



## CONTENT

|   |    |
|---|----|
| CONTENT.....  | 2  |
| IDENTIFICATION DATA.....  | 3  |
| 1. MESSAGE TO SHAREHOLDERS.....   | 3  |
| 2. ECONOMIC AND FINANCIAL SITUATION .....   | 5  |
| 2.1 Presenting an analysis of the current economic and financial situation compared to the same period last year .....  | 5  |
| 3. ANALYSIS OF THE COMPANY ACTIVITY .....   | 10 |
| 3.1 Presentation and analysis of trends, elements, events or incertitude factors which affect or may result in liquidity of the company, compared to the same period of the year.....   | 10 |
| 3.2. Presentation and analysis of the effects on the financial situation of the commercial society of all capital, current or expected capital expenditure (determining the purpose and sources of financing these expenditure) comparable to the same period of the last year.....         | 10 |
| 3.3.Presentation and analysis of events, transactions, economic changes significantly affecting income from the basic activity. Determining the measure in which the revenues have been advised of each identified element. Comparison with the corresponding period of the last year. .... | 11 |
| 3.4. Budgets, at least for the current year, and, if exists, for a 3-5 year period, including hypotheses .....  | 11 |
| 4. CHANGES AFFECTING CAPITAL AND ADMINISTRATION OF THE COMPANY .....  | 12 |
| 4.1. Description of cases in which the commercial society has been unable to meet financial obligations in the period of the period.....  | 12 |
| 4.2. Description of any changes in the rights of the mobile tenderers issued by the commercial society. ....  | 12 |
| 5. SIGNIFICANT TRANSACTIONS.....  | 12 |
| 5.1 In case of action issuers, information concerning major transactions concluded by the issuer with the persons who conduct in convinced or whether such persons have been implied in the relevant period period. ....  | 12 |
| 6. SIGNATURES AND ANNEXES.....  | 13 |
| 6.1 The report shall be signed by the authorized representative of the board of directors, by the manager / executive director of the society and by the chief accountant. ....   | 13 |
| 6.2 Annexes - the report will be accompanied by copies of the justificative documents for all changes to the articles of incorporation of the company, as well as of the management structures (administration, executive etc.).....  | 13 |

**IDENTIFICATION DATA**

Semesterly Report: **BVB Regulation on AeRO Market, Law 24/2017, ASF Regulation 5/2018, EU Regulation no. 596/2014**

For the period: **01.01.2019 - 30.06.2019**

Date of report: **30 August 2019**

Name of the company: **Ascendia S.A.**

Headquarters: **Eufrosin Poteca St. No. 40, 1'st floor, Sector 2, Bucharest, Romania**

Address for correspondence: **Avrig St. No.12, 4'th floor, Sector 2, Bucharest, Romania**

Phone number: **+40371089200**

Unique Registration Code at the Trade Registry Office: **RO21482859**

Order number in the Trade Register: **J40 / 6604/2007**

Number of shares issued and characteristics: **1,444,444 shares with a nominal value of RON 0.1**

The regulated market on which the issued securities are issued: **AeRO ATS of BVB**

**1. MESSAGE TO SHAREHOLDERS**

The year 2019 started for ASCENDIA as we expected, with multiple opportunities, primarily due to the investment policy carried out over the last 3 years.

We operate in an IT niche sector - eLearning - and as our products and services grow and reach more customers, they begin to help the the sales process. Thus, in the first half of 2019, the company's commercial revenues increased by about 120% compared to the first half of 2018.

We currently have 3 business lines on which we focus our resources: eLearning for companies, where we have the Coffee Learning Management System platform and we offer eLearning courses (development services and courses off the shelf), the TIMLOGO speech platform and our newest addition LIVRESQ, the tool for the development of interactive digital books and eLearning courses etc.

LIVRESQ is already enjoying a real interest both from the publishers producing interactive digital publications, the companies that produce educational modules in digital format and from the academic area, interested in producing digital lessons / courses for schools / high schools / universities. We consider LIVRESQ to be the best product of ASCENDIA, a product we can approach the outside eLearning market with. We are about to launch the commercial version of the platform, accessible as a web application.

Earlier this year we did a little experiment. We wanted to see if and what we could develop outside the eLearning industry. We chose the fintech area and we developed a web service that processes standard bank statements, issued by various banks (we process bank statements from 15 banks already). Basically, this web service analyzes the standard bank statements offered by banks in .PDF format and sends back to the application that uses the service a standardized data structure, regardless of the bank, which facilitates the automation of the processing of bank statements. Thus, instead of entering "by hand" the accounting data from bank statements, accountants can do everything automatically. Potential customers of this service are companies that produce accounting or ERP applications, which can offer the automation service to their clients. The service is available in Software as a Service (SAAS) format through a secure Application Protocol Interface (API). The service is already being used by one of the top 3 companies that offer accounting solutions for their clients and we have discussions started with two other big

companies that offer accounting solutions. ASCENDIA's preferred monetization approach for the moment is per .PDF processed page. We will come back with details in the Annual Report for 2019.

In the first semester of 2019, the commercial activity of ASCENDIA continued to have two main components: the commercialisation of the Learning Management System CoffeeLMS platform to corporations and the development of custom content eLearning modules. The activity oriented towards the sale of eLearning solutions to the corporate environment generated the majority of the company's commercial revenues. The company's revenues were supplemented with the non-reimbursable amounts from the project financed by the Operational Competitiveness Program (POC) line 2.2.1., related to the LIVRESQ platform, as well as from the TIMLOGO incomes (which are not yet at the desired level) and some income from the old lines of business, which produce recurring revenues (eg. EduTeca).

ASCENDIA's financial resources properly supported the activity of the company during the analyzed period. In order to ensure this proper functioning in the future and to finance the development of new or complementary products to the existing ones, we aim to attract new financing from national or European lines that provide non-reimbursable funds to the submitted projects.

In the first semester of 2019 we launched ASCENDIA's first bonds offer. We offered a coupon with 10% interest per year and maturity of 3 years. The total value of the bonds issue was 3,000,000 lei, fully subscribed from day one. The attracted amount will be used by the company to expand its sales and marketing capacity, as well as to develop the company's products. We analyze the possibility of launching new bonds offers, with the perspective that ASCENDIA would take all or part of shares to some companies with production capacities and solutions complementary to those existing at ASCENDIA.

Starting 01.09.2019, the operational office of ASCENDIA will move to a bigger space, on Halelor St. No.7, 3'rd Floor, Sector 3, Bucharest, Romania, wich will become our correspondence address as well.

I believe that investments in IP and owned products are the key to a successful business. Thank you to the shareholders, bonds investors and members of the ASCENDIA team who believe in this approach!

**Cosmin Mălureanu**

**CEO ASCENDIA S.A.**

## 2. ECONOMIC AND FINANCIAL SITUATION

### 2.1 PRESENTING AN ANALYSIS OF THE CURRENT ECONOMIC AND FINANCIAL SITUATION COMPARED TO THE SAME PERIOD LAST YEAR

The presentation of the company's economic and financial situation is based on the data from the half-yearly accounting on 30 June 2019, drafted in accordance with the requirements of the Accounting Law no. 82/1991, OMFP 2493/2019 regarding the approval of the accounting reporting system on 30 June 2019 of the economic operators, as well as for the modification and completion of certain accounting regulations, as well as of the OMFP 1802/2014, with the subsequent modifications and completions.

The data contained in the half-yearly reports underlying the presentation below are a true reflection of the data in the company's accounts.

The accounting records as at 30.06.2019, presented as compared to those of 30.06.2018, show primarily a doubling of the net turnover as well as an increase in the revenues from the production of intangible assets, the latter being directly reflected in the value of the assets (which has practically doubled as well).

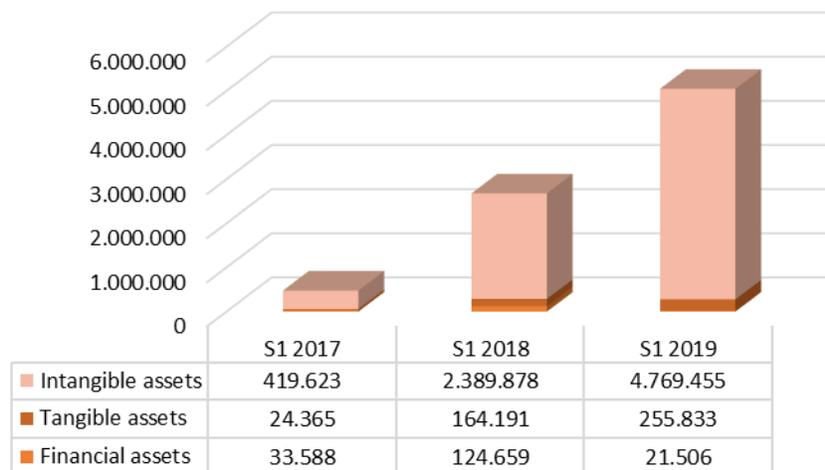
#### 2.1.1 BALANCE SHEET ITEMS: ACTIVITIES THAT CONTAIN 10% OF THE TOTAL ACTIVE; NUMERICAL AND OTHER LIQUID OPTIONS; REINVESTED PROFITS; TOTAL ACTIVE CURRENT; SITUATION OF SOCIETY'S DAMAGES; TOTAL CURRENT LIABILITIES;

Here are the changes that occurred in the structure of balance sheet items in semester I (S1) 2019 compared to semester I (S1) 2018.

#### **FIXED ASSETS**

Total assets, in the amount of RON 5,046,794 for S1 2019 recorded a major increase off 88%, almost a doubling compared to the same period of the previous year, S1 2018, when it recorded RON 2,678,728.

*The evolution and structure of fixed assets (RON)*



The following changes were made in the structure of the fixed assets:

- **Intangible assets** recorded an important increase in total assets of RON 2,379,577, reaching the value of RON 4,769,455. This **increase by 99.5%** over the reference period was due to the capitalization of the costs

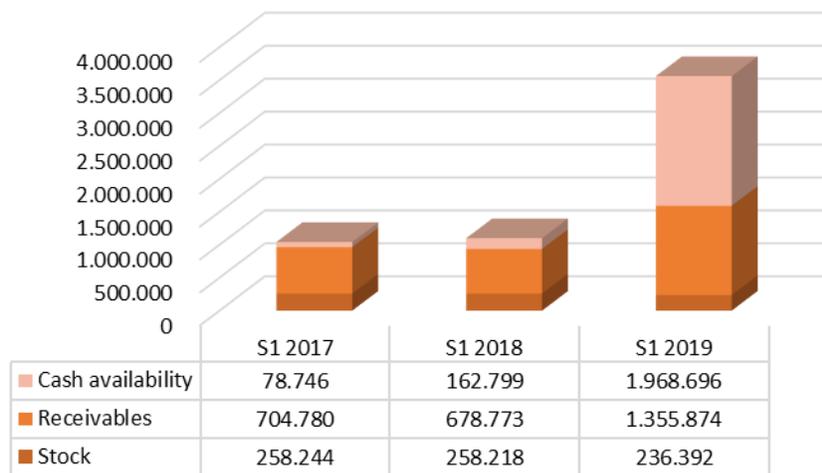
involved in the realization and updating of the following products: updates of the CoffeeLMS platform ([www.coffeelms.com](http://www.coffeelms.com)) and the development of the LIVRESQ Suite ([www.livresq.com](http://www.livresq.com));

- The value of **tangible assets** increased from RON 164,191 to RON 255,833 through the acquisition of new assets;
- **Financial assets** decreased from RON 124,659 to RON 21,506 as a result of the cancellation of a collateral security deposit, constituted for a short-term credit line, which was closed in June 2019.

## **CURRENT ASSETS**

The total value of current assets in S1 2019 is RON 3,560,962, increasing by RON 2,461,172 compared to S1 2018. This 223% significant increase of current assets, compared to the reference period, has as main source the first issue of bonds of the company in the amount of RON 3,000,000, made in June 2019.

*The evolution and structure of current assets (RON)*



The following changes were made on current assets:

- The increase of the **cash funds available** in the bank accounts **by 1109%**, from the amount of RON 162,799 in S1 2018 to the amount of RON 1,968,696 in S1 2019, due to the increase of the collection degree, as well as due to the aforementioned bond issue;
- Increase in the value of receivables (accounts receivable) **by 99.7%**, respectively by RON 677,101, to RON 1,355,874 in S1 2019, compared to 678,773 RON in S1 2018;
- The decrease in the value of the inventory by approximately 8.5% from RON 258,218 in S1 2018 to RON 236,392 in S1 2019.

## **CURRENT LIABILITIES**

The company's debts in S1 2019 increased by 46.6%, registering at the end of the period the value of RON 1,470,557 against RON 1,002,968 in S1 2018. This increase compared to the reference period is correlated with the increase of approximately 38.34% of expenses with wages.

It should be noted that the the company closed the short-term credit lines contracted during the previous year. In order to ensure a positive cashflow and finalize investments in its own products, ASCENDIA made a bond issue worth RON 3 million in S1 2019.

### TOTAL ASSETS MINUS CURRENT LIABILITIES

The positive influence of the growth of assets, considering debt growth, has made the result of the total assets minus the current liabilities at S1 2019 to be RON 4,512,887, registering a **significant increase**, with RON 1,979,580, respectively **78% higher** compared to the reference period S1 2018 when it was RON 2,533,307.

### DEFERRED INCOME

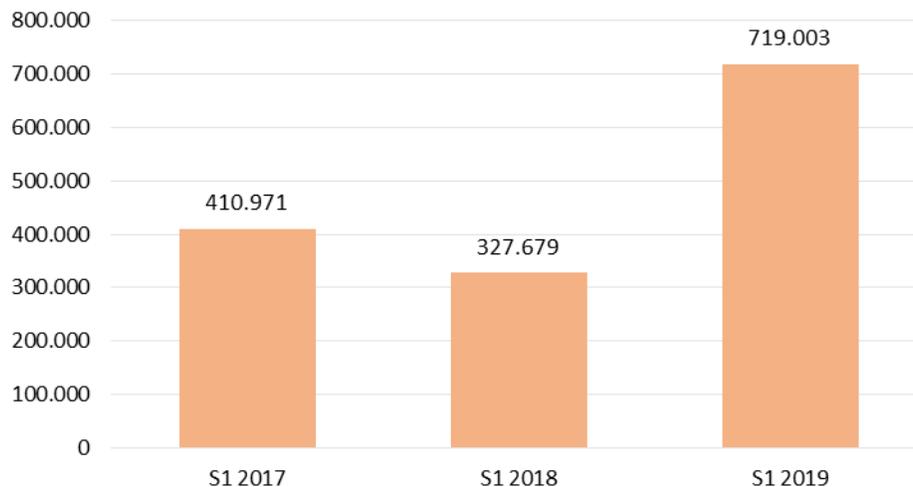
Deferred income increased in S1 2019 at RON 2,636,672, an **increase of 76%**, respectively by 1,140,869 RON compared to S1 2018, when they were RON 1,495,803. This increase is due to the receipt of free grants consisting of licenses from Microsoft (as part of the BizSpark Plus program that our company has benefited from) as well as the amount of grants received during this period under the POC line 221 financing contract, for the LIVRESQ project, contract whose finalization date is August 2019. The value of the balance of the deferred income represents amounts to be transferred / resumed in revenues during the next periods, as the received assets depreciate or as the assets from those claims created by own production.

### TOTAL EQUITY

At 30.06.2019 the total equity capital registered an increase in the amount of RON 141,438, reaching the value of RON 1,422.316, an increase of 11% over the reference period S1 2018.

2.1.2 PROFIT AND LOSS ACCOUNT: NET SALES; GROSS INCOME; ELEMENTS OF COSTS AND EXPENDITURE WITH A LEVEL OF 20% IN NET ASSETS OR IN GROSS INCOME; RISK PROVISIONS AND MISCELLANEOUS EXPENSES; REFERENCE TO ANY SALE OR MISSING OF AN ACTIVITY SEGMENT IN THE LAST 6 MONTHS OR NECESSARY TO BE CARRIED OUT ON THE NEXT 6 MONTHS; DIVIDENDS DECLARED AND PAID;

*Sales evolution (RON)*



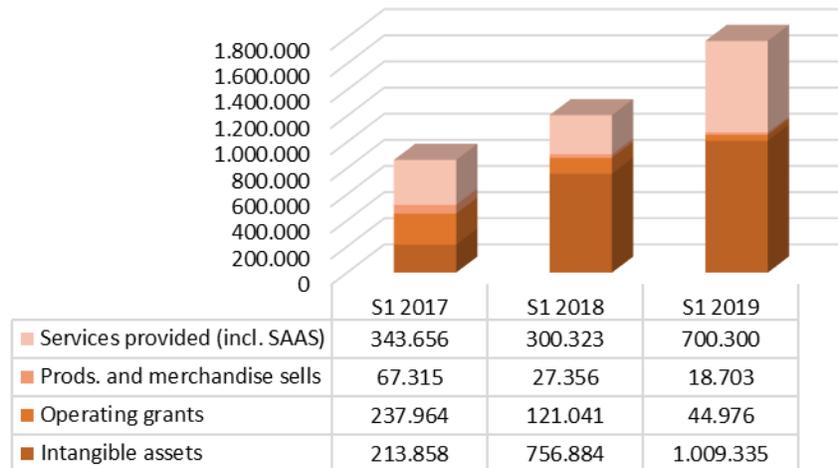
The total volume of sales, RON 719,003 in S1 2019, registered an increase of RON 391,324, **approximately 119% higher** than the same period of the previous year. Basically, sales increased to more than double the value of the similar period of last year, amid the growth of commercial activity.

### Income and sales analysis

The total revenue in S1 2019 was RON 1,921,053, an increase by RON 677,503 compared to S1 2018, representing an **increase of approximately 55%**, as a result of the increase in revenues from the production sold but also from the

intangible assets.

### Evolution and structure of revenues (RON)



In their structure, **the revenues** recorded the following changes:

- The revenues **from services** (IT activities and on demand software, including SAAS) were worth RON 700,300, registering an **increase of approximately 133%**, respectively RON 399,977, compared to the same period last year. These revenues account for approximately 97% of the total sales recorded in the first half of 2019;
- The revenues from the **sales of the finished and related products**, as well as of the goods in S1 2019 were RON 18,703, decreasing by RON 8,653 compared to S1 2018;
- The revenues from **operating subsidies** (financing from projects related to costs with management and administration salaries) were RON 44,976, registering a decrease of RON 76,065 compared to the same period last year;
- Revenues from the **production of intangible assets** have increased by RON 252,451 compared to S1 2018, 33% higher, reaching RON 1,009,335. In this category are the products created in their own regime: mainly updates of the CoffeelMS platform as well as the development of the www.livresq.ro platform.

### Cost analysis

The trend of the costs was correlated with that of the revenues, being one that is increasing. The costs were RON 2,095,278 in S1 2019, increasing by RON 595,639 compared to S1 2018.

Of the cost elements with a majority weight (91.12%) in the total costs we present:

- The personnel expenses in the amount of RON 1,567,270 recorded an increase of RON 431,897 in S1 2019, representing a percentage increase of approximately 38.2%, as compared to the previous reporting period. This increase was due to the wages increases, the increase in the number of hours worked by the staff assigned to the R&D and the production of company products;
- The expenses with external services, in the amount of RON 346,950, increased by RON 143,052, compared with the value of RON 203,898 registered in S1 2018. This significant increase of the costs with the external benefits has several causes, among which we mention in particular the contracting of external services in related to the issuance of bonds, as well as the need to contract some services related to the completion of the project with POC financing, therefore exceptional expenses.

### **Net profit**

Compared to the previous period (S1 2018), when there was a net loss of RON 259,361, in S1 2019 the company recorded a net loss of RON 77,808 less, down to the value of RON 181,553. The loss result in S1 is in line with the company's results for the last three years. We consider that, given the increase of the total expenses by approximately 40%, this decrease in the value of the net loss, by about 30% compared to the previous period, is a positive signal, as it is expected that, as it launches new products for sale, the company will move towards profit.

### **Dividends declared and paid**

The net profit for the year 2018, of RON 66,086, was constituted as reserves, following the OGSM decision of 29.04.2019. Dividends towards stock holders were not distributed or paid during the period.

### ***2.1.3 CASH FLOW: ALL CASH FLOW CHANGES IN THE BASIS OF BASIC ACTIVITY, FINANCIAL INVESTMENTS AND ACTIVITIES, NUMBER OF CASHING AT THE BEGINNING AND END OF THE PERIOD***

Compared to the financial availability situation at the end of S1 2018, the company's availability at the end of S1 2019 increased 12.09 times, as can be seen in the brief presentation of the cash flow statement:

| <b>TREASURY FLOWS (RON)</b>  |                 |                   |                   |
|--|-----------------|-------------------|-------------------|
| The element's name   | Analyzed period |                   |                   |
|  | S1 2017         | S1 2018           | S1 2019           |
| <b>Cash flows from operating activities</b>                            |                 |                   |                   |
| Receipts from customers  | 430.708         | 353.246           | 440.293           |
| Interest Received + Course Differences + Other Receipts (Tax Recovery) | 55.513          | 3.810             | 25.191            |
| Payments to suppliers and employees                                    | -673.449        | -1.067.649        | -1.312.118        |
| Paid interest + bank fees + course differences                         | -9.263          | -5.643            | -30.986           |
| Income tax paid / Micro enterprise tax                                 | -2.824          | -5.151            | -5.920            |
| Salary duties + VAT + other taxes                                      | -284.079        | -352.654          | -637.537          |
| <b>A) Net cash from operating activities</b>                           | <b>-483.394</b> | <b>-1.074.041</b> | <b>-1.521.077</b> |
| <b>Cash flows from investment activities</b>                           |                 |                   |                   |
| Payments for the purchase of shares                                    | 0               | 0                 | 0                 |
| Payments for the acquisition of tangible / intangible assets           | 0               | 0                 | 0                 |
| Proceeds from the sale of property, plant and equipment                | 0               | 0                 | 0                 |
| Interest received  | 0               | 0                 | 0                 |
| Dividends received   | 0               | 0                 | 0                 |
| <b>B) Net cash from investing activities</b>                           | <b>0</b>        | <b>0</b>          | <b>0</b>          |
| <b>Cash flows from financing activities</b>                            |                 |                   |                   |
| Receipts from the share issue  | 0               | 0                 | 0                 |
| Receipts from capital premiums   | 0               | 0                 | 0                 |
| Proceeds from long-term loans  | 0               | 0                 | 3.000.000         |
| Receipts from subsidies  | 0               | 546.452           | 353.565           |
| Short-term credits   | 0               | 80.755            | 483.571           |

|  |               |                |                  |
|--|---------------|----------------|------------------|
| Various creditors (associates)   | 81.000        | 271.418        | 265.707          |
| Payment of debts related to financial leasing                                | 0             | 0              | 17.126           |
| Dividends paid   | 0             | 0              | 0                |
| Payment credit rates   | 0             | 0              | 756.899          |
| C) Net cash from financing activities  | 81.000        | 898.624        | 3.328.818        |
| D) Net increase in cash and cash equivalents (A + B + C)                     | -402.394      | -175.417       | 1.807.741        |
| E) Cash and cash equivalents at the beginning of the financial year          | 481.140       | 338.216        | 160.955          |
| <b>F) Cash and cash equivalents at the end of the financial year (D + E)</b> | <b>78.746</b> | <b>162.799</b> | <b>1.968.696</b> |

### 3. ANALYSIS OF THE COMPANY ACTIVITY

3.1 PRESENTATION AND ANALYSIS OF TRENDS, ELEMENTS, EVENTS OR UNCERTAINTY FACTORS WHICH AFFECT OR MAY RESULT IN LIQUIDITY OF THE COMPANY, COMPARED TO THE SAME PERIOD OF THE YEAR.

As compared to S1 2018, the liquidity parameters of ASCENDIA registered a significant increase, the liquidity of the company being a very good one, being able to pay its current and immediate debts without having to resort to borrowed resources in the short, medium or long term.

| LIQUIDITY RATE                  |  |                 |         |         |
|---------------------------------|--|-----------------|---------|---------|
| Calculated indicator            | Formula                                  | Analyzed period |         |         |
|                                 |  | S1 2017         | S1 2018 | S1 2019 |
| <b>Current liquidity rate</b>   | Current assets / current liabilities     | 3,78            | 1,10    | 2,42    |
| <b>Immediate liquidity rate</b> | (Current Assets - Stocks) / Current Debt | 2,84            | 0,84    | 2,26    |

The total value of current assets in S1 2019 is RON 3,560,962 compared to RON 1,099,790 in S1 2018, up by approximately 224% and RON 2.305.896 respectively.

In the short term, the liquidity indicators may undergo changes generated by investments in new products, investments that diminish assets and may increase debt, but we appreciate that in the long term their tendency will be one of appreciation, with the growth of the business, growth generated by the expected income and from the receipts for the new products to be launched by the end of 2019.

However, we draw attention to the fact that, as the company is a small company, at a stage of growth based on significant investments from both financing and own resources, there are a number of risks that may affect its business, risks that investors must take into account the analyzes made on our company. As these risks were explained in the Annual Report for 2018 and are still part of the general and specific economic context in which we operate, we invite stakeholders to reconsider them, with the Annual Report for 2018 available on the website of Bucharest Stock Exchange, as well as on the ascendia.ro website at the Investors section.

3.2. PRESENTATION AND ANALYSIS OF THE EFFECTS ON THE FINANCIAL SITUATION OF THE COMMERCIAL SOCIETY OF ALL CAPITAL, CURRENT OR EXPECTED CAPITAL EXPENDITURE (DETERMINING THE PURPOSE AND SOURCES OF FINANCING THESE EXPENDITURE) COMPARABLE TO THE SAME PERIOD OF THE LAST YEAR.

Although the capital expenditures of the company were not significant compared to the S1 2018 period, they were kept in a natural trend in the context of increased activity and the dynamics of the IT environment. Their analysis

shows that they were not likely to significantly influence the financial position of the company during the period under review and we anticipate that they will not have such an impact in the near future.

The acquisitions made aimed at updating and extending the Ascendia equipment park (PC components, peripherals, etc.), as well as software licenses (or renewal of SAAS software subscriptions) necessary for the current activity. The capital expenditures were made mainly from own funds.

---

### 3.3. PRESENTATION AND ANALYSIS OF EVENTS, TRANSACTIONS, ECONOMIC CHANGES SIGNIFICANTLY AFFECTING INCOME FROM THE BASIC ACTIVITY. DETERMINING THE MEASURE IN WHICH THE REVENUES HAVE BEEN ADVISED OF EACH IDENTIFIED ELEMENT. COMPARISON WITH THE CORRESPONDING PERIOD OF THE LAST YEAR.

Regarding the general and specific economic context, there are some aspects that have influenced and have the potential to continue to negatively influence the projected activity of the company: a) the costs with the workforce in IT are increasing and the potential talent recruited is harder to find and less prepared, b) labor law is unpredictable, and can at any time bring additional costs impossible to anticipate and c) in the field of education we observe the increasingly strong interference of politics; furthermore the production of digital materials could be monopolized or made through non-transparent protocols and discretion.

Separately, projects funded by non-reimbursable funds (grants projects) have unpredictable payment dates to our company. This leads to uncertainty regarding the preparation of the financial projections, with the possibility of losing or disposing of some potential incomes, partially or wholly, for future years.

There are no events, transactions or economic changes with significant influence on the company's activities other than those specified above throughout this document.

---

### 3.4. BUDGETS, AT LEAST FOR THE CURRENT YEAR, AND, IF EXISTS, FOR A 3-5 YEAR PERIOD, INCLUDING HYPOTHESES

The Income and Expenditure budget for the year 2019 of ASCENDIA SA, approved in the General Meeting of Shareholders, was designed starting from the results of previous years, the level of taxation foreseen for this year, the values of the ongoing projects, the discussions regarding possible contracting of projects, but also taking into account the dynamics of the company team, the dynamics of expected salaries and investments, the marketing and sales actions already hired / planned and the sales targets for both their own products and the portfolio of services offered.

| REVENUE AND EXPENDITURE BUDGET 2019 (RON) |           |
|---|-----------|
| Category                                  | Value     |
| <b>Total Expected Revenues</b>            | 4.323.823 |
| <b>Expected Total Expenses</b>            | 3.846.805 |
| <b>Gross profit (before tax)</b>          | 477.018   |

*Source: Anual Report 2018 - ASCENDIA S.A.*

The main financial estimates for the period 2020-2022, were made by the management of the company, taking into account the current context of the economic environment, as well as the one foreseen for the following years. Estimates take into account the following elements at the company level:

- the dynamics of the sales in the following years, as a result of the commercialization of the products from the portfolio and of the potential extensions or new product launches till 2022;
- the development of at least 2 other projects with European funding, for the creation of new software

products / extension of existing lines. The assumption is a prudent one, considering that at the time of making these estimates, ASCENDIA S.A. has European funded projects submitted and in the final evaluation phase and intends to submit new projects. The company has experience in developing European funded development projects. On the other hand, there is a degree of uncertainty regarding the situation if and when these financing will be obtained. The company management considers the estimation as the most probable, with the elements available at the time of its realization;

- the dynamics of the main expenditures related to the development and good functioning of the activity.

The estimates until 2022 are summarized in the following table:

| PROFIT AND LOSS ACCOUNT (RON) | 2019      | 2020      | 2021      | 2022      |
|-------------------------------|-----------|-----------|-----------|-----------|
| Total Income                  | 4.323.823 | 4.930.625 | 5.196.055 | 5.745.000 |
| Net Turnover                  | 2.469.145 | 3.120.000 | 3.744.000 | 4.492.800 |
| Total Expenses                | 3.846.805 | 4.347.195 | 4.608.027 | 5.068.830 |
| EBITDA                        | 878.018   | 1.123.430 | 1.128.028 | 1.066.170 |
| Gross Profit (before tax)     | 477.018   | 583.430   | 588.028   | 676.170   |
| Net Result                    | 467.700   | 558.738   | 556.828   | 638.730   |

We will update the above estimates each year, depending on the dynamics of the company up to that point.

#### 4. CHANGES AFFECTING CAPITAL AND ADMINISTRATION OF THE COMPANY

##### 4.1. DESCRIPTION OF CASES IN WHICH THE COMMERCIAL SOCIETY HAS BEEN UNABLE TO MEET FINANCIAL OBLIGATIONS IN THE PERIOD OF THE PERIOD.

In the reference period, ASCENDIA S.A. was able to meet its financial obligations, having the resources necessary for the full financing of the activities carried out. There were no cases in which the company was unable to meet its financial obligations during the period under review.

##### 4.2. DESCRIPTION OF ANY CHANGES IN THE RIGHTS OF THE MOBILE TENDERERS ISSUED BY THE COMMERCIAL SOCIETY.

During the analyzed period, the company attracted through a bond issue the amount of RON 3,000,000. The bonds were issued at a nominal value of 100 RON, have a maturity of 3 years and an annual coupon yield of 10%, payable half-yearly. The bonds are to be listed on the Bucharest Stock Exchange.

#### 5. SIGNIFICANT TRANSACTIONS

##### 5.1 IN CASE OF ACTION ISSUERS, INFORMATION CONCERNING MAJOR TRANSACTIONS CONCLUDED BY THE ISSUER WITH THE PERSONS WHO CONDUCT IN CONVINCED OR WHETHER SUCH PERSONS HAVE BEEN IMPLIED IN THE RELEVANT PERIOD PERIOD.

During the reporting period the company did not enter into significant transactions with persons acting in concert.

## 6. SIGNATURES AND ANNEXES

6.1 THE REPORT SHALL BE SIGNED BY THE AUTHORIZED REPRESENTATIVE OF THE BOARD OF DIRECTORS, BY THE MANAGER / EXECUTIVE DIRECTOR OF THE SOCIETY AND BY THE CHIEF ACCOUNTANT.

This report accurately and completely discloses company information. The half-yearly accounting statement on 30.06.2019 was prepared in accordance with the applicable accounting standards, provides a true and fair view of the assets, liabilities, financial position, profit and loss account of Ascendia S.A. Please note that the accounting report has not been audited.

**Daniel Comănescu – CHIEF ACCOUNTANT ASCENDIA S.A.**

**Cosmin Mălureanu - CEO AND SOLE ADMINISTRATOR ASCENDIA S.A.**

**Data: 30.08.2019**

6.2 ANNEXES - THE REPORT WILL BE ACCOMPANIED BY COPIES OF THE JUSTIFICATIVE DOCUMENTS FOR ALL CHANGES TO THE ARTICLES OF INCORPORATION OF THE COMPANY, AS WELL AS OF THE MANAGEMENT STRUCTURES (ADMINISTRATION, EXECUTIVE ETC.).

Note: The 6.2 Annex of this report - The balance sheet of the first Semester of 2019 - is available in Romanian language only.