


**ETPA PACKAGING S.A.
CORPORATE FINANCIAL STATEMENTS
FOR FY ENDING AS AT DECEMBER 31, 2018
UNDER THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS (IFRS),
ADOPTED BY THE EUROPEAN UNION**

The attached Financial Statements were approved by the Board of Directors of ETPA PACKAGING S.A. as of July 31th, 2019 and have been published on the Company's website www.etpapackaging.com. It is noted that the condensed financial statements which have been published aim at providing the reader with a general view on the Company's financial position and results, but do not provide the reader with a complete picture of the financial position and developments as well as cash flows of the Company, according to the IFRS.

**THE CHAIRMAN OF THE BoD AND
CHIEF EXECUTIVE OFFICER
IOANNIS NTRENOGIANNIS**

**THE CHIEF
FINANCIAL
OFFICER**

**PANAGIOTIS
SKOPLAKIS**



**THE CHIEF
ACCOUNTANT**

**AGAMEMNON
STAVROPOULOS**



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Independent Auditor's Report

To the Shareholders of ETPA PACKAGING S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of ETPA PACKAGING S.A. (the Company), which comprise the statement of financial position as at December 31, 2018, statements of comprehensive income, 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 financial statements present fairly, in all material respects, the financial position of the Company ETPA PACKAGING S.A. as at 31 December 2018, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been 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 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 the management's intention is to proceed with liquidating the Company or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as an aggregate, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, incorporated into the 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 affect the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, incorporated into the 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 financial statements, whether

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

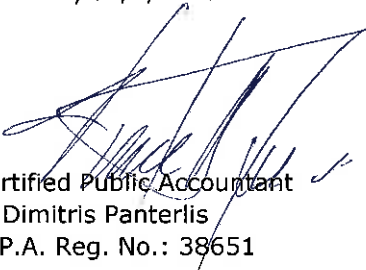
We disclose to the management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:

- a. In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 43a, CL 2190/1920, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2018.
- b. Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company ETPA PACKAGING S.A. and its environment.

Athens, 31/7/2019


The Certified Public Accountant
Dimitris Panterlis
I.C.P.A. Reg. No.: 38651

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ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

Annual Report of the Board of Directors of ETPA PACKAGING S.A. for FY 1/1/-31/12/2018

Dear Shareholders,

According to the provisions of Law 2190/1920 as amended as of 1-1-2019, by sections 150-154 of Law 4548/2018, we are submitting the current Annual Report of the Board of Directors for the 21th fiscal year of the Company ETPA PACKAGING S.A. (1/1/2018-31/12/2018). The present financial year is the fourth year which the Company publishes the financial statements in accordance with the International Financial Reporting Standards (IFRS).

The current Report provides a summary of financial information about the financial position and results of the Company ETPA PACKAGING S.A., a description of the significant events that took place during the closing financial year, a description of significant events that occurred after the date of preparation of the statement of financial position, a description of the projected course of the Company's operations, information regarding the management of significant financial risks faced by the Company, a presentation of significant transactions between the Company and its related parties as well as other information about the Company.

A. Summary financial information about the Company

The development of the Company's operations for financial year 2018 and the summarized financial results are as follows::

Sales: The Company's sales during financial year 2018 amounted to € 12,9 million versus € 11,2 in 2017, recording an decrease of 15%.

Gross Profit: Gross Profit of the Company during financial year 2018 to € 3,86 million versus € 3,32 million to 2017, recording an increase of 16%.

Administrative expenses: The administrative expenses of the Company amounted to € 1,95 million in 2018 versus € 1,86 million, recording an increase of 4,8%.

Distribution expenses: Distribution expenses increased by 10,8% from € 856 thousand in 2017 to € 949 thousand in 2018.

EBITDA: Earnings before interest, taxes depreciation and amortization amounted to € 1,85 million versus € 1,18 million during the previous year.

Profit before taxes: Profit before tax for financial year 2018 amounted to € 549 thousand versus € 27 thousand during the previous year.

Net profit after taxes: The Company recorded profit after tax in 2018 amounting to € 486 thousand versus losses € 87 thousand in the previous year.

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

Other financial ratios

The following tables present the Company's key financial ratios:

	31/12/2018	31/12/2017
LIQUIDITY RATIOS		
Current Ratio	0,94	0,97
Average Collection Period (days)	140,20	151,43
Average payment period (days)	-80,98	-84,25
Inventory turnover (days)	-71,70	-71,39
Asset Turnover	0,57	0,52
EFFICIENCY RATIOS		
Gross Margin	29,94%	29,60%
Profit Margin	3,76%	-0,78%
Return on equity	7,98%	-1,56%
Capital Structure		
Equity to Total Assets	26,88%	26,16%
Debt to Equity	36,76%	35,44%
Equity to Assets	44,56%	44,75%

B. Environmental Issues

Company believes in the coexistence of in entrepreneurship with human and natural environment. We fully understand our responsibilities towards environmental protection and local society. Our main priority is to refrain from environmental pollution wherever is possible, reduction of the environmental impact of our activities and the continuous improvement of our environmental performance.

For the application of our environmental policy our Company develops and applies Environmental Management System according to the requirements of ISO 14001: 2004 cor. 2009 with Certificate Number EM-0253/2017 TUV HELLAS (TUV NORD) S.A. and is committed to continuously improving environmental performance through the following:

- Comply with applicable legislation and all regulatory requirements governing the company's environmental aspects,
- Invest economically effective to the application of the best available technologies and practices to save energy and natural resources and minimize waste production and emissions,
- recycle internally or recycle all recyclable by-products, residues and residues of its activities, committing to pollution prevention,
- develop and provide environmentally-friendly products using new materials that substitute environmentally dangerous materials
- assess in advance the environmental impact of new activities, product and method of production,
- to examine any environmental non-compliance, accident and complaints in order to ascertain the causes
- take appropriate corrective and preventive measures to avoid repetition,
- set measurable targets for controlling compliance with its environmental policy
- implement procedures for monitoring and controlling their achievement; and
- control the environmental impact and practices of its suppliers

C. Labor and Social Issues

It is the policy of the company to operate at all levels in a way that protects workers, society and the environment. To comply with this policy, the company operates on the basis of the following:

- Minimize pollution in Air, Water and Earth
- Recognizes and responds to the demands of society and customers in relation to products and operations.
- Complies with all relevant Greek and European laws and requirements of the SMETA ver.6

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

- standard for Occupational Health and Safety and the Environment.
- Controls and observes working hours in accordance with Greek law
- Inform and advise customers about the proper and safe use of its products
- Is a member of SEDEX under the number S000000062198 to promote Ethical Business.
- Selects suppliers that comply with and comply with applicable laws and regulations.

The company also based on the Handbook of Ethical and Behavior Policies bases its operation on an equal opportunities policy for all workers and does not accept any form of discrimination based on race, color, gender, religion, nationality, disability, age , marital status, sexual orientation or seniority.

The company also respects human rights and commits to identify and prevent any impact on human rights through business activities using procedures, with due diligence.

The company respects human rights and is committed to recognize its influence in the communities. Commits' to collaborate with partners in these societies to ensure that their views are taken into account, learning from them as company conducts business. Where necessary, engages in discussions for human rights with partners on its activities. Company believes that local issues are more appropriately addressed locally. Company also commits to create economic opportunities and promote a climate of good-standing in the societies.

D. Significant events that occurred during the current year

In 2018, the company reported significant increase in sales, strong profitability and EBITDA as a result of the return on investment made in previous years in machinery and building installations.

Also during the year the company procured new state-of-the-art digital equipment to meet the needs of small batches of production to maximize the productivity of large machines and respond to the vertical increase in demand for both small and large batches.

Finally, submitted and completed a 90% investment plan under the new Investment Law 4399/2016 on the procurement of modern equipment that replaced older technology and lower-cost equipment. The investment was fully completed in early 2019.

E. Prospects and objectives for financial 2019

The company is expected to show significant turnover, profitability, and EBITDA growth in 2019 as sales volumes will cover the production capacity provided by previous years' investments in state-of-the-art machinery and equipment.

F. Risks and uncertainties

Financial risks management

The Company is exposed to various financial risks, the main of which have to do with the price fluctuation risk, credit risk, liquidity risk and cash flows risk. The relevant risk management policies of the company aim at minimizing the negative effects that such risks may have on the company's financial position and performance.

Risk management is carried out by the Finance Department of the Company and the relevant policies are approved by the Board of Directors. The financial risk management involves recognition, assessment and hedging financial risks in close cooperation with the operating units of the Company.

Price fluctuation risk:

There are contracts with customers and suppliers of 1-1,5 years maturity. Changes in the suppliers price can be directly passed on to customers as long as the differences in basic Raw Material are substantial, such as the global oil prices.

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

Credit risk:

New clients credit rating is examined, while as far as the existing clients are concerned, their credit ranking is periodically assessed in cooperation with Tiresias and ICAP. Moreover, the Company collaborates with the DAS regarding the issues of small and medium customers' past due balances as well as with the lawyer regarding the issues of large customers' past due balances.

Liquidity risk

Liquidity risk is linked to the need for adequate financing of the Company's activity and growth. The relevant liquidity needs are managed through careful monitoring of daily transactions.

The working capital of the company is negative by € 491 thousand. This is temporary as in short-term debt is included the amount of € 1 million which has been refinanced on 23/07/2019 for one year.

With the support of its main shareholder, through a collateral in his private estate amounting to € 960 k, the management of the company considers the negative working capital to be temporary and company will be able to meet its short-term business needs by 2019, through the cash inflows from its operation.

Cash flows risk:

The company capitalizes its assets earlier in respect of customers cheques in the context of financing lines for working capital and by assigning invoices to a factoring company under the relative contract.

G. Related parties transactions

Significant transactions between the Company and related parties within the meaning of IAS 24 during the current year are as follows:

Amounts in Euro '000

	Company	
	31/12/2018	31/12/2017
a) Asset accounts		
Trade and other receivables	-	-
Other Receivables	-	-
Total	-	-
b) Liability accounts		
Other liabilities	2.235	2.258
Total	2.235	2.258
c) Income		
Inventory sales	-	-
Total	-	-
d) Expenses		
Third party expenses	1.205.715	1.166.994
Total	1.205.715	1.166.994

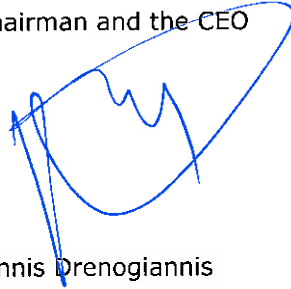
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NOTES TO THE FINACIAL STATEMENTS AS OF DECEMBER 31, 2018

All kinds of remuneration of members of the Management and Key Executives of the Company and the Company during financial year 1/1-31/12/2018 amounted to € 1.205.715. As at 31/12/2018, company has no receivables to the members of the Board of Directors and Key Executives.

Metamorphosi, July 31, 2019

As and on behalf of the Board of Directors,
The Chairman and the CEO

A handwritten signature in blue ink, appearing to read 'Ioannis Drenogiannis', is written over the text 'The Chairman and the CEO'. The signature is stylized and somewhat illegible.

Ioannis Drenogiannis

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

Statement of Financial Position

	Notes	31/12/2018	31/12/2017
Assets			
Non-Current Assets			
Tangible assets	3	13.651.570	12.512.005
Investment property		0	0
Goodwill		0	0
Other Intangible Assets	4	5.521	7.865
		0	0
Investments accounted for using the equity method		0	0
Other non current assets	5	416.023	513.856
Deferred tax asset	12	441.244	517.793
Non-Current Assets		<u>14.514.359</u>	<u>13.551.518</u>
Current Assets			
Inventories	6	1.890.170	1.659.744
Trade and other receivables	7	5.139.960	4.768.088
Other current assets	8	317.373	705.444
Trading portfolio and financial assets measured at fair value through P&L		0	0
Cash, cash equivalents & restricted cash	9	769.218	714.825
Current Assets		<u>8.116.721</u>	<u>7.848.100</u>
Non-current assets classified as held for sale			
Total Assets		<u>22.631.079</u>	<u>21.399.618</u>
Equity and Liabilities			
Equity			
Share capital	10	2.434.070	2.434.070
Share premium	10	724.644	724.644
Other reserves	11	1.473.327	1.474.705
Retained earnings		965.722	1.052.888
Profit for the period		485.596	-87.166
Equity attributable to owners of the Parent		<u>6.083.359</u>	<u>5.599.141</u>
Non-controlling interests			
Total Equity		<u>6.083.359</u>	<u>5.599.141</u>
Non-current liabilities			
Deferred tax liability	12	878.579	968.637
Accrued pension and retirement obligations	13	281.619	257.640
Government grants	14	1.242.363	1.409.679
Long-term borrowings	16	4.927.048	4.286.488
Non-Current Provisions	17	55.000	55.000
Other long-term liabilities	15	555.111	725.538
Non-current liabilities		<u>7.939.721</u>	<u>7.702.983</u>
Current Liabilities			
Trade and other payables	18	1.894.926	2.114.255
Tax payable		12.278	30.523
Short-term debt	16	5.650.410	5.034.730
Current portion of non-current provisions	17	0	0
Other current liabilities	19	1.050.386	917.987
Current Liabilities		<u>8.608.000</u>	<u>8.097.495</u>
Total Liabilities		<u>16.547.720</u>	<u>15.800.478</u>
Liabilities directly associated with non-current assets held for sale			
Total Equity and Liabilities		<u>22.631.079</u>	<u>21.399.618</u>

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

Income Statement

	Note	1/1- 31/12/2018	1/1- 31/12/2017
Sales	20	12.897.706	11.203.004
Cost of sales	21	-9.035.777	-7.887.323
Gross profit		3.861.930	3.315.681
Administrative expenses	21	-1.945.333	-1.863.691
Distribution expenses	21	-948.631	-855.673
Other income	23	518.994	222.535
Other expenses	24	-283.818	-159.634
Operating profit		1.203.142	659.217
		0	0
Other financial results	25	-4.380	-4.005
Financial expenses	26	-650.095	-628.101
Financial income	26	327	33
Income from dividends		0	0
Share in net profit (loss) of companies accounted for by the equity method		0	0
Profit before income tax		548.994	27.145
Income tax	27	-63.398	-114.311
Profit for the period from continuing operations		485.596	-87.166

Statement of Comprehensive Income

	Σημ.	1/1-31/12/2018	1/1-31/12/2017
Net profit for the period		485.596	(87.166)
Other comprehensive income:			
Amounts that will not be reclassified in the Income Statement			
Remeasurements of defined benefit pension plans	13	1.837	-18.152
Deferred tax on revaluation of accrued pensions	12	-459	5.264
		1.378	-12.888
Amounts that may be reclassified in the Income Statement		0	0
Other comprehensive income for the period after tax		1.378	-12.888
Total comprehensive income for the period after tax		486.973	-100.054

ETPA PACKAGING S.A.
 NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

Statement of Changes in Equity

	Number of shares	Share capital	Share premium	Other reserves
Balance at 31/12/2016	83.645	2.434.070	724.644	1.487.593
Transactions with owners	0	0	0	0
Profit for the period				
Other comprehensive income:				
Re-measurements of defined benefit pension plans				-18.152
Deferred tax on revaluation of accrued pensions				5.264
Other comprehensive income after tax	0	0	0	-12.888
Total comprehensive income for the period after tax	0	0	0	-12.888
Balance at 31/12/2017	83.645	2.434.070	724.644	1.474.705
Balance at 31/12/2017	83.645	2.434.070	724.644	1.474.705
Transactions with owners	0	0	0	0
Profit for the period				
Other comprehensive income:				
Re-measurements of defined benefit pension plans				-1.837
Deferred tax on revaluation of accrued pensions				459
Other comprehensive income after tax	0	0	0	-1.378
Total comprehensive income for the period after tax	0	0	0	-1.378
Balance at 31/12/2018	83.645	2.434.070	724.644	1.473.327

Statement of Cash Flows

	Note	1/1-31/12/2018	1/1-31/12/2017
Cash flows from operating activities			
Profit (loss) before tax from continuing operation		548.994	27.145
Adjustments for:			
Depreciation	3,4	643.639	516.057
Changes in pension obligations	13	22.142	16.968
Provisions	6	-62.131	-28.000
Impairment of assets and other investments	3,4	0	0
(Profit) loss on sale of property, plant and equipment	3,4	1.320	0
(Profit) loss on sale of intangible assets			
Grants amortization	14	-167.316	-164.130
Interest and similar income	26	-327	-33
Interest similar expenses	26	650.095	628.101
Total Adjustments		1.087.423	968.962
Cash flows from operating activities before working capital changes			
		1.636.417	996.108
Changes in Working Capital			
(Increase) / Decrease in inventories		-168.295	-206.083
(Increase)/Decrease in trade receivables		-622.526	-205.252
(Increase)/Decrease in other receivables		388.071	41.614
Increase / (Decrease) in liabilities (excluding banks)		-74.409	44.498
Net (Increase) / Decrease of trading portfolio		-219.329	587.417
		-696.488	262.194
Cash flows operating activities			
		939.928	1.258.302
Interest paid		-641.700	-545.805
Income tax paid		-58.312	-152.613
Net Cash flows operating activities		239.917	559.884
Cash flows from investing activities			
Purchase of property, plant and equipment	3,4	-1.806.681	-1.876.454
Purchase of intangible assets	3,4	0	0
Proceeds from disposal of property, plant and equipment	3,4	24.500	0
Proceeds from disposal of intangible assets			
Interest received		327	33
Grants received		348.486	
Net Cash flow from investing activities		-1.433.369	-1.876.421
Cash flow from financing activities			
Proceeds from borrowings	16	3.269.445	2.239.886
Payments for borrowings	16	-1.557.716	-475.368
Payment of finance lease liabilities	16	-463.884	-305.919
Net Cash flow financing activities		1.247.844	1.458.599
Net (decrease) / increase in cash, cash equivalents and restricted cash			
		54.393	142.063
Cash, cash equivalents and restricted cash at beginning of the period from continuing operations		714.824	572.762
Exchange differences in cash, cash equivalents and restricted cash from continuing operations		0	0
Net cash, cash equivalents and restricted cash at the end of the period from continuing operations		769.217	714.824

1. Brief Description of the Company

ETPA Packaging is the largest Greek company in the field of self-adhesive labels and one of the major companies operating in the field of flexible packaging materials.

The Company operates offices in Athens and Thessaloniki and its production unit is located in the INDUSTRIAL AREA of Komotini. Thus, the Company stays in constant contact with new international trends and technologies in the packaging and printing sector.

The products bearing ETPA PACKAGING prints can be found on the shelves of the largest stores not only in Greek but also in the wider European market.

Each member of the company staff is specialized in his/her field and aims at providing the best possible service to the customers, from the initial conception of a proposal for packaging, to final implementation and after sales support.

Feasibility studies for achieving the best packing costs, creating printed images, prepressed tips and updates to avoid problems during printing, information about various printing methods and analysis of the respective materials, after sales service are some of the benefits enjoyed by the customer of ETPA PACKAGING. The main goal of the company's executives is to achieve close cooperation with the respective departments of its customers in order to create attractive packaging products, which will improve the final product and increase sales.

The continuous development of staff and close monitoring of advanced technologies ensure continued progress and development of the company and make it the major player in its domain.

Significant Dates

1982

The company began its course of development in 1982 in Patras, where it started as a small adhesive label production manufacturer. Restless spirit and creative abilities of its founder led the company to continuously develop, thus surpassing the narrow boundaries of a provincial city like Patras.

1992

Thus, in 1992 the company was transferred to Athens and established its production facility in Kryoneri. The growth continued at a fast pace and the company quickly stood out and gained a leading position in the field.

1995

In 1995, the associate PROMOTION LABELS S.A. was founded in Komotini and a parallel course of the two companies started, lasting for almost 6 years.

2001

The need to reduce operating costs and improve the control of production processes has led to the merger of the two previously mentioned companies during the summer of 2001. Thus the company ETPA – PROVOLI has been created, a company that absolutely dominated in the domain of self-adhesive labels sector and has recorded an on-going upward development till currently.

2011

In 2007, the Company entered the wider area of printed packaging materials, and the rapid empowerment in this area led to its being renamed into ETPA PACKAGING in September 2011.

In its current format, the Company continues its development and remains strong and sound within the difficult business environment currently domination in our country.

BOARD OF DIRECTORS

The Board of Directors of ETPA PACKAGING S.A. comprises the following members:

Ioannis Georgios Drenogiannis	Chairman & CEO
Panagiotis Simos Skoplakis	BoD Member
Nikolaos Antonios Chatziantoniou	BoD Member
Georgios Ioannis Oikonomou	BoD Member
Athanasios Georgios Gkoumopoulos	BoD Member

KEY EXECUTIVES

The Company's Key Executives are as follows:

1. Ioannis Drenogiannis, BoD Chairman, CEO, General manager, Legal Representative
2. Athanasios Gkoumopoulos, BoD Member
3. Nikolaos Chatziantoniou , BoD Member
4. Panagiotis Skoplakis, BoD Member, Chief Financial Officer
5. Georgios Oikonomou, BoD Member, Marketing Director

Quality

Quality is ingrained in the culture of ETPA PACKAGING and ensures its compliance with new and constantly evolving methodologies and standards.

Values such as cooperation and mutual trust regarding all our customers define and express the way the Company operates.

The company is certified to implement a Quality Management System according to the International Standard EN ISO 9001: 2008, Environmental Management according to EN ISO 14001: 2004 + Cor 2009 and is a member of SEDEX for social responsibility, committed through its operating system to provide:

- Traceability throughout the range of prepress, production and distribution.
- Quality Control Procedures defined , executed and controlled by highly qualified personnel 24 hours a day.
- Attention to detail.
- Strict compliance with standards.
- Automatic 100% control of the characteristics of printed products through system Automatic Vision Control, which detects any possible deviation from the standard sample while giving full report on the individual qualities of each work.
- Environmentally friendly production processes and operations to reduce the environmental footprint.
- The only company in Greece with certified packaging products for the German market in compliance with Deutsche Pfand System (DPG).
- Safe and pleasant workplace and strict observance of safety rules in the workplace.
- Fully equipped packaging materials testing laboratory.
- Special process for labels and medical packaging materials in accordance with GMP and GHP regulations, and
- Separate isolated production site for the primary medical materials packaging.

Research and Development department is one of the major advantages of ETPA PACKAGING. Its operation makes it possible for the Company to meet every need of its customers and help them design and develop innovative packaging using specific materials so that the product could gain both - significant competitive advantage and market share.

Services

Apart from printing the visuals delivered ready-made to the customers, ETPA PACKAGING highly specialised staff offers a range of other services, such as:

Guiding customers during the visuals creation, collaborating with them, correcting potential errors, optimizing models and thus, paving the way for perfect printed final product.

Creating models from the very beginning, always in cooperation with the customers.

Amending the existing visuals in a fast, flexible and cost effective way.

Implementing the ideas and meeting the customer needs through proposing new improved packaging products.

Monitoring the developments in the packaging sector in Europe, informing and guiding its customers. ETPA PACKAGING always stands by its customer during the and after sale procedures, monitoring the sound application of labels and other packaging materials and directly providing solutions when necessary.

Products

- Adhesive basic packaging labels
- Booklet Labels
- Multilevel labels
- Security Labels
- Labels Open-close
- Tags without glue rolls
- Shrink sleeves on rolls or pieces
- Flexible packaging
- Aluminum caps and aluminum foil

Facilities

Central Management

Samou Str., 22
Metamorfofi, 144 51
Athens, Greece

Thessaloniki Branch

P . Karolidis str. 36
Kalamaria , 551 33
Thessaloniki, Greece

Factory of Komotini

14TH Block
Industrial Area Komotini 69 100
Komotini, Greece

2. Notes to Financial Statements

The accompanying financial statement of 31/12/2018 have been prepared based on the historical cost principle, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) which have been issued by the International Accounting Standards Board (IASB) and the interpretations which have been issued by the International Financial Reporting Interpretations Committee (IFRIC).

The preparation of the financial statements according to IFRS requires the use of estimates and judgments on applying the Company's accounting policies. Significant estimates of the Management regarding the application of company's accounting methods have been pointed where deemed necessary.

The Company's Board of Directors approved the aforementioned financial statements on July 31, 2019.

2.1 Changes in Accounting Policies

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

The following new Standards, Interpretations and Amendments to 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.

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 will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations.

Effect of application of IFRS 15 "Revenue from Contracts with Customers"

As at January 1, 2018, the Company adopted IFRS 15, applying this Standard retrospectively, with the cumulative effect of the original application recognized on the date of initial application. Therefore, it recognized the cumulative effect of the transition to the account "Retained Earnings" while the comparative amounts were not restated. However, the Company did not have any impact on their profitability or financial position during the first application of IFRS 15, with the result that no adjustment was made to "Retained Earnings".

The Company's revenues come mainly from sale of goods and services. The Company recognize income when (or as) they fulfill a performance commitment by transferring a promised asset or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer acquires control of that asset. The customer acquires control of an asset (good or service) when it can direct its use and receive virtually all the remaining benefits from it.

The amount of revenue recognized is the amount that is allocated to the performance commitment of the contract that has been settled. The performance commitment of the contract can be fulfilled either at a specific time or over time. For over time performance commitments, the Company recognize revenue over time by choosing the most appropriate method to measure progress in fulfilling every performance commitment. Appropriate methods of measuring progress include both output methods and input methods.

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.

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning as at or after 01/01/2018. The Company have applied the new standard from 01/01/2018 retrospectively without reviewing comparative information from previous years. Therefore, the adjustments resulting from the new classification and the new impairment rules do not appear in the Statement of Financial Position as at 31/12/2017 but were recognized in the Statement of Financial Position as at 01/01/2018.

Effect of application of IFRS 9 "Financial Instruments"

Classification and Measurement

In accordance with IFRS 9, financial instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. Classification is based on two criteria:

- the business model for managing a financial asset, meaning, whether the objective is to hold for the purpose of collecting contractual cash flows or collecting contractual cash flows as well as the sale of financial assets; and

- whether the contractual cash flows of the financial asset consist exclusively of capital repayments and interest on the outstanding balance ("SPPI" criterion).

IFRS 9 allows entities the irrevocable choice to measure an equity investment that is not held for trading at fair value through other comprehensive income.

Financial assets at fair value through profit or loss include equity instruments that the Company has not irrevocably chosen to classify in the statement of comprehensive income upon initial recognition or transfer. This category also includes securities whose cash flows do not meet the SPPI criterion or the Company does not own them in the context of a business model for the purpose of collecting contractual cash flows or collecting contractual cash flows and selling them. The profit or loss on financial assets at fair value through income is recognized in the income statement.

Impairment

The adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets as it replaced the treatment of IAS 39 for recognizing realized losses by recognizing the expected credit losses.

Conventional assets and receivables from customers: The Company applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured in an amount equal to the expected credit losses over the lifetime for customer receivables and contractual assets. To determine the expected credit losses in relation to customer receivables, the Company uses a credit loss projection table based on the historical data of the Company for credit losses, adjusted for future factors in relation to the debtors and the financial environment. In particular, to determine the expected credit losses in respect of contractual assets, account shall be taken of the estimated rate of early termination of contracts, the amount of the clauses in the case of early termination and the relative rate of collectability. The provision for impairment for the Company was unchanged for 01/01/2018 and no adjustment were made to "Retained Earnings".

	31/12/2018
Opening Balance 1st January 2018, according to IAS 39	-1.074.125
Adjustment, according to IFRS 9	
Opening Balance 1st January 2018, according to IFRS 9	-1.074.125

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 separate 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 separate 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 separate 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 separate 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 separate 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 does not affect the separate Financial Statements.

2.1.2 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 Company will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2019.

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 Company 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.

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 Company 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 Company 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 Company 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 Company 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 Company will examine the impact of the above on its Financial Statements, though it is not expected to have. 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 Company 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 Company 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 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 Company 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.

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 Company 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.

2.2 Summary of Basic Accounting Policies

The key accounting policies adopted under the preparation of the annual financial statements for the year ended December 31, 2018 are as follows:

Functional and Presentation Currency and Foreign Currency Translation

The functional and presentation currency of the Company is Euro (€). Transactions involving other currencies are converted into Euro using the exchange rates applicable at the time of the transactions. At the balance sheet date, all monetary assets and liabilities, which are denominated in other currencies, are adjusted to reflect the current exchange rates.

Any gains or losses arising from transactions in foreign currency during the period, as well as from translation of monetary assets denominated in foreign currency are recognized in the accompanying statement of comprehensive income.

Property, plant and equipment

Tangible Fixed Assets are stated at historical cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant or equipment consists of its acquisition cost, including import duties and non-refundable purchase taxes, as well as any necessary costs for rendering the asset operational and ready for its intended use.

Subsequent expenses incurred in relation property, plant or equipment are capitalized only when they increase the future economic benefits expected to arise from the operation of the affected assets. All other repair and maintenance expenses etc. are charged to expenses when incurred.

Upon withdrawal or disposal of an asset, the related cost and accumulated depreciation are eliminated from the accounts at the time of withdrawal or disposal and the related gains or losses are recognized in the statement of comprehensive income.

Depreciation is charged to the statement of comprehensive income using the straight-line method throughout the estimated useful life of fixed assets. Land is not depreciated. The estimated useful life of every category of assets is presented below as follows:

Buildings	Up to 40 years
Machinery	12 - 29 years
Vehicles	10 - 15 years
Furniture and other equipment	5 - 10 years

Residual values and useful lives of tangible assets are annually reviewed at every date of preparation of the Statement of Financial Position. When the book value of tangible assets exceeds their recoverable value, the difference (impairment) is recognized as an expense in the statement of comprehensive income.

Intangible Fixes Assets

Software

Computer software pertains to the cost of purchase or self production of software, such as wages,

materials, services, and all expenses incurred during the development of software in order for it to be operational. Expenses that enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital expenditure and are added to the initial cost of the software.

Amortization expenses of software burden the statement of comprehensive income under the straight-line depreciation method throughout their useful life. The estimated useful life is presented below as follows:

Computer software	5 - 10 years
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Impairment of assets

Tangible and intangible assets and other non-current assets are tested for potential impairment loss whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, the corresponding impairment loss is recognized in the statement of comprehensive income. The recoverable amount of an asset is the higher amount between its net selling price and its value in use. Net selling price is the amount obtainable from the sale of an asset at an arm's length transaction between fully knowledgeable parties acting voluntarily, after deducting any direct incremental disposal costs. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If it is not possible to estimate the recoverable amount of an asset for which there is evidence of impairment, then the recoverable amount of the unit generating cash flows to which the asset belongs, is estimated. Impairment losses of assets accounted for in previous years are reversed only when there are sufficient indications that the impairment no longer exists or has been decreased. In these cases, the reversal is recognized as income.

Investment property

Investment property items are acquired for the purpose of receiving profit from rentals and increasing their commercial value. The other owner-occupied property items are used to facilitate the company's operations and for administrative purposes.

Investment property is accounted for as long term investments and is measured at acquisition cost.

Inventory

Inventory is stated at the lower of acquisition cost or production cost and net realizable value. The cost of inventory is calculated based on the weighted average method and contains all the necessary costs incurred in bringing inventory to their current location and state of manufacture and comprises cost of goods, acquisition cost of raw materials, overheads and packaging costs. The net realizable value of goods, finished and unfinished products is their estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary for their sale. The net realizable value of raw materials is the estimated replacement cost in the ordinary course of business. Provision for slow moving or obsolete inventories is made when necessary. As at 31/12/2018, no inventory items were valued at their net realizable value.

Financial Instruments

i) Initial Recognition

A financial asset or financial liability is recognized in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

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

Initially, the Company measures financial assets at fair value. Trade receivables (which do not contain

significant financial assets) are carried at transaction price.

If a financial asset is to be classified and measured at amortized cost or at fair value through comprehensive income, it shall generate cash exclusively pertaining to capital and interest repayments of the initial capital. The business model applied by the Company for the purposes of managing financial assets refers to the way in which it manages its financial capabilities in order to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, disposal of financial assets, or both. Acquisition or disposal of financial assets that require delivery of assets within a timeframe specified by a regulation or a contract is recognized as at the transaction date, i.e. as at the date when the Company makes a commitment to acquire or to dispose of the asset.

ii) Classification and subsequent measurement

To facilitate subsequent measurement purposes, financial assets are classified into the following categories:

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are defined as effective hedging instruments.

Financial assets with cash flows referring not only to capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

b) Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

(1) the financial asset is held in order to maintain financial assets for the purposes of collecting contractual cash flows; and (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortized cost, subsequently apply the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

c) Financial assets at fair value through total comprehensive income

Upon initial recognition, the Company may decide to irrevocably classify its investment participations as equity instruments designated at fair value through total comprehensive income when they meet the definition of equity and are not held for trading. Classification is determined per financial instrument. Profits and losses from these financial assets are never recycled to profits or losses. Equity instruments designated at fair value through total comprehensive income are not subject to impairment test.

iii) Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

iv) Impairment

The Company recognizes provision for impairment for expected credit losses regarding all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive.

Regarding trade receivables, the Company applies simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring

changes in credit risk.

Cash available

Cash available also includes cash equivalents such as sight and short term deposits. Bank overdrafts that are repayable on demand and form an integral part of the management of the company's cash are included, for the purposes of the preparation of the cash flow statement, as a component of cash available.

Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are recorded in equity as a deduction from the proceeds.

During the acquisition of equity shares, the consideration paid, including relevant expenses, is deducted from share capital.

Finance and operating leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are recognized as assets at amounts which at the inception of the lease equal the fair value of the leased asset or if lower, the present value of the minimum lease payments. Lease payments are allocated to financial expenses and reduction of the lease liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance expenses are charged directly to the statement of comprehensive income. The leased assets are amortized over their useful lives.

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. The operating lease payments are recognized as an expense in the statement of comprehensive income on a consistent basis during the lease term.

Income tax (current and deferred)

Current and deferred income tax is calculated based on the relevant financial statements in accordance with the tax laws effective in Greece. Current income tax refers to the tax on the taxable profits of the company as adjusted according to the provisions of tax legislation and is calculated using the current tax rate.

Deferred tax is calculated using the liability method on all temporary tax differences at the date of preparation of the statement of financial position between the tax base and the book value of assets and liabilities.

The expected tax consequences from the temporary tax differences are determined and presented either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets for all deductible temporary differences and tax losses, are carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each date of preparation of the statement of financial position and is reduced to the extent where it is probable that there will be sufficient taxable profits against which part or all of the deferred tax assets will be used.

Current tax assets and liabilities for the current and prior periods are measured as the amount expected to be paid to the tax authorities (or recovered from the tax authorities), using tax rates (and tax legislation) that have been enacted or substantively enacted by the date of preparation of the statement of financial position.

Dividends

Payable dividends are recognized as a liability at the time of their approval by the General Meeting of Shareholders.

Employee benefits provisions

The Company's obligations towards employees in respect of the future payment of benefits

depending on the length of service of every employee is calculated and recorded based on the expected vested benefit of every employee at the date of preparation of the statement of financial position, discounted to present value, in relation to the anticipated time of payment.

The relative liability is calculated based on the financial and actuarial assumptions analytically presented in Note 16 and is determined under the Projected Unit Method. Net pension costs for the period are included in payroll in the accompanying statement of comprehensive income and include the present value of the benefits earned during the period, interest cost on the benefit obligation, past service cost, actuarial gains or losses and any other additional retirement costs. Past service costs are recognized on a consistent basis over the average period until the benefits become vested. Actuarial gains or losses are recognized directly in the total comprehensive income of the period in which they occur and are not transferred to the income statement in subsequent periods. Retirement obligations are not financed.

State insurance plans

Company's employees are covered by the main State Social Insurance Organization of the private sector that provides pension and medical benefits. Every employee is required to contribute part of his/her monthly salary to the fund, while part of the total contribution is covered by the Company. Upon retirement, the pension fund is responsible for paying retirement benefits to the employees. Consequently, the Company has no legal or constructive obligation to pay future benefits under this plan.

Government grants

Government grants are recognized initially at their nominal value when there is reasonable assurance that the grant will be received and that the Company will comply with all the effective terms. Government grants relating to costs are recognized in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate. Government grants pertaining to the acquisition of property, plant and equipment are included in current liabilities as deferred income and are recognized as income and transferred to the statement of comprehensive income during the useful life of the subsidized asset.

Provisions and contingent assets and liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources and the liabilities can be estimated reliably. Provisions are reviewed at each statement of financial position preparation date and are adjusted so that they should reflect the present value of the expenditure expected to be disbursed to settle the obligation. Regarding the provisions that are expected to be settled in the long term, when the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Revenue Recognition

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. The recognition of revenue is done as follows:

- **Sale of goods:** Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of the Company's operations, net of discounts, VAT and other taxes related to sales. The Company recognizes in the income statement the sale of the goods at the moment when the benefits and risks associated with the ownership of those goods are transferred to the client.

- **Provision of services:** Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered.

- **Income Interest:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

Leases

Financing Leasing

Financing leases are treated as borrowings, with the leased assets being recognized as assets of the company (and depreciated), with corresponding recognition of the financial liability to the lessor. The cost of financing is recognized in the statement of comprehensive income as an expense when it accrues.

Operating Leasing

Payments made under operating leases are recognized in the statement of comprehensive income as expenses when the lease is used.

Lease Classification

Leases, for which virtually all of the risks and rewards of the leased item remain with the lessor, are designated as operating leases. The amounts paid to pay the installments of the above leases are recognized in the income statement. Leases that relate to property, plant and equipment for which the Company has substantially all the risks and rewards of the leased fixed assets are classified as finance leases.

2.3 Significant Accounting Estimates and Judgements of the Management

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates.

Judgments and estimates are periodically reviewed and are based on the management prior experience as well as on other factors, including future expectations deemed reasonable under the particular circumstances.

2.3.1 Judgements

Under applying accounting principles, judgments of the management, apart from those involving estimations, which are determined by the management and have the most significant effect on the amounts recognized in the financial statements mainly relate to:

- **Recoverability of receivables**

Allowances for doubtful receivables are based on historical data on recoverability of receivables and take into account the expected credit risk. The method, applied by Company, facilitates calculating the expected credit losses over the life of its receivables. The method is used on past experience, but is adapted in order to reflect projections for the future financial condition of customers and economic environment. Balancing historical data and future financial conditions with the expected credit losses requires applying significant estimates. The amount of the allowance is recognized as an expense in other operating expenses in the income statement.

- **Inventory obsolesce**

Appropriate provisions are made for damaged, obsolete and slow moving inventory. Decrease in the value of inventory to the net realizable value and other losses from inventories are expensed in the period when they occur.

2.3.2 Estimates and assumptions

Certain amounts included in or affecting the financial statements and related disclosures shall be estimated through making assumptions with respect to values or conditions which cannot be known with certainty at the time of preparation of the financial statements. Significant accounting estimates are defined as the estimates significant to the financial position and results of the company and those requiring the management's most difficult, subjective or complex judgments, often as a result of the need to make estimates regarding the effect of matters that are uncertain. The company assesses such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as the projections for the future changes.

Income tax

The Company is subject to income tax applied in various tax regimes. Significant estimates are required under determining provisions for income tax. There are a lot of transactions and calculations for which the accurate tax determination is uncertain in the ordinary course of business. The Company recognizes liabilities for expected tax audit issues based on the regarding the extent to which additional taxes will be due. When the final tax outcome of these matters is different from the amounts that had been initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such amounts have been determined.

Contingent assets and contingent liabilities

The company is involved in litigations and compensation claims in the ordinary course of its business. The Management estimates that no resulting settlements would materially affect the financial position of the Company on December 31, 2018. However, determination of contingent liabilities relating to litigation and claims is a complex process that involves judgments related to the outcomes and interpretation of laws and regulations.

Changes in judgments or interpretations may result in an increase or a decrease in the Company's contingent liabilities in the future.

3.2. Property, plant and equipment under finance lease

The Company's tangible assets are analyzed as follows:

	Machinery	Total
Cost of valuation at1/1/2017	1.317.661	1.317.661
Accumulated depreciation	(77.672)	(77.672)
Net book value1/1/2017	1.239.989	1.239.989
Additions	1.205.679	1.205.679
Depreciation charge	(68.782)	(68.782)
Cost of valuation at31/12/2017	2.523.341	2.523.341
Accumulated depreciation	(146.455)	(146.455)
Net book value31/12/2017	2.376.886	2.376.886

	Machinery	Total
Cost of valuation at1/1/2018	2.523.341	2.523.341
Accumulated depreciation	(146.455)	(146.455)
Net book value1/1/2018	2.376.886	2.376.886
Additions	935.422	935.422
Depreciation charge	(110.288)	(110.288)
Cost of valuation at31/12/2018	3.458.763	3.458.763
Accumulated depreciation	(256.743)	(256.743)
Net book value31/12/2018	3.202.020	3.202.020

The Company's fixed assets are burdened with liens amounting to € 6 million.

4. Intangible assets

	Computer Software	Total
Cost of valuation at1/1/2017	32.546	32.546
Accumulated depreciation	(22.337)	(22.337)
Net book value1/1/2017	10.209	10.209
Depreciation charge	(2.344)	(2.344)
Cost of valuation at31/12/2017	32.546	32.546
Accumulated depreciation	(24.681)	(24.681)
Net book value31/12/2017	7.865	7.865

	Computer Software	Total
Cost of valuation at1/1/2018	32.546	32.546
Accumulated depreciation	(24.681)	(24.681)
Net book value1/1/2018	7.865	7.865
Depreciation charge	(2.344)	(2.344)
Cost of valuation at31/12/2018	32.546	32.546
Accumulated depreciation	(27.026)	(27.026)
Net book value31/12/2018	5.521	5.521

5. Other long-term receivables

The Company's long-term receivables mainly concern the PPC and operating leases guarantees.

	<u>31/12/2018</u>	<u>31/12/2017</u>
Guarrantees	37.946	36.527
Government Grants	270.778	339.692
Others	107.300	137.637
Net book value	<u>416.023,48</u>	<u>513.855,65</u>

6. Inventory

The Company's inventory is analyzed as follows:

	<u>31/12/2018</u>	<u>31/12/2017</u>
Merchandise	623	586
Finished goods	268.576	323.271
Semi-finished products	0	0
Raw materials and other consumables	1.482.976	1.295.683
Work in process	142.471	105.654
Packaging Materials	8.929	10.085
Total	<u>1.903.574</u>	<u>1.735.280</u>
Less: Provisions for scrap,slow moving and/or destroyed inventories for the period	-13.405	-75.536
Net book value	<u>1.890.170</u>	<u>1.659.744</u>

7. Trade receivables

The Company's total trade receivables are analyzed as follows:

	<u>31/12/2018</u>	<u>31/12/2017</u>
Trade receivables	3.168.437	2.781.013
Intercompany accounts receivable	0	0
Notes receivable	0	0
Checks receivable	2.961.524	3.061.200
Trade Receivables from the State	0	0
Less:Impairment Provisions	-990.000	-1.074.125
Net trade Receivables	<u>5.139.960</u>	<u>4.768.088</u>
Advances from suppliers		
Less:Impairment Provisions		
Total	<u>5.139.960</u>	<u>4.768.088</u>

8. Other current assets

The Company's total other assets are analyzed as follows:

	31/12/2018	31/12/2017
Receivables from the State	39.238	464.943
Advances and loans to personnel	57.182	45.685
Prepaid expenses	220.440	194.302
Other Receivables	513	513
Total	317.373	705.444
Less: Impairment Provisions	0	0
Net receivables	317.373	705.444

9. Cash available

Cash available includes cash in hand and the Company's readily available bank deposits analyzed as follows:

	31/12/2018	31/12/2017
Cash in hand	23.758	16.427
Cash equivalent balance in bank	745.460	698.398
Total cash, cash equivalents and restricted cash	769.218	714.825
Cash, cash equivalents and restricted cash in €	765.495	711.213
Cash, cash equivalents and restricted cash in foreign currency	3.722	3.611
Total cash and cash equivalents	769.218	714.825

10. Share Capital

As at 31/12/2018, the Company's share capital amounted to € 2.434.070 and consisted of 83.645 common nominal shares of nominal value 29 Euro each.

11. Other reserves

The Company's reserves are analyzed as follows:

	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
Balance as of 1/1/2017	77.726,55	0,00	1.553.084,04	-143.217,62	0,00	1.487.592,97
Remeasurements of defined benefit pension plans				-12.887,92		-12.887,92
Balance as of 31/12/2017	77.726,55	0,00	1.553.084,04	-156.105,54	0,00	1.474.705,05
Balance as of 1/1/2018	77.726,55	0,00	1.553.084,04	-156.105,54	0,00	1.474.705,05
Deffred Tax				459,25		459,25
Remeasurements of defined benefit pension plans				-1.837,02		-1.837,02
Balance as of 31/12/2018	77.726,55	0,00	1.553.084,04	-157.483,31	0,00	1.473.327,28

12. Deferred tax assets/liabilities

	Balance as of 1/1/2018	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2018	Balance as of 1/1/2017	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2017
Non-Current Assets								
Tangible assets	-968.637	90.058		-878.579	-902.523	-66.115		-968.637
Other Intangible Assets	3.907	-1.502		2.405	5.025	-1.118		3.907
Current Assets								
Inventories	21.905	-18.554		3.351	30.025	-8.120		21.905
Trade and other receivables	93.859	-39.367		54.493	113.369	-19.509		93.859
Non-current liabilities								
Accrued pension and retirement obligations	74.716	-4.770	459	70.405	64.531	15.449	-5.264	74.716
Government grants	323.406	-12.815		310.591	347.777	-24.371		323.406
Net deferred tax asset / (liability)	-450.844	13.050	459	-437.335	-341.797	-103.783	-5.264	-450.844

	31/12/2018		31/12/2017	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Tangible assets	0	878.579	0	968.637
Other Intangible Assets	2.405	0	3.907	0
Inventories	3.351	0	21.905	0
Trade and other receivables	54.493	0	93.859	0
Accrued pension and retirement obligations	70.405	0	74.716	0
Government grants	310.591	0	323.406	0
Total	441.244	878.579	517.793	968.637
Offsetting deferred tax assets and liabilities				
Total	441.244	878.579	517.793	968.637

13. Employee end of service benefit obligations

Changes in the net pension obligation as at 31.12.2018 and 31.12.2017 are as follows:

	31/12/2018		31/12/2017	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Defined benefit obligation	281.619	281.619	257.640	257.640
	281.619	281.619	257.640	257.640

Changes in the present value of the defined benefit obligation are as follows:

	31/12/2018		31/12/2017	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Defined benefit obligation 1 January	257.640	257.640	222.520	222.520
Current Service cost	17.762	17.762	12.963	12.963
Interest expense	4.380	4.380	4.005	4.005
Remeasurement - Actuarial losses (gains) from changes in demographic assumptions	5.239	5.239	13.272	13.272
Remeasurement - actuarial losses (gains) from changes in financial assumptions	(3.402)	(3.402)	4.880	4.880
Defined benefit obligation 31 December	281.619	281.619	257.640	257.640
	0	0	0	0

The significant actuarial assumptions used for the valuation are as follows :

	31/12/2018	31/12/2017
Discount rate at 31 December	1,60%	1,70%
Expected rate of salary increases	2,00%	2,00%
Inflation	2,00%	2,00%
Average life expectancy	EVK 2000	EVK 2000

The amounts recognized in profit or loss related are :

	31/12/2018		31/12/2017	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Current service costs	17.762	17.762	12.963	12.963
Net Interest on the defined obligation	4.380	4.380	4.005	4.005
Total expenses recognized in profit or loss	22.142	22.142	16.968	16.968

The amounts recognized in other comprehensive income in the Statement of Other Comprehensive Income are :

	31/12/2018		31/12/2017	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Actuarial gains /(losses) from changes in demographic assumptions	5.239	5.239	13.272	13.272
Actuarial gains /(losses) from changes in financial assumptions	(3.402)	(3.402)	4.880	4.880
Total income /(expenses) recognized in other comprehensive income	1.837	1.837	18.152	18.152

The effect of changes in the significant actuarial assumptions is as follows :

	discount rate 0,5% (34.331)	discount rate 0,5% 18.837
Increase (decrease) in the defined liability		
	Expected rate of salary increases 0,5% 17.110	Expected rate of salary increases 0,5% (33.137)
Increase (decrease) in the defined liability		

14. Grants

	Investment grants	Total
Balance as of 1/1/2017	1.573.808	1.573.808
Amortization	-164.130	-164.130
Balance as of 31/12/2017	1.409.679	1.409.679
Balance as of 1/1/2018	1.409.679	1.409.679
Amortization	-167.316	-167.316
Balance as of 31/12/2018	1.242.363	1.242.363

15. Other short-term liabilities

	31/12/2018	31/12/2017
Other liabilities	524.814	671.251
Social security insurance	30.297	54.287
Total	555.111	725.538

16. Long-term/Short-term loan liabilities

	31/12/2018	31/12/2017
Long-term borrowings		
Obligations under finance lease	2.420.671	1.441.471
Bank loans with securities	3.598.450	3.900.879
Less: Long-term loans payable in next 12 months	-1.092.073	-1.055.862
Total of long-term loans	4.927.048	4.286.488

	31/12/2018	31/12/2017
Short-term debt		
Obligations under finance lease	495.188	268.827
Bank Overdrafts	4.063.149	3.710.041
More: Long-term loans payable in next 12 months	1.092.073	1.055.862
Total of short-term loans	5.650.410	5.034.730

Borrowings	31/12/2018	31/12/2017
Within 1year	5.650.410	5.034.730
After 1year but not more than 2 years	1.145.104	948.462
After 2 years but not more than 3 years	1.192.859	960.172
After 3 years but not more than 4 years	1.158.181	999.712
After 4 years but not more than 5 years	1.026.331	956.555
More than five years	404.573	421.588
	10.577.458	9.321.219

The effective interest rates that affect the Income Statement are as follows:

	31/12/2018
	€
Long-term borrowings	4,9%
Bank Overdrafts	9,1%
	31/12/2017
	€
Long-term borrowings	5,3%
Bank Overdrafts	7,9%

Obligations under finance lease

	31/12/2018		31/12/2017	
	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Within 1year	495.188	449.361	268.827	215.250
After 1year but not more than 5 years	2.016.099	1.918.694	1.160.818	1.027.953
More than five years	404.573	403.194	280.654	147.789
Total of Future minimum lease payments	2.915.859	2.771.249	1.710.298	1.390.992
Less: Interest expenses	-380.292	0	-299.055	0
Total of Present value of future minimum lease payments	2.535.567	2.771.249	1.411.243	1.390.992

Movement of loan liabilities is presented below:

	Long-term borrowings	Short-term debt	Total
31/12/2017	4.286.488	5.034.730	9.321.219
Cash flow from financing activities			
Proceeds from borrowings	2.169.445	1.100.000	3.269.445
Payments for borrowings	(810.824)	(746.892)	-1.557.716
Payment of finance lease liabilities	(463.884)		-463.884
Interest paid	(320.275)	(321.425)	-641.700
Non-monetary changes			
Off-setting	(468.917)	468.917	0
Financial expenses	535.016	115.079	650.095
31/12/2018	4.927.048	5.650.410	10.577.458
	Long-term borrowings	Short-term debt	Total
31/12/2016	4.048.532	3.731.792	7.780.324
Cash flow from financing activities			
Proceeds from borrowings	1.509.279	730.607	2.239.886
Payments for borrowings	(455.095)	(20.273)	-475.368
Payment of finance lease liabilities	(305.919)		-305.919
Interest paid	(286.836)	(258.969)	-545.805
Non-monetary changes			
Off-setting	(727.224)	727.224	0
Financial expenses	503.752	124.349	628.101
31/12/2017	4.286.488	5.034.731	9.321.219

17. Long-term/Short-term provisions

	Provision for Tax expense for unaudited fiscal years	Total
Balance as of 1/1/2017	55.000	55.000
Additional provisions		0
Balance as of 31/12/2017	55.000	55.000
Short Term Provisions		0
Long Term Provisions	55.000	55.000
	55.000	55.000

	Provision for Tax expense for unaudited fiscal years	Total
Balance as of 1/1/2018	55.000	55.000
Additional provisions		0
Balance as of 31/12/2018	55.000	55.000
Short Term Provisions		0
Long Term Provisions	55.000	55.000
	55.000	55.000

18. Suppliers and other liabilities

The Company's total liabilities to suppliers and other third parties are analyzed as follows:

	31/12/2018	31/12/2017
Suppliers	1.780.809	1.812.364
Checks Payable	114.117	301.891
Total	1.894.926	2.114.255

19. Other short-term liabilities

Accrued and other short-term liabilities are analyzed as follows:

	31/12/2018	31/12/2017
Social security insurance	181.598	170.747
Other Tax liabilities	571.737	597.658
Salaries and wages payable	82.979	69.547
Accrued expenses	23.923	16.877
Others Liabilities	179.426	59.403
Accrued Interest expenses	10.722	3.756
Total	1.050.386	917.987

20. Sales

	1/1-31/12/2018	1/1-31/12/2017
Sales of goods	11.961.031	10.370.412
Income from services provided	936.675	832.592
Total	12.897.706	11.203.004

	1/1-31/12/2018	1/1-31/12/2017
Greece	12.180.799	10.708.289
Other Countries	716.907	494.715
Total	12.897.706	11.203.004

21. Analysis of expenses

	1/1-31/12/2018				1/1-31/12/2017			
	Cost of sales	Administrative expenses	Distribution expenses	Total	Cost of sales	Administrative expenses	Distribution expenses	Total
Wages and Other employee benefits	2,329,987	510,015	430,352	3,270,353	2,160,556	476,163	407,687	3,044,406
Inventory cost	5,769,691			5,769,691	4,843,520	0	0	4,843,520
Tangible Assets depreciation	404,495	117,674	119,127	641,296	272,179	121,051	120,483	513,713
Intangible Assets depreciation	0	2,344	0	2,344	0	2,344	0	2,344
Third party expenses	3,593	1,082,356	17,800	1,103,750	26,418	1,101,826	16,914	1,145,158
Third party benefits	376,321	137,165	85,960	599,446	423,167	51,678	79,094	553,939
Taxes & Duties	421	39,333	9,282	49,036	1,162	38,132	6,242	45,556
Transportation and Other Expenses	151,268	56,447	286,109	493,824	160,300	72,498	225,253	458,051
Total	9,035,777	1,945,333	948,631	11,929,741	7,887,323	1,863,691	855,673	10,606,688

22. Employee Cost

	1/1-31/12/2018	1/1-31/12/2017
Wages and salaries	2,471,777	2,323,327
Social security costs	686,745	651,522
Post employment benefits: defined benefit plans	17,762	12,963
Other staff costs	83,530	56,595
Termination indemnities	10,539	0
Total Staff Costs	3,270,353	3,044,406

	1/1-31/12/2018	1/1-31/12/2017
Number of employees		
workers	93	79
employees	52	50
Total	145	129

23. Other income

	1/1-31/12/2018	1/1-31/12/2017
Grants amortization	167,316	164,130
Income from reversal of unrealized provisions	62,131	28,000
Other income	205,422	29,992
Profit on sale of property, plant and equipment	0	414
Reversal of provisions	84,125	0
Total other operating income	518,994	222,535

24. Other expenses

	1/1-31/12/2018	1/1-31/12/2017
Other fines & augmentation	95,979	36,336
Inventory Disposal	182,024	116,039
Provisions	0	7,149
Other Expenses	5,814	109
Total other operating expenses	283,818	159,634

25. Other financial results

	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
Other financial results	4.380	4.005
Total other financial results	4.380	4.005

26. Financial income / (expenses)

Financial income/expenses are analyzed as follows:

	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
Bank interest	327	33
Total financial income	327	33

	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
Interest expenses from long-term loans	218.363	207.233
Interest expenses from short-term loans	206.346	203.238
Finance charges payable under finance leases and hire purchase contracts	110.307	93.280
Other interest related expenses	115.079	124.349
Total financial expenses	650.095	628.101

27. Income tax

Under the effective tax legislation, the tax rate applicable to Greek entities for financial year 2018 is 29%.

	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
Current income tax	0	0
Deferred income tax	-13.050	114.311
Income tax from previous financial years	76.448	0
Total income tax	63.398	114.311

Profit before income tax	548.994	27.145
Nominal Tax rate	29%	29%
Presumed Tax on Income	159.208	7.872

Adjustments for non taxable income

- Non taxable income	-17.331	
- Offset due to accumulated losses from previous financial years	-60.734	
- Damage of the year for which was not recognized deferred tax asset		60.734

Adjustments for non deductible expenses for tax purposes

- Non tax deductible expenses	55.169	45.705
- Effect on opening deferred income tax of reduction in income tax rates	-69.974	
- Other	-2.941	
Total tax	63.398	114.311

28. Key executives benefits

	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
Salaries & other employees benefits	118.534	116.469
Social security costs	45.829	45.829
 B.O.D. Remuneration		
	1.041.352	1.004.696
Total	<u>1.205.715</u>	<u>1.166.994</u>

	Company	
	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
Number of key management personnel	5	5

29. Related parties transactions

Significant transactions between the Company and its related parties within the meaning of IAS 24, recorded in the current financial year, are as follows (amounts in euro):

Amounts in Euro

	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
Salaries and Social security costs	164.363	162.298
Fees to members of the BoD	1.041.352	1.004.696
Total	<u>1.205.715</u>	<u>1.166.994</u>

Transactions with related parties

Amounts in Euro '000

	Company	
	<u>31/12/2018</u>	<u>31/12/2017</u>
a) Asset accounts		
Trade and other receivables	-	-
Other Receivables	-	-
Total	<u>-</u>	<u>-</u>
 b) Liability accounts		
Other liabilities	2.235	2.258
Total	<u>2.235</u>	<u>2.258</u>
 c) Income		
Inventory sales	-	-
Total	<u>-</u>	<u>-</u>
 d) Expenses		
Third party expenses	1.205.715	1.166.994
Total	<u>1.205.715</u>	<u>1.166.994</u>

There are guarantees of the key shareholder regarding the Company's loans amounting to € 960.000,00.

30. Contingent assets, liabilities and commitments

A) Contingent liabilities from legal cases or arbitration differences

For financial years from 2011 to 2014 inclusively, the Company, under the provisions of § 5, Article 82, Law 2238/1994, was subject to tax inspection of Certified Public Accountants, while since 1/1/2014, Article 65A § 1, Law 4174/2013, has been effective. The Company has not been tax inspected only for financial year 2010.

For financial years 2015 and 2016 the company was subject to tax inspection of Certified Public Accountants under the provisions of Article 65A § 1, Law 4174/2013. Tax audit was completed during financial year 2016 and 2017 respectively and tax certificates were distributed by statutory auditors. For financial year 2017 was audited in accordance with the provisions of article 65A par. 1 Law 4174/2013 and received an Unmodified Tax Compliance Certificate.

For the financial year 2018 the tax audit by the Certified Auditors provided by the provisions of article 65A par. 1 L. 4174/2013 is ongoing and the relevant tax compliance report is foreseen to be issued after the publication of the Financial Statements for the fiscal year 2018. If additional tax liabilities arise before the tax audit is completed, we estimate that they will not have a significant impact on the Company's financial statements.

Should any additional tax obligation arise following the finalization of tax inspection, it is estimated that they will not significantly affect the financial statements. Under recent legislation, tax audit and certificates, for the year 2016 onwards, are optional.

In 2018, tax audit was initiated by the authorities of the Ministry of Finance for the years 2014-2016 and are expected to be completed within the current year. Management estimates that the additional tax liabilities that will arise will not exceed the already estimated provision.

B) Commitments, guarantees and liens

	1/1- 31/12/2018	1/1- 31/12/2017
Finance lease commitments		
Within one year	495.188	268.827
After one year but not more than five years	2.016.099	1.160.818
More than five years	404.573	280.654
Total finance lease commitments	2.915.859	1.710.298
Operating lease commitments		
Within one year	26.421	27.129
After one year but not more than five years	41.770	59.994
More than five years	0	0
Total operating lease commitments	68.191	87.123
Encumbrances		
Mortgages on tangible assets	6.000.000	6.000.000
Total encumbrances	6.000.000	6.000.000

31. Risk management policies

Financial risks management

The Company is exposed to various financial risks, the main of which have to do with the price fluctuation risk, credit risk, liquidity risk and cash flows risk. The relevant risk management policies of the company aim at minimizing the negative effects that such risks may have on the company's financial position and performance.

Risk management is carried out by the Finance Department of the Company and the relevant policies are approved by the Board of Directors. The financial risk management involves recognition, assessment and hedging financial risks in close cooperation with the operating units of the Company.

Price fluctuation risk:

There are contracts with customers and suppliers of 1-1,5 years maturity.

Changes in the suppliers price can be directly passed on to customers as long as the differences in basic Raw Material are substantial, such as the global oil prices.

Cash flows risk:

The company capitalizes its assets earlier in respect of customers cheques in the context of financing lines for working capital and by assigning invoices to a factoring company under the relative contract.

Interest rate sensitivity

The company faces the risk arising from interest rate fluctuations as far as its loan liabilities are concerned. As at 31/12/2018, total loan liabilities pertain to floating rate loans. The Management constantly monitors interest rates fluctuations and the Company's financial needs and assesses, on case basis, the term of loans and the balance between fixed and adjusted interest rates.

Credit risk:

Credit risk, to which the Company is exposed, arises from cash available and bank deposits as well as from credit exposures to the clients, including significant receivables and transactions.

New clients credit rating is examined, while as far as the existing clients are concerned, their credit ranking is periodically assessed in cooperation with Tiresias and ICAP. Moreover, the Company collaborates with the DAS regarding the issues of small and medium customers' past due balances as well as with the lawyer regarding the issues of large customers' past due balances.

	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
<i>Financial Assets</i>		
Cash, cash equivalents & restricted cash	769.218	714.825
Trade and other receivables	5.139.960	4.768.088
Σύνολο	5.909.178	5.482.912

Financial assets past due but not impaired

	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2017</u>
Not more than 3 months	2.236.434	2.436.044
More than 3 months but not more than 6 months	2.847.034	2.348.410
More than 6 months but not more than 1 year		
More than 1 year	56.492	(16.367)
Σύνολο	5.139.960	4.768.088

Moreover, the Company allocates part of its receivables (factoring) to ensure immediate liquidity through risk reduction and without it.

Liquidity risk

Liquidity risk is linked to the need for adequate financing of the Company's activity and growth. The relevant liquidity needs are managed through careful monitoring of daily transactions.

The working capital of the company is negative by € 491 thousand. This is temporary as in short-term debt is included the amount of € 1 million which has been refinanced on 23/07/2019 for one year.

With the support of its main shareholder, through a collateral in his private estate amounting to € 960 k, the management of the company considers the negative working capital to be temporary and company will be able to meet its short-term business needs by 2019, through the cash inflows from its operation.

Following the table of maturities of financial liabilities for December 31, 2018 and 2017 respectively

	1/1-31/12/2018				1/1-31/12/2017			
	Short-term		Long-term		Short-term		Long-term	
	Less than 6 months	6 - 12 months	6 με 12 μήνες	Over 5 years	Less than 6 months	6 - 12 months	6 με 12 μήνες	Over 5 years
Long-term borrowing	546.037	546.037	2.506.377	-	527.931	527.931	2.704.083	140.934
Liabilities relating to operating lease agreements	247.594	247.594	2.016.099	404.573	134.414	134.414	1.160.818	280.654
Trade payables	1.894.926	-	-	-	2.114.255	-	-	-
Other short-term-long-term liabilities	1.050.386	-	555.111	-	917.987	-	725.538	-
Short-term borrowing	4.063.149	-	-	-	3.710.041	-	-	-
Total	7.802.091	793.630	5.077.587	404.573	7.404.628	662.345	4.590.439	421.588

Equity management policies and procedures

The Company's objectives in respect of equity management are as follows:

- to facilitate the Company's going concern,
- to ensure satisfactory return for its shareholders
- to apply pricing policies proportionally with the risk level.

The Company monitors the equity based on the amounts of equity plus subordinated loans less cash and cash equivalents, as presented in the Statement of Financial Position. Regarding financial year 2018 and 2017, equity is analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Total equity	6.083.359	5.599.141
Subordinated loans	4.063.149	3.710.041
Less: Cash and cash equivalents	(769.218)	(714.825)
Capital	9.377.290	8.594.357
Total equity	6.083.359	5.599.141
Plus Total Debt	10.577.458	9.321.219
Total Funds	16.660.817	14.920.359
Capital to Funds	1,78	1,74

32. Post Balance Sheet Events

In addition to the events already mentioned, there are no subsequent events in the financial statements that relate to the company that are required by International Financial Reporting Standards.

Metamorphosi, July 31 2019

**THE CHAIRMAN OF THE BoD AND
CHIEF EXECUTIVE OFFICER
IOANNIS NTRENOGIANNIS**

**THE CHIEF
FINANCIAL
OFFICER**

**PANAGIOTIS
SKOPLAKIS**



**THE CHIEF
ACCOUNTANT**

**AGAMEMNON
STAVROPOULOS**

