

INFORM LYKOS S.A.

FINANCIAL SCHEDULES

31 DECEMBER 2018

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Independent Auditor's Report

To: the Management of INFORM LYKOS S.A.

Opinion

We have audited the accompanying special purpose financial information (further referred to as "the Financial Schedules") of INFORM LYKOS S.A as at 31 December 2018 and for the year then ended, prepared in accordance with the Note 4.1 of the Financial Schedules.

In our opinion, the Financial Schedules of INFORM LYKOS S.A. as at 31 December 2018 and for the year then ended, have been prepared, in all material respects, in accordance with the Note 4.1.

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 "Auditor's responsibilities for the audit of the Financial Schedules" section of our report. We are independent of the Company within the meaning of ethical requirements relevant for the audit of the Financial Schedules and have fulfilled our other ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Restriction of use and Distribution

Our auditor's report on these Financial Schedules has been prepared for the management of the Company and its auditors for internal use and consolidation purposes of the AUSTRIACARD AG group and should not be distributed to or used by any other parties.

Responsibilities of management and those charged with governance for the Financial Schedules

Management is responsible for the preparation and fair presentation of these Financial Schedules in accordance with Note 4.1, and for such internal control as management determines is necessary to enable the preparation of Financial Schedules that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

The Financial Schedules has been prepared solely to enable AUSTRIACARD AG Group to prepare consolidated financial statements and is not intended to follow the all the presentation and disclosures required in accordance with International Financial Reporting Standards.

Auditor's responsibilities for the audit of the Financial Schedules

The objectives of our audit are to obtain reasonable assurance about whether the Financial Schedules 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 Schedules.

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

- Identify and assess the risks of material misstatement of the Financial Schedules, 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 opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of accounting on a going concern basis and determine, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Schedules 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Schedules, including the disclosures, and whether the Financial Schedules 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.

Alex Emmanouilidis

Engagement Partner

Grant Thornton Audit SRL

Bucharest, Romania

22 May 2019

The logo for Grant Thornton, featuring the words "Grant" and "Thornton" in a stylized, handwritten-style font. The "G" in "Grant" is large and loops around the "T" in "Thornton".

INFORM LYKOS S.A.
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018
(In RON unless otherwise stated)

	Notes	2018	2017
Non-current assets			
Property, plant and equipment	6	103,392,073	112,524,594
Intangible assets	6	544,858	96,443
Investment property	6	-	-
Deferred tax asset		-	-
Total non-current assets		103,936,932	112,621,037
Current assets			
Inventories	7	13,636,568	11,096,339
Contract assets		2,310,579	1,592,317
Trade and other receivables	8	37,120,675	37,034,928
Cash and cash equivalents	9	2,618,078	2,888,828
Prepayments		924,707	866,696
Total current assets		56,610,608	53,479,109
Total assets		160,547,539	166,100,146
Shareholders' equity			
Share capital	10	31,995,714	31,995,714
Legal reserves		-	-
Revaluation reserve on land		45,670,076	48,584,291
Retained earnings		29,030,381	31,236,092
Total shareholders' equity		106,696,172	111,816,097
Non-current liabilities			
Bank loans	11	3,772,552	6,380,250
Borrowings from related parties		-	-
Deferred tax liabilities		1,318,094	1,376,005
Total non-current liabilities		5,090,647	7,756,255
Current liabilities			
Trade and other payables	12	37,530,037	29,913,444
Other taxes payables	13	(39,243)	797,906
Provisions	14	1,366,629	1,366,629
Borrowings	11	9,460,874	13,968,007
Liabilities to related parties		442,423	481,808
Total current liabilities		48,760,721	46,527,794
Total liabilities and shareholders' equity		160,547,539	166,100,146

These financial schedules have been approved for issue by the Company Directors on 22nd of May 2019.

General Director

Finance Director

INFORM LYKOS S.A.
 INCOME STATEMENT
 31 DECEMBER 2018
 (In RON unless otherwise stated)

Revenues	Notes	2018	2017
Sales	15	171,020,388	160,090,834
Other operating income	16	3,885,403	3,143,624
Total revenues		174,905,791	163,234,458
Operating expenses			
Materials and merchandise		50,988,072	47,328,996
Mailing		77,407,037	72,029,849
Personnel expenses	17	14,631,178	13,910,064
Depreciation and amortization		4,875,749	4,091,314
Other operating expenses	18	25,831,485	19,881,338
Total operating expenses		173,733,521	157,241,561
Profit from Operations		1,172,270	5,992,897
Finance income		158	124
Finance expenses		(1,920,736)	(1,508,276)
Financial result – net	19	(1,920,578)	(1,508,152)
Profit/(loss) before tax		(748,308)	4,484,745
Income tax credit/(expense)		57,909	(856,238)
Net profit/(loss) for the year		(690,399)	3,628,507

These financial schedules have been approved for issue by the Board of Directors on 22rd of May 2019.

General Director



Finance Director



INFORM LYKOS S.A.
STATEMENT OF CASH FLOWS
31 DECEMBER 2018
(In RON unless otherwise stated)

	Notes	2018	2017
Profit/(loss) before tax		(748,307)	4,484,745
Depreciation		4,875,749	4,091,314
Provisions:			
-Interests		-	-
-Inventories		(28,386)	30,297
-Accounts receivable		140,560	25,208
Revaluation of land		-	-
(Reversal of) impairment losses on property, plant and equipment		6,995,849	-
Gain on sale of property, plant and equipment		(84,346)	-
Other adjustments		99,189	12,016
Interest income		-	-
Interest expense		1,920,578	1,508,152
Cash flows from operations		13,170,886	10,151,732
Interest paid		(1,930,305)	(1,446,272)
Changes in working capital		-	-
Inventories		516,770	(1,364,202)
Accounts receivable and prepayments		(4,031,195)	(2,905,430)
Accounts payable and accrued expenses		6,740,060	(4,403,669)
Net cash from/(used in) operating activities		14,466,216	32,159
Cash flows from investing activities		-	-
Purchase of property, plant and equipment		(3,187,494)	(1,495,101)
Proceeds from the sale of property,		84,346	-
Interest received		-	-
Net cash from/(used in) investing activities		(3,103,148)	(1,495,101)
Repayment from long term borrowings		(3,389,192)	(157,916,845)
Proceeds from borrowings		-	166,139,635
Repayment from short term borrowings		(2,647,768)	(2,647,767)
Payments of financial leasing		(1,167,332)	(398,314)
Financing assets		-	-
Share capital increase		-	-
Dividends paid to owners of the Company		(4,429,527)	(1,099,066)
Net cash from/(used in) financing activities		(11,633,819)	4,077,643
Net increase/(decrease) in cash and cash equivalents		(270,750)	2,614,701
Cash and cash equivalents at the beginning of the period		2,888,828	274,127
Cash and cash equivalents at the end of the period	9	2,618,078	2,888,828

These financial schedules have been approved for issue by the Board of Directors on 22nd of May 2019.

INFORM LYKOS S.A.
STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2018
(In RON unless otherwise stated)

	Share capital	Legal reserves	Revaluation Reserve	Retained Earnings	Total
31-Dec-2016	31,995,714	-	48,584,291	28,706,654	109,286,659
Net profit (loss) for the year	-	-	-	3,628,507	3,628,507
Revaluation of land & building	-	-	-	-	-
Adjustments in retained profit	-	-	-	(1,099,069)	(1,099,069)
31-Dec-2017	31,995,714	-	48,584,291	31,236,092	111,816,097
Net profit (loss) for the year	-	-	-	(690,399)	(690,399)
Revaluation of land & building	-	-	-	-	-
Transfers	-	-	(2,914,215)	2,914,215	-
Dividend distribution	-	-	-	(4,429,528)	(4,429,528)
31-Dec-2018	31,995,714	-	45,670,076	29,030,382	106,696,172

The shareholders decided through decision dated 11.05.2018 to grant and pay the dividends related to the result of 2017 amounting RON 4,429,528. These financial schedules have been approved for issue by the Board of Directors on 22nd of May 2019. The company has transferred from revaluation reserve to retained earnings the amount of RON 2,914,215 representing realized revaluation reserve.

1. GENERAL INFORMATION

Description of the business

INFORM LYKOS S.A.'s principal activities include production of business forms, digital printing and mailing and document management solutions. The Company's manufacturing facilities are based in Bucharest.

INFORM LYKOS S.A. ("the Company" or "Inform Lykos") was incorporated as a joint stock Company in Romania in 1996. As at 31 December 2018 the Company employed 186 persons (31 December 2017: 217). The address of the registered office of the Company is Sos. Odai nr. 347-363, 13603 Bucuresti Sector 1.

2. REPORTING ENTITY

These financial schedules (the "financial schedules") are presented by INFORM LYKOS S.A. The Company has not taken part in any mergers or acquisitions in the period 1st January 2018 to 31st December 2018.

3. AIM AND POLICIES OF RISK MANAGEMENT

3.1 Factors of financial risk

The Company is exposed to financial risks like market risks (changes to foreign exchange rates, interest rates and market-prices), credit risk, and liquidity risk.

The general program of risk management of the Company focuses on the non-predictability of financial markets and seeks to minimize the contingent negative effect on the financial performance of the Company.

Risk management is performed by the central financial service of the Company, which operates by specific rules approved by the Board of Directors. The Board of Directors offers guidelines for the general risk management and also general guidelines for the management of specific risks like foreign exchange rate risk, interest rate risk and credit risk.

The procedure applied is the following:

- Evaluation of risks related to the activities and operations of the Company,
- Methodology planning and selection of the appropriate actions or/and financial products for the reduction of risks and
- Execution/application, according to the approved by the management, procedure of risk management.

The financial means of the Company include mainly bank deposits, bank overdraft rights, trade receivables and creditors, liabilities from loans and leases.

3.2 Market risk

Market risk is defined as the risk according to which fair value or the future cash flows of the financial means of the Company is expected to present deviations due to changes on market prices.

This risk regarding the Company focuses on two basic types of risks: foreign exchange rate risks and interest rate risks.

3.3 Foreign exchange risk

There is no important risk according to which the fair value or the future cash flows of financial means of the Group or the Company are expected to present remarkable fluctuations due to changes of foreign exchange rates. The main part of trade transactions of the Group companies (Greece, Romania) is denominated to the currency of the main economic environment in which every Company operates (operation currency), while there are no important foreign exchange rate risks for cash, cash equivalents and cash deposits.

3.4 Interest rate risk

The loan liabilities of the Company are related to fluctuant rates which depending on the market conditions can remain fluctuant or convert into stable.

The Company does not use derivatives. As in previous year, other financial assets and other financial liabilities are not significantly affected by interest rate prices.

3.6 Credit risk

The exposure of the Company concerning the credit risk refers to the financial assets, which are analyzed below:

	2018	2017
Cash and cash equivalents	2,618,078	2,888,828
Customers and Other Commercial Receivables (*)	37,061,625	36,975,878
	2018	2017
Not due	26,564,551	29,671,641
Past due 1 - 30 days	4,521,950	2,289,814
Past due 31 - 90 days	2,533,770	1,775,854
Past due 91 - 120 days	424,778	562,806
Past due more than 120 days	3,016,577	2,675,764
	37,061,625	36,975,878

(*) The above balances concern receivables after impairment, without considering income tax recoverable balance RON 59,050.

The Company has set and applies credit control procedures aiming to minimize bad debts and cover directly the receivables by securities. Wholesales are directed mainly to clients with evaluated credit

history and there is a wide diversification of balances. The policy of the Company demands to co-operate only with reliable clients. Impairment provisions are recorded whenever there is indication of bad debt.

The management of the Company considers that any receivables not impaired, are of high credit quality, including delayed receivables.

3.7 Liquidity risk

The Company manages its liquidity needs by careful observation of debts, long-term financial liabilities and also payments made daily. Liquidity needs are observed in various time zones, on a daily and weekly basis and also on a rolling period of 30 days. Long-term liquidity needs for the next 6 months and the next year are determined monthly.

3.8 Policies and procedures of capital management

The aims of the Company, concerning capital management are the following:

- To ensure the ability of the Company to continue its operations (going-concern)
- To ensure a satisfactory performance to the shareholders and
- To maintain an ideal capital allocation in order to reduce the cost of capital.

The Company in order to maintain or adjust its capital structure can change the dividend to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce its debt.

According to similar practices of its business sector, the Company observes its capital based on the leverage ratio. This ratio is estimated by dividing net borrowings to the total capital. Net borrowings are estimated as «Total Borrowings» (including «short-term and long-term borrowings» as presented in the Balance Sheet) less «Cash and cash equivalents». Total capital is estimated as «Total Equity» as presented at the Balance Sheet plus Net Borrowings.

	2018	2017
Total Borrowings (banks)	13,233,427	20,348,257
Less: Cash and cash equivalents	2,618,078	2,888,828
Net Borrowings	10,615,349	17,459,428
Equity	106,696,172	111,816,097
Total Capital	117,311,520	129,275,525
Leverage ratio	9.95%	15.61%

4. BASIS OF PRESENTATION OF THE FINANCIAL SCHEDULES

4.1 Basis of preparation

These Financial Schedules have been prepared in accordance with accounting policy of Inform P. Lykos S.A. (Greece) group which are based on International Financial Reporting Standards ("IFRS"). The Financial Schedules have been prepared solely to enable Inform Lykos Group, part of Austriacard AG Group, to prepare consolidated financial statements and is not intended to follow all the presentation and disclosures required in accordance with International Financial Reporting Standards.

The Company maintains its accounting records in Romanian Lei ("RON") and prepares its statutory financial statements in accordance with the Regulations on Accounting and Reporting of Romania. These financial schedules are based on the statutory records, with adjustments and reclassifications recorded for the purpose of presentation in accordance with group accounting policy.

The Financial Schedules have been prepared under the historical cost convention except as disclosed in the accounting policies below. The preparation of Financial Schedules in conformity with group accounting policy requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Schedules and the reported amounts of revenues and expenses during the reporting period. Estimates have principally been made in respect to fair values of the impairment provision for property, plant and equipment, deferred taxes and the provision for impairment of receivables and of inventories. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

4.3 Going concern

The accompanying Financial Schedules have been prepared based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, the management reviews the forecasts of the future cash inflows.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The principal accounting policies adopted in the preparation of these consolidated Financial Schedules are set out below:

5.1 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, cash held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are included within borrowings in current liabilities.

5.2 Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. 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 sale. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market interest rate available on origination for similar borrowers.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

5.3 Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance costs is charged to the statement of income over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

5.4 Inventories

Inventories are recorded at the lower of cost and net realisable value. Cost is determined using the weighted average basis method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When necessary, provision is made for obsolete and slow moving inventories.

5.5 Property, plant and equipment

Items of property and equipment are measured at readjusted values cost less accumulated depreciation and 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 labour, 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. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss.

The Company policy is to capitalize the interest on borrowing costs for construction of buildings. The interest is capitalized only until completion of construction, in accordance with IAS 23.

Tangible assets - Land

Land used for production, distribution of goods or services, or for the needs of administration services of the Company, is presented at the balance sheet date at its re-adjusted value, minus any impairment provision made. The management re-adjusts the value of land in such time periods, that the figures of the balance sheet do not vary substantially from the fair values at the balance sheet date.

Any re-adjustment premium, (less the appropriate tax) is recorded directly to the capital reserves, except for the cases when the premium is respective to an impairment loss caused by a previous re-adjustment of the same asset that has been recorded to the income statement. In that case the premium is recorded at the income statement, up to the amount of the respective impairment loss recorded at previous years. The impairment loss that may arise by the re-adjustment of an asset is recorded directly at the income statement, if it is not covered by a previously recorded premium for the same asset and is presented as a balance at the account of premium reserve at the time of the re-adjustment.

Investment property

Investment property owned by the Company includes land possessed mainly for increase of the value of its equity. This land is expected to generate cash flows for the Company mainly apart from the other assets owned by the Company.

Investment property is recorded only in the following cases: (a) it is possible that future economic benefits related to investment property will inflow at the entity and (b) the cost of investment property can be reliably valued.

Investment property is initially valued at cost. The transaction cost is included at the initial measurement. The cost of an acquired by purchase investment property includes the acquiring price and every directly attributable expense. The directly attributable expenses include, for example, professional remuneration for legal advice, tax on real estate transfer and other transaction costs.

After initial recognition, the Company evaluates the investment property by the method of fair value, under the condition that there is rebuttable evidence that the Company is in position to determine the fair value of investment property reliably on a constant basis.

Profit or loss caused by a change of fair value of investment property will be included at the income statement of the period it appears.

At December 31, 2018 the Company does not own any investment property. The management of the Company decided in June 2014 to transfer the investment property to owner occupied tangible assets as the scope of utilization changed.

Depreciation

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	<u>Useful lives in years</u>
Buildings	25 to 50
Plant and machinery	12 to 20
Equipment and motor vehicles	5 to 10
Computer and related equipment	5 to 6

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Company expects to use the asset until the end of its physical life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Operating leases

Where the Company is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Company, the total lease payments, including those on expected termination, are charged to profit or loss on a straight-line basis over the period of the lease.

Intangible assets

All of the Company's intangible assets have definite useful lives and primarily include capitalised computer software, patents, trademarks and licences.

Acquired computer software licenses, patents and trademarks are capitalised on the basis of the costs incurred to acquire and bring them to use.

Development costs that are directly associated with identifiable and unique software controlled by the Company are recorded as intangible assets if inflow of incremental economic benefits exceeding costs is probable. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred.

Intangible assets are amortised using the straight-line method over their useful lives.

If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell.

5.6 Borrowings

Borrowings are recognised initially at the fair value of the proceeds received (which is determined using the prevailing market rate of interest for a similar instrument, if significantly different from the transaction price), net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between fair value of the proceeds

(net of transaction costs) and the redemption amount is recognised as interest expense over the period of the borrowings.

5.7 Trade and other payables

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

5.8 Income tax and deferred tax

Current income taxes include short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods.

Current taxes are measured according to the tax rates and tax legislation in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of tax expense in the income statement.

Deferred income tax is estimated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax legislation) that have been put into effect or are essentially in effect up until the balance sheet date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit, against which the temporary differences can be utilized, will be available.

5.9 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

5.10 Shareholders' equity

Legal reserves

Legal reserves are classified as equity. Legal reserve is an un-distributable reserve. It is to be constituted from the gross profit until it arrives to a level of 20% from the share capital.

Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares, other than in connection with a business combination, are shown as a deduction in equity from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recognised as a share premium.

Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the financial schedules are authorised for issue.

5.11 Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services net of value-added tax, rebates and discounts. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. Interest income is recognised on an effective yield basis.

5.12 Employee benefits

Pension costs and other post-retirement benefits

The Company, in the normal course of business, makes payments to the Romanian State on behalf of its employees. All employees of the Company are members of the Romanian State pension plan. All such contributions to the mandatory government pension scheme are expensed when incurred. The Company does not operate any other pension scheme or post-retirement benefit plan and, consequently, has no obligation in respect of pensions. In addition, the Company is not obliged to provide further benefits to current and former employees.

Social costs

The Company incurs employee costs related to the provision of benefits such as health services. These amounts principally represent an implicit cost of employing production workers and accordingly, have been charged to cost of sales.

5.13 Earnings/(loss) per share

Earnings/(loss) per share is determined by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the reporting period.

5.14 Derivative financial instruments and hedging

The Company does not make use of any other derivative financial instruments nor does it enter into any hedging activities.

5.15 Foreign currency transactions

Foreign currency transactions during the period have been translated at the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses arising on the settlement and translation of foreign currency items have been recognised in the income statement.

6. INTANGIBLE AND TANGIBLE ASSETS

	Land & Buildings	Investment Properties	Plant & Machinery	Fixtures and fittings	Intangible Assets	Construction in Progress	Total
Net book value at 1 January 2017	83,581,146		25,305,237	423,115	68,318	160,518	109,538,332
Adjustment/Revaluation	-	-	-	-	-	-	-
Additions	411,504	-	6,086,567	44,101	163,700	468,147	7,174,019
Transfers	156,410	-	468,149	-	-	(624,559)	-
Disposals	-	-	-	-	-	-	-
Depreciation charge	(843,543)	-	(3,040,306)	(71,891)	(135,574)	-	(4,091,314)
Net book value at 31 December 2017	83,305,516	-	28,819,646	395,325	96,443	4,106	112,621,037
Net book value at 1 January 2018	83,305,516	-	28,819,646	395,325	96,443	4,106	112,621,037
Adjustment/Revaluation	-	-	-	-	-	-	-
Additions	14,064	-	1,584,487	50,761	654,678	950,169	3,254,160
Transfers	-	-	395,704	-	-	(395,704)	-
Disposals	-	-	(402,550)	(28,473)	-	(151,110)	(582,132)
Depreciation charge	(863,177)	-	(3,238,125)	(52,718)	(206,263)	-	(4,360,283)
Impairment	-	-	(6,995,850)	-	-	-	(6,995,850)
Net book value at 31 December 2018	82,456,404	-	20,163,312	364,896	544,858	407,461	103,936,932

Tangible assets

Starting with 2008 and by retrospective application for the previous year, the Company applies regarding the valuation of its land, the method of value re-adjustment (alternative method of IAS 16). After the application of this method, land appears at fair value.

The determination of fair value was based on the report of Ing. Dumitrascu Marin in 2010, Ing. Felicia Frunza in 2011, Nicolae Dumitru in 2012 and 2013 all of them ANEVAR Expert Valuers. In 2014, 2016 and 2018, the determination of the fair value was based on the report of Conadi Imob Construct SRL, ANEVAR Expert Valuator. These valuers have the appropriate recognized professional skills, and they are also experienced in respective reports on land of the same geographical region where the investments of the Company are.

The method and the main assertions applied for the above mentioned report are the traded sales of land in this area. Therefore fair value has been determined through the direct reference to the current values of an active market. If land were recorded by the method of cost, the analysis and change of land would be the following:

2010	at costs 2.561.268	fair value	38.544.592
2011	at costs 2.561.268	fair value	39.378.199
2012	at costs 2.528.271	fair value	38.870.902 (696 m2 in Investment Property)
2013	at costs 2.528.271	fair value	38.870.902
2014	at costs 3.762.209	fair value	56.911.196 (26.028 m2 transferred from Investment Property into Land)
2016	at costs 3.762.209	fair value	56.218.836
2017	at costs 3.762.209	fair value	56.218.836
2018	at costs 3.762.209	fair value	56.218.836

. The land and buildings were revalued at December 2016. The revaluated net value per 31.12.2018 was 82,456,404 RON (2017: 83,305,516 RON).

The development of technologies in the market that the Company operates as well as the increasing needs of the Companies' customers to receive services that will provide solutions led the Management to launch a plan to restructure the processes and the machinery equipment to support the projects of major organizations such as Banks, Telecommunications, Public Utilities, etc. In this context, a relevant study was carried out and an impairment was recorded.

The Company's line of borrowings from Banca Transilvania (former Bancpost) is guaranteed by a mortgage over 56.051 sq.m and over any building constructed on the the Company's land in Odai Street. (Note 11)

Investment property

Investment property regards land owned by the Company mainly for the increase of the value of its equity. The parent Company does not possess any investment property. The changes of figures regarding investment property during the years 2006-2018 are the following:

2010	at costs 1.200.941	fair value	18.072.995
2011	at costs 1.200.941	fair value	18.463.861
2012	at costs 1.233.938	fair value	18.664.669 (add 696 m2)
2013	at costs 1.233.938	fair value	18.317.758
2014	Investment Property was transferred into Owner occupied tangible asset		
2015	-		
2016	-		
2017	-		
2018	-		

After initial recognition in 2008, the Company evaluates investment property by the method of fair value. Investment property is expected to generate cash flows for the Company, apart from the other assets owned by the Company. It consists of a part of land that can be sold separately from the land owned by the Company for production purposes.

The determination of fair value was based on the report of the independent valuator Ing. Dumitrascu Marin in 2010, Ing. Felicia Frunza in 2011, Nicolae Dumitru in 2012 and 2013, all of them Expert Valuers ANEVAR. These evaluators have the appropriate recognized professional skills, and they are also experienced in respective reports on land of the same geographical region where the investments of the Company are.

There is no limit in the liquidation of the investment property of the Company.
As at December 31, 2018 the Company does not own any investment property.

7. INVENTORIES

Inventories consist of the following

	2018	2017
Raw materials	7,778,283	7,650,676
Work in progress	38,358	95,942
Merchandise	187,198	753,551
Finished products (at cost)	680,875	547,930
Down payments for stocks	4,951,855	2,048,239
Raw materials purchase in progress	-	-
	13,636,568	11,096,339

Please see note 23, related to change of opening balances. The amount of RON 1,911,734 representing stock in transit was reclassified from other receivables in stock in transit.

8. TRADE AND OTHER RECEIVABLES

	2018	2017
Trade receivables	37,825,463	37,263,076
Allowance for impairment of other receivables	(1,276,558)	(1,445,602)
Other receivables -Bills of exchange receivable	228,013	795,469
Other receivables	284,706	362,936
Income tax receivable	59,050	59,050
	37,120,675	37,034,928

Please see note 23, related to change of opening balances. The amount of RON 2,362,324 representing:

- stock in transit was reclassified from other receivables in stock in transit: RON 1,911,734;
- additional allowance for trade receivables as per IFRS 9: RON 450,589.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2018	2017
Cash at hand	5,794	1,931
Cash in banks	2,612,284	2,886,897
	2,618,078	2,888,828

10. SHARE CAPITAL

Share capital is presented at nominal value. As at 31 December 2018 share capital amounts to RON 31.995.714 (2017: RON 31.995.714) and is fully paid in.

In 2013 there was registered no change in the share capital of the Company. In 2012 there was registered an increase in share capital in total amount of RON 21.750.000. In 2016 there was a decrease in share capital of RON 7.974.960 by reducing the share capital in order to cover the accumulated net losses from previous years, reducing the nominal value of the shares from 0,8 RON / share to 0.64 RON / share. In 2017 & 2018 there was registered no change in the share capital of the Company

The structure of the shareholders of the Company at 31 December 2018 and 31 December 2017 is as follows:

	2018	2017
Inform Lykos (Romania) Limited, Cyprus	99.99%	99.99%
Other	0.01%	0.01%

The ultimate parent Company is AUSTRIACARD AG, a limited liability Company incorporated and domiciled in the Austria.

Dividends of 4,429,528 RON were declared and paid during 2018.

The statutory financial statements of the Company are the basis for profit distribution and other appropriations.

11. BORROWINGS

Short-term borrowings and long term borrowings by principal lender may be analysed as follows:

The Company's line of borrowings from Banca Transilvania (former Bancpost) is guaranteed by a mortgage over 56.051 sq.m and over any building constructed on the the Company's land in Odai Street. The facility is divided into three products with different maturities.

Long-term borrowings	2018	2017
Banca Transilvania (ex Bancpost)	-	1,666,675
Leasing Alpha Bank	-	48,750
Leasing HP	3,771,222	4,664,825
Leasing Euroweb	1,330	-
	3,772,552	6,380,250

Short-term borrowings and bank overdrafts	2018	2017
Banca Transilvania (ex Bancpost)	8,573,260	12,953,272
Leasing Alpha Bank	48,795	203,461
Leasing HP	822,812	811,274
Leasing Euroweb	16,007	-
	9,460,874	13,968,007

12. TRADE AND OTHER PAYABLES

	2018	2017
Accounts payables	37,074,626	29,488,429
Other payables	368,880	354,863
Contract liabilities	86,531	70,152
	37,530,037	29,913,444

13. OTHER TAXES PAYABLE

	2018	2017
Contributions and tax related to salary	402,084	409,783
VAT payable	(441,327)	388,122
	(39,243)	797,906

14. PROVISIONS

	2018	2017
Litigations	1.366.629	1.366.629
	1.366.629	1.366.629

During 2016, the Company recorded a provision for risks and expenses amounting to RON 1,366,629, relating to an ongoing trial also as of 31 December 2018 which didn't recorded any changes in status.

15. SALES

	2018	2017
Revenue from sale of goods	78,693,188	70,792,152
Revenue from services	87,387,795	81,024,834
Revenue from sale of merchandise	4,939,405	8,273,848
	171,020,388	160,090,834

16. OTHER INCOME

	2018	2017
Recovering bad debts and cleaning up	-	-
Provision income	-	-
Income from Austria Card	3,176,051	3,143,624
Reevaluation gain land (investment property transfer)	-	-
Net proceeds from fixed asset disposal	-	-
Income from penalties	-	-
	3,176,051	3,143,624

17. PERSONNEL EXPENSES

	2018	2017
Salaries and meal tickets	13,511,822	11,184,602
Social Security Costs	393,957	2,032,715
Benefits for personnel (canteen, water, medical, training)	240,948	161,391
Other Expenses related to personnel (e.g. transportation)	484,451	531,356
	14,631,178	13,910,064

18. OTHER OPERATING EXPENSES

	2018	2017
Tele-communication, internet	608,946	213,601
Sales Commissions	2,343,785	2,207,747
Other third party services	3,157,388	3,118,177
Taxes	321,124	475,182
Rent	1,996,664	1,796,074
Utilities	747,939	1,053,526
Transportation	1,615,280	1,796,098
Repairs	1,958,279	2,975,709
Assurance	112,318	111,881
Protocol	-	78,786
Travel expenses	71,771	60,130
Net proceeds from fixed assets disposal	-	-
Provisions	-	-
Other expenses	2,350,013	1,240,518
Write off bad debts and cleaning up LK	-	10,119
Revaluation loss of the land	-	-
Spare parts and consumables	2,695,052	3,926,590
Expenses for Austria Card	857,078	817,198
Impairment of fixed assets	6,995,850	-
	25,831,485	19,881,337

19. FINANCIAL RESULT – NET

	2018	2017
Interest income	158	124
Interest expense	(1,441,742)	(1,080,249)
Bank Commissions	(478,994)	(428,027)
Finance costs	(1,920,736)	(1,508,276)
Net finance costs recognized in profit or loss	(1,920,578)	(1,508,152)

20. INCOME TAX

Profit/ (loss) before taxation for financial reporting purposes is reconciled to tax expense as follows:

	2018	2017
Profit/(loss) before tax	(748,308)	4,484,745
Theoretical tax charge at effective statutory rate	(119,729)	717,559
Permanent differences	(386,377)	(866,742)
Tax effect on permanent differences	(61,820)	(138,679)
Temporary difference between IFRS and statutory generating deferred tax	(361,931)	5,351,488
Deferred income tax expense	(57,909)	856,238
Statutory result	6,394,224	4,663,862
Other non-deductible expenses	929,004	739,298
Tax effect of items, which are not deductible or assessable for taxation purposes	1,171,716	864,506
Fiscal losses to be recovered Loss to be recovered	(4,060,987)	(10,726,958)
Corporate income tax	-	-
Total income tax	(57,909)	856,238

Income tax expense

The Company was not subject to the statutory tax rate of 16% on taxable profits for 2018 (2016: 16%). Deferred tax asset/ liabilities are measured at the enacted statutory effective tax rate of 16% as at 31 December 2018. The net effect of the change on deferred tax balances recognised as at 31 December 2018 is reflected in the statement of income for the year then ended.

	2018	Recognition, reversals	2017
Tax effects of deductible temporary differences			
Property, plant and equipment	(1,164,098)	(1,200,517)	(2,364,615)
Provision for impairment of revaluation previous years	-	-	-
Deferred tax asset related to provision for impairment of receivables and stock	226,175	31,589	257,763
Deferred tax asset for the cumulated fiscal loss	(380,171)	1,111,018	730,847
Total net deferred tax asset (liability)	(1,318,094)	(57,911)	(1,376,005)

21. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related party transactions

In the normal course of business the Company enters into transactions with its related parties. These transactions are priced predominantly at market rates. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses.

For the purposes of these financial schedules, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December 2018 are detailed below.

i) Balances and transactions with related parties

At 31 December 2018, the outstanding balances with related parties were as follows:

	2018	2017
Receivables balances		
INFORM P. LYKOS	1,905,160	2,301,547
AUSTRIA CARD ROMANIA	1,363,502	318,195
AUSTRIA CARD AUSTRIA	-	12,025
AUSTRIA CARD TURKEY	-	11,767
AUSTRIA CARD AG	40,110	-
	3,308,771	2,643,534

	2018	2017
Payable balances		
INFORM P. LYKOS	399,770	285,612
COMP PAPER CONVERTING	27,475	118,975
AUSTRIA CARD ROMANIA	15,178	50,053
AUSTRIA CARD POLONIA	-	1,750
AUSTRIA CARD AUSTRIA	-	25,418
AUSTRIA CARD TURKEY	-	-
	442,423	481,808

The income and expense items with related parties for the year 2017 and 2018 were as follows:

Sales to related parties	2018	2017
INFORM P. LYKOS	10,016,042	11,833,414
AUSTRIA CARD AUSTRIA	21,900	32,290
AUSTRIA CARD ROMANIA	3,826,363	3,753,966
ALBANIAN DIGITAL PRINTING SOLUTIONS	41,827	40,901
AUSTRIA CARD TURKEY	-	11,494
AUSTRIA CARD AG	40,110	-
	13,946,241	15,672,065

Acquisitions from related parties	2018	2017
INFORM P. LYKOS	2,456,251	3,541,622
AUSTRIA CARD AUSTRIA	-	42,988
AUSTRIA CARD ROMANIA	197,375	80,779
AUSTRIA CARD POLONIA	4,714	2,261
AUSTRIA CARD TURKEY	-	379,123
	2,658,340	4,046,772

ii) Key management and Administration Council members' compensation

Compensation paid to key management and directors for their services in full or part time executive management positions is made up of a contractual salary and a performance bonus depending on operating results.

Additional fees, compensation and allowances may be paid to directors for their services in that capacity, and also for attending board meetings.

22. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS

22.1 Taxation

The Romanian taxation system is undergoing a process of consolidation and harmonisation with the European Union legislation. However, there are still different interpretations of the fiscal legislation. In various circumstances, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities, together with late payment interest and penalties (respectively 0.06% per day and 0.5% per month of delay). In Romania, tax periods remain open for 5 years. The Company's management considers that the tax liabilities included in these financial schedules are fairly stated.

22.2 Transfer pricing

The Romanian fiscal legislation has included regulations regarding transfer pricing between related parties since the year 2000. The current legislative framework defines the "arm's length" principle for transactions between related parties, as well as the methods for determining the transfer prices. Thus, it is expected that the tax authorities may initiate in depth inspections of the transfer prices, in order to ensure that the taxable profit and/or the customs value of imported goods are not misstated by the effects of transfer prices between related parties. The Company cannot assess the outcome of any such inspection.

22.3 Insurance policies

The Company holds adequate insurance policies in relation to its assets, operations, product liability, and in respect of public liability and other insurable risks.

22.4 Environmental matters

Environmental regulations are developing in Romania and the Company has not recorded any liability at 31 December 2018 for any anticipated costs, including legal and consulting fees, site studies, the design and implementation of remediation plans, related to environmental matters. Management do not consider the costs associated with environmental issues to be significant.

22.5 Legal proceedings

In the opinion of management, there are no current legal proceedings or other claims outstanding which could have a material effect on the result of operations or financial position of the Company and which have not been accrued or disclosed in these consolidate financial schedules.

22.6 Operating environment of the Company

The Romanian economy continues to display some characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not freely convertible outside Romania, restrictive currency controls, and relatively high inflation. The tax, currency and customs legislation within Romania is subject to varying interpretations, and changes, which can occur frequently.

Whilst there have been improvements in the economic trends, the future economic direction of Romania is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the government, together with tax, legal, regulatory and political developments.

23. Comparatives/IFRS 9&15 retrospective application and other corrections

Statement of financial position

	12/31/2018	12/31/2017 restated	Comparative impact	12/31/2017
Non-current assets				
Property, plant and equipment	103,392,073	112,524,594	-	112,524,594
Intangible assets	544,858	96,443	-	96,443
Investment property	-	-	-	-
Deferred tax asset	-	-	-	-
Total non-current assets	103,936,932	112,621,037	-	112,621,037
Current assets				
Inventories	13,636,568	11,096,339	390,914	10,705,425
Contract assets	2,310,579	1,592,317	1,592,317	-
Trade and other receivables	37,120,675	37,034,928	(2,362,324)	39,397,252
Cash and cash equivalents	2,618,078	2,888,828	-	2,888,828
Prepayments	924,707	866,696	-	866,696
Total current assets	56,610,608	53,479,109	(379,092)	53,858,201
			-	
Total assets	160,547,539	166,100,146	(379,092)	166,479,238
Shareholders' equity				
Share capital	31,995,714	31,995,714	-	31,995,714
Legal reserves	-	-	-	-
Revaluation reserve on land	45,670,076	48,584,291	-	48,584,291
Retained earnings	29,030,381	31,236,092	(318,437)	31,554,529
Total shareholders' equity	106,696,172	111,816,097	(318,438)	112,134,535
Non-current liabilities				
Bank loans	3,772,552	6,380,250	-	6,380,250
Borrowings from related	-	-	-	-
Deferred tax liabilities	1,318,094	1,376,005	(60,655)	1,436,660
Total non-current liabilities	5,090,647	7,756,255	(60,655)	7,816,910
Current liabilities				
Trade and other payables	37,530,037	29,913,444	-	29,913,444
Other taxes payables	(39,243)	797,906	-	797,905
Provisions	1,366,629	1,366,629	-	1,366,629
Borrowings	9,460,874	13,968,007	-	13,968,007
Liabilities to related parties	442,423	481,808	-	481,808
Total current liabilities	48,760,721	46,527,794	-	46,527,794
Total liabilities and	160,547,539	166,100,146	(379,092)	166,479,238

Income statement

INFORM LYKOS S.A.
NOTES TO FINANCIAL SCHEDULES
31 DECEMBER 2018
(In RON unless otherwise stated)

Revenues	12/31/2018	12/31/2017 restated	Comparative impact	12/31/2017
Sales	171,020,388	160,090,834	(245,880)	160,336,714
Other operating income	3,885,403	3,143,624	-	3,143,624
Total revenues	174,905,791	163,234,458	(245,880)	163,480,338
Operating expenses				
Materials and merchandise expenses	50,988,072	47,328,996	(226,325)	47,555,321
Mailing	774,070	72,029,849	-	72,029,849
Personnel expenses	14,631,178	13,910,064	-	13,910,064
Depreciation and amortization	4,875,749	4,091,314	-	4,091,314
Other operating expenses	25,831,485	19,881,338	160,137	19,721,200
Total operating expenses	173,733,521	157,241,561	(66,188)	157,307,748
Profit from Operations	1,172,270	5,992,897	(179,692)	6,172,590
Finance income	158	124	-	124
Finance expenses	(1,920,736)	(1,508,276)	-	(1,508,276)
Financial result – net	(1,920,578)	(1,508,152)	-	(1,508,152)
Profit/(loss) before tax	(748,308)	4,484,745	(179,692)	4,664,438
Income tax credit/(expense)	57,909	(856,238)	28,751	(884,989)
Net profit/(loss) for the year	(690,399)	3,628,507	(150,941)	3,779,449

Statement of Cash Flows

	12/31/2018	12/31/2017 restated	Comparative impact	12/31/2017
Profit/(loss) before tax	(748,307)	4,484,745	(179,692)	4,664,437
Depreciation	4,875,749	4,091,314	-	4,091,314
Provisions:				
-Interests	-	-	-	-
-Inventories	(28,386)	30,297	-	30,297
-Accounts receivable	140,560	25,208	-	25,208
Revaluation of land	-	-	-	-
Not recurring items	7,010,692	12,016	-	12,016
Interest income	-	-	-	-
Interest expense	1,920,578	1,508,152	-	1,508,152
Cash flows from operations	13,170,886	10,151,732	(179,692)	10,331,424
Interest paid	(1,930,305)	(1,446,272)	-	(1,446,272)
Changes in working capital				
Inventories	516,770	(1,364,202)	(226,329)	(1,137,873)
Accounts receivable and prepayments	(4,031,195)	(2,905,430)	406,022	(3,311,452)
Accounts payable and accrued expenses	6,740,060	(4,403,669)	-	(4,403,669)
Net cash from/(used in) operating activities	14,466,216	32,159	-	32,159
Cash flows from investing activities	-	-	-	-
Purchase of property, plant and equipment	(3,187,494)	(1,495,101)	-	(1,495,101)
Proceeds from the sale of property,	84,346	-	-	-
Interest received	-	-	-	-
Net cash from/(used in) investing activities	(3,103,148)	(1,495,101)	-	(1,495,101)
Repayment from long term borrowings	(3,389,192)	(157,916,843)	-	(157,916,845)
Proceeds from borrowings	-	166,139,635	-	166,139,635
Repayment from short term borrowings	(2,647,768)	(2,647,769)	-	(2,647,767)
Payments of financial leasing	(1,167,332)	(398,314)	-	(398,314)
Financing assets	-	-	-	-
Share capital increase	-	-	-	-
Dividends paid to owners of the Company	(4,429,527)	(1,099,066)	-	(1,099,066)
Net cash from/(used in) financing	(11,633,819)	4,077,643	-	4,077,643

	12/31/2018	12/31/2017 restated	Comparative impact	12/31/2017
activities				
Net increase/(decrease) in cash and cash equivalents	(270,750)	2,614,701	-	2,614,701
Cash and cash equivalents at the beginning of the period	2,888,828	274,127	-	274,127
Cash and cash equivalents at the end of the period	2,618,078	2,888,828	-	2,888,828

24. Subsequent Events

Except of the following, the Company did not have any other significant subsequent events:

- The Company signed a transfer of business agreement with a third party on March 29, 2019. The acquisition value of this business was of EUR 2.5 million, while the stock purchased under the same agreement was in amount of RON 129.127 and the value of the fixed assets transferred was of EUR 120,000.
- The transaction was fully financed through a long-term loan contracted from Alpha Bank with an interest of 2.9% p.a. and with due date on 09.04.2024.