ANNUAL FINANCIAL REPORT
For the year from January 1st to December 31st 2018

According to article 4, Law 3556/2007

CONTENTS

A) STATEMENTS BY THE REPRESENTATIVES OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4, PAR. 2, LAW 3556/2007

The members of the Board of Directors:
1) Panagiotis Lykos, Chairman of the Board of Directors
2) Panagiotis Spyropoulos, Vice Chairman & Group CEO
3) Ilias Karantzalis, Member of the Board of Directors

In the above capacity, especially assigned by the Board of Directors of the Société Anonyme under the title «INFORM P. LYKOS S.A.», declare and certify that to the best of our knowledge:

(a) the annual, separate and consolidated, financial statements for the year 1/1/2018 - 31/12/2018, which were prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of «INFORM P. LYKOS S.A.», as well as of the consolidated companies as a total.

(b) the annual management report of the Board of Directors presents in a true and fair view the development, the performance and the financial position of «INFORM P. LYKOS S.A.», as well as the companies consolidated as a total, including the description of the main risks and uncertainties they face.

Koropi Attica, 25 April 2019

The designees

Chairman of the Board of Directors	Vice Chairman & Group CEO	Member of the Board of Directors
Panagiotis Lykos	Panagiotis Spyropoulos	Ilias Karantzalis
I.D. No AB 607588	I.D. No AI 579288	I.D. No K 358862

B) ANNUAL REPORT OF THE BOARD OF DIRECTORS

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF SHAREHOLDERS AND CORPORATE GOVERNANCE STATEMENT

Dear Shareholders,

The Board of Directors of INFORM P. LYKOS S.A. hereby presents its Report on the Annual Separate and Consolidated Financial Statements for the year ended as of December 31st, 2018.

The Separate and Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards.

1. GROUP PROFILE

INFORM LYKOS was founded in 1897, has been listed on the Athens Stock Exchange since 1994 and today is an international Group with leading presence in the Central and Eastern Europe in the area of Information Management, under the brand INFORM, with production facilities in Greece, Romania and Albania. The Group is activated internationally and is leader in the area of printing management, production of secured documents, and Business Process Outsourcing, offering services of printing and posting statements, electronic presentation of statements and printing management for Banks, Telecommunication companies, Public sector and Industrial/Trade companies.

It is a member of the Group AUSTRIACARD AG (former LYKOS AG) headquartered in Austria, which is an international Group active in the business areas of "Digital Security" under the brand AUSTRIACARD, having two additional production facilities for producing smart cards, identities, etc. in Austria and Romania, highest data security, certified by international organizations such as Visa, MasterCard, Diners etc. It has five personalization centers for smart cards in Greece, Austria, Poland, Romania and Turkey, also the highest data security and certified by international organizations.

The principles of the Group are based on the commitment to personal care and support of customers. The passion for innovation and the satisfaction derived from well-served customers have been driven by the Lykos family over four generations. The company has been tried and tested through turbulent and significant times in recent Greek history and the history of Europe. It has been trusted continuously for 120 years for its high quality products, impeccable services and ethos of integrity. From printing services to modern digital documentation, trust, reliability and security have been the core values by which our customers have known us.

Our history demonstrates a commitment to progress and innovation, accompanied by a strong sense of responsibility towards, not only our customers, but also our employees and associates.

2. GROUP BUSINESS ACTIVITY

The entities and operations in the Information Management segment report to the parent company, Inform P. Lykos S.A., headquarted in Greece. Inform markets its products and solutions in the Information Management segment under the brand INFORM. It has three production plants in Athens (Greece), Bucharest (Romania) and Tirana (Albania). Inform P. Lykos S.A. is listed on the Athens Stock Exchange since 1994 and is a market leader in South Eastern Europe in the area of information management and document processing.

INFORM leads the market in B2B solutions in Eastern and Southeastern Europe by offering services to sensitive organizations such as financial institutions, government, public sector, telecommunications, as well as industry and retail too. It is highly recognized in the printing market, such as business forms, paper rolls, security forms and commercial printing (from standard ink to paper with structures of composite data, when the document is designed as a strategic information unit), and supports companies and governments across the whole document life cycle. This includes data collection and classification, verification, coding, storing as well as the physical or digital export of formatted data using Omni-channel communication solutions.

INFORM also operates in the market for business process outsourcing, offering physical and digital statement and bill printing, fulfilment, electronic bill presentment, card personalization, loyalty software applications and printing management services. INFORM successfully delivers products, services and integrated solutions customized to highly sensitive and demanding requirements for major international financial institutions, companies in the telecommunications, transport and infrastructure sectors, large retail and leisure companies as well as major public sector bodies.

3. GROUP BUSINESS PERFORMANCE
3.1 ECONOMIC, MARKET ENVIRONMENT

Global growth is moderating as the recovery in trade and manufacturing activity is weakening according to the Global Economic Outlook report issued by the World Bank in January 2019. Global GDP growth is estimated to have slightly decreased from 3.1% in 2017 to 3% in 2018. All projections for the medium term agree that the global economy will continue to grow, but will fall below 3% in 2018, to 2.9% in 2019 and 2.8% in 2020-21, as economic easing disappears, monetary policy in advanced economies is moving away, and world trade is gradually slowing down. In the euro area, growth slowed down considerably in 2018 and is estimated at 1.9% compared with 2.4% in 2017. Growth in the euro area is expected to further slow down possibly to 1.6% in 2019 and an average of 1.4% in 2020-21, as monetary stimulus is withdrawn and global trade growth moderates.

In Information Management the security printing market is growing as well. The boundary between physical and online delivery is disappearing due to increasing environmental awareness but also due to the growing online penetration and easier handling and thus creating new opportunities. Also a migration from printing to digital communication and interactive data management is taking place. The competition in the transactional printing is more local with few international players. As the market place is evolving new opportunities arise in the market sectors that we already operate such as financial institutions or utility companies leading for example in the outsourcing of their formerly internal printing services. Additionally there is an intensified trend to launch new or complimentary services that aim in reaching through various communication channels their end customers providing customized and interactive communication. As a Division we are aiming in addressing these needs transforming also our product services and products reducing the dependence from paper "communication" solutions to any form of communication needed in the digital era.

3.2 SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

With regard to sales, the Group managed to win the ATH.ENA transportation project for cards and tickets in Greece, worth € 4.4 million, which significantly increased revenues in 2018, despite the impact of the cyclical decline in sales of payment cards and sales price reductions in all sectors. In addition, the contribution of new digital products and services such as the CCM (Customer Communication Management) service has also begun to be observed.

In late 2018, INFORM won the tender for the Nigerian presidential election security ballot, by Nigeria's state and election organization. This project of € 4.6 million project was successfully implemented in the first quarter of 2019 in the 2 ultra-modern factories of the Group (Greece and Romania).

The Group continued to improve its operational efficiency, while fully utilizing ultra-modern digital printing machines and making further cost savings across the Group, which helped significantly to increase the results.

In 2018, business-wise we also focused on rationalizing our product and service portfolio, integrating and redefining the productive infrastructure required to meet the Group's future needs. Thus, following the previous installation of the two digital high-resolution inkjet machines in Greece in the year 2018, we proceeded to install the third digital high-resolution inkjet machine and order the fourth in Romania, as a result of the ongoing investments in the modernization of the machinery in order to provide excellent products and services to our customers. After that, older digital printing and preprinting machines were put out of production operation withn 2018. For this reason, the above-mentioned machines of a total net value of € 6.9 million were impaired on 31 December 2018. The impairment of € 6.6 million has affected the results of the year and is presented in non-recurring expenses of these financial statements.

3.3 FINANCIAL RESULTS OF GROUP AND PARENT COMPANY

The basic financial figures of the Group are as follows:

	THE GROUP			
	31/12/2018	**31/12/2017** ***Restated**	**DEVIATION**	**%**
Revenues	**67.980.744**	**62.399.784**	**5.580.960**	**8,9%**
Cost of materials	(47.009.927)	(41.364.443)	(5.645.484)	**13,6%**
Gross profit I	**20.970.817**	**21.035.341**	**(64.524)**	**(0,3)%**
Gross margin I	*30,8%*	*33,7%*	*(2,9)%*	
Production cost	(12.117.847)	(12.687.111)	569.264	(4,5)%
Gross profit II	**8.852.970**	**8.348.230**	**504.740**	**6,0%**
Gross margin II	*13,0%*	*13,4%*	*(0,4)%*	
Other income	1.277.885	1.335.282	(57.397)	(4,3)%
Selling and distribution expenses	(4.022.374)	(4.207.037)	184.664	(4,4)%
Administrative expenses	(3.702.791)	(3.364.202)	(338.589)	10,1%
Research and development expenses	(520.447)	(435.685)	(84.762)	19,5%
Other expenses	(696.856)	(718.341)	21.485	(3,0)%
+ Depreciation & amortization	4.261.712	3.955.262	306.449	7,7%
Adjusted EBITDA	**5.450.099**	**4.913.509**	**536.590**	**10,9%**
- Depreciation & amortization	(4.261.712)	(3.955.262)	(306.449)	7,7%
Adjusted EBIT	**1.188.387**	**958.247**	**230.141**	**24,0%**
Net finance costs	**(1.343.269)**	**(1.255.558)**	**(87.711)**	**7,0%**
Adjusted EBT	**(154.882)**	**(297.311)**	**142.429**	**(47,9)%**
Non-recurring expenses	(6.697.939)	0	(6.697.939)	-
EBT	**(6.852.822)**	**(297.311)**	**(6.555.511)**	**2204,9%**
Income tax	1.545.249	(274.045)	1.819.294	(663,9)%
EAT	**(5.307.573)**	**(571.356)**	**(4.736.217)**	**828,9%**
Profits / (losses) attributable to:				
Owners of the Company	(5.326.613)	(647.970)	(4.678.643)	722,0%
Non-controlling interests	19.039	76.614	(57.574)	(75,1)%
	(5.307.573)	**(571.356)**	**(4.736.217)**	**828,9%**

During the year 2018, Group sales increased by € 5.6 million or 8.9% compared to the previous year and amounted to € 68 million. One of the most important factors in sales growth was the ATH.ENA transportation project for cards and tickets in Greece of € 4.4 million. In Romania, sales increased by 4.9% compared to 2017 and amounted to € 36.7 million compared to 35.0 million in 2017. This increase of € 1.7 million results from the increase in market share in the product and service categories we are active in. Gross profit remained essentially constant at € 21.0 million, while gross margin decreased from 33.6% to 30.8% in 2018 as a result of the low profitability of the ATH.ENA project, the increase of paper price as well as the downward pressure of unit price in the traditional product categories of the Group.

OPERATING EXPENSES	**31/12/2018**	**31/12/2017**	**DEVIATION**	**%**
Production expenses	(12.117.847)	(12.687.111)	569.264	(4,5)%
Selling and distribution expenses	(4.022.374)	(4.207.037)	184.664	(4,4)%
Administrative expenses	(3.702.791)	(3.364.202)	(338.589)	10,1%
Research and development expenses	(520.447)	(435.685)	(84.762)	19,5%
+ Depreciation & amortization	4.261.712	3.955.262	306.449	7,7%
TOTAL	**(16.101.748)**	**(16.738.773)**	**637.025**	**(3,8)%**
% OPERATING EXPENSES ON SALES	**23,7%**	**26,8%**		

Operating expenses excluding depreciation & amortization as presented in the table above were reduced by € 0.6 million or -3.8% from € 16.7 million to € 16.1 million and as a percentage of revenue from 26.8% to 23.7% in 2018. This reduction is the result of automating and improving the digital production process in Romania by installing ultra-modern digital printing machines. Thus adjusted EBITDA increased by € 0.5 million or 10.9% from € 4.9 million in 2017 to € 5.5 million in 2018. Despite the increase in adjusted EBITDA, the adjusted EBIT decreased slightly from € -0.3 million to € -0.15 million due to higher depreciation and finance charges.

	GROUP		**COMPANY**	
NON - RECURRING EXPENSES	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Staff leaving indemnities	94.587	0	94.587	0
Impairment of intangible & tangible assets	6.603.352	0	5.100.000	0
Other expenses	0	0	35.000	0
Total	**6.697.939**	**0**	**5.229.587**	**0**

In the year 2018, the Group's management decided to impair equipment that were put out of production operation in 2018, as the Group's recent investments in ultra-modern digital printing machines were completed within 2018 with the installation of the third ultra-modern digital machine and the purchase order of the fourth in Romania, following the previous installation of the two digital printing machines in Greece. The withdrawn older technology machines with a total net value of € 6.9 million, were impaired on 31 December 2018. The impairment of € 6.6 million (see note 14 (€)) has affected the results of the year and is presented in non-recurring expenses of these financial statements.

Considering non-recurring expenses, the Group's loss before tax in 2018 was increased by € 6.5 million and amounted to € -6.8 million, while the net loss of the Group increased by € 4.7 million and amounted to € 5.3 million in 2018 as a result of gain in deferred tax in 2018 compared to a loss in 2017.
Specifically:

- Consolidated sales amounted to € 68.0 million compared to € 62.4 million in 2017, showing an increase of 8.9%
- Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of the Group, increased by € 0,5 million or 10,9% and reached € 5.5 million, compared to € 4.9 million in 2017
- Adjusted earnings before interest and taxes (adjusted EBIT) of the Group, reached € 1.2 million compared to € 1 million in 2017, improved by € 0.2 million
- Adjusted earnings before taxes (adjusted EBT) of the Group, reached to losses € -0.15 million compared to losses € -0.3 million in 2017, representing a decrease in losses of € 0.14 million or 47.9%
- Earnings before taxes (EBT) of the Group, reached to losses € -6.8 million compared to losses € -0.3 million in 2017, representing an increase in losses of € -6.5 million due to the non-recurring expenses of € 6.7 million *(see note 14(€))*
- Consolidated earnings after taxes (EAT) of the Group, reached to losses € -5.3 million compared to losses € -0.6 million in 2017. The net loss of the Group was further limited by € 1.8 million and amounted to € 4.7 million, as a result of gain in deferred tax in 2018 compared to a loss in 2017

Specifically, with regard to the business performance in the main geographical segments, in Greece, the sales of the parent company INFORM P. LYKOS SA in 2018 increased by 11.3% and amounted to € 33.1 million compared to € 29.8 million in previous year. The increase of € 3.3 million is mainly attributed to the contribution of the ATH.ENA transportation project for cards and tickets worth € 4.4 million, which was partially offset by the impact of the cyclical decline in payment card sales, as well as the pressure of reducing the per unit sold prices in the traditional product categories of the Group due to the Greek market conditions. On the other hand, the sales of digital communication management services, which are a priority for future growth, are positive. Earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of 2018 amounted to € 2.5 million at the same level as in 2017.

In Romania, the sales increased by 4.9% and amounted to € 36.7 million, compared to € 35.0 million in 2017. This increase of € 1.7 million results from achieving an increase of our market share in the product and service categories we are competing. Earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of 2018 increased significantly reaching € 2.8 million compared to € 2.2 million in 2017, increased by € 0.6 million or 27.9%, thanks to the reduction of the printing cost per unit as a result of automating and improving the digital production process in Romania by installing ultra-modern digital printing machines.

In Albania, the sales decreased by 22.7% compared to 2017 and reached € 573 thousand, compared to € 741 thousand in 2017, due to one-off projects in 2017, while the earnings before interest, taxes, depreciation and amortization (EBITDA) of 2018, reached € 125 thousand compared to € 191 thousand in 2017, decreased by € 34.5%.

Financial performance ratios of the Group

Accordingly, the financial performance ratios of the Group formed in 2018 compared to 2017, as follows:
- The margin of adjusted EBITDA amounted to 8% in 2018 from 7.9%, increased by 0.1 basis points,
- The margin of adjusted EBIT amounted to 1.7% in 2018 from 1.5%, increased by 0.2 basis points,
- The margin of EBT amounted to -10.1% in 2018 from -0.5%, increased by 9.6 basis points,
- The performance ratio of equity amounted to -13.2% in 2018 from -1.2% in 2017, increased by 12 basis points,
- The performance ratio of assets amounted to -6.9% in 2018 from -0.7% in 2017, increased by 6.2 basis points,
- The ratio of total liabilities to equity amounted to 0.9 in 2018 from 0.7 in 2017, increased by 0.2 basis points
- The ratio of bank debt to equity amounted to 0.52 in 2018 from 0.41 in 2017, increased by 0.11 basis points,
- The ratio of liquidity amounted to 1.5 in 2018 from 0.8 in 2017 increased by 0.7 basis points.

3.4. SOURCES AND USES OF FUNDS

The consolidated operating cash flow generated in 2018, reached € 6 million compared to € 3.4 million in 2017. The significant increase is mainly due to the improvement of results and working capital.

In 2018, the investments of the Group, excluding acquisitions, amounted to € 1.7 million from € 2.8 million in 2017, of which € 0.8 million in new technology machinery, € 0.7 million in software developments and € 0.2 million in other equipment.

The net bank debt of the Group, amounted to € 15 million in 2018 from € 17.5 million in 2017, decreased by € 2.5 million, mainly due to the completion of a significant part of investments in new technology machinery in 2017 and the improvement of needs for working capital.

3.5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In thousand euro
31/12/2018

Parent company from / to subsidiaries	Sales of products / services	Purchases of products / services	Receivables	Liabilities
Inform Lykos S.A. (Romania)	207	2.153	86	408
Lykos Paperless Solutions S.A.	60	75	6	25
Inform Albania Sh.p.k (former Albanian Digital Printing Solutions Sh.p.k.)	89	0	29	0
Total	**356**	**2.228**	**121**	**433**

Regarding the above we note the following:

The sales of the parent company to: (a) «Inform Lykos S.A. (Romania) » relate mainly to printing products, as well as administrative management supporting services, (b) «Lykos Paperless Solutions S.A.» relate to services, (γ) «Inform Albania Sh.p.k» (former «Albanian Digital Printing Solutions Sh.p.k. ») relate to printing products.

The purchases of the parent company from: (a) «Inform Lykos S.A. (Romania) » relate mainly to forms and printing products (b) «Lykos Paperless Solutions S.A. » relate to services.

3.6. DIVIDENDS POLICY

The closing price of the share of INFORM P. LYKOS S.A. as at 31/12/2018 was € 0,754 compared to € 0,762 closing price as at 31/12/2017, or 1,05% lower. The highest price of the year for the company's share was € 0,998 (25/01/2018) and the lowest € 0,688 (22/10/2018). The Volume Weighted Average Price was € 0,873.

The Board of Directors intends to propose to the 37th Annual General Meeting of Shareholders not to distribute dividends.

4. L. 4548/2018 «NEW LAW ON SOCIETE ANONYME»

The Management of the Company is in the process of evaluating the adjustment of its Articles of Association to the provisions of Law 4548/2018, effective from 01/01/2019.

5. SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

In April 2019, INFORM Romania (a subsidiary of INFORM Greece) acquired part of business activity of STAR STORAGE. The STAR STORAGE Business, that is transferred, is involved in Output Management Outsourcing (OMO Business) including both Digital printing and distribution for Banks, Insurance Companies, Telecommunications Companies, etc. The transaction involves transfer of customer contracts, know - how, employees and equipment that are currently supporting this line of business. The purchase price for the transfer of the business activity amounts to € 2.5 million.

6. FUTURE DEVELOPMENT AND RISK MANAGEMENT
6.1. PROSPECTS FOR 2019

The Group having extensive experience and know-how in integrated solutions-services has developed long term customer relationships offering high level products and services, at competitive prices, so as to be considered a strategic supplier of banking institutions, telecommunications and other organizations either in the private sector or in the public sector.

Group's main objective focus on creating further value added to the shareholders into the following fields:

- New markets and new customers

It will continue to focus on the increase of market share of existing markets , on the development of exports, and also will focus at exploring and evaluating new growth opportunities at the sector of secure documents management and information,

- New products and services

It will accelerate the development of new services with the transition of the current products to higher value-added services such as e-statements, e-invoicing, scanning and archiving, hybrid mail, cloud printing.

- Efficiency improvement

It will further utilize low-cost facilities in order to further increase the competitiveness and profitability, it will continue to improve its efficiency and will continue to invest in new technologies that will increase production capacity and reduce costs, in order to enhance profitability.

- Potential strategic co-operation opportunities

It will continue to search potential opportunities for strategic partnerships, aiming at a further strengthening of its position in the broader region of Central and Eastern Europe.

6.2. RISK MANAGEMENT

The Group uses financial instruments for commercial, financing and investment purposes. The use of financial instruments by the Group, substantially affects the financial position, profitability and cash flows.

The main risks arising from the financial instruments of the Group are, basically, the following:

- Market risk (exchange rate risk and interest rate risk)
- Credit risk
- Liquidity risk

Market risk

Regarding this risk, arising from the general market conditions, the Group has reduced exposure to this risk due to the geographical dispersion of an equal allocation of sales between Greece, Romania and other countries with significant exposure to the markets of Central and Eastern Europe. A significant part of these sales is addresed to the financial sector especially in Banks. However, the products we offer to our customers in both private and public sector are considered essential for their daily operation and growth. Furthermore, by achieving significant reductions in its operating expenses, the Group is particularly competitive and can offer high-level products and services at competitive prices.

Regarding the risks arising from the volatility of interest rates and exchange rates:

Exchange rate risk

The main part of economic transactions of the Group companies (Greece, Romania and Albania) is denominated in the currency of the main economic environment, where each company operates in (operating currency). In Romania, part of the obligations of the company is denominated in RON and in Albania is denominated in ALL.

An exposure to exchange rate fluctuations exists regarding the value of the Group's investments in Romania, only at the time of consolidation of financial statements and their translation from the functional currency RON into the presentation currency Euro.

Interest rate risk

All bank debt of the Group is connected with fluctuating interest rates, maintaining however, the option to convert into stable interest rates, depending on the market conditions. With the Group's funds benchmark at 31/12/2018, in a hypothetical increase or decrease of Euribor by +/- 1% the Group's results will be affected negatively or positively, respectively, by an amount of about € 209 thousand approximately.

The company does not use financial derivatives. As in the previous year, other financial assets and other financial liabilities are not affected by interest rates.

Credit risk

The Group has established and applies credit control procedures to minimize bad debts. Sales are directed mainly to large public and private organizations with evaluated credit rating. In any case, the Group assesses credit risk on the basis of approved policies and procedures and recognizes a provision for impairment.

The Group applies the simplified approach for customer receivables and contract assets for the calculation of expected credit losses. Therefore, in every reference date, the Group measures the provision for a financial instrument for an amount equal to the expected credit losses over the lifetime. For determining the expected credit losses, a chronological analysis and percentages table is applied using historical data and reasonable assumptions

Liquidity risk

The Group manages its liquidity needs through careful follow-up of debts, long-term financing obligations and payments. Liquidity needs are monitoring on a daily basis and planning of payments on a weekly and monthly basis. Special attention is paid to management of stocks, receivables and liabilities in order to achieve the highest possible liquidity for the Group.

The central financial department of the company is responsible for the risk management, operates following certain rules approved by the Board of Directors.

The Board of Directors through its executives:
(a) Establish and apply procedures and regulations that allow identification of risks, connected to activities, procedures and systems of operation of the Company (mainly credit risk, market risk and operational risk),
(b) Determine the acceptable level of risk,
(c) Ensure that the Group maintains the required capital adequacy and appropriately manages the risks arising from its operation.

7. NON-FINANCIAL INFORMATION

INFORM has incorporated the principles of Sustainable Development into its business activities, recognizing that these principles are a prerequisite for its long-term development. INFORM's key Sustainability priorities are, ensuring a healthy and safe working environment, caring for the natural environment, fulfilling of customers' needs and expectations and the harmonious co-existence with the local communities where it operates.

Our mission *to transform each communication into strategic source of information.*

Policies and Management Systems

Aspiring at Sustainable Development, INFRORM has developed and adopted specific policies and puts into practice adequate management systems and procedures that uphold responsible operation and define the way in which the Company's goals are achieved. More specifically, the Company has established and implements, among others, the following policies and codes:

- Internal Operating Regulation
- Occupational Health and Safety Policy
- Environmental Policy
- Quality Policy

The management of Corporate Responsibility by INFORM is based on the development and implementation of certified management systems to all of its operations and facilities, while attaining high performance in all segments. Specifically, the following systems are applied:

- Quality management system in accordance with ISO 9001
- Environmental Management System in accordance with ISO 14001.
- Workplace Health and Safety Management System in accordance with OHSAS 18001.

All production units have been audited and certified according the above Management Systems. For INFORM, management systems are dynamic tools allowing the Company to secure its regular operation and to achieve continuous improvement. The implementation of certified management systems plays a very important role in achieving the goals set by the Company, and secures all their operations in light of the ongoing demands for effective risk management.

Caring for Our People

The Company focuses on making continuous investments in human capital, by encouraging initiative taking for synergies, and on continuous development through training. INFORM keeps relations of trust with all employees, while seeking to maintain a safe and discrimination-free working environment that offers at all times training opportunities and fair rewarding.
The Company's main concern is to secure optimum working environment demonstrating fairness and equal reward, showing respect for human rights, diversity and equal opportunities to all employees. The policies and initiatives of INFORM that concern human resources aim at the effectively recruitment, development and retaining of employees. Steadily oriented to human values, the Company strives to implement responsible management practices by focusing on material issues such as:

- ensuring of the health and safety of its employees
- creating a work environment of fair reward, respecting human rights and diversity
- safeguarding of jobs
- providing equal opportunities for all employees
- ensuring ongoing training and education

- providing additional benefits

Human Resources Data in Greece

Inform Human Capital per gender	2018	2017
Men	104	103
Women	61	60
Total Staff	**165**	**163**

Inform Employees 2018 per age group	<30	30-50	51+
Men	4	79	21
Women	1	49	11
Total Staff	**5**	**128**	**32**

In total, the Group's personnel amounted to 369 employees at 31/12/2018 from 398 on 31/12/2017.

INFORM seeks to recruit, develop and retain the most competent individuals so as to ensure that business goals and priorities are achieved.

Environmental Responsibility

Seeking to achieve their responsible financial development over time while reducing their environmental footprint has incorporated environmental criteria in its business procedures and operations.
INFORM, has carried out the assessment of its environmental aspects, confirming that there is not a significant burden on the environment deriving from its operations. However, recognizing the importance of environmental protection for all of its stakeholders, the Company is stepping up its efforts to monitor and improve its environmental performance. In this context, INFORM has implemented an Environmental Management System, certified according to ISO 14001:2004.
The purpose of implementing an Environmental Management System, is to effectively manage any significant environmental aspects and impacts that arise from the Company's operations in order to minimize any possibility of environmental spill. In addition, the Environmental Management System ensures the harmonization of the Company's operation with the relevant environmental legislation, while achieving continuous environmental improvement.

Detailed information on INFORM's Corporate Responsibility programs and action plan are presented in Corporate Responsibility Report 2018 (June 2019), it will be published on the Company's website www.lykos.gr. The Corporate Responsibility Report is an important tool as it reflects and communicates the way in which the Company responds to important/material issues and to stakeholders' expectations.

8. RESEARCH AND DEVELOPMENT ACTIVITIES

The Group's research and development strategy focuses on the following objectives:
- Innovative products and market-oriented solutions as the basis for the continuation of growth strategy
- Optimizing the use of resources and production processes.

Especially in the digital era, effective research and development is important as product cycles are short and the requirements of partners and end customers are evolving. This is particularly valid for the digital printing sector. We perceive these changes as opportunities and rely on R & D experts so that we can offer unique services to our customers that will help us grow in the short and long term.

9. BRANCHES

The company has the following branches:
- Industrial Area Koropi - 7th klm Varis-Koropiou Avenue
- Industrial Area Sindos - Thessaloniki

10. OWN SHARES

There are no own shares.

11. EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4 PAR. 7 AND 8, LAW 3556/2007

(a) Share capital structure

As at December 31st 2018, the Company's share capital amounted to € 12.758.591,88 divided by 20.578.374 common nominal shares of nominal value € 0,62 each.

According to the shareholders registry as at December 31st, 2018, the share capital structure of the company was the following:

Shareholder	Number of shares	%
AUSTRIACARD AG (former LYKOS AG)	14.568.053	70,793%
Olga Lykos	1.937.856	9,417%
Other shareholders (<5%)	4.072.465	19,79%
Total	**20.578.374**	**100,00%**

All (100%) shares of the Company are common, nominal and undivided and there are no special categories of shares. Rights and obligations related to the shares are those according to the mandatory provisions of L.4548/2018 as currently effective, in conjunction with the provisions of the Company's Articles of Association if they do not conflict with the above Law.

According to the shareholders registry as at April 25th, 2019, the share capital structure of the company was the following:

Shareholder	Number of shares	%
AUSTRIACARD AG (former LYKOS AG)	14.568.053	70,793%
Olga Lykos	1.937.856	9,417%
Other shareholders (<5%)	4.072.465	19,79%
Total	**20.578.374**	**100,00%**

Nikolaos Lykos is the major shareholder of AUSTRIACARD AG (former LYKOS AG) holding 96,185% of its shares.

Finally, the main rights and obligations arising from shares, according to the mandatory provisions of L. 4548/2018 as currently effective, in conjunction with the provisions of the Company's Articles of Association, if they do not oppose the aforementioned Law, the provisions of which Company will adjust its Articles of Association by 2019, are as follows:

1. Each share, offers a right to the distribution of the company's earnings and the result of liquidation of the company's assets, in case of termination by the rate of paid capital of the share divided by the total paid share capital.

2. In every case of share capital increase, not paid (a) by contribution of items or (b) by bonds issue bearing rights to convert in shares or (c) by Stock Option Plan for acquiring shares, a right of preference is offered to the total new capital or bond loan in favour of the existing shareholders at the time of share issue, proportional to their participation to the current share capital.

3. After an inquiry of any shareholder, the Board of Directors is obliged to offer to the General Meeting all the required information about the company's affairs to the extent necessary for the real evaluation of the issues raised.

4. After an inquiry of shareholders, representing one twentieth (1/20) of paid share capital (a) the Board of Directors is obliged to call for a special General Meeting, (b) the Board of Directors is obliged to include additional issues in the schedule of the General Meeting, (c) the Board of Directors provides the shareholders before the date of General Meeting, with drafts of decisions, that are submitted by shareholders, for issues have been included in daily agenda, (d) the President of the Meeting is obliged to postpone only once the decisions of the General Meeting, regular or not, for all or certain matters, (e) the Board of Directors is obliged to announce at the General Meeting of shareholders the amounts which over the last two years have been paid for any reason by the Company to the members of the Board of Directors or the managers and also every other benefit to these individuals or every existing contract of the company with them of any kind, (f) the decision on a matter in the General Meeting is taken by nominal vote. Shareholders representing one twentieth (1/20) of paid share capital have the right to ask for audit of the company by the Court in case there are indications of illegal actions or against the company's Articles of Association or decisions of the General Meeting.

5. After an inquiry of shareholders, representing one tenth (1/10) of paid share capital, the Board of Directors is obliged to provide to the General Meeting information on the company course of development and its property status. Furthermore, the shareholders of the Company, representing one fifth (1/5) of the share capital may request from the Court to conduct audit of the Company if in the cause of the Company development it is believed that the management of the corporate affairs was not exercised as required by sound and prudent management.

6. In the above cases 3, 4 and 5, the requiring shareholders ought to prove that they own the shares offering the above (3, 4 and 5) rights.

7. Shareholders who wish to participate and vote at the General Meeting of shareholders, ought to maintain their shares deposited.

8. Responsibility of shareholders is limited to their contribution, which is the nominal capital of their shares.

(b) Limitation on shares transfer

1. There are no limitations according to the Company's Articles of Association on the transfer of its shares.
2. According to article 4 of Law 3016/2002, as effective, the independent not executive members of the BoD of the Company cannot at the same time own company's shares higher than 0.5% of the share capital.

(c) Significant direct or indirect participations according to Law 3556/2007

As at April 25th 2019, AUSTRIACARD AG (former LYKOS AG) and Mrs Olga Lykos owned a percentage of 70,793% and 9,417% respectively of the Company's share capital. Mr. Nikolaos Lykos holds a percentage 96,143% of the share capital of AUSTRIACARD AG (former LYKOS AG).

The company is not aware of any other shareholders, who own directly or indirectly a percentage higher than 5% of the share capital of INFORM P. LYKOS S.A.

It is noted that, as at April 25th 2019, INFORM P. LYKOS S.A. does not participate in the share capital of any other company listed in the Athens Stock Exchange.

(d) Shareholders possessing special control rights

There are no company shares offering special control rights.

(e) Limitations on voting rights - Time schedule of exercising such rights

There are no limitations on voting rights.

1. According to the Company's Articles of Association the ownership of a share offers one voting right.
2. The responsibilities and ways of taking decisions of the General Meeting, the process of convening the General Meeting and the required majority for decision-making are provided by the mandatory provisions of L. 4548/2018 as currently effective, in conjunction with the provisions of Of the Company's Articles of Association if they do not conflict with this Law.

(f) Agreements between shareholders for limitations on transfer of shares or exercise of voting rights

The Company is not aware of any such agreements for limitations on transfer of shares or exercise of voting rights.

(g) Rules of placement / replacement of members of the BoD when different from those under provisions of Law 4548/2018

Under provisions of L. 4548/2018 and articles 19, 21 and 22 of the Company's Articles of Association:

The Board of Directors consists of five to nine (5 to 9) members elected by the General Meeting of shareholders. The term of service of the Board of Directors is three (3) years, which can be extended automatically until the first after expiration General Meeting, but in any case no longer than four years.

The members of the Board of Directors at expiration can be elected again without any limitation and are freely recalled.

In case a member dies or resigns or loses for any reason the ability to participate in the Board of Directors, then the remaining members of the Board, provided they are at least (3), elect a substitute member until the expiry of the Board. This election of new members of the Board of Directors is announced at the first regular or Eextraordinary General Meeting that follows. The Director, elected in order to replace another director, sustains his/her capacity until the expiration of the Board. The remaining members of the Board of Directors, given there are at least three (3) of them, can continue managing and representing the Company without the aforementioned replacement of the missing members of the Board of Directors on condition that their number exceeds half of the number of the members of the board of Directors existing prior to the aforementioned replacement. In any case, the remaining members of the Board of Directors, notwithstanding their number, can proceed with the conduct of the General Meeting for the exclusive purpose of electing the new Board of Directors.

The BoD members elect the President and Vice President of the Board of Directors.

When the President is absent and cannot perform his/her duties, he/she is replaced by the Vice President, while the latter can be replaced following a decision of the Board of Directors by the Managing Director. The Managing Director can be at the same time an executive member of the Board of Directors and, especially, the President of the BoD.

The Board gathers and consist a body right after election by the General Meeting. At this meeting the President, Vice President and Managing Director are elected.

The President, Vice President and Managing Director can be elected again without limitations.

(h) Acquisition of own shares

The Company is forbidden to acquire own shares, except for the cases and conditions approved by the provisions of the legislation effective.

i) Significant agreements of the company effective / modified / terminated in case of change in the control over the company after a public offering.

There are no significant agreements effective, modified or terminated in case of change in the control over the company

(j) Agreements for compensation of members of the B.o.D or employees in case of resignation / firing without reason or termination of service / employment because of public offering.

There are no agreements of compensation of members of the BoD or employees for any reason.

Koropi, April 25th, 2019

Panagiotis Lykos
President of the Board of Directors

Corporate Governance Statement

General

Corporate Governance pertains to a total of principles, on which basis there is facilitated sufficient organization, operation, management and control of an entity, at a long term objective of maximizing its value and safeguarding the legitimate interests of all those connected with it.

In Greece, the corporate governance framework has been developed mainly through adoption of binding regulations, such as Law 3016/2002, which requires the participation of non-executive and independent non-executive members of the BoD of Greek listed companies, establishment and operation of internal control department and adoption of internal regulations procedures. In addition, a variety of other acts were incorporated in the Greek legal framework of European company law directives, thus creating new corporate governance rules, such as the Law 3884/2010 relating to rights of shareholders and additional corporate disclosure obligations to shareholders under preparation of the General Meeting, the Law 3873/2010, which incorporated into Greek legislation EU Directive 2006/46 / EC of the European Union on annual and consolidated accounts of certain types of entities and the Law 4449/2017, which introduced new provisions for the establishment, structure, staffing, responsibilities and duties of the Audit Committee. Finally, in Greece, as in most other countries, the Law on public limited companies (Law 2190/1920, which amended several provisions of the above, and from 01/01/2019 Law 4548/2018) contains their basic governance regulations.

Voluntary Compliance of the Company with the Corporate Governance Code

Our company fully complies with the requirements and provisions of the aforementioned legislative texts which constitute the minimum content of any Corporate Governance Code of and constitute (the aforementioned provisions) an informal code.

The Company has adopted the Greek Corporate Governance Code (GCCG) for listed companies issued in October 2013 by the Greek Council of Corporate Governance (hereinafter "The Code"). This Code is posted on SEV website, at the following electronic address: http://www.sev.org.gr. Therefore, any reference to the corporate Governance Code implies the above Code.

Deviations from the Corporate Governance Code and explanations

The Company states that it faithfully and strictly implements the provisions of the Greek legislation (Law 2190/1920, Law 4548/2018 from 01/01/2019, Law 3016/2002 and Law 4449/2017) which form the minimum requirements to be met by any Corporate Governance Code applied by companies, whose shares are traded on a regulated market.

These minimum requirements are incorporated in this Corporate Governance Code (GCCG) to which the Company is subject; however, this Code contains a number of additional (beyond the minimum requirements) specific practices and principles. In connection with such additional practices and principles, there are effective, at present, some deviations (including the cases of non-implementation), which are briefly analyzed and explained. Reference to non-application of certain provisions is also made in the Corporate Governance Code (GCCG) concerning companies, not belonging to FTSE/ATHEX-20 and FTSE/ATHEX Mid-40.

On case basis, the company diverges from or does not apply as a total several provisions of the Code recorded in the current document *in italics*.

- Regarding the role and authority of the Board of Directors:

The Board of Directors has not proceeded to establishment of a separate committee occupied with the nominations for election to the Board and preparing proposals to the Board regarding the remuneration of executive directors and key executives since the company's policy in relation to such fees is fixed and formed. *A.II (1.2)*

- Regarding the size and composition of the Board of Directors:

The Board of Directors does not consist of seven (7) to fifteen (15) members, but of five (5) to nine (9) members. The specific number of members covers the company needs as to proper and effective corporate governance and the size and organization of the Company do not justify a Board with such a number of members*. A.II (2.1)*

- Regarding the role and profile of the Chairman of the Board of Directors:

The BoD does not appoint an independent vice-chairman from among its independent board members in order to facilitate the proper operation of the Board and the achievement of the Company objectives. Reference to non-implementation regarding the companies not belonging to FTSE/ATHEX-20 and FTSE/ATHEX Mid-40 is included in the Corporate Governance Code of GCCG. *A.III (3.3)*

- Regarding nomination of the Board of Directors members:

The Company does not consider it necessary to establish the BoD members' nomination committee. *A.V (5.4, 5.5, 5.6, 5.7, 5.8)*

- Regarding the functioning of the Board of Directors:

a) there is no particular operating regulation of the BoD, since the provisions of the effective Interior Regulations of the Company are assessed as sufficient regarding the organization and functioning of the BoD *A.VI (6.1)*
b) at the beginning of every calendar year, the BoD does not adopt a calendar of meetings and a 12-month agenda to ensure that it properly, fully and timely fulfils its responsibilities, since the Company considers that the functioning of BoD is sufficiently covered by the

provisions of the effective Interior Regulations. Moreover, the BoD meetings can be easily held, due to objective reasons, when imposed by the Company needs or legislation without and programmed activities *A.VI (6.1)*
c) There are no provisions for the BoD being assisted by a competent, suitably qualified and experienced company secretary, since there is effective the required structure facilitating correct recording of the BoD meetings and the required good information flows between the board members *A.VI (6.2, 6.3)*
d) there is no obligation for ensuring that an induction programme is established for new board members and that continuing professional development programmes are available to other board members, since all the relative issues pertaining to the fees are clearly defined by the effective Interior Regulations and any potential deviation is discussed in front of all the BoD members *A.VI (6.5)*
e) there is no provision for existence of a program of regular briefings on business developments, and changes in the risk profile of the company and professional training, since there are nominated as BoD members the executives who have competence and experience in – managerial duties. *A.VI (6.6)*
f) There is no special provision for sufficient resources to BoD committees to undertake their duties and employ outsource consultants. However, all the requests from any department regarding recruitment of external consultants are examined by the Management and approved on case basis in compliance with the company needs *A.VI (6.9, 6.10)*

- Regarding BoD evaluation:

Apart from BoD evaluations through the Management Report, by the Annual General Meeting, the Board will monitor and review the implementation of its decisions on an annual basis. Moreover, there is already under discussion the implementation of evaluation system of the Board and its committees*. A.VII (7.1 & 7.2).*

- Regarding the level and structure of remuneration:

The remuneration of the Chairman of the Board and CEO and members of the Board, executive and non for their participation in Board meetings and committees thereof, are approved by the General Meeting, always in compliance with the effective Interior Regulations of the Company. C.*I (1.4).*

Executive board members' contracts do not provide that the board may demand full or partial recovery of any bonuses awarded on the basis of restated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses. *C.I (1.3).*

- Regarding the General Meeting of the Shareholders:

Regarding the implementation of specific practices of e-voting or voting by mail, the application is temporarily suspended, due to pending issuance of the relevant ministerial decisions, as provided in Law 3884/2010. *D.II (1.2).*

Corporate Governance Practices in Addition to Those Defined in the Legislation or the Code

Within the framework of implementing a structured and efficient system of corporate governance, the Company has implemented certain corporate governance practices some of which are those provided by the relevant laws (Law 2190/1920, 4548 from 01/01/2019, 3016/2002 and 4449/2017).
Specifically, the Company applies the following additional corporate governance practices:

a) The company keeps updated and approved by the Board, Operating Regulations, which include clear references to corporate governance, the role and function of the Board, the General Meeting and other matters relating to the proper management of the Company. In summary, the areas covered by the Regulations in question are as follows:

1. INTRODUCTION
    - 1.1. GENERAL
    - 1.2. STRUCTURE AND CONTENT
2. GENERAL DATA AND INFORMATION ON « INFORM P. LYKOS S.A. »
    - 2.1. GENERAL INFORMATION
    - 2.2. COMPANY MANAGEMENT – ADMINISTRATION
    - 2.3. COMPANY PERSONNEL
    - 2.4. AUDIT OF FINANCIAL STATEMENTS
3. ORGANIZATIONAL CHART – STRUCTURE OF THE COMPANY
    - 3.1. ORGANIZATIONAL STRUCTURE OF THE COMPANY
4. CORPORATE GOVERNANCE
    - 4.1. PRINCIPLES OF CORPORATE GOVERNANCE
    - 4.2. FUNCTIONING OF THE BOARD OF DIRECTORS
    - 4.3. INTERNAL CONTROL SYSTEM
    - 4.4. CORPORATE ANNOUNCEMENTS AND SHAREHOLDERS SERVICES
5. OPERATION AND PROCEDURAL REGULATIONS OF THE COMPANY

5.1. ETHICS CODE OF THE COMPANY

5.2. ADMINISTRATIVE SERVICES

5.3. INTERNAL AUDIT SERVICES

5.4. FINANCIAL SERVICES

5.5. IT

5.6. PERSONNEL

5.7. SALES SERVICES

5.8. INVOICING & DISTRIBUTION

The spirit of the Operation Regulations promotes compliance with laws and internal company policies to avoid risks and other legal consequences for the Company and each member of the staff, including the members of the Management.

The main objectives of the Regulations are as follows:
1. Prevention of delinquent behaviour
2. Compliance with the policies to reduce the risks around the reputation and public image of the Group
3. On-going education of staff regarding the dangers posed by acts of corruption, fraud, misuse of personal data, deterioration of financial statements, leakage of confidential information, etc.
4. Identification of deviations relating to compliance issues, their investigation and making proposals and taking corrective actions or measures that are required.

b) Due to the nature and the objective of the Company, it has developed policies and procedures under ISO, obtaining the relative certifications.

Main Characteristics of Internal Control and Risk Management System regarding the Preparation of Financial Statements and Financial Reports

The Internal Audit and Risk Management System of the Company regarding the preparation of financial statements and financial reports includes the control procedures and mechanisms at various levels of the Organization as described below:

a) Control systems at corporate level

Recognition, assessment, measurement and management of risks:

The size and complexity of the Group's operations requires a complex system for identifying and managing risks that apply to all subsidiaries of the Group.

Recognition and assessment of risks are primarily carried out under the stage of preparation of strategic planning and annual business plan. The examined issues vary depending on market conditions and industry and include political developments in the markets (where the Group operates or which are important sources of raw materials), changes in technology, macroeconomic indices and competitive environment.

Planning and monitoring / Budget:

The company development is monitored through a detailed budget per activity sector and specific market. Given the nature of the Group's operations, the development of the financial results depends largely on external factors clearly influenced by the overall economic slowdown and uncertainty surrounding the Greek and the global market. In this context, the Group has already taken the appropriate steps to respond to new circumstances and exploit new market conditions. For all these reasons, the budget is adjusted periodically, taking these changes into account. The management monitors the development of financial sizes of the Group through regular reports, comparisons to budget and meetings of the management team.

Sufficiency of Internal Audit System:

The Management has designed and performs on-going supervisory activities, which are incorporated into the operation of the Company and which ensure that the Internal Audit System maintains its effectiveness over time. The Company carries out regular individual assessments of the adequacy of Internal Audit System, carried out primarily by the Internal Audit Department.
The Company has an independent Internal Audit Department, which among other things ensures that the identification procedures and risk management systems implemented by management are sufficient to ensure effective functioning of the Internal Audit System and the quality and reliability of the information provided by the Management to the Board of Directors regarding the Internal Audit System. The preparation of the Plan (or Manual) of Audit Department is based on the risk assessment carried out for these purposes as well as the issues identified by the Management and the Audit Committee. The Plan (or Manual) shall be submitted for approval to the Audit Committee. The risk assessment process is conducted annually and takes into account the risk assessment carried out under the responsibility of the Board within the framework of risk management of the Company.

The sufficiency of the Internal Audit System is monitored on a regular basis by the Audit Committee through quarterly reports submitted to it by the Internal Audit Department.

Reports of the Management and Internal Audit Department provide an assessment of major risks and effectiveness of Internal Audit System to manage them. Any weaknesses identified are disclosed through reports, including the impact they had or may have as well as the

Management actions to correct them.
To ensure the independence of the statutory audit of financial statements of the Company, the Audit Committee recommends to the General Meeting the statutory auditors or audit firms to be appointed in accordance with Article 16 of Regulation (EU) 537/2014.

Roles and responsibilities of the BoD:

The role, the authority and the relative responsibilities of the BoD are described in the Internal Regulations of the Company approved by the BoD.

Prevention and control of financial fraud:

In the context of risk management, the areas, considered as those of high risk for financial fraud, are monitored under appropriate monitoring systems and accordingly increased control systems. Indicatively, there is mentioned the existence of detailed organizational structure, operating regulations and detailed procedures and approval limits. Also, in addition to the control mechanisms applicable by every department, all the company's operations are subject to audits by the Internal Audit Service, whose results are presented through the Audit Committee to the Board of Directors.

Internal Operation Regulations:

The Company, as mentioned above, has established the relevant Internal Operation Regulations, which are approved by the Board of Directors. Within the framework of the Regulations, there are also defined the authorities and the responsibilities of the key working positions, thereby promoting an adequate segregation of responsibilities within the Company.

b) Control systems in IT systems and the protection of personal data

The Company has developed an adequate framework to monitor and control information systems, defined by different control mechanisms, policies and procedures, sufficiently defined by the approved Internal Operation Regulations and the Internal Audit Manual. Also, there is projected a specific procedure safeguarding against any problems in the systems through a program of the Business Continuity (including off-site storage of crucial items of the Company to recover its functionality in a direct course of time). Also, there have been set specific rights (Access Rights) to various information systems for all the employees depending on the position and the role they occupy, while also maintaining the entry log in the systems of the Company. Finally, the Company has fully complied with the European Union's General Data Protection Regulation (GDPR), which has been in force since May 2018.

c) Control systems regarding the preparation of financial statements and financial reports

As part of procedures for preparation of financial statements of the Company, there are effective specific control systems, which are associated with the use of tools and methodologies based on commonly accepted international practices. The main areas in which the control systems, relating to the preparation of financial reports and financial statements of the Company, operate are as follows:

Organization - Allocation of Duties

- Allocation of duties both in upper management of the company and in the middle and inferior officers ensures the strengthening of the effectiveness of internal control system, while maintaining the required segregation of duties.
- Proper staffing of financial services with the individuals who possess the requisite technical knowledge and experience regarding the responsibilities entrusted to them.

Accounting monitoring and preparation of financial statements procedures

- Existence of uniform policies and the way of monitoring of accounting departments disclosed to the Group's subsidiaries, including definitions, accounting principles used by the Company and its subsidiaries, instructions for the preparation of financial statements and financial reporting, consolidation etc.
- Automated audits and verifications carried out between different information systems, when there is required specific approval of accounting treatment of non-recurring transaction.

Assets safeguarding procedures

- Existence of control procedures for fixed assets, inventories, cash equivalents and other assets of the company, such as, indicatively, physical security of the cash or warehouses and inventories, and a comparison of the measured quantities with those of accounting books and records.
- Schedule of monthly physical inventories to confirm the balances of physical inventories and accounting books and records and existence of analytical manual for conduct of physical inventories.

Approval limits of transactions

- Existence of Chart of Authorities, depicting the assigned authorities to various executives of the company to carry out specific transactions or transactions (e.g. payments, receipts, legal acts, etc).

General Meeting and Rights of the Shareholders

The role, responsibilities, convening, participation, collective and individual minority rights, ordinary and extraordinary quorum and majority of the participants, the Bureau, the Agenda and the general operation of the General Meeting Shareholders are determined by the mandatory provisions of Law 4548/2018 as currently effective, in conjunction with the provisions of the Company's Articles of Association, provided that they do not conflict with this Law and until its amendment and adaptation.

The Company, with shares listed on the Athens Exchange, is obliged to publish announcements, in compliance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on Market Abuse, Greek Laws 4443/2016 and 3556/2007 regarding the relevant issues, the decisions of the Hellenic Capital Market Commission and the Athens Stock Exchange Regulation. The publication of such information is made in a way that ensures the rapid and equal access to it by the investing public.
All relevant publications / announcements are available on the Athens Stock Exchange website and the Company's website.
The Shareholders' Department is responsible for the monitoring and management of the Company's relations with its shareholders and the investing public and ensures, among other things, the valid and equitable information of investors and financial analysts in Greece and abroad.

Composition and Functioning of the Board of Directors, Supervisory Bodies and Committees of the Company

Board of Directors (BoD)

General

The elected Board of Directors on June 24, 2016 by the Regular General Meeting, after its 10/5/2018 reorganization consists of six (6) members, one of which (1) is executive member, three (3) members are non-executive, and the rest two (2) members are non-executive and independent Their term of office is three years (3 years), expiring on 24/06/2019.

In particular, the Board members and their respective properties at the end of 2018, were as follows:

Num.	Name - surname	Capacity	Date of undertaking duties (most recent)	End of term of office
1	Panagiotis Lykos, father's name – Nikolaos	Chairman of the BoD – Non-Executive member	24/06/2016	24/06/2019
2	Panagiotis Spyropoulos, father's name – Ioannis	Vice Chairman of the BoD & Managing Director – Executive member	24/06/2016	24/06/2019
3	Ilias Karantzalis, father's name - Georgios	Member of the BoD – Non-executive member	24/06/2016	24/06/2019
4	Georgios Triantafyllidis, father's name – Ioannis	Member of the BoD – Non-executive member	24/06/2016	24/06/2019
5	Emmanouil – Evagelos Lekakis father's name - Nikolaos	Member of the BoD – Independent Non-executive	24/06/2016	24/06/2019
6	Ioannis Menagias, father's name - Andreas	Member of the BoD – Independent Non-executive member	10/05/2018	24/06/2019

BoD meetings

The Board met sixty six (66) times in 2018 and the meetings, at the legal quorum, were attended by the members in Person or through proxy.

The Board manages the Company as a collective body, taking decisions in accordance with the principles of Corporate Governance as outlined in the Company Operation Regulations, the legislation Inc., the securities laws, S.A. regulations provisions and provisions of the supervisory authorities. Members of the Board, obtain any relevant information in relation to the operation of the Company. They are to act in good faith, focusing on the interests of the Company and its Shareholders.

Roles and responsibilities of the Board of Directors

The Board is the supreme governing body of the Company and primarily sets the strategy and development policy, supervises and controls the management of the assets of the Company. The composition and capacities of members of the Board are established by Law and Articles of Association. The prime duty and responsibility of BoD members is the constant pursuit of enhancing long-term financial value of the Company and protection of the general corporate interests.

To achieve the corporate objectives and sound operation of the Company, the Board may delegate part of its authority, except those requiring collective action, and management, administration or management of the affairs and representation of the Company, to the Chairman of the Board, CEO, one or more members (executive and non-executive members), Directors or executives of the Company.

Members of the Board and any third party entrusted with responsibilities, must promptly disclose to the other members of the Board their own interests, which may arise from transactions within the Company, and any other conflict of interests with those of the Company or its affiliated companies, arising in the course of their duties.

Election and electability of Board of Directors members

The Board is elected by the General Meeting (regular or extraordinary).
The Board members shall be persons fully able to perform their responsibility. Inability to perform the duties leads to inability to exercise company management and hence be a member of the Board of Directors of the company.
Board of Directors members cannot be:

- Members of Parliament
- Prosecutors, judges, assistants of judges, magistrates, secretaries of the courts
- Civil servants
  Brokers, who cannot exercise delegation of limited company whose shares are listed

Withdrawal of Board of Directors Members
Members of the Board are freely withdrawn by the General Meeting. The withdrawal, even not stated explicitly, can arise indirectly following the General Meeting appointing the new Board of Directors before the end of its term of office. The withdrawal can be made by Regular or Extraordinary General Meeting.

In case of withdrawal, a Board member is not entitled to compensation as in the capacity of the Board member.
The withdrawal of Members shall not have any consequences in respect of termination the relationship of the members with the company, which is based on separate contract or salaried service. Therefore, if the withdrawal is accompanied by contingent termination of the labour contract, the non-elected consultants may demand compensation in accordance with the provisions of labour law.

The withdrawal of the Board automatically entails the withdrawal of the member or third persons, entrusted, under the Board decision, with total or partial management or representation of the company.

Resignation of Board of Directors members
Members of the Board of Directors of the Company may freely resign. The resignation is effective as soon as it is disclosed to the company.

The disclosure to the company is made under written notification to the Chairman of the Board.

Replacement of Board of Directors members
Following establishment of a vacancy (due to resignation or death) on the Board, a successor shall be elected by the Board.

The election must be ratified by the first General Meeting of Shareholders, following the event.

If the election of a successor is not ratified by the General Meeting, then it elects another person for the vacant position, but the acts, conducted prior to the decision of the General Meeting, are regarded as valid.

Authority and responsibilities of the Board of Directors
The Board manages the company as a collective body, taking decisions in accordance with the provisions of Law 4548/2018 as currently effective.
The Board of Directors is responsible for the company legal and practical representation. All members have one vote and all responsibility for decisions taken.
The responsibilities of the Board are defined by law or in the Articles of Association.

The Board is accountable to the General Meeting of the company shareholders and has the following authorities:

- Decisions on any transaction relating to the company's management, management of the company property and general pursuit of its objective.
- Making proposals for distribution of profits and keeping balances necessary for the operation and viability of the company's reserves.
- Approval of the balance sheet and income statement.
- Approval of six month and annual financial statements of the company.
- Preparation of the BoD Report for every fiscal year.
- Keeping private and confidential information concerning the company.
- Approval of the organisational chart of the company.
- Approval of Internal Operation Regulations and potential amendments.
- Appointment of internal auditor.
- Receiving periodic reports on internal audit.
- Strategic planning of the business policy of the company.
- Ensuring the long-term growth and profitability of the company.
- Enhancing the economic value and profitability of the company and shareholders.
- Keeping the Board Meetings minutes
- Authorization of the company’s representation, issue, endorsement and reimbursement of the company or third person checks.
- Approval of recruitment of senior executives and approval of any fixed term contracts.
- Comprehensive understanding of the Board of Directors members of the specific provisions adopted by the Capital Market Commission.
- Approval of important agreements relating to acquisitions and mergers.

Responsibilities - Duties of Board of Directors members
The foremost obligation and duty of members is the enhancing long-term financial value of the company and protection of general corporate interests.

Due to the increased dispersion of the share capital among the investment public, there is imposed protection of minority shareholders and making decisions that are free from any other motivation than the company interests.

The Board members must not only pursue short-term reinforcement of the market value of shares and shall not be pursuing interests contrary to those of the company.

Every Board member shall be liable to the company under managing the corporate affairs for any fault. He is also held responsible if the balance sheet contains false statements or omissions that conceal the true condition of the company.

Every Board member is obliged to strictly keep the confidential information regarding the company.

The members of the Board of Directors shall not be permitted to perform, on occasion or by profession, without the authorization of the General Meeting of shareholders of the company, either on their own behalf or on behalf of third parties, acts falling within the object of the company. When such an issue arises, an Extraordinary General Meeting shall be convened, which is authorised to provide the permission in question. In case of violation of this prohibition, the company is entitled to claim damages from the members who carried out the violation or to require the benefit be provided to it.

Members of the Board and any third party entrusted with responsibilities, must disclose to the other Board members their own interests that may arise from transactions within the company, and any other conflict of interests with those of the company or its affiliated companies which arise in the course of their duties.

The Board of Directors annually prepares reports detailing the company's transactions with affiliates.

Meetings of the Board of Directors
The Board meets at regular intervals in accordance with the Articles of Association, and when required by extraordinary circumstances, at the headquarters of the company.

The Board of Directors shall meet at the headquarters of the company.

The Board is in quorum and convenes validly when there are present or represented one more than half the number of members.

A member of the Board may, following a written authorization that can be authenticated, simple or plain paper fax validly represent only one member thereof. The representative appointed may not be a person, who is not a member of the Board.

Unless otherwise provided by law, the Board of Directors shall take its decisions by absolute majority of the members present or represented.

For following procedures are effective regarding the Board meetings:

- The meeting is convened by the Chairman of the Board through notifying the members at least two days before the meeting.
- The notice shall include clearly identified items on agenda, otherwise the decision taking is permitted, only if all members of the Board of Directors are present or represented at the meeting and none of them objects to taking of decisions.
- A quorum of the Board shall be deemed to be present.
- Discussions and decisions of the Board are recorded in a special registry.
- Copies of minutes of meetings of the Board, for which there is a requirement of registration in the Companies Register such as election of new Board members, composition of the body of the Board etc., are submitted to the competent Generam Commercial Registry (G.E.MI.) within twenty (20) days after the meeting, in compliance with the provisions of the law.

Remuneration of Board of Directors members
The fees paid to the Board of Directors members, Executive and Non-Executive, and their form are approved by the General Meeting, following a proposal by the BoD, in accordance with the provisions of Law 4548/2018 in combination with the provisions of the Articles of Association of the Company do not violate the above Law.

The Company is in process of establishing a remuneration policy for the Board of Directors members, which will be submitted to the GM for approval.

The remuneration of the Board of Directors members for the year 2018 is included in note 34 of the annual financial report for the year 2018.

<u>Chairman of the Board</u>

The Chairman of the Board represents the Company in courts and every authority, leads and conducts meetings of the Board and acts as provided by law, the Articles of Association and Internal Operation regulations.

<u>CEO</u>

The CEO is the senior executive of the Company. The CEO presides over all the departments of the Company and directs their work. As part of operational planning, regulations and decisions of the board governing the operation of the Company, he takes all the necessary decisions, submits to the Board of Directors of the Company's proposals and recommendations needed to implement the objectives of the Company.

The brief biographies of the Board members are presented in the Attachment to this report.

Audit Committee

The Company has established the Audit Committee, appointed by the General Meeting of the shareholders. The Audit Committee consists of three (3) non-executive members who as at 31/12/2018 were as follows:

Num.	Name - Surname	Capacity	Date of undertaking duties (most recent)	End of term of office
1	Emmanouil – Evagelos Lekakis father's name - Nikolaos	President of the Audit Committee, Member of the BoD – Independent Non executive member	24/06/2016	24/06/2019
2	Ioannis Menagias , father's name – Andreas	Member of the Audit Committee, Member of the BoD – Independent Non executive member	11/05/2018	24/06/2019
3	Ilias Karantzalis father's name - Georgios	Member of the Audit Committee, Member of the BoD - Non executive member	24/06/2016	24/06/2019

The Audit Committee held five (8) meetings in 2018 attended by all its members. The Audit Committee acts as a committee of the existing Board of Directors until the expiry of its term of office.
For the responsibilities and duties of the Audit Committee, all the provisions of the Law 4449/2017 and the updated Internal Operation regulations are applied.

The Audit Committee has the following responsibilities:

- To inform the BoD of the outcome of the regular audit and explains how regular audit contributed to the integrity of financial information and which was the role of the Audit Committee in the process.
- To monitor the financial reporting process and make recommendations or suggestions to ensure its integrity.
- To monitor the effectiveness of the Company's Internal Audit, Quality Assurance and Risk Management systems, in relation to the Company's fianancial reporting.
- To monitor the regular audit of the annual consolidated financial statements and in particular the performance.
- To review and monitor the independence of statutory auitors or audit firms and in particular the suitability of providing non-audit services to the Company.
- It is responsible for the process of selecting auditors or audit firms and proposes the statutory auditors or auditors to be appointed.
- To inform the shareholders during the General Assembly Meeting on its activities.

Information required by Article 10, paragraph 1 of Directive 2004/25/EC on takeover bids.

Disclosure of information required under Article 10 paragraph 1 of Directive 2004/25/EC on takeover bids is as follows,

- Share Capital Structure

On December 31, 2018, the Company's share capital amounted to € 12.758.591,88 divided into 20.578.374 ordinary shares of nominal value of € 0,62 each.

Shareholder	Number of shares	%
AUSTRIACARD AG (former LYKOS AG)	14.568.053	70,793%
Olga Lykos	1.937.856	9,417%
Other Shareholders (<5%)	4.072.465	19,79%
Total	**20.578.374**	**100,00%**

The total (100%) of the Company's shares are common, registered and indivisible and there are no special categories of shares. The rights and obligations arising from the shares, are those provided by the Law 4548/2018 as currently effective, in conjunction with the provisions of the Articles of Incorporation of the Company if they do not conflict with the aforementioned Law.

- Restrictions on transfer of securities and agreements between shareholders

There are no restrictions on the right to transfer securities of the Company, is aware of.

- Significant agreements of the Company effective / amended / terminated in the event of a change in control of the Company after a takeover bid.

There are no such agreements, which are effective, amended or terminated in the event of a change in control of the Company after a takeover bid.

- Securities providing special control rights

There are no shares of the Company providing special control rights.

- Significant direct or indirect equity of the Company is as follows:

On April 25 2019, AUSTRIACARD AG (former LYKOS AG) and Mrs. Olga Lykos held 70,793% and 9,417% respectively of the share capital of the Company. Mr. Nikolaos Lykos held 96,143% of AUSTRIACARD AG (former LYKOS AG).
There are no other shareholders who hold directly or indirectly more than 5% of the share capital of INFORM P. LYKOS SA and the Company is aware of.
It is noted that on April 25, 2019, INFORM P. LYKOS SA does not participate in the share capital of any company listed on the ASE.

- Restrictions on voting rights

There are no known restrictions on voting rights (such as restrictions on voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems under which, in cooperation with the company, the financial rights attached to securities are distinguished by holding securities).

- Rules regarding appointment and replacement of Directors

There are no rules that differ from those under the provisions of the Law 4548/2018.

- Specific authorities of the Board of Directors members

There are no special authorities of the Board of Directors members regarding issuance or repurchase of shares.

The issues regarding information required under Article 10 paragraph 1 c, d, f of Directive 2004/25/EC as at 21 April 2004 on takeover bids and in particular significant direct or indirect equity, the holders of any securities with special control rights and a description of these rights and restrictions on voting rights are analytically presented in the unit "EXPLANATORY STATEMENT PURSUANT TO LAW NO 4.7-8 3556/2007" of the Report of the Board of Directors.

The current Corporate Governance Statement constitutes an integral and special part of the annual Management Report of the Board of Directors of the Company.

Attachment
Brief biographies of members of the Board of Directors and the Audit Committee

Panagiotis N. Lykos
Chairman of the BoD – Non Executive Member
Panagiotis Lykos was born in Athens, in 1928 and is a graduate of Varvakeion School and the Merchant Marine Academy of Hydra. He started dealing in printing in 1951 and pioneered the establishment of EDP Printing in Greece. He was President and Managing Director of Inform P. Lykos SA from 1951 to 2000.

Panagiotis I. Spyropoulos
Vice Chairman of the BoD and CEO
Panagiotis Spyropoulos is a graduate of the University of Economics of Athens. He holds thirty years of experience in the fields of Management and Finance, the last twenty-five of which have been in large ASE listed companies, ten as Chief Financial Officer and the last fifteen years as General Manager or Chief Executive Officer. He has been employed with the Group since the beginning of 2002.

Ilias Karantzalis
Non-Executive Member
Ilias Karantzalis was elected a member of the Board of Directors of Inform Lykos in 2003. He holds a degree of the Law Department of University of Athens and DEA Droit des Affaires et Droit Economique and DESS Banques et Finances of the Universite Paris I Pantheon - Sorbonne. He is a lawyer and has been a Legal Consultant since 1984.

Georgios Triantafyllidis
Non-Executive Member
Georgios Triantafyllidis is a graduate of Athens University of Economics and Business. He has worked since 1977 as a sales executive in well known Greek and multinational companies in Greece and abroad in different sectors in markets B2C and B2B. He has been working in the company since 1987 and has served as CEO and Board member in subsidiaries of the Group.

Emmanouil - Evaggelos Lekakis
Independent Non-Executive Member
Emmanouil - Evaggelos Lekakis has been an independent and non-executive member of Inform Lykos since March 2016. He is a graduate of Athens University of Economics and Business. He holds extensive experience as Finance and General Manager in large listed on ASE companies.

Ioannis A. Menagias
Independent Non-Executive Member
He graduated from Glion institute of higher education. He has been working in the company INFORM P. LYKOS S.A. from 1984 until 2015 He holds extensive experience as Director of Sales – Exports in the field of Printed Information Systems.

C) INDEPENDENT AUDITOR'S REPORT

To the Shareholders of INFORM P. LYKOS S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of **INFORM P. LYKOS S.A**. (the company), which comprise the separate and consolidated statement of financial position as at 31 December 2018, the separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated Financial Statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as at December 31, 2018 and their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been incorporated into Greek Law. Our responsibilities under the aforementioned standards are further described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Croup in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated Financial Statements of the current period. These matters and the relevant risks of material misstatement were addressed in the context of our audit of the separate and consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
Impairment on non-current assets (Goodwill)	
As at 31/12/2018, the Group has recognized goodwill approximately € 2,09 million. Goodwill arising from the business combination is allocated in cash generating units that are expected to be benefited from the synergies of the combination. At the end of each reporting period, the Group and the Company assess whether there is an indication that an asset may be impaired. An impairment loss is recognized when the carrying amount of the cash generated unit exceeds the recoverable amount. The recoverable amount of the cash generated unit is the greater between the value in use and the fair value less costs to sell. The value in use is based on the estimated future cash flows, based on business plans and management's estimates, discounted in present value (discounted cash flows). The basic management assumptions are based mainly on the future events and parameters, as the actual operating results, future business plans, financial extensions and market data (statistical or not). Due to the significance of the value of the aforementioned non-current assets and the use of management assumptions and estimates for the recoverability of the amount of goodwill, was considered as a key audit matter. During the year ended at 31 December 2018, there was no indication for impairment of the cash generate unit. For accounting policies, management assumptions and estimates refer to the following notes of Financial Statements: 4.i., 16.C., 38.A., 38.I. and 38.IE .	Our audit procedures in relation to this matter mainly include: • Evaluation of appropriateness of methodology of management for the accurate recognition of cash generating units. • Evaluation of reliability of managements provisions, by comparing the actual performance with the previous provisions. • Assessment of the reasonableness of management assumptions and estimates. • Examined the accuracy in calculation of the discounted cash flows models. • In the procedures mentioned above, we used our internal valuation specialists where it was judged as crucial. • Assessment of the adequacy of the relevant disclosures in the financial statements.

Recoverability of Trade Receivables	
The Trade Receivables of Group and Company are approximately of amount € 11,8 million as at 31/12/2018 (€ 12,9 million as at 31/12/2017) and € 4,2 million (€ 5,4 million as at 31/12/2017) respectively, while the cumulative allowance for doubtful accounts is of amount € 1,1 million (€ 1,09 million as at 31/12/2017) and € 823 thousand (€ 777 thousand as at 31/12/2017) respectively, as mentioned in Financial Statements (note 18). The doubtful receivables in Financial Statements are calculated in relation to the recoverability of the amounts. The amount of allowance of doubtful accounts that the Company and the Group recognize at the end of each reporting period, is defined based on management estimates for the possible risk of not receiving the delayed or legally claimed receivables. Due to the significance and the level of judgement used in the key assumptions by management to estimate the recoverability of doubtful accounts, was considered as a key audit matter. For the disclosures regarding the nature of the receivables and the estimates used for the assessment of the recoverability of doubtful accounts, that are included in Financial Statements refer to notes 4.iii, 18, 27.B,37B and 38.IC&IE.	Our audit procedures in relation to this matter mainly include : • Evaluation of the key assumptions and methodology used by the management regarding the definition of recoverability of doubtful receivables or their categorization as bad debt. • Evaluated whether the policy and methodology applied by the management are appropriate and consistent with IFRS 9. • Comprehension and assessment of Group's credit control procedures and the policies regarding the credit limit of customers. • Examined the legal letter for existing bad debts during the year and identify if there are any indicators that further balances may not be recoverable in the future. • Inspection of trade receivables ageing at the year end and evaluated the amount of allowance of doubtful accounts. • Evaluation of the recoverability of amounts by comparing the closing balances with subsequent to year-end collections/settlements. • Assessment of the adequacy of the relevant disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information included in the Annual Financial Report is the Annual Report of the Board of Directors, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the declarations of the Members of the Board of Directors, but does not include the separate and consolidated Financial Statements and our Auditors' Report thereon.

Our opinion on the Separate and Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Separate and Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separate and Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these Separate and Consolidated Financial Statements in accordance with the International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Separate and Consolidated Financial Statements, 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.

The Audit Committee (article 44 L.4449/2017) is responsible for overseeing the Company's and Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Separate and Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 which have been incorporated in Greek Legislation 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 Separate and Consolidated Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statement, 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 and the Group'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 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 Company's and the Group's ability to continue as a going concern. If our conclusions that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Separate and Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Separate and Consolidated Financial Statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities included in the Group's Consolidated Financial Statements in order to express an opinion on these Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit of these consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the Separate and Consolidated Financial Statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement that is included in this report. According to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

a. The Board of Directors' Report includes a Corporate Governance Statement which provides the information set by Article 43bb of C.L. 2190/1920.
b. In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Article 43a and 107A and of paragraph 1 (cases c and d) of article 43bb of C.L. 2190/1920 and its contents correspond with the Separate and Consolidated Financial Statements for the year ended 31 December 2018.
c. Based on the knowledge obtained during our audit, of **INFORM P. LYKOS S.A.** and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the Separate and Consolidated Financial Statements is consistent with the Additional Report to the Audit Committee of the Company, according to the requirements of article 11 of Regulation 537/2014 of the European Union (EU).

3. Provision of non-Audit Services

We have not provided any prohibited non-audit services (NASs) referred to in article 5 par.1 of Regulation (EU) 537/2014.
The non-audit services that we have provided during the year ended 31 December 2018 are disclosed in the note 33 of the Separate and Consolidated Financial Statements.

4. Appointment of Auditor

We were appointed for the first time as Certified Auditors of the Company based on the decision of the Annual General Shareholders' Meeting dated at 20/06/2006. Our appointment has been renewed uninterruptedly for a total period of 13 years based on the annual decisions of the General Shareholders' Meetings.

Athens, 25 April 2019

The certified chartered accountant

Stergios Ntetsikas

SOEL Reg. No. 41961

Grant Thornton
An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

D) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 1/1 - 31/12/2018

The attached annual financial statements were approved by the Board of Directors of the issuer (hereinafter INFORM P. LYKOS S.A. or the Company) on 25/04/2019 and have been published on the Company's website - www.lykos.gr, as well as on the ASE website where they will remain at the disposal of investors for at least ten (10) years from their preparation and publication date. It is noted that the annual financial statements, audit reports of the statutory auditor and the reports of the board of directors of the subsidiaries are posted at the site www.lykos.gr.

Consolidated statement of financial position

The statement of financial position of the Group for the year ended at 31/12/2018 and the respective comparative figures of the previous year are the following:

	Notes	GROUP 31/12/2018	GROUP 31/12/2017 * Restated
Assets			
Property, plant and equipment	14	46.572.490	55.845.054
Intangible assets and goodwill	16	4.040.198	3.912.994
Other receivables	18	26.863	25.250
Investment property	15	232.761	244.839
Deffered tax assets	13	737.861	36.267
Non-current assets		**51.610.173**	**60.064.404**
Inventories	17	6.155.854	5.986.835
Contract assets	24	1.177.574	922.334
Current income tax assets	13	239.331	219.203
Trade receivables	18	10.691.363	11.894.020
Other receivables	18	758.031	851.179
Receivables from related parties	18	332.303	146.056
Cash and cash equivalents	19	5.944.584	2.067.396
Current assets		**25.299.040**	**22.087.024**
Total assets		**76.909.213**	**82.151.428**
Equity			
Share capital	20	12.758.592	12.758.592
Share premium	20	13.805.791	13.805.791
Reserves	20	14.187.849	14.611.578
Retained profits		(867.435)	5.753.741
Equity attributable to shareholders of the Parent Company		**39.884.798**	**46.929.702**
Non-controlling interests		290.609	677.174
Total Equity		**40.175.407**	**47.606.876**
Liabilities			
Loans and borrowings	22	18.119.192	4.188.682
Employee benefits	11	1.006.285	1.021.398
Other payables	23	9.017	14.427
Deferred tax liabilities	13	618.835	1.700.104
Non-current liabilities		**19.753.329**	**6.924.611**
Current income tax liabilities		0	3.634
Loans and borrowings	22	2.788.936	15.403.052
Trade payables	23	11.864.004	9.352.536
Other payables	23	1.048.188	1.184.820
Contract liabilities	25	629.126	153.641
Liabilities to related parties	23	357.201	1.228.972
Provisions	26	293.023	293.287
Current Liabilities		**16.980.477**	**27.619.942**
Total Liabilities		**36.733.806**	**34.544.553**
Total Equity and Liabilities		**76.909.213**	**82.151.428**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements

**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Company's statement of financial position

The statement of financial position of the Company for the year ended at 31/12/2018 and the respective comparative figures of the previous year are the following:

		COMPANY	
	Notes	31/12/2018	31/12/2017 * Restated
Assets			
Property, plant and equipment	14	23.058.013	30.279.839
Intangible assets	16	1.836.751	1.805.589
Other receivables	18	26.863	25.250
Investments in subsidiaries	28	22.021.131	22.138.861
Deffered tax assets	13	699.201	0
Non-current assets		**47.641.959**	**54.249.539**
Inventories	17	3.143.223	3.524.927
Contract assets	24	682.156	580.613
Current income tax assets	13	215.925	206.531
Trade receivables	18	3.405.092	4.600.877
Other receivables	18	311.735	317.702
Receivables from related parties	18	155.669	444.986
Cash and cash equivalents	19	5.183.007	1.148.246
Current assets		**13.096.807**	**10.823.880**
Total assets		**60.738.766**	**65.073.420**
Equity			
Share capital	20	12.758.592	12.758.592
Share premium	20	13.805.791	13.805.791
Reserves	20	13.367.422	13.166.340
Retained profits		(4.329.736)	2.274.021
Equity attributable to shareholders of the Parent Company		**35.602.069**	**42.004.743**
Liabilities			
Loans and borrowings	22	17.310.308	2.819.251
Employee benefits	11	1.006.285	1.021.398
Other payables	23	9.017	14.427
Deferred tax liabilities	13	0	1.014.836
Non-current liabilities		**18.325.610**	**4.869.913**
Loans and borrowings	22	760.214	11.836.387
Trade payables	23	3.755.518	3.470.416
Other payables	23	938.757	909.805
Contract liabilities	25	569.362	138.586
Liabilities to related parties	23	787.237	1.843.571
Current Liabilities		**6.811.086**	**18.198.764**
Total Liabilities		**25.136.697**	**23.068.677**
Total Equity and Liabilities		**60.738.766**	**65.073.420**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements
**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Consolidated income statement

The income statement of the Group for the year 1/1 - 31/12/2018 and the respective comparative figures of the previous year are the following:

	Notes	GROUP 31/12/2018	GROUP 31/12/2017 * Restated
Revenue	6	67.980.744	62.399.784
Cost of Sales	7	(59.127.775)	(54.051.554)
Gross profit		**8.852.970**	**8.348.230**
Other income	7	1.277.885	1.335.282
Selling and distribution expenses	7	(4.022.374)	(4.207.037)
Administrative expenses	7	(3.702.791)	(3.364.202)
Research and development expenses	7	(520.447)	(435.685)
Other expenses	7	(696.856)	(718.341)
+ Depreciation & amortization		4.261.712	3.955.262
Adjusted EBITDA	9	**5.450.099**	**4.913.509**
Non - recurring expenses	7	(6.697.939)	0
EBITDA		**(1.247.841)**	**4.913.509**
- Depreciation & amortization		(4.261.712)	(3.955.262)
Operating profits / (losses)		**(5.509.553)**	**958.247**
Financial income	8	15.935	15.412
Financial expenses	8	(1.359.204)	(1.270.970)
Net finance costs		**(1.343.269)**	**(1.255.558)**
Profits / (losses) before taxes		**(6.852.822)**	**(297.311)**
Income tax expense	13	1.545.249	(274.045)
Profits / (losses)		**(5.307.573)**	**(571.356)**
Profits / (losses) attributable to:			
Owners of the Company		(5.326.613)	(647.970)
Non-controlling interests		19.039	76.614
		(5.307.573)	**(571.356)**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements

**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Company's income statement

The income statement of the Company for the year 1/1 - 31/12/2018 and the respective comparative figures of the previous year are the following:

		COMPANY	
	Notes	31/12/2018	31/12/2017 * Restated
Revenue	6	33.115.492	29.768.048
Cost of sales	7	(29.008.475)	(25.687.364)
Gross profit		**4.107.017**	**4.080.684**
Other income	7	763.143	966.313
Selling and distribution expenses	7	(2.552.507)	(2.739.755)
Administrative expenses	7	(2.213.975)	(2.081.683)
Research and development expenses	7	(520.447)	(435.685)
Other expenses	7	(178.189)	(236.964)
+ Depreciation & amortization		3.101.787	2.946.973
Adjusted EBITDA	9	**2.506.829**	**2.499.882**
Non - recurring expenses	7	(5.229.587)	0
EBITDA		**(2.722.758)**	**2.499.882**
- Depreciation & amortization		(3.101.787)	(2.946.973)
Operating profits / (losses)		**(5.824.546)**	**(447.090)**
Financial income	8	728.461	70.033
Financial expenses	8	(941.227)	(935.328)
Net finance costs		**(212.766)**	**(865.295)**
Profits / (losses) before taxes		**(6.037.312)**	**(1.312.385)**
Income tax expense	13	1.491.393	(12.579)
Profits / (losses)		**(4.545.919)**	**(1.324.964)**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements
**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Consolidated statement of comprehensive income

The statement of comprehensive income of the Group for the year 1/1 - 31/12/2018 and the respective comparative figures of previous year are the following:

	Notes	GROUP 31/12/2018	31/12/2017 * Restated
Profits / (Losses)		**(5.307.573)**	**(571.356)**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liability	11	5.811	(26.616)
Related tax		(3.818)	7.719
Effect of changing tax rates	13	199.090	0
		201.083	**(18.897)**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		6.996	(630.571)
		6.996	**(630.571)**
Other comprehensive income, net of tax		**208.079**	**(649.469)**
Total comprehensive income		**(5.099.494)**	**(1.220.825)**
Total comprehensive income attributable to:			
Owners of the Company		(5.125.501)	(1.288.795)
Non-controlling interests		26.006	67.971
		(5.099.494)	**(1.220.825)**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements
**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Company's statement of comprehensive income

The statement of comprehensive income of the Company for the year 1/1 - 31/12/2018 and the respective comparative figures of previous year are the following:

	Notes	COMPANY 31/12/2018	31/12/2017 * Restated
Profits / (Losses)		**(4.545.919)**	**(1.324.964)**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liability	11	5.811	(26.616)
Related tax		(3.818)	7.719
Effect of changing tax rates	13	199.090	0
Other comprehensive income after tax		**201.083**	**(18.897)**
Total comprehensive income		**(4.344.836)**	**(1.343.861)**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements
**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Consolidated statement of changes in equity

The statement of changes in equity of the Group is the following:

THE GROUP	**For the year ended 31 December 2018**								
	Attributable to owners of the Company								
	Share capital	**Share premium**	**Translation and other reserves**	**Revaluation reserve**	**IAS 19 reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance at 31 December 2017	**12.758.592**	**13.805.791**	**(1.885.057)**	**16.650.720**	**(155.644)**	**5.945.224**	**47.119.625**	**677.742**	**47.797.367**
Adjustment on application of IFRS 15	0	0	(358)	0	0	64.086	**63.728**	130	**63.858**
Adjustment on application of IFRS 9	0	0	1.918	0	0	(255.569)	**(253.652)**	(699)	**(254.350)**
Balance at 1 January 2018	**12.758.592**	**13.805.791**	**(1.883.497)**	**16.650.720**	**(155.644)**	**5.753.741**	**46.929.702**	**677.174**	**47.606.876**
Profits / (losses)	0	0	0	0	0	(5.326.613)	**(5.326.613)**	19.039	**(5.307.573)**
Other comprehensive income	0	0	29	199.090	1.993	0	**201.112**	6.967	**208.079**
Total comprehensive income	**0**	**0**	**29**	**199.090**	**1.993**	**(5.326.613)**	**(5.125.501)**	**26.006**	**(5.099.494)**
Change of percentage of ownerhip interests (note 28)	0	0	0	0	0	138.434	**138.434**	(371.434)	**(233.000)**
Reduction of share capital	0	0	0	0	0	0	**0**	(270)	**(270)**
Distribution of dividends	0	0	0	0	0	(2.057.837)	**(2.057.837)**	(40.866)	**(2.098.704)**
Transfer to Retained Earnings	0	0	0	(624.841)	0	624.841	**0**	0	**0**
Balance at 31 December 2018	**12.758.592**	**13.805.791**	**(1.883.468)**	**16.224.969**	**(153.652)**	**(867.435)**	**39.884.798**	**290.609**	**40.175.407**

THE GROUP	**For the year ended 31 December 2017**								
	Attributable to owners of the Company								
	Share capital	**Share premium**	**Translation and other reserves**	**Revaluation reserve**	**IAS 19 reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance at 31 December 2016	**12.758.592**	**13.805.791**	**(1.261.569)**	**16.650.720**	**(136.747)**	**7.958.015**	**49.774.802**	**658.888**	**50.433.690**
Adjustment on application of IFRS 15	0	0	0	0	0	63.851	**63.851**	0	**63.851**
Adjustment on application of IFRS 9	0	0	0	0	0	(179.670)	**(179.670)**	0	**(179.670)**
Balance at 1 January 2017	**12.758.592**	**13.805.791**	**(1.261.569)**	**16.650.720**	**(136.747)**	**7.842.196**	**49.658.983**	**658.888**	**50.317.871**
Profits / (losses)	0	0	0	0	0	(647.970)	**(647.970)**	76.614	**(571.356)**
Other comprehensive income	0	0	(621.928)	0	(18.897)	0	**(640.825)**	(8.643)	**(649.469)**
Total comprehensive income	**0**	**0**	**(621.928)**	**0**	**(18.897)**	**(647.970)**	**(1.288.795)**	**67.971**	**(1.220.825)**
Distribution of dividends	0	0	0	0	0	(1.440.486)	**(1.440.486)**	(49.684)	**(1.490.170)**
Balance at 31 December 2017	**12.758.592**	**13.805.791**	**(1.883.497)**	**16.650.720**	**(155.644)**	**5.753.741**	**46.929.702**	**677.174**	**47.606.876**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements

**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Company's statement of changes in equity

The statement of changes in equity of the Company is the following:

THE COMPANY — For the year ended 31 December 2018

	Share capital	Share premium	Revaluation reserve	IAS 19 reserve	Other reserve	Retained earnings	Total
Balance at 31 December 2017	**12.758.592**	**13.805.791**	**5.614.730**	**(155.644)**	**7.707.254**	**2.396.173**	**42.126.896**
Adjustment on application of IFRS 15	0	0	0	0	0	50.839	**50.839**
Adjustment on application of IFRS 9	0	0	0	0	0	(172.992)	**(172.992)**
Balance at 1 January 2018	**12.758.592**	**13.805.791**	**5.614.730**	**(155.644)**	**7.707.254**	**2.274.021**	**42.004.743**
Profits / (losses)	0	0	0	0	0	(4.545.919)	**(4.545.919)**
Other comprehensive income	0	0	199.090	1.993	0	0	**201.083**
Total comprehensive income	**0**	**0**	**199.090**	**1.993**	**0**	**(4.545.919)**	**(4.344.836)**
Distribution of dividends	0	0	0	0	0	(2.057.837)	**(2.057.837)**
Balance at 31 December 2018	**12.758.592**	**13.805.791**	**5.813.820**	**(153.652)**	**7.707.254**	**(4.329.736)**	**35.602.069**

THE COMPANY — For the year ended 31 December 2017

	Share capital	Share premium	Revaluation reserve	IAS 19 reserve	Other reserve	Retained earnings	Total
Balance at 31 December 2016	**12.758.592**	**13.805.791**	**5.614.730**	**(136.747)**	**7.707.254**	**5.118.405**	**44.868.025**
Adjustment on application of IFRS 15	0	0	0	0	0	47.008	**47.008**
Adjustment on application of IFRS 9	0	0	0	0	0	(125.943)	**(125.943)**
Balance at 1 January 2017	**12.758.592**	**13.805.791**	**5.614.730**	**(136.747)**	**7.707.254**	**5.039.471**	**44.789.091**
Profits / (losses)	0	0	0	0	0	(1.324.964)	**(1.324.964)**
Other comprehensive income	0	0	0	(18.897)	0	0	**(18.897)**
Total comprehensive income	**0**	**0**	**0**	**(18.897)**	**0**	**(1.324.964)**	**(1.343.861)**
Distribution of dividends	0	0	0	0	0	(1.440.486)	**(1.440.486)**
Balance at 31 December 2017	**12.758.592**	**13.805.791**	**5.614.730**	**(155.644)**	**7.707.254**	**2.274.021**	**42.004.743**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements

**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Consolidated statement of Cash Flows

Cash flows of the Group for the period 1/1 - 31/12/2018 and the respective comparative figures of the previous year are the following:

	THE GROUP	
	31/12/2018	31/12/2017 * Restated
Cash flows from operating activities		
Profits / (Losses) before taxes	(6.852.822)	(297.311)
Adjustments for:		
– Depreciation & amortisation	4.261.712	3.955.262
– Net finance cost	1.343.269	1.255.558
– Gain on sale of property, plant and equipment	(27.764)	(28.802)
– Foreign exchange differences included in EBIT	(9.070)	(100.418)
– (Reversal of) impairment losses on property, plant and equipment	6.603.352	887
– Increase in fair value of investment property	1.682	10.128
– Change in long term employee benefits (included in EBIT)	(15.113)	0
– Other	115.864	126.065
	5.421.110	**4.921.368**
Changes in:		
– Inventories	(169.018)	(359.357)
– Trade and other receivables	826.333	(960.704)
– Trade and other payables	1.306.141	921.539
Cash generated from operating activities	**7.384.566**	**4.522.846**
Taxes paid	17.146	48.634
Interest paid	(1.361.278)	(1.200.180)
Net cash from (used in) operating activities	**6.040.434**	**3.371.299**
Cash flows from investment activities		
Interest received	19.407	12.665
Dividend received	33	0
Proceeds from sale of property, plant and equipment	21.586	35.598
Acquisition of property, plant and equipment & intangible assets	(1.440.260)	(1.435.717)
Acquisition of other investments	(233.000)	0
Net cash from (used in) investing activities	**(1.632.234)**	**(1.387.454)**
Cash flows from financing activities		
Proceeds from loans & borrowings	15.000.000	2.143.964
Payment of loans	(12.394.505)	(533.162)
Payment of finance lease liabilities	(1.059.842)	(966.300)
Dividends paid to non-controlling interest	(40.866)	(49.684)
Dividends paid to owners of the Company	(2.054.344)	(1.440.486)
Net cash from (used in) financing activities	**(549.556)**	**(845.668)**
Net increase (decrease) in cash and cash equivalents	**3.858.645**	**1.138.177**
Cash and cash equivalents at 1 January	**2.067.396**	**926.095**
Effect of movements in exchange rates on cash held	18.543	3.124
Cash and cash equivalents at 31 December	**5.944.584**	**2.067.397**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements
**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Company's statement of Cash Flows

Cash flows of the Company for the period 1/1 - 31/12/2018 and the respective comparative figures of the previous year are the following:

	COMPANY	
	31/12/2018	**31/12/2017** *Restated
Cash flows from operating activities		
Profit (Loss) before tax	(6.037.312)	(1.312.385)
Adjustments for:		
– Depreciation & amortisation	3.101.787	2.946.973
– Net finance cost	212.766	865.295
– Gain on sale of property, plant and equipment	(9.976)	(28.802)
– (Reversal of) impairment losses on property, plant and equipment	5.100.000	0
– Change in long term employee benefits (included in EBIT)	(15.113)	0
– Other	73.033	72.476
	2.425.186	2.543.556
Changes in:		
– Inventories	381.703	(149.765)
– Trade and other receivables	1.238.501	994.184
– Trade and other payables	(311.504)	479.454
Cash generated from operating activities	**3.733.886**	**3.867.429**
Taxes paid	47.068	78.085
Interest paid	(937.705)	(878.112)
Net cash from (used in) operating activities	**2.843.249**	**3.067.402**
Cash flows from investment activities		
Interest received	20.873	15.300
Dividend received	711.238	51.083
Proceeds from sale of property, plant and equipment	3.461	35.428
Proceeds from loans granted to related parties	60.000	0
Proceeds from sale of investments	299.730	0
Acquisition of property, plant and equipment & intangible assets	(735.659)	(1.114.248)
Acquisition of other investments	(217.000)	0
Net cash from (used in) investing activities	**142.643**	**(1.012.437)**
Cash flows from financing activities		
Proceeds from loans & borrowings	15.000.000	1.225.800
Payment of loans	(11.100.000)	(525.800)
Payment of finance lease liabilities	(796.787)	(868.606)
Dividends paid to owners of the Company	(2.054.344)	(1.440.486)
Net cash from (used in) financing activities	**1.048.870**	**(1.609.092)**
Net increase (decrease) in cash and cash equivalents	**4.034.762**	**445.873**
Cash and cash equivalents at 1 January	**1.148.246**	**702.373**
Cash and cash equivalents at 31 December	**5.183.007**	**1.148.246**

The following explanatory notes (pages 37 to 82) constitute an integral part of these annual financial statements
**The comparable figures have been restated in the context of the application of IFRS 9 and IFRS 15 (see note 37 (b)).*

Notes to the Financial Statements

Basis of preparation

1. Reporting Entity

The Group INFORM LYKOS is a fast growing Group of companies, forming the market in the business area of Information Management under the brand INFORM. Nowadays, the Group is activated internationally and is leader in the area of printing management, shaping developments in the printing market, but also in the market of digital security data management, information and applications.

The registered office of the parent company Inform P. Lykos S.A. (the Company) is in Koropi Attica, 5th km. of Varis-Koropiou Avenue.

Since 12/03/2014, the financial statements of the Group are included in the consolidated financial statements of AUSTRIACARD AG (former LYKOS AG), with its headquarters in Austria. The Group AUSTRIACARD AG (former LYKOS AG) is an international group, active in the business areas of "Digital Security" under the brand AUSTRIACARD and "Information Management" under the brand INFORM.

The financial statements for the year 1/1 - 31/12/2018 were approved by the Board of Directors on 25/4/2019.

2. Basis of accounting

The accompanying separate and consolidated financial statements (hereinafter "financial statements"), have been prepared by the Management based on historic cost principal, as modified following the adjustment of certain assets and liabilities at fair values and the going concern principle and are in accordance with the International Financial Reporting Standards (hereinafter ≪IFRS≫) and the International Accounting Standards (hereinafter ≪IAS≫), as adopted by the European Union (according to the Regulation (EC) No. 1606/ 2002 of the European Parliament and the Council of the European Union at July 19th, 2002) and published by the International Accounting Standards Board (IASB), and also their interpretations, as published by the International Financial Reporting Interpretation Committee (I.F.R.I.C.) of the IASB. The period of application of each IAS/IFRS is set by the regulations published by the competent commission of the European Union.

Details of the Group's accounting policies and methods, including changes during the year 2018 are included in notes 36 - 39.

3. Functional and presentation currency

The separate and consolidated financial statements are presented in euro, which is the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses, as also and the notes to the financial statements. They also affect disclosures of contingent assets and liabilities as at the financial statements preparation date as well as the publicized amounts of revenue and expenses.

Judgments, estimates and assumptions are based on the experience from previous years and other factors, included the expectations of future events that are considered reasonable under the particular conditions, while estimates and underlying assumptions are reviewed on an ongoing basis, making the best use of all the available data. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment at amounts of assets, liabilities, income and expenses is included in the following notes:

i. Testing for goodwill impairment of total participations or other assets

Management monitors annually whether goodwill has suffered any impairment and assesses the events or the conditions may trigger impairment, such as a significant adverse change in the business environment or a decision to sell or dispose of a unit or functional area. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The basic estimates in applying value in use, the Group relies on a number of factors, including actual operating results, future business plans, economic projections and discount rates that are used in the calculations.

If analysis indicates a need for impairment of goodwill, measuring of impairment requires a fair value estimate of each identified tangible asset. In this case, using the cash flow approach, referred above, by independent appraisers when appropriate. See note 16.

ii. Useful life of depreciable assets

The actual useful lives of the assets are assessed annually. At the end of the reporting period of the annual financial statements, the management of the Group estimates that the useful lives of the depreciable assets represent the expected utility of those assets. See notes 38 (H) and (I).

iii. Recoverability of receivables and provisions for expected credit losses

Doubtful accounts receivables are displayed with amounts that are likely to be recovered. Estimations for recoverable amounts of receivables are based on objective indications, the counterparty's financial condition as well as past experience. The Group applies the simplified approach for customer receivables and contract assets for the calculation of expected credit losses. Therefore, at each reporting date, the Group measures the provision for a financial instrument for an amount equal to the expected credit losses over the lifetime. For determining the expected credit losses, a chronological analysis and rates table is used with historical data and reasonable assumptions.

iv. Employee benefits

The present value of pension obligations depends on a number of factors determined using actuarial methods and assumptions. Such actuarial assumption is the discount rate used to calculate the cost of benefit. The Group determines the appropriate discount rate at each year end. This is the interest rate that should be used to determine the present value of future cash flows, which are expected to be required to meet the obligations of the pension plans. For determining the appropriate discount rate, the Group uses the interest rate of high quality corporate bonds that are converted to the currency in which the benefits will be paid, and whose expiry date is approaching that of the relevant pension liability. Other key assumptions of pension obligations are based in part on current market conditions. See notes 12 and 38 (E).

v. Fair value measurement

As part of the implementation of IFRS, the Group has an obligation or option to revalue assets and liabilities at fair value.

The fair value measurement is based on the market and not on a particular entity. For certain assets and liabilities may be available observable market transactions or market information. For other assets and liabilities may not be available observable market transactions or market information. However, the objective of measuring fair value is the same in both cases to estimate the price at which it would take place a normal transaction to sell the asset or transfer the liability between market participants at the measurement date under current market conditions (ie an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Even when there is no observable market to provide pricing information on the sale of an asset or transfer a liability at the measurement date, the fair value measurement should consider that a transaction occurs on that date, considering the transaction from the perspective of a market participant that holds the asset or owes the liability. This alleged transaction constitutes the basis for valuation of the sale price of the asset or transfer the liability. Especially for liabilities if no observable market to provide pricing information on the transfer of a liability (eg when the contractual and other legal restrictions prevent the transfer of such data) may be observable market for such obligation if the other party holds as an asset (eg corporate bonds).

The assets and liabilities of the Group are measured at fair value are mainly non-financial assets.

To improve the consistency and comparability in fair value measurements and related disclosures, the Group is adopting relevant requirements of IFRS 13, which had determined the fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to the official prices (unadjusted) in markets with significant volume of transactions for identical assets or liabilities (level 1 inputs) and minimum priority to unobservable inputs (Level 3 inputs).

The Level 1 inputs are the official quoted prices (unadjusted) in active markets for identical assets or liabilities to which the entity has access at the measurement date.

The Level 2 inputs are inputs other than formal quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. If the asset or liability has a specified (contractual) term, a second input level must be observable for the full life of the asset or liability.

The Level 3 inputs are not based on observable market data (unobservable inputs) for the asset or liability.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 14 Property, plant and equipment
- Note 15 Investment Property
- Note 27 Financial Instruments

It is noted that the Group has certain financial assets (eg cash and cash equivalents) the historical values for which, due to their short term nature, do not differ essentially from the fair value that would be determined by using valuation techniques.

vi. Accounting treatment of proclaimed fine for alleged violation of Romanian competition law

In 2016, the Competition Council of Romania imposed a fine of approximately € 800 thousand on the subsidiary of the Group, Inform Lykos, S.A., (ILR), in Romania. As the management is convinced that the Group has complied with the competition law and that the verdict is unjustified and disproportional, it has appealed against this verdict. In 2017, the Court of Appeals rejected the demands made by the company. In response to this verdict, the company appealed to the Romanian Supreme Court. The first hearing is scheduled for 5 November 2020. Consequently, at the date of this report, the lawsuit is still ongoing. Taking into account similar cases of other companies, the Group's Management estimates that ILR will pay a fine that will be significantly lower than the original verdict. Within the framework of conservatism principle, the Management formed in 2016 a relevant provision of € 300 thousand for this claim, which is included in the consolidated financial statements.

Performance of the year

5. Operating segments

i. Basis of segmentation

The Group maintains one strategic segment, the "Information Management" (printing segment), which is its reportable segment. Every unit of the segment offers same products and services, and requires unique technology and marketing strategies.

The activity of the printing segment mainly extents geographically in two countries Greece and Romania. This geographic allocation is the designated factor for the segmentation of printing segment.

These operating segments are monitored by the Head of Risk and Strategic decisions of the Group (Group CEO).

Information related to each reportable segment is set out below. Segment "profit before tax" is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments.

31/12/2018	**Printing segment (Greece)**	**Printing segment (Romania)**	**Other**	**Eliminations**	**Total**
Revenues	32.758.636	34.589.560	632.549	0	67.980.745
Intersegment revenues	356.856	2.161.356	0	(2.518.212)	0
Segment revenues	**33.115.492**	**36.750.916**	**632.549**	**(2.518.212)**	**67.980.745**
Cost of sales	(29.008.475)	(32.106.965)	(532.516)	2.520.181	(59.127.775)
Gross profit	**4.107.017**	**4.643.951**	**100.033**	**1.970**	**8.852.971**
Other income	763.143	834.942	83.529	(403.729)	1.277.885
Selling and distribution expenses	(2.552.507)	(1.634.916)	0	165.050	(4.022.374)
Administrative expenses	(2.213.975)	(1.564.084)	(117.457)	192.725	(3.702.791)
Research and development expenses	(520.447)	0	0	0	(520.447)
Other expenses	(178.189)	(551.243)	(15.974)	48.551	(696.856)
+ Depreciation & amortization	3.101.787	1.057.962	101.962	0	4.261.712
Adjusted EBITDA	**2.506.829**	**2.786.612**	**152.093**	**4.566**	**5.450.100**
- Depreciation & amortization	(3.101.787)	(1.057.962)	(101.962)	0	(4.261.712)
Adjusted EBIT	**(594.959)**	**1.728.650**	**50.131**	**4.566**	**1.188.388**
Financial income	728.461	34	1.824.283	(2.536.844)	15.935
Financial expenses	(941.227)	(412.840)	(8.677)	3.540	(1.359.204)
Net finance costs	**(212.766)**	**(412.806)**	**1.815.607**	**(2.533.304)**	**(1.343.269)**
Adjusted EBT	**(807.725)**	**1.315.843**	**1.865.738**	**(2.528.738)**	**(154.881)**
Non-recurring expenses	(5.229.587)	(1.503.354)	0	35.002	(6.697.939)
Profit / (loss) before tax	**(6.037.312)**	**(187.511)**	**1.865.738**	**(2.493.736)**	**(6.852.821)**
Income tax expense	1.491.393	14.876	38.980		1.545.249
Profit / (loss)	**(4.545.919)**	**(172.635)**	**1.904.718**	**(2.493.736)**	**(5.307.572)**

31/12/2017	**Printing segment (Greece)**	**Printing segment (Romania)**	**Other**	**Eliminations**	**Total**
Revenues	29.152.845	32.445.988	800.951	0	62.399.784
Intersegment revenues	615.203	2.599.399	0	(3.214.603)	0
Segment revenues	**29.768.048**	**35.045.387**	**800.951**	**(3.214.603)**	**62.399.784**
Cost of sales	(25.687.364)	(30.835.620)	(641.328)	3.112.758	(54.051.554)
Gross profit	**4.080.684**	**4.209.767**	**159.623**	**(101.845)**	**8.348.230**
Other income	966.313	688.169	87.006	(406.206)	1.335.282
Selling and distribution expenses	(2.739.755)	(1.628.946)	0	161.664	(4.207.037)
Administrative expenses	(2.081.683)	(1.369.512)	(116.804)	203.797	(3.364.202)
Research and development expenses	(435.685)	0	0	0	(435.685)
Other expenses	(236.964)	(623.234)	(4.805)	146.662	(718.341)
+ Depreciation & amortization	2.946.973	901.697	106.593	0	3.955.262
Adjusted EBITDA	**2.499.882**	**2.177.941**	**231.613**	**4.072**	**4.913.509**
- Depreciation & amortization	(2.946.973)	(901.697)	(106.593)	0	(3.955.262)
Adjusted EBIT	**(447.090)**	**1.276.244**	**125.020**	**4.072**	**958.247**
Financial income	70.033	27	240.407	(295.055)	15.412
Financial expenses	(935.328)	(330.279)	(9.012)	3.650	(1.270.970)

Net finance costs	**(865.295)**	**(330.252)**	**231.394**	**(291.405)**	**(1.255.558)**
Adjusted EBT	**(1.312.385)**	**945.992**	**356.415**	**(287.333)**	**(297.311)**
Non-recurring expenses	0	0	0	0	0
Profit / (loss) before tax	**(1.312.385)**	**945.992**	**356.415**	**(287.333)**	**(297.311)**
Income tax expense	(12.579)	(184.634)	(76.832)	0	(274.045)
Profit / (loss)	**(1.324.964)**	**761.358**	**279.583**	**(287.333)**	**(571.356)**

The allocation of assets, liabilities, capital expenditure and depreciation to operating segments is as follows:

31/12/2018	**Printing segment (Greece)**	**Printing segment (Romania)**	**Other**	**Eliminations**	**Total**
Assets	60.738.766	34.732.974	1.997.963	(20.560.490)	76.909.213
Liabilities	25.136.697	11.554.780	605.829	(563.500)	36.733.806
Capital expenditures	1.012.789	697.734	21.875	0	1.732.398
Depreciation & amortization	3.101.787	1.057.962	101.962	0	4.261.712

31/12/2017 *Restated	**Printing segment (Greece)**	**Printing segment (Romania)**	**Other**	**Eliminations**	**Total**
Assets	65.073.420	35.981.386	2.259.369	(21.162.746)	82.151.428
Liabilities	23.068.677	11.659.292	864.611	(1.048.027)	34.544.553
Capital expenditures	1.298.248	1.539.594	611	0	2.838.453
Depreciation & amortization	2.946.973	901.697	106.593	0	3.955.262

The following geographical information analyzes the Group's revenues in Grecce and other countries:

	31/12/2018	**31/12/2017**
Romania	34.282.302	32.442.208
Greece	29.972.493	26.427.551
Austria	1.015.907	704.672
France	683.875	666.670
Albania	633.329	1.080.142
Morocco	464.853	531.330
Spain	235.236	248.191
Bulgaria	144.565	121.351
Cyprus	124.461	184.960
Germany	102.603	46.917
Kosovo	20.720	78.405
Hungary	19.326	10.483
Malta	7.899	56.615
Other countries	17.286	11.321
Adjustment IFRS 15	255.892	(211.032)
Total	**67.980.744**	**62.399.784**

6. Revenues

	GROUP		**COMPANY**	
	31/12/2018	**31/12/2017** *Restated	**31/12/2018**	**31/12/2017** *Restated
Revenues from sales of goods	28.864.490	28.275.164	11.344.863	12.055.619
Revenues from services	24.302.018	21.445.471	5.874.104	3.996.571
Revenues from sale of merchandise	14.814.236	12.679.149	15.896.525	13.715.858
Total	**67.980.744**	**62.399.784**	**33.115.492**	**29.768.048**

Sales increased mainly due to ATH.ENA project and transportation tickets.

7. Income and Expenses

A. Other Income

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Government grants	3.804	6.900	3.804	6.900
Gain on sale of property, plant and equipment	27.101	35.428	9.976	35.428
Rentals from property and machinery	501.484	497.588	349.432	345.290
Reversal of accruals	102.283	141.319	8.258	141.319
Capitalised development expenses	347.192	341.326	306.908	341.326
Other income	296.021	312.721	84.765	96.050
Total	**1.277.885**	**1.335.282**	**763.143**	**966.313**

B. Cost of Sales

	GROUP		COMPANY	
	31/12/2018	31/12/2017 *Restated	31/12/2018	31/12/2017 *Restated
Employee compensation and expenses	4.573.643	4.770.226	2.746.891	2.848.921
Cost of inventories recorgnised as expense	15.113.434	13.966.378	4.993.146	5.371.217
Cost of mailings	18.937.150	16.279.275	2.302.996	511.264
Cost of merchandise	12.959.343	11.118.791	13.984.527	11.867.600
Third party fees	533.985	780.631	272.532	453.070
Utilities and maintenance expenses	1.588.218	2.014.623	1.002.638	982.631
Rentals from property and machinery	99.293	*78.568*	87.574	87.725
Tax and duties	89.083	90.949	40.978	43.887
Transportation expenses	8.862	2.654	8.902	2.202
Other consumable materials	1.401.521	1.413.139	841.785	914.201
Depreciation and amortisation	3.569.331	3.306.044	2.514.052	2.410.018
Other expenses	253.911	230.276	212.454	194.629
Total	**59.127.775**	**54.051.554**	**29.008.475**	**25.687.364**

Cost of sales increased mainly due to ATH.ENA project and transportation tickets.

C. Selling and Distibution Expenses

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Employee compensation and expenses	1.949.825	2.078.062	1.480.852	1.623.632
Third party fees	226.741	213.682	255.250	264.931
Commissions paid	503.661	483.297	0	0
Utilities expenses	208.749	226.635	173.159	188.345
Rentals from property and machinery	17.234	16.852	3.561	5.423
Tax and duties	48.450	53.054	37.137	39.249
Transportation expenses	612.914	700.739	265.803	307.820
Other consumable materials	31.987	35.485	12.993	17.681
Depreciation and amortisation	225.580	226.350	200.846	195.118
Other expenses	197.234	172.881	122.907	97.555
Total	**4.022.374**	**4.207.037**	**2.552.507**	**2.739.755**

D. Administrative Expenses

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Employee compensation and expenses	2.151.359	1.839.018	1.187.675	1.062.613
Third party fees	735.488	739.520	549.237	559.033
Utilities expenses	307.657	325.846	180.782	170.906
Rentals from property and machinery	39.786	27.265	2.993	5.295
Tax and duties	35.529	39.577	20.910	19.447
Transportation expenses	100	901	100	901
Other consumable materials	2.432	7.256	2.015	6.485

Depreciation and amortisation	257.831	251.226	177.920	170.194
Other expenses	172.610	133.593	92.344	86.809
Total	**3.702.791**	**3.364.202**	**2.213.975**	**2.081.683**

E. Research and Development Expenses

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Employee compensation and expenses	301.002	249.737	301.002	249.737
Third party fees	1.950	8.000	1.950	8.000
Utilities expenses	3.611	3.253	3.611	3.253
Tax and duties	78	124	78	124
Other consumable materials	182	0	182	0
Depreciation and amortisation	208.971	171.642	208.971	171.642
Other expenses	4.654	2.929	4.654	2.929
Total	**520.447**	**435.685**	**520.447**	**435.685**

F. Non - recurring Expenses

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Staff leaving indemnities	94.587	0	94.587	0
Impairment of tangible assets	6.603.352	0	5.100.000	0
Other expenses	0	0	35.000	0
Total	**6.697.939**	**0**	**5.229.587**	**0**

Further information on the impairment of tangible assets is included in note 14 (E).

G. Other Expenses

	GROUP		COMPANY	
	31/12/2018	**31/12/2017 *Restated**	**31/12/2018**	**31/12/2017 *Restated**
Foreign exchange differences	18.339	49.265	445	1.674
Losses on sale of equipment	3.343	6.625	0	6.625
Loss of the customer's contract term	14.399	24.571	6.548	10.988
Impairment loss on trade receivables	146.282	150.033	49.640	107.244
Losses from write - downs of inventories	31.802	6.632	31.802	0
Decrease in fair value of investment property	1.682	10.128	0	0
Reinvoiced expenses	184.179	178.892	0	0
Bank commisions	1.299	2.565	0	0
Other expenses	295.531	289.629	89.754	110.433
Total	**696.856**	**718.341**	**178.189**	**236.964**

8. Net Finance Cost

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Interes income from loans and receivables	15.901	15.412	17.223	18.950
Dividend income	33	0	711.238	51.083
Financial income	**15.935**	**15.412**	**728.461**	**70.033**
Interest expense	1.200.830	1.114.746	894.842	876.437
Commissions of letters of guarantee	133.385	136.991	30.364	43.188
Other financial expenses	24.988	19.233	16.021	15.703
Finance costs	**1.359.204**	**1.270.970**	**941.227**	**935.328**
Net finance costs recognised in profit or loss	**(1.343.269)**	**(1.255.558)**	**(212.766)**	**(865.295)**

9. Adjusted earnings / (losses) before interest, taxes, depreciation and amortization (adjusted EBITDA)

The Group and the Company presented during 2018 non - recurring expenses amounting to € 6.697.939 and € 5.229.587, respectively (see above note 7 (F)).

The adjusted earnings / (losses) before interest, taxes, depreciation and amortisation (adjusted EBITDA) by the amount of non - recurring expenses for the Group and the Company for the year 2018 amounted to € 5.450.099 and € 2.506.829, respectively.

The adjusted EBITDA complies with the relevant condition for the calculation of the "Total Net Debt / EBITDA (adjusted)" according to the Company's financial covenant on the bond loan of 27 December 2018 (see note 22).

It is noted that the earnings / (losses) before interest, taxes, depreciation and amortisation (EBITDA) for the Group and the Company for the year 2018 amounted to € (1.247.841) and € (2.722.758) respectively.

10. Earnings / (losses) per share

A. Basic earnings or basis (losses) per share

All shares of the Company are ordinary (see note 21). The calculation of earnings / (losses) per share is based on the following earnings / (losses) per share attributable to the ordinary shareholders and the weighted average number of ordinary outstanding shares.

	GROUP	
	31/12/2018	**31/12/2017** ***Restated**
Profits / (losses) attributable to the owners of the Company	(5.326.613)	(647.970)

B. Weighted-average number of ordinary shares

	2018	**2017**
Issued ordinary shares at 1 January	20.578.374	20.578.374
Weighted - average number of ordinary shares at 31st December	**20.578.374**	**20.578.374**

C. Earnings per share

	2018	**2017** ***Restated**
Profits / (losses) per share	(0,2588)	(0,0315)

Employee Benefits

11. Employee Benefits

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net defined benefit liability	1.006.285	1.021.398	1.006.285	1.021.398
Total employee benefit liabilities	**1.006.285**	**1.021.398**	**1.006.285**	**1.021.398**
Non-current	1.006.285	1.021.398	1.006.285	1.021.398
Current	0	0	0	0
Total	**1.006.285**	**1.021.398**	**1.006.285**	**1.021.398**

Social security contributions are included in other liabilities and are analyzed in note 23.

Salaries and personnel costs are detailed in note 12.

The balance of account employee benefits is formed from the Group's defined benefit plan that applies to employees in Greece. Obligations resulting from this program concern compensation of staff retirement arising from the provisions of Law 2112/20, as amended by Law 4093/12. According to the Greek legislation, establishing and funding is not provided in the form of contributions, specific fund (reserve) to cover the severance compensation laws 2112/20 and 3026/54, as amended by Law 4093/12, and for other related benefits. As a result, a special fund is not created, from which the settlement of the liability could be made. The compensation provided by the laws 2112/20 and 3026/54, as amended by Law 4093/12 are exclusively one-off indemnities which are given only in cases of normal retirement, redundancy and for those subject to Law 3026/54, in death and voluntary retirement under conditions.

The above program exposes the Group to actuarial risks, including the risk of longevity assumptions and discount rate assumptions.

A. Movement in net defined benefit liability

The following table presents the reconciliation of the opening and closing of the reporting periods of the liabilities arising from the program:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Balance at 1 January	**1.021.398**	**958.106**	**1.021.398**	**958.106**
Included in profit or loss				
Current service cost	25.199	26.535	25.199	26.535
Past service credit	0	761	0	761
Settlement/Curtailment/Termination loss/(gain)	76.265	26.694	76.265	26.694
Interest cost (income)	16.342	18.204	16.342	18.204
	117.806	**72.194**	**117.806**	**72.194**
Included in OCI				
Remeasurement loss (gain):				
– Actuarial loss (gain) arising from:				
- financial assumptions	(25.376)	47.344	(25.376)	47.344
- experience adjustment	19.565	(20.728)	19.565	(20.728)
Total amount included in OCI	**(5.811)**	**26.616**	**(5.811)**	**26.616**
	111.995	**98.810**	**111.995**	**98.810**
Other				
Benefits paid	(127.108)	(35.518)	(127.108)	(35.518)
	(127.108)	**(35.518)**	**(127.108)**	**(35.518)**
Balance at 31 December	**1.006.285**	**1.021.398**	**1.006.285**	**1.021.398**

B. Actuarial assumptions

The following were the principal actuarial assumptions at 31/12/2018 (expressed as weighted averages):

	31/12/2018	31/12/2017
Discount rate	1,8%	1,6%
Future salary growth	1,0%	1,0%

Rate of compensation increase	1,0%	1,0%

The weighted-average duration of the defined benefit obligation for the fiscal year 2018 was 16,8 years (2017: 16,2).

C. Sensitivity analysis

A reasonably possible change of 1% of the discount rate used in the valuation would result the following changes to the defined benefit obligation for the staff leaving idemnity.

	31/12/2018		**31/12/2017**	
Effect in euro	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(150.762)	185.085	(148.103)	179.766

12. Employee expenses

	GROUP		**COMPANY**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Wages & Salaries	6.993.027	6.577.023	4.501.038	4.560.359
Social security contributions	1.232.484	1.575.816	1.135.254	1.117.663
Other expenses for personnel	727.098	732.689	56.908	55.366
Expenses related to defined benefit plans & termination benefits	117.806	51.515	117.806	51.515
Total	**9.070.415**	**8.937.043**	**5.811.007**	**5.784.903**

The number of employees in the Group and the Company on 31/12/2018 amounted to 369 (31/12/2017: 398) and 165 (31/12/2017: 163) respectively.

Income Taxes

13. Income Taxes

	GROUP		COMPANY	
	31/12/2018	31/12/2017 *Restated	31/12/2018	31/12/2017 * Restated
Current tax expense				
Current year income tax	(14.769)	(26.127)	0	0
Adjustment for prior years	**(14.769)**	**(26.127)**	**0**	**0**
Deferred tax expense (income)	1.637.123	(247.918)	1.600.453	(12.579)
Origination and reversal of temporary differences	(77.105)	0	(109.060)	0
	1.560.018	**(247.918)**	**1.491.393**	**(12.579)**
Total	**1.545.249**	**(274.045)**	**1.491.393**	**(12.579)**

At 03/12/2018 the Law 4579/2018 was voted, according to which the tax rate for legal entities in Greece is reduced gradually to 28% for revenues of tax year 2019, to 27% for revenues of tax year 2020, to 26% for revenues of tax year 2021 and finally to 25% for revenues of tax year 2022 and next ones.

Therefore, at the reporting date remeasurement of deferred tax assets and liabilities with the aforementioned tax rates was made, resulting in a tax expense / income of € (77.105) for the Group and € (109.060) for the Company, as well as amount of € 199.090 concerning deferred tax related to the property revaluation reserve and the reserve of IAS 19, that was recognized in the Company's statement of comprehensive income.

A. Reconciliation of effective tax rate

	GROUP				COMPANY			
	31/12/2018		31/12/2017 *Restated		31/12/2018		31/12/2017 *Restated	
Profit/(loss) before tax		**(6.852.822)**		**(297.311)**		**(6.037.312)**		**(1.312.385)**
Tax using the Company's domestic tax rate	29%	1.753.925	29%	57.160	29%	1.750.820	29%	362.939
Effect of tax rates in foreign jurisdictions		15.772		128.317		0		0
Non - deductible expenses		(31.464)		(64.571)		(15.799)		(28.336)
Current - year losses for which no deferred tax asset is recognised		(192.984)		(394.952)		(243.629)		(347.182)
		1.545.249		**(274.045)**		**1.491.393**		**(12.579)**

B. Movement in deferred tax balances

	GROUP				COMPANY			
	31/12/2018		31/12/2017 *Restated		31/12/2018		31/12/2017 *Restated	
	Assets	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Property, plant and equipment	379.790	825.747	0	2.480.698	139.790	0	0	1.583.600
Intangible assets	0	77.738	0	118.211	0	77.669	0	117.880
Investment property	0	1.845	0	2.584	0	0	0	0
Receivables	278.637	0	231.034	0	234.843	0	181.396	0
Other assets	186.685	0	256.719	0	181.984	0	251.039	0
Employee benefits	252.886	0	296.205	0	252.886	0	296.205	0
Other liabilities	0	763.934	0	786.739	0	548.343	0	597.727
Contract assets	0	26.266	0	23.220	0	21.027	0	20.765
Tax loss carry forwards	716.559	0	963.658	0	536.737	0	576.496	0
Deferred tax assets / liabilities	**1.814.556**	**1.695.530**	**1.747.616**	**3.411.453**	**1.346.240**	**647.039**	**1.305.136**	**2.319.972**
Set - off tax	(1.076.695)	(1.076.695)	(1.711.349)	(1.711.349)	(647.039)	(647.039)	(1.305.136)	(1.305.136)
Net deferred tax assets / liabilities	**737.861**	**618.835**	**36.267**	**1.700.104**	**699.201**	**0**	**0**	**1.014.836**

C. Unrecognised deferred tax assets

No deferred tax assets have been formed against the tax losses of some years presented because it is not certain that the company will provide sufficient future taxable profits against which the Group can utilize the benefits of these tax losses. These defered tax assets for the Group for year 2018 amounted to € 1.486.132 and for the Company for year 2018 amounted to € 1.286.385.

D. Current tax assets

Current tax assets presented in the Financial Position amounted to € 239.331 (2017: € 219.203) mainly concern withholding taxes or prepaid income taxes and respectively for the Company to € 215.925 (2017: € 206.531).

Assets

14. Property, plant and equipment

A. Reconciliation of carrying amount

	GROUP				
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost					
Balance at 1 January 2017	**52.280.281**	**47.189.561**	**6.269.479**	**66.648**	**105.805.969**
Additions	270.086	1.617.209	136.381	100.467	2.124.143
Disposals	0	(25.950)	(115.722)	0	(141.672)
Reclassifications	33.566	100.468	0	(134.034)	0
Effect of movements in exchange rates	(506.388)	(268.993)	(5.183)	(900)	(781.464)
Balance at 31 December 2017	**52.077.545**	**48.612.295**	**6.284.955**	**32.181**	**107.006.977**
Balance at 1 January 2018	**52.077.545**	**48.612.295**	**6.284.955**	**32.181**	**107.006.977**
Additions	47.946	647.720	138.111	203.728	1.037.505
Disposals	0	(114.254)	(9.800)	(32.400)	(156.454)
Reclassifications	0	84.844	0	(84.844)	0
Effect of movements in exchange rates	(17.570)	17.117	3.667	(1)	3.213
Balance at 31 December 2018	**52.107.921**	**49.247.721**	**6.416.933**	**118.665**	**107.891.240**
Accumulated depreciation and impairment losses					
Balance at 1 January 2017	**18.057.258**	**24.253.258**	**5.640.219**	**0**	**47.950.735**
Depreciation	514.743	2.827.472	179.559	0	3.521.774
Disposals	0	(7.689)	(115.463)	0	(123.152)
Effect of movements in exchange rates	(41.557)	(142.421)	(3.457)	0	(187.434)
Balance at 31 December 2017	**18.530.444**	**26.930.620**	**5.700.858**	**0**	**51.161.923**
Balance at 1 January 2018	**18.530.444**	**26.930.620**	**5.700.858**	**0**	**51.161.923**
Depreciation	522.066	2.987.747	177.022	0	3.686.835
Disposals	0	(137.221)	(6.276)	0	(143.497)
Impairment	0	6.603.352	0	0	6.603.352
Effect of movements in exchange rates	(1.884)	9.550	2.471	0	10.137
Balance at 31 December 2018	**19.050.626**	**36.394.048**	**5.874.076**	**0**	**61.318.750**
Carrying amounts					
At 31 December 2017	**33.547.101**	**21.681.675**	**584.097**	**32.181**	**55.845.054**
At 31 December 2018	**33.057.295**	**12.853.673**	**542.857**	**118.665**	**46.572.490**

	COMPANY				
	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost					
Balance at 1 January 2017	**32.384.690**	**32.307.216**	**5.303.854**	**31.300**	**70.027.060**
Additions	181.774	310.995	126.300	0	619.069
Disposals	0	(25.950)	(115.550)	0	(141.500)
Balance at 31 December 2017	**32.566.464**	**32.592.261**	**5.314.604**	**31.300**	**70.504.629**
Balance at 1 January 2018	**32.566.464**	**32.592.261**	**5.314.604**	**31.300**	**70.504.629**
Additions	44.930	307.985	105.353	0	458.268
Disposals	0	(27.943)	(2.682)	0	(30.625)
Balance at 31 December 2018	**32.611.395**	**32.872.303**	**5.417.275**	**31.300**	**70.932.273**
Accumulated depreciation and impairment losses					
Balance at 1 January 2017	**16.567.151**	**16.440.419**	**4.791.044**	**0**	**37.798.613**
Depreciation	330.083	2.060.582	158.663	0	2.549.329
Disposals	0	(7.689)	(115.463)	0	(123.152)
Balance at 31 December 2017	**16.897.234**	**18.493.312**	**4.834.244**	**0**	**40.224.790**
Balance at 1 January 2018	**16.897.234**	**18.493.312**	**4.834.244**	**0**	**40.224.790**
Depreciation	336.577	2.083.539	158.313	0	2.578.428
Disposals	0	(26.276)	(2.682)	0	(28.958)
Impairment	0	5.100.000	0	0	5.100.000

Balance at 31 December 2018	**17.233.811**	**25.650.575**	**4.989.874**	**0**	**47.874.260**
Carrying amounts					
At 31 December 2017	**15.669.230**	**14.098.948**	**480.361**	**31.300**	**30.279.839**
At 31 December 2018	**15.377.584**	**7.221.728**	**427.401**	**31.300**	**23.058.013**

B. Measurement of fair value

i. Fair value hierarchy

The fair value of land and buildings is determined by external independent valuers, who have recognized professional qualifications and recent experience in the location and category of property assessed. The independent appraisers provide or estimate the fair value of the Group's property. The frequency of revaluations depends upon the changes in the estimated fair value of properties in relation to the accounting. When the change is material is carried further adjustment.

Based on data taken into account in the valuation technique, the measurement of fair value for these properties is at Level 2 (see note 4(v)).

ii. Valuation technique and significant unobservable inputs

Land and buildings used for production in Greece

The latest study conducted by an independent appraiser to approximate the fair value of these tangible assets was made in 2016. The estimate was based on market indications for similar properties incorporating adjustments for special factors of the valued properties such as the size of land and buildings, the use, the location and any encumbrances. The valuation basis for calculation depends on observable transactions for similar properties. The main input factors for the valuation are the fair value of land per square meter, which was appraised at € 190 on average and the replacement cost per square meter, which was appraised at € 308 on average. The Group considers that the above observable prices have not changed substantially up to the period of publication of the presented financial statements.

Land and buildings used for production in Romania

For the valuation of the Group's property in Romania the same valuation technique was used, as that was used and described for the properties in Greece. The latest revaluation took place in December 2016. The main input factors for the valuation are the fair value of land per square meter, which was appraised at € 156 on average and the replacement cost per square meter, which was appraised at € 470 on average. The Group considers that the above observable prices have not changed substantially up to the period of publication of the presented financial statements.

C. Leased machinery

The Group leases machinery in Greece and Romania. At 31st December 2018, net carrying amount of leased equipment was € 4.069.911 (2017: € 4.797.922). The value of the leased equipment is ensuring the relevant leasing obligations.

D. Security

There are encumbrances on the Group's fixed assets (land and building located in Romania) for an amount of € 5 million in order to cover loan liabilitiess. There are no encumbrances on the parent company's fixed assets.

E. Impairment of machinery

The Group's machinery used for the production and disposal of goods and services is disclosed in the balance sheet at its adjusted values less accumulated depreciation and any impairment. Machinery is grouped into three main product categories:

1. Categories of machines

- Traditional printing
- Digital printing
- Cards production and personalization

1.1. Traditional printing machines

This category represents fixed assets with a total acquisition cost of € 21,4 million at 31/12/2018 and a net book value before depreciation (before impairment) of € 6,2 million. The useful life for these assets is 20 years and their average present age is 9 years.

These machines are divided into two categories. In those used to print fixed items and those that make the composition of prints. More specifically, the first category concerns machines which produce a large volume of paper rolls to sheets. The second category includes machines that compose double or triple or more sheets to forms. Most of this asset class concerns traditional machines (offset printers) whose useful life usually exceeds 20 years. A typical example is the fact that the company owns traditional machinery (printing machines for the production of forms) that are still operational, although they were acquired 25 years ago.

1.2. Digital printing machines

This category represents fixed assets with a total acquisition cost of € 20,6 million at 31/12/2018 and a net book value before depreciation (before impairment) of € 10,8 million. The useful life for these assets is 12 years, while their average present age is now 6 years

These machines are divided into two subcategories. In those used to print variable data on forms, such as statements where each consumer's individual data are reported. The second subcategory includes machines that envelope the forms in special envelopes which vary according to the dimensions of the enclosed envelope. Most of this asset class concerns digital machines that support the operation of large organizations over the last 12 years.

1.3. Machines for the production and personalization of cards

This category represents fixed assets with a total acquisition cost of € 2,7 million at 31/12/2018 and a net book value before depreciation (before impairment) of € 1 million. The useful life for these fixed assets is 12 years, with an average present age of 8 years.

Machines in this category are used to personalize and envelope cards. They print variable data on bank cards, the details of which are different for each cardholder. They are used to execute orders related to banking organizations, where they personalize the card and then envelope it with the bank's letter addressed to the consumer.

In total, the above categories represent fixed assets with a total acquisition cost of € 44,8 million at 31/12/2018 and a net book value before impairment of € 18,1 million.

2. Impairment of machinery

The evolution of the market technologies that the Group operates in, as well as the constantly increasing demands of the Group's customers, to receive services that will provide solutions to the following:

- reduction of the price per print page
- upgrade of print quality
- shortening of delivery time

has urged the Administration to launch a plan to restructure the processes and machinery to support the projects of major organizations such as Banks, Telecommunications, Public Utilities, etc. In this context, a study was carried out with the following data:

- redefinition of machinery, at the same time
- modification of production, and
- compliance with the contractual obligation to have a sufficient level of continuity and availability under the Business Continuity Plan (BCP), which means
    - machinery sufficient in functionality and technology, making it inevitable to have it continuously upgraded, and
    - the existence of alternative installations and alternative digital printing machines,

Regarding the upgrading of machinery, it has turnet out that it needs to be boosted by high resolution inkjet technology that will replace older, low resolution inkjet and laser technology that will be withdrawn from active use to meet the need to improve production costs, upgrading print quality and shortening delivery times. The new equipment provides the option of elimination of the first production phase of the preprinting, as it can serve to print fixed and variable data directly from a white sheet.

In relation to the Group's contractual compliance obligation with the Business Continuity Plan (BCP), the following data should be taken into account:

- Alternative production facility of Greece is the production facility of Romania, and vice versa, since investments in **high resolution inkjet** technology have been made in both facilities, with the result that the Group now has a total of 4 digital high resolution inkjet printers, two in each facility, also covering per installation the need for the business continuity plan (BCP) of the first machine with the second one.
- At the same time in Greece, in the year 2018, there was a decrease in the volume of statements, due to the increased trend of transition from the printed statement to the electronic one. This trend was reinforced by the no. 834/2 decision of the HELLENIC TELECOMMUNICATIONS & POST COMMISSION (EETT), 4262/2017, according to which the telecommunication providers are able to effectively enforce the electronic transmission, with the result that the number of subscribers receiving a paper statement is expected to be significantly reduced within a short period of time through a "violent" adjustment. Therefore, due to the abovementioned reduction, the second (newest) digital printing machine installed in Greece covers the need for the business continuity plan (BCP) of the first one.

Regarding the investments acquired by the Group, in Greece, in the year 2016, two digital high resolution inkjet machines and software were acquired, worth € 4,7 million. In Romania, in the fourth quarter of 2017, a digital high resolution inkjet machine of 1,2 million euros was acquired and in 2018 an additional digital machine worth € 1 million was ordered, which was commissioned in the first quarter 2019. Therefore, based on the needs of the Group, in Greece and Romania, these four high resolution inkjet machines are absolutely sufficient to meet their overall needs, without being in use since 2018 and the need to maintain digital printing machines previous technology and some older preprinting equipment.

With the completion of the aforementioned prerequisites in the year 2018 and having reached the final phase of implementation of the below investments:

- Operation of the first digital machine in Romania in the year 2018,
- Order of the second digital machine in Romania in the year 2018,

which was the last condition for the Administration to be able to decide to withdraw some machines in the year 2018 due to their non-participation in the production process. These machines concern:

- digital printing machines with **low resolution inkjet and laser** with a net book value before restructuring of € 5,6 million. The Group carried out a significant **impairment** of € 5,4 million, resulting in a book value of € 0,2 million at 31/12/2018 due to
    - the abovementioned decrease in quantities in Greece, which was intensified in the year 2018 because of the abovementioned decision of EETT, with the result that, based on the reduced volumes of 2018, the second digital machine in Greece will be sufficient to cover the need of business continuity plan (BCP) of the first one, without the need to maintain previous technology's digital printing machines for backup purposes and
    - the order of the second digital machine in Romania in 2018, which is now able to cover the need for the business continuity plan (BCP) of the first digital machine in the country, without the need to maintain the digital printing machines of previous technology for backup purposes,
- traditional printing machines that previously covered the need for the first preprinting phase, of net book value before depreciation, before restructuring of € 1,3 million. The Group carried out a significant percentage impairment of € 1,2 million, as the preprinting phase was abolished in 2018, as mentioned above, as the new **high resolution inkjet** digital machines offer the possibility of removing the first **preprinting** phase, serving to print fixed and variable data directly from a white sheet. As a result, the book value of these machines amounted to € 0,1 million at 31/12/2018.

The total net book value before restructuring of the aforementioned withdrawn machines amounted to € 6,9 million, with an **impairment** of **€ 6,6 million** and a residual value of € 0,3 million at 31/12/2018.

It is noted that the above machines were permanently out of production during 2018, ceasing to be part of the machinery either operationally or as backup for the needs of the business continuity plan (BCP).

The above impairments have been made after taking into account the estimated residual value or disposal value, either in full or in part (in the form of spare parts).

As a result of the above impairment, the total revalued value of the Group's machinery as of 31/12/2018 amounts to € 11,5 million.

Recognition of the above impairments of a total amount of **€ 6,6 million** resulted in an equal burden on the Group's pre-tax results (presented in the non-recurring expense of these financial statements) in the year 2018 and charge on the Group's Equity by an amount of € 4,7 million in the year 2018, taking into account deferred taxation.

			WITHDRAWN MACHINES			
	Acquisition value	**Net value**	**Net value withdrawn machines before impairment**	**Impairment**	**Residual value**	**Net value after impairment**
Traditional printing	21,4	6,2	1,3	1,2	0,1	5,1
Digital printing machines	20,6	10,9	5,6	5,4	0,2	5,4
Card personalization machines	2,7	1	0	0	0	1
Total	**44,8**	**18,1**	**6,9**	**6,6**	**0,3**	**11,5**

15. Investment property

A. Reconciliation of carrying amount

	GROUP	
	31/12/2018	**31/12/2017**
Balance at 1 January	244.839	268.421
Change in fair value	(11.858)	(16.749)
Revaluation due to exchange rates	(221)	(6.832)
Balance at 31 December	**232.761**	**244.839**

Investment property of the Group is entirely related to land area and buildings of the subsidiary "Compaper Converting SA" in Romania.

B. Measurement of fair values

i. Fair value hierarchy

The fair value of investment property was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience for corresponding studies in the same location and category of estimated property. The independent valuer provides the fair value of the investment property portfolio every year.

Based on the data taken into account in the valuation technique, the fair value measurement for the above properties is classified as level 2 (see note 4 (v)).

ii. Valuation technique and significant unobservable inputs

Land and buildings in Romania classified as investment property

The study conducted by the independent appraiser based on market indications on similar property, incorporating adjustments for factors specific to the valued property such as size of land and buildings, use, location and any encumbrances. The valuation basis for calculation depends on observable transactions for similar properties. In 2018, as a result of this approach there was need for negative adjustment to estimated land and buildings of € 12 thousand (2017: € 17 thousand).

16. Intangible assets and goodwill

A. Reconciliation of carrying amount

	GROUP			
	Goodwill	**Software, Patents, licenses**	**Development costs**	**Total**
Cost				
Balance at 1 January 2017	**6.103.881**	**11.193.689**	**2.435.180**	**19.732.750**
Additions	0	372.984	0	**372.984**
Acquisitions - internally developed	0	155.057	186.269	**341.326**
Effect of movements in exchange rates	0	(40.159)	0	**(40.159)**
Balance at 31 December 2017	**6.103.881**	**11.681.571**	**2.621.449**	**20.406.901**
Balance at 1 January 2018	**6.103.881**	**11.681.571**	**2.621.449**	**20.406.901**
Additions	0	347.790	0	**347.790**
Acquisitions - internally developed	0	141.423	205.679	**347.102**
Effect of movements in exchange rates	0	(1.367)	0	**(1.367)**
Balance at 31 December 2018	**6.103.881**	**12.169.418**	**2.827.128**	**21.100.427**
Accumulated amortisation and impairment losses				
Balance at 1 January 2017	**4.017.437**	**10.183.190**	**1.906.226**	**16.106.853**
Amortisation	0	258.067	169.351	**427.418**
Effect of movements in exchange rates	0	(40.365)	0	**(40.365)**
Balance at 31 December 2017	**4.017.437**	**10.400.893**	**2.075.577**	**16.493.907**
Balance at 1 January 2018	**4.017.437**	**10.400.893**	**2.075.577**	**16.493.907**
Amortisation	0	360.318	207.468	**567.785**
Effect of movements in exchange rates	0	(1.460)	(4)	**(1.464)**

Balance at 31 December 2018	**4.017.437**	**10.759.751**	**2.283.041**	**17.060.229**
Carrying amounts				
At 31 December 2017	**2.086.444**	**1.280.679**	**545.872**	**3.912.994**
At 31 December 2018	**2.086.444**	**1.409.667**	**544.088**	**4.040.198**

	COMPANY		
	Software, Patents, licenses	**Development costs**	**Total**
Cost			
Balance at 1 January 2017	**7.308.231**	**2.435.180**	**9.743.411**
Additions	337.853	0	**337.853**
Acquisitions - internally developed	155.057	186.269	**341.326**
Balance at 31 December 2017	**7.801.141**	**2.621.449**	**10.422.590**
Balance at 1 January 2018	**7.801.141**	**2.621.449**	**10.422.590**
Additions	247.613	0	**247.613**
Acquisitions - internally developed	141.423	165.485	**306.908**
Balance at 31 December 2018	**8.190.177**	**2.786.934**	**10.977.111**
Accumulated amortisation and impairment losses			
Balance at 1 January 2017	**6.313.132**	**1.906.226**	**8.219.358**
Amortisation	228.293	169.351	**397.643**
Balance at 31 December 2017	**6.541.424**	**2.075.577**	**8.617.001**
Balance at 1 January 2018	**6.541.424**	**2.075.577**	**8.617.001**
Amortisation	317.716	205.644	**523.360**
Balance at 31 December 2018	**6.859.140**	**2.281.221**	**9.140.361**
Carrying amounts			
At 31 December 2016	**1.259.717**	**545.872**	**1.805.589**
At 31 December 2017	**1.331.037**	**505.714**	**1.836.751**

B. Amortisation

Intangible assets of the Group (excluding goodwill) have a limited useful life which is reviewed at least annually. This examination showed no significant change in the expected pattern of future economic benefits embodied in those assets.

Amortisation of software licenses charged to all functions (production, administration, distribution and research and development), while amortisation of capitalized development costs incurred in research and development function.

C. Impairment tests

In 2018, there was no need to test impairment of intangible assets (software licenses and capitalized development costs), whose useful life is determined.

Following the relevant accounting policy, it was performed impairment test in cash-generating units (CGU) that integrate acquisition goodwill. This impairment test did not show any need for impairment of these CGUs. For the purpose of impairment testing, at 31/12/2018 the goodwill of the Group amounting to € 2.086.444 was allocated to the following CGUs:

Goodwill allocation	
Unit production of printed information products in Romania (Inform Lykos S.A.-Romania)	1.997.105
Unit production of printed information products in Albania (Inform Albania Sh.p.k (former Albanian Digital Printing Solutions Sh.p.k.))	89.339
Total	**2.086.444**

Unit printing production in Romania

The recoverable amount of the unit was determined based on value in use calculations of the unit as derived from an estimate of future cash inflows and outflows to be derived from continuing use of CGU and from its ultimate disposal. The calculated value also reflects the time value of money, represented by the current market interest rate (market risk-free) and the cost to deal with uncertainty that is inherent in the CGU.

The key assumptions used for the estimation of the recoverable amount are presented in the table below. The values assigned to the key assumptions represent management assessment of future trends in similar companies and are based on historical data from external and internal sources.

	2018	2017
Discount rate	10,2%	9,8%
Growth rate residual value	1,5%	1,5%
Forecast EBITDA growth rate (average 5 years)	6,8%	11,1%

The discount rate is a tax-exempt estimate and is based on the historical weighted average cost of capital of the industry where the unit belongs.

Forecasts of cash flows contain specific estimates for five years and an estimated growth rate in perpetuity for future years. This growth rate in perpetuity determined based on an assessment by the management for the long-term compound annual growth rate of EBITDA which is reasonable based on market conditions.

The main management assumptions include stable profit margins, based on past experience. The Group's management believes that this is the best available information on market forecasting. The estimated cash flows reflect profit margins based on historical data periods. Prices and wages reflect the available inflation forecasts for the location of the unit.

Sensitivity Analysis	**Change required for carrying amount to equal recoverable amount**	
(in percentage points)	**2018**	**2017**
Discount rate	2,2	1,8
Forecast EBITDA growth rate	(3,6)	(3,8)

D. Development costs

Development costs are mainly staff payroll costs employed in software development tools that the Group uses to generate economic benefits, either providing services, or by incorporating the technical skills of software used by the Group to produce goods and services.

17. Inventory

	GROUP		COMPANY	
	31/12/2018	31/12/2017 *Restated	31/12/2018	31/12/2017 *Restated
Raw materials and consumables	3.846.667	3.912.608	2.096.713	2.192.176
Work in progress	8.224	20.590	0	0
Finished and semi-finished goods	273.216	634.032	58.993	55.343
Merchandise	631.031	669.747	652.643	967.114
Prepayments for inventory purchase	1.396.715	749.858	334.874	310.294
Total	**6.155.854**	**5.986.835**	**3.143.223**	**3.524.927**

It is noted that in the comparable year 2017, an amount of € 410.269 has been reclassified from the line "Other receivables" to the item "Prepayments for inventory purchase", for comparability purposes with the current fiscal year.

In 2018, inventories of the Group of amount € 28.072.777 (2017: € 25.085.169) were recognized as cost during the period and included in "Cost of Sales" of the Group (see relevant note 7(B)).

During 2018, part of the Group's inventories (relating entirely to the Company) recorded at net liquidation value lower of acquisition or production cost, as a consequence to burden the results (Other expenses) of an amount of € 61.184 (2017: € 118.355).

18. Trade and other receivables

	GROUP		COMPANY	
	31/12/2018	31/12/2017 *Restated	31/12/2018	31/12/2017 *Restated
Trade receivables	11.787.671	12.981.712	4.227.689	5.378.333
Minus: Allowance for doubtful accounts	(1.096.308)	(1.087.691)	(822.597)	(777.456)
Total trade receivables	**10.691.363**	**11.894.020**	**3.405.092**	**4.600.877**
Trade receivables due from related parties	332.303	146.056	155.669	444.986
Total trade receivables due from related parties	**332.303**	**146.056**	**155.669**	**444.986**
Debtors-Prepayments to creditors	64.223	42.982	26.341	39.119
Personnel prepayments and loans	57.511	57.166	57.511	57.166
VAT and other Tax related receivables	51.859	30.208	0	0
Deffered expenses	421.375	402.707	176.058	188.366
Other non-financial receivables and assets	61.053	77.909	0	0
Other receivables - non-financial instruments	*656.020*	*610.971*	*259.910*	*284.651*
Accruals	51.825	33.051	51.825	33.051
Factoring receivables	0	27.809	0	0
Other financial receivables and assets	77.048	204.597	26.863	25.250
Other receivables - financial instruments	*128.873*	*265.457*	*78.688*	*58.301*
Other receivables	**784.894**	**876.429**	**338.598**	**342.951**
Total	**11.808.560**	**12.916.505**	**3.899.359**	**5.388.814**
Non-current	26.863	25.250	26.863	25.250
Current	11.781.697	12.891.255	3.872.496	5.363.564
	11.808.560	**12.916.505**	**3.899.359**	**5.388.814**

Information in relation to exposure to credit risk is included in note 27.

A. Transfer of trade receivables

During 2018, the Group transferred trade receivables to a financial institution against cash, of which an amount of € 3,4 million is uncollected. The amount financed from the financial institution was derecognized from trade receivables of the Group as the financial institution retains substantially all the risks and rewards associated with the above receivables.

19. Cash and cash equivalents

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Cash at hand	7.727	7.838	5.273	6.152
Short term bank balances	5.936.857	2.059.558	5.177.734	1.142.094
Total	**5.944.584**	**2.067.396**	**5.183.007**	**1.148.246**

The Group does not hold deposits pledged to secure any obligation.

Equity and liabilities

20. Capital and reserves

A. Share capital and share premium

The Company's share is freely traded on the Athens Stock Exchange and participates in the Industrial Goods & Services / Business Support Services.

The share capital consists exclusively of ordinary shares, fully paid up. In the Company's shares are not included shares with revoke right or preference shares. Moreover, the Company has not issued any bonds or other securities convertible into shares.

The share premium of the Group and the Company comes from previous issuing of shares for cash at a value higher than their nominal value.

The share capital and share premium of the Group and the Company as at December 31, 2018 were as follows:

	Value in Euro			
Number of shares	**Price/ share**	**Share capital**	**Share premium**	**Total**
20.578.374	**0,62**	**12.758.592**	**13.805.791**	**26.564.383**

B. Nature and purpose of reserves

The reserves of the Group and the Company are analyzed as follows:

	GROUP	
Reserves	**31/12/2018**	**31/12/2017 *Restated**
Translation reserve	(1.883.468)	(1.883.497)
Revaluation reserve	16.224.969	16.650.720
IAS 19 reserve	(153.652)	(155.644)
Total	**14.187.849**	**14.611.578**

	COMPANY	
Reserves	**31/12/2018**	**31/12/2017**
Revaluation reserve	5.813.820	5.614.730
IAS 19 reserve	(153.652)	(155.644)
Other reserve	7.707.254	7.707.254
Total	**13.367.422**	**13.166.340**

Other reserves of the Company constitute reserves which formed from its realized profits according to the regulations of trade and tax legislation and analyzed as following

i. Statutory reserve amount € 4.261.895

The legal reserve is formed under the provisions of Greek Law (L.2190 / 20, Articles 44 and 45 and L. 4548/2018 since 01/01/2019) in which an amount at least equal to 5% of the profit (after tax) must be transferred to the reserve until reaches one third of the paid share capital. The legal reserve may be used to cover losses after the Annual General Meeting of shareholders, and therefore can not be used for any other purpose.

ii. Tax exempt reserves amount € 3.445.360

Tax exempt reserves are formed under the provisions of tax laws by taxed, untaxed or specially taxed income and revenue. These reserves can be capitalized or distributed to the Annual General Meeting of Shareholders, taking into account the restrictions that may apply every time.

C. Dividends

The General Meeting for the year 2018, held on 11/05/2018, approved the relative proposal of the Company's Board of Directors on distribution of dividends of € 0,10 (net of taxes € 0,085) per share, i.e. a total amount of dividends of € 2.057.837,40. The aforementioned amount was fully paid in June of the year 2018. The Board of Directors intends to propose to the 37th Annual General Meeting not to distribute dividends.

21. Capital management

The Group's policy is to maintain a strong capital base so as to maintain a high level of confidence of shareholders, creditors and the market, as well as to sustain future development of the business. Management monitors the return on capital and aims at a medium-term performance of dividends to shareholders.

The Board of Directors tries to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital base.

Consistent with others practices in the industry, the Group monitors capital using a leverage ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as "Total debt" (including "current and non-current borrowings" as shown in the Statement of Financial Position) minus" Cash and cash equivalents". Total capital employed is calculated as 'equity' as shown in the statement of financial position plus net debt.

The leverage ratios of 31/12/18 and 31/12/17 were as follows:

	GROUP	
	31/12/2018	**31/12/2017 *Restated**
Total loan liabilities	20.908.128	19.591.734
Minus: Cash and cash equivalents	(5.944.584)	(2.067.396)
Adjusted net debt	**14.963.544**	**17.524.338**
Total equity	**40.175.407**	**47.606.876**
Adjusted net debt to adjusted equity ratio	**0,27**	**0,27**

22. Loans and borrowings

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Non-current liabilities				
Secured bank loans	0	357.679	0	0
Unsecured bank loans	9.000.000	0	9.000.000	0
Bonds	6.000.000	0	6.000.000	0
Finance lease liabilities	3.119.192	3.831.003	2.310.308	2.819.251
	18.119.192	**4.188.682**	**17.310.308**	**2.819.251**
Current liabilities				
Secured bank loans	1.838.217	2.779.851	0	0
Unsecured bank loans	0	11.656.282	0	11.100.000
Finance lease liabilities	950.719	966.919	760.214	736.387
	2.788.936	**15.403.052**	**760.214**	**11.836.387**

The Annual General Meeting of Shareholders of the Company at 11/05/2018 approved to issue a common bond loan according to the regulations of L. 3156/2003, for the amount up to € 8.000.000 for refunding of existing bank borrowing and provided to Board of Directors with the required authorizations for the implementation of the above decision. In execution of the aforementioned decision, the Board of Directors of 19/12/2018 decided the issuance of common bond loan (not convertible) amounted to € 6.000.000 by the issuance of 6.000.000 bonds with nominal value € 1,00 each one. The bond loan was fully covered by EUROBANK ERGASIAS S.A.. Repayment of the capital will take place lump sum at 31/12/2020 and the lending rate defined to 3,80% plus EURIBOR three months.

The contract for the bond loan means the fulfilment of the obligations and limitations on behalf of the company throughout the duration of the loan, including among others and the compliance with the financial ratio "Total Net Borrowing/EBITDA" calculated on the annual and half-yearly audited consolidated financial statements.

A. Terms and maturity

The terms and conditions of Group's loans at 31/12/2018 are as follows:

Lender/Bank	Currency	Nominal interest rate	Year of maturity	Pledge type	Carrying amount
Secured bank loans					**1.838.217**
	RON	ROBOR 3m+3%	2019	Mortgage on Land and Building	357.355

	RON	ROBOR 3m+2,55%	2019	Mortgage on Land and Building	1.480.862
Unsecured bank loans					**9.000.000**
	EUR	Euribor 1m+3,8%	2020	-	7.000.000
	EUR	Euribor 6m+3,85%	2021	-	2.000.000
Bonds					**6.000.000**
	EUR	Euribor 3m+3,8%	2020		6.000.000
Finance lease liabilities					**4.069.911**
	EUR	6%	2021	Pledge on leased equipment	642.868
	EUR	5%	2023	Pledge on leased equipment	373.247
	EUR	4%	2023	Pledge on leased equipment	1.642.602
	EUR	5,2%	2024	Pledge on leased equipment	411.805
	EUR	Euribor 3m+4,65%	2019	Pledge on leased equipment	10.462
	EUR	1,5%	2024	Pledge on leased equipment	985.019
	EUR	0%	2020	-	3.718
	EUR	7,8%	2019	-	190
					20.908.128

For the coverage of secured loans, there are encurmbances of an amount € 5 million.

B. Finance lease liabilitites

Finance lease liabilities are payable as follows:

	GROUP					
	Future minimum lease payments 2018	**Interest 2018**	**Present value of minimum lease payments 2018**	**Future minimum lease payments 2017**	**Interest 2017**	**Present value of minimum lease payments 2017**
Less than one year	1.056.974	106.255	950.720	1.080.207	113.287	966.920
Between one and five years	3.343.689	243.903	3.099.786	3.970.636	293.204	3.677.432
More than five years	19.661	255	19.406	167.582	14.012	153.570
	4.420.324	**350.413**	**4.069.911**	**5.218.425**	**420.503**	**4.797.922**

	COMPANY					
	Future minimum lease payments 2018	**Interest 2018**	**Present value of minimum lease payments 2018**	**Future minimum lease payments 2017**	**Interest 2017**	**Present value of minimum lease payments 2017**
Less than one year	848.398	88.184	760.214	829.149	92.762	736.387
Between one and five years	2.452.271	161.370	2.290.902	2.999.364	203.105	2.796.259
More than five years	19.661	255	19.406	23.498	506	22.992
	3.320.331	**249.809**	**3.070.522**	**3.852.011**	**296.373**	**3.555.638**

23. Trade and other payables

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Trade payables	11.813.198	8.553.045	3.755.518	3.470.416
Accrued expenses	50.806	799.490	0	0
Trade payables	**11.864.004**	**9.352.536**	**3.755.518**	**3.470.416**
Other trade payables due to related parties	357.201	1.228.972	787.237	1.843.571
Trade payables due to related parties	**357.201**	**1.228.972**	**787.237**	**1.843.571**
Social security	341.572	352.820	253.376	263.205
Wages and salaries payable	78.956	67.108	(176)	47
VAT payable and other taxes	480.501	617.430	562.308	521.609
Other non-financial payables	31.109	36.472	31.109	36.472
Other payables - non-finanacial instruments	***932.138***	***1.073.830***	***846.617***	***821.334***
Dividends payable	24.718	21.228	20.625	17.132
Accruals	80.532	85.859	80.532	85.767
Other financial payables	19.817	18.330	0	0
Other payables - financial instruments	***125.067***	***125.418***	***101.156***	***102.898***
Other payables	**1.057.205**	**1.199.248**	**947.774**	**924.232**
Total	**13.278.409**	**11.780.755**	**5.490.528**	**6.238.219**
Non current	9.017	14.427	9.017	14.427
Current	13.269.392	11.766.328	5.481.511	6.223.792
	13.278.409	**11.780.755**	**5.490.528**	**6.238.219**

Information about the Group's exposure to currency and liquidity risk is included in note 27.

24. Contract assets

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Contract assets	1.177.574	922.334	682.156	580.613
Total	**1.177.574**	**922.334**	**682.156**	**580.613**

25. Contract liabilities

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Contract liabilities	629.126	153.641	569.362	138.586
Total	**629.126**	**153.641**	**569.362**	**138.586**

26. Provisions

	GROUP	
	Litigations costs *	**Total**
Balance at 1 January 2017	**300.947**	**300.947**
Exchange rate differences	(7.660)	(7.660)
Balance at 31 December 2017	**293.287**	**293.287**
Exchange rate differences	(264)	(264)
Balance at 31 December 2018	**293.023**	**293.023**
Non current	0	0
Current	293.023	293.023
	293.023	**293.023**

* See note 4 (vi).

Financial instruments

27. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts of the financial instruments of the Group. The specific financial assets and liabilities are not measured at fair value:

31/12/2018	**GROUP Carrying amount**		
	Financial assets measured at amortized cost	**Other financial liabilities**	**Total**
Financial assets not measured at fair values			
Trade and other receivables	11.152.540	0	**11.152.540**
Cash and cash equivalents	5.944.584	0	**5.944.584**
	17.097.124	**0**	**17.097.124**
Financial liabilities not measured at fair values			
Bank loans	0	16.838.217	**16.838.217**
Finance lease liabilities	0	4.069.911	**4.069.911**
Trade payables	0	12.346.271	**12.346.271**
	0	**33.254.399**	**33.254.399**

31/12/2017 *Restated	**Carrying amount**		
	Financial assets measured at amortized cost	**Other financial liabilities**	**Total**
Financial assets not measured at fair values			
Trade and other receivables	12.305.533	0	**12.305.533**
Cash and cash equivalents	2.067.396	0	**2.067.396**
	14.372.930	**0**	**14.372.930**
Financial liabilities not measured at fair values			
Bank loans	0	14.793.811	**14.793.811**
Finance lease liabilities	0	4.797.922	**4.797.922**
Trade payables	0	10.706.925	**10.706.925**
	0	**30.298.659**	**30.298.659**

B. Risk management

The Group has exposure to various risks arising from financial instruments. Financial assets and financial liabilities of the Group by category are summarized in note 27 (A). The main types of these risks are the following:

- Credit Risk
- Liquidity Risk
- Market Risk

i. Risk management framework

Risk management is coordinated at group level, in close cooperation with the Board of Directors and is focused primarily on actively ensuring short and medium-term cash inflows by minimizing exposure to volatile financial markets.

The Group does not actively participate in the purchase or sale of financial instruments for profit. The major risks to which the Group is exposed are described below.

ii. Credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Further details of revenue collection are included in note 7.

Trade receivables

In managing credit risk, the Board of Directors formulates the procedures and policies necessary for the effective prevention and management of credit risk.

The Board of Directors, in collaboration mainly with General, Finance and Commercial Division:
- Establish and apply credit control procedures in order to minimize credit risk and immediately covering claims with promissory notes.
- Assess the needs of the Group's equity for credit risk.
- Carry out the separation of assets and other exposure requirements overdue and doubtful debts (impaired).
- Check the requirements, either individually or by group, and incorporates this information to the controls of credit control.
- Determine the amounts of required impairments for doubtful debts.
- Identify policies and valuation procedures and management processes of any collaterals.
- Analyze the various categories of exposures based on their residual maturity.
- Evaluate the collateral provided for the Group.
- Check the integrity, reliability and accuracy of the data sources used and the procedure of such date version.
- Evaluate in cooperation with the Commercial Division, the creditworthiness of the counterparties clients.

To reduce credit risk, are taken into account the creditworthiness of the counterparty, the risk of the country and the economy of the area in which it operates, as well as qualitative and quantitative characteristics.

It is noted, that sales related to the vast majority and wholesale sales to customers with credit history and with great dispersion in their balances. The Group's policy is to work only with reputable clients.

Finally, the Group applies the simplified approach for customer receivables and contract assets for the calculation of expected credit losses. Therefore, in every reference date, the Group measures the provision for a financial instrument for an amount equal to the expected credit losses over the lifetime. For determining the expected credit losses, a chronological analysis and percentages table is applied using historical data and reasonable assumptions

At 31 December 2018, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Trade receivables per country	**Gross amount 2018**	**Expected credit loss allowance (ECL)**	**Credit impaired**	**Total allowance**	**Net amount 2018**
Romania	7.363.626	(126.166)	(147.055)	(273.221)	7.090.404
Greece	3.828.190	(293.781)	(529.306)	(823.086)	3.005.104
Albania	147.832	0	0	0	147.832
Austria	134.110	0	0	0	134.110
Morocco	119.230	0	0	0	119.230
France	72.469	0	0	0	72.469
Bulgaria	44.872	0	0	0	44.872
Spain	42.519	0	0	0	42.519
Germany	20.391	0	0	0	20.391
Other countries	9.321	0	0	0	9.321
Cyprus	2.381	0	0	0	2.381
United Kingdom	1.475	0	0	0	1.475
Hungary	1.167	0	0	0	1.167
Egypt	89	0	0	0	89
Total	**11.787.671**	**(419.947)**	**(676.361)**	**(1.096.308)**	**10.691.363**

At 31 December 2018, the ageing of trade and other receivables that were not impaired was as follows:

	31/12/2018
Current - not past due	7.355.808
Past due 1 - 30 days	1.588.534
Past due 31-90 days	654.066
Past due 91-120 days	157.358
Past due more than 121 days	935.597
	10.691.363

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term, easy liquidated investments that are convertible into cash and are so near maturity, that present insignificant risk of changes to the valuation at the time of liquidation.

iii. Liquidity risk

Liquidity risk is the risk that the Group faces difficulty in paying its liabilities. The Group manages its liquidity needs by monitoring the contractual payments on the debt for the long-term financial liabilities, and the cash flow forecasts and outputs needed for daily operations. Liquidity needs are monitored in various time bands, on a daily and weekly basis and on the basis of a rolling projection of 30 days. Long-term liquidity needs are determined monthly for a period of 180 and 360 days. Net cash requirements are compared to available borrowing limits, to determine the maximum amount or any deficiencies. This analysis shows that available borrowing limits are expected to be adequate.

The Group aims to maintain cash and deposits to meet its liquidity needs for periods of 30 days at least. The objective is met for the reporting periods. Funding for long-term liquidity needs is ensured in addition by an adequate amount of committed credit facilities. Emphasis is given on proper management of inventories, receivables and liabilities in order to provide the maximum of liquidity to the Group.

Exposure to liquidity risk

At 31 December 2018, the Group's financial liabilities (not derivatives) have contractual maturities (including interest payments where applicable) as summarized below:

	GROUP								
31 December 2018	**Carrying amount**	**Total**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025 and later**
Financial liabilities									
Secured bank loans	1.838.217	**1.991.099**	1.991.099	0	0	0	0	0	0
Unsecured bank loans	9.000.000	**9.580.627**	3.459.427	4.044.200	2.077.000	0	0	0	0
Bonds	6.000.000	**6.456.000**	228.000	6.228.000	0	0	0	0	0
Finance lease liabilities	4.069.911	**4.419.978**	1.056.912	1.009.373	980.931	758.727	410.307	184.067	19.662
Trade payables	11.864.004	**11.864.004**	11.864.004	0	0	0	0	0	0
Other payables - financial instruments	125.067	**125.067**	125.067	0	0	0	0	0	0
	32.897.199	**34.436.774**	**16.733.409**	**11.281.573**	**3.057.931**	**758.727**	**410.307**	**184.067**	**19.662**

iv. Market risk

In relation to the market risk arising from the general market conditions, the Group has reduced exposure to this risk due to the geographical dispersion of an equal allocation of sales between Greece, Romania and Other Countries with major exposure in Central and Eastern Europe. An important part of these sales is addressed to the financial sector, especially in Banks. The ongoing economic downturn makes the markets in which the Group operates more vulnerable. However, the products produced for the private and government organizations are essential both for their daily operations and for their development. In addition the Group achieved significant reductions in operating costs. As a result Group is highly competitive and can provide the high level of products and services in competitive prices.

The Group is not using derivatives to manage market risks.

In relation to the risks arising from volatility in interest and exchange rates:

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of Group companies is primarily the Euro (EUR). The currencies in which these transactions are primarily denominated as shown in the following table are mainly RON.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

31 December 2018	**EUR**	**RON**	**ALL**	**USD**	**Total**
Trade receivables	3.591.785	7.380.017	51.865	0	11.023.667
Other receivables	362.628	315.606	106.552	107	784.894
Cash and cash equivalents	5.369.483	541.266	33.689	145	5.944.584
Bank loans	(19.066.194)	(1.841.934)	0	0	(20.908.128)
Trade payables	(6.744.672)	(5.346.406)	(131.460)	1.331	(12.221.204)
Other payables	(976.866)	(74.823)	(5.516)	0	(1.057.205)
Net statement of financial position exposure	**(16.486.970)**	**973.726**	**60.646**	**1.583**	**(16.433.393)**

Exposure to currency fluctuations is mainly in the exchange differences arising on the incorporation in the consolidated financial statements of the financial statements of the Group's subsidiaries in Romania and their conversion from functional currency RON to presentation currency EUR.

Sensitivity analysis

A reasonable change of the Romanian RON against the Euro would result about the following changes:

RON (10% increase)	**2018**
Earnings before taxes	17.046
Equity	(2.107.109)

RON (10% decrease)	**2018**
Earnings before taxes	(20.835)
Equity	2.575.355

Interest rate risk

Interest rate risk is the risk of the results from the fluctuation of interest rates.

Exposure to interest rate risk

The interest rate profile of the Group’s interest-bearing financial instruments as reported to the management of the Group is as follows:

	2018
Variable - rate instruments	
Cash and cash equivalent	5.944.584
Loans	20.908.128
	26.852.712

Sensitivity analysis

A reasonable change in interest rates in the range of +/- 100bp would result the following changes in the income before taxes and equity of the Group:

	2018
Profit or Loss	
100bp increase	209.081
100bp decrease	(209.081)
Equity, net of tax	
100bp increase	148.448
100bp decrease	(148.448)

Group composition

28. List of subsidiaries

Set out below is a list of all subsidiaries of the Group as at 31/12/2018:

Company	Country	Participation percentage	Consolidation method	Participation relationship
Inform P. Lykos S.A.	Greece	Parent	-	Parent
Lykos Paperless Solutions S.A.	Greece	99,91%	Full	Direct
Terrane L.T.D.	Cyprus	100,00%	Full	Direct
Inform Lykos (Romania) L.T.D.	Cyprus	100,00%	Full	Indirect
Inform Lykos S.A.	Romania	99,99%	Full	Indirect
Compaper Converting S.A.	Romania	97,44%	Full	Indirect
Sagime Gmbh	Austria	100,00%	Full	Direct
Inform Albania Sh.p.k (former Albanian Digital Printing Solutions Sh.p.k.)	Albania	75,50%	Full	Direct

During the year 2018, the Group acquired through the Company an additional participation percentage of 24,5% of the share capital of the subsidiary company Inform Albania Sh.p.k. (former Albanian Digital Printing Solutions Sh.p.k.), with the result that the Group now owns 75,5% of the share capital of the mentioned subsidiary. In addition, participation percentage of 1,8% of the share capital of the subsidiary Inform Lykos (Romania) L.T.D was acquired through its subsidiary Terrane L.T.D. The impact of these acquisitions on income and equity (attributable to the Company's owners or non-controlling interests) was immaterial.

Also, the subsidiary company Lykos Paperless Solutions S.A. proceeded to a decrease of its share capital by the amount of € 300 thousand, which reduced equally the book value of the participation of Inform P. Lykos S.A.

Finally, the consolidation of the subsidiary company Sagime GmbH was ended, due to its termination and liquidation. The effect from the aforementioned closing down on the results and the equity (attributable to the owners of the Company or to the non-controlling interests) was also immaterial.

29. Non - controlling interests (NCI)

The Group does not include subsidiary with material non-controlling interests.

Other disclosures

30. Operating leases

Leases are classified as finance lease, when the terms of the relevant contracts transfer substantially all the risks and benefits of the object which is rented to the lessee. Leases where substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases (net of any incentives received from the lessor) and are charged to the income statement on a straight line basis over the term of the lease.

Group does not lease important contracts in terms of duration or value except those relating to property leases with related companies.

At December 31st, the future minimum finance lease payments are set out in note 22 (B).

31. Commitments

The Group has not entered into important commitments apart from those mentioned in subsections (loans, finance lease contracts etc.).

32. Contingencies

In 2016, the Competition Council of Romania imposed a fine of approximately € 800 thousand on the subsidiary of the Group, Inform Lykos, S.A., (ILR), in Romania. As the management is convinced that the Group has complied with the competition law and that the verdict is unjustified and disproportional, it has appealed against this verdict. In 2017, the Court of Appeals rejected the demands made by the company. In response to this verdict, the company appealed to the Romanian Supreme Court. The first hearing is scheduled for 5 November 2020. Consequently, at the date of this report, the lawsuit is still ongoing. Taking into account similar cases of other companies, the Group's Management estimates that ILR will pay a fine that will be significantly lower than the original verdict. Within the framework of conservatism principle, the Management formed in 2016 a relevant provision of € 300 thousand for this claim, which is included in the consolidated financial statements.

Besides the aforementioned case, there are no other judicial or legal claims that are expected to affect significantly the financial position of the company as at 31/12/2018.

For the Greek companies of the Group, for the years 2011-2017, an unqualified conclusion tax compliance certificate has been issued in accordance with the provisions of Article 82, par. 5, of Law 2238/1994. For the year 2016, a respective unqualified conclusion tax compliance certificate has been issued in accordance with the provisions of article 65a of law 4174/2014. The tax audit for the year 2018 is in progress and is expected to be completed without substantial tax burdening.

Regarding subsidiaries and related companies, they have not been tax inspected by tax authorities for the years, presented below, and therefore, their tax liabilities in respect of these years have not been finalized:

Company	Domicile	Tax unaudited years
Inform P. Lykos S.A.	Greece	2018
Lykos Paperless Solutons S.A.	Greece	2018
Terrane Ltd	Cyprus	2013-2018
Inform Lykos (Romania) L.T.D	Cyprus	2013-2018
Inform Lykos S.A	Romania	2005-2018
Compaper Converting S.A	Romania	2005-2018
Inform Albania Sh.p.k (former Albanian Digital Printing Solutions Sh.p.k.)	Albania	2011-2018

Apart from the aforementioned, there are no other cases of contingent liabilities or contingent receivables which could significantly affect the Group or the Company's financial position or operation.

Encumbrances

There are encumbrances on the Group's fixed assets with value of € 5 million in order to cover loan obligations. There are no encumbrances on the parent company's fixed assets.

33. Audit fees

Auditors' fees for the independent external audit of the Group's financial statements for the year 2018 amounted to € 100 thousand. Also fees of the regular auditors amounted to € 51 thousand relate to services beyond the control of the financial statements.

34. Related parties

Within the framework of the operational and investment activity of the Group, certain earnings, assets or liabilities concern other than others, related companies or individuals persons. These transactions are realised in commercial base and according to the laws of market. The Group

did not participate in any transaction of uncommon nature or content that is material to the Group, or the companies and the individuals closely connected with it, and does not aim to participate in such kind of transactions in the future.
The table below presents analytically all the transactions between the Company and the related parties during the fiscal years 2018 and 2017 as well as the balances arising from these transactions as at 31/12/18 and 31/12/17 respectively:

Sales of goods or services

	GROUP		COMPANY	
	2018	2017	2018	2017
Subsidiaries	0	0	356.856	615.203
Other related parties	370.533	341.135	208.070	194.529
Total	**370.533**	**341.135**	**564.926**	**809.732**

Purchases of goods or services

	GROUP		COMPANY	
	2018	2017	2018	2017
Subsidiaries	0	0	2.228.312	2.672.244
Other related parties	5.196.451	5.093.655	5.153.024	4.983.292
Total	**5.196.451**	**5.093.655**	**7.381.335**	**7.655.536**

Granted loans

	GROUP		COMPANY	
	2018	2017	2018	2017
Subsidiaries	0	0	3.540	63.650
Total	**0**	**0**	**3.540**	**60.000**

Balances of receivables from sales of goods or services

	GROUP		COMPANY	
	2018	2017	2018	2017
Subsidiaries	0	0	124.318	108.673
Other related parties	332.303	146.056	31.351	72.663
Total	**332.303**	**146.056**	**155.669**	**181.336**

Balances of liabilities from purchases of goods or services

	GROUP		COMPANY	
	2018	2017	2018	2017
Subsidiaries	0	0	433.291	631.171
Other related parties	357.201	1.228.972	353.946	1.212.400
Total	**357.201**	**1.228.972**	**787.237**	**1.843.571**

Income from dividends

	GROUP		COMPANY	
	2018	2017	2018	2017
Subsidiaries	0	0	711.205	51.083
Other related parties	33	0	33	0
Total	**33**	**0**	**711.238**	**51.083**

Remuneration of key executives

	GROUP		COMPANY	
	2018	2017	2018	2017
Key executives	622.594	509.844	622.594	509.844
Total	**622.594**	**509.844**	**622.594**	**509.844**

Balances of receivables from key executives

	GROUP		COMPANY	
	2018	2017	2018	2017
Key executives	0	0	0	0
Total	**0**	**0**	**0**	**0**

Balances of liabilities to key executives

	GROUP		COMPANY	
	2018	2017	2018	2017
Key executives	0	0	0	0
Total	**0**	**0**	**0**	**0**

Remuneration of non-executive members of the Board of Directors

	GROUP		COMPANY	
	2018	2017	2018	2017
Non-executive members of the Board of Directors	28.640	21.480	28.640	21.480
Total	**28.640**	**21.480**	**28.640**	**21.480**

35. Subsequent events

In April 2019, INFORM Romania (a subsidiary of INFORM Greece) acquired part of business activity of STAR STORAGE that operates in Romania. The STAR STORAGE Business, that is transferred, is involved in Output Management Outsourcing (OMO Business) including both Digital printing and distribution for Banks, Insurance Companies, Telecommunications Companies, etc. The transaction involves transfer of customer contracts, know - how, employees and equipment that are currently supporting this line of business. The purchase price for the transfer of the business activity amounts to € 2,5 million.

Apart from the aforementioned events, there are no other events subsequent to 31/12/2018 that could have a significant impact on the financial statements of the Group.

Accounting Policies

36. Basis of measurement

The attached separate and consolidated financial statements have been prepared on the historical cost basis except for the assets, which are measured on fair values and are described in the relevant note 4(v).

37. Changes in accounting policies

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2018.

(a) New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

- IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The effect of the The impact of the implementation of IFRS 9 to the Group Financial Statements is presented in the note 37 (b).

- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The impact of the implementation of IFRS 15 to the Group Financial Statements is presented in the note 37 (b).

- Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The amendments do not affect the consolidated Financial Statements.

- Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments do not affect the consolidated Financial Statements.

- Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The amendments do not affect the consolidated Financial Statements.

- Annual Improvements to IFRSs - 2014 - 2016 Cycle (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle and are effective for annual periods starting on or after 01/01/2018 are the following: IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments do not affect the consolidated Financial Statements.

- Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The amendments do not affect the consolidated Financial Statements.

- IFRIC 22 “Foreign Currency Transactions and Advance Consideration” (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The new Interpretation do not affect the consolidated Financial Statements.

(b) Impact of implementation of IFRS 15 and IFRS 9

- IFRS 15 «Revenue from Contracts with Customers»

The new standard constitutes of a framework for determining when to recognise revenue and how much revenue to recognise.
The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of control of the promised goods or/and services (performance obligations) in an amount that reflects the consideration to which that entity is entitled.

The Group adopted the new standard on 1 January 2018, using the full retrospective transition method and restated the comparative periods as provided by the IAS 8 «Accounting policies, Changes in Accounting Estimates and Errors». Accordingly, the Company restated the comparative 2017 results included in the first half-year 2018 Consolidated Financial Statements. The opening equity was restated as of 1 January 2017.

The impact on the Group Financial Statements, from the implementation of the new standard, is mainly due to the application of changes in timing of the revenue recognition related to products without alternative use for which the Group has an enforceable payment right.

According to the new standard the Group recognizes revenue when (or while) the performance obligations of the contract are being met, transferring the promised goods/services to a client. When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time. The customer gains control over the good or service when it can direct its use and receive virtually all the rewards from it. The amount of revenue recognized is the amount that is allocated to the performance obligation of the contract that has been settled. The performance obligations of the contract can be fulfilled either at a specific time or over time. For performance obligations that are performed over time, the Group recognizes revenue over time by choosing the most appropriate method of measuring progress of the obligations completed. Appropriate methods of measuring progress include both output methods and input methods.

The receivable is recognized when there is an unconditional right to receive the consideration allocated to the fulfilled performance obligations to the client.

The contract asset is recognized when the performance obligations of the Group are met transferring promised goods/services to the client, before the payment of the consideration from the client is paid or became enforceable.

- IFRS 9 «Financial Instruments»

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking “expected loss” impairment model and a substantially-reformed approach to hedge accounting.

The Group adopted the new standard on 1 January 2018 and restated the comparative periods as it considered that it is feasible on the basis of the internal historical data available. Therefore, the Group restated the comparative figures of 2017 included in the first half-year 2018 Consolidated Financial Statements. The opening equity was restated as of 1 January 2017.

The new Standard replaces IAS 39 "Financial Instruments: Recognition and Measurement" and includes the classification and measurement of financial assets and financial liabilities, an expected impairment loss model and hedge accounting.

The new Standard abrogates the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 had no impact on the Group's accounting policies relating to financial liabilities

The Group initially evaluates financial assets or financial liability at fair value plus transaction costs, in the case of a financial asset or financial liability not at fair value through profit or loss. Trade receivables are valued at the transaction price.

Under the new Standard, financial instruments are subsequently measured at fair value through profit or loss, at amortized cost, or at fair value through other comprehensive income.

The classification is based on two criteria: a) the business model of a financial asset management, ie whether the objective is to hold for the purpose of collecting contractual cash flows or the collection of contractual cash flows and the sale of financial assets; and b) cash flows of the financial asset consist exclusively of capital repayment and interest on the outstanding balance. (“SPPI” criterion).

The new classification and measurement of financial assets is as follows:

Financial assets measured at amortized cost include the financial instruments that are retained under the business model for the purpose of holding and collecting contractual cash flows that meet the "SPPI" criterion. All financial assets of the Group are included in this category.

Financial assets measured at fair value through profit or loss include financial assets that do not qualify for measurement at amortized cost. The Group does not hold financial assets in this category

Since the new reclassification there has been no impact on the Group's financial statements.

The Group applies the simplified approach of IFRS 9 for the calculation of expected impairment losses in relation to customer requirements and contingent assets for which an ageing analysis and rates produced by historical data and reasonable assumptions are used.

The impact on the Group Financial Statements, from the implementation of the new standard, is mainly due to change in the receivables impairment.

In applying the new standards (IFRS 9 and IFRS 15) using the method described in the above paragraphs, the Group has restated the financial statements of comparable periods and the opening equity has been adjusted as of 1 January 2017.

The restated figures and the impact is described in the tables below:

Group	31/12/2017 *As previously reported	IFRS 9	IFRS 15	31/12/2017 *Restated
Assets				
Property, plant and equipment	55.845.054			55.845.054
Intangible assets and goodwill	3.912.994			3.912.994
Other receivables	25.250			25.250
Investment property	244.839			244.839
Deferred tax assets	36.267			36.267
Non-current assets	**60.064.404**	**0**	**0**	**60.064.404**
Inventories	6.822.220		(835.386)	5.986.835
Contract assets	0		922.334	922.334
Current income tax assets	219.203			219.203
Trade receivables	12.234.371	(340.350)		11.894.020
Other receivables	851.180			851.180
Receivables from related parties	146.056			146.056
Cash and cash equivalents	2.067.396			2.067.396
Current assets	**22.340.426**	**(340.350)**	**86.948**	**22.087.024**
Total assets	**82.404.830**	**(340.350)**	**86.948**	**82.151.428**
Equity				
Share capital	12.758.592			12.758.592
Share premium	13.805.791			13.805.791
Reserves	14.610.018	1.918	(358)	14.611.578
Retained profits	5.945.224	(255.439)	63.956	5.753.741
Equity attributable to shareholders of the Parent Company	**47.119.625**	**(253.521)**	**63.598**	**46.929.702**
Non-controlling interests	677.742	(699)	130	677.174
Total Equity	**47.797.367**	**(254.220)**	**63.728**	**47.606.875**
Liabilities				
Loans and borrowings	4.188.682			4.188.682
Employee benefits	1.021.398			1.021.398
Other payables	14.427			14.427
Deferred tax liabilities	1.763.014	(86.131)	23.220	1.700.104
Non-current liabilities	**6.987.521**	**(86.131)**	**23.220**	**6.924.611**
Current income tax liabilities	3.634			3.634

Loans and borrowings	15.403.052			15.403.052
Trade payables	9.352.536			9.352.536
Other payables	1.184.820			1.184.820
Liabilities to related parties	1.228.972			1.228.972
Contract liabilities	153.641			153.641
Provisions	293.287			293.287
Current Liabilities	**27.619.942**	**0**	**0**	**27.619.942**
Total Liabilities	**34.607.463**	**(86.131)**	**23.220**	**34.544.553**
Total Equity and Liabilities	**82.404.830**	**(340.350)**	**86.948**	**82.151.428**

Group	**31/12/2017** *As previously reported	**IFRS 9**	**IFRS 15**	**31/12/2017** *Restated
Revenue	62.610.816		(211.032)	62.399.784
Cost of Sales	(54.263.702)		212.147	(54.051.554)
Gross profit	**8.347.115**	**0**	**1.115**	**8.348.230**
Other income	1.335.282			1.335.282
Selling and distribution expenses	(4.207.037)			(4.207.037)
Administrative expenses	(3.364.202)			(3.364.202)
Research and development expenses	(435.685)			(435.685)
Other expenses	(617.018)	(101.323)		(718.341)
+ Depreciation & amortization	3.955.262			3.955.262
EBITDA	**5.013.716**	**(101.323)**	**1.115**	**4.913.509**
- Depreciation & amortization	(3.955.262)			(3.955.262)
Operating profits / (losses)	**1.058.454**	**(101.323)**	**1.115**	**958.247**
Financial income	15.412			15.412
Financial expenses	(1.270.970)			(1.270.970)
Net finance costs	**(1.255.558)**			**(1.255.558)**
Profits / (losses) before taxes	**(197.104)**	**(101.323)**	**1.115**	**(297.311)**
Income tax expense	(297.991)	24.826	(880)	(274.045)
Profits / (losses)	**(495.095)**	**(76.496)**	**235**	**(571.356)**
Profits / (losses) attributable to:				
Owners of the Company	(572.306)	(75.898)	234	(647.970)
Non-controlling interests	77.210	(599)	2	76.614
	(495.095)	**(76.496)**	**235**	**(571.356)**

Group	**01/01/2017**
	Retained Earnings
As previously reported balance	**50.433.690**
Impact IFRS 9	(179.670)
Impact IFRS 15	63.851
Restated balance	**50.317.871**

Company	31/12/2017 *As previously reported	IFRS 9	IFRS 15	31/12/2017 *Restated
Assets				
Property, plant and equipment	30.279.839			30.279.839
Intangible assets	1.805.589			1.805.589
Other receivables	25.250			25.250
Investments in subsidiaries	22.138.861			22.138.861
Non-current assets	**54.249.539**	**0**	**0**	**54.249.539**
Inventories	4.033.935		(509.009)	3.524.927
Contract assets	0		580.613	580.613
Current income tax assets	206.531			206.531
Trade receivables	4.844.528	(243.651)		4.600.877
Other receivables	317.702			317.702
Receivables from related parties	444.986			444.986
Cash and cash equivalents	1.148.246			1.148.246
Current assets	**10.995.927**	**(243.651)**	**71.605**	**10.823.880**
Total assets	**65.245.466**	**(243.651)**	**71.605**	**65.073.420**
Equity				
Share capital	12.758.592			12.758.592
Share premium	13.805.791			13.805.791
Reserves	13.166.340			13.166.340
Retained profits	2.396.173	(172.992)	50.839	2.274.021
Total Equity	**42.126.896**	**(172.992)**	**50.839**	**42.004.743**
Liabilities				
Loans and borrowings	2.819.251			2.819.251
Employee benefits	1.021.398			1.021.398
Other payables	14.427			14.427
Deferred tax liabilities	1.064.730	(70.659)	20.765	1.014.836
Non-current liabilities	**4.919.806**	**(70.659)**	**20.765**	**4.869.913**
Loans and borrowings	11.836.387			11.836.387
Trade payables	3.470.416			3.470.416
Other payables	909.805			909.805
Liabilities to related parties	1.843.571			1.843.571
Contract liabilities	138.586			138.586
Current Liabilities	**18.198.764**	**0**	**0**	**18.198.764**
Total Liabilities	**23.118.570**	**(70.659)**	**20.765**	**23.068.677**
Total Equity and Liabilities	**65.245.466**	**(243.651)**	**71.605**	**65.073.420**

Company	31/12/2017 *As previously reported	IFRS 9	IFRS 15	31/12/2017 *Restated
Revenue	29.925.255	0	(157.207)	29.768.048
Cost of Sales	(25.849.967)	0	162.603	(25.687.364)
Gross profit	**4.075.288**	**0**	**5.396**	**4.080.684**

Other income	966.313			966.313
Selling and distribution expenses	(2.739.755)			(2.739.755)
Administrative expenses	(2.081.683)			(2.081.683)
Research and development expenses	(435.685)			(435.685)
Other expenses	(170.697)	(66.267)	0	(236.964)
+ Depreciation & amortization	2.946.973			2.946.973
EBITDA	**2.560.753**	**(66.267)**	**5.396**	**2.499.882**
- Depreciation & amortization	(2.946.973)			(2.946.973)
Operating profits / (losses)	**(386.219)**	**(66.267)**	**5.396**	**(447.090)**
Financial income	70.033			70.033
Financial expenses	(935.328)			(935.328)
Net finance costs	**(865.295)**			**(865.295)**
Profits / (losses) before taxes	**(1.251.514)**	**(66.267)**	**5.396**	**(1.312.385)**
Income tax expense	(30.231)	19.217	(1.565)	(12.579)
Profits / (losses)	**(1.281.746)**	**(47.050)**	**3.831**	**(1.324.964)**
Profits / (losses) attributable to:				
Owners of the Company	(1.281.746)	(47.050)	3.831	(1.324.964)
	(1.281.746)	**(47.050)**	**3.831**	**(1.324.964)**

Company	**01/01/2017**
	Retained Earnings
As previously reported balance	**44.868.025**
Impact IFRS 9	(125.943)
Impact IFRS 15	47.008
Restated balance	**44.789.091**

Finally, the application of IFRS 9 and IFRS 15 had no impact on the net cash flows, by segment and as a whole, of the Group and the Company.

38. Significant accounting principles

Except for the changes explained in note 37, the Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

A. Basis of consolidation

i. Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (A) (ii)). At the date of acquisition the Group recognizes separately from goodwill, the recognized assets acquired, the liabilities incurred and any non-controlling participations to the merged subsidiary. The recognized assets and the liabilities incurred should satisfy the definitions of assets and liabilities in the framework of preparation and presentation of Financial Statements at the date of acquisition, in order to fulfil the criteria of recognition by the purchase method. The Group measures the acquired recognized assets and the liabilities incurred at fair values at the date of acquisition. The amount paid in return for the acquisition is measured at fair value, which is estimated as the sum of fair value at the date of acquisition of the assets by the Group, the liabilities incurred if any to the previous owners and participation rights issued by the Group.

A cash element, receivable by or payable to a foreign operation, whose settlement has not been programmed or expected to be in the near future, consists, practically, a part of the net investment of the Group in this operation. Long-term receivables or loans are included in such cash elements. These elements do not include trade receivables or payable accounts.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the parent company and its subsidiaries, used for the preparation of consolidated financial statements, are prepared at the same date.

Consolidated financial statements are prepared based on uniform accounting policies for similar transactions and other events, under similar conditions. Accounting principles of subsidiaries are modified, if required, in order to be uniform to those adopted by the Group.

In its separate financial statements, the Company accounts for investments in subsidiaries at acquisition cost less potential impairment.

iii. Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss.

v. Investments in subsidiaries' net assets

The Group does not include interests in associates or joint ventures, therefore it does not include equity interests in other companies.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated.

B. Foreign currency

The financial statements of the Group companies are measured using the currency of the economic environment in which the entity operates (the functional currency). The financial statements are presented in Euro € which is the functional and presentation currency of the parent. The functional currency of subsidiaries is also the Euro €, except for the subsidiary in Romania, where the functional currency is the Romanian RON and the subsidiary in Albania, where the functional currency is the ALL.

i. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- Available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

iii. Hedge of a net investment in foreign operation

The Group does not use risk hedging for foreign currency differences arising between the functional currency of the foreign operation and the Company's functional currency.

C. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations
- or is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations
- a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

D. Revenue

Revenue: Revenues comprise the fair value of sale of goods and services, net of value added tax, rebates and discounts. Sales within the Group are eliminated.
The Group recognizes revenue when (or as) satisfies the obligation to execute a contract by transferring a promised good or services to a client. A promised good or services are transferred when (or as) the customer acquires control of that item. The customer acquires control of the good or service when it can direct its use and take substantially all the remaining benefits from the good or service. Control is passed over a period or at a specific time.
The recognition of revenues is as follows:

Sales of goods: Revenue from the sale of goods is recognized when the control of the good is transferred to the customer and there is no unfulfilled obligation that could affect the acceptance of the good by the customer.
Revenue from services: Revenue from services is accounted for in the period in which the services are rendered, based on the stage of completion of the service rendered in relation to all the services provided.
The customer requirement is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer.
A contract asset is recognized when the Group executes its contractual obligations by transferring goods or services to a customer before the client pays the consideration or before the payment is due.
The contract liability is recognized when the Group receives a consideration from the customer or when it reserves the right to a price that is unconditional (deferred income) before the performance of the contract's obligations and the transfer of the goods or services. The Group ceases to recognize the contractual obligation (and recognizes revenue) when it transfers the goods or services in question and thus fulfills the obligation to execute.
Interest income: Interest income is recognized on a time proportion basis using the effective interest method.
Dividends: Dividends are recognized as income when the right to receive payment.

E. Employee benefits

i. Short-term benefits

Short-term employee benefits include:

- Daily wages, salaries and social security contributions
- Short term compensated absences, such as annual paid leave and sick paid leave when the absences are expected to happen in the next 12 months, after the end of the year in which the employees offer the relevant service.
- Profit appropriation and exceptional benefits paid in 12 months after the end of the year, in which the employees offer the relevant service
- Non-monetary benefits (like medical care, residence, cars and free or subsided goods or services) for current employees.

Short-term employee benefits (except for termination of employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is recorded as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

ii. Defined contributions plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plan

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

F. Government grants

Government Grant is a financial aid provided by the State in a form of a fund transfer to a company, in return to its compliance by certain conditions regarding its operations. Government grants which cannot be evaluated because of their form, are not included to the above concept and the same applies to the transactions with the State which cannot be separated from the usual transactions of the company.

Grants regarding assets are government grants with a basic condition that in order for a company to be entitled for it, must buy, construct or acquire by any other way, long lived assets.

Grants regarding income are government grants not related to the acquisition of assets.

The Group recognizes government grants which satisfy cumulative the following criteria: a) there is a concluded certainty that the company complies or is about to comply with the conditions of the grant and b) the amount of the grant has been received or is thought possible to be received. Grants are recorded at fair value and recognized systematically as income, based on the principle of relating grants to the respective costs which they finance.

Grants regarding assets are included in the long term liabilities as income of following years and systematically recognized as income during the useful life of the fixed asset.

G. Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

H. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost of inventories does not include any financial expenses.

I. Property, plant and equipment

i. Recognition and measurement

Property, buildings or plant used for production, disposal of goods or services, or for cover of needs of administrative services of Company, are presented in the balance sheet at their readjusted values, less their accumulated depreciation and potential impairment. The management decides on readjustments of value of these assets at intervals, so that the balances in the statement of Financial Position do not essentially differ from fair values as at reporting date.

When the carrying amount of property, building or plant is increased by a re-adjustment, this increase will be recorded in the statement of comprehensive income and then accumulated to equity as a readjustment surplus. In case the accounting value of buildings or land is reduced in the future following a readjustment, this reduction will be recorded in the statement of comprehensive income up to the amount of the existing credit balance of readjustment surplus. Any excess of impairment loss over this surplus will be recorded in the income statement.

The remaining categories of tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.
The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Buildings	20-50
Plant and machinery	3-20
Motor Vehicles	10
Other equipment	3-20

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at every date of balance sheet. When an asset's carrying amount is higher than its estimated recoverable amount, the difference (devaluation) is carried directly to the income statement as an expense.

iv. Reclassification from investment property to owner-occupied property

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

J. Intangible assets and Goodwill

i. Recognition and measurement

Element	**Measurement**
Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development expenses	Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, including software licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised but tested (at least) annually for impairment according to IAS 36.

The estimated useful lives for current and comparative periods are as follows:

	Years
Development costs	2-5
Software licenses	5-10

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

K. Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

L. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

M. Financial instruments

i. Financial assets - initial recognition, classification and subsequent measurement

A financial asset is recognized in the Group's statement of financial position when it occurs or when the Group becomes a party of the contractual provisions of the instrument.

The Group initially evaluates financial assets or financial liability at fair value plus transaction costs, in the case of a financial asset or financial liability not at fair value through profit or loss. Trade receivables are valued at the transaction price.

Financial assets are classified at initial recognition and subsequently measured at fair value through profit or loss or at fair value through other comprehensive income.

The classification is based on two criteria: (a) the Group's business model for managing the asset and the business model for managing the financial asset, ie whether the objective is to hold for the purpose of collecting contractual cash flows or to collect contractual cash flows and the sale of financial assets; and (b) assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI" criterion).

Financial assets measured at amortized cost include the financial instruments that are retained under the business model for the purpose of holding and collecting contractual cash flows that meet the "SPPI" criterion. All financial assets of the Group are included in this category.

The Group does not hold financial assets that are measured at fair value through profit or loss or other comprehensive income at the reporting date.

Financial assets at amortized cost are subsequently measured using the effective interest method and are tested for impairment. Profits and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

ii. Financial asstes - impairment

The Group applies the simplified approach for trade receivables and contingent assets for the calculation of expected credit losses. Therefore, at each reporting date, the Group measures the provision for a financial instrument for an amount equal to the expected credit losses over the lifetime. For determining the expected credit losses, a chronological analysis and rates table is used using historical data and reasonable assumptions.

iii. Financial assets – derecognition

The Group derecognizes a financial asset when:

- the contractual rights to receive the cash flows from the assets have expired
- the contractual rights to receive the cash flows from the assets have been transferred or the Group has an obligation to remit any cash it collects from the assets without material delay and either (a) the Group transfers substantially all the risks and rewards of ownership, or (b) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

iv. Financial liabilities - Measurement

Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

N. Share capital

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

O. Impairment

i. Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will not enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

ii. Non - financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

P. Provisions

Provisions are calculated by discounting expected future cash flows with a pre-tax rate that reflects current market estimates for the time value of money and the risks specific to the liability. Reversal of discount is recognized as finance cost.

Categories	Accounting Principle
Warranties	A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.
Restructuring	A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.
Onerous contracts	A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Q. Leases

i. Determining whether an arrangement contins a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.
At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

ii. Leased assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the statement of financial position of the Group.

iii. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

39. New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group plans to apply the new standard starting at 1 January 2019.

The Group intends to retrospectively apply this standard with a reference date as of 01/01/2018, therefore, at the above date, the liabilities arising from operating leases will be discounted using a discount rate and the present value that will be occured will be recognized as a lease obligation. The rights to use the assets will be measured equally with the lease obligation, adjusted by the amount of any prepaid or paid rentals.The Group intends to use the amendments to IFRS 16 in short-term leases and leases in which the underlying asset is of low value. Group rental payments are mainly related to leases of vehicles and other equipment primarily used for administrative purposes.

IFRS 16 will mainly affect the accounting treatment of the Group's operating leases as lessee and the changes that are expected to occur are as follows:

- Increase in non-current assets (rights of use) and total liabilities (leases) of the Statement of Financial Position
- Improvement of the Profit / Loss Statement of Profit / (Loss) before Tax, Financial, Investment and Total Depreciation, as the standard replaces the operating cost of the lease with amortization cost for the rights and the interest expense related to the lease obligations
- Increase in operating cash flow and decrease in financial flows to the extent that it relates to the repayment of the capital of the lease obligations

The Group is in the process of finalizing the impact of the adoption of IFRS 16 in its Financial Statements, which will be finalized in the first half of the year 2019 although it is not expected to be significant.

- Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

- Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: IFRS 3 - IFRS 11: Previously held interest in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements**.** The above have not been adopted by the European Union.

- Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Koropi Attica, April 25, 2019

CHAIRMAN OF THE BoD	VICE CHAIRMAN & GROUP CEO
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CHIEF FINANCIAL OFFICER	HEAD OF ACCOUNTING DEPARTMENT
ALEXANDRA ADAM ID No AE 118025	ANASTASIOS TATOS ID No AM 556006 Registr. No of E.C. A' CLASS 9657