

Inform Albania sh.p.k.

**Financial Statements as at and for the year ended 31 December 2020
(with the Auditor's report thereon)**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	i-iii
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF FINANCIAL PERFORMANCE	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5 - 22

Independent Auditor's Report

To the Owners of "Inform Albania sh.p.k."

Opinion

We have audited the accompanying financial statements of "Inform Albania sh.a." (further referred to as "the Company"), which comprise the statement of financial position as at 31 December 2020, statement of performance, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with the National Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the section of our report *Auditor's Responsibilities for the Audit of the Financial Statements*. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Albania, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The Company's financial statements as at and for the year ended December 31, 2019 have been audited by another auditor who has expressed an unqualified opinion on 8 April 2020.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Albanian National Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Albanian National Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an
- Assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, including disclosure.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton sh.p.k.

Tirana, Albania

May 12, 2021

Mediana Kodra, FCA
[Signature]



Inform Albania Shpk
(All amounts are expressed in ALL)
**Statement of Financial Position
as at December 31st, 2020**

	Notes	December 31, 2020	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	4	6,114,681	5,547,580
Trade receivables	5	23,948,459	15,564,945
Receivables from related parties	6	448,982	16,174
Other receivables	7	2,177,211	3,540,691
Inventory	8	14,321,070	16,417,732
Prepayments and deferred expenses	9	3,127,327	1,577,924
Total current assets		50,137,730	42,665,046
Non-current assets			
Property, plant and equipment	10	18,779,613	23,324,443
Intangible assets	11	2,798	9,190
Total non-current assets		18,782,411	23,333,633
Total assets		68,920,141	65,998,679
LIABILITIES			
Current liabilities			
Borrowings	12	4,090,268	3,941,809
Trade payables	13	2,720,785	6,197,506
Payables to related parties	14	16,741,022	16,592,139
Accrued expenses	15	14,417	12,583
Tax liabilities	16	1,211,014	477,298
Other liabilities	17	416,358	19,019
Total current liabilities		25,193,864	27,240,354
Non-current liabilities			
Loans	18	4,184,508	2,059,193
Total non-current liabilities		4,184,508	2,059,193
Total liabilities		29,378,372	29,299,547
EQUITY			
	19		
Subscribed share capital		100	100
Legal reserves		10	10
Other reserves		36,699,022	34,372,098
Profit for the year		2,842,637	2,326,924
Total equity		39,541,769	36,699,132
Total equity and liabilities		68,920,141	65,998,679

The financial statement has to be read in conjunction with notes set out in pages 5 to 22, forming part of these financial statements.

Inform Albania Shpk
(All amounts are expressed in ALL)
**Statement of Financial Performance
For the year ended December 31st, 2020**

	Notes	For the year ended 31 December 2020	For the year ended 31 December 2019
Revenues from operating activities	20	97,349,142	107,343,352
Changes in inventories of finished goods and work in progress		1,184,091	(532,191)
Other income from operating activities	21	(112,953)	710,107
Raw materials and consumables		(72,259,986)	(80,330,252)
Raw materials and consumables	22	(62,777,077)	(72,897,883)
Other expenses	23	(9,482,909)	(7,432,369)
Personnel expenses	24	(17,797,933)	(19,840,066)
1) Salaries and other benefits		(15,734,485)	(17,583,022)
2) Social and health insurance		(2,063,448)	(2,257,044)
Depreciation and amortization expense	10/11	(4,609,546)	(4,151,855)
Other operating expenses	25	(638)	(58)
Finance costs	26	(338,006)	(381,914)
1) Interest expense and other similar		(340,676)	(168,124)
2) Other financial expenses		2,670	(213,790)
Profit (Loss) before tax		3,414,171	2,817,123
Income tax expense	27	(571,534)	(490,199)
Current year income tax expense		(571,534)	(490,199)
Profit (Loss) for the year		2,842,637	2,326,924
Other comprehensive income for the year:		-	-
Total of other comprehensive income for the year		2,842,637	2,326,924

The financial statement has to be read in conjunction with notes set out in pages 5 to 22, forming part of these financial statements.

Inform Albania Shpk

(All amounts are expressed in ALL)

**Statement of Changes in Equity
For the year ended December 31st, 2020**

	Share capital	Legal reserves	Other reserves	Profit/loss for the year	Total
Balance at December 31st, 2018	100	10	34,153,675	10,218,423	44,372,208
Profit/loss for the year	-	-	-	2,326,924	2,326,924
Movements through equity	-	-	10,218,423	(10,218,423)	-
Dividends paid	-	-	(10,000,000)	-	(10,000,000)
Balance at December 31st, 2019	100	10	34,372,098	2,326,924	36,699,132
Profit/loss for the year	-	-	-	2,842,637	2,842,637
Movements through equity	-	-	2,326,924	(2,326,924)	-
Dividends paid	-	-	-	-	-
Balance at December 31st, 2020	100	10	36,699,022	2,842,637	39,541,769

The financial statement has to be read in conjunction with notes set out in pages 5 to 22, forming part of these financial statements.

Financial statements of the Company for the year ended on December 31st, 2020 are approved and signed on 01 March 2021 as follows:

Elvis Sula
Administrator

**INFORM
ALBANIA Shpk**

NIPT L11518003F - Tirana (Albania)

Mazars Shpk

Mazars shpk
Compiler of Financial Statements

mazars

Emin Duraku Str., Binjaket Build.,
No.5, 1013, Tirana, Albania
NUIIS: K32123006W

Inform Albania Shpk*(All amounts are expressed in ALL)***Statement of Cash Flows****For the year ended December 31st, 2020**

	Notes	For the year ended 31 December 2020	For the year ended 31 December 2019
Cash flows from operating activities			
Profit (loss) for the year		2,842,637	2,326,924
Non-cash financial expense		197,384	(10,555)
Depreciation and amortization expense		4,609,546	4,151,855
Net book value of disposed assets		-	-
Decrease/(increase) in trade and other receivables		(9,002,245)	11,136,643
Decrease/(increase) in inventory		2,096,662	(5,473,414)
Increase/(decrease) in trade payables and other payables		(2,192,275)	(15,160,633)
Increase/(decrease) in liabilities for personnel		(2,674)	-
Net cash-flows from /(used in) operating activities		(1,450,965)	(3,029,180)
Cash-flows from /(used in) Investing activities			
Payments for purchasing property, plant and equipment		(58,324)	(10,353,789)
Net cash-flows from /(used in) Investing activities		(58,324)	(10,353,789)
Cash-flows from /(used in) financing activities			
Receipts from borrowings		2,273,774	5,977,567
Payment of borrowings		-	-
Dividends paid		-	-
Net cash from /(used in) financing activities		2,273,774	5,977,567
Net increase/(decrease) in cash and cash equivalents		764,485	(7,405,402)
Cash and cash equivalents at the beginning of the year		5,547,580	12,942,427
<i>Effects of exchange rate fluctuation on the balance of cash held in foreign currencies</i>		(197,384)	10,555
Cash and cash equivalents at the end of the year	4	6,114,681	5,547,580

The financial statement has to be read in conjunction with notes set out in pages 5 to 22, forming part of these financial statements.

1. General information

"Inform Albania" sh.p.k (the Company) is incorporated as a Limited Liability Company, in accordance with Law Nr.9901, dated April 14th 2008 "Trades and Trading Entities".

The company is registered as a legal entity at the National Registration Center, dated March 18th, 2011.

The capital of "Inform Albania" Ltd is 100 ALL, divided in 2 quotes.

Shareholders of the company are:

- Albdesign PSP shpk is owner of 24.5% of equity of the company;
- INFORM P.LYKOS HOLDINGS S.A is owner of 75.5% of equity of the company.

The main activity of the company is selling of digital typography and managing of every kind of documents and typography. Trading of every similar products and machinery related to that activity. Typography and managing of documents with security elements. Representation of foreign companies in Albania with similar activities.

The address of the company's residence is: "Çerçiz Topulli" Street, Building nr 17, Kashar, Tirana.

As at December 31st, 2020 the Company had 20 employees (2019: 18 employees).

2. Basis of preparation of financial statements

2.1. Statement of compliance

The financial statements have been prepared in accordance with the improved National Accounting Standards (NAS) and Law no. 25/2018, dated 10 May 2018 "Accounting and Financial Statements".

With order No, 64 dated 22 July 2014 "For the declaration and mandatory implementation of Improved National Accounting Standards" the Ministry of Finance decided that Improved National Accounting Standards were mandatory for implementation since January 1st, 2015,

This order entered into force with official bulletin nr.119 dated August 1st, 2014.

2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3. Going concern

The Financial Statements are prepared on the assumption of the business as a going concern, which takes into account that the company will continue its activity for a foreseeable future.

2.4. Functional and presentation currency

These financial statements are presented in Albanian Lek (ALL), which is the Company's functional currency.

2.5. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets,

2. Basis of preparation (continues)

2.5 Use of estimates and judgments (continues)

liabilities, contingent assets and liabilities, at the date of the statement of financial position, as well as the income and expenses incurred during the accounting period.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on previous experience and other factors including estimates for future events believed to be reasonable considering the present circumstances. In some cases, the management relies on the opinion of independent experts.

The management uses estimates and assumptions as far as the future is concerned.

Actual results may differ from these estimates. Estimates and assumptions that have significant risk of causing material adjustment to the carrying values of assets and liabilities are described below:

2.5.1 Use of estimates and judgements on the effects of pandemics on the going concern principle

While the COVID-19 pandemic situation is still evolving in Albania and around the world, there is high uncertainty about its extent at the time of issuance of these financial statements. Consequently, management is unable to assess with certainty and provide a quantitative assessment of the potential impact of this pandemic on the company. As restrictive measures continue, sales volume, cash flow (depreciation of assets, inventory, fair value, etc.) and profit may be affected. However, at the date of these financial statements, the company is operating, continuing to meet its obligations in a timely manner and therefore continuing to apply the principle of going concern in the preparation of the financial statements.

2.5.2 Impairment of account receivable

Impairment of accounts receivable is based on estimated losses resulting from the inability of customers to pay their obligations. Management assesses receivables that are past due in the collection, which are not impaired to the extent of the recoverable amount in receipts in the preceding period. Management assess that there is no need to impair accounts receivables.

2.5.3 Provisions

Provisions generally require a high level of judgment, especially in cases of litigation. The Company evaluates the possibility of creating a present obligation as a result of a past event, if the probability is estimated to be more than 50%, in such cases the company makes provision for the total value of the liability. Due to the high level of uncertainty, in some cases it may happen that the assessment cannot be in line with the outcome of the case. In the end of each period, management assess if a provision is needed.

3. Significant accounting policies

The following accounting policies have been applied consistently in all periods presented in the financial statements.

3. Significant accounting policies (continues)**3.1. Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference resulting from translating a given number of units of a foreign currency into the functional currency at different exchange rates at the dates of exchange. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the dates of the transaction whereas those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Foreign currency differences arising on retranslation are recognized in income statement.

The respective foreign currencies as at December 31st, 2020 and December 31st, 2019 are detailed as below:

<u>Exchange Rate</u>	<u>2020</u>	<u>2019</u>
Euro/ALL	123.70	121.77
USD/ALL	100.84	108.64

3.2. Financial Instruments

Non-derivative financial instruments comprise other receivables, cash and cash equivalents, due to/due from obligations and other payables.

Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs, except as described below. For instruments not held at fair value through profit or loss, transaction costs go directly in the income statement. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognized if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset have been transferred.

Financial assets are derecognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset have been transferred. Normal purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, current bank accounts and short-term bank deposits. For the purposes of the cash flow statement, cash and cash equivalents comprise unrestricted deposits with maturity of three months or less from the origination date.

3. Significant accounting policies (continues)

3.2. Financial instruments (continues)

Trade receivable

Accounts receivable are initially recognized at fair value and subsequently measured at cost less any impairment losses. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Trade payable

Trade payable are stated on initial recognition at their fair value and subsequently at their amortised cost, using the effective interest method.

Loans taken or given

Borrowings and loans are recognized initially at fair value, excluding transaction costs. After initial recognition, borrowings and loans are presented at amortized cost, by recognizing in profit or loss any difference between the cost and nominal value payable over the period of the borrowings using the effective interest basis.

Fair value

Estimated fair values of cash and cash equivalents, trade receivable, trade payable and borrowings are estimated to be similar to their net book value.

Others

Non-derivative instruments are measured with depreciated cost according to the effective interest method, deducting any impairment loss.

Impairment of financial assets

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Impairment losses are recognized in the statement of comprehensive income (in profit and loss).

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at their amortised cost, the reversal of the impairment is recognized in the income statement.

3. Significant accounting policies (continues)

3.3. Inventory

Inventories are recorded at cost. Costs are those expenses incurred to bring each product to the required location and condition. In the case of self produced materials, the cost includes the overall expenses pertaining to the production of materials calculated over the normal production capacity. Inventory cost is calculated based on the weighted average cost method. Inventory balance is recorded in the balance sheet at historical cost, at the lower of their cost and net realizable value.

3.4. Property, plant and equipment

I. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Capital expenditures related to self-constructed assets are capitalized in "Construction in progress" and transferred to the appropriate asset category when construction has finished, when is applied the respective depreciation category.

When parts of an item of property and equipment have different useful lives, they are accounted for as items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within "other income" in income statement.

II. Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in income statement as incurred.

III. Depreciation

Depreciation is calculated based on the residual value depreciation method, over the useful life of the fixed asset, starting from the first day of the month following the month of acquisition. Fixed assets on lease are depreciated based on the shortest between the lease period and the useful life of the asset.

3. Significant accounting policies (continues)

3.4. Property, plant and equipment (continues)

The estimated life expectancy for 2020 and 2019 is shown as below:

Asset category	Depreciation method	Depreciation rate
Furniture	Residual value	20 %
Computer and IT equipment	Residual value	25 %
Machinery and equipment's	Residual value	20 %
Vehicle	Residual value	20 %
Other	Residual value	20 %

IV. De-recognition

An item of property, plant and equipment is derecognised when it is disposed or when there are not expected any future economic benefits from its use or its disposal. Gains and losses from the disposal of fixed assets are calculated based on their residual amount and are taken into account calculating the operating profit of the fiscal year.

3.5. Revenue recognition

Revenues are recognised at the extent that it is possible that future economic benefits will flow to the entity and the amounts can be reliably measured. Revenues are measured at the fair value of the consideration received or receivable amount taking into account any trade discounts and volume rebates allowed by the entity.

3.6. Other income from operating activities

Other incomes from operating activities present the revenues obtained not regularly during the normal course of the economic activity including: profit/loss from the sale of the tangible or intangible assets, profit/loss from the revaluation of property, plant and equipment and profit/loss arisen from exchange rate differences other than those differences arising from investment and financial activities.

3.7. Leases

Leases are classified as financial or operating since the very beginning. Finance leases are recognized as assets and liabilities at the lowest between the fair value of the asset and the present value of minimum lease payments at the acquisition date. Financial costs are recorded in the income statement under rent expenses at the applicable interest rates over the remaining balance of obligations.

3.8. Finance income and expenses

Finance income comprises interest income on funds invested in bank deposits and foreign currency gains. Interest income is recognized as it accrues, using the effective interest method.

3. Significant accounting policies (continues)

3.8. Finance income and expenses (continues)

Finance expenses comprise interest expense on borrowings, foreign currency losses, and impairment losses recognized on financial assets. All borrowing costs are recognized in the income statement using the effective interest method.

3.9. Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Income tax rate for the year 2020 is 15% (2019: 15%).

Deferred tax represents the difference of profit tax payable (or recoverable) in future periods, which is estimated for the identified temporary differences that arise due to application of different accounting principles from those as per tax authorities. Deferred tax is recognized according to the balance sheet liability method, applying the effective tax rate on the difference between assets and liabilities for financial reporting purposes and values of these assets and liabilities for tax purposes.

Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which is expected to apply to the period when temporary differences will be cancelled or tax losses carried forward will be used.

Deferred tax assets for deductible temporary differences are recorded to the extent that it is probable that taxable profit in the future can be used for these discounts.

3.10. Pension funds

The company pays mandatory contributions for social and health insurance, providing pension benefits to employees in accordance with the Albanian legislation. Fiscal authorities are responsible for providing the minimal legal threshold set for pensions in the relevant jurisdiction under a defined contribution pension plan.

3.11. Related party transactions

Related parties are defined as a party controlled by the other party or has significant influence on the business decisions or financial decisions of the other party. For purposes of presentation of financial statements, the management and directors of the company are considered as related parties.

3. Significant accounting policies (continues)

3.12. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each reporting date and if there are no indications for any cash outflow for the settlement of any obligation, provisions are reversed.

3.13. Contingent assets and liabilities

Contingent liabilities are not recognized in the financial statements. They are presented in the notes to the financial statements as long as the possibility for an outflow of resources embodying economic benefits is remote. A contingent asset is not presented in the financial statements but presented in the notes as long as there is access of the economic benefits. The amount of contingent losses is recognized as a provision if it is probable that future events will confirm that a liability has arisen at the date of financial position and may be a reasonable estimate of the amount of loss.

4. Cash and cash equivalent

Cash on hand and at banks as at December 31st, 2020 and December 31st, 2019 are expressed in table as below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash at banks	6,029,724	5,465,633
Current account	6,029,724	5,465,633
Cash on hand	84,957	81,947
	<u>6,114,681</u>	<u>5,547,580</u>

5. Trade receivables

Trade receivables as at December 31st, 2020 and December 31st, 2019 are as following:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Trade receivables	23,948,459	15,564,945
	<u>23,948,459</u>	<u>15,564,945</u>

6. Receivables from related parties

Receivables from related parties as at December 31st, 2020 and December 31st, 2019 are expressed as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Receivables from related parties	448,982	16,174
	<u>448,982</u>	<u>16,174</u>

7. Other receivables

Other receivables as at December 31st, 2020 and December 31st, 2019 are broken down below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Corporate income tax/profit tax	1,721,935	1,822,400
VAT deductible	-	360,216
Custom duties	135,279	164,736
Other receivables	320,005	1,193,339
	<u>2,177,219</u>	<u>3,540,691</u>

8. Inventory

Inventory as at December 31st, 2020 and December 31st, 2019 are composed as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cost of raw materials	13,063,827	16,344,580
Goods for resale	73,152	73,152
Finished goods	1,184,091	-
	<u>14,321,070</u>	<u>16,417,732</u>

9. Prepayments and deferred Expenses

Prepayments and deferred expenses as at December 31st, 2020 December 31st, 2019 are as below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Deferred expenses	3,046,056	1,577,924
Prepayments	81,271	-
	<u>3,127,327</u>	<u>1,577,924</u>

Inform Albania Shpk

Notes to the financial statements as at and for the year ending December 31, 2020

(All amounts are expressed in ALL, unless otherwise stated)

10. Property, plant and equipment

	Machinery and equipment	Vehicles	Office equipment's	IT equipment's	Other	Total
Cost						
Balance as at December 31 st , 2018	47,030,472	953,836	73,041	5,697,397	3,489,652	57,244,398
Additions	9,991,154	-	-	74,435	288,200	10,353,789
Balance as at December 31st, 2019	57,021,626	953,836	73,041	5,771,832	3,777,852	67,598,187
Additions	-	-	-	58,324	-	58,324
Balance as at December 31st, 2020	57,021,626	953,836	73,041	5,830,156	3,777,852	67,656,511
Accumulated depreciation						
Balance as at December 31 st , 2018	34,739,513	628,261	45,992	2,647,016	2,074,059	40,134,841
Charge for the year	2,977,813	65,115	5,411	778,102	312,462	4,138,903
Balance as at December 31st, 2019	37,717,326	693,376	51,403	3,425,118	2,386,521	44,273,744
Charge for the year	3,680,558	52,091	4,328	587,912	278,265	4,603,154
Balance as at December 31st, 2020	41,397,884	745,467	55,731	4,013,030	2,664,786	48,876,898
Net Book Value						
Balance as at December 31 st , 2018	12,290,959	325,575	27,049	3,050,381	1,415,593	17,109,557
Balance as at December 31 st , 2019	19,304,300	260,460	21,638	2,346,714	1,391,331	23,324,443
Balance as at December 31st, 2020	15,623,742	208,369	17,310	1,817,126	1,113,066	18,779,613

Inform Albania Shpk

Notes to the financial statements as at and for the year ended December 31, 2020

(All amounts are expressed in ALL, unless otherwise stated)

11. Intangible asset

	<u>Intangible asset</u>	<u>Total</u>
Cost		
Balance as at December 31 st , 2019	86,346	86,346
Additions	-	-
Disposals	-	-
Balance as at December 31st, 2020	86,346	86,346
Depreciation		
Balance as at December 31 st , 2019	77,156	77,156
Additions	6,392	6,392
Reversal of amortization	-	-
Balance as at December 31st, 2020	83,548	83,548
Net book Value		
Net book value as at December 31 st , 2019	9,190	9,190
Net book value as at December 31 st , 2020	2,798	2,798

12. Borrowings

Current borrowings represent the amount of overdrafts from banks and financial leases as at December 31st, 2020 and December 31st, 2019 as below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Overdraft Raiffeisen Bank	2,771,344	3,390,258
Raiffeisen leasing financial lease	1,318,924	551,551
	4,090,268	3,941,809

13. Trade payables

Trade payables as at December 31st, 2020 and December 31st, 2019 are expressed as below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Local/national suppliers	2,697,443	3,088,560
Foreign suppliers	23,342	3,108,946
	2,720,785	6,197,506

Inform Albania Shpk**Notes to the financial statements as at and for the year ended December 31, 2020***(All amounts are expressed in ALL, unless otherwise stated)***14. Payables to related parties**

Payables to related parties as at December 31st, 2020 and December 31st, 2019 are presented in the table below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Trade payables	6,741,022	6,592,139
Dividend Inform P.Lykos Holdings S.A	7,550,000	7,550,000
Dividend Albdesign PSP	2,450,000	2,450,000
	<u>16,741,022</u>	<u>16,592,139</u>

15. Accrued expenses

Accrued expenses as at December 31st, 2020 and December 31st, 2019 are expressed as below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Supplier for unreceived invoices	14,417	12,583
	<u>14,417</u>	<u>12,583</u>

16. Tax liabilities

Tax liabilities for the year ended on December 31st, 2020 and December 31st, 2019 are composed as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Social and health contributions	310,806	307,833
Personal income taxes	124,535	131,702
Withholding tax	2,297	37,763
VAT payable	773,376	-
	<u>1,211,014</u>	<u>477,298</u>

17. Other Liabilities

Other liabilities for the year ended on December 31st, 2020 and December 31st, 2019 are expressed as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Due to staff	-	2,656
Other liabilities	16,358	16,363
Financing Albdesign Shpk	400,000	-
	<u>416,358</u>	<u>19,019</u>

18. Long term Loan

Long term loans as at December 31st, 2020 and December 31st, 2019 are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Raiffeisen leasing financial lease	4,184,508	2,059,193
	<u>4,184,508</u>	<u>2,059,193</u>

19. Share capital

The capital of "Inform Albania" Ltd is 100 ALL, divided in 2 quotes of the nominal value of 50 ALL each. The capital of the company has no changes during 2020. The shareholder Inform P.Lykos S.A Processing & Development of Printed Information Systems has changed the name as Inform P.Lykos Holdings S.A.

20. Revenues from operating activity

The revenues from the operating activity for the year ended December 31st, 2020 and December 31st, 2019 are detailed in the table below:

	<u>For the year ended 31 December 2020</u>	<u>For the year ended 31 December 2019</u>
Income from sale of finished goods	94,029,391	105,718,047
Income from sale of goods	2,493,027	1,176,529
Income from sale of services	826,724	448,776
	<u>97,349,142</u>	<u>107,343,352</u>

Reconciliation of revenues with the VAT declaration:

	<u>For the year ended 31 December 2020</u>
Reconciliation of incomes with VAT declaration	
Total of the sales on VAT declaration	102,244,933
Sale of the machinery, to be financed with leasing, net declared	(4,895,791)
Sales on VAT declaration that are revenues on Income statement	<u>97,349,142</u>
Sales of finished goods	94,029,391
Sale of goods	2,493,027
Services	826,724
Revenues on Income statement, which are declared sales on VAT Declaration	<u>97,349,142</u>
Other financial income	2,670
Exchange gains	5,743,952
Total of revenues on Profit declaration	<u>103,095,764</u>

21. Other incomes from operating activities

Other incomes from operating activities include profit/loss from exchange rate differences arisen from trade activity for the year ended December 31st, 2020 and December 31st, 2019:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Foreign exchange gains	5,743,952	862,006
Foreign exchange losses	(5,856,905)	(151,899)
Revenue from the sale of non-current asset rebought with leasing	-	3,660,300
Net book value of sold non-current asset rebought with leasing	-	(3,660,300)
	(112,953)	710,107

22. Raw materials and other consumables

Raw materials and other consumables present the cost of goods, raw materials and consumable services related to the operating activities. Raw materials and other consumables for the year ended December 31st, 2020 and December 31st, 2019 are shown in the table below:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Cost of raw materials	40,642,822	47,076,193
Subcontractors	8,328,234	13,615,164
Spare parts	4,949,453	2,822,582
Rent	3,211,510	3,184,659
Cost of packaging materials	1,808,465	2,205,579
Electrical energy	1,238,611	1,370,998
IT service	880,973	599,323
Cost of goods sold	836,040	804,499
Maintenance and repairs for machines and factories	612,071	987,736
Other auxiliary materials	188,564	137,626
Insurance premiums	80,334	93,524
	62,777,077	72,897,883

23. Other expenses

Other expenses for the year ended December 31st, 2020 and December 31st, 2019 are broken down below:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Other consultancy	2,229,090	-
Financial and legal consultancy	1,957,106	2,117,549
Different purchase, stationery, etc.	1,798,626	1,597,981
Expenses for software license, configuration, setup	1,114,772	1,141,075
Other non-deductible expenses	395,414	377,421
Services from third parties	394,826	265,648
Administrative and notary expenses	363,888	185,580
Postal and telecommunications expenses	285,444	301,554
Expenses for participation in tender	271,655	249,800
Various/other taxes	222,500	203,598
Bank commissions	208,063	219,691
Maintenance and repairs	193,994	542,914
Insurance	37,031	39,890
Travel expenses, per diems	10,500	28,214
Travel and accommodation costs for technicians	-	161,454
	9,482,909	7,432,369

24. Personnel expenses

Personnel expenses for the year ended December 31st, 2020 and December 31st, 2019 are broken down below:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Expenses for salaries	15,734,485	17,583,022
Social and health contributions	2,063,448	2,257,044
	17,797,933	19,840,066

25. Other operating expenses

Other operating expenses represent the fines and penalties for the year ended December 31st, 2020 and December 31st, 2019 are expressed as below:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Fines and penalties	638	58
	638	58

26. Other financial expenses/incomes

Financial expenses include interest expenses and result from exchange rate differences arisen from financial activity of the company. The financial expenses for the year ended December 31st, 2020 and December 31st, 2019 are expressed as below:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Interest expenses	(340,676)	(168,124)
Financial sales discount	-	(213,790)
Other financial income	2,670	-
	(338,006)	(381,914)

27. Income tax

The calculation of the income tax expenses for the year ended December 31st, 2020 and December 31st, 2019 is shown below:

	December 31, 2020	December 31, 2019
Net profit for the year before income tax	3,414,171	2,817,123
Non-deductible expenses (as follows)	396,057	450,871
Travel expenses and per diems	-	3,500
Penalties and fines	643	58
Other non-deductible expenses	395,414	447,313
Profit before tax (including non-deductible expenses)	3,810,228	3,267,994
Income Tax 15%	571,534	490,199
	2,842,637	2,326,924

28. Related parties transactions

The balances with related parties on December 31st, 2020 and December 31st, 2019 are expressed as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Balance sheet		
Payable to related parties		
INFORM P.LYKOS HOLDINGS S.A	8,292,200	-
Inform P.Lykos SA	3,654,860	12,317,453
Albdesign PSP	4,793,962	4,274,686
	<u>16,741,022</u>	<u>16,592,139</u>
	-	-
Receivable from related parties		
Albdesign PSP	448,982	16,174
	<u>448,982</u>	<u>16,174</u>

Details of transactions with related parties for the year ended on December 31st, 2020 and December 31st, 2019 are composed as follows:

	<u>For the year ended 31 December 2020</u>	<u>For the year ended 31 December 2019</u>
Income statement		
Sales to related parties		
Albdesign PSP	1,671,193	1,502,133
	<u>1,671,193</u>	<u>1,502,133</u>
Purchase from related parties		
INFORM P.LYKOS HOLDINGS S.A	2,229,090	-
Inform P.Lykos SA	17,943,361	21,127,126
S.C. INFORM LYKOS S.A.	1,099,170	1,121,760
Albdesign PSP	19,885,312	14,358,369
	<u>41,156,933</u>	<u>36,607,255</u>

29. Commitments and contingencies

During its ordinary activity, the company may be involved in various claims or legal actions by third parties. Based on the opinion of the directors of the company, the final conclusion regarding these matters will not have a negative effect on the financial position of the company or changes in its net assets.

On December 31st, 2020 the company has no capital commitments contracted but not yet paid.

30. Subsequent events

There are no significant subsequent events after the balance sheet date which would require adjustment or disclosure to these financial statements.