 38 million Euro.

Income tax expenses (including IFRS 16) amounted to 28 million Euro, versus 34 million Euro in 2018.

As a result of the elements mentioned above, the Agfa-Gevaert Group posted a net result of minus 48 million Euro (including IFRS 16).

Financial position and cash flow (including IFRS 16)

- At the end of 2019, total assets were 2,294 million Euro (comprising right-of-use assets compliant with the new accounting standard on leases: 110 million Euro at the end of 2019), compared to 2,367 million Euro at the end of 2018.
- Trade working capital moved from 653 million Euro (29% of sales) at the end of 2018 to 579 million Euro (26% of sales) at the end of 2019 (excluding restatement for termination of inkjet media reseller activities in the USA).
- Net financial debt amounted to 219 million Euro (or 106 million Euro excluding the impact of IFRS 16), versus 144 million Euro at the end of 2018.
- Net cash from operating activities amounted to 123 million Euro.

HealthCare IT – full year 2019

in million Euro	2019 (excl. IFRS 16)	2018 Restated (excl. IFRS 16)	% change (excl. FX effects)
Revenue	505	490	3.0% (1.6%)
Adjusted EBITDA (*)	63.2**	48.7	29.8%
% of revenue	12.5%	9.9%	
Adjusted EBIT (*)	48.6**	34.4	41.1%
% of revenue	9.6%	7.0%	

(*) before restructuring and non-recurring items
(**) 2019 Adjusted EBITDA including IFRS 16: 78.6 million Euro
2019 Adjusted EBIT including IFRS 16: 49.7 million Euro

The HealthCare IT division's top line increased by 3.0%. Throughout the year, the Healthcare Information Solutions business continuously recorded solid top line growth, confirming its leading position in the German speaking countries of Europe and in France. For the Imaging IT Solutions business, the division focuses on generating 'quality turnover' in selected geographies and segments to further improve profitability. In spite of the decision to wind down the Imaging IT Solutions from certain less sustainable markets and segments, this business' top line remained stable versus the previous year.

The gross profit margin improved strongly from 44.2% of revenue in 2018 to 46.6%. Significant service efficiency improvements, strong software sales and the decision to refocus the Imaging IT Solutions business had a positive effect on profitability.

Excluding the effects of IFRS 16, adjusted EBITDA increased from 48.7 million Euro (9.9% of revenue) in 2018 to 63.2 million Euro (12.5% of revenue). Adjusted EBIT reached 48.6 million Euro (9.6% of revenue), versus 34.4 million Euro (7.0% of revenue) in the previous year.

Radiology Solutions – full year 2019

in million Euro	2019 (excl. IFRS 16)	2018 Restated (excl. IFRS 16)	% change (excl. FX effects)
Revenue	536	514	4.2% (3.2%)
Adjusted EBITDA (*)	88.5**	72.7	21.7%
% of revenue	16.5%	14.1%	
Adjusted EBIT (*)	72.0**	59.8	20.4%
% of revenue	13.4%	11.6%	

(*) before restructuring and non-recurring items
(**) 2019 Adjusted EBITDA including IFRS 16: 97.1 million Euro
2019 Adjusted EBIT including IFRS 16: 72.4 million Euro

In the Radiology Solutions division, the top line growth of the hardcopy and Direct Radiography ranges was partly counterbalanced by the market-driven decline in Computed Radiography sales. Clearly benefiting from the reorganization of the distribution channels in China, the hardcopy business posted double-digit revenue growth. The top line growth of the innovative Direct Radiography solutions range was also based on increased service revenues.

Partly due to improved service efficiencies and the effects of the reorganization of the hardcopy distribution channels, the division's gross profit margin increased from 34.7% of revenue in 2018 to 37.4%. Excluding the effects of IFRS 16, adjusted EBITDA increased from 72.7 million Euro (14.1% of revenue) in 2018 to 88.5 million Euro (16.5% of revenue). Adjusted EBIT reached 72.0 million Euro (13.4% of revenue), versus 59.8 million Euro (11.6% of revenue) in the previous year.

Digital Print & Chemicals – full year 2019

in million Euro	2019 (excl. IFRS 16)	2018 Restated (excl. IFRS 16)	% change (excl. FX effects)
Revenue	355	337	5.5% (4.1%)
Adjusted EBITDA (*)	29.3**	34.0	-14.0%
% of revenue	8.2%	10.1%	
Adjusted EBIT (*)	22.3**	28.1	-20.7%
% of revenue	6.3%	8.4%	

(*) before restructuring and non-recurring items
(**) 2019 Adjusted EBITDA including IFRS 16: 33.9 million Euro
2019 Adjusted EBIT including IFRS 16: 22.5 million Euro

Based on the strong performance of its core businesses, the Digital Print & Chemicals division's top line increased by 5.5%.
In inkjet, the ink product ranges posted volume and revenue growth. Large-format equipment sales were also up, based on the success of high-end systems such as the Jeti Tauro H3300 LED.
In the Industrial Films and Foils segment, the Synaps Synthetic Paper range performed well, as Agfa's paper range is being distributed in an increasing number of geographies. The Electronic Print segment's Orgacon Electronic Materials range also reported good sales figures. Furthermore, the division is making progress in a number of promising new business areas. For instance, the rise of the hydrogen economy is leading to an increased interest in Agfa's membranes for alkaline water electrolysis.

The division's gross profit margin improved from 27.7% of revenue in 2018 to 28.4%. Excluding the effects of IFRS 16, the division's adjusted EBITDA reached 29.3 million Euro (8.2% of revenue), versus 34.0 million Euro (10.1% of revenue) in 2018. Adjusted EBIT amounted to 22.3 million Euro (6.3% of revenue), versus 28.1 million Euro (8.4% of revenue). As the main effect of the strategic alliance for UV digital packaging inks with Siegwerk Druckfarben has come to an end, the 2019 adjusted EBITDA margin was negatively influenced. Excluding this effect, the adjusted EBITDA margin would have increased substantially.

Offset Solutions – full year 2019

in million Euro	**2019 (excl. IFRS 16)**	**2018 Restated (excl. IFRS 16)**	**% change (excl. FX effects)**
Revenue	843	850	-0.8% (-2.5%)
Adjusted EBITDA (*)	16.5**	41.0	-59.8%
% of revenue	2.0%	4.8%	
Adjusted EBIT (*)	(1.4)**	19.7	
% of revenue	(0.2%)	2.3%	

(*) before restructuring and non-recurring items
(**) 2019 Adjusted EBITDA including IFRS 16: 27.9 million Euro
2019 Adjusted EBIT including IFRS 16: minus 1 million Euro

The Offset Solutions division's revenue remained almost stable at 843 million Euro. Mid 2019, the consolidation of the sales coming from the alliance with Lucky HuaGuang Graphics started to show in the division's top line.
The Offset Solutions division is active in structurally declining markets. The offset industry is marked by the strong decline in demand for analog prepress technology and decreasing newspaper and commercial print volumes. The division also continues to face price pressure, caused by intense competition, as well as high aluminum costs. Going forward, new challenges such as the corona virus outbreak could also affect the division's results. The developments in the offset industry explain the booking of an impairment loss by the Group in the fourth quarter.

The Offset Solutions division's gross profit margin decreased from 26.1% of revenue in 2018 to 22.9%. Part of the decrease was due to the dilutive effect related to the consolidation of the sales coming from the Lucky alliance. In addition, adverse product and regional mix effects, increased idle time due to overcapacity and high aluminum costs also impacted the gross profit margin. Excluding the effects of IFRS 16, adjusted EBITDA amounted to 16.5 million Euro (2.0% of revenue), versus 41.0 million Euro (4.8% of revenue) in 2018 and adjusted EBIT amounted to minus 1.4 million Euro (minus 0.2% of revenue), versus 19.7 million Euro (2.3% of revenue).

Corporate Services – full year 2019

in million Euro	**2019 (excl. IFRS 16)**	**2018 Restated (excl. IFRS 16)**
Adjusted EBITDA (*)	(17.2)**	(14.3)
Adjusted EBIT (*)	(17.4)**	(14.3)

(*) before restructuring and non-recurring items
(**) 2019 Adjusted EBITDA including IFRS 16: minus 17.2 million Euro
2019 Adjusted EBIT including IFRS 16: minus 17.4 million Euro

To allow for a more accurate assessment of the business performances, costs of corporate functions at Group level are grouped under Corporate Services.

The increase in costs related to Corporate Services versus 2018 is mainly due to the creation of the new Innovation Office.

Fourth quarter results

Agfa-Gevaert Group – fourth quarter 2019

in million Euro	Q4 2019 (excl. IFRS 16)	Q4 2018 Restated (excl. IFRS 16)	% change (excl. FX effects
Revenue	599	587	2.1% (0.8%)
Gross profit (*)	194	190	2.1%
% of revenue	32.4%	32.4%	
Adjusted EBITDA (*)	52**	59	-11.3%
% of revenue	8.7%	10.1%	
Adjusted EBIT (*)	38**	45	-14.4%
% of revenue	6.4%	7.6%	

(*) before restructuring and non-recurring items

(**) Q4 2019 Adjusted EBITDA including IFRS 16: 62 million Euro
Q4 2019 Adjusted EBIT including IFRS 16: 39 million Euro

In the fourth quarter of 2019, the Agfa-Gevaert Group's top line increased by 2.1%. The hardcopy business posted significant revenue growth and several growth engines also performed well. The Offset Solutions division's top line was influenced by the consolidation of the sales related to the alliance with Lucky HuaGuang Graphics.

The Group's gross profit margin remained stable at 32.4%.

Selling and General Administration expenses decreased slightly from 117 million Euro (20.0% of revenue) in the fourth quarter of 2018 to 116 million Euro (19.4% of revenue).

R&D expenses amounted to 39 million Euro, versus 36 million Euro in the fourth quarter of 2018.

Although the HealthCare IT and Radiology Solutions divisions, as well as the core activities of the Digital Print & Chemicals division were able to improve their profitability, adjusted EBITDA (excluding the effects of IFRS 16) decreased from 59 million Euro (10.1% of revenue) in the fourth quarter of 2018 to 52 million Euro (8.7% of revenue). The reasons for this decrease are the offset related elements mentioned above and the fading of the effects of the Siegwerk alliance. Adjusted EBIT reached 38 million Euro (6.4% of revenue), versus 45 million Euro (7.6% of revenue) in the fourth quarter of 2018.

Including an impairment loss of 66.7 million Euro that was booked to reflect the evolution of the offset industry, restructuring and non-recurring items (including IFRS 16) resulted in an expense of 84 million Euro, versus an expense of 37 million Euro in the fourth quarter of 2018.

The net finance costs (including IFRS 16) amounted to 8 million Euro.

Income tax expenses (including IFRS 16) amounted to 4 million Euro.

In the fourth quarter of 2019, the Agfa-Gevaert Group posted a net loss of 57 million Euro (including IFRS 16).

HealthCare IT – fourth quarter 2019

in million Euro	Q4 2019 (excl. IFRS 16)	Q4 2018 Restated (excl. IFRS 16)	% change (excl. FX effects)
Revenue	131	130	0.7% (-0.3%)
Adjusted EBITDA (*)	17.9**	16.4	9.5%
% of revenue	13.7%	12.6%	
Adjusted EBIT (*)	14.1**	12.3	14.4%
% of revenue	10.7%	9.5%	

(*) before restructuring and non-recurring items
(**) Q4 2019 Adjusted EBITDA including IFRS 16: 21.5 million Euro
Q4 2019 Adjusted EBIT including IFRS 16: 14.4 million Euro

The HealthCare IT division's top line increased by 0.7%. Like in the previous quarters, the Healthcare Information Solutions business recorded strong sales growth. Following two strong quarters, sales in the Imaging IT Solutions business were down compared to a very strong Q4 2018, but remained higher than average throughout 2019. This business' top line was influenced by the decision to focus the Imaging IT Solutions on selected sustainable markets and segments.

The gross profit margin improved from 45.5% of revenue in the fourth quarter of 2018 to 47.3%. Excluding the effects of IFRS 16, adjusted EBITDA increased from 16.4 million Euro (12.6% of revenue) in the fourth quarter of 2018 to 17.9 million

Euro (13.7% of revenue). Adjusted EBIT reached 14.1 million Euro (10.7% of revenue), versus 12.3 million Euro (9.5% of revenue) in the fourth quarter of 2018.

At the RSNA 2019 trade event in November, Agfa HealthCare showcased the latest release of its Enterprise Imaging platform. Visitors learned how this unified imaging platform with a powerful workflow engine enhances productivity and boosts clinical confidence.

Radiology Solutions – fourth quarter 2019

in million Euro	**Q4 2019 (excl. IFRS 16)**	**Q4 2018 Restated (excl. IFRS 16)**	**% change (excl. FX effects)**
Revenue	153	150	1.8% (-0.7%)
Adjusted EBITDA (*)	31.6**	25.4	24.6%
% of revenue	20.7%	16.9%	
Adjusted EBIT (*)	27.3**	21.8	25.4%
% of revenue	17.9%	14.5%	

(*) before restructuring and non-recurring items
(**) Q4 2019 Adjusted EBITDA including IFRS 16: 33.7 million Euro
Q4 2019 Adjusted EBIT including IFRS 16: 27.5 million Euro

Influenced by positive currency effects, the Radiology Solutions division’s revenue increased by 1.8% compared to the fourth quarter of 2018. Like in the previous quarters, the hardcopy business continued to benefit from the effects of the reorganization of the distribution channels in China.

The division’s gross profit margin improved from 34.2% of revenue in the fourth quarter of 2018 to 39.7%. Excluding the effects of IFRS 16, adjusted EBITDA increased strongly from 25.4 million Euro (16.9% of revenue) in the fourth quarter of 2018 to 31.6 million Euro (20.7% of revenue). Adjusted EBIT reached 27.3 million Euro (17.9% of revenue), versus 21.8 million Euro (14.5% of revenue) in the previous year.

In December, Agfa launched its new mobile direct radiography system DR 100s. The system improves productivity and supports enhanced patient care, offering an ergonomic design, agility, excellent DR image quality, fast image preview and a broad range of applications.
Agfa extended its partnership with the Kostanay region of Kazakhstan. In 2018, Agfa delivered seven DX-D 300 DR systems to hospitals around the region. In 2019, four additional units were installed in hospitals in more remote areas. In the UK,

Sunderland Royal Hospital installed two fully automated DR 600 X-ray rooms. Furthermore, Agfa signed a new two-year agreement with China Meheco Corporation. The contract extends the previous agreement for the distribution of Agfa's DRYSTAR and kiosk hardcopy solutions.

Digital Print & Chemicals – fourth quarter 2019

in million Euro	Q4 2019 (excl. IFRS 16)	Q4 2018 Restated (excl. IFRS 16)	% change (excl. FX effects)
Revenue	89	88	1.5% (0.8%)
Adjusted EBITDA (*)	4.4**	10.3	-57.6%
% of revenue	4.9%	11.7%	
Adjusted EBIT (*)	2.7**	8.8	-69.7%
% of revenue	3.0%	10.0%	

(*) before restructuring and non-recurring items
(**) Q4 2019 Adjusted EBITDA including IFRS 16: 5.5 million Euro
Q4 2019 Adjusted EBIT including IFRS 16: 2.7 million Euro

The Digital Print & Chemicals division recorded a 1.5% revenue growth.
In inkjet, the wide-format business performed well based on the success of its high-end print engines.
The Synaps Synthetic Paper range and the range of materials for the production of printed circuit boards also reported good sales figures.

The division's gross profit margin decreased from 27.1% of revenue in the fourth quarter of 2018 to 25.5%. Excluding the effects of IFRS 16, the division's adjusted EBITDA reached 4.4 million Euro (4.9% of revenue), versus 10.3 million Euro (11.7% of revenue) in 2018. Adjusted EBIT amounted to 2.7 million Euro (3.0% of revenue), versus 8.8 million Euro (10.0% of revenue). As the main effect of the strategic alliance for UV digital packaging inks with Siegwerk Druckfarben has come to an end, the adjusted EBITDA margin was negatively influenced. Excluding this effect, the adjusted EBITDA margin would have increased.

Recently, Agfa's Anuvia 1250/1551 and Anapurna 1200/1501 UV LED inkjet inks for sign&display printing received the GREENGUARD Gold certification in recognition of their environmental friendliness.
In October, Agfa announced that its Jeti Mira 2732 HS LM LED printing system was named as the winner of the 2019 Product of the Year award by the Specialty Graphic Imaging Association (SGIA) in the UV/Latex Flatbed ($200,000-$500,000) category.

At the InPrint 2019 trade fair held in November, Agfa showed how inkjet printing lends itself perfectly to integration in a wide variety of highly demanding industrial production environments. A good example is the solution for high-volume production printing of laminate flooring and furniture that Agfa developed together with UNILIN. The solution combines UNILIN's conventionally coated primers with Agfa's perfectly matched inkjet inks.

Offset Solutions – fourth quarter 2019

in million Euro	Q4 2019 (excl. IFRS 16)	Q4 2018 Restated (excl. IFRS 16)	% change (excl. FX effects)
Revenue	226	218	3.3% (1.9%)
Adjusted EBITDA (*)	3.5**	10.2	-65.3%
% of revenue	1.6%	4.7%	
Adjusted EBIT (*)	(0.7)**	5.1	
% of revenue	(0.3%)	2.3%	

(*) before restructuring and non-recurring items
(**) Q4 2019 Adjusted EBITDA including IFRS 16: 6.4 million Euro
Q4 2019 Adjusted EBIT including IFRS 16: minus 0.5 million Euro

Due to the consolidation of the sales from the alliance with Lucky HuaGuang Graphics, the Offset Solutions division's top line increased by 3.3% (1.9% excluding currency effects) compared to the fourth quarter of 2018.

Partly due to the dilutive effect related to the consolidation of the sales coming from the Lucky alliance, the division's gross profit margin decreased from 25.4% of revenue in the fourth quarter of 2018 to 21.4%. Excluding the effects of IFRS 16, adjusted EBITDA amounted to 3.5 million Euro (1.6% of revenue), versus 10.2 million Euro (4.7% of revenue) in the fourth quarter of 2018 and adjusted EBIT amounted to minus 0.7 million Euro (minus 0.3% of revenue), versus 5.1 million Euro (2.3% of revenue).

In October, Agfa introduced its direct-on-press process-free printing plate: Eclipse. Like other process-free printing plates, Eclipse eliminates the need for a processor using chemicals. It thus reduces printers' capex and prepress costs. However, Eclipse distinguishes itself from other process-free plates by being just as easy to use as a conventional plate. Firstly, the plate keeps the press as clean as can be. Eclipse also provides excellent and stable image contrast and it also is highly scratch resistant.

Corporate Services – fourth quarter 2019

in million Euro	Q4 2019 (excl. IFRS 16)	Q4 2018 Restated (excl. IFRS 16)
Adjusted EBITDA (*)	(5.1)**	(3.4)
Adjusted EBIT (*)	(5.1)**	(3.4)

(*) before restructuring and non-recurring items
(**) Q4 2019 Adjusted EBITDA including IFRS 16: minus 5.1 million Euro
Q4 2019 Adjusted EBIT including IFRS 16: minus 5.1 million Euro

End of message

Management Certification of Financial Statements and Quarterly Report

This statement is made in order to comply with new European transparency regulation enforced by the Belgian Royal Decree of November 14, 2007 and in effect as of 2008. "The Board of Directors and the Executive Committee of Agfa-Gevaert NV, represented by Mr. Klaus Röhrig, Chairman of the Board of Directors, Mr. Pascal Juéry, President and CEO, and Mr. Dirk De Man, CFO, jointly certify that, to the best of their knowledge, the consolidated financial statements included in the report and based on the relevant accounting standards, fairly present in all material respects the financial condition and results of Agfa-Gevaert NV, including its consolidated subsidiaries. Based on our knowledge, the report includes all information that is required to be included in such document and does not omit to state all necessary material facts."

Statement of risk

This statement is made in order to comply with new European transparency regulation enforced by the Belgian Royal Decree of November 14, 2007 and in effect as of 2008. "As with any company, Agfa is continually confronted with – but not exclusively - a number of market and competition risks or more specific risks related to the cost of raw materials, product liability, environmental matters, proprietary technology or litigation."
Key risk management data is provided in the annual report available on www.agfa.com.

Confirmation Information - press release Agfa-Gevaert NV

The statutory auditor, KPMG Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by H. Van Donink, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

Berchem, March 11, 2020

KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises
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The full press release and financial information is also available on the company's website: www.agfa.com

Consolidated Statement of Profit or Loss (in million Euro)

Consolidated figures following IFRS accounting policies.

	FY 2019	FY 2018 Restated	Q4 2019 unaudited	Q4 2018 Restated
Continuing operations				
Revenue	**2,239**	**2,191**	**599**	**587**
Cost of sales	(1,510)	(1,489)	(406)	(405)
Gross profit	**729**	**701**	**193**	**182**
Selling expenses	(299)	(306)	(76)	(77)
Administrative expenses	(176)	(172)	(47)	(44)
R&D expenses	(147)	(141)	(39)	(36)
Net impairment loss on trade and other receivables, including contract assets	(4)	(5)	-	(2)
Other operating income	42	56	6	11
Other operating expenses	(131)	(73)	(83)	(27)
Results from operating activities	**14**	**62**	**(46)**	**7**
Interest income (expense) - net	**(8)**	**(8)**	**(2)**	**(3)**
Interest income	2	2	1	-
Interest expense	(10)	(10)	(3)	(3)
Other finance income (expense) - net	**(30)**	**(31)**	**(5)**	**(6)**
Other finance income	8	5	4	3
Other finance expense	(38)	(36)	(9)	(8)
Net finance costs	**(38)**	**(39)**	**(8)**	**(8)**
Share of profit of associates, net of tax	(1)	(1)	-	-
Profit (loss) before income taxes	**(25)**	**22**	**(53)**	**(1)**
Income tax expenses	(28)	(34)	(4)	(21)
Profit from continuing operations	**(53)**	**(12)**	**(57)**	**(22)**
Discontinued operation				
Profit (loss) from discontinued operation, net of tax	5	(3)	-	(1)
Profit (loss) for the period	**(48)**	**(15)**	**(57)**	**(23)**
Profit (loss) attributable to:				
Owners of the Company	(53)	(24)	(59)	(28)
Non-controlling interests	5	9	2	5
Results from operating activities	14	62	(46)	7
Restructuring and non-recurring items	(112)	(66)	(84)	(37)
Adjusted EBIT	126	128	39	45
Earnings per share (Euro)	(0.32)	(0.14)	(0.36)	(0.16)

The Group has initially applied IFRS 16 at January 1, 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. There has been no impact to retained earnings of initially applying IFRS 16 at the date of initial application.

Consolidated Statements of Comprehensive Income for year ending December 2018 / December 2019 (in million Euro)

Consolidated figures following IFRS accounting policies

	2019	2018
Profit / (loss) for the period	**(48)**	**(15)**
Other Comprehensive Income, net of tax		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences:	**7**	**(1)**
Exchange differences on translation of foreign operations	7	(1)
Cash flow hedges:	**10**	**(22)**
Effective portion of changes in fair value of cash flow hedges	(7)	(18)
Changes in the fair value of cash flow hedges reclassified to profit or loss	3	(4)
Adjustments for amounts transferred to initial carrying amount of hedged items	14	(4)
Income taxes	-	4
Items that will not be reclassified subsequently to profit or loss:	**(132)**	**24**
Equity investments at fair value through OCI – change in fair value	(1)	(2)
Remeasurements of the net defined benefit liability	(139)	26
Income tax on remeasurements of the net defined benefit liability	8	-
Total other Comprehensive Income for the period, net of tax	**(114)**	**1**
Total Comprehensive Income for the period attributable to:	**(162)**	**(14)**
Owners of the Company	(168)	(23)
Non-controlling interests	5	9

Consolidated Statements of Comprehensive Income for the quarter ending December 2018 / December 2019 (in million Euro)

Consolidated figures following IFRS accounting policies

	Q4 2019 unaudited	Q4 2018
Profit / (loss) for the period	**(57)**	**(23)**
Other Comprehensive Income, net of tax		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences:	**(10)**	**-**
Exchange differences on translation of foreign operations	(10)	-
Cash flow hedges:	**6**	**(8)**
Effective portion of changes in fair value of cash flow hedges	2	(10)
Changes in the fair value of cash flow hedges reclassified to profit or loss	-	1
Adjustments for amounts transferred to initial carrying amount of hedged items	4	1
Income taxes	-	-
Items that will not be reclassified subsequently to profit or loss:	**(132)**	**26**
Equity investments at fair value through OCI – change in fair value	(1)	(1)
Remeasurements of the net defined benefit liability	(139)	26
Income tax on remeasurements of the net defined benefit liability	8	1
Total other Comprehensive Income for the period, net of tax	**(134)**	**18**
Total Comprehensive Income for the period attributable to:	**(191)**	**(5)**
Owners of the Company	(194)	(10)
Non-controlling interests	2	5

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Consolidated Statement of Financial Position (in million Euro)

Consolidated figures following IFRS accounting policies.

	31/12/2019	31/12/2018
Non-current assets	**1,060**	**1,019**
Goodwill	492	523
Intangible assets	74	93
Property, plant & equipment	142	174
Right-of-use assets	110	-
Investments in associates	4	4
Other financial assets	8	9
Trade receivables	21	16
Receivables under finance leases	62	62
Other assets	24	24
Deferred tax assets	125	114
Current assets	**1,234**	**1,348**
Inventories	436	498
Trade receivables	408	420
Contract assets	100	105
Current income tax assets	75	71
Other tax receivables	25	25
Receivables under finance lease	34	30
Other receivables	15	14
Other assets	21	34
Derivative financial instruments	1	1
Cash and cash equivalents	107	141
Non-current assets held for sale	10	10
TOTAL ASSETS	**2,294**	**2,367**

	31/12/2019	31/12/2018
Total equity	**130**	**290**
Equity attributable to owners of the company	**83**	**252**
Share capital	187	187
Share premium	210	210
Retained earnings	803	854
Other reserves	(84)	(93)
Translation reserve	(5)	(9)
Post-employment benefits: remeasurements of the net defined benefit liability	(1,028)	(897)
Non-controlling interests	47	38
Non-current liabilities	**1,402**	**1,336**
Liabilities for post-employment and long-term termination benefit plans	1,137	1,066
Other employee benefits	12	13
Loans and borrowings	225	219
Provisions	5	9
Deferred tax liabilities	19	22
Trade payables	2	2
Contract liabilities	1	3
Other non-current liabilities	1	2
Current liabilities	**761**	**740**
Loans and borrowings	101	66
Provisions	45	52
Trade payables	232	217
Contract liabilities	151	163
Current income tax liabilities	49	47
Other tax liabilities	38	27
Other payables	9	17
Employee benefits	130	134
Other current liabilities	1	4
Derivative financial instruments	5	13
TOTAL EQUITY AND LIABILITIES	**2,294**	**2,367**

The Group has initially applied IFRS 16 at January 1, 2019, using the modified retrospective approach.
Under this approach, comparative information is not restated.
There has been no impact to retained earnings of initially applying IFRS 16 at the date of initial application.

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Consolidated Statement of Cash Flows (in million Euro)

Consolidated figures following IFRS accounting policies.

	2019	2018	Q4 2019 unaudited	Q4 2018
Profit (loss) for the period	(48)	(15)	(57)	(23)
Income taxes	28	34	4	21
Share of (profit)/loss of associates, net of tax	1	1	-	-
Net finance costs	38	39	8	8
Operating result	**19**	**59**	**(46)**	**6**
Depreciation & amortization (excluding D&A on right-of-use assets)	56	54	14	14
Depreciation & amortization on right-of-use assets	38	-	9	-
Impairment losses on goodwill	35	1	31	1
Impairment losses on intangibles	11	-	10	-
Impairment losses on PP&E	27	5	27	5
Impairment losses on right-of-use assets (*)	4	-	-	-
Exchange results and changes in fair value of derivates	1	(2)	(4)	1
Recycling of hedge reserve	3	(4)	1	1
Government grants and subsidies	(9)	(14)	(1)	(1)
(Gains)/losses on the sale of intangible assets and PP&E and remeasurement of leases	-	(2)	6	2
Result on the disposal of discontinued operations	(6)	-	(6)	-
Expenses for defined benefit plans & long-term termination benefits	36	38	6	8
Accrued expenses for personnel commitments	91	94	25	27
Write-downs/reversal of write-downs on inventories	14	23	4	12
Impairments/reversal of impairments on receivables	4	5	-	2
Additions/reversals of provisions	24	30	12	15
Other non-cash expenses	**159**	**168**	**43**	**67**
Change in inventories	50	(57)	61	26
Change in trade receivables	4	(8)	(33)	(24)
Change in contract assets	7	4	20	21
Change in trade working capital assets	**62**	**(61)**	**48**	**23**
Change in trade payables	19	(4)	7	(25)
Change in contract liabilities	(13)	25	(16)	(4)
Changes in trade working capital liabilities	**6**	**21**	**(9)**	**(29)**
Changes in trade working capital	**68**	**(40)**	**39**	**(6)**
Cash out for employee benefits	(226)	(209)	(51)	(54)
Cash out for provisions	(36)	(25)	(10)	(7)
Changes in lease portfolio	(9)	(11)	(4)	(1)
Changes in other working capital	18	(29)	18	(34)
Cash settled operating derivatives	(16)	13	(4)	(3)
Cash generated from operating activities	**147**	**(14)**	**77**	**(11)**
Income taxes paid	(24)	(30)	(10)	(14)
Net cash from / (used in) operating activities	**123**	**(44)**	**67**	**(25)**

	2019	2018	Q4 2019 unaudited	Q4 2018
Capital expenditure	(38)	(40)	(13)	(9)
Proceeds from sale of intangible assets and PP&E	7	5	(4)	(2)
Acquisition of subsidiaries, net of cash acquired	(16)	(25)	(2)	(5)
Disposal of discontinued operations, net of cash (**)	16	-	16	-
Proceeds from sale of other investments and non-current assets held for sale	1	-	1	-
Interests received	3	3	1	1
Dividends received	-	-	-	-
Net cash from / (used in) investing activities	**(28)**	**(57)**	**(1)**	**(16)**
Interests paid	(15)	(15)	(3)	(5)
Dividends paid to non-controlling interests	-	(3)	-	-
Proceeds from borrowings	127	227	23	96
Repayment of borrowings	(201)	(34)	(51)	-
Payment of finance leases	(42)	(1)	(10)	-
Proceeds / (payment) of derivatives	3	(1)	(38)	1
Other financing income / (costs) incurred	(3)	(2)	1	-
Other financial flows	-	2	(1)	-
Net cash from/ used in financing activities	**(131)**	**175**	**(40)**	**92**
Net increase / (decrease) in cash & cash equivalents	**(36)**	**74**	**25**	**51**
Cash & cash equivalents at the start of the period	**136**	**67**		
Net increase / (decrease) in cash & cash equivalents	(36)	74		
Effect of exchange rate fluctuations on cash held	(1)	(5)		
Cash & cash equivalents at the end of the period (**)	**99**	**136**		

The Group has initially applied IFRS 16 at January 1, 2019, using the modified retrospective approach.
Under this approach, comparative information is not restated.
(*) Partially offset by 3 million Euro reversal of provision for onerous rent.
(**) The Group has elected to present a statement of cash flows that includes all cash flows, including both continuing and discontinued operations.

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Consolidated Statement of changes in Equity (in million Euro)

Consolidated figures following IFRS accounting policies.

	ATTRIBUTABLE TO OWNERS OF THE COMPANY										
in million Euro	Share capital	Share premium	Retained earnings	Reserve for own shares	Revaluation reserve	Hedging reserve	Remeasurements of the net defined benefit liability	Translation reserve	Total	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2018	**187**	**210**	**878**	**(82)**	**3**	**10**	**(923)**	**(8)**	**275**	**32**	**307**
Comprehensive income for the period											
Profit (loss) for the period	-	-	(24)	-	-	-	-	-	(24)	9	(15)
Other comprehensive income, net of tax	-	-	-	-	(2)	(22)	26	(1)	1	-	1
Total comprehensive income for the period	**-**	**-**	**(24)**	**-**	**(2)**	**(22)**	**26**	**(1)**	**(23)**	**9**	**(14)**
Transactions with owners, recorded directly in equity											
Dividends	-	-	-	-	-	-	-	-	-	(3)	(3)
Total transactions with owners, recorded directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3)**	**(3)**
Balance at December 31, 2018	**187**	**210**	**854**	**(82)**	**1**	**(12)**	**(897)**	**(9)**	**252**	**38**	**290**
Balance at January 1, 2019	**187**	**210**	**854**	**(82)**	**1**	**(12)**	**(897)**	**(9)**	**252**	**38**	**290**
Comprehensive income for the period											
Profit (loss) for the period	-	-	(53)	-	-	-	-	-	(53)	5	(48)
Other comprehensive income, net of tax	-	-	-	-	(1)	10	(131)	7	(114)	-	(114)
Total comprehensive income for the period	**-**	**-**	**(53)**	**-**	**(1)**	**10**	**(131)**	**7**	**(168)**	**5**	**(162)**
Transactions with owners, recorded directly in equity 'changes in ownership'											
Transfer of business to NCI without loss of control	-	-	2	-	-	-	-	(3)	(1)	1	-
Establishment of subsidiary with NCI	-	-	-	-	-	-	-	-	-	2	2
Total transactions with owners, recorded directly in equity	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**(3)**	**(1)**	**3**	**2**
Balance at December 31, 2019	**187**	**210**	**803**	**(82)**	**1**	**(3)**	**(1,028)**	**(5)**	**83**	**47**	**130**