

**ETPA PACKAGING S.A.
SEPARATE FINANCIAL STATEMENTS
FOR FINANCIAL YEAR ENDED AS AT DECEMBER 31, 2019
UNDER THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS),
ADOPTED BY THE EUROPEAN UNION**

The accompanying Financial Statements were approved by the Board of Directors of ETPA PACKAGING S.A. as of July 31st, 2020 and have been published on the Company's website **www.etpapakaging.com**.

It is noted that the published financial items and information arising from the financial statements 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, the financial performance as well as cash flows of the Company, according to the International Financial Reporting Standards.

**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.

Opinion

We have audited the accompanying financial statements of ETPA PACKAGING S.A. (the Company), which comprise the statement of financial position as at December 31st, 2019, 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 December 31st, 2019, 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, within our entire appointment, 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 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 150, Law 4548/2018, and its content corresponds to the accompanying financial statements for the year ended as at 31.12.2019.
- 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 July 2020
The Certified Public Accountant



Athanasia Kourti
I.C.P.A. Reg. No.: 52251



Chartered Accountants Management Consultants
58, Zefirou str., 175 64 Patisia Patisia, Greece
Registry Number SOEL 127

Annual Report of the Board of Directors of ETPA PACKAGING S.A. for financial year 1/1-31/12/2019

Dear Shareholders,

According to the provisions of Law 2190/1920 as amended as of 1-1-2019, by articles 150-154 of Law 4548/2018, we are submitting the current Annual Report of the Board of Directors for the 22nd fiscal year of the Company ETPA PACKAGING S.A. (1/1/2019-31/12/2019). The present financial year is the fourth year when the Company publishes the financial statements in accordance with the International Financial Reporting Standards (IFRS).

The current Report provides a summary of financial information in respect of 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 2019 and the summarized financial results are as follows::

Sales: In 2019, the Company's sales stood at € 14,9 m versus € 12,9 m in 2018, increased by 15,5%.

Gross Profit: In 2019, the Company's gross profit stood at € 4,19 m versus € 3,86 m in 2018 increased by 8,6%.

Administrative expenses: In 2019, the Company's administrative expenses stood at € 2,01 m versus € 1,95 m in the previous year, increased by 3,54%.

Distribution expenses: Distribution expenses were decreased by 6,89% from € 949 k in 2018 to € 883 k in 2019.

EBITDA: In 2019, the Company's earnings before interest, taxes depreciation and amortization stood at € 1,72 m, versus € 1,85 m in the previous year.

Profit before tax: In 2019 profit before tax stood at € 193 k versus € 549 k in the previous year.

Net profit after tax: In 2019, the Company recorded profit after tax amounting to € 124 k versus €486 k in the previous year.

Other financial ratios

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

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2019

	31/12/2019	31/12/2018
LIQUIDITY RATIOS		
Current Ratio	0,97	0,94
Average Collection Period (days)	134,02	140,20
Average payment period (days)	-68,17	-80,98
Inventory turnover (days)	-62,73	-71,70
Asset Turnover	0,64	0,57
EFFICIENCY RATIOS		
Gross Margin	28,14%	29,94%
Profit Margin	0,83%	3,76%
Return on equity	1,99%	7,98%
Capital Structure		
Equity to Total Assets	26,59%	26,88%
Debt to Equity	36,22%	36,76%
Equity to Assets	46,86%	44,56%

Finally, it is noted that the Company in the context of its operation, in addition to its registered office in Metamorphosi Attica and the factory in Komotini, maintains a branch in Thessaloniki and an office in Chania.

B. Environmental issues

The Company believes in the coexistence of entrepreneurship with human and natural environment. We fully understand our responsibilities towards environmental protection and the local society. Therefore, 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 effectively in applying of the best available technologies and practices in order 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, products and methods of production,
- 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 & Social Issues

It is the company's policy 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:

- Minimizing pollution in Air, Water and Earth
- Recognizing and responding to the demands of society and customers in relation to products and operations.
- Complying with all relevant Greek and European laws and requirements of the SMETA ver.6 standard for Occupational Health and Safety and the Environment.
- Controlling and observing working hours in accordance with Greek law
- Informing and advise customers about the proper and safe use of its products
- Is a member of SEDEX under the number S00000062198 to promote Ethical Business.

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2019

- Selecting 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 respects human rights and is committed to identifying and preventing any action that is contrary to human rights in relation to business activities, through due diligence and preventive compliance procedures.

Moreover, the Company recognizes its influence on the communities, in which it operates. It is committed to collaborating with partners in these societies to ensure that their views are taken into account, learning from them as the Company conducts its business. Where necessary, it is committed to engaging in dialogue with partners on human rights issues related to its activities. The Company believes that local issues are more appropriately addressed locally. It is also committed to creating economic opportunities and promoting a climate of goodwill in the societies in which it operates.

D. Significant events that occurred during the closing year

In 2019, 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. Moreover, the Company submitted and completed the investment plan under the new Investment Law 4399/2016 on the supply of modern equipment that replaced older technology and lower-cost equipment.

E. Prospects and objectives for 2020

In 2020, the company is expected to present an increase in turnover, profitability, and EBITDA as the production capacity of production lines has not been exhausted and the flexibility of state-of-the-art machinery allows fast and efficient service of any kind of order, no matter how demanding.

Finally, in 2020, the Company has started the implementation of the new investment plan amounting to € 1 million with financial leasing, within the framework of investment law 4399/2016, for the supply of equipment that will provide additional production capacity suitable for undertaking a large volume and high quality order demands from international as well as domestic large and extroverted customers, expanding its customer base.

F. Risks and uncertainties

Financial risks management

The Company is exposed to various financial risks, the main of which is 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 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.

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 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 € 247 k.

With the support of its main shareholder, through a collateral in his private estate amounting to €

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2019

960 k, the management of the company considers the negative working capital to be temporary and the company will be able to meet its short-term business needs by 2020, through the cash inflows from its operation.

Cash flows risk:

The company liquidates its assets earlier in respect of customers cheques in the context of financing lines for working capital, assigning invoices to a factoring company under a respective agreement.

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:

Liability accounts	31/12/2019	31/12/2018
Other liabilities	2.241	2.235
Total	2.241	2.235
Expenses	31/12/2019	31/12/2018
Third party expenses	1.200.740	1.205.715
Total	1.200.740	1.205.715

All kinds of remuneration of members of the Management and the Company's Key Executives during financial year 1/1-31/12/2019 amounted to € 1.200.740. As at 31/12/2019, the Company has no receivables from the members of the Board of Directors and the Key Executives.

Metamorphosi, 31 July 2020

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

Ioannis Drenogiannis

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2019

Statement of Financial Position

Assets	Notes	31/12/2019	31/12/2018
Non-Current Assets			
Tangible assets	3	13.225.260	13.651.570
Other Intangible Assets	4	3.177	5.521
Other non current assets	5	303.921	416.023
Deferred tax asset	12	535.524	441.244
Non-Current Assets		14.067.881	14.514.359
Current Assets			
Inventories	6	1.789.653	1.890.170
Trade and other receivables	7	5.800.547	5.139.960
Other current assets	8	573.679	317.373
Cash, cash equivalents & restricted cash	9	1.075.868	769.218
Current Assets		9.239.747	8.116.721
Total Assets		23.307.628	22.631.079
Equity and Liabilities			
Equity			
Share capital	10	2.434.070	2.434.070
Share premium	10	724.644	724.644
Other reserves	11	1.463.426	1.473.327
Retained earnings		1.451.318	965.722
Profit for the period		123.608	485.596
Equity attributable to owners of the Parent		6.197.065	6.083.359
Non-current liabilities			
Deferred tax liability	12	918.033	878.579
Accrued pension and retirement obligations	13	306.116	281.619
Government grants	14	1.114.045	1.242.363
Long-term borrowings	16	4.845.946	4.927.048
Non-Current Provisions	17	55.000	55.000
Other long-term liabilities	15	384.541	555.111
Non-current liabilities		7.623.680	7.939.721
Current Liabilities			
Trade and other payables	18	2.103.877	1.894.926
Tax payable		121.481	12.278
Short-term debt	16	5.558.514	5.650.410
Other current liabilities	19	1.703.011	1.050.386
Current Liabilities		9.486.883	8.608.000
Total Liabilities		17.110.563	16.547.720
Total Equity and Liabilities		23.307.628	22.631.079

Notes on pp. 14 - 42 constitute an integral part of these financial statements.

ETPA PACKAGING S.A.NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2019**Income Statement**

	Note	1/1- 31/12/2019	1/1- 31/12/2018
Sales	20	14.897.551	12.897.706
Cost of sales	21	-10.705.252	-9.035.777
Gross profit		4.192.299	3.861.930
Administrative expenses	21	-2.014.154	-1.945.333
Distribution expenses	21	-883.303	-948.631
Other income	23	168.939	518.994
Other expenses	24	-531.570	-283.818
Operating profit		932.210	1.203.142
Other financial results	25	-4.356	-4.380
Financial expenses	26	-734.979	-650.095
Financial income	26	514	327
Profit before income tax		193.390	548.994
Income tax	27	-69.782	-63.398
Profit for the period from continuing operations		123.608	485.596

Notes on pp. 14 - 42 constitute an integral part of these financial statements.

ETPA PACKAGING S.A.NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2019**Statement of Comprehensive Income**

	Note	1/1- 31/12/2019	1/1- 31/12/2018
Net profit for the period		123.608	485.596
Other comprehensive income:			
Amounts that will not be reclassified in the Income Statement			
Remeasurements of defined benefit pension plans	13	13.028	1.837
Deferred tax on revaluation of accrued pensions	12	-3.127	-459
		9.901	1.378
Amounts that may be reclassified in the Income Statement			
Other comprehensive income for the period after tax		9.901	1.378
Total comprehensive income for the period after tax		133.509	486.973

Notes on pp. 14 - 42 constitute an integral part of these financial statements.

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2019

Statement of Changes in Equity

	Number of shares	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 31/12/2017	83.645	2.434.070	724.644	1.474.705	965.722	5.599.141
Issue of share capital						0
Profit for the period						
Other comprehensive income:						
Remeasurements of defined benefit pension plans	13			-1.837		-1.837
Deferred tax on revaluation of accrued pensions	12			459		459
Other comprehensive income after tax		0	0	-1.378	0	-1.378
Total comprehensive income for the period after tax		0	0	-1.378	485.596	485.596
Balance at 31/12/2018	83.645	2.434.070	724.644	1.473.327	1.451.318	6.083.359

	Number of shares	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 31/12/2018	83.645	2.434.070	724.644	1.473.327	1.451.318	6.083.359
Dividends						0
Profit for the period						
Other comprehensive income:						
Remeasurements of defined benefit pension plans	13			-13.028		-13.028
Deferred tax on revaluation of accrued pensions	12			3.127		3.127
Other comprehensive income after tax		0	0	-9.901	0	-9.901
Total comprehensive income for the period after tax		0	0	-9.901	123.608	113.707
Balance at 31/12/2019	83.645	2.434.070	724.644	1.463.426	1.574.926	6.197.066

Notes on pp. 14 - 42 constitute an integral part of these financial statements.

Statement of Cash Flows

	Note	1/1- 31/12/2019	1/1- 31/12/2018
Cash flows from operating activities			
Profit (loss) before tax from continuing operation		193.390	548.994
Adjustments for:			
Depreciation	3,4	783.733	643.639
Changes in pension obligations	13	11.468	22.142
Provisions	6	100.000	-62.131
Impairment of assets and other investments	3,4	0	0
(Profit) loss on sale of property, plant and equipment	3,4	8.099	1.320
Grants amortization	14	-128.319	-167.316
Interest and similar income	26	-514	-327
Interest similar expenses	26	612.839	650.095
Total Adjustments		1.387.306	1.087.423
Cash flows from operating activities before working capital changes		1.580.696	1.636.417
Changes in Working Capital			
(Increase) / Decrease in inventories		517	-168.295
(Increase)/Decrease in trade receivables		-548.484	-622.526
(Increase)/Decrease in other receivables		-256.307	388.071
Increase / (Decrease) in liabilities (excluding banks)		485.432	-74.409
Net (Increase) / Decrease of trading portfolio		208.951	-219.329
		-109.890	-696.488
Cash flows operating activities		1.470.806	939.928
Interest paid		-644.637	-641.700
Income tax paid		-15.656	-58.312
Net Cash flows operating activities		810.514	239.917
Cash flows from investing activities			
Purchase of property, plant and equipment	3,4	-196.990	-1.806.681
Purchase of intangible assets	3,4	0	0
Proceeds from disposal of property, plant and equipment	3,4	4.708	24.500
Interest received		514	327
Grants received		0	348.486
Net Cash flow from investing activities		-191.767	-1.433.369
Cash flow from financing activities			
Proceeds from borrowings	16	8.049.161	3.269.445
Payments for borrowings	16	-7.774.851	-1.557.716
Payment of finance lease liabilities	16	-586.406	-463.884
Net Cash flow financing activities		-312.097	1.247.844
Net (decrease) / increase in cash, cash equivalents and restricted cash		306.650	54.393
Cash, cash equivalents and restricted cash at beginning of the period from continuing operations		769.217	714.824
Net cash, cash equivalents and restricted cash at the end of the period from continuing operations		1.075.867	769.217

Notes on pp. 14 - 42 constitute an integral part of these financial statements.

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 currently difficult business environment.

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
Metamorfosi, 144 51
Athens, Greece

Thessaloniki Branch

P . Karolidis str. 36
Kalamaria , 551 33

Thessaloniki, Greece

Chania Branch

Markou Botsari 121
Chania, 73135, Greece

Factory of Komotini

14TH Block
Industrial Area Komotini 69 100
Komotini, Greece

2. Framework for the preparation of the Financial Statements

2.1 Basis for Preparation

The present annual separate financial statements of ETPA PACKAGING S.A. as of 31/12/2019, covering the period 1.1.2019 – 31.12.2019, have been prepared 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), which are related to the operations of the Company and are valid on the date of preparation of the Financial Statements, as adopted by the Commission of the European Union.

The Financial Statements have been prepared in accordance with the principle of historical or deemed cost, accrual accounting, uniformity, presentation, materiality of the items and the principle of accrued income and expenses.

Moreover, the financial statements have been prepared in accordance with the going concern principle. The impact of the COVID 19 pandemic has been fully addressed to date, due to the company's customer base, which mainly pertains to supermarket addressed producers, a sector that did not join the government's mandatory lockdown in dealing with the pandemic. The Company's Management constantly evaluates all the new data, takes measures to reduce the impact of the pandemic on its operation, as part of the interest rate subsidy program of existing loans affected by COVID 19 SMEs (based on KAD) and securing working capital with the guarantee of the Business Guarantee Fund COVID-19 of the Hellenic Development Bank.

The company examined the going concern principle through a review of its budgets and cash flows for at least one year from the date of preparation of the financial statements of 2019, and concluded that it has sufficient resources to facilitate its going concern.

All reviewed or newly issued Standards and interpretations that are applicable to the Company and are effective on 31/12/2019 were taken into account for the preparation of the financial statements of the current year to the extent they were applicable.

The preparation of the Financial Statements in accordance with the Generally Accepted Accounting Principles requires conduct of estimates and assumptions, which may affect both the accounting balances of the assets and liabilities, as well as the required disclosures for contingent assets and liabilities at the date of preparation of the Financial Statements, as well as the amount of income and expenses recognized during the reporting period. The use of adequate information and the application of subjective judgment are integral elements in conducting asset valuations, classifying financial instruments, impairing receivables, providing income tax and pending litigation. Actual future results may differ from the aforementioned estimates.

The accompanying financial statements of the Company were approved by the Company's Board of Directors on July 31, 2020.

2.2 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 of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2019.

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 new Standard affects separate Financial Statements (see note 2.4)

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 new Interpretation does not affect the separate Financial Statements.

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 amendments do not affect the separate Financial Statements.

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 amendments do not affect the separate Financial Statements.

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 amendments do not affect the separate Financial Statements.

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 amendments do not affect the separate Financial Statements.

2.3 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.

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. The above have been adopted by the European Union with effective date of 01/01/2020.

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. The above have been adopted by the European Union with effective date of 01/01/2020.

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. The above have been adopted by the European Union with effective date of 01/01/2020.

Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (effective for annual periods starting on or after 01/01/2020)

In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. 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 01/01/2020.

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 been adopted by the European Union with effective date of 01/01/2020.

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.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01/01/2022)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

2.4 Change in Accounting policy due to IFRS 16

The Company adopted IFRS 16 "Leases" from January 1, 2019. IFRS 16 introduces a single model for recognition of leases in financial statements. In adopting the standard, the Company as a lessee recognizes in the statement of financial position rights-of-use assets and lease liabilities, as at the date when the leased assets become available for use. The accounting treatment of leases for lessors remains the same as in IAS 17.

The Company applied IFRS 16 using the simplified transition method. According to this method, the standard is applied retrospectively with the cumulative effect of its application being recognized on January 1, 2019. According to the above, the comparative information of 2018 has not been restated and is presented in accordance with IAS 17. Changes in accounting policies regarding leases are analyzed below.

A. As lessee

The Company leases various assets such as buildings, vehicles and machinery and other equipment. As a lessee, under the previous accounting policy, the Company classified leases as operating or finance based on the assessment of whether all the risks and benefits associated with the ownership of an asset are transferred, irrespective of the the final transfer of the ownership of this asset. According to IFRS 16, the right-of-use assets and lease liabilities are recognized for most of the leases to which the lessee is contracted, except for low value leases, whose payments were recorded on a straight-line basis in the income statement over the lease term.

Leases previously classified as finance leases

The Company did not change the pre-existing book values of property, plant and equipment and Loan finance liabilities, during the first application of IFRS 16 for leases that were classified as finance leases. The provisions of IFRS 16 have been applied to these leases from 1 January 2019.

Leases previously classified as operating leases

The Company recognized rights-of-use fixed assets and finance leases for contracts previously classified as operating leases, except leases expiring in less than 12 months, whose payments were recorded under a straight-line method over the lease term.

The recognized rights-of-use assets are related to the following categories of assets and are presented in the item "Property, plant and equipment":

	<u>31/12/2019</u>	<u>01/01/2019</u>
Right-of-use Buildings	26.169	31.403
Right-of-use Vehicles	99.800	134.781
Right-of-use Other Equipment	1.440	4.711
Total rights-of-use	127.409	170.895

The Company presents the lease liabilities in the items "Long-term loan liabilities" and "Short-term loan liabilities" in the Statement of Financial Position.

Significant accounting policies:

Leases are recognized in the Statement of Financial Position as a right-of-use asset and lease liability as at the date when the leased asset becomes available for use. Each lease is allocated between the lease liability and interest, which is charged to profit or loss over the lease term to succeed a fixed interest rate for the balance of the financial liability in every period. Right-of-use assets are initially measured at cost, and then reduced by the amount of accumulated amortization and any impairment. The right-of-use is depreciated in the shortest period between the useful life of the asset or its lease term, under the straight line method. The initial measurement of right-of-use assets consists of:

- the amount of the initial measurement of the lease obligation,
- lease payments made on or before the commencement date, decreased by the amount of discounts or other incentives offered,
- initial costs, which are directly related to the lease,
- rehabilitation costs. Finally, they are adjusted to specific remeasurements of the respective lease obligation.

Lease liabilities are initially measured at present value of the leases than are not paid at the commencement of the lease. They are discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined by the contract, using the incremental borrowing rate (IBR). The incremental borrowing rate is the cost that the lessee would have to pay in order to borrow the necessary capital to acquire an

asset of similar value as that of the leased asset, in a similar economic environment and under similar terms and conditions.

Lease liabilities include the net present value of:

- fixed lease payments (including "in-substance" fixed lease payments;
- variable lease payments that depend on an index;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the lessor is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessor exercising an option to terminate the lease.

After their initial measurement, the lease liabilities increase by their financial cost and decrease by the lease payment. Finally, they are remeasured when there is a change in:

- a. leases due to a change in an index,
- b. in estimating the amount of residual value expected to be paid, or
- c. in the evaluation of a purchase or extension option, which is relatively certain to be exercised, or a termination option, which is relatively certain not to be exercised.

In the Statement of Financial Position, the right-of-use assets are included in the item "Property, plant and equipment" while the lease liabilities are presented in the item "Long-term Loan Liabilities", and "Short-term Loan Liabilities" respectively.

Under the transition, the Company used the following practical facilities provided by IFRS 16 for leases, were classified as operating, in accordance with IAS 17:

- Use of prior assessments made under application of IAS 17 and IFRIC 4 Interpretation to determine whether a contract includes a lease, or whether a contract is a lease at the date of initial application.
- Use of the accounting treatment of operating leases for leases that have a term of less than 12 months as at January 1, 2019.
- Use of a single discount rate in a lease portfolio with similar characteristics.
- Exemption of initial direct costs for measuring the right-of-use fixed assets at the date of the first application.

B. As lessor

When property, plant and equipment are leased under a finance lease, the present value of the leases is recognized as a receivable. The difference between the gross amount of the receivable and the present value of the receivable is recognized as deferred financial income. Lease income is recognized in profit or loss on the lease using the net investment method, which represents a fixed periodic return. The Company is not a counterparty as a lessor.

C. Effect on the Financial Statements

The effect of the adjustments to the financial sizes of the Company from the application of the new IFRS 16 Standard "Leases" is analyzed below:

Property, plant and equipment:

As at 31/12/2019, as a result of the first application of IFRS 16, in relation to the leases, previously classified as operating or finance, the Company recognized € 170,895 right-of-use assets and € 170,895 lease liabilities. In addition, in relation to the above leases, the Company recognized amortization and financial expenses versus lease expenses. For the annual period ended 31/12/2019, the Company recognized € 43,486 amortization and € 11,102 financial expenses.

	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
Cost of valuation at1/1/2019	0	4.193.763	0	0	4.193.763
Effect of IFRS 16	31.403		134.781	4.711	170.895
Accumulated depreciation	0	(317.993)	0	0	(317.993)
Net book value1/1/2019	31.403	3.875.770	134.781	4.711	4.046.665
Additions	0	152.902	0	0	152.902
Depreciation charge	(5.234)	(266.457)	(34.981)	(3.272)	(309.943)
Cost of valuation at31/12/2019	31.403	4.346.665	134.781	4.711	4.346.665
Accumulated depreciation	(5.234)	(584.449)	(34.981)	(3.272)	(627.936)
Net book value31/12/2019	26.169	3.762.215	99.800	1.440	3.718.729

Loan Liabilities of Finance Leases:

Effect of IFRS16 adoption within the period	
Operating lease commitments disclosed on December 31, 2018	68.191
(Less): Leases outside the scope of IFRS 16	1.135
(Less): Short-term leases	0
Add / (Less): Other adjustments	9.000
Total	58.056
New Contracts	150.385
Interest	11.102
Total Commitments	170.895
Weighted average incremental borrowing rate	6,50%
Non current leasing liabilities	134.583
Current leasing liabilities	36.312
Total leasing liabilities at 1/1/2019	170.895

The analysis of lease liabilities for the following years as well as the recognized right-of-use of assets per asset category is as follows:

	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Lease liabilities	47.516	114.728	0	162.244
Less: Finance Cost	(11.264)	(15.604)	(0)	(26.867)
Total Present Value of future payments	36.252	99.124	0	135.376

2.5 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 financial statements preparation date, all monetary assets, equity 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, as well as from translation of monetary assets denominated in foreign currency are recognized in the accompanying statement of comprehensive income.

2.6 Property, plant and equipment

Tangible Fixed Assets are recorded in the financial statements at their acquisition values.

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 to 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 for the year when incurred.

Upon withdrawal or disposal of an asset, the related cost and accumulated depreciation are eliminated from the corresponding 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 depreciation method throughout the entire 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.

2.7 Intangible fixed 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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2.8 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.

2.9 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 the Company's operations. Provision for slow moving or obsolete inventories is made when necessary. As at 31/12/2019, no inventory items were valued at their net realizable value.

2.10 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 flows 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 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.

2.11 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 statement of cash flows, as a component of cash available.

2.12 Share Capital

Common shares are classified as 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 equity.

2.13 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.

2.14 Dividends

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

2.15 Provisions for employee benefits

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.

2.16 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.

2.17 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.

2.18 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.

2.19 Revenue recognition

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Revenue is recognized 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 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.

- **Interest Income:** 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.

2.20 Significant accounting judgements, estimates and assumptions

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.

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 obsolescence**

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

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, 2019. 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. Property, plant and equipment

3.1. The company's tangible fixed assets

The Company's tangible fixed assets are analyzed as follows:

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
Cost of valuation at1/1/2018	1.029.693	8.630.974	9.562.430	173.570	861.292	20.257.958
Accumulated depreciation	0	(2.177.910)	(4.821.271)	(111.940)	(634.833)	(7.745.954)
Net book value1/1/2018	1.029.693	6.453.064	4.741.159	61.630	226.459	12.512.004
Additions	0	21.060	1.677.362	69.000	39.259	1.806.681
Disposals	0	0	(2.012)	(23.807)	0	(25.820)
Depreciation charge	0	(216.130)	(357.686)	(13.152)	(54.328)	(641.296)
Cost of valuation at31/12/2018	1.029.693	8.652.034	11.239.792	218.762	900.551	22.038.820
Accumulated depreciation	0	(2.394.040)	(5.180.969)	(125.091)	(689.161)	(8.387.249)
Net book value31/12/2018	1.029.693	6.257.994	6.058.823	93.671	211.390	13.651.570

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
Cost of valuation at1/1/2019	1.029.693	8.652.034	11.239.792	218.762	900.551	22.040.832
Effect of IFRS 16	0	31.403	0	134.781	4.711	170.895
Accumulated depreciation	0	(2.394.040)	(5.180.969)	(125.091)	(689.161)	(8.389.262)
Net book value1/1/2019	1.029.693	6.289.397	6.058.823	228.452	216.101	13.822.466
Additions	0	5.100	160.733	0	31.157	196.990
Disposals	0	0	0	(12.807)	0	(12.807)
Depreciation charge	0	(221.545)	(452.451)	(47.474)	(59.918)	(781.389)
Cost of valuation at31/12/2019	1.029.693	8.688.537	11.400.525	340.736	936.419	22.395.910
Accumulated depreciation	0	(2.615.585)	(5.633.421)	(172.566)	(749.079)	(9.170.650)
Net book value31/12/2019	1.029.693	6.072.952	5.767.105	168.171	187.340	13.225.260

3.2. Property, plant and equipment under finance lease

The Company's tangible fixed assets are analyzed as follows:

	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
Cost of valuation at1/1/2018		2.523.341	0	0	2.523.341
Accumulated depreciation		(146.455)	0	0	(146.455)
Net book value1/1/2018	0	2.376.886	0	0	2.376.886
Additions	0	1.670.422	0	0	1.670.422
Depreciation charge	0	(171.538)	0	0	(171.538)
Cost of valuation at31/12/2018	0	4.193.763	0	0	4.193.763
Accumulated depreciation	0	(317.993)	0	0	(317.993)
Net book value 31/12/2018	0	3.875.770	0	0	3.875.770

	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
Cost of valuation at1/1/2019	0	4.193.763	0	0	4.193.763
Effect of IFRS 16	31.403		134.781	4.711	170.895
Accumulated depreciation	0	(317.993)	0	0	(317.993)
Net book value1/1/2019	31.403	3.875.770	134.781	4.711	4.046.665
Additions	0	152.902	0	0	152.902
Depreciation charge	(5.234)	(266.457)	(34.981)	(3.272)	(309.943)
Cost of valuation at31/12/2019	31.403	4.346.665	134.781	4.711	4.346.665
Accumulated depreciation	(5.234)	(584.449)	(34.981)	(3.272)	(627.936)
Net book value 31/12/2019	26.169	3.762.215	99.800	1.440	3.718.729

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

4. Intangible assets

	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

	Computer Software	Total
Cost of valuation at1/1/2019	32.546	32.546
Accumulated depreciation	(27.026)	(27.026)
Net book value1/1/2019	5.521	5.521
Depreciation charge	(2.344)	(2.344)
Cost of valuation at31/12/2019	32.546	32.546
Accumulated depreciation	(29.369)	(29.369)
Net book value31/12/2019	3.177	3.177

5. Other long-term receivables

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

	<u>31/12/2019</u>	<u>31/12/2018</u>
Guarantees	31.282	37.946
Government Grants	197.613	270.778
Others	75.026	107.300
Net book value	<u>303.921</u>	<u>416.023</u>

6. Inventory

The Company's inventory is analyzed as follows:

	<u>31/12/2019</u>	<u>31/12/2018</u>
Merchandise	6.069	623
Finished goods	324.107	268.576
Semi-finished products	0	0
Raw materials and other consumables	1.469.672	1.482.976
Work in process	96.430	142.471
Packaging Materials	6.780	8.929
Total	<u>1.903.057</u>	<u>1.903.574</u>
Less: Provisions for scrap, slow moving and/or destroyed inventories for the period	-113.405	-13.405
Net book value	<u>1.789.653</u>	<u>1.890.170</u>

7. Trade receivables

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

	<u>31/12/2019</u>	<u>31/12/2018</u>
Trade receivables	3.896.369	3.168.437
Checks receivable	3.237.178	2.961.524
Less: Impairment Provisions	-1.333.000	-990.000
Total	<u>5.800.547</u>	<u>5.139.960</u>

8. Other current assets

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

	<u>31/12/2019</u>	<u>31/12/2018</u>
Receivables from the State	124.573	39.238
Advances and loans to personnel	72.536	57.182
Prepaid expenses	376.057	220.440
Other Receivables	513	513
Total	<u>573.679</u>	<u>317.373</u>

9. Cash Available

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

	<u>31/12/2019</u>	<u>31/12/2018</u>
Cash in hand	18.383	23.758
Cash equivalent balance in bank	1.056.947	745.460
Total cash, cash equivalents and restricted cash	<u>1.075.330</u>	<u>769.218</u>

Cash, cash equivalents and restricted cash in €	1.072.024	765.495
Cash, cash equivalents and restricted cash in foreign currency	3.843	3.722
Total cash and cash equivalents	<u>1.075.868</u>	<u>769.218</u>

10. Share Capital

As at 31/12/2019, 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	Tax-free reserves	Other reserves	Total
Balance as of 1/1/2018	77.726,55	1.553.084,04	-156.105,54	1.474.705,05
Remeasurements of defined benefit pension plans				-1.377,76
Balance as of 31/12/2018	77.726,55	1.553.084,04	-157.483,31	1.473.327,28
	Statutory Reserve	Tax-free reserves	Other reserves	Total
Balance as of 1/1/2019	77.726,55	1.553.084,04	-157.483,31	1.473.327,28
Deffered Tax			3.126,77	3.126,77
Remeasurements of defined benefit pension plans				-13.028,20
Balance as of 31/12/2019	77.726,55	1.553.084,04	-167.384,73	1.463.425,86

12. Deferred tax assets/liabilities

	Balance as of 1/1/2019	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2019
Non-Current Assets				
Tangible assets	-878.579	-39.453		-918.033
Other Intangible Assets	2.405	-908		1.496
Current Assets				0
Inventories	3.351	23.866		27.217
Trade and other receivables	54.493	79.843		134.335
Non-current liabilities				
Accrued pension and retirement obligations	70.405	-64	3.127	73.468
Government grants	310.591	-43.220		267.371
Debt	0	31.637		31.637
Net deferred tax asset / (liability)	-437.335	51.700	3.127	-382.509

	Balance as of 1/1/2018	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2018
Non-Current Assets				
Tangible assets	-968.637	90.058		-878.579
Other Intangible Assets	3.907	-1.502		2.405
Current Assets				0
Inventories	21.905	-18.554		3.351
Trade and other receivables	93.859	-39.367		54.493
Non-current liabilities				
Accrued pension and retirement obligations	74.716	-4.770	459	70.405
Government grants	323.406	-12.815		310.591
Debt	0	0	0	0
Net deferred tax asset / (liability)	-450.844	13.050	459	-437.335

	31/12/2019		31/12/2018	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Tangible assets	0	918.033	0	878.579
Other Intangible Assets	1.496	0	2.405	0
Inventories	27.217	0	3.351	0
Trade and other receivables	134.335	0	54.493	0
Accrued pension and retirement obligations	73.468	0	70.405	0
Government grants	267.371	0	310.591	0
Debt	31.637	0	0	0
Total	535.524	918.033	441.244	878.579
Offsetting deferred tax assets and liabilities				
Total	535.524	918.033	441.244	878.579

13. Employee end of service benefit obligations

Changes in the net pension obligation as at 31.12.2019 and 31.12.2018 are as follows:

	31/12/2019		31/12/2018	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Defined benefit obligation	306.116	306.116	281.619	281.619
	306.116	306.116	281.619	281.619

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

	31/12/2019		31/12/2018	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Defined benefit obligation 1 January	281.619	281.619	257.640	257.640
Current Service cost	7.112	7.112	17.762	17.762
Interest expense	4.356	4.356	4.380	4.380
Remeasurement - Actuarial losses (gains) from changes in demographic assumptions	(38.270)	(38.270)	5.239	5.239
Remeasurement - Actuarial losses (gains) from changes in experience	21.164	21.164	(3.402)	(3.402)
Remeasurement - actuarial losses (gains) from changes in financial assumptions	30.134	30.134		-
Defined benefit obligation 31 December	306.116	306.116	281.619	281.619

Significant accounting estimates used under valuation are as follows:

	31/12/2019	31/12/2018
Discount rate at 31 December	1,15%	1,60%
Expected rate of salary increases	2,00%	2,00%
Inflation	1,50%	2,00%
Average life expectancy	EVK 2000	EVK 2000

The amounts recognized in the Income Statements are as follows:

	31/12/2019		31/12/2018	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Current service costs	7.112	7.112	17.762	17.762
Net Interest on the defined obligation	4.356	4.356	4.380	4.380
Total expenses recognized in profit or loss	11.468	11.468	22.142	22.142

The amounts recognized in other comprehensive income of the Statement of Total Comprehensive Income are as follows:

	31/12/2019		31/12/2018	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Actuarial gains /(losses) from changes in demographic assumptions	(38.270)	(38.270)	5.239	5.239
Actuarial gains /(losses) from changes in financial assumptions	30.134	30.134	-	-
Total income /(expenses) recognized in other comprehensive income	(8.136)	(8.136)	5.239	5.239

The effect of changes on significant accounting assumptions is as follows:

Increase (decrease) in the defined liability	Discount rate 0,5%	Discount rate 0,5%
	(28.129)	31.740
Increase (decrease) in the defined liability	Expected rate of salary increases 0,5%	Expected rate of salary increases 0,5%
	29.650	(26.668)

14. Grants

	Investment grants	Total
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
Balance as of 1/1/2019	1.242.363	1.242.363

Amortization	-128.319	-128.319
Balance as of 31/12/2019	1.114.044	1.114.044

15. Other short-term liabilities

	31/12/2019	31/12/2018
Other liabilities	378.377	524.814
Social security insurance	6.164	30.297
Total	384.541	555.111

16. Long-term/Short-term loan liabilities

Long-term borrowings	31/12/2019	31/12/2018
Obligations under finance lease	2.070.823	2.420.671
Bank loans with securities	3.310.015	3.598.450
Less: Long-term loans payable in next 12 months	-534.892	-1.092.073
Total of long-term loans	4.845.946	4.927.048

Short-term debt	31/12/2019	31/12/2018
Obligations under finance lease	582.428	495.188
Bank Overdrafts	4.441.194	4.063.149
More: Long-term loans payable in next 12 months	534.892	1.092.073
Total of short-term loans	5.558.514	5.650.410

Borrowings	31/12/2019	31/12/2018
Within 1year	5.558.514	5.650.410
After 1year but not more than 2 years	1.084.249	1.145.104
After 2 years but not more than 3 years	1.022.294	1.192.859
After 3 years but not more than 4 years	865.892	1.158.181
After 4 years but not more than 5 years	624.195	1.026.331
More than five years	1.249.316	404.573
	10.404.459	10.577.458

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

	31/12/2019
	€
Long-term borrowings	4,9%
Bank Overdrafts	9,1%
	31/12/2018
	€
Long-term borrowings	4,9%
Bank Overdrafts	9,1%

Obligations under finance lease

	31/12/2019		31/12/2018	
	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Within 1year	582.428	478.226	495.188	449.361
After 1year but not more than 5 years	2.015.624	1.843.913	2.016.099	1.918.694
More than five years	55.198	53.222	404.573	403.194
Total of Future minimum lease payments	2.653.250	2.375.361	2.915.859	2.771.249
Less: Interest expenses	-304.757	0	-380.292	0
Total of Present value of future minimum lease payments	2.348.494	2.375.361	2.535.567	2.771.249

Changes in loan liabilities are presented bellows as follows:

	Long-term borrowings	Short-term debt	Total
31/12/2018	4.927.048	5.650.410	10.577.458
Cash flow from financing activities			
Proceeds from borrowings	152.902	7.896.259	8.049.161
Payments for borrowings	(256.638)	(7.518.214)	-7.774.851
Payment of finance lease liabilities	(586.406)		-586.406
Interest paid	(355.838)	(410.939)	-766.777
Non-monetary changes			
Effect from IFRS 16	170.895		170.895
Off-setting	188.783	(188.783)	0
Financial expenses	605.198	129.781	734.979
31/12/2019	4.845.946	5.558.514	10.404.459

	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

17. Long-term/Short-term provisions

	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

	Provision for Tax expense for unaudited fiscal years	Total
Balance as of 1/1/2019	55.000	55.000
Additional provisions		0
Balance as of 31/12/2019	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:

	31/12/2019	31/12/2018
Suppliers	1.874.496	1.780.809
Checks Payable	229.380	114.117
Total	2.103.877	1.894.926

19. Other short-term liabilities

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

	31/12/2019	31/12/2018
Social security insurance	192.147	181.598
Other Tax liabilities	1.376.498	571.737
Salaries and wages payable	77.566	82.979
Accrued expenses	28.716	23.923
Others Liabilities	16.071	179.426
Accrued Interest expenses	12.013	10.722
Total	1.703.011	1.050.386

20. Sales

	1/1- 31/12/2019	1/1- 31/12/2018
Sales of goods	13.794.679	11.961.031
Income from services provided	1.102.872	936.675
Total	14.897.551	12.897.706
	1/1- 31/12/2019	1/1- 31/12/2018
Greece	14.061.270	12.180.799
Other Countries	836.281	716.907
Total	14.897.551	12.897.706

21. Analysis of expenses

	Cost of sales	1/1-31/12/2019 Administrative expenses	Distribution expenses	Total	1/1-31/12/2018 Cost of sales	Administrative expenses	Distribution expenses	Total
Wages and Other employee benefits	2.612.658	533.493	437.583	3.583.734	2.329.987	510.015	430.352	3.270.353
Inventory cost	6.800.078			6.800.078	5.769.691	0	0	5.769.691
Tangible Assets depreciation	541.629	155.729	84.031	781.389	404.495	117.674	119.127	641.296
Intangible Assets depreciation	0	2.344	0	2.344	0	2.344	0	2.344
Third party expenses	12.994	1.088.867	8.211	1.110.072	3.593	1.082.356	17.800	1.103.750
Third party benefits	573.477	131.367	69.787	774.631	376.321	137.165	85.960	599.446
Taxes & Duties	129	36.202	10.842	47.174	421	39.333	9.282	49.036
Transportation and Other Expenses	164.287	66.152	272.848	503.288	151.268	56.447	286.109	493.824
Total	10.705.252	2.014.154	883.303	13.602.709	9.035.777	1.945.333	948.631	11.929.741

22. Employee cost

	1/1-31/12/2019	1/1-31/12/2018
Wages and salaries	2.728.901	2.471.777
Social security costs	755.477	686.745
Post employment benefits: defined benefit plans	7.112	17.762
Other staff costs	77.380	83.530
Termination indemnities	14.864	10.539
Total Staff Costs	3.583.734	3.270.353

Number of employees

	1/1-31/12/2019	1/1-31/12/2018
workers	95	93
employees	54	52
Total	149	145

23. Other income

	1/1-31/12/2019	1/1-31/12/2018
Grants amortization	128.319	167.316
Income from reversal of unrealized provisions	0	62.131
Other income	40.620	205.422
Reversal of provisions	0	84.125
Total other operating income	168.939	518.994

24. Other expenses

	1/1-31/12/2019	1/1-31/12/2018
Other fines & augmentation	81.474	95.979
Inventory Disposal	104.638	182.024
Provisions	343.000	0
Other Expenses	2.459	5.814
Total other operating expenses	531.570	283.818

25. Other financial results

	1/1- 31/12/2019	1/1- 31/12/2018
Other financial results	4.356	4.380
Total other financial results	4.356	4.380

26. Financial income / (expenses)

Financial income/expenses are analyzed as follows:

	1/1- 31/12/2019	1/1- 31/12/2018
Bank interest	514	327
Total financial income	514	327

	1/1- 31/12/2019	1/1- 31/12/2018
Interest expenses from long-term loans	292.134	218.363
Interest expenses from short-term loans	169.330	206.346
Finance charges payable under finance leases and hire purchase contracts	143.735	110.307
Other interest related expenses	129.781	115.079
Total financial expenses	734.979	650.095

27. Income Tax

Under the effective tax legislation, the tax rate applicable to Greek entities for financial year 2019 is 24%.

	1/1- 31/12/2019	1/1- 31/12/2018
Current income tax	121.481	0
Deferred income tax	-51.700	-13.050
Income tax from previous financial years	0	76.448
Total income tax	69.782	63.398
Profit before income tax	193.390	548.994
Nominal Tax rate	24%	29%
Presumed Tax on Income	46.414	159.208

Adjustments for non taxable income

- Non taxable income		-17.331
- Offset due to accumulated losses from previous financial years	0	-60.734

Adjustments for non deductible expenses for tax purposes

- Goodwill impairment		
- Non tax deductible expenses	38.427	55.169
- Effect on opening deferred income tax of reduction in income tax rates	-15.938	-69.974
- Other	879	-2.941
Total tax	69.782	63.398

28. Key executives benefits

	<u>1/1- 31/12/2019</u>	<u>1/1- 31/12/2018</u>
Salaries & other employees benefits	108.647	118.534
Social security costs	27.699	45.829
B.O.D. Remuneration	1.064.394	1.041.352
Total	<u>1.200.740</u>	<u>1.205.715</u>

	<u>1/1- 31/12/2019</u>	<u>1/1- 31/12/2018</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 closing year, are as follows (amounts in euro):

	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Salaries and Social security costs	136.346	164.363
Fees to members of the BoD	1.064.394	1.041.352
Total	<u>1.200.740</u>	<u>1.205.715</u>

Liability accounts	<u>31/12/2019</u>	<u>31/12/2018</u>
Other liabilities	2.241	2.235
Total	<u>2.241</u>	<u>2.235</u>

Expenses	<u>31/12/2019</u>	<u>31/12/2018</u>
Third party expenses	1.200.740	1.205.715
Total	<u>1.200.740</u>	<u>1.205.715</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, as amended following Law 4262/2014. Tax audit was completed during financial year 2016 and 2017 respectively and tax certificates were distributed by statutory auditors. For financial years 2017 and 2018, the Company 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 2019, 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 2019. 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.

B) Commitments, guarantees and liens

	1/1- 31/12/2019	1/1- 31/12/2018
Finance lease commitments		
Within one year	582.428	495.188
After one year but not more than five years	2.015.624	2.016.099
More than five years	55.198	404.573
Total finance lease commitments	2.653.250	2.915.859
Encumbrances		
Mortgages on tangible assets	6.000.000	6.000.000
Total encumbrances	6.000.000	6.000.000

31. Risk Management Policy

Financial risk 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 liquidates 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 31/12/2019, 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 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.

	1/1- 31/12/2019	1/1- 31/12/2018
<i>Financial Assets</i>		
Cash, cash equivalents & restricted cash	1.075.868	769.218
Trade and other receivables	5.800.547	5.139.960
Total	6.876.414	5.909.178

	1/1- 31/12/2019	1/1- 31/12/2018
Not more than 3 months	2.496.041	2.236.434
More than 3 months but not more than 6 months	3.338.580	2.847.034
More than 6 months but not more than 1 year	-	-
More than 1 year	(34.074)	56.492
Total	5.800.547	5.139.960

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 daily transactions.

The working capital of the company is positive by € 294k. Given the support of its main shareholder, through the real estate collateral of € 960 k, the management of the company considers the fact of the negative working capital temporary and within 2020 it will be able to cover its short-term business needs through cash inflows from its operation.

With the support of its main shareholder, through a collateral on its private estate amounting to € 960 k, the management of the company considers the negative working capital to be temporary and believes that the company will be able to meet its short-term business needs by 2020, through cash inflows from its operation.

The following table presents maturity of financial liabilities as at December 31, 2019 and 2018 respectively.

	1/1-31/12/2019				1/1-31/12/2018			
	Short-term		Long-term		Short-term		Long-term	
	Less than 6months	6 -12 months	6 - 12 months	Over 5 years	Less than 6months	6 -12 months	6 - 12 months	Over 5 years
Long-term borrowing	267.446	267.446	1.581.005	1.194.118	546.037	546.037	2.506.377	-
Liabilities relating to operating lease agreements	291.214	291.214	2.015.624	55.198	247.594	247.594	2.016.099	404.573
Trade payables	2.103.877	-	-	-	1.894.926	-	-	-
Other short-term-long-term liabilities	1.703.011	-	384.541	-	1.050.386	-	555.111	-
Sort-term borrowing	4.441.194	-	-	-	4.063.149	-	-	-
Total	8.806.742	558.660	3.981.170	1.249.316	7.802.091	793.630	5.077.587	404.573

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 to the risk level.

The Company monitors 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 years 2019 and 2018, equity is analyzed as follows:

	1/1-31/12/2019	1/1-31/12/2018
Total equity	6.197.065	6.083.359
Subordinated loans	4.441.194	4.063.149
Less: Cash and cash equivalents	(1.075.868)	(769.218)
Capital	9.562.392	9.377.290
Total equity	6.197.065	6.083.359
Plus Total Debt	10.404.459	10.577.458
Total Funds	16.601.525	16.660.817
Capital to Funds	1,74	1,78

32. Post Financial Statements Events

In March 2020 the WHO declared COVID-19 a pandemic. The outbreak of the COVID-19 pandemic, combined with the restrictive measures taken to address it, had an adverse impact on global economic activity. In accordance with the provisions of IAS 10, the impact of the COVID-19 pandemic is a non-adjusting event for the financial statements for the year ended 31 December 2019.

Until the completion of the preparation of the financial statements, the Company has not been affected by the COVID-19 pandemic, recording a sales increase of more than 11% for the first half of 2020 compared to the previous corresponding period.

The Company's main customers are producers supplying supermarkets, a sector that has not been included in the government's mandatory lockdown in dealing with the pandemic.

The Company's Management constantly evaluates all the new data, takes measures to reduce the impact of the pandemic on its operation, as part of the interest rate subsidy program of existing loans affected by COVID 19 SMEs (based on KAD) and securing working capital with the guarantee of the Business Guarantee Fund COVID-19 of the Hellenic Development Bank.

Apart from the aforementioned, there are no other events regarding the Company, subsequent to the financial statements that should be reported under the International Financial Reporting Standards.

Metamorposi, July 31 2020

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

**THE CHIEF
FINANCIAL
OFFICER**

**PANAGIOTIS
SKOPLAKIS**

**THE CHIEF
ACCOUNTANT**

**AGAMEMNON
STAVROPOULOS**

