

ETPA PACKAGING S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

ETPA PACKAGING S.A.
SEPARATE FINANCIAL STATEMENTS
FOR FINANCIAL YEAR ENDED AS AT DECEMBER 31, 2020
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 30th, 2021 and have been published on the Company's website www.etpapackaging.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
& CHIEF EXECUTIVE OFFICER**

THE CHIEF FINANCIAL OFFICER

THE CHIEF ACCOUNTANT

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Independent Auditor's Report

To the Shareholders of ETPA PACKAGING S.A.

Report on Financial Statements

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, 2020, income statement and 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, 2020, 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

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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

1. Board of Directors Report

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 31.12.2020.
- 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.

2. Distribution of Dividends and Relative Provisions of Law 4548/2018

The Extraordinary General Meeting of the Company held on December 28, 2020, decided to distribute dividends totaling € 1,25 million. In our opinion, the aforementioned amount includes non-realized profit totaling € 219 k, which is not subject to distribution in compliance with provisions of Article 159, Law 4548/2018.

Athens, 30 July 2021
The Certified Public Accountant

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



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Registry Number SOEL 127

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Annual Report of the Board of Directors of ETPA PACKAGING S.A. for financial year 1/1-31/12/2020

Dear Shareholders,

According to the provisions of Law 4548/2018 we are submitting the current Annual Report of the Board of Directors for the 23rd fiscal year of the Company ETPA PACKAGING S.A. (1/1/2020-31/12/2020).

The present financial year is the fifth 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 2020 and the summarized financial results are as follows::

Sales: In 2020, the Company's sales stood at € 15,3 m versus € 14,9 m in 2019, increased by 3%.

Gross Profit: In 2020, the Company's gross profit stood at € 4,38 m versus € 4,19 m in 2019 increased by 5%.

Administrative expenses: In 2020, the Company's administrative expenses stood at € 2,29 m versus € 2,01 m in the previous year, increased by 14%.

Distribution expenses: Distribution expenses were increased by 10% from € 883 k in 2019 to € 968 k in 2020.

EBITDA: In 2020, the Company's earnings before interest, taxes, depreciation and amortization stood at € 1,42 m, versus € 1,72 m in the previous year.

EBT: In 2020 profit before tax stood at € 43 k versus € 193 k in the previous year.

Net earnings after tax: In 2020, the Company recorded loss after tax amounting to € 195 k versus profit after tax of €124 k in 2019.

Other financial ratios

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

	31/12/2020	31/12/2019
LIQUIDITY & OPERATION RATIOS		
Current Ratio	1,16	0,97
Average Collection Period (days)	138,16	134,02
Average payment period (days)	-68,87	-68,17
Inventory turnover (days)	-69,99	-62,73
Asset Turnover	0,59	0,64
PERFORMANCE RATIO		
Gross profit or gross margin ratio	28,60%	28,14%
Net margin ratio	-1,27%	0,83%
Return on Equity	-3,91%	1,99%
CAPITAL STRUCTURE AND SUSTAINABILITY RATIOS		
Equity to total capital	19,07%	26,59%
Dept to equity	23,57%	36,22%
Equity to Net Fixed Assets	40,52%	46,86%

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.

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B. Environmental Issues

The Company believes in the co-existence 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 S000000062198 to promote Ethical Business.
- Selecting suppliers that comply with and comply with applicable laws and regulations.

Moreover, in compliance with the Handbook of Ethical and Behavior Policies, the Company bases its operation on an equal opportunities policy for all workers and does not accept any form of discrimination based on race, colour, 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.

Furthermore, 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

D.1. Distribution

As at December 28, 2020, at the Extraordinary General Meeting, the Company decided to distribute dividends amounting to 1,250,000 euro to shareholders and members of the Board of Directors. The amount consists of accumulated profits up to the year ended December 31, 2019 and the distribution of tax-exempted reserve of development law 2601/98 which had been formed in prior years. The Extraordinary General Meeting approved the aforementioned distribution unanimously.

These dividends were fully paid until 30th July 2021.

D.2. COVID 19 effects and projected course of the Company

The effects of the pandemic regarding Revenues lie in the inability to increase utilization of the generating unit and

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the investment program in production equipment completed in 2018, in order to achieve the objective of increasing turnover compared to 2019 by 10%, however, turnover increased by only 3% in 2020 compared to 2019, from 14.9 million to 15.3 million euro.

In 2020, trade receivables stood approximately at the same amount of 5.79 million euro compared to 5.80 million euro in 2019, at the same time in 2020 the Company recorded no new doubtful receivables.

Due to the special conditions of the pandemic, the Company decided to increase the amount of inventory in order to facilitate supplying the production with raw materials. This resulted in an increase in the Company's inventories in 2020 by 615 k euro from 1.9 million euro in 2019 to 2.4 million euro in 2020.

In 2020, the Company, in order to strengthen its cash position due to the special conditions of the pandemic, received 2 new loans. An amount of 2.5 million euro from the NBG with a guarantee provided by the COVID-19 Loan Guarantee Fund of the Hellenic Development Bank (HDB) and an amount of 1 million euro from ALPHA BANK with a guarantee provided by the COVID-19 Loan Guarantee Fund of the Hellenic Development Bank.

Within the framework of the beneficial provisions of the legislation addressing support of entrepreneurship, the Company received amounts of 135 k euro for subsidizing interest on short-term loans as well as 54 k euro for the timely payment of installments to tax authorities.

Moreover, due to the pandemic, the travel restrictions and teleworking, the Company benefited from the decrease in its various operating expenses by approximately 33 k euro.

The Company, respecting health protocols for the protection of its staff and society as a whole, covered the expenses to its staff for conducting preventive covid tests as well as the supply of protective masks. The total cost is estimated at 15 k and 17 k euro respectively.

Fair value of Real Estate

Ongoing lockdowns and teleworking may affect the demand for office space and as a result real estate prices. However, according to the recent estimates of the Bank of Greece, there is an increase in real estate prices in Greece in the second half of 2020 and as a result the commercial value of the Company's real estate has not been affected.

D.3. Proposal for Statutory Reserves

The Company's Board of Directors proposes generating Statutory Reserves from accumulated profits until the year ended December 31, 2019. The amount, calculated for generating Statutory Reserves, is 87,937.27 euro. The Regular General Meeting of shareholders will make the final decision on generating Statutory Reserves.

E. Prospects and objectives for 2021

The Company estimates that in 2021 sales will continue to increase, as in the previous years. Regarding 2021, it estimates a 7% increase in sales from 15.3 million euro in 2020 to 16.3 million euro in 2021, with a corresponding increase in profitability and liquidity.

Moreover, health conditions permitting, the Company will reconsider the financing received in order to repay a part of it and limit its financial costs for 2021.

In 2021, the Company acquired a land plot in the Komotini Industrial Zone and has submitted a proposal for inclusion in the development law 4399/2016 regarding generating a new production line on this new plot, located next to the current facilities in the Komotini Industrial Zone. The total cost of this investment is approximately 5 million euro. Following the completion of this investment at the end of 2022, the Company estimates that the new production line will offer higher sales growth in respect of the existing customers and will attract new customers. The final approval of the plan is expected in September 2021.

F. Risks and uncertainties

Financial risk 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.

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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 the lawyers 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.

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	31/12/2020	31/12/2019
Other liabilities	1.189.632	2.241
Total	1.189.632	2.241

Expenses	31/12/2020	31/12/2019
Third party expenses	1.483.595	1.200.740
Total	1.483.595	1.200.740

All kinds of remuneration of members of the Management and the Company's Key Executives during financial year 1/1-31/12/2020 amounted to € 1.483.595.740. As at 31/12/2020, the Company has no receivables from the members of the Board of Directors and the Key Executives.

Metamorphosi, 30 July 2021
As and on behalf of the Boar of Directors,
The Chairman and Chief Executive Officer

Ioannis Drenogiannis

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Statement of Financial Position

Assets	Note	31/12/2020	31/12/2019
Non-Current Assets			
Tangible assets	3	12.298.061	13.225.260
Other Intangible Assets	4	879	3.177
Other non current assets	5	197.337	303.921
Deferred tax asset	12	489.200	535.524
Non-Current Assets		12.985.477	14.067.881
Current Assets			
Inventories	6	2.404.554	1.789.653
Trade and other receivables	7	5.796.424	5.800.547
Other current assets	8	593.311	573.679
Cash, cash equivalents & restricted cash	9	4.350.953	1.075.868
Current Assets		13.145.242	9.239.747
Total Assets		26.130.719	23.307.628
Equity and Liabilities			
Equity			
Share capital	10	2.434.070	2.434.070
Share premium	10	724.644	724.644
Other reserves	11	1.444.630	1.463.426
Retained earnings		574.926	1.451.318
Results for the period		(194.813)	123.608
Equity		4.983.456	6.197.065
Non-controlling interests			
Total Equity		4.983.456	6.197.065
Non-current liabilities			
Deferred tax liability	12	904.666	918.033
Accrued pension and retirement obligations	13	340.912	306.116
Government grants	14	981.800	1.114.045
Long-term borrowings	16	6.961.635	4.845.946
Non-Current Provisions	17	55.000	55.000
Other long-term liabilities	15	552.074	384.541
Non-current liabilities		9.796.087	7.623.680
Current Liabilities			
Trade and other payables	18	2.023.294	2.103.877
Tax payable		198.542	121.481
Short-term debt	16	5.997.696	5.558.514
Other current liabilities	19	3.131.645	1.703.011
Current Liabilities		11.351.176	9.486.883
Total Liabilities		21.147.263	17.110.563
Total Equity and Liabilities		26.130.719	23.307.628

Notes on pp. 14 - 38 constitute an integral part of these financial statements.

ETPA PACKAGING S.A.**NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020****Income Statement**

	Note	1/1-31/12/2020	1/1-31/12/2019
- Sales	20	15.319.066	14.897.551
Cost of sales	21	(10.937.064)	(10.705.252)
Gross profit		4.382.002	4.192.299
Administrative expenses	21	(2.286.686)	(2.014.154)
Distribution expenses	21	(968.323)	(883.303)
Other income	23	195.816	168.939
Other expenses	24	(659.398)	(531.570)
Operating profit		663.412	932.210
Other financial results	25	(3.520)	(4.356)
Financial expenses	26	(617.430)	(734.979)
Financial income	26	160	514
Profit before income tax		42.622	193.390
Income tax	27	(237.435)	(69.782)
Profit for the period from continuing operations		(194.813)	123.608

Notes on pp. 14 - 38 constitute an integral part of these financial statements.

ETPA PACKAGING S.A.**NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020****Statement of Other Comprehensive Income**

	Note	1/1-31/12/2020	1/1-31/12/2019
Net profit for the period		(194.813)	123.608
Other comprehensive income:			
Amounts that will not be reclassified in the Income Statement			
Remeasurements of defined benefit pension plans	13	(24.732)	(13.028)
Deferred tax on revaluation of accrued pensions	12	5.936	3.127
		(18.796)	(9.901)
Amounts that may be reclassified in the Income Statement			
Other comprehensive income for the period after tax		(18.796)	(9.901)
Total comprehensive income for the period after tax		(213.610)	113.707

Notes on pp. 14 - 38 constitute an integral part of these financial statements.

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Statement of Changes in Equity

	Number of shares	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance as at 31/12/2019	83.645	2.434.070	724.644	1.463.426	1.574.926	6.197.066
Dividends				(276.297)	(723.703)	(1.000.000)
Result for the period					(194.813)	(194.813)
Other comprehensive income:						
Remeasurements of defined benefit pension plans	13			(24.732)		(24.732)
Deferred tax on revaluation of accrued pensions	12			5.936		5.936
Other comprehensive income after tax		-	-	(18.796)	-	(18.796)
Total comprehensive income for the period after tax		-	-	(18.796)	(194.813)	(213.610)
Balance as at 31/12/2020	83.645	2.434.070	724.644	1.168.333	656.410	4.983.456

	Number of shares	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balances as at 31/12/2018	83.645	2.434.070	724.644	1.473.327	1.451.318	6.083.359
Result for the period					123.608	123.608
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		-	-	(9.901)	-	(9.901)
Total comprehensive income for the period after tax		-	-	(9.901)	123.608	113.707
Balance as at 31/12/2019	83.645	2.434.070	724.644	1.463.426	1.574.926	6.197.066

Notes on pp. 14 - 38 constitute an integral part of these financial statements.

Statement of Cash Flows

	Note	1/1-31/12/2020	1/1-31/12/2019
Cash flows from operating activities			
Profit (loss) before tax from continuing operation		42.622	193.390
Adjustments for:			
Depreciation	3,4	761.213	783.733
Changes in pension obligations	13	10.064	11.468
Provisions	6	-	100.000
(Profit) loss on sale of property, plant and equipment	3,4	217.653	8.099
Grants amortization	14	(132.245)	(128.319)
Interest and similar income	26	(160)	(514)
Interest similar expenses	26	617.430	734.979
Total Adjustments		1.473.956	1.509.446
Cash flows from operating activities before working capital changes			
		1.516.578	1.702.836
Changes in Working Capital			
(Increase) / Decrease in inventories		(614.901)	517
(Increase)/Decrease in trade receivables		25.913	(548.484)
(Increase)/Decrease in other receivables		(19.632)	(256.307)
Increase / (Decrease) in liabilities (excluding banks		619.230	485.432
Net (Increase) / Decrease of trading portfolio		(80.583)	208.951
		(69.973)	(109.890)
Cash flows operating activities			
		1.446.605	1.592.946
Interest paid		(618.617)	(766.777)
Income tax paid		(144.544)	(15.656)
Net Cash flows operating activities		683.443	810.514
Cash flows from investing activities			
Purchase of property, plant and equipment	3,4	(97.509)	(196.990)
Proceeds from disposal of property, plant and equipment	3,4	93.800	4.708
Interest received		160	514
Grants received		89.724	-
Net Cash flow from investing activities		86.174	(191.767)
Cash flow from financing activities			
Proceeds from borrowings	16	12.697.420	8.049.161
Payments for borrowings	16	(9.600.751)	(7.774.851)
Payment of finance lease liabilities	16	(591.202)	(586.406)
Net Cash flow financing activities		2.505.468	(312.097)
Net (decrease) / increase in cash, cash equivalents and restricted cash			
		3.275.085	306.650
Cash, cash equivalents and restricted cash at beginning of the period from continuing operations		1.075.867	769.217
Net cash, cash equivalents and restricted cash at the end of the period from continuing operations		4.350.952	1.075.867

Notes on pp. 14 - 38 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 specialized staff offers a range of other services, such as:

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

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

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

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

Monitoring the developments in the packaging sector in Europe, informing and guiding its customers.

ETPA PACKAGING always stands by its customer during the and after sale procedures, monitoring the sound application of labels and other packaging materials and directly providing solutions when necessary.

Products

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

Facilities

Central Management

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

Thessaloniki Branch

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

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 1.1.2020 – 31.12.2020, 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.

All reviewed or newly issued Standards and interpretations that are applicable to the Company and are effective on 31/12/2020 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 30, 2021.

2.2 Estimates of COVID-19 pandemic effects

The effects of the pandemic regarding Revenues lie in the inability to increase utilization of the generating unit and the investment program in production equipment completed in 2018, in order to achieve the objective of increasing turnover compared to 2019 by 10%, however, turnover increased by only 3% in 2020 compared to 2019, from 14.9 million to 15.3 million euro.

In 2020, trade receivables stood approximately at the same amount of 5.79 million euro compared to 5.80 million euro in 2019, at the same time in 2020 the Company recorded no new doubtful receivables.

Due to the special conditions of the pandemic, the Company decided to increase the amount of inventory in order to facilitate supplying the production with raw materials. This resulted in an increase in the Company's inventories in 2020 by 615 k euro from 1.9 million euro in 2019 to 2.4 million euro in 2020.

In 2020, the Company, in order to strengthen its cash position due to the special conditions of the pandemic, received 2 new loans. An amount of 2.5 million euro from the NBG with a guarantee provided by the COVID-19 Loan Guarantee Fund of the Hellenic Development Bank (HDB) and an amount of 1 million euro from ALPHA BANK with a guarantee provided by the COVID-19 Loan Guarantee Fund of the Hellenic Development Bank.

Within the framework of the beneficial provisions of the legislation addressing support of entrepreneurship, the Company received amounts of 135 k euro for subsidizing interest on short-term loans as well as 54 k euro for the timely payment of installments to tax authorities.

Moreover, due to the pandemic, the travel restrictions and teleworking, the Company benefited from the decrease in its various operating expenses by approximately 33 k euro.

2.3 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 01/01/2020.

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 amendments do not affect the Financial Statements.

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 amendments do not affect the Financial Statements.

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 amendments do not affect the Financial Statements.

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 amendments do not affect the Financial Statements.

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 amendments do not affect the Financial Statements.

Amendments to IFRS 16 “Leases” Covid-19 – Related Rent Concessions (effective for annual periods starting on or after 01/06/2020)

In May 2020, the IASB issued amendments to IFRS 16 that provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. More specifically, the amendments clarify that if certain conditions are met, lessees are not required to assess whether particular Covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient, would account for those rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The amendments do not affect the Financial Statements.

2.4 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.

Amendments to IFRS 4 “Insurance Contracts” – deferral of IFRS 9 (effective for annual periods starting on or after 01/01/2021)

In June 2020, the IASB issued amendments that declare deferral of the date of initial application of IFRS 17 by two years, to annual periods beginning on or after January 1, 2023. As a consequence, the IASB also extended the fixed expiry date for the temporary exemption from applying IFRS 9 “Financial Instruments” in IFRS 4 “Insurance Contracts”, so that the entities are required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. 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 as of 01/01/2021.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: “Interest Rate Benchmark Reform – Phase 2” (effective for annual periods starting on or after 01/01/2021)

In August 2020, the IASB has finalized its response to the ongoing reform of IBOR and other interest benchmarks by issuing a package of amendments to IFRS Standards. The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for a change in its hedging relationships as a result of the reform, as well as relevant information required to be disclosed. 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 as of 01/01/2021.

Amendments to IFRS 3 “Business Combinations”, IAS 16 “Property, Plant and Equipment”, IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and “Annual Improvements 2018-2020” (effective for annual periods starting on or after 01/01/2022)

In May 2020, the IASB issued a package of amendments which includes narrow-scope amendments to three Standards as well as the Board’s Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards. More specifically:

- **Amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to IAS 16 Property, Plant and Equipment** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** specify which costs a company includes when assessing whether a contract will be loss-making.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

IFRS 17 “Insurance Contracts” (effective for annual periods starting on or after 01/01/2023)

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. Furthermore, in June 2020, the IASB issued amendments, which do not affect the fundamental principles introduced when IFRS 17 has first been issued. The amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain, as well as ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying the Standard for the first time. 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 01/01/2023)

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. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

2.5 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 31/12/2020, 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 sale, 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 sale if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are defined as effective hedging

instruments.

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

b) Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met: (1) the financial asset is held in order to maintain financial assets for the purposes of collecting contractual cash flows; and (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

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

c) Financial assets at fair value through total comprehensive income

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

iii) Derecognition

A financial asset is derecognized when:

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

iv) Impairment

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

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

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 Leases

As a Lessee: Finance lease is leasing fixed assets according to which, all risks and benefits related to the ownership of an asset, are transferred to the Company, regardless of the ultimate transfer or not of that asset. Such leases are capitalized upon the beginning of the lease at their lower value between the fair value of the fixed asset or the current value of the minimum number of rentals. Each lease is allocated between the liability and the financial expenses to attain a fixed interest rate in the remaining financial liability. The respective liabilities from leases, net of financial expenses, are recorded into liabilities. The part of a financial expense regarding finance leases is recognized in the income statement during the term of the lease. Assets acquired under finance lease are depreciated over the shorter period of the useful lives of the assets and the term of the lease.

Lease agreements in which the lessor transfers the right-of-use asset for an agreed-upon period of time, without, however, transferring the risks and rewards of ownership of the fixed asset, are classified as operating leases. Payments made under operating leases (net of any incentives offered by the lessor) are recognized in the income statement on a pro rata basis over the term of the lease.

As a 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.

Fixed assets leased under operating lease are included in property, plant and equipment account of the statement of financial position. They are impaired during their expected useful life on a basis consistent with similar owned tangible assets. The income from the rent (net of any incentives offered to the lessees) is recorded by applying the straight line method during the term of the lease.

2.14 Income & Deferred Tax

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 not 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.

2.15 Dividends

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

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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 obsolesce**

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, 2020. However, determination of contingent liabilities relating to litigation and claims is a complex process that involves judgments related to the outcomes and interpretation of laws and regulations.

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

3.2. Property, plant and equipment under finance lease

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

	Buildings & installations	Machinery	Vehicles	Furniture & Fittings	Total
Book Value 1/1/2019	-	4.193.763	-	-	4.193.763
Effect from IFRS 16 first adoption	31.403		134.781	4.711	170.895
Accumulated Depreciation	-	(317.993)	-	-	(317.993)
Net Book Value 1/1/2019	31.403	3.875.770	134.781	4.711	4.046.665
Additions	-	152.902	-	-	152.902
Depreciation for the period	(5.234)	(266.457)	(34.981)	(3.272)	(309.943)
Book Value 31/12/2019	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	3.889.624

	Buildings & installations	Machinery	Vehicles	Furniture & Fittings	Total
Book Value 1/1/2020	31.403	4.346.665	134.781	4.711	4.517.560
Accumulated Depreciation	(5.234)	(584.449)	(34.981)	(3.272)	(627.936)
Net Book Value 1/1/2020	26.169	3.762.215	99.800	1.440	3.889.624
Additions	-	-	50.590	-	50.590
Depreciation for the period	(7.344)	(266.967)	(35.827)	(1.440)	(311.577)
Book Value 31/12/2020	31.403	4.346.665	185.371	4.711	4.568.150
Accumulated Depreciation	(12.577)	(851.416)	(70.808)	(4.711)	(939.513)
Net Book Value 31/12/2020	18.826	3.495.249	114.563	-	3.628.637

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

4. Intangible assets

	Software	Total
Book Value 1/1/2019	32.546	32.546
Accumulated Amortization	(27.026)	(27.026)
Net Book Value 1/1/2019	5.521	5.521
Amortization for the period	(2.344)	(2.344)
Book Value 31/12/2019	32.546	32.546
Accumulated Amortization	(29.369)	(29.369)
Net Book Value 31/12/2019	3.177	3.177

	Software	Total
Book Value 1/1/2020	32.546	32.546
Accumulated Amortization	(29.369)	(29.369)
Net Book Value 1/1/2020	3.177	3.177
Amortization for the period	(2.298)	(2.298)
Book Value 31/12/2020	32.546	32.546
Accumulated Amortization	(31.667)	(31.667)
Net Book Value 31/12/2020	879	879

5. Other long-term receivables

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

	31/12/2020	31/12/2019
Guarantees	29.098	31.282
Government Grants	119.935	197.613
Other receivables	48.305	75.026
Net book value	197.337	303.921

6. Inventory

The Company's inventory is analyzed as follows:

	31/12/2020	31/12/2019
Goods	3.981	6.069
Finished goods	419.869	324.107
Raw material and other consumables	1.924.745	1.469.672
Work in progress	139.744	96.430
Packaging material	11.607	6.780
Total	2.499.946	1.903.057
Less: Provisions for scrap, slow moving and/or destroyed inventories for the period	(95.392)	(113.405)
Net book value	2.404.554	1.789.653

7. Trade receivables

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

	31/12/2020	31/12/2019
Trade receivables	5.168.125	3.896.369
Cheques receivable	1.905.009	3.237.178
Less: Impairment Provisions	(1.276.711)	(1.333.000)
Total	5.796.424	5.800.547

8. Other current assets

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

	31/12/2020	31/12/2019
Receivables from the State	252.752	124.573
Advances and loans to personnel	58.102	72.536
Prepaid expenses	281.944	376.057
Other Receivables	513	513
Total	593.311	573.679

9. Cash Available

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

	31/12/2020	31/12/2019
Cash in hand	20.733	18.921
Cash equivalent balance in bank	4.330.220	1.056.947
Total cash, cash equivalents and restricted cash	4.350.953	1.075.868
Cash, cash equivalents and restricted cash in €	4.347.107	1.072.024
Cash, cash equivalents and restricted cash in foreign currency	3.846	3.843
Total cash and cash equivalents	4.350.953	1.075.868

10. Share Capital

As at 31/12/2020, 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-exempted reserves	Other reserves	Total
Balance 1/1/2019	77.727	1.553.084	(157.483)	1.473.327
Deferred Tax			3.127	3.127
Remeasurements of defined benefit pension plans			(13.028)	(13.028)
Balance 31/12/2019	77.727	1.553.084	(167.385)	1.463.426
	Statutory Reserve	Tax-exempted	Other reserves	Total
Balance 1/1/2020	77.727	1.553.084	(167.385)	1.463.426
Dividends			(276.297)	(276.297)
Deferred Tax			5.936	5.936
Remeasurements of defined benefit pension plans			(24.732)	(24.732)
Balance 31/12/2020	77.727	1.553.084	(462.478)	1.168.333

12. Deferred tax assets/liabilities

	Balance as of 1/1/2020	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2020
Non-Current Assets				
Tangible assets	(918.033)	13.367		(904.666)
Other Intangible Assets	1.496	(636)		860
Current Assets				-
Inventories	27.217	(4.323)		22.894
Trade and other receivables	134.335	(20.445)		113.890
Non-current liabilities				
Accrued pension and retirement obligations	73.468	11.478	(3.127)	81.819
Government grants	267.371	(31.739)		235.632
Non-current Loan Liabilities	(236.520)	(115.671)		(352.191)
Loan Liabilities	268.157	118.139		386.296
Net deferred tax asset / (liability)	(382.509)	(29.831)	(3.127)	(415.466)
	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				
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
Loan Liabilities	-	31.637		31.637
Net deferred tax asset / (liability)	(437.335)	51.700	3.127	(382.509)

	31/12/2020		31/12/2019	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Tangible assets	-	904.666	-	918.033
Intangible Assets	860	-	1.496	-
Inventories	22.894	-	27.217	-
Trade and other receivables	113.890	-	134.335	-
Accrued pension and retirement obligations	81.819	-	73.468	-
Government grants	235.632	-	267.371	-
Debt	386.296	-	268.157	-
Total	489.200	904.666	535.524	918.033
Offsetting deferred tax assets and liabilities				
Total	489.200	904.666	535.524	918.033

13. Employee end of service benefit obligations

Changes in the net pension obligation as at 31.12.2020 and 31.12.2019 are as follows:

	31/12/2020		31/12/2019	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Defined benefit obligation	340.912	340.912	306.116	306.116
	340.912	340.912	306.116	306.116

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

	31/12/2020		31/12/2019	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Defined benefit obligation 1 January	306.116	306.116	281.619	281.619
Current Service cost	6.544	6.544	7.112	7.112
Interest expense	3.520	3.520	4.356	4.356
Remeasurement - Actuarial losses (gains) from changes in demographic assumptions	-	-	(38.270)	(38.270)
Remeasurement - Actuarial losses (gains) from changes in experience	(9.293)	(9.293)	21.164	21.164
Remeasurement - actuarial losses (gains) from changes in financial assumptions	34.024	34.024	30.134	30.134
Defined benefit obligation 31 December	340.912	340.912	306.116	306.116

Significant accounting estimates used under valuation are as follows:

	31/12/2020	31/12/2019
Discount rate at 31 December	0,60%	1,15%
Expected rate of salary increases	2,00%	2,00%
Inflation	1,50%	1,50%
Average life expectancy	EVK 2000	EVK 2000

The amounts recognized in the Income Statements are as follows:

	31/12/2020		31/12/2019	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Current service costs	6.544	6.544	7.112	7.112
Net Interest on the defined obligation	3.520	3.520	4.356	4.356
Total expenses recognized in profit or loss	10.064	10.064	11.468	11.468

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

	31/12/2020		31/12/2019	
	Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
Actuarial gains /(losses) from changes in demographic assumptions	-	-	(38.270)	(38.270)
Actuarial gains /(losses) from changes in financial assumptions	34.024	34.024	30.134	30.134
Total income /(expenses) recognized in other comprehensive income	34.024	34.024	(8.136)	(8.136)

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

	Discount rate	Discount rate
Increase (decrease) in the defined liability	0,5% (31.112)	0,5% 35.094
	Expected rate of salary increases	Expected rate of salary increases
Increase (decrease) in the defined liability	0,5% 32.573	0,5% (29.325)

14. Grants

	Investment grants	Total
Balance 1/1/2019	1.242.363	1.242.363
Grants amortization	(128.319)	(128.319)
Balance 31/12/2019	1.114.044	1.114.044
Balance 1/1/2020	1.114.044	1.114.044
Grants amortization	(132.245)	(132.245)
Balance 31/12/2020	981.800	981.800

15. Other Long-term Liabilities

	31/12/2020	31/12/2019
Other liabilities	552.074	378.377
Social security organizations	-	6.164
Total	552.074	384.541

16. Long-term/Short-term loan liabilities

Long-term borrowings	31/12/2020	31/12/2019
Obligations under finance lease	1.495.502	2.070.823
Bank loans with securities	6.458.561	3.310.015
Less: Long-term loans payable in next 12 months	(992.429)	(534.892)
Total long-term loans	6.961.635	4.845.946

Short-term debt	31/12/2020	31/12/2019
Obligations under finance lease	617.137	582.428
Bank Overdrafts	4.388.130	4.441.194
Plus: Long-term loans payable in next 12 months	992.429	534.892
Total short-term loans	5.997.696	5.558.514

The Company received two loans within the current year:

Bond Loan of 2.5 million Euro from the NBG with a guarantee provided by the COVID-19 Loan Guarantee Fund of the Hellenic Development Bank (HDB). The loan is issued exclusively to cover working capital needs arising due to COVID 19. The date of issue of the loan is 11 December 2020, maturing on 15 September 2025 and a 6-month Euribor interest rate plus 3.15%.

Loan of 1 million Euro from Alpha Bank with a guarantee provided by the COVID-19 Loan Guarantee Fund of the Hellenic Development Bank (HDB). The loan is issued exclusively to cover working capital needs arising due to COVID 19. The date of issue of the loan is August 28, 2020, maturing on August 27, 2025 and 6-month Euribor interest rate plus 3.50%.

Borrowings	31/12/2020	31/12/2019
Within 1year	5.997.696	5.558.514
1 to 2 years	1.841.561	1.084.249
2 to 3 years	1.683.731	1.022.294
3 to 4 years	1.441.334	865.892
4 to 5 years	1.039.716	624.195
More than five years	955.295	1.249.316
	12.959.333	10.404.459

	31/12/2020		31/12/2019	
	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Within 1year	617.137	539.551	582.428	478.226
1 to 5 years	1.495.502	1.372.639	2.015.624	1.843.913
More than five years	-	-	55.198	53.222
Total future minimum lease payments	2.112.639	1.912.190	2.653.250	2.375.361
Less: Interest expenses	146.926	-	(304.757)	-
Total present value of future minimum lease payments	2.259.565	1.912.190	2.348.494	2.375.361

Changes in loan liabilities are presented bellows as follows:

	Long-term borrowings	Short-term debt	Total
31/12/2019	4.845.946	5.558.514	10.404.459
Cash flows from financing activities			
Proceeds from borrowings	2.500.000	10.197.420	12.697.420
Payments for borrowings	(332.218)	(9.268.533)	(9.600.751)
Payment of finance lease liabilities	(591.202)		(591.202)
Interest paid	(268.248)	(350.370)	(618.617)
Non-monetary changes	50.590		50.590
Effect from IFRS 16	177.167	(177.167)	-
Off-setting	579.599	37.831	617.430
31/12/2020	6.961.635	5.997.696	12.959.330

	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			
Financial expenses	605.198	129.781	734.979
31/12/2019	4.845.946	5.558.514	10.404.459

17. Long-term/Short-term provisions

	Provision for tax expense for unaudited fiscal years	Total
Balance 1/1/2019	55.000	55.000
Additional provisions		-
Balance 31/12/2019	55.000	55.000
Short-term provisions		-
Long-term provisions	55.000	55.000
	55.000	55.000

	Provision for tax expense for unaudited fiscal years	Total
Balance 1/1/2020	55.000	55.000
Additional provisions		-
Balance 31/12/2020	55.000	55.000
Short-term provisions		-
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:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Suppliers	1.893.653	1.874.496
Cheques Payable	129.641	229.380
Total	<u>2.023.294</u>	<u>2.103.877</u>

19. Other short-term liabilities

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

	<u>31/12/2020</u>	<u>31/12/2019</u>
Social security organizations	180.591	192.147
Other tax liabilities	1.618.482	1.376.498
Dividends paid	1.187.500	-
Salaries and wages payable	86.449	77.566
Accrued expenses	32.185	28.716
Others liabilities	16.015	16.071
Accrued Interest expenses	10.423	12.013
Total	<u>3.131.645</u>	<u>1.703.011</u>

20. Sales

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
Sales of goods	14.334.225	13.794.679
Income from services provided	984.841	1.102.872
Total	<u>15.319.066</u>	<u>14.897.551</u>

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
Greece	14.225.530	14.061.270
Other Countries	1.093.536	836.281
Total	<u>15.319.066</u>	<u>14.897.551</u>

21. Analysis of expenses

	<u>1/1-31/12/2020</u>				<u>1/1-31/12/2019</u>			
	Cost of sales	Administrative expenses	Distribution expenses	Total	Cost of sales	Administrative expenses	Distribution expenses	Total
Wages and Other employee benefits	2.789.042	568.897	461.367	3.819.305	2.612.658	533.493	437.583	3.583.734
Inventory cost	6.844.915	-	-	6.844.915	6.800.078	-	-	6.800.078
Tangible Assets depreciation	513.964	159.933	85.103	759.000	541.629	155.729	84.031	781.389
Intangible Assets depreciation	-	2.344	-	2.344	-	2.344	-	2.344
Third party expenses	19.143	1.348.040	13.012	1.380.196	12.994	1.088.867	8.211	1.110.072
Third party benefits	562.053	93.532	120.113	775.698	573.477	131.367	69.787	774.631

Taxes & Duties	1.292	39.832	8.109	49.233	129	36.202	10.842	47.174
Transportation and Other Expenses	206.655	74.108	280.619	561.382	164.287	66.152	272.848	503.288
Total	10.937.064	2.286.686	968.323	14.192.072	10.705.252	2.014.154	883.303	13.602.709

22. Employee cost

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
Wages and salaries	2.831.092	2.728.901
Social security costs	772.081	755.477
Post employment benefits: defined benefit plans	6.544	7.112
Other staff costs	163.521	77.380
Termination indemnities	46.067	14.864
Total Staff Costs	3.819.305	3.583.734

Number of employees

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
workers	102	95
employees	51	54
Total	153	149

23. Other income

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
Grants amortization	132.245	128.319
Other income	63.572	40.620
Total other operating income	195.816	168.939

24. Other expenses

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
Other fines & surcharges	124.395	81.474
Inventory Disposal	245.868	104.638
Provisions	71.896	343.000
Other Expenses	217.240	2.459
Total other operating expenses	659.398	531.570

25. Other financial results

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
Other financial results	3.520	4.356
Total other financial results	3.520	4.356

26. Financial income / (expenses)

Financial income/expenses are analyzed as follows:

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
Bank interest	160	514
Total financial income	160	514

	<u>1/1-31/12/2020</u>	<u>1/1-31/12/2019</u>
Interest expenses from long-term loans	126.356	292.134
Interest expenses from short-term loans	173.723	169.330
Interest under finance leases	117.861	143.735
Other interest related expenses	199.490	129.781
Total financial expenses	617.430	734.979

27. Income Tax

Under the effective tax legislation, the tax rate applicable to Greek entities for financial year 2020 is 24%.

	1/1-31/12/2020	1/1-31/12/2019
Current income tax	198.542	121.481
Deferred income tax	38.893	(51.700)
Income tax from previous financial years	-	-
Total income tax	237.435	69.782
Profit before income tax	42.622	193.390
Nominal Tax rate	24%	24%
Presumed Tax on Income	10.229	46.414
Adjustments for non taxable income		
- Goodwill impairment		
- Non-deductible expenses	42.062	38.427
- Effect from changes in tax rate		(15.938)
- Tax attributable to distribution of reserves	87.252	
- Other expenses not recognized for discount		
- Additional tax & surcharges	97.892	
- Other		879
Total tax	237.435	69.782

28. Key executives' benefits

	1/1-31/12/2020	1/1-31/12/2019
Salaries & other short-term employees benefits	138.417	108.647
Social security costs	34.575	27.699
BoD Remuneration	1.310.603	1.064.394
Total	1.483.595	1.200.740

	Company	
	1/1-31/12/2020	1/1-31/12/2019
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):

	1/1-31/12/2020	1/1-31/12/2019
Salaries and Social security costs	172.992	136.346
Fees to members of the BoD	1.310.603	1.064.394
Total	1.483.595	1.200.740

	31/12/2020	31/12/2019
Liability accounts		
Other liabilities	1.189.632	2.241
Total	1.189.632	2.241

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 – 2019, 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 2020, the company is not tax inspected. The Company has estimated contingent liabilities that are expected to arise from the audit of the year and made the corresponding provisions where necessary. The management considers that in addition to the already made provisions, any amounts of taxes that may arise will not have a significant effect on the Company's equity, income statement and cash flows.

B) Commitments, guarantees and liens

	1/1-31/12/2020	1/1-31/12/2019
Finance lease commitments		
Within one year	617.137	582.428
After one year but not more than five years	1.495.502	2.015.624
More than five years	-	55.198
Total finance lease commitments	2.112.639	2.653.250
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 31/12/2020, total loan liabilities pertain to floating rate loans. The Management constantly monitors interest rates fluctuations and the Company's financial needs and assesses, on case basis, the term of loans and the balance between fixed and adjusted interest rates.

Credit risk:

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

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

	1/1-31/12/2020	1/1-31/12/2019
<i>Financial Assets</i>		
Cash, cash equivalents & restricted cash	4.350.953	1.075.868
Trade and other receivables	5.796.424	5.800.547

Total	10.147.377	6.876.414
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Financial assets postdated but not impaired

	1/1-31/12/2020	1/1-31/12/2019
Within 3 months	3.557.970	2.496.041
From 3 to 6 months	2.275.447	3.338.580
from 6 months to 1 year	64.038	-
Over 1 year	(101.031)	(34.074)
Total	5.796.424	5.800.547

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 in 2020, the company will be able to meet its short-term business needs, through cash inflows from its operation.

The following table presents maturity of financial liabilities as at December 31, 2020 and 2019 respectively.

	1/1-31/12/2020				1/1-31/12/2019			
	Short-term		Long-term		Short-term		Long-term	
	Less than 6 months	6 -12 months	6 - 12 months	Over 5 years	Less than 6 months	6 -12 months	6 - 12 months	Over 5 years
Long-term borrowing	496.214	496.214	5.466.135	-	267.446	267.446	1.581.005	1.194.118
Liabilities relating to operating lease agreements	308.568	308.568	1.495.502	-	291.214	291.214	2.015.624	55.198
Trade payables	2.023.294	-	-	-	2.103.877	-	-	-
Other short-term-long-term liabilities	2.738.276	393.368	552.074	-	1.703.011	-	384.541	-
Short-term borrowing	4.388.130	-	-	-	4.441.194	-	-	-
Total	9.954.482	1.198.150	7.513.711	-	8.806.742	558.660	3.981.170	1.249.316

Equity management policies and procedures

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

- to facilitate the Company's ability to continue as a 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 2020 and 2019, equity is analyzed as follows:

	1/1-31/12/2020	1/1-31/12/2019
Total equity	4.983.456	6.197.065
Plus: Subordinated loans	-	-
Less: Cash and cash equivalents	(4.350.953)	(1.075.868)
Capital	632.503	5.121.198
Total equity	4.983.456	6.197.065
Plus Total Debt	12.959.330	10.404.459
Total Funds	17.942.786	16.601.525
Capital to Total Capital	28,37	3,24

32. Post Financial Statements Events

In 2021, the Company acquired a land plot in the Komotini Industrial Zone and has submitted a proposal for inclusion in the development law 4399/2016 regarding generating a new production line on this new plot, located next to the current facilities in the Komotini Industrial Zone. The total cost of this investment is approximately 5 million euro. Following the completion of this investment at the end of 2022, the Company estimates that the new production line will offer higher sales growth in respect of the existing customers and will attract new customers. The final approval of the plan is expected in September 2021.

The company is negotiating the issues who with a prospective investor who is considering his participation in its share capital of the company with a minority percentage in combination with the potential provision of a bond loan convertible into shares.

The recent tax regulations under Law 4799 / 2021 introduce changes to the Income Tax Code, as a result of which the income tax rate of legal entities is reduced to 22% for the incomes of the tax year 2021 and onwards.

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.

Metamorphosi, July 30, 2021

**THE CHAIRMAN OF THE BoD
& CHIEF EXECUTIVE OFFICER**

THE CHIEF FINANCIAL OFFICER

THE CHIEF ACCOUNTANT