

**ETPA PACKAGING S.A.
CORPORATE FINANCIAL STATEMENTS
FOR FY ENDING AS AT DECEMBER 31, 2017
UNDER THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS (IFRS),
ADOPTED BY THE EUROPEAN UNION**

The attached Financial Statements were approved by the Board of Directors of ETPA PACKAGING S.A. as of July 10th, 2018 and have been published on the Company's website **www.etpapackaging.com**. It is noted that the condensed financial statements which have been published aim at providing the reader with a general view on the Company's financial position and results, but do not provide the reader with a complete picture of the financial position and developments as well as cash flows of the Company, according to the IFRS.


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



THE CHIEF FINANCIAL OFFICER



**THE CHIEF
ACCOUNTANT**



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ΟΙΚΟΝΟΜΟΛΟΓΟΣ-ΦΟΡΟΤΕΧΝΙΚΟΣ
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Independent Auditor's Report

To the Shareholders of ETPA PACKAGING S.A.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of the company "ETPA PACKAGING S.A." (the Company), which comprise the statement of financial position as at December 31, 2017, and the statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in 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. During our audit, we remained independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives and in any other information which is either required by Law or the Company optionally incorporated, in the required by Law 3556/2007, Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement therein; we are required to communicate that matter. We have nothing to report in this respect.

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

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

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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, as they have been transposed in Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

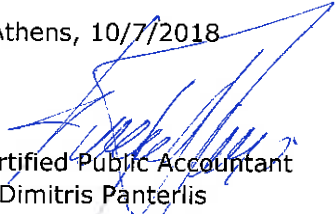
- a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 43a CL 2190/1920, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2017.

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

b) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company ETPA PACKAGING S.A. and its environment.

Athens, 10/7/2018



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



Chartered Accountants Management Consultants
55, Zikou str., 175 64 Palaio Faliro, Greece
Registry Number SODEL 127

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

Annual Report of the Board of Directors of ETPA PACKAGING S.A. for FY 1/1/-31/12/2017

Dear Shareholders,

According to the provisions of Law 2190/1920, we are submitting to your attention the current Annual Report of the Board of Directors for the 21th fiscal year of the Company ETPA PACKAGING S.A. (1/1/2017-31/12/2017). The present financial year is the first 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 about the financial position and results of the Company ETPA PACKAGING S.A., a description of the significant events that took place during the closing financial year, a description of significant events that occurred after the date of preparation of the statement of financial position, a description of the projected course of the Company's operations, information regarding the management of significant financial risks faced by the Company, a presentation of significant transactions between the Company and its related parties as well as other information about the Company.

A. Summary financial information about the Company

The development of the Company's operations for FY 2017 and the summarized financial results are as follows:

Sales: The Company's sales during FY 2017 amounted to € 11,2 million versus € 11,6 million in 2016, recording an decrease of 3%.

Gross Profit: Gross Profit of the Company during FY 2017 stood at € 3,32 million versus € 4,03 million, recording a decrease of 18%.

Administrative expenses: The administrative expenses of the Company amounted to € 1,86 million in 2017, recording an decrease of 4,97%.

Distribution expenses: Distribution expenses increased by 3,17% from € 829k in 2016 to € 856 k in 2017.

EBITDA: Earnings before interest, taxes depreciation and amortization amounted to € 1,1 million compared to € 1,6 million during the previous year.

Profit before taxes: Profit before tax for FY 2017 amounted to € 1,1 million versus € 1,6 million during the previous year.

Net profit after taxes: The Company recorded profit after tax in 2017 amounting to € 87 k versus € 415 k in the previous year.

Other financial ratios

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

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

	31/12/2017	31/12/2016
LIQUIDITY RATIOS		
Current Ratio	0,97	1,18
Average Collection Period (days)	151,43	145,40
Average payment period (days)	-84,25	-80,41
Inventory turnover (days)	-71,39	-67,78
Asset Turnover	0,52	0,59
EFFICIENCY RATIOS		
Gross Margin	29,60%	34,69%
Profit Margin	-0,78%	3,58%
Return on equity	-1,56%	7,30%
Capital Structure		
Equity to Total Assets	26,16%	29,16%
Debt to Equity	35,44%	41,17%
Equity to Assets	44,75%	51,12%

B. Environmental Issues

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

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

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

Γ. Labor and Social Issues

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

- Minimize pollution in Air, Water and Earth
- Recognizes and responds to the demands of society and customers in relation to products and operations.
- Complies with all relevant Greek and European laws and requirements of the SMETA ver.6 standard for Occupational Health and Safety and the Environment.
- Controls and observes working hours in accordance with Greek law
- Inform and advise customers about the proper and safe use of its products
- Is a member of SEDEX under the number S00000062198 to promote Ethical Business.
- Selects suppliers that comply with and comply with applicable laws and regulations.]

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

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

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

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

B. Significant events that occurred during the current year

Company in an very difficult environment during the year in terms of market conditions that prevailed until the country's macroeconomic environment was normalized by the end of the second evaluation of the support program, remained faithful to its investment program and made the following planned investments:

- 1) Expansion of the industrial buildings amounting to € 500,000 by bank loans,
- 2) Supply of new production equipment worth € 1.2 million by leasing,
- 3) Renew productive hardware of the company at a cost of € 100 k.

These investments are expected to drive the sales and profits of the company in 2018 considering the normalization of the economic environment.

C. Prospects and objectives for FY 2017

The company is expected to show significant turnover growth, strong profitability and EBITDA over the year 2018.

The company will also invest in new modern digital equipment to meet the needs of small production batches in order to maximize the productivity of large machines and to meet increased demand for both small and large production batches.

Finally, will submit an investment plan under the new investment law 4399/2016 for the supply of modern equipment that will replace older technology and lower-yielding existing equipment.

D. Risks and uncertainties

Financial risks management

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

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

Price fluctuation risk:

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

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

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

Credit risk:

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

Liquidity risk

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

The working capital of the company is negative by € 249 thousand. The company examines methods to reduce operating expenses as well as increase sales. Based on the results of the company up to and including the first quarter of 2018, revenue shows an increase of 18%, recording profits of € 417 thousand compared to a marginal loss of € 6 thousand in the same period of 2017.

Furthermore, the company has positive operating cash flows during the fiscal year, as well as a total debt of € 2.96 million, for which 80% is guaranteed by the Greek State. From this borrowing the amount of the short-term debt amounts to € 798 k.

With the support of its main shareholder, through a collateral in his private estate amounting to € 960 k, the management of the company considers the negative working capital to be temporary and company will be able to meet its short-term business needs by 2018, through the cash inflows from its operation.

Cash flows risk:

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

E. Related parties transactions

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

<i>Amounts in Euro</i>	Company	
	1/1-31/12/2017	1/1-31/12/2016
Salaries and Social security costs	162.298	158.792
Fees to members of the BoD	1.004.696	1.191.230
Termination benefits	0	0
Other long-term benefits	0	0
Stock option	0	0
Total	1.166.994	1.350.022

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

Transactions with related parties

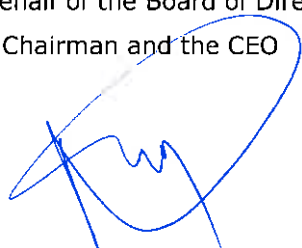
Amounts in Euro '000

	Company	
	31/12/2017	31/12/2015
a) Asset accounts		
Trade and other receivables	-	-
Cash, cash equivalents & restricted cash	-	-
Other Receivables	-	-
Accrued income	-	-
Discontinued operations	-	-
Total	-	-
b) Liability accounts		
Loans	-	0
Other liabilities	2.258	2.127
Total	2.258	2.127
c) Income		
Inventory sales	-	-
Total	-	-
d) Expenses		
Third party expenses	1.166.994	1.350.022
Financial expenses	-	7.711
Total	1.166.994	1.357.733

All kinds of remuneration of members of the Management and Key Executives of the Company and the Company during FY 1/1-31/12/2017 amounted to € 1.166.994. As at 31/12/2017, company has no receivables to the members of the Board of Directors and Key Executives.

Metamorphosi, July 10, 2018

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



Ioannis Drenogiannis

ETPA PACKAGING S.A.

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

Statement of Financial Position

		Company	
	Notes	31/12/2017	31/12/2016
Assets			
Non-Current Assets			
Tangible assets	3	12.512.005	11.149.264
Investment property		0	0
Goodwill		0	0
Other Intangible Assets	4	7.865	10.209
Investments in Subsidiaries		0	0
Investments accounted for using the equity method		0	0
Other non current assets	5	513.856	549.067
Deferred tax asset	12	517.793	560.726
Non-Current Assets		<u>13.551.518</u>	<u>12.269.265</u>
Current Assets			
Inventories	6	1.659.744	1.425.661
Trade and other receivables	7	4.768.088	4.527.624
Other current assets	8	705.444	747.058
Trading portfolio and financial assets measured at fair value through P&L		0	0
Cash, cash equivalents & restricted cash	9	714.825	572.762
Current Assets		<u>7.848.100</u>	<u>7.273.105</u>
Non-current assets classified as held for sale			
Total Assets		<u>21.399.618</u>	<u>19.542.370</u>
Equity and Liabilities			
Equity			
Share capital	10	2.434.070	2.434.070
Share premium	10	724.644	724.644
Other reserves	11	1.474.705	1.487.593
Retained earnings		1.052.888	636.908
Profit for the period		-87.166	415.980
Equity attributable to owners of the Parent		<u>5.599.141</u>	<u>5.699.195</u>
Non-controlling interests			
Total Equity		<u>5.599.141</u>	<u>5.699.195</u>
Non-current liabilities			
Deferred tax liability	12	968.637	902.523
Accrued pension and retirement obligations	13	257.640	222.520
Government grants	14	1.409.679	1.573.808
Long-term borrowings	16	4.286.488	4.048.532
Non-Current Provisions	17	55.000	55.000
Other long-term liabilities	15	725.538	896.054
Non-current liabilities		<u>7.702.983</u>	<u>7.698.437</u>
Current Liabilities			
Trade and other payables	18	2.114.255	1.526.838
Tax payable		30.523	146.678
Short-term debt	16	5.034.730	3.731.792
Current portion of non-current provisions	17	0	0
Other current liabilities	19	917.987	739.430
Current Liabilities		<u>8.097.495</u>	<u>6.144.738</u>
Total Liabilities		<u>15.800.478</u>	<u>13.843.175</u>
Liabilities directly associated with non-current assets held for sale			
Total Equity and Liabilities		<u>21.399.618</u>	<u>19.542.370</u>

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

Income Statement

	Note	Company	
		1/1- 31/12/2017	1/1- 31/12/2016
Sales	20	11.203.004	11.607.461
Cost of sales	21	-7.887.323	-7.580.381
Gross profit		3.315.681	4.027.080
Administrative expenses	21	-1.863.691	-1.961.096
Distribution expenses	21	-855.673	-829.343
Other income	23	222.375	141.451
Other expenses	24	-159.474	-177.529
Operating profit		659.217	1.200.563
		0	
Other financial results	25	-4.005	-3.933
Financial expenses	26	-628.101	-582.028
Financial income	26	33	78
Income from dividends		0	0
Share in net profit (loss) of companies accounted for by the equity method		0	0
Profit before income tax		27.145	614.680
Income tax	27	-114.311	-198.700
Profit for the period from continuing operations		-87.166	415.980
Attributable to:			
Owners of the Parent			
Non Controlling Interests			
Depreciation charge		516.057	497.851
EBITDA		1.175.275	1.698.414

Statement of Comprehensive Income

	Σημ.	Company	
		1/1- 31/12/2017	1/1- 31/12/2016
Net profit for the period		(87.166)	415.980
Other comprehensive income:			
Amounts that will not be reclassified in the Income Statement			
Remeasurements of defined benefit pension plans	13	-18.152	-10.163
Deferred tax on revaluation of accrued pensions	12	5.264	2.947
		-12.888	-7.216
Amounts that may be reclassified in the Income Statement			
		0	0
Other comprehensive income for the period after tax		-12.888	-7.216
Total comprehensive income for the period after tax		-100.054	408.764

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

Statement of Changes in Equity

	Σημ.	Number of shares	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 31/12/2015		83.645	2.434.070	724.644	1.494.809	636.909	5.290.431
Transactions with owners		0	0	0	0	0	0
Profit for the period			0	0	0	415.980	415.980
Other comprehensive income:							
Remeasurements of defined benefit pension plans	13				-10.163		-10.163
Deferred tax on revaluation of accrued pensions	12				2.947		2.947
Other comprehensive income after tax			0	0	-7.216	0	-7.216
Total comprehensive income for the period after tax			0	0	-7.216	415.980	408.764
Balance at 31/12/2016		83.645	2.434.070	724.644	1.487.593	1.052.888	5.699.195
Balance at 31/12/2016		83.645	2.434.070	724.644	1.487.593	1.052.888	5.699.195
Transactions with owners		0	0	0	0	0	0
Profit for the period						-87.166	-87.166
Other comprehensive income:							
Remeasurements of defined benefit pension plans	13				-18.152		-18.152
Deferred tax on revaluation of accrued pensions	12				5.264		5.264
Other comprehensive income after tax			0	0	-12.888	0	-12.888
Total comprehensive income for the period after tax			0	0	-12.888	-87.166	-100.054
Balance at 31/12/2017		83.645	2.434.070	724.644	1.474.705	965.722	5.599.141

Statement of Cash Flows

	Note	1/1-31/12/2017	1/1-31/12/2016
Cash flows from operating activities			
Profit (loss) before tax from continuing operation		27.145	614.680
Adjustments for:			
Depreciation	3,4	516.057	497.851
Changes in pension obligations	13	16.968	15.702
Provisions	6	-28.000	0
Impairment of assets and other investments	3,4	0	0
Unrealized Exchange gains			
Unrealized Exchange losses			
(Profit) loss on sale of property, plant and equipment	3,4	0	0
(Profit) loss on sale of intangible assets			
Share in net (profit) loss of companies accounted for by the equity method			
Income from reversal of prior year's provisions			
Profit / Loss from fair value valuation of financial assets at fair value through profit and loss			
Grants amortization	14	-164.130	-123.789
Profit / Loss from sale of financial assets at fair value through profit an loss			
Profit/Loss from sale part of subsidiaries			
Profit / Loss from derivatives expiry			
Non-cash compensation (income)/expense			
Deferred income taxes			
Interest and similar income	26	-33	-78
Interest similar expenses	26	628.101	582.028
Dividends			
Employee benefits in the form of stock options			
Profit/Loss from sale of subsidiary			
Profit/Loss from sale of associates			
Total Adjustments		968.963	971.714
Cash flows from operating activities before working capital changes		996.108	1.586.394
Changes in Working Capital			
(Increase) / Decrease in inventories		-206.083	-35.997
(Increase)/Decrease in trade receivables		-205.252	37.331
(Increase)/Decrease in other receivables		41.614	188.372
Increase / (Decrease) in liabilities (excluding banks		44.498	-115.132
Net (Increase) / Decrease of trading portfolio		587.417	-286.242
		262.194	-211.668
Cash flows operating activities		1.258.302	1.374.726
Interest paid		-545.805	-588.162
Income tax paid		-152.613	-111.016
Net Cash flows operating activities		559.884	675.549
Cash flows from investing activities			
Purchase of property, plant and equipment	3,4	-1.876.454	-35.392
Purchase of intangible assets	3,4	0	0
Proceeds from disposal of property, plant and equipment	3,4	0	0
Proceeds from disposal of intangible assets			
Increase in capital and additional paid-in capital of subsidiaries			
Dividends received			
Sale of financial assets of trading portfolio			
Sale of financial assets at fair value through profit and loss			
Acquisition of subsidiaries (less cash)			
Sale of subsidiaries (less cash)			
Acquisition of associates			
Interest received		33	78
Grants received			
Loans to related parties			
Loans to third parties			
Receivables from loans to related parties			
Investments in associates			
Investments in subsidiaries			
Net Cash flow from investing activities		-1.876.421	-35.315
Cash flow from financing activities			
Proceeds from issuance of ordinary shares			
Advances for SCI			
Additional equity offering costs			
Changes in ownership interests in existing subsidiaries			
Proceeds from borrowings	16	2.239.886	600.000
Payments for borrowings	16	-475.368	-913.661
Payments for share capital decrease to owners of the parent			
Payments for share capital decrease to non-controlling interests of subsidiaries			
Dividends paid to owners of the parent			
Dividends paid to non-controlling interests			
Payment of finance lease liabilities	16	-305.919	-121.346
Sale/(Acquisition) of treasury shares			
Capital return to shareholders			
Loans from related parties			
Net Cash flow financing activities		1.458.599	-435.007
Net (decrease) / increase in cash, cash equivalents and restricted cash		142.063	205.227
Cash, cash equivalents and restricted cash at beginning of the period from continuing operations		572.762	367.534
Exchange differences in cash, cash equivalents and restricted cash from continuing operations		0	0
Net cash, cash equivalents and restricted cash at the end of the period from continuing operations		714.825	572.762

1. Brief Description of the Company

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

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

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

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

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

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

Significant Dates

1982

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

1992

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

1995

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

2001

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

2011

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

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

BOARD OF DIRECTORS

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

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

KEY EXECUTIVES

The Company's Key Executives are as follows:

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

Quality

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

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

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

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

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

Services

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

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

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

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

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

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

Products

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

Facilities

Central Management

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

Thessaloniki Branch

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

Factory of Komotini

14TH Block
Industrial Area Komotini 69 100
Komotini, Greece

2. Notes to Financial Statements

2.1 Notes to Financial Statements

The accompanying financial statement of 31/12/2017 have been prepared based on the historical cost principle, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) which have been issued by the International Accounting Standards Board (IASB) and the interpretations which have been issued by the International Financial Reporting Interpretations Committee (IFRIC).

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

The Company's Board of Directors approved the aforementioned financial statements on June 19, 2017.

2.2 Application of newly issued and revised accounting standards

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

The following amendments and interpretations of the IFRS have been issued by IASB and their application is mandatory from or after 01/01/2017.

Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The amendments affect the separate Financial Statements.

Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments affect the separate Financial Statements.

Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017)

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issue included in this cycle and is effective for annual periods starting on or after 01/01/2017 is the following: IFRS 12: Clarification of the scope of the Standard. The amendments do not affect the separate Financial Statements. The other issues of this cycle that are effective for annual periods starting on or after 01/01/2018 are included in the following section.

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

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

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

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

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

Contracts”, IAS 18 “Revenue” and several revenue related Interpretations. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the “temporary exemption”) and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the “overlay approach”). The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

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

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle and are effective for annual periods starting on or after 01/01/2018 are the following: IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

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

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

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called

negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

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

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

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

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

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

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

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

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

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

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

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

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

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

2.2.3 Use of Estimates

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. The segments in need of the highest degree of judgement as well as the segments where the estimates are particularly significant to the financial statements are presented in the par. Significant accounting estimates and judgements of the Management in Note 2.4.

2.3 Summary of Basic Accounting Policies

The key accounting policies adopted under the preparation of the annual financial statements for the year ended December 31, 2017 are as follows:

Functional and Presentation Currency and Foreign Currency Translation

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

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

Property, plant and equipment

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

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

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

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

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

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

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

Intangible Fixes Assets Software

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

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

Computer software	5 - 10 years
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Impairment of assets

Tangible and intangible assets and other non-current assets are tested for potential impairment loss whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, the corresponding impairment loss is recognized in the statement of comprehensive income. The recoverable amount of an asset is the higher amount between its net selling price and its value in use. Net selling price is the amount obtainable from the sale of an asset at an arm's length transaction between fully knowledgeable parties acting voluntarily, after deducting any direct incremental disposal costs. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If it is not possible to estimate the

recoverable amount of an asset for which there is evidence of impairment, then the recoverable amount of the unit generating cash flows to which the asset belongs, is estimated. Impairment losses of assets accounted for in previous years are reversed only when there are sufficient indications that the impairment no longer exists or has been decreased. In these cases, the reversal is recognized as income.

Investment property

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

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

Inventory

Inventory is stated at the lower of acquisition cost or production cost and net realizable value. The cost of inventory is calculated based on the weighted average method and contains all the necessary costs incurred in bringing inventory to their current location and state of manufacture and comprises cost of goods, acquisition cost of raw materials, overheads and packaging costs. The net realizable value of goods, finished and unfinished products is their estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary for their sale. The net realizable value of raw materials is the estimated replacement cost in the ordinary course of business. Provision for slow moving or obsolete inventories is made when necessary. As at 31/12/2017, no inventory items were valued at their net realizable value.

Loans and receivables

They include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category (loans and receivables) does not include:

- Receivables from prepayments for the purchase of goods or services,
- Receivables related to tax transactions, which have been legislatively imposed by the state,
- Anything not covered by a contract, which gives the company the right to receive cash or other financial assets.

Loans and receivables are recognized at amortized cost using the effective interest method.

Loans and receivables are included in current assets, except for maturities greater than twelve months from the date of preparation of the statement of financial position. The latter are included in non-current assets.

Investments held to maturity

Such investments include non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the intention and ability to hold until maturity . The Company does not hold any investments in this category.

Financial assets available for sale

Such assets include non-derivative financial assets that are either designated in this category or cannot be classified in any of the previous three categories of financial instruments.

Investment transactions in this category are recorded at acquisition cost at the trade date, which is the date when the company commits to purchase or sell the asset. The cost of purchase includes transaction costs. Available for sale financial assets are measured at fair value. Unrealized gains (losses) arising from changes in fair value of securities classified as available-for-sale are recognized in equity.

The fair value of investments is based on bid price or amounts derived from cash flow models. The fair values of equity securities of unlisted companies is calculated using price indices to earnings or price to cash flows , which is adapted to the specific circumstances of the issuer. The shares, whose fair value cannot be accurately calculated are recognized at cost less any impairment of their value. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investment securities.

Offsetting financial assets and equity and liabilities

Where there is a legally enforceable right to offset recognized financial assets and equity and liabilities and there is an intention to settle the liability and realize the asset or settle on a net basis, all the related financial effects are offset.

Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less impairment losses. Impairment losses (losses from bad debts) are recognized when there is objective evidence that the company is unable to collect all amounts due according to the contractual terms. The impairment loss is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The impairment loss is recognized as an expense in the statement of comprehensive income.

Cash available

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

Share capital

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

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

Loans

All loans are initially recognized at cost, which is the fair value of the loan less loan acquisition costs. Borrowings are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement during the loan period.

Finance and operating leases

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

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

Income tax (current and deferred)

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

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

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

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

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

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

Dividends

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

Employee benefits provisions

The Company's obligations towards employees in respect of the future payment of benefits depending on the length of service of every employee is calculated and recorded based on the expected vested benefit of every employee at the date of preparation of the statement of financial position, discounted to present value, in relation to the anticipated time of payment.

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

State insurance plans

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

under this plan.

Government grants

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

Provisions and contingent assets and liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources and the liabilities can be estimated reliably.

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

Revenue recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership are transferred to the buyer. Revenue from rendering services is based on the completion stage, determined by reference to the aforementioned services, as a percentage of total services rendered.

Franchising fees relate to the creation and development of fast-food restaurants and points through the use of the trademark transfer. These fees are recognized as revenue in the period concerned.

Interest income is recognized on a time proportion basis, taking into account the balance of the initial amount and the applicable rate of the period until the end, when it is determined that such income will be payable to the Company.

Income from dividends is recognized as revenue at the date of approval of dividends distribution.

Finance leases

Finance leases are addressed as loan agreements, resulting in the leased assets being recorded as assets of the Company (and depreciated accordingly) with a corresponding financial liability being attributed to the lessor. The finance cost is recognized in the statement of comprehensive income as an expense when it accrues.

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income as expenses during the lease term.

Cost of financing

Net cost of financing includes accrued interest on borrowings calculated under the effective interest method.

2.4 Significant Accounting Estimates and Judgements of the Management

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates. Judgments and estimates are periodically reviewed and are based on the management prior experience as well as on other factors, including future expectations deemed reasonable under the particular circumstances.

2.4.1 Judgements

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

- Classification of investments

Management decides as at investment acquisition, whether it should be classified as held to maturity, held for trading, carried at fair value through profit or loss or available for sale. Regarding the investments held to maturity, the management examines whether the investment complies with the criteria defined under IAS 39 and the Company has the intention and the ability to hold the investment to its maturity. The Company classifies investments as held for trading if they are acquired primarily for the purposes of generating short-term profit. Classification of investments as carried at the fair value through profit or loss depends on the way according to which the management monitors the performance of these investments. When investments are not classified as held for trading purposes but there are readily available reliable fair values and the changes in fair value are included in profit or loss in the management accounts, the investments are classified as carried fair value through profit or loss. All the other investments are classified as available for sale.

2.4.2 Estimates and assumptions

Certain amounts included in or affecting the financial statements and related disclosures shall be estimated through making assumptions with respect to values or conditions which cannot be known with certainty at the time of preparation of the financial statements. Significant accounting estimates are defined as the estimates significant to the financial position and results of the company and those requiring the management's most difficult, subjective or complex judgments, often as a result of the need to make estimates regarding the effect of matters that are uncertain.

The company assesses such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as the projections for the future changes.

Recoverability of receivables

Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost less provision for impairment, using the effective interest method. When the Company has objective evidence that it will not collect all amounts due according to the terms of each contract, it makes provision for impairment of trade receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, which are prepaid at the effective interest rate. The amount of the provision is recognized in other 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.

Leases classification

Leases under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. The amounts paid for the repayment of installments under operating leases are recognized in the income statement. Leases of tangible assets for which the Company has substantially all the risks and rewards of leased assets, are classified as finance leases.

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.

Provisions

Doubtful accounts are reported at the amounts likely to be recoverable. Once it becomes known that a specific account is subject to a higher than normal credit risk (eg, low creditworthiness of customer, dispute as to the existence of the claim or the amount thereof etc.), then the account is analyzed and recorded if the circumstances indicate the receivable is uncollectible.

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, 2017. However, determination of contingent liabilities relating to litigation and claims is a complex process that involves judgments related to the outcomes and interpretation of laws and regulations. Changes in judgments or interpretations may result in an increase or a decrease in the Company's contingent liabilities in the future.

3. Property, plant and equipment

3.1. The Company's tangible assets

The Company's tangible assets are analyzed as follows:

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Cost of valuation at1/1/2016	1.029.693	8.124.918	6.988.731	163.270	721.840	0	17.028.451
Accumulated depreciation	0	(1.771.511)	(4.299.502)	(91.818)	(550.658)	0	(6.713.488)
Net book value1/1/2016	1.029.693	6.353.407	2.689.230	71.452	171.182	0	10.314.963
Additions	0	5.392	7.893	0	22.107	0	35.392
Disposals	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Impairment of intangible assets	0	0	0	0	0	0	0
Revaluation of assets	0	0	0	0	0	0	0
Disposals from transfer to assets under finance lease	0	0	0	0	0	0	0
Other transfers	0	0	0	0	0	0	0
Depreciation charge	0	(203.141)	(187.574)	(10.353)	(40.012)	0	(441.080)
Accumulated depreciation of assets transfer to finance lease	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Cost of valuation at31/12/2016	1.029.693	8.130.310	6.996.625	163.270	743.947	0	17.063.843
Accumulated depreciation	0	(1.974.652)	(4.487.076)	(102.171)	(590.669)	0	(7.154.568)
Net book value31/12/2016	1.029.693	6.155.657	2.509.549	61.099	153.277	0	9.909.275
Cost of valuation at1/1/2017	1.029.693	8.130.310	6.996.625	163.270	743.947	0	17.063.843
Accumulated depreciation	0	(1.974.652)	(4.487.076)	(102.171)	(590.669)	0	(7.154.568)
Net book value1/1/2017	1.029.693	6.155.657	2.509.549	61.099	153.277	0	9.909.275
Additions	0	500.664	42.465	10.300	117.345	0	670.775
Disposals	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Impairment of intangible assets	0	0	0	0	0	0	0
Revaluation of assets	0	0	0	0	0	0	0
Disposals from transfer to assets under finance lease	0	0	0	0	0	0	0
Other transfers	0	0	0	0	0	0	0
Depreciation charge	0	(203.258)	(187.741)	(9.769)	(44.164)	0	(444.931)
Accumulated depreciation of assets transfer to finance lease	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Cost of valuation at31/12/2017	1.029.693	8.630.974	7.039.090	173.570	861.292	0	17.734.618
Accumulated depreciation	0	(2.177.910)	(4.674.817)	(111.940)	(634.833)	0	(7.599.499)
Net book value31/12/2017	1.029.693	6.453.064	2.364.273	61.630	226.459	0	10.135.118

3.2. Property, plant and equipment under finance lease

The Company's tangible assets are analyzed as follows:

	Machinery	Total
Cost of valuation at 1/1/2016	1.317.661	1.317.661
Accumulated depreciation	(24.966)	(24.966)
Net book value 1/1/2016	1.292.695	1.292.695
Additions	0	0
Depreciation charge	(52.706)	(52.706)
Cost of valuation at 31/12/2016	1.317.661	1.317.661
Accumulated depreciation	(77.672)	(77.672)
Net book value 31/12/2016	1.239.989	1.239.989

	Machinery	Total
Cost of valuation at 1/1/2017	1.317.661	1.317.661
Accumulated depreciation	(77.672)	(77.672)
Net book value 1/1/2017	1.239.989	1.239.989
Additions	1.205.679	1.205.679
Depreciation charge	(68.782)	(68.782)
Cost of valuation at 31/12/2017	2.523.341	2.523.341
Accumulated depreciation	(146.455)	(146.455)
Net book value 31/12/2017	2.376.886	2.376.886

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

4. Intangible assets

	Computer Software	Total
Cost of valuation at1/1/2016	32.546	32.546
Accumulated depreciation	(18.273)	(18.273)
Net book value1/1/2016	14.274	14.274
Additions		0
Disposals		0
Reclassifications		0
Impairment		0
Other transfers		0
Depreciation charge	(4.065)	(4.065)
Other adjustments		0
Reclassifications		0
Cost of valuation at31/12/2016	32.546	32.546
Accumulated depreciation	(22.337)	(22.337)
Net book value31/12/2016	10.209	10.209

	Computer Software	Total
Cost of valuation at1/1/2017	32.546	32.546
Accumulated depreciation	(22.337)	(22.337)
Net book value1/1/2017	10.209	10.209
Additions		0
Disposals		0
Reclassifications		0
Impairment		0
Other transfers		0
Depreciation charge	(2.344)	(2.344)
Other adjustments		0
Reclassifications		0
Cost of valuation at31/12/2017	32.546	32.546
Accumulated depreciation	(24.681)	(24.681)
Net book value31/12/2017	7.865	7.865

5. Other long-term receivables

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

	<u>31/12/2017</u>	<u>31/12/2016</u>
Guarrantees	36.527	19.079
Government Grants	339.692	356.575
Others	137.637	173.413
Net book value	513.855,65	549.066,88

6. Inventory

The Company's inventory is analyzed as follows:

	<u>31/12/2017</u>	<u>31/12/2016</u>
Merchandise	586	14.580
Finished goods	323.271	334.717
Semi-finished products	0	0
Raw materials and other consumables	1.295.683	1.111.069
Work in process	105.654	57.674
Packaging Materials	10.085	11.157
Total	1.735.280	1.529.197
Less: Provisions for scrap,slow moving and/or destroyed inventories for the period	-75.536	-103.536
Net book value	1.659.744	1.425.661

7. Trade receivables

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

	<u>31/12/2017</u>	<u>31/12/2016</u>
Trade receivables	2.781.013	3.064.214
Intercompany accounts receivable	0	0
Notes receivable	0	0
Checks receivable	3.061.200	2.604.809
Trade Receivables from the State	0	0
Less:Impairment Provisions	-1.074.125	-1.141.398
Net trade Receivables	4.768.088	4.527.624
Advances from suppliers		
Less:Impairment Provisions		
Total	4.768.088	4.527.624

8. Other current assets

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

	<u>31/12/2017</u>	<u>31/12/2016</u>
Receivables from the State	464.943	413.296
Other Receivables from related parties	0	0
Advances and loans to personnel	45.685	48.524
Prepaid expenses	194.302	204.987
Other Receivables	513	80.251
Total	705.444	747.058
Less:Impairment Provisions	0	0
Net receivables	705.444	747.058

9. Cash available

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

	<u>31/12/2017</u>	<u>31/12/2016</u>
Cash in hand	16.427	22.456
Cash equivalent balance in bank	698.398	550.306
Total cash, cash equivalents and restricted cash	714.825	572.762
Cash, cash equivalents and restricted cash in €	711.213	563.614
Cash, cash equivalents and restricted cash in foreign currency	3.611	9.148
Total cash and cash equivalents	714.825	572.762

10. Share Capital

As at 31/12/2017, the Company's share capital amounted to € 2.434.070 and consisted of 83.645 common nominal shares of nominal value 29 Euro each.

11. Other reserves

The Company's reserves are analyzed as follows:

	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
Balance as of 1/1/2016	77.726,55	0,00	1.553.084,04	-136.001,85	0,00	1.494.808,74
Remeasurements of defined benefit pension plans				-7.215,77		-7.215,77
Balance as of 31/12/2016	77.726,55	0,00	1.553.084,04	-143.217,62	0,00	1.487.592,97
Balance as of 1/1/2017	77.726,55	0,00	1.553.084,04	-143.217,62	0,00	1.487.592,97
Remeasurements of defined benefit pension plans				-12.887,92		-12.887,92
Balance as of 31/12/2017	77.726,55	0,00	1.553.084,04	-156.105,54	0,00	1.474.705,05

12. Deferred tax assets/liabilities

	Balance as of 1/1/2017	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2017	Balance as of 1/1/2016	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2016
Non-Current Assets								
Tangible assets	-902.523	-66.115		-968.637	-842.326	-60.196		-902.
Investment property	0	0		0	0	0		
Goodwill	0	0		0	0	0		
Other Intangible Assets	5.025	-1.118		3.907	6.751	-1.726		5.
Investments in Subsidiaries	0	0		0	0	0		
Investments accounted for using the equity method	0	0		0	0	0		
Other non current assets	0	0		0	0	0		
Current Assets								
Inventories	30.025	-8.120		21.905	30.025	0		30.
Trade and other receivables	113.369	-19.509		93.859	98.057	15.312		113.
Other current assets	0	0		0	0	0		
Trading portfolio and financial assets measured at fair value through P&L	0	0		0	0	0		
Non-current liabilities								
Accrued pension and retirement obligations	64.531	15.449	-5.264	74.716	57.030	10.448	-2.947	64.
Government grants	347.777	-24.371		323.406	357.741	-9.965		347.
Long-term borrowings	0	0		0	0	0		
Non-Current Provisions	0	0		0	0	0		
Other long-term liabilities	0	0		0	0	0		
Net deferred tax asset / (liability)	-341.797	-103.783	-5.264	-450.844	-292.722	-46.127	-2.947	-341.

	31/12/2017		31/12/2016	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Tangible assets	0	968.637	0	902.523
Other Intangible Assets	3.907	0	5.025	0
Inventories	21.905	0	30.025	0
Trade and other receivables	93.859	0	113.369	0
Accrued pension and retirement obligations	74.716	0	64.531	0
Government grants	323.406	0	347.777	0
Total	517.793	968.637	560.726	902.523
Offsetting deferred tax assets and liabilities				
Total	517.793	968.637	560.726	902.523

13. Employee end of service benefit obligations

Changes in the net pension obligation as at 31.12.2017 and 31.12.2016 are as follows:

Defined benefit obligation
Fair value of plan assets

31/12/2017		31/12/2016	
Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
257.640	257.640	222.520	222.520
257.640	257.640	222.520	222.520

Classified as :
Non-Current Liability
Current liability

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

Defined benefit obligation 1 January

Current Service cost
Interest expense
Remeasurement - Actuarial losses (gains) from changes in demographic assumptions
Remeasurement - actuarial losses (gains) from changes in financial assumptions
Benefits paid
Κόστος (αποτέλεσμα) Διοικηνονομικών
Defined benefit obligation 31 December

31/12/2017		31/12/2016	
Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
222.520	222.520	196.655	196.655
12.963	12.963	11.769	11.769
4.005	4.005	3.933	3.933
13.272	13.272	8.569	8.569
4.880	4.880	1.594	1.594
-	-	-	-
257.640	257.640	222.520	222.520

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

Discount rate at 31 December
Expected rate of salary increases
Inflation
Average life expectancy

31/12/2017	31/12/2016
1,70%	1,80%
2,00%	2,00%
2,00%	2,00%
EVK 2000	EVK 2000

The amounts recognized in profit or loss related are :

Current service costs
Past service costs
Net Interest on the defined obligation
Total expenses recognized in profit or loss

31/12/2017		31/12/2016	
Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
12.963	12.963	11.769	11.769
4.005	4.005	3.933	3.933
16.968	16.968	15.702	15.702

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

Actuarial gains /(losses) from changes in demographic assumptions
Actuarial gains /(losses) from changes in financial assumptions
Total income /(expenses) recognized in other comprehensive income

31/12/2017		31/12/2016	
Defined benefit plans (Non financed)	Total	Defined benefit plans (Non financed)	Total
13.272	13.272	8.569	8.569
4.880	4.880	1.594	1.594
18.152	18.152	10.163	10.163

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

	discount rate	discount rate
Increase (decrease) in the defined liability	0,5% (23.270)	0,5% 26.259
Increase (decrease) in the defined liability	Expected rate of salary increases 0,5% 25.866	Expected rate of salary increases 0,5% (23.167)

14. Grants

	Investment grants	Total
Balance as of 1/1/2016	1.697.598	1.697.598
New amounts granted	0	0
Amortization	-123.789	-123.789
Derecognition of grants	0	0
Transfer to current liabilities	0	0
Grants return	0	0
Αναγνώριση Επιχορήγησης	0	0
Other changes	0	0
Balance as of 31/12/2016	1.573.808	1.573.808
Balance as of 1/1/2017	1.573.808	1.573.808
New amounts granted	0	0
Amortization	-164.130	-164.130
Derecognition of grants	0	0
Transfer to current liabilities	0	0
Grants return	0	0
Αναγνώριση Επιχορήγησης	0	0
Other changes	0	0
Balance as of 31/12/2017	1.409.679	1.409.679

15. Other short-term liabilities

	<u>31/12/2017</u>	<u>31/12/2016</u>
Other liabilities	671.251	817.683
Social security insurance	54.287	78.371
Total	<u>725.538</u>	<u>896.054</u>

16. Long-term/Short-term loan liabilities

Long-term borrowings	4.286.488	4.048.532
Short-term debt	5.034.730	3.731.792

	<u>31/12/2017</u>	<u>31/12/2016</u>
Long-term borrowings		
Obligations under finance lease	1.441.471	681.442
Bank loans with securities	3.900.879	4.038.698
Intercompany loan	0	0
Less: Long-term loans payable in next 12 months	-1.055.862	-671.607
Total of long-term loans	<u>4.286.488</u>	<u>4.048.532</u>

	<u>31/12/2017</u>	<u>31/12/2016</u>
Short-term debt		
Obligations under finance lease	268.827	129.096
Bank Overdrafts	3.710.041	2.931.089
Intercompany loan	0	0
More: Long-term loans payable in next 12 months	1.055.862	671.607
Total of short-term loans	<u>5.034.730</u>	<u>3.731.792</u>

	<u>31/12/2017</u>	<u>31/12/2016</u>
Borrowings		
Within 1year	5.034.730	3.731.792
After 1year but not more than 2 years	948.462	891.164
After 2 years but not more than 3 years	960.172	765.220
After 3 years but not more than 4 years	999.712	769.195
After 4 years but not more than 5 years	956.555	800.343
More than five years	421.588	822.610
	<u>9.321.219</u>	<u>7.780.324</u>

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

	<u>31/12/2017</u>
	€
Long-term borrowings	5,3%
Bank Overdrafts	7,9%
	<u>31/12/2016</u>
	€
Long-term borrowings	4,9%
Bank Overdrafts	8,2%

Obligations under finance lease

	<u>31/12/2017</u>		<u>31/12/2016</u>	
	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Within 1year	268.827	223.000	129.096	75.519
After 1year but not more than 5 years	1.160.818	1.063.413	602.288	469.423
More than five years	280.654	279.275	79.154	-53.710
Total of Future minimum lease payments	<u>1.710.298</u>	<u>1.565.688</u>	<u>810.538</u>	<u>491.231</u>
Less: Interest expenses	-299.055	0	-144.610	0
Total of Present value of future minimum lease payments	<u>1.411.243</u>	<u>1.565.688</u>	<u>665.928</u>	<u>491.231</u>

17. Long-term/Short-term provisions

	Provision of affairs sub judice	Provision for Tax expense for unaudited fiscal years	Other Provisions	Total
Balance as of 1/1/2016	0	55.000	0	55.000
Additional provisions				0
Utilised provisions				0
Reversal of provisions				0
Reclassification				0
Provision for Tax expense for unaudited fiscal years				0
Exchange differences				0
Balance as of 31/12/2016	0	55.000	0	55.000
Short Term Provisions				0
Long Term Provisions		55.000		55.000
	0	55.000		55.000

	Provision of affairs sub judice	Provision for Tax expense for unaudited fiscal years	Other Provisions	Total
Balance as of 1/1/2017	0	55.000		55.000
Additional provisions				0
Utilised provisions				0
Reversal of provisions				0
Reclassification				0
Provision for Tax expense for unaudited fiscal years				0
Exchange differences				0
Balance as of 31/12/2017	0	55.000		55.000
Short Term Provisions				0
Long Term Provisions		55.000		55.000
	0	55.000		55.000

18. Suppliers and other liabilities

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

	31/12/2017	31/12/2016
Suppliers	1.812.364	1.199.908
Notes payable	0	0
Checks Payable	301.891	326.929
Customers' Advances	0	0
Intercompany accounts payable	0	0
Other liabilities	0	0
Total	2.114.255	1.526.838

19. Other short-term liabilities

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

	31/12/2017	31/12/2016
Social security insurance	170.747	150.675
Other Tax liabilities	597.658	496.610
Salaries and wages payable	69.547	60.725
Accrued expenses	16.877	20.333
Others Liabilities	59.403	6.394
Accrued Interest expenses	3.756	4.693
Total	917.987	739.430

20. Sales

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Sales of goods	10,370,412	10,703,709
Income from services provided	832,592	903,752
Total	11,203,004	11,607,461

21. Analysis of expenses

	1/1-31/12/2017				1/1-31/12/2016			
	Cost of sales	Administrative expenses	Distribution expenses	Total	Cost of sales	Administrative expenses	Distribution expenses	Total
Retirement benefits				0				0
Wages and Other employee benefits	2,160,556	476,163	407,687	3,044,406	1,911,597	383,009	383,789	2,678,395
Inventory cost	4,843,520			4,843,520	4,760,738	0	0	4,760,738
Tangible Assets depreciation	272,179	121,051	120,483	513,713	275,696	110,087	108,003	493,787
Intangible Assets depreciation	0	2,344	0	2,344	0	4,065	0	4,065
Third party expenses	26,418	1,101,826	16,914	1,145,158	72,998	1,302,476	18,198	1,393,672
Third party benefits	423,167	51,678	79,094	553,939	430,847	55,438	87,017	573,302
Taxes & Duties	1,182	38,132	6,242	45,556	535	42,564	6,374	49,472
Transportation and Other Expenses	160,300	72,498	225,253	458,051	127,969	63,457	225,963	417,389
Total	7,887,323	1,863,691	855,673	10,606,688	7,580,381	1,961,096	829,343	10,370,820

22. Payroll cost

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Wages and salaries	2,323,327	2,082,597
Social security costs	651,522	535,823
Post employment benefits: defined benefit plans	12,963	11,769
Post employment benefits: defined contribution plans	0	0
Other staff costs	56,595	48,206
Termination indemnities	0	0
Total Staff Costs	3,044,406	2,678,395

Number of employees

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
workers	79	78
employees	50	46
Total	129	124

23. Other income

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Grants amortization	164,130	123,789
Income from reversal of unrealized provisions	28,000	0
Other income	29,832	17,662
Profit on sale of property, plant and equipment	414	0
Reversal of provisions	0	0
Total other operating income	222,375	141,451

24. Other expenses

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Other fines & augmentation	36,176	37,274
Inventory Disposal	116,039	86,924
Provisions	7,149	52,799
Other Expenses	109	532
Total other operating expenses	159,474	177,529

25. Other financial results

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Other financial results	4.005	3.933
Financial cost from discounted value of receivables	0	0
Total other financial results	4.005	3.933

26. Financial income / (expenses)

Financial income/expenses are analyzed as follows:

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Interest expenses from long-term loans	207.233	204.733
Interest expenses from short-term loans	203.238	207.696
Finance charges payable under finance leases and hire purchase contracts	93.280	52.438
Other interest related expenses	124.349	117.160
Total financial expenses	628.101	582.028

	<u>1/1-31/12/2017</u>	<u>1/1-31/12/2016</u>
Bank interest	33	78
Total financial income	33	78

27. Income tax

Under the effective tax legislation, the tax rate applicable to Greek entities for FY 2017 is 29% (under provisions of Law 4334/2015, published on 16/07/2015).

	<u>1/1- 31/12/2017</u>	<u>1/1- 31/12/2016</u>
Current income tax	0	146.678
Deferred income tax	114.311	52.022
Tax audit differences	0	0
Income tax provision	0	0
Income tax from previous financial years	0	0
Other taxes	0	0
Total income tax	114.311	198.700

Profit before income tax	27.145	614.680
Nominal Tax rate	29%	29%
Presumed Tax on Income	7.872	178.257

Adjustments for non taxable income

- Non taxable income		
- Offset due to accumulated losses from previous financial years		
- Tax corresponding to non-taxed reserves		
- Additional taxes and increases from preceding years		
- Damage of the year for which was not recognized deferred tax asset	60.734	
- Dividends or profits from participations		
- Other		

Adjustments for non deductible expenses for tax purposes

- Goodwill impairment		
- Non tax deductible expenses	45.705	20.443
- Effect on opening deferred income tax of reduction in income tax rates		
- Tax differences of preceding financial years		
- Tax pertaining to distribution of reserves		
- Other expenses non deductible for tax purposes		
- Additional taxes and surcharges		
- Stock options granted to employees		
- Additional property tax		
- Special contribution		
- Change due to revaluation of property		
- Effect from differences in tax coefficients of foreign subsidiaries		
- Other		
Total tax	114.311	198.700

28. Key executives benefits

	Company	
	1/1-31/12/2017	1/1-31/12/2016
Salaries & other employees benefits	116.469	114.807
Social security costs	45.829	43.985
B.O.D. Remuneration	1.004.696	1.191.230
Total	1.166.994	1.350.022

	Company	
	1/1-31/12/2017	1/1-31/12/2016
Number of key management personnel	5	5

29. Related parties transactions

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

<i>Amounts in Euro</i>	Company	
	1/1-31/12/2017	1/1-31/12/2016
Salaries and Social security costs	162.298	158.792
Fees to members of the BoD	1.004.696	1.191.230
Termination benefits	0	0
Other long-term benefits	0	0
Stock option	0	0
Total	1.166.994	1.350.022

Transactions with related parties

Amounts in Euro '000

	Company	
	31/12/2017	31/12/2015
a) Asset accounts		
Trade and other receivables	-	-
Cash, cash equivalents & restricted cash	-	-
Other Receivables	-	-
Accrued income	-	-
Discontinued operations	-	-
Total	-	-
b) Liability accounts		
Loans	-	0
Other liabilities	2.258	2.127
Total	2.258	2.127
c) Income		
Inventory sales	-	-
Total	-	-
d) Expenses		
Third party expenses	1.166.994	1.350.022
Financial expenses	-	7.711
Total	1.166.994	1.357.733

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 FY 2010.

For FY 2015 and FY 2017 the company was subject to tax inspection of Certified Public Accountants under the provisions of Article 65A § 1, Law 4174/2013. Tax audit was completed during financial year 2016 and 2017 respectively and tax certificates were distributed by statutory auditors.

For FY 2017 the tax audit is currently in progress and the relevant Tax Compliance Certificate is expected to be issued following the publication of financial statements for 2017. Should any additional tax obligation arise following the finalization of tax inspection, it is estimated that they will not significantly affect the financial statements. Under recent legislation, tax audit and certificates, for the year 2016 onwards, are optional.

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

B) Commitments, guarantees and liens

	1/1- 31/12/2017	1/1- 31/12/2016
Finance lease commitments		
Within one year	268.827	129.096
After one year but not more than five years	1.160.818	533.367
More than five years	280.654	148.075
Total finance lease commitments	1.710.298	810.538
Operating lease commitments		
Within one year	27.129	27.334
After one year but not more than five years	59.994	79.782
More than five years	0	0
Operating lease short-term commitments pertaining to discontinued operations		
Operating lease long-term commitments pertaining to discontinued operations		
Total operating lease commitments	87.123	107.116
Guarantees		
Performance letters of guarantee		
Guarantees to third parties		
Guarantees for the repayment of bank accounts		
Guarantees for the repayment of trade liabilities		
Performance letters of guarantee for subsidized investment programmes		
Guarantees for the participation in various tenders		
Other guarantees		
Total guarantees	0	0
Guarantees for the repayment of bank accounts		
Encumbrances		
Mortgages on tangible assets	6.000.000	6.000.000
Mortgages on intangible assets		
Other encumbrances (explain)		
Discontinued operations		
Total encumbrances	6.000.000	6.000.000

31. Risk management policies

Financial risks management

The Company is exposed to various financial risks, the main of which have to do with the price fluctuation risk, credit risk, liquidity risk and cash flows risk. The relevant risk management policies

of the company aim at minimizing the negative effects that such risks may have on the company's financial position and performance.

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

Price fluctuation risk:

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

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

Cash flows risk:

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

Interest rate sensitivity

The company faces the risk arising from interest rate fluctuations as far as its loan liabilities are concerned. As at 31/12/2017, total loan liabilities pertain to floating rate loans. The Management constantly monitors interest rates fluctuations and the Company's financial needs and assesses, on case basis, the term of loans and the balance between fixed and adjusted interest rates.

Credit risk:

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

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

	Company	
	1/1-31/12/2017	1/1-31/12/2016
<i>Financial Assets</i>		
Cash, cash equivalents & restricted cash	714.825	572.762
Trade and other receivables	4.768.088	4.527.624
Σύνολο	5.482.912	5.100.386

Financial assets past due but not impaired

	1/1- 31/12/2017	1/1-31/12/2016
Not more than 3 months	2.436.044	2.195.204
More than 3 months but not more than 6 months	2.348.410	2.358.243
More than 6 months but not more than 1 year	-	-
More than 1 year	(16.367)	(25.823)
Σύνολο	4.768.088	4.527.624

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

Liquidity risk

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

The working capital of the company is negative by € 249 thousand. The company examines methods to reduce operating expenses as well as increase sales. Based on the results of the company up to and including the first quarter of 2018, revenue shows an increase of 18%, recording profits of € 417 thousand compared to a marginal loss of € 6 thousand in the same period of 2017.

Furthermore, the company has positive operating cash flows during the fiscal year, as well as a total debt of € 2.96 million, for which 80% is guaranteed by the Greek State. From this borrowing the amount of the short-term debt amounts to € 798 k.

With the support of its main shareholder, through a collateral in his private estate amounting to € 960 k, the management of the company considers the negative working capital to be temporary and company will be able to meet its short-term business needs by 2018, through the cash inflows from its operation.

	1/1-31/12/2017				1/1-31/12/2016			
	Short-term		Long-term		Short-term		Long-term	
	Less than 6months	6 -12 months	6 με 12 μήνες	Over 5 years	Less than 6months	6 -12 months	6 με 12 μήνες	Over 5 years
Long-term borrowing	527.931	527.931	2.704.083	140.934	335.804	335.804	2.623.635	743.455
Liabilities relating to operating lease agreements	134.414	134.414	1.160.818	280.654	64.548	64.548	602.288	79.154
Trade payables	2.114.255	-	-	-	1.526.838	-	-	-
Other short-term-long-term liabilities	917.987	-	725.538	-	739.430	-	849.472	46.582
Sort-term borrowing	3.710.041	-	-	-	2.931.089	-	-	-
Total	7.404.628	662.345	4.590.439	421.588	5.597.708	400.352	4.075.395	869.192

Equity management policies and procedures

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

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

The Company monitors the equity based on the amounts of equity plus subordinated loans less cash and cash equivalents, as presented in the Statement of Financial Position. Regarding FYs 2015 and 201, equity is analyzed as follows:

	<u>1/1- 31/12/2017</u>	<u>1/1-31/12/2016</u>
Total equity	5.599.141	5.699.195
Subordinated loans	3.710.041	2.931.089
Less: Cash and cash equivalents	(714.825)	(572.762)
Capital	8.594.357	8.057.522
Total equity	5.599.141	5.699.195
Plus Total Debt	9.321.219	7.780.324
Total Funds	14.920.359	13.479.519
Capital to Funds	1,74	1,67

32. Post financial statements events

In 2018, tax audit was initiated by the authorities of the Ministry of Finance for the years 2014-2016 and are expected to be completed within the current year. Apart from the aforementioned, there are no other events regarding the Company, subsequent to the financial statements as of December 31, 2017, that should be reported under the International Financial Reporting Standards.

Metamorphosi, July 10, 2018

THE CHAIRMAN OF THE BoD
& CHIEF EXECUTIVE OFFICER

THE CHIEF FINANCIAL OFFICER

THE CHIEF
ACCOUNTANT

ΣΤΑΥΡΟΠΟΥΛΟΣ ΣΩΤ. ΝΙΚΟΛΑΟΣ-ΑΓΑΜΕΜΝΩΝ
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