PAPERPACK CARTON PACKAGING INDUSTRY

Reg. Number 35197/06/B/96/101

General Commercial Registry Number: 004465901000

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR 01/01/2019 UNTIL 31/12/2019

According to Art. 4 of Law 3556/2007 and the executive decisions of the Board of the Exchange Commission

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STATEMENT BY MEMBERS OF THE BOARD

In accordance with Article 4, paragraph 2 of Law 3556/2007

The members of the Board of Directors of the company under the name "PAPERPACK INDUSTRIAL COMPANY FOR PRINTING, CELLULOSE AND CARTON PACKAGING" and the distinctive title PAPERPACK S.A.:

1. John Tsoukaridis, President of the Board of Directors and CEO

2. Korina Fassouli, Vice-President of the Board of Directors,

3. Juliana Tsoukaridis, Deputy CEO and Member of the Board of Directors,

in our above capacity, hereby declare and certify that to the best of our knowledge:

(a) The accompanying annual financial statements of PAPERPACK SA for the period from January 1 to December 31, 2019, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, fairly represent the assets and liabilities, equity, cash flows and results for the period ended 31 December 2019 of PAPERPACK SA in accordance with the provisions of paragraphs 3 to 5 of article 4 of Law 3556/2007, and

(b) the attached Annual Report of the Board of Directors of PAPERPACK SA illustrates in a true manner the development, performance and position of the Company, including a description of the main risks and uncertainties it face information and the required information under paragraphs 6 to 8 of article 4 of Law 3556/2007.

Kifissia, 26th of February 2020

President and CEO	The Vice President	Deputy CEO and Member of the Board
John Tsoukaridis	**Korina Fasouli**	**Juliana Tsoukaridis**
ID No. AM 644642	**ID No. AZ 120328**	**ID No. T 196593**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "PAPERPACK INDUSTRIAL & COMMERCIAL S.A"

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of PAPERPACK SA, which comprise the statement of financial position as at December 31, 2019, the company's statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company PAPERPACK SA as at 31st of December 2019, its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards, as adopted by the European Union and are in line with the regulatory framework of L. 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further 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) that has been has been transposed into Greek Law, and the ethical requirements that are relevant to the audit of the financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the current legislation 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters and the associated risks of material misstatement were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition We focused on this area as International Standards on Auditing (ISAs) assume that there is a risk of fraud in revenue recognition. To this end, they focus on examining the existence of transactions and the recording of revenue in relevant accounting period. Management's disclosures regarding accounting policies and other information related to the recognition of revenue are included in Note 3.17 of the accompanying financial statements.	Our audit approach includes the following procedures: - We have examined the broad controlling environment of the company and the specific safeguards that are related to the monitoring of revenue generation, from the ordering and the execution of the production of the ordered products to the invoicing and the subsequent collection. - We have conducted analytical and substantive audit procedures on a sample of transactions in order to obtain reasonable assurance about the recognition and accounting of revenue. We did not identify any exceptions.
Recoverability of trade receivables At 31 December 2019, the Company's trade receivables amounted to € 3,576,302.26 (€4,455,176 at 31.12.2018), while the related accumulated impairment amounted to € 134,360.68 € € 147,439 at 31.12.2018). The Company's trade receivables mainly include receivables from domestic customers. The demanding operating environment during the year has increased the risk of overheating by these company customers. In particular, in the case of the insolvency of these customers, the Company	Our audit procedures for the recoverability of trade receivables includes, among others: -The understanding and examination of the Company's credit control procedures as well as the examination of key cash flows for customers. -The assessment of the assumptions and methodology used by the Company to estimate the recoverable amount under IFRS 9 - The evaluation, with the support of our experts, of the appropriateness and reasonableness of the significant

Key audit matter	How our audit addressed the Key audit matter
is exposed to increased credit risk when customers are unable to meet their contractual obligations. Management assesses the amount of the impairment of its trade receivables, evaluating the recoverability of the trade receivables by reviewing the maturity of the customer balances, their credit history and settlement of subsequent payments according to the settlement. Given the significance of the issue and the level of judgment and estimates required, we consider this to be one of the most important issues of our audit. Management's disclosures regarding accounting policy and other information related to the impairment test are contained in notes 2.6.1, 2.7 and 3.7 of the accompanying financial statements.	estimates and models used to estimate the recoverable amount. -The examination of lawyers' letters of reply on issues they dealt with over the course of the year to identify any issues suggesting balances from commercial claims that are not recoverable in the future. -The examination of the maturity of the balances of trade receivables at the end of the year and the identification of any debtors in financial difficulty. Talk to the Administration and examine the recent correspondence of the Company with its customers. Assessment of publicly available data and information. -Reduce the impairment of trade receivables by taking into account specific parameters for borrowers, such as outstanding balances, large debtors and high risk borrowers. -We also assessed the adequacy and appropriateness of the disclosures in the relevant notes to the financial statements We did not identify any exceptions and Management's assumptions are within an acceptable range.
Fair value of equity investments At 31 December 2019, the carrying amount of investments in equity instruments amounts to € 293,214.30 (€57,231.27 as at 31.12.2018), while the gain on the fair value measurement for year ended December 31, 2019 amounted to € 235,893.03 (loss of € 121,405.73 as at 31.12.2018) This area was considered to be important for controlling because, in addition to the significance of the amount of participations in the financial statements, the determination of the book value of equity investments involves a high degree of subjectivity in estimating future cash flows, which is dependent on a number of factors, including expectations of the quantities sold in future periods, cost estimates and the use of an appropriate discount rate. According to a related valuation model, the book value of Fokas Brothers SA was initially estimated to be greater than its estimated value under the Cash Flow Discount method by Euro 3,321.27. As a result, the value of the investment in Fokas Bros SA is impaired. In contrast, the book value of Vlachos Bros. SA as initially shown was below the estimated value under the Cash Flow Discount method by Euro 239,214.30. As a result, there is an increase in the value of the investment in the company Vlachos Bros. Overall, an increase of € 235,893.03 was recorded	We received the Management's estimates and we examined the model for calculating the value for each financial item, taking into account the cases where operating losses incurred in the controlled use occurred. Our audit focused on the following issues: - We conducted discussions with the Company's Management and assessed the internal controls that are relevant to the calculation of the value of equity investments. -We assessed the suitability of the model and assumptions used to determine the value of the company FOKA BROS SA Emphasis was placed on the assumptions with the highest level of uncertainty, including the assumption of the long-term growth rate of the country's economy, the alternative assumptions taken into account for the identification of assumptions. In this evaluation: - The conclusions on the suitability of the model and the discount rate used were examined. - We recalculated the relevant amounts with the assistance of our internal valuation experts. -The inputs used to determine the assumptions in the model were examined and their reasonableness was verified after comparison with external market information, third party sources, including analyst reports and historically available Company information. -The mathematical precision of the model was checked. -The disclosures regarding the company FOKA BROS SA and VLACHOU BROS SA were examined in the financial statements -We also assessed the adequacy and appropriateness of the disclosures in the relevant notes to the financial statements Based on the procedures we conducted, we did not identify any exceptions and consider that the assumptions and estimates of the Management were within reasonable range.

Key audit matter	How our audit addressed the Key audit matter
Right to Use Assets - Long Term Lease Liabilities - ***Lease liabilities payable in the following year*** The Company first applied IFRS 16 "Leases", which is mandatory for accounting periods beginning on or after 1 January 2019, using the modified retrospective approach. The risk is inherent to the new application of IFRS 16, which replaced IAS 17, and the effect of the change in accounting policy will have on the financial statements. For the year ended 31.12.2019 the Company presents in its balance sheet Assets with a value of € 2,772,199.42 and their accumulated depreciation amounting to € 569,296.87. Also, long-term lease liabilities under IFRS 16 amounted to € 1,719,789.23 and lease liabilities payable in the following year amounted to € 534,422.63. We focused on this area because of the estimates and assumptions used by Management during the transition.	Our audit procedures include the following: - We have received from the company the latest renewed leases and have recorded them. We have subsequently received from the Company the calculation of IFRS 16 assets and liabilities arising therefrom. - For a sample of leases, we performed an independent recalculation and compared our results with those of management. - We examined the completeness of the lease data through a reconciliation of the Company's lease commitments at 31.12.2018 with the lease items included in IFRS 16 model at 1.1.2019. We also evaluated the internal safety valves used to update the model with new leases and modifications to existing ones. - We evaluated the duration of the leases, including periods covered by extension rights or termination rights, where required, by reviewing the relevant contracts and evaluating management's estimates of the lease period used in the calculation to confirm correctness and completeness. of calculations - In addition, we evaluated the adequacy and appropriateness of disclosures in the relevant note to the financial statements. Based on the procedures we performed, we did not identify an audit finding.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is included in the Management Report of the Board of Directors, which is referred to in the "Report on Other Legal and Regulatory Requirements", the Statements of Members of the Board of Directors and any other information required by specific provisions of the law or the Company has voluntarily incorporated into the Annual Financial Report but does not include the financial statements and the audit report thereon.
Our opinion on the financial statements does not cover the Other Information and we do not express an audit opinion or other form of assurance 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, on the basis of the work we have done, we come to the conclusion that there is a material misstatement in the Other Information, we are obliged to report this fact. We have nothing to report about this issue.

Responsibilities of management and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of internal control as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Audit Committee (article 44 of Law 4449/2017) of the Company has the responsibility to supervise the financial reporting process.

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.

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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 into Greek Law, 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 into Greek Law, 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 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 those charged with governance 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.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Considering that the management is responsible for the preparation of the Board of Directors' Statement and the Corporate Governance Statement contained in this report, pursuant to the provisions of paragraph 5 of Article 2 of Law 4336/2015 (Part B) we note that:
a) The Board of Directors' Report includes a corporate governance statement that provides the information specified in Article 152 of the Law. 4548/2018.
b) In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of articles 150 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and its content corresponds to the attached financial statements for the year ended 31/12/2019.
c) Based on our knowledge of our company and its environment, we have not identified material inaccuracies in the Board of Directors' Report.

2. Supplementary Report to the Audit Committee

Our opinion on the accompanying financial statements is consistent with our Supplementary Report to the Audit Committee of the Company provided for in Article 11 of the European Union Regulation (EU), n. 537/2014.

3. Provision of Non-Auditing Services

We did not provide the Company with non-audit services prohibited in accordance with Article 5 of the European Union (EU), n. 537/2014.

4. Appointment of Auditor

We were first appointed as Certified Auditors of the Company with the decision of the Annual General Meeting of Shareholders dated 30/06/2008. Since then, our appointment has been continuously renewed for a total period of 12 years, based on the decisions of the Annual General Meeting of Shareholders.

Palaio Faliro, 26/2/2020
The Certified Public Accountant
Konstantinos Makris

SOEL Reg. No.: 26771, ELTE Reg. No.: 1483
MAZARS Certified Public Accountants Business Advisors S.A.
Amfitheas Av. 14 -175 64 Palaio Faliro
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ANNUAL REPORT OF THE BOARD OF DIRECTORS
Presented to the Annual General Meeting of Shareholders of «PAPERPACK S.A.»
on the Financial Statements for the year
1 January 2019 to December 31, 2019

Dear Shareholders,

We issue its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union , and this Directors' Report for the financial year from 1 January 2019 to 31 December 2019. This report was written in accordance with the relevant provisions of Article 150 paragraph 3 of CL 4548/2018 , Article 4 of Law 3556/2007 and delegated the same Law Board's decisions SEC. This report accompanies the financial statements for the year 2019 (01.01.2019-31.12.2019) and contains the corporate governance statement .

A. Annual Review - Changes in financial figures of the Company

ANNUAL REVIEW

Despite the volatile and competitive domestic operating environment, the company managed to increase its turnover by 1.826 thousand euros, compared to the previous year, maintaining thus its leader position in the local market.

The most important events of the current year, in addition to the increase in turnover, include the cost reduction due to the increase in productivity – which is significantly attributed to the investments in fixed assets which has taken place during the previous years - the increase of the competitiveness of the company with the simultaneous maintenance of the quality of its products.

Development Activities - Changes in financial figures of the Company and the Company

The Key financials and ratios of the Company are structured as follows :

- The company's sales totaled € 18.447 thousands compared to € 16.621 thousand of their respective sales in 2018, an increase of 10,99%.

- The operating profit (EBIT) of the company for the fiscal year 2019 amounted to € 2.734 thousands compared to € 1.488 thousands in 2018, an increase of 83,74%, % as a consequence of the increase in gross profit margin compared to last year. The Gross profit margin is higher than that of the previous year and amounts to 29,92% (2018: 26,51%), as a result of the company's revised pricing policy and the consequent improvement of the company's competitiveness.

- The financial cost of the company increased by 9,71% and amounted to 340 thousands € (2018: 310 thousands €), mainly due to the presentation of interests on leased fixed assets, according to the prescribed treatment of the first application of IFRS 16.

- The company's profit before tax amounts to € 2.598 thousand compared to gains of € 1.059 thousands in the previous year. The tax charge (current and deferred) in the company's results amounted to € 643 thousand, posting results after tax on profits of € 1.955 thousand.

- The company's current assets which consist of inventories, receivables and cash equivalents, demonstrate a decrease of 10,94% compared to the previous year. The ratio Current assets to Current liabilities amounts to 1,96 versus 1,66 in the previous year. This change of current assets to current liabilities ratio is mainly attributed to the increase of the company's cash and cash equivalents and the decrease of the company's short-term liabilities as at 31/12/2019, compared to 31/12/2018.

- The company's liabilities relate primarily to borrowing, including leasing, of amount € 7.288 thousand (2018: € 6.973 thousand), representing the 68,4% of total liabilities (2018: 61,84%).

- The Company's Current liabilities, other than borrowings, were decreased by € 952 thousands or 23,95%. This decrease is attributed to the reduction of the company's current tax liabilities by € 383 thousands, with simultaneous decrease of the company's liabilities towards its suppliers by € 265 thousand and decrease of other current liabilities by € 305 thousand, compared to the previous year.

- Finally, the Company presented positive Operating Cash Flows of € 3.817 thousands (2018: positive operating Cash Flows of € 1.370 thousands). The negative cash flows from investing activities amounting to € 434 thousand, due to the company's significant investments in fixed assets and the negative flows from financing activities of € 3.065 thousand, mainly due to the repayment of the loan and the distribution of dividends, had a cumulative result of total positive cash flows for the fiscal year, totaling € 318 thousand.

B. Important Events

During the year 2019 and until the date of this report, the following important events took place:

- On 14/5/2019, the Annual General Assembly of PAPERPACK SA resolved the following:

  1. The approval of the Annual Financial Statements of the Company for the year 2018 and the reports of the Directors and the Auditor.
  2. The discharge of the Directors and the Auditors from any liability for the fiscal year 2018.
  3. The approval of the list of results of the year 2018 (01/01/2018-31/12/2018).
  4. The approval of the Board of Directors' proposal for the distribution of a dividend of € 0,1500 per share for the year 2018 and the distribution of € 43.333,33 of the company's earnings, to company' s personnel. The net dividend per share, less the 10% dividend tax received by each shareholder, amounts to € 0,1350 per share.
  5. The authorization, in accordance with paragraph 1 of article 98 of Codified Law 4548/2018, to the Members of the Board and Directors of the company to attend Board Meetings and to participate in the management of Group companies (associated companies), which serve the same or similar purposes to the company.
  6. The approval of the remuneration paid to the members of the Board for the year 2018 and the preapproval of remuneration for the fiscal year 2019.
  7. Election of Auditors, regular and substitute for the audit of the financial statements for the year 2019 and determination of their remuneration.
  8. Election of new members of the Board of Directors due to the expiry of their existing term of office
  9. Election of the Audit Committee members in accordance with the applicable provisions of Art. 44 of Law 4449/2017 and approval of remuneration of its members.
  10. The announcement of its decisions

- On 21/10/2019, the Extraordinary General Assembly of PAPERPACK SA decided:
  1. The harmonization of the Company's Articles of Association in accordance with the provisions of Law 4548/2018 - Amendment, removal and renumbering of articles of the Company's Articles of Association and its codification.
  2. The approval of the remuneration policy of the Board of Directors in accordance with the provisions of Articles 110 and 111 of Law 4548/2018
  3. The re-election of members of the Audit Committee in accordance with the applicable provisions of Art. 44 of Law 4449/2017 and the approval of the remuneration of its members (following the resolution of the Ordinary General Assembly of the Company's Shareholders dated 14.05.2019)

C. Risks and uncertainties

Financial Risk Factors:
The Company's activities are exposed to a variety of financial risks including foreign exchange risk, credit risk and liquidity risk.

The Company's strategy on financial risks focuses on the effort to minimize the potential adverse effects of these and is moving away from strategic forecasts and estimates, which are used to other profit from fluctuations in factors such as currencies, interest rates, etc. For this reason, the appropriate hedging methods of these risks are being used, always to the protection of the results of the Company.

The Company does not engage any speculative transactions or transactions that are not related to its trade, investment and financial activities.

i) Foreign Exchange Risk
The Company is not exposed to high foreign exchange risk due to the fact that the majority of transactions are carried out in Euros. Furthermore, the Company has no investments in foreign companies or investments foreign currency clause, as a result of that there is no foreign exchange risk relating to assets.
The possible foreign exchange risk is negligible, due to the fact that it arises from possible imports of goods invoiced in foreign currencies. This foreign exchange rate risk is created by the prospect of future transactions and the difference of the corresponding rate between the date of the transaction (export or import) and the date which the transaction is completed (recovery requirement or payment obligation). The foreign exchange risks are negligible, since they arise from low-value transactional activity.

ii) Interest rate Risk

This risk derives from the likelihood of increased short-term and long-term interest rates, since the total borrowings of the Company are in respect of floating rate loans. On a daily basis, the working capital is covered primarily by the operational cash flows of the company.

The sensitivity analysis presented in the following table includes all financial instruments affected by interest rate changes and is based on the assumption that the balance of these financial instruments at the end of the period remained unchanged throughout the year.

Sensitivity to interest rate risk has been identified in a 0.5% change in interest rates, which is the best estimate of the management for a possible change.

	Interest	Borrowings with floating interest rate	% Change in interest rate	Effect in profits	Effects in equity
Year 2019	Euribor	5.034.178,99	0,50%	25.170,89	17.871,34
			-0,50%	(25.170,89)	(17.871,34)
Year 2018	Euribor	6.968.744,36	0,50%	34.843,72	24.739,04
			-0,50%	(34.843,72)	(24.739,04)

iii) Credit risk

The financial situation of clients is constantly monitored by the Company's Management which controls the size of the provision of credit and the credit limits of clients' accounts.

Where there is a probability of non-recoverable claims, provisions for doubtful debts can be made. Any further deterioration in market conditions that would lead to a general inability to collect receivables from clients, could cause liquidity problems in the Company.

The company's maximum exposure to credit risk is as follows:

Amounts in €	31/12/2019	31/12/2018
Investments in shareholdings	293.214,30	57.321,27
Trade and other receivables	3.441.941,58	4.307.737,38
Other non current assets	99.242,49	97.946,19
Cash and cash equivalents	2.043.727,69	1.726.019,18
Total	**5.878.126,06**	**6.189.024,02**

The commercial risk which is associated with the concentration of turnover in a small number of clients, is addressed through the efforts of the company's management to expand its customer list and to develop the activity to new markets.

iv) Liquidity Risk

Liquidity risk is the risk that the company will be unable to meet its financial obligations when these become due. This risk is limited, as the company ensures to maintain sufficient cash and credit limits with its collaborating bank institutions.

For the prevention of liquidity risk, the company conducts a rolling cash flow forecast of six months, in order to ensure that it has sufficient cash available to meet its operating needs, including the coverage of its operational needs, including the coverage of its financial obligations. This policy does not take into account the possible impact of extreme circumstances that cannot be predicted.

The following table summarizes the maturity dates of the financial liabilities of the company, which are presented in the Balance Sheet, at discounted prices, based on payments resulting from the relevant loan agreements or agreements with suppliers.

Financial Liabilities as at 31/12/2019

Amounts in €	up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	1.983.860,56	396.772,11	-	-	2.380.632,67
Borrowings	382.119,63	365.789,48	2.377.631,56	-	3.125.540,67
Financial lease liabilities		856.978,51	3.305.871,67	-	4.162.850,18
Total	**2.365.980,19**	**1.619.540,10**	**5.683.503,23**	**0,00**	**9.669.023,52**

Financial Liabilities as at 31/12/2018

Amounts in €	up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	2.204.973,78	440.994,76	-	-	2.645.968,53
Borrowings	700.000,00	1.459.097,63	4.814.256,27	0,00	6.973.353,90
Total	**2.904.973,78**	**1.900.092,39**	**4.814.256,27**	**0,00**	**9.619.322,43**

The tables above illustrate the repayment of the company's existing liabilities at the date of the financial statements in accordance with the relevant agreements with the counterparties.

The amounts depicted relate to the repayment of interest and capital. For interest bearing floating rate interest, the last interest rate was been used.

D. Prospects for 2019 - Expected Evolution – Post Balance Sheet events

As conditions do not allow reliable and objective forecasts to be made, the company's Management estimates that turnover in 2020 will increase by approximately 3.5% compared to 2019.

Management's objective for the following fiscal year is to achieve Earnings before Tax, Interest, Depreciation and Amortization (EBITDA) of more than € 4,000 thousand and to achieve after-tax profits in order to increase its Equity and Liquidity.

On January 29, 2020, the company entered into an amendment of the commercial lease contract of the building at Menexedon and 24, Viltanioti Str., where the Company's headquarter and factory are accommodated. The contract provides for the amendment of the lease term that expired on 30/09/2020 and was extended until 30/09/2028, while the lease was readjusted. The above contract affects the Rights of Use Assets recognized by the Company on 31.12.2019 by the amount of € 1.482.595,84 with an equal increase in the lease liability.

On February 14, 2020, the company also entered into an amendment of the commercial lease contract of the building at 25, Matsa Street. The contract extended the lease term that was initially expiring on 01/07/2024 to 01/07/2028. The above contract will result in a change in the Right of Use Assets recognized by the Company on 31.12.2019 for the amount of € 656.968,13 with an equal increase in the lease liability.

There are no other significant events after December 31, 2019, which should have either been disclosed or differentiated the financial statements.

E. Alternative Performance Measurement Indicators

The company's management monitors the following performance measurement ratios, for decision-making regarding its financial, operational and strategic planning, as well as the evaluation and publication of its performance. Alternative indicators (APMIs) should always be taken into account in conjunction with the financial results prepared under IFRSs and, in no case, replace them:

(a) EBITDA

The EBITDA ratio refers to earnings before interest, taxes, depreciation and amortization and results from the statement of comprehensive income, by adding to the operating results before taxes, financial and investment results, the depreciation and amortization amount for the year.

The EBITDA ratio of the Company amounted, in 2019, to € 4.309 thousand, compared to € 2.248 thousand in 2018, achieving an increase of 91,68%. The increase is due both to the increase in the gross margin, as a result of the comparativeness of the company and the review of pricing policy , as and the company's effect from the implementation of IFRS 16, € 603 thousand from 01/01/19.

(b) EBITDA / Total net interest expense

This ratio refers to the amount of coverage of interest payables resulting by loan obligations of the company, by earnings before interest, taxes, depreciation and amortization.

In the numerator is shown the EBITDA ratio as calculated in (a) above, while the denominator contains the interest payable resulting from bank loans minus interest income. This ratio decreased to 12,67 in 2019, compared to 7,33 in 2018.

This ratio is presented as part of the company's liabilities to credit institutions, bondholders, and for use by the company's shareholders.

(c) Total net liabilities / Total equity

This ratio refers to the balance between equity and foreign capital. The numerator results if in the total liabilities shown in the Statement of Financial Position, cash and cash equivalents are removed, while the denominator results directly from the Statement of Financial Position.

This ratio amounted up to 1,30 in 2019 versus 1,80 in 2018. This ratio is presented as part of the company's liabilities to credit institutions, bondholders, and for use by the company's shareholders.

(d) Net debt liabilities / EBITDA

This ratio refers to the amount of coverage of loan liabilities by earnings before interest, taxes, depreciation and amortization. The numerator results if the sum of long and short term borrowings shown in the Statement of Financial Position is decreased by cash and cash equivalents, while the denominator arises as calculated in (a) above.

This ratio amounted to 1,22 in 2019 versus 2,33 in 2018. This ratio is presented as part of the company's liabilities to credit institutions, bondholders, and for use by the company's shareholders.

F. Branches – Research & Development – Quality Systems

Branches

The Company maintains a branch office at the address Matsa 25, Kifissia.

Research & Development

Research and Development aims at exploring new materials and technologies and applying them appropriately towards the generation of new solutions. It is powered by the on-going information provided to the Commercial Department and the Quality Department on customer requirements and issues and is based on collaboration with innovative supplier companies as well as academic institutions.

In printing, it is examined the interaction of packaging materials, inks, varnishes and printing methods with the aim of optimizing the image, but also satisfying various technical parameters such as solar radiation resistance, friction coefficient, friction factor, strength to chemical factors, OTR etc.

With regards to packaging materials (carton, PET, PP, Al), examination is mainly focused on their mechanical and physical properties to provide an appropriate solution with or without their combination.

Quality in PaperPack

Quality is present throughout the culture of all company's employees and it is the cornerstone of every process of the company. To this direction, the independent Quality control department is strongly involved in all productive and non-productive processes, so as to ensure the conformity of the product with all set quality specifications.

The quality checks performed by the abovementioned department begin long before a product is produced.

Indicative controls that are carried out are :

- Control of the new materials to be used
- Control of raw materials receipt and release
- Control of technical specifications, file processing and internal technical information
- Control of production and measurement data and components
- Control of the suitability of raw materials, condition of machines and production space for specific applications - HACCP control group (eg food packaging)
- Quality control of print / cut / paste / other production processes with uninterrupted presence at all production shifts
- Control of finished products, issuance of certificates and release

The well-equipped laboratory of the quality control department, with full infrastructure and staff training operates under the ISO standard of measurement, so that the measurements are reliable and consistent. It operates at all production shifts by performing relevant controls both at the beginning of production and / or during production, to ensure the quality of the production output.

Paperpack's strategic policy entails its being certified on its various processes, so as to optimize implementation methodologies, to be inspected by experienced and recognized certified organizations as a self-assessment tool, and to continually improve its processes. For this reason the company is certified by:

- ISO9001:2015
- HACCP
- ISO14001:2015
- FSC Chain of Custody

Finally, Paperpack is an officially registered member of the Sedex organization.

G. Corporate Social Responsibility (Environment – Personnel)

The Management of "PAPERPACK S.A." is very sensitive to issues of corporate social responsibility regarding the protection of the environment, the responsibility towards the people of the Company and the offer to society through various sponsorships and activities. The respect for the environment and the contribution to recycling, are inherent guidelines of its strategy.

The company follows a path of sustainable development, by operating its activities in a manner that ensures environmental protection and by securing the health and the safety of its employees.

The executives of the Company are in a smooth cooperation with the General Directorate and witheach other. The Company's policy is the attraction of highly skilled and experienced personnel for optimal and timely meet of its needs and the establishment of an evaluation process of recruitment based on objectivity and integrity, through transparent procedures.

Additionally, the infrastructure of the Company, its long history and the current economic situation permit the immediate replenishment of the executives, without significant impact on the course of business operations.
The Company is inseparably connected within the community it operates. It recognizes its responsibility towards society and the environment. It respects the principles and values that characterize our culture, respect for humanity, human dignity and equal opportunities, respect for the environment we have inherited, and the improvement of living standards and quality of life.

The "Footprint" of Corporate Social Responsibility concerns employees, consumers who are showing increasing interest in the social and environmental "credentials" of the companies they deal with, in local communities that want to "share" principles and values with local companies.

It also applies to shareholders who reward responsible corporate behavior and attitude, as well as to similar businesses in Europe, seeking to operate in a single European and international framework of principles.

It is about the generations to come, who expect to receive a world of respect for man and the environment.

The Company, in line with the European practice in this field, which essentially constitutes the "volunteering" of enterprises and contributes to the objectives of sustainable development, demonstrates work in the following areas:

- encourages the involvement of its staff in voluntary actions,
- ensures the safety of personnel,

- ensures the reduction of energy consumption,
- systematically applies a recycling program within workplaces and uses environmentally friendly materials,
- provides internships for universities' students, in order to gain valuable work experience in a decent work environment.
- respects internationally recognized human and labor rights as described, in the UN International Declaration of Human Rights and the ten principles of the UN Global Compact,
- treat workers fairly and meritocratic,
- attracts and selects employees with principles and values, such as integrity, dedication and professional diligence.

H. Related Party Transactions

Related parties under I.A.S 24 include affiliates, companies with common ownership and/or management of the company, associated companies, as well as the members of the Board and its management company. The company supplies goods and services to the related parties.

The company's sales to related parties are primarily sales of goods. The sales prices, compared to the sales to third parties, are being set by the cost plus a minimized marginal profit.

Compensation to members of the Board relates to fees paid to the Executive Board members. The remuneration of directors, relates to fees for services relating to subordination.

Below are presented important transactions during the review by the company and related parties as defined by IAS 24:

The remuneration of directors and members of management of the Company amounted during 1.1-31.12.2019 to € 1.342.667,26 in comparison to € 1.171.147,88 last year.

Broken down by type of expenditure the amounts granted are as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Salaries and other compensation to BoD members	279.362,25	258.947,24
Salaries and other compensation to key management personnel	428.301,26	391.095,16
Compensation to BoD memebers approoved by the General Meeting	635.003,75	521.105,48
Total	**1.342.667,26**	**1.171.147,88**

From the compensations presented above, the amount due to related parties on 31/12/2019 was € 40.768,09 (31/12/2018: € 38.656,77) and is analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Salaries and other compensation payable	17.924,73	33.567,48
Compensation to BoD memebers approoved by the General Meeting payable	22.843,36	5.089,29
Total	**40.768,09**	**38.656,77**

Finally, there are the following receivables from Company's executives:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Loans to related parties	600,00	15.983,61
Total	**600,00**	**15.983,61**

Loans to related parties refer to a loan provided under a corresponding agreement between the company and an executive officer.

I. Explanatory Report of the Board

For the company "PAPERPACK INDUSTRIAL & COMMERCIAL S.A" in accordance with paragraphs 7 and 8 of Article 4 of Law 3556/2007.

1. Share capital structure.

The share capital amounts to EUR 1.185.927,00 divided into 3.953.090 shares of nominal value 0,30 euros each.

All shares are listed to the A.S.E.M., in the Main Market. The company's shares are common shares with voting rights.

2. Restrictions on transfer of shares of the company.

The transfer of the shares is as provided by law and there is no restriction.

3. Significant direct or indirect participations within the meaning of Articles 9 - 11 of Law 3556/2007

Mr. John P. Tsoukaridis had a 71,438% stake in the company on 31/12/2019. No other natural or legal person owns more than 5% of the equity.

4. Holders of such shares providing special control rights.

There are no shares of the Company which provide their holders with special rights.

5. Restrictions/Veto on voting rights.

There is no provision in the statutes of limitations in the Company's voting rights.

6. Agreements between shareholders of company.

There are not known to the Company any agreements between shareholders, which imply restrictions on the transfer of shares or exercise voting rights attached to the shares.

7. Rules for appointing and replacing members of the Board and amend the statute.

The rules provided by the company' s statute for the appointment and replacement of board members and the amendment of its Articles are not deviated from the provisions of Law 4548/2018.

8. Responsibility of Directors of the Board of Directors or certain members to issue new shares or purchase of own shares

In accordance with paragraph c, Article 6 of the Statute of the Company by the General Assembly, under article 13 of CL 4548/2018, can be assigned to the Board of Directors the right, decision to be taken by a majority of two thirds (2/3) of the total members, to increase the share capital wholly or partly, by issuing new shares until the amount of capital that is paid on the date the Board granted this power.

In accordance with the provisions of Articles 48-49 of Codified Law 4548/2018, the companies listed on the Athens Stock Exchange may, by decision of the General Assembly of shareholders, acquire own shares through the Athens Stock Exchange up to 10% of their shares and to the specific terms and procedures of the above paragraphs of Articles 48-49 of CL 4548/2018. There is no contrary provision in the statutes of the Company.

To date, no purchase of treasury shares has been made and no shares are held by the company or its associate or subsidiary.

9. Important agreement which is amended / terminated in case a change arises in the company's control following a public offer

There is no such agreement.

10. Agreement between the Company and BoD members or employees regarding the termination of their terms / employment

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically for cases of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer.

J. Dividends proposal

The Board of Directors proposes to Annual General Meeting the formation of legal reserve amounting to € 1.976.545,00 i.e. € 0,50 earnings per share. It should be noted that the aforementioned decision is under the approval of the Annual General Meeting of Shareholders.

K. Statement of Corporate Governance

of "PAPERPACK INDUSTRIAL & COMMERCIAL S.A" in accordance with Article 152 of Law 4548/2018).

The company has adopted the principles of corporate governance as defined by the current Greek Legislation and international practices, as far as these are applicable based on the size and organization of the company.

Based on the objectives of transparency towards investors and protection of the interests of its shareholders and all those associated with it, the company is organized and managed by a set of rules, principles and control mechanisms that consist its corporate governance system.

The Corporate Governance Code is available to the public from the offices of the company and has been posted on the website of the company http://www.paperpack.gr/investor-relations/code-of-corporate-governance/.

GENERAL

The term "system of corporate governance" means the context of the statutory or non-rules by which governance is exercised by the company. Essential component of corporate governance is how governance of the company is executed by the competent organs and its impact on results.

The most important reason for implementing effective corporate governance practices is the need for placing the special interests that characterize different Companies of stakeholders (managers, shareholders, board of directors, creditors, employees, tax authorities, etc.) in the general business interest.

Corporate governance is exercised by the Board of Directors, whose acts are 'limited' by those who have direct or indirect interest in the company.

Law 4548/2018 contains the basic rules of organization and governance of public limited companies. The company complies with both the Law 4548 / 2018, and by Law 3016/2002 on corporate governance which requires the involvement of independent non-executive members of the Board, has developed sufficient Internal Regulations which include the organizational structure and activities and has organized departments of Internal Audit, Investor and Corporate Communications for the protection and better serve of the company's shareholders.

The company complies with the article 44 of Law 4449/2017 which requires the composition of Audit Committee, Law 3693/2008 which requires significant responsibilities of disclosure to shareholders in the frame of their preparation for the General Assembly and by Law 3873/2010 that regards with annual and consolidated accounts of certain type. Finally, the company complies with Article 26 of Law 3091/2002, Law 3340/2005 on the protection of Capital, the Law 3556/2007 regarding with the information of investing public and all relevant resolutions of the Capital Market Commission for the protection of investors.

RISK MANAGEMENT

The company has developed specific risk management policies. These policies include the methodology of Identification, Assessment and Control of Market Risk, Credit Risk, Operational Risk and Liquidity Risk, to comply with the best Corporate Governance practices. Additionally, in order to adapt to the environment of increased risk regarding with the provision of credits to customers, conducted a review not only of its credit policy, but also of its procedures of credit rating of its customers, in order to safeguard its assets.

Generally, the company identifies the risks that characterize its operation in accordance with the internationally accepted COSO methodology, i.e. after the determination of its long and short term goals by its Board and sub-functions and activities, the association with strategic risks, operations, reliability of financial and other reports and those of non-compliance with laws and other regulatory provisions and internal policies and procedures of the company.

For all the risks identified by the Board of Directors, measures are taken by the company's management, which are implemented by the company's officials at all levels.

INTERNAL CONTROL SYSTEM (ICS)

The company has adopted and implemented a comprehensive Internal Control System (ICS), which is reflected in its Internal Operation Regulations, but also in several other policies, procedures and instructions. Currently, the vast majority of the company's operations and activities are covered by written policies and procedures.

The company's ICS consists of safeguards which aim to adequately address the risks that characterize the company and are implemented by all the company staff. The objectives of the company are achieved through the implementation of the aforementioned policies, procedures and instructions.

Adequate functioning of the company's ICS ensures the credibility of the published financial statements, which are audited by the company's Certified Auditors - Accountants.

INTERNAL AUDIT

The company has established the Internal Audit Service with powers beyond the minimum requirements of Law 3016 / 2002. Internal Audit, in addition to monitoring the implementation of the Internal Regulation provided by this abovementioned Law, conducts audits of substance based on the relative risk assessment, in collaboration with management and under the supervision of the independent audit committee. In 2019, the Internal Audit Unit conducted audits of procedures, while it offered its consultation, whenever needed, in order to add value to the company.
Internal controls of the company included controls of adequacy on the Financial Statements' preparation processes, human recourses, information systems as well as its corporate governance framework. The methodology used by the Internal Audit complies with International Professional Standards of Internal Audit.

For all Internal Audit reviews, held the working papers in order to be possible to perform quality reviews of the work performed by an independent body within or outside the company. The Audit reports are submitted quarterly to the Audit Committee and the Management is responsible for the timely settlement of the proposed corrective actions.

GENERAL MEETING OF SHAREHOLDERS AND SHARES 'RIGHTS

The General Meeting is the supreme body of the company. The legally convened and constituted General Assembly represents all the shareholders and its legally taken decisions in every corporate case oblige all shareholders. The General Meeting of Shareholders decides on all the matters submitted to it by the Board of Directors and generally on every corporate affair.

The General Meeting is the only competent body to decide on:

a. Amendments to the Articles of Association, as an indication of increases or decreases in share capital. The amendments to the Articles of Association are valid, unless they are prohibited by an express provision of the Articles of Association,
b. Election of members of the Board of Directors and appointment of Auditors,

c. Approval of the company's annual financial statements,
d. Distribution of annual profits, the appointment of liquidators, merging, splitting, transforming, reviving, extending the duration of the company or dissolving the company.

The right to be represented in the General Assembly, ordinary or extraordinary, has each shareholder, who owns at least one share. The shares owned by the company may be represented in the General Assembly for the formation of a quorum, but they do not have the right to vote.

Each share provides no other right than the claim on the dividend, which, according to the company's Articles of Association, will be distributed annually and in the event of dissolution of the claim company in the part of the liquidated corporate property attributable to it.

The owner of one share has the right to one vote in the Shareholders' Meeting and each shareholder has as many votes in the Assembly as are the shares he owns.

COMPOSITION AND OPERATIONS OF THE BOARD OF DIRECTORS

The Board of Directors has the management of corporate affairs, is responsible and decides on any matter relating to the management of the company, the achievement of the corporate purpose and the management of the company's property, including, by way of illustration, the issue of loans with common, convertible or convertible bonds, under the conditions laid down by law, or by any type of bond with a view to securitization of receivables or receivables from immovable property. Excluded are decisions which, in accordance with the provisions of the Law or the Articles of Association, fall under the exclusive competence of the General Meeting of Shareholders.

The company is managed by its Board of Directors, consisting of minimum three (3) and maximum nine (9) members. The members of the Board of Directors may come from shareholders or non-shareholders and are elected by the General Meeting of the shareholders of the company by an absolute majority of the votes represented there.

The members of the board of directors of the company are distinguished in executive and non-executive directors.

Non-executive members are distinguished from non-executive and independent non-executive members. The number of non-executive members must not be less than 1/3 of the total number of members of the Board of Directors. and two of them must be independent. Independent non-executive members must not hold more than 0,50% of the company's share capital during their term of office and have no relationship of dependence with the company or its affiliates as provided for by the applicable legislation.

The term of office of the members of the Board of Directors is three years, with the exception of the time limit within which the next ordinary general meeting must be held, which may not exceed four years in each case.

The responsibilities of the executive members of the Board of Directors are determined by decision of the Board of Directors. and are persons dealing with issues of current day-to-day management of the company. Non-executive members of the Board of Directors are in charge of promoting all corporate issues, participate in boards and committees and ensure the principles of good corporate governance.

The **members of the Board of Directors** are as follows:

FULL NAME	BoD POSITION	CAPACITY
John Tsoukaridis	Chairman & CEO	Executive member
Korina Fasouli	Vice-Chairman	Non-executive member
Julianna Tsoukaridi	Deputy CEO	Executive member
Nikolaos Zetos	Deputy CEO	Executive member
Dimitrios Antonakos	Member	Independent and Non-executive member
Titos Vasilopoulos	Member	Independent and Non-executive member
Lambros Fragos	Member	Non-executive member
Samouil-Samis David	Member	Non-executive member
Dimitrios Ladopoulos	Member	Non-executive member

Below is a list of the members of the Board of Directors, the dates of commencement and expiration of their term of office, as well as the frequency of each member's participation in the BoD meetings that took place during the year 2019.

Title	Individual Details	Executive / Non-executive member	Independent member	Term of Office start	Term of Office end	Number of participations in BoD meetings
President & Chief Executive Officer	Ioannis Tsoukaridis	Executive		19/4/2016*	14/5/2022	26/26
Vice President	Korina Fasouli	Non executive		19/4/2016*	14/5/2022	26/26
Deputy Chief Executive Officer	Julianna Tsoukaridis	Executive		19/4/2016*	14/5/2022	26/26
Deputy Chief Executive Officer	Nikolaos Zetos	Executive		19/4/2016*	14/5/2022	26/26
Member	Titos Vassilopoulos	Non executive	Independent	19/4/2016*	14/5/2022	26/26
Member	Dimitrios Antonakos	Non executive	Independent	19/4/2016*	14/5/2022	26/26
Member	Labros Fragos	Non executive		19/4/2016*	14/5/2022	26/26
Member	Samouil-Samis David	Non executive		14/5/2019	14/5/2022	19/19
Member	Dimitrios Ladopoulos	Non executive		14/5/2019	14/5/2022	19/19

* The term of the members was set at three years, by decision of the General Assembly of 19/4/2016, and the members were re-elected by decision of the General Assembly of 14/5/2019 for a term of three years.

BOD MEMBERS' CURRICULUM VITAES

John Tsoukaridis , BoD Chairman & Managing Director.
He is a graduate of Athens University of Economics, Department of Economy & Commerce. He started his career in 1973 when he graduated and joined the family company.
He fully undertook the company's commercial department and achieved an ongoing increase of clientele. In 1979 he took up General Manager duties and the Company's Financial Management.
Since 1996 to date he has been the Company's and the Group's Chairman and Managing Director.

Korina Fasouli – Grafanaki, BoD Vice-Chairman.
Non-Executive Member.
She is a graduate of the Law School of Athens University and the Department of Political Science, University of Athens.
She is also a member in European Scientific Organizations .

Julianna Tsoukaridi, Deputy Ceo,
Executive Board Member.
She is a graduate of English University City University with a Bachelor in Business Studies and a Masters Degree MSC in Management Science from the English University Cass Business School.
In the past years she has been a top Management executive and BoD. member in a subsidiary Company.
As of June 2009 she has been a member of the Company's BoD.

Nikolaos Zetos, Deputy CEO,
Executive Board Member - Financial Manager.
He is a graduate of the University of Piraeus. Long experience, having served as a Management executive, in a Group of companies.
He is a member of the Economic Chamber of Greece and has a professional license of Tax Technician, 1st Class .
As of May 1997 until December 2010 he held the position of the Group's Accounting Manager.

Titos Vasilopoulos, Independent Non Executive Member.
He is a graduate of the Faculty of Pharmacy, University of Athens. Mr.Titus Vassilopoulos served as CEO of the family business, company manufacturing generics "Specifar", from 1985 up to 2011. Notably, following the successful multi engaging as head of the company, "Specifar" was sold to Watson Pharmaceuticals Inc. (now Actavis), one of the leading multinational pharmaceutical companies, focused on developing, production, marketing, sale and distribution of generic (generics) products, branded pharmaceuticals and biological (biologic) pharmaceutical products.

Dimitrios Antonakos, Independent Non Executive Member.
He is a graduate of the University of Leeds Textile Department – England. He served as Technical Director of PERFIL S. Proysasogloy & Son (1965-1971), Manager of the commercial company DANCO LTD. (1971-1990), Founder and CEO of ATHINAÏKA ERIOKLWSTIRIA S.A. (1973-1994), CEO and principal shareholder of MPRITANNIA SA (1994-2006). From 2006 until now he is retired and principal shareholder of FORTEX trading company AE.

Lambros Fragos, Non-Executive Member.
He is a graduate of the Law School of the University of Athens. He is a lawyer with extensive experience in the active practice law both in Greece and abroad, he has served as General Counsel and member of Management in numerous multinational and large Greek Companies.

Sami David, Non-Executive Member
He is the Managing Partner of Grifon Capital, with experience in the public and private debt capital markets spanning nearly all sectors and debt products, sourcing, analyzing and executing special debt restructuring transactions and distressed credit and NPL portfolio transactions in Greece and the Balkans.
He is working in the financial sector since 1994. Prior to Grifon, he was the Group Director of Treasury and Capital Markets of Marfin Bank and a member of the Board of Directors at Marfin Bank Romania and Marfin Capital Partners. Past roles include Hellenic Securities and Bank of America in Athens.
Sami has a B.Sc. in Finance & Management from the London School of Economics.

Dimitrios Ladopoulos, Non-Executive Member.
He is currently a Partner in Grifon Capital, analyzing and executing special debt restructuring transactions and distressed credit and NPL portfolio transactions in Greece and the Balkans.
Prior to that, he worked in the Dealing Room of Marfin Bank as Head of Credit & Strategy. He has also worked at Pearl Diver Capital hedge fund, Fitch Ratings and Piraeus Bank in London.
Dimitris holds a B.Sc. in Business Management from the University of Macedonia and M.Sc. in Finance from University of Strathclyde in Glasgow.

The **Audit Committee**, elected in accordance with article 44 of Law 4449/2017 of the Annual General Meeting of the shareholders of 21.10.2019, is a three member committee and consists of the following:

FULL NAME	POSITION IN THE COMMITTEE	CAPACITY
Maria Theodoropoulou	Chairman	Independent member of the Committee
Dimitrios Antonakos	Member	Independent and non-executive member of the Board
Titos Vasilopoulos	Member	Independent and non-executive member of the Board

The task of the Committee is to supervise the work of the Internal Audit Service, which hierarchically refers in it, to audit the financial statements prior to their approval by the Board of Directors of the Company and to designate the statutory auditors proposed by the Board of Directors in General Assembly of Shareholders for approval.

All the members of the Audit Committee have sufficient knowledge in the sector in which the company operates and are independent of the audited entity within the meaning of the provisions of Law 3016/2002 (A '110).

REMUNERATION POLICY

The remuneration policy was approved by the General Assembly on October 21, 2019 and is valid for 4 years from the date of approval.

The remuneration policy has been formulated in accordance with the applicable law and in particular the provisions of Codified Law 4548/2018,l the provisions of Directive 2007/36/EC of the European Parliament and the Council of 11 July 2007 on the exercise of certain rights by shareholders of listed companies and the Directive 2017/828/EU of the European Parliament and the Council of 17 May 2017 for the amendment of the Directive 2007/36/EC regarding the encouragement of long-term active participation of shareholders.

Seeking to maximize the value of the Company, the remuneration policy is consistent with and contributes to Paperpack 's business strategy. The Company checks, reviews, and updates periodically the procedures and conditions for remuneration, so that they are in line with both business objectives and the applicable regulatory framework. In any case, the procedures for determining remuneration are clear, transparent and include measures to avoid situations of conflict of interest.

The remuneration policy aims to enhance the transparency, values, long-term interests, goals and viability of the Company. This policy serves the purpose of sound and effective risk management. It is designed to take into account the remuneration and working conditions of the Company's employees and to align the remuneration of its eligible employees with the interests of its shareholders.

Field of application

The remuneration policy applies to individuals who have the following capacities:

(a) Board Members,
(b) General Director,
(c) Deputy General Director (if any),
(d) Chief Financial Officer
(e) Sales Manager
(f) Other senior executives

Remuneration / Benefits Included

The remuneration policy covers all remuneration and any kind of optional benefit and / or compensation paid to the above persons by the Company. In particular, it includes all forms of remuneration, such as money, shares, stock options, representation expenses, as well as the provision of benefits to the above persons, such as corporate car, optional retirement benefits, insurance coverage.

Remuneration from the profits of the year is distributed from the balance of net profits remaining after deducting amounts for statutory reserves and distribution of the minimum dividend to shareholders.

Remuneration Structure

Remunerations include both a fixed and a variable part, in order to align with business growth and effectiveness:

(a) Fixed Salaries: are paid on a regular basis, paid on a 14 month basis irrespective of performance criteria and constitute the secured income received by the above persons.
(b) Variable Earnings: are intended to reward the personal performance of the above persons and are determined on the basis of the criteria set out below.

Fixed remuneration

Fixed earnings correspond to the extent of the responsibility, experience and know-how of the above persons. In addition to assessing the importance of the position, the academic background and the skills of the beneficiary are taken into account in determining the level of fixed remuneration.

Fixed remuneration must be competitive so that it is possible to attract and retain people who have the appropriate skills, experience and attitude that the Company needs. Maintaining competitiveness is ensured by monitoring the levels of remuneration in the Company's field of activity - at Greek and/or European level - through relevant research.

The objective is to set the remuneration level close to the average of the comparable sample market as reflected in remuneration surveys. Higher earnings may be provided for special roles that are critical to the operation and development of the Company or are cases of outstanding experience and performance.
Fixed remuneration is paid after the relevant legal deductions in the bank account of the beneficiaries.

Variable remuneration

The Company rewards performance on the basis of predetermined measurable quantitative and qualitative criteria, both short and long term. Variable remunerations are linked to individual performance as well as the Company's performance.
The criteria for calculating the amount of variable remuneration are at least the following:

(a) Company profitability;

(b) Individual business initiative;
(c) The individual effectiveness and orientation to the Company's objectives.

The Company may at any time determine further or other eligibility criteria for variable remuneration.

Variable remuneration calculation system

Depending on the financial performance of the Company (after-tax profits, minimum capital adequacy), the persons defined in the remuneration policy may be rewarded, by receiving variable remuneration, depending on their individual performance, as well as the performance of both the Company and the management units they work for.

The payment of variable remuneration may be associated with either a specific period or a specific event, for the achievement of which is particularly important the Board of Directors' executive members participation, as long as this event has a material and beneficial effect on the Company's performance and control in terms of its capital structure or the development of its activities. In case that the payment of the variable remuneration relates to a specific event, as described above, the amount of such remuneration shall be determined by a decision of the Board of Directors and may in no case exceed three times the annual fixed remuneration.

Executive members' remuneration

The remuneration of the executive members of the Board of Directors includes the annual regular salary, in-kind benefits, as well as variable remuneration.

The company has not entered into contracts with the executive members of the Board of Directors that create special obligations, beyond the usual ones and those that are mandatory by law.

Remuneration of non-executive members

Non-executive members of the Board of Directors will be remunerated with fixed remuneration annually, determined on the basis of time dedicated, with a minimum of representation on Board of Directors meetings per year.

Kifissia, February 26, 2020

On behalf of the BoD

The President

John Tsoukaridis

PAPERPACK Carton Packaging Industry

FINANCIAL STATEMENTS FOR THE YEAR 2019

according to

International Financial Reporting Standards

Statement of financial position

Amounts in €	Note	31/12/2019	31/12/2018
Assets			
Non-current assets			
Goodwill	**5**	232.660,99	265.128,99
Tangible assets	**7**	5.141.109,30	5.647.895,37
Intangible assets	**6**	79.828,30	77.617,26
Investments in shareholdings	**8.1**	293.214,30	57.321,27
Other non current assets	**8.2.1**	99.242,49	97.946,19
Rights to use	**9**	2.202.902,55	-
Deferred tax assets	**22.2**	184.149,11	259.277,71
Total		**8.233.107,04**	**6.405.186,79**
Current assets			
Inventory	**10**	3.209.349,97	3.010.547,60
Trade and other receivables	**8.2.2**	3.441.941,58	4.307.737,38
Other current assets	**11**	373.716,07	1.137.884,03
Cash and cash equivalents	**8.2.3**	2.043.727,69	1.726.019,18
Total		**9.068.735,31**	**10.182.188,19**
Total assets		**17.301.842,35**	**16.587.374,98**
Equity and liabilities			
Equity			
Share Capital	**12**	1.185.927,00	1.185.927,00
Share premium	**13**	1.187.780,32	1.187.780,32
Capital Reserves	**14**	699.395,56	725.052,05
Retained earnings	**-**	3.573.149,10	2.211.539,01
Total		**6.646.251,98**	**5.310.298,38**
Long-term liabilities			
Employee benefit obligations due to exit from the service	**15**	341.455,85	289.818,42
Long-term debt liabilities	**16.1.1**	2.377.631,56	4.814.256,27
Long term leases	**16.1.2**	3.305.871,67	-
Other long-term liabilities	**16.1.4**	1.000,00	36.453,69
Total		**6.025.959,08**	**5.140.528,38**
Short-term liabilities			
Trade and other payables	**16.1.3**	2.380.632,67	2.645.968,53
Short-term loans	**16.1.1**	747.909,11	2.159.097,63
Current portion of long term liabilities	**16.1.2**	856.978,51	-
Current tax liabilities	**22.1**	227.477,70	610.194,16
Other short-term liabilities	**17**	416.633,30	721.287,90
Total		**4.629.631,29**	**6.136.548,22**
Total equity and liabilities		**17.301.842,35**	**16.587.374,98**

The notes on pages 32 to 70 form an integral part of these financial statements.

Statement of comprehensive income

Amounts in €	Note	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Revenue	18	18.446.639,26	16.620.823,92
Cost of Sales	19	(12.928.028,88)	(12.213.885,80)
Gross profit		**5.518.610,38**	**4.406.938,12**
Other Operating income	20	93.423,89	60.434,87
Administrative expenses	19	(2.046.631,37)	(1.958.551,34)
Distribution Expenses	19	(816.670,62)	(776.094,89)
Other operating expenses	20	(14.348,77)	(244.870,15)
Operating results		**2.734.383,51**	**1.487.856,61**
Financial expenses	21	(340.166,61)	(310.064,55)
Financial income	21	211,31	2.824,80
Other Financial Results	21	203.423,72	(121.405,73)
Profit before tax		**2.597.851,93**	**1.059.211,13**
Income taxes	22.3	(643.278,34)	(284.941,16)
Profit after tax (a)		**1.954.573,59**	**774.269,97**
Other comprehensive income			
Actuarial gains and losses	15	(33.758,54)	(18.224,40)
Tax recognised in other revenue	22.3	8.102,05	5.102,83
Other comprehensive income after tax (b)		**(25.656,49)**	**(13.121,57)**
Total comprehensive income after tax (a) + (b)		**1.928.917,10**	**761.148,40**
Earnings / (losses) per share			
Basic (€ / share)	**23**	**0,4880**	**0,1925**

The notes on pages 32 to 70 form an integral part of these financial statements.

Statement of changes in Equity

Amounts in €	Share Capital	Share Premium	Capital reserves	Retained earnings	Total
Balance at 31/12/2017	**1.185.927,00**	**1.187.780,32**	**666.612,62**	**2.931.941,93**	**5.972.261,87**
Profit/(Loss) for the year	-	-	-	774.269,97	774.269,97
New reserves	-	-	71.561,00	(71.561,00)	-
Dividends	-	-	-	(1.423.111,89)	(1.423.111,89)
Actuarial Revaluation	-	-	(13.121,57)	-	(13.121,57)
Balance at 31/12/2018	**1.185.927,00**	**1.187.780,32**	**725.052,05**	**2.211.539,01**	**5.310.298,38**
Profit/(Loss) for the year	-	-	-	1.954.573,59	1.954.573,59
Dividends	-	-	-	(592.963,50)	(592.963,50)
Actuarial Revaluation	-	-	(25.656,49)	-	(25.656,49)
Balance at 31/12/2019	**1.185.927,00**	**1.187.780,32**	**699.395,56**	**3.573.149,10**	**6.646.251,98**

The notes on pages 32 to 70 form an integral part of these financial statements.

Cash flow statement

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Profit / (Loss) before tax	2.597.851,93	1.059.211,13
Adjustments to profit / (loss)	**1.651.965,79**	**1.198.679,83**
	4.249.817,72	**2.257.890,96**
Movement Capital Changes		
(increase)/decrease in inventories	(198.802,37)	(598.941,78)
(increase)/decrease in receivables	1.191.959,61	(102.730,35)
Increase/(decrease) in liabilities	(699.336,69)	886.443,25
Cash flows from operating activities	**4.543.638,27**	**2.442.662,08**
Minus: Income tax payments	(391.050,98)	(762.826,05)
Interest paid	(335.529,50)	(310.064,55)
Net cash flows from operating activities	**3.817.057,79**	**1.369.771,48**
Cash flows from investment activities		
Purchases of tangible fixed assets	(469.272,60)	(1.107.735,80)
Purchases of intangible assets	(31.840,97)	(48.768,71)
Sales of tangible fixed assets	66.910,00	5.050,00
Proceed from interest income	211,31	2.824,80
Net cash flows from investment activities	**(433.992,26)**	**(1.148.629,71)**
Cash flows from financing activities		
Borrowing received	1.100.000,00	1.393.080,38
Repayment of borrowing	0,00	(1.283.657,14)
Changes in loans	(2.491.439,70)	0,00
Changes in leases	(1.065.722,77)	0,00
Payments of leases	0,00	(427.835,68)
Dividends paid	(608.194,55)	(1.414.794,40)
Net cash flows from financing activities	**(3.065.357,02)**	**(1.733.206,84)**
Net increase/(decrease) in Cash and cash equivalents	**317.708,51**	**(1.512.065,07)**
Cash and cash equivalents at the beginning of the period	1.726.019,18	3.238.084,25
Cash equivalents at the end of the period	**2.043.727,69**	**1.726.019,18**

The notes on pages 32 to 70 form an integral part of these financial statements.

Adjustments to profit / (losses) are analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Adjustments to the results for:		
Depreciation of tangible fixed assets	1.545.346,54	735.523,08
Depreciation of intangible assets	29.629,93	24.610,38
Depreciation of grants	(13.235,17)	(14.434,83)
Gains/losses on disposal of assets	(66.901,00)	1.298,57
Cost of retirement benefits to staff	33.673,56	36.320,74
Actuarial gain/(losses)	0,00	(13.283,59)
(Gains)/losses from Goodwill Impairment	32.468,00	0,00
Reverse from Impairment of customers	(13.078,34)	0,00
Interest income	(211,31)	(2.824,80)
Interest expense	340.166,61	310.064,55
Impairment of investments	(235.893,03)	121.405,73
Total Adjustments to profits	**1.651.965,79**	**1.198.679,83**

The notes on pages 32 to 70 form an integral part of these financial statements.

Notes to the financial statements

1 General information for the Company

1.1 The company

The Company "PAPERPACK INDUSTRIAL & COMMERCIAL S.A" is registered in the Ministry of Development by No. 35197/06/V/96/101 and its General Commercial Registry (G.E.M.I.) number is 004465901000.

The company's headquarters of both administrative services and the productive activity of the company is located in the Municipality of Kifissia, on road 24, Viltanioti str and Menexedon, 145 64.

The company's shares are listed to the Athens Stock Exchange since 2000 and also it participates in the indexes DOM, FTSEMSFW and DMK.

1.2 Nature of activities

The company's activity is printing, paper and box board packaging, supplying mainly industrial units of cartons printed on the packaging to promote their products, such as cosmetics, foods, beverages, cigarettes, drugs and detergents.

More specifically, the Company PAPERPACK SA operates a fully integrated plant in which they realize the design, printing and production of cardboard boxes and documents with specific quality requirements with regard to raw materials and processing. The printing of products made with modern type offset machines. These activities belong in the Carton Packaging.

According to the bulletin of the Statistical Classification of Economic Activities 2008 (STAKOD '08) of the National Statistical Service of Greece (NSSG) , the main object of activity of the Company within the category of firms in " Manufacture of corrugated paper and paperboard and packaging of paper and cardboard "(No. 17.21).

Additionally, through the absorbed PROMOCARTON SA has expanded its activity and trade paper propellants (sector propellants), as displays, stands, etc. , so penetrating and commercial customers with a portfolio of primarily consumer products.

These activities are in the field of propellants .
The main activities of the Company have not been changed from the previous year.

2 Basis of preparation

2.1 Compliance with IFRS

The financial statements of "PAPERPACK INDUSTRIAL & COMMERCIAL S.A" comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the Interpretations Committee (IFRIC) of the IASB, effective for annual periods ending 31 December 2019 and adopted by the European Union.

2.2 Basis of preparation of the financial statements

The financial statements PAPERPACK INDUSTRIAL & COMMERCIAL S.A have been prepared based on the principle of ongoing concern and the historical cost convention, except the financial assets at fair value through P&L, that according IFRS are measured at fair value.

2.3 Approval of the Financial Statements

These annual financial statements were approved by the Board of Directors on February 26, 2020 and are subject to final approval of the Annual General Meeting.

2.4 Period covered

These financial statements cover the period from 1 January 2019 and December 31, 2019.

2.5 Presentation of the Financial Statements

These financial statements are presented in €, which is the functional currency of the Company, the currency of the primary economic market in which the company operates. All amounts are presented in Euro (€) unless otherwise stated.

Please note that due to rounding, the actual sum of the amounts in the published summary data and the information may differ from the totals presented in these financial statements.

2.6 New standards, amendments to standards and interpretations

In note 2.6.1 are presented the new or revised standards and interpretations to existing standards adopted in the current period and endorsed by the European Union.

In note 2.6.2 are presented the new or revised standards and interpretations to existing standards that have not yet been adopted and endorsed by the EU.

2.6.1 New standards, amendments and interpretations to existing standards that are mandatory for the current year

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 01, 2019. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards, Interpretations and amendments effective for the current financial year

IFRS 16 "Leases"

IFRS 16 replaces the related lease guidance in IAS 17 Leases, IFRIC 4 Determining whether an Agreement Includes a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Assessment of the substance of the lease transactions and the legal form of the lease and defines the principles for the recognition, measurement, presentation and disclosure of leases, with the aim of ensuring that lessees and lessors provide relevant information that accurately reflects these transactions.

IFRS 16 introduces a single lease accounting model for lessees. A lessee recognizes a right of use (RU) as an asset that represents its right to use the underlying asset and a lease obligation that represents its obligation to pay the rent. The lease liability is initially measured at the present value of future lease payments, discounted using an interest rate included in the lease, or in the event that this interest rate cannot be easily determined, by the lessee's lending rate (IBR). The Right of Use asset is initially measured at the value of the lease liability.

Subsequently, the Right of Use Asset is amortized over the lease term and the financial liability is measured at amortized cost. The operating lease expense recognized in accordance with IAS 17 is replaced by the expense of the Right of Use Asset depreciation and interest expense arising from the reversal of the lease liability discount. The change in the presentation of operating lease expenses will result in improved cash flows from operating activities and a corresponding reduction in cash flows from financial activities.

The lessors' accounting treatment remains the same as in the current standard - that is, lessors continue to classify the leases as either financial or operating using the same classification criteria as in IAS 17.

The company presents the impact of IFRS 16 on note 2.8.

IAS 28 (Amendments) "Long term interests in associates and joint ventures"

The amendments 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 amendment had no impact on the financial statements of the company.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement"

In February 2018 the IASB issued amendments in IAS 19 "Employee benefits" that require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan.

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

IFRIC 23 "Uncertainty over income tax treatments"

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"

The amendments allow companies 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—instead of at fair value through profit or loss.
The Company is currently assessing the impact of the amendment.

Annual Improvements to IFRS (2015 – 2017 Cycle)

IASB in its annual improvement program, published in December 2017 a Cycle of narrow-scope amendments to existing Standards.
These amendments do not significantly affect the Company's financial statements.

IFRS 3 "Business Combinations"

The amendment clarifies that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint Arrangements"

The amendment clarifies that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income Taxes"

The amendment clarifies that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing Costs"

The amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations mandatory for the subsequent periods

IAS 1 and IAS 8 (Amendments) "Definition of a material"

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.
The amendments have not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business"

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.
The amendments have not yet been endorsed by the EU.

IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.
The new standard has not yet been endorsed by the EU.

2.7 Significant accounting judgments and Management's estimations

The preparation of financial statements requires estimates and assumptions by the management that affect the values of assets, liabilities, income, expenses and disclosures for contingent assets and liabilities that are included in the financial statements.

Management on a continuing basis, assesses these estimates and assumptions, which mainly include impairment of goodwill and other assets, provision for doubtful debts, and outstanding legal affairs. These estimates and assumptions are based on existing experience and on various other factors that are considered reasonable. These estimates and assumptions are the basis for making decisions about the carrying amounts of assets and liabilities that are not readily available from other sources. Actual results may differ from the above estimates under different assumptions or conditions.

Significant accounting estimates and assumptions relating to future and other major sources of uncertainty at the date of preparation of the financial statements that present a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the next financial year are as follows:

Impairment of goodwill

The company assesses whether there is impairment of goodwill at least on an annual basis. Therefore, it is necessary to estimate the value in use of each cash-generating unit to which a goodwill has been allocated. Estimated value in use requires the Company to estimate the future cash flows of the cash-generating unit and to choose the appropriate discount rate, based on which the present value of the future cash flows will be determined.

Impairment of other assets

Determining impairment of other assets requires estimates to be made that relate, but are not limited to, to the cause, time and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the paper packaging market, rising capital costs, future funding opportunities, technology depreciation, amounts paid for comparable transactions and other changes conditions indicating that there is an impairment.

The recoverable amount is usually determined using the discounted cash flow method.
The determination of impairment indicators, as well as the estimation of future cash flows and the determination of the fair values of assets, requires management to make significant estimates about the determination and measurement of impairment indicators, expected cash flows, discount rates to be implemented.

Provisions for bad debts

The Company has formed a provision for bad debts in order to adequately cover the loss that can be measured reliably and derives from these receivables. Customer requirements are reviewed and evaluated for each customer individually. The provision formed is adjusted for impairment of the results for each year. Any write-offs of receivables from accounts receivable are made through the provision made.

Determination of fair value of unlisted equity instruments

The value is determined based on management's estimates of expected future profitability of unlisted securities, taking into account comparable assets of similar securities.

Contingent liabilities

In the context of its activities, the Company may be involved in various disputes and legal proceedings. The Company reviews the status of each significant case on a periodic basis and assesses the potential financial risk, based on the views of its legal advisers. If the potential loss from any litigation and legal affairs is considered probable and the amount can be estimated reliably, the Company estimates a provision for the estimated loss. Both the determination of the probability and the determination of whether the risk can be estimated reliably requires the management's judgment to be significant. When additional information becomes available, the Company reviews the probable liability for pending litigation and legal affairs, and it is possible to review estimates of the probability of an adverse effect and the related estimate of potential loss. Such revisions to the estimates of the potential liability may have a material effect on the Company's financial position and results.

2.8 Change in accounting policies

The company first applied IFRS 16 “Leases” which replaces the provisions of IAS 17 and sets out the principles for recognition, measurement, presentation and disclosure of leases. The standard is mandatory for accounting periods beginning on or after 1 January 2019. IFRS 16 has an impact on the Company's financial statements, in particular on total assets and liabilities, results, net cash flows from operating activities, net cash flows from financing activities, and the presentation of its financial position.

The new requirements affect the Company as a lessee, mainly with respect to leases of buildings and vehicles.

The company has not adopted the new standard retrospectively in any prior period, but has applied the modified retrospective approach. According to this method, comparative information is not recast. For the transition to IFRS 16, liabilities arising from existing operating leases are discounted using the incremental borrowing rate and recognized as lease liabilities. The rights of use assets as at 1 January 2019 are recognized at an amount equal to the lease liability adjusted by the amount of prepaid or accrued leases.

The most important policies and practical facilities implemented are as follows:

- Assets with a right of use and lease liabilities are presented separately in the statement of financial position.
- The recognition, measurement and disclosure requirements of IFRS 16 have been fully applied to short-term and “low value” leases.
- The Company has used the practical facility of not separating non-lease components from lease components and therefore treats each lease component and any non-lease related elements as one single lease.

In addition, during the first application of IFRS 16, the following policies and practical facilities were used by the Company:

- To determine the lease term, the acquired knowledge has been used in cases where lease termination clauses or other economic considerations indicate that any lease extension or termination rights will be exercised.

- The Company chose the new definition of the lease not only to apply to contracts entered into (or changed) on or after January 1, 2019, but to apply to all existing contracts at the date of initial application.

As of December 31, 2018, the Company had non-cancellable operating lease commitments of € 2.772.199,42. As most of these arrangements correspond to leases other than short-term and low value, IFRS 16 increased the company's assets, long-term and short-term liabilities by € 2.772.199,42, € 2.254.211,85 and € 517.987,57 respectively on January 1, 2019.

The Rights of Use assets and the Lease Liabilities are included under "Right of Use Assets", "Long Term Lease Liabilities" and "Long Term Liabilities Payable in the following year", respectively. Also, an amount of € 2.039.256,27 related to leases under IAS 17, which was included in “Long Term Loans” was reclassified and depicted in “Long Term Lease Liabilities” and an amount of € 415.201,19 relating to finance leases which was included in "Short-term Loans" was reclassified to "Long-term liabilities payable in the following year".

The table below shows the adjustments recognized in each separate account. The accounts that were not affected by the changes are not included. As a result, the subsets and totals reported cannot be recalculated from the amounts presented.

Amounts in €	31/12/2018	Impact of the application of IFRS 16	Reclassifications	1/1/2019
Assets				
Non current Assets				
Goodwill	265.128,99	-	-	265.128,99
Tangible assets	5.647.895,37	-	-	5.647.895,37
Intangible assets	77.617,26	-	-	77.617,26
Investment in shareholdings	57.321,27	-	-	57.321,27
Deferred tax asset	259.277,71	-	-	259.277,71
Right to use assets	-	2.772.199,42	-	2.772.199,42
Other non current assets	97.946,19	-	-	97.946,19
Total non current assets	**6.405.186,79**	**2.772.199,42**	**-**	**9.177.386,21**
TOTAL ASSETS	**16.587.374,98**	**-**	**-**	**19.359.574,40**
Long term liabilities				
Defined benefit liabilty	289.818,42	-	-	289.818,42
Long term debt	4.814.256,27	-	(2.039.256,27)	2.775.000,00
Long term lease liabilities	-	2.254.211,85	2.039.256,27	4.293.468,12
Other long term liabilities	36.453,69	-	-	36.453,69
Total Long term liabilities	**5.140.528,38**	**2.254.211,85**	**-**	**7.394.740,23**
Short term liabilities	-	-	-	-
Trade and other payables	2.645.968,53	-	-	2.645.968,53
Short term debt	2.159.097,63	-	(415.201,19)	1.743.896,44
current portion of long term debt	-	517.987,57	415.201,19	933.188,76
Current tax liabilities	610.194,16	-	-	610.194,16
Other short term liabilities	721.287,90	-	-	721.287,90
Total short term liabilities	**6.136.548,22**	**517.987,57**	**-**	**6.654.535,79**
Total Equity and liabilities	**16.587.374,98**	**-**	**-**	**19.359.574,40**

3 Summary of accounting policies

The significant accounting policies that have been adopted by the Company for the preparation of financial statements are summarized below.

3.1 Foreign currency translation

Transactions in foreign currencies are translated into the functional currency, by using the exchange rates at the transaction date.

Gains and losses from foreign exchange differences arising from the settlement of such transactions during the period, from the conversion of monetary items denominated in foreign currency by using the exchange rates at the balance sheet date, are recognized in the results.

Foreign currency translation differences on non-monetary items measured at fair value are considered as part of the fair value and thus are recorded the same way as the fair value differences, if applicable.

3.2 Segment reporting

As an operating segment is defined a Company activity from where the Company:

- ✓ earns revenues and expenses
- ✓ whose results are reviewed regularly by the Company
- ✓ and for which there is available sufficient financial data.

Functions identified and reported on the internal classification assessed by the management Company. Functions used to evaluate the progress of the Company are:

- Carton Packaging
- Promotional Materials

3.3 Goodwill

Goodwill acquired in a business combination is initially recognized at cost, which is the excess of the cost of the combination over the Company's proportion in the fair value of net assets acquired.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Company tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

3.4 Intangible assets (excluding goodwill)

Intangible assets include the acquired software used in the production or administration.

The acquired licenses related to software capitalized on the basis of costs incurred for the acquisition and installation of the software.

The costs associated with maintenance of computer software costs are recognized in the period in which they occur.

The costs capitalized, are amortized on a straight-line method over the estimated useful lives (three to five years). In addition, the acquired software is reviewed for impairment.

3.5 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, less accumulated depreciations and any impairment suffered by the assets.

The acquisition cost and the related accumulated depreciation of tangible assets retired or sold, is transferred from these accounts at the time of sale or retirement, and any possible gain or loss is included in the results.

The mechanical equipment and other tangible assets are reported at acquisition cost less accumulated depreciation and any impairment losses.

The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Company and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

Self-constructed tangible assets constitute an addition to the acquisition cost of tangible assets at values that include the direct cost of personnel participating in their construction, cost of materials and other general costs.

Depreciation of tangible fixed assets is calculated using the straight line method over their useful life, as follows:

Plant buildings and structures	12,5 – 25 years
Machinery	5 - 12,50 years
Transportation	6,67 – 10 years
Other equipment	3,3 – 10 years

The residual values and useful lives of tangible assets are subject to review at each balance sheet date. If the residual values, expected useful lives, or the expected rate of consumption of the future economic benefits embodied in an asset have changed, the changes are accounted for as changes in accounting estimates. In the sale of tangible assets, the differences between the consideration received and their book value are recorded as gains or losses in profit or loss.

The carrying amount of tangible assets is tested for impairment when there are indications, i.e. events or changes in circumstances indicate that the book value may not be recoverable. If there is such an indication and the carrying amount exceeds the estimated recoverable amount, the assets or cash generating units are impaired to the recoverable amount. The recoverable amount of property, plant and equipment is the largest of their net selling price and value in use. For the purpose of calculating the value of use, the expected future cash flows are redeemed at their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and the associated risks to the asset.

When the carrying values of tangible assets exceed their recoverable amount, the difference (impairment) is recognized immediately as an expense in the income statement.

3.6 Non-current assets held for sale

The assets available for sale also include other assets (including Goodwill) and tangible fixed assets that the Company intends to sell within one year from the date they are classified as "Held for sale". These elements can form an integral part of the company, a group of assets and liabilities or an independent non-current asset.

The assets classified as "Held for sale" are valued at the lowest value between their book value and their fair value less the sale cost. Assets classified as "Held for sale" are not subject to depreciation. The profit or loss that results from the sale or the reassessment of assets "Held for sale" is included in "other income" and "other expenses" respectively, in the statement of comprehensive income.

3.7 Financial assets

3.7.1 Initial Recognition

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

3.7.2 Initial Measurement

The Company measures financial assets at initial recognition at fair value plus / minus transaction costs, associated with the acquisition of financial assets, respectively (other than financial assets and liabilities in FVPL).

The Company initially recognizes the trade receivables where no significant part of the finance is included in their transaction price.

3.7.3 Classification and Measurement of financial assets

3.7.3.1 Commercial claims and Debt securities

All financial assets that are within the scope of IFRS 9 are measured after their initial recognition at amortized cost or at fair value. The basis for their measurement depends both on the Company's business model for the management of its financial assets and on the characteristics of their contractual cash flows. The Company's assessment of its business model is determined at the portfolio level, reflecting how groups of financial assets held in the same portfolio are managed together to achieve the Company's business objective instead of each individual asset.

Cash-generating financial assets, consisting exclusively of capital and interest payments, are classified by taking into account the business model of holding these instruments. Financial assets held under a business model for the purpose of holding them to maturity and collecting the contractual cash flows are measured at amortized cost. If the business model is intended to hold the financial assets in order to collect the contractual cash flows but is expected to be sold when necessary (e.g. to meet a specific liquidity need), then these instruments are measured at FVOCI. Financial assets held in a business model other than the above are measured at FVPL.

The company has a business model in which it manages the financial assets, which reflects the way the Company manages them to generate cash flows.

Specifically, the Company's financial assets are held within a business model that is intended to hold the financial assets for the collection of the contractual cash flows. According to this, the financial assets of the Company are held until their maturity and their contractual cash flows are collected.

The Company, for the purpose of assessing whether the cash flows will be realized by collecting the corresponding payments during the life of the financial asset, examines the frequency, value and timing of sales of previous periods, the ratio of such sales and expectations of the Company regarding future sales.

In addition to the above, the Company examines all relevant information to evaluate the business model.

Upon initial recognition of a financial asset, the Company determines whether it is part of the existing business model or whether it represents a new business model.

The Company re-evaluates the business model in each reporting period to determine whether the business model has changed since the previous reporting period. For the current reporting periods of the current year, the Company has not identified any change in its business model

3.7.3.2 Shares

Financial instruments that meet the definition of shares, as provided by IAS 32, are measured subsequent to initial recognition in the FVPL. The Company may irrevocably choose to disclose fair value changes in other comprehensive income provided that the shares are not held for trading and are not a consideration recognized by the Company in a business combination to which IFRS 3 applies.

The Company makes the above irrevocable option individually for each asset that meets the definition of a share in accordance with IAS 32.

3.7.3.3 Reclassifications

If the business model under which the Company holds its financial assets changes due to external or internal changes that are considered material to the Company's business and is demonstrably reclassified to all the financial assets that have been affected. Reclassification is applied prospectively to the reclassification date, which is the first day of the first quarterly reporting period after the business model change. Reclassifications are expected to be very rare. Investments in shares in respect of which the Company has irrevocably selected the FVOCI and any financial asset identified in the FVPL at initial recognition cannot be reclassified as their determination at the initial recognition is irrevocable.

3.7.4 Measurement of impairment of financial assets

The Company measures the provision for impairment of receivables from customers as an estimate of the present value of cash flow lags over the life of receivables from customers. Cash flow hazards are the difference between the cash flows attributable to the Company as conventionally stated and the cash flows that the Company expects to receive.

The Company adopted a simplified approach to assessing ECLs for customer requirements. The Company at each reporting date measures the provision for impairment of receivables from customers at the amount equal to the credit losses over the lifetime. Therefore, all receivables from Company customers are classified in the following two categories:

Stage 2: Lifetime ECL measurement - no credit impairment. If the financial asset has a significant credit risk increase since initial recognition but has not yet been impaired, it is classified in Stage 2 and is measured in the ECL of total life, defined as the expected credit loss due to all possible credit events during the of his expected life.

Stage 3: Measuring the ECL for the overall life of the items - with credit impairment. If the financial asset is designated as a credit impairment, it is transferred to Stage 3 and measured in ECL for its total life. An objective presumption for a credit-impaired financial asset is the delay of more than 180 days, as well as other information about significant financial difficulties of the debtor.

The key data taken into account for the implementation of the Company's accounting policy as regards ECL estimates are as follows:

• "EAD": represents the amount of the exposure at the reporting date.
• Probability of Defeat ("PD"): The probability of default is an estimate of probability within the specified time horizon. The Company calculates the default probabilities using the risk model of the EIKON THOMSON REUTERS base.

On 31.12.2019 the Company did not hold any receivables from customers for which no LAG has been recognized due to the effect of any collateral.

The Company measures ECLs per customer and where this is not possible on a collective basis for client portfolios of customers with similar credit characteristics. In particular, the Company estimates the ECLs by grouping the claims based on the common risk characteristics and the delay days.
The Company recognizes the related loss provision at each reporting date.

3.8 Financial liabilities

Financial liabilities are classified either as financial liabilities in the FVPL or as other financial liabilities (i.e. amortized cost). The Company has not assigned any of its financial obligations to FVPL.

3.8.1 Financial liabilities (excluding loans)

The Company's financial liabilities (excluding loans) are reflected in the balance sheet in the items "Long term financial liabilities" and "Other trading liabilities. "Financial liabilities are recognized when the Company is engaged in a contractual agreement of the instrument and are de-recognized when the

Company is exempted from the agreement or the agreement is canceled or expires.

Trade payables are recognized initially at fair value and are measured subsequently at amortized cost.

Gains and losses are recognized in the income statement when the liabilities are de-recognized as well as with the implementation of the effective interest method.

Dividends to shareholders are recognized in the item "Other current financial liabilities", when they are approved by the General Assembly.

3.8.2 Loans

The bank loans provide long-term financing of the operations of the Company. All loans are initially recognized at cost being the fair value of the amount received, excluding direct costs of issuance.

After initial recognition, borrowings are measured at amortized cost using the effective interest rate method and any difference is recognized in the income statement, during the period of the borrowings.

3.8.3 Ordinary shares

The share capital issued by the company is identified as the product of recovery reduced the direct costs of issue, after the calculation of income tax attributable to them.

When the Company acquires its own equity securities, those securities (the "treasury shares) are deducted from equity. During the purchase, sale, issue or cancellation of own equity instruments of the entity, no gain or loss is recognized in the income statement.

3.9 Inventories

Inventories include raw materials, equipment and other assets acquired for future sale.

The cost of inventories is determined using the weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition and which are directly attributable to the production process, and some overhead costs associated with production , which is absorbed in the normal capacity of production facilities.

The cost of inventories does not include financing costs.

At the balance sheet date, inventories are valued at the lower between the acquisition cost and net realizable value.

3.10 Deferred income tax

3.10.1 The current tax asset

The current tax asset / liability includes those obligations or claims by tax authorities relating to current or previous reporting period and not paid up the balance sheet date. Taxes are calculated according to tax rates and laws that were applicable on the taxable income of each year. All changes to current tax assets or liabilities are recognized as expense in the income tax.

3.10.2 Deferred income tax

Deferred income tax is calculated using the liability method which focuses on temporary differences. This involves comparing the book value of assets and liabilities on the consolidated financial statements with their respective tax bases.

Deferred tax assets are recognized to the extent that is likely to be offset against future income taxes.

The Company recognizes a previously unrecognized deferred tax asset to the extent that it is probable that future taxable profit will allow the recovery of the deferred tax asset.

Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of this deferred tax asset.

Deferred tax liabilities are recognized for all taxable temporary differences.

Tax losses can be transferred to subsequent periods are recognized as deferred tax assets.

Deferred tax assets and liabilities are measured at tax rates expected to apply to the period during which settled the claim or liability, based on tax rates (and tax laws) that have come into force or substantively enacted at the date of Balance Sheet.

Changes in deferred tax assets or liabilities are recognized as a component of income tax in the income statement, except those resulting from specific changes in the assets or liabilities that are recognized directly in equity Company as a revaluation the property and result in the relative change in deferred tax assets or liabilities being charged / credited to the relevant equity account.

3.11 Government grants

The Company recognizes government grants, which cumulatively meet the following criteria:

- there is reasonable certainty that the company has complied or will comply with the terms of the grant and
- probable that the amount of the grant will be received.

Government grants relating to acquisition of fixed assets are shown as deferred income and liabilities are recognized in comprehensive income in the account "other income" during the life of the assets concerned.

3.12 Retirement benefits and short-term employee benefits

3.12.1 Short-term benefits

Short term employee benefits (other than termination benefits of employment) in cash and in kind are recognized as an expense when accrued. Any unpaid amount is recorded as a liability and if the amount already paid exceeds the amount of benefits, the company recognizes the excess as an asset (prepaid expense) only to the extent that the prepayment will reduce future payments or return.

3.12.2 Retirement Benefits

The Company has both defined benefit and defined contribution plans.

3.12.2.1 Defined benefit plans

The liability in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit under the Law 2112/20 and changes resulting from any actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method unit (projected unit credit method).

Actuarial gains and losses arising from experience adjustments and changes in proportional cases charged or credited with any deferred tax that relates to other comprehensive income.

Past service cost is recognized immediately in profit or loss unless the changes in pension plans are dependent on the retention of employees in service for a specified period of time (vesting date). In this case, past service cost is amortized on a consistent basis until the date of vesting of benefits.

3.12.2.2 Defined contribution plans

The staff Company is mainly covered by the main National Insurance Agency in relation to the private sector (IKA), which provides retirement and medical benefits. Each employee is required to contribute part of their monthly salary to the fund, part of the overall contribution is paid by the Company. Upon retirement, the pension fund responsible for paying pension benefits to employees. Consequently, the Company has no legal or constructive obligation to pay future benefits under this program.

Under the defined contribution plan, the Company's obligation (legal or constructive) shall be limited to the amount agreed to contribute to the organization (eg fund) that manages contributions and provides benefits. Thus the amount of benefits the employee will receive is determined by the amount paid by the Company (or the employee) and paid by the investment of those contributions.

The contribution payable by the Company in a defined contribution plan is recognized as a liability after deduction of the contribution paid and the corresponding output.

3.13 Other provisions

Provisions are recognized when a present obligation is likely to lead to an outflow of economic resources for the Company and can be reliably estimated. The timing or the amount of output can be elusive. A present obligation arising from the presence of a legal or constructive obligation resulting from past events.

Each formed provision is used only for expenses which were originally formed. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

Provisions are valued at anticipated costs required to settle the present obligation, based on the best evidence available at the balance sheet date, including the risks and uncertainties associated with this commitment.

When the effect of the time value of money is significant, the amount of the provision is the present value of expenses expected to be required to settle the obligation.

When using the method of discounting, the carrying amount of a provision increases each period to reflect the passage of time. This increase is recognized as interest expense in the results. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the probability of an outflow component included in the category of commitments is low.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, provision is reversed.

3.14 Contingent liabilities

Contingent liabilities are not recognized in financial statements but are disclosed unless the probability of outflow of resources embodying economic benefits are minimal.

3.15 Contingent assets

Possible inputs from economic benefits to the Company not yet met the criteria of an asset are considered contingent assets and disclosed in the notes to financial statements.

3.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a fee.

Accounting by the lessee

The Company applies a single recognition and measurement approach for all leases (including short-term leases and leases of low-value assets). The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset is transferred to the Company at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company has lease contracts for buildings and land(used as offices, warehouses). The lease contracts may contain both lease and non-lease components. The Company has elected not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease components as a single combined lease component.
The right-of-use assets are also subject to impairment, as described in the accounting policy Impairment of Non - Financial Assets .

ii. Lease liabilities

At the commencement date of the lease, the Company recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company use the Company’s incremental borrowing rate (5%) because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced through the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a reassessment or modification of the lease contract.

Accounting by lessor

Leases in which the lessor does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income on operating leases is recognized over the term of the lease on a straight-line basis.

A lease that transfers substantially all of the risks and rewards incidental to ownership of the leased item is classified as finance lease.
The lessor in a finance lease derecognizes the leased asset and recognizes a receivable in the amount of

the net investment in the lease. The lease receivable is discounted using the effective interest method and the carrying amount is adjusted accordingly. Lease receivable is increased to reflect the accretion of interest and reduced through the lease proceeds made.

3.17 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenues are net of value added tax, discounts and rebates.

In accordance with IFRS 15, a five-step model is established to substantiate revenue from contracts with customers:

1. Determination of the contract (s) with the client.
2. Determination of performance obligations.
3. Determination of the transaction price.
4. Allocation of the transaction price to the separate performance obligations.
5. Revenue recognition when (or as) the company fulfills its performance obligations.

Revenue is recognized at the amount the company expects to receive in exchange for the transfer of goods or services to a counterparty. With the award of a contract, the accounting for the additional costs and direct costs required to complete the contract shall be also specified.

Revenue is the amount that the company expects to be entitled to in return for the goods or services it has transferred to a customer/client. If the contractual price includes a variable amount, the entity assesses the amount that will be entitled to against the transfer of the promised goods or services to the customer. The price may vary due to discounts, price subsidies, refunds, credits, price reductions, incentives, additional performance benefits, penalties or the like. The contractual price may also vary if the right of an entity to the price depends on the occurrence or non-occurrence of a future event. For example, a price will be variable if the product has been sold with a refund or a fixed amount pledge as an additional performance benefit to achieve a particular milestone.

The volatility associated with the price that a customer agrees to may be explicitly stated in the contract. The Company estimates the amount of the variable price using one of the following methods, whichever it considers that will better predict the amount that the company will be entitled to:

(a) Estimated value - the estimated value is the sum of weighted based on probabilities amounts over a range of possible prices. The estimated value is an appropriate approximation of a variable price if the entity has a large number of contracts with similar characteristics.

b) The most probable amount - the most probable amount is the only most probable amount in a range of possible amounts (ie, the only probable outcome of the contract). The most probable amount is an appropriate estimate of the variable price if the contract has only two possible outcomes (for example, the entity provides an additional yield or not).

The Company recognizes revenue when the execution of the contractual obligation is satisfied i.e by transferring the goods or services under that obligation. The customer has control over the goods or services transferred when the customer is able to direct the use and derive all the financial benefits of this good or service. The control is transferred over a period or at a specific time. Revenue from the sale of goods is recognized when control of the good is transferred to the customer, usually upon delivery to the customer, and there is no obligation that could affect the customer's acceptance of the good.

Implementation commitments that are fulfilled over time

The Company recognizes revenue for a contractual commitment that is fulfilled over time only if it can reasonably measure its progress in fulfilling that commitment in full. The Company is not capable of reasonably measuring progress in the fulfillment of a commitment when it does not have the reliable information needed to apply the appropriate method for measuring progress. In some cases (eg during the initial stages of a contract), the company may not be able to reasonably measure the progress of a commitment, but expects to recover at least the costs incurred in fulfilling it.

In such cases, the Company shall recognize revenue only to the amount of the costs incurred, until it is capable of reasonably measuring the effect of the commitment.

A contractual asset is recognized when the company has fulfilled its obligations towards the counterparty before payment or before payment is due, for example when the goods or services are transferred to the customer prior to the company's right to issue an invoice.

A contractual liability is recognized when the Company receives an amount from the counterparty as an advance payment or when it retains the right to a price that is deferred before the execution of the contract obligations and the transfer of the goods or services. The contractual liability is recognized when the contractual obligations are executed and the income is recorded in the income statement.

Implementation commitments fulfilled at a specific time

When a performance commitment is not fulfilled over time (as stated above), then the company fulfills the performance commitment at a specific point in time. To determine the time when the customer acquires control of a promised asset and the entity fulfills a performance obligation, the Company examines the requirements for acquiring control in accordance with the provisions of IFRS 15.

The company's main income categories are:

Sale of goods

Revenue from the sale of goods, after deducting turnover discounts, sales incentives and the associated VAT, is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from the provision of services

Revenue from the provision of services is recognized in the accounting period in which the services are rendered and is measured according to the nature of the services. The related receivable is recognized when there is an unconditional right for the entity to receive the fee for the provided contractual services to the customer.

Interest

Interest income is recognized on an accrual basis.

Income from Dividends

Dividend income is recognized in the income statement when the right to receive it is guaranteed.

3.18 Borrowing Costs

Borrowing costs are recognized as an expense in the period incurred, except if related to an asset that is under construction.

3.19 Fair Values

The Company provides the necessary disclosures about the measurement of fair value through a three-level hierarchy.

- Financial assets that are traded in active markets whose fair value is determined on the basis of the published market prices applicable at the reporting date for similar assets and liabilities ("Level 1").

- Financial assets that are not negotiable in active markets whose fair value is determined using valuation techniques and assumptions based either directly or indirectly on market data at the reporting date ("Level 2").

- Financial assets that are not negotiable in active markets, the fair value of which is determined using valuation techniques and assumptions, not basically based on market data ("Level 3").

At the 31st of December 2019 and 31st of December 2018, the carrying amount of financial assets (Other long-term receivables, Receivables from customers and other trade receivables, Other receivables and Cash and cash equivalents) and financial liabilities (Long-term and Short-term borrowings, Suppliers and related liabilities as well as other short-term liabilities) approximated fair value.

The Company did not hold assets valued at fair value as of December 31, 2019 and December 31, 2018.

4 Segment Reporting

4.1 Determination of functional segments

The company's main activity is the sale of various types of paper packaging and promotional products (propellants). As operating segment is a group of activities from which

- the company earns revenue and expenditure
- the results are regularly reviewed by the company and
- for which there are available sufficient financial data

Operating segments are recognized and presented on the basis of internal reporting which is evaluated by the company's management.

Operating segments are used to evaluate the company's progress are:

- Paper packing
- Promotional Instruments

Financial data for the company's operating segments are presented below.

4.2 Segmental results

The results of each operating segment are as follows:

Results per segment for the period 1/1-31/12/2019	Carton Packaging	Promotionals Materials	Unallocated	Total
Sales to external customers	18.159.567,48	287.071,78	0,00	18.446.639,26
Sales to other segments	0,00	0,00	0,00	0,00
Net sales	**18.159.567,48**	**287.071,78**	**0,00**	**18.446.639,26**
Earnings before taxes, financial and investing activities	**2.693.943,81**	**40.439,70**	**0,00**	**2.734.383,51**
Financial results	(136.531,58)	0,00	0,00	(136.531,58)
Share of profit / (loss) from associates	0,00	0,00	0,00	0,00
Profit / (Loss) before tax	**2.557.412,23**	**40.439,70**	**0,00**	**2.597.851,93**
Income Tax	(633.572,82)	(9.705,53)	0,00	(643.278,34)
Net profit / (loss)	**1.923.839,41**	**30.734,17**	**0,00**	**1.954.573,59**

Results per segment for the period 1/1-31/12/2018	Carton Packaging	Promotionals Materials	Unallocated	Total
Sales to external customers	16.273.905,73	346.918,19	0,00	16.620.823,92
Sales to other segments	0,00	0,00	0,00	0,00
Net sales	**16.273.905,73**	**346.918,19**	**0,00**	**16.620.823,92**
Earnings before taxes, financial and investing activities	**1.435.123,50**	**52.733,10**	**0,00**	**1.487.856,61**
Financial results	(428.645,48)	0,00	0,00	(428.645,48)
Share of profit / (loss) from associates	0,00	0,00	0,00	0,00
Profit / (Loss) before tax	**1.006.478,02**	**52.733,10**	**0,00**	**1.059.211,13**
Income Tax	(269.648,56)	(15.292,60)	0,00	(284.941,16)
Net profit / (loss)	**736.829,46**	**37.440,50**	**0,00**	**774.269,97**

The accounting policies adopted for each operating segment are consistent with the accounting policies described in Note 3 Summary of accounting policies.

4.3 Assets and liabilities by operating segment

The assets and liabilities by operating segment are as follows:

Assets and Liabilities as at 31/12/2019	Carton Packaging	Promotionals Materials	Total
Segment Assets	16.918.911,36	382.930,99	17.301.842,35
Total assets	**16.918.911,36**	**382.930,99**	**17.301.842,35**
Segment Liabilities	10.620.834,95	34.755,42	10.655.590,37
Total liabilities	**10.620.834,95**	**34.755,42**	**10.655.590,37**

Assets and Liabilities as at 31/12/2018	Carton Packaging	Promotionals Materials	Total
Segment Assets	16.235.721,56	351.653,42	16.587.374,98
Total assets	**16.235.721,56**	**351.653,42**	**16.587.374,98**
Segment Liabilities	11.235.832,30	41.244,30	11.277.076,60
Total liabilities	**11.235.832,30**	**41.244,30**	**11.277.076,60**

For monitoring the operating segments and the allocation of resources in each area:

I. assets working together in functional areas are allocated to each sector according to income made.

II. obligations concerning joint operating segments are allocated to each sector according to the assets of each sector.

4.4 Other information by operating segment

Other items by operating segment are listed below:

1/1- 31/12/2019

Amounts are expressed in € '	Carton Packaging	Promotionals Materials	Total
Depreciation	976.049,67	0,00	**976.049,67**
Amortization	29.629,93	0,00	**29.629,93**
Additions in tangibles	469.272,60	0,00	**469.272,60**
Additions in intangibles	31.840,97	0,00	**31.840,97**
Impairment in Goodwill	0,00	32.468,00	**32.468,00**

1/1- 31/12/2018

Amounts are expressed in € '	Carton Packaging	Promotionals Materials	Total
Depreciation	735.511,12	11,96	**735.523,08**
Amortization	24.610,38	0,00	**24.610,38**
Additions in tangibles	1.107.735,80	0,00	**1.107.735,80**
Additions in intangibles	48.768,71	0,00	**48.768,71**
Impairment in Goodwill	0,00	0,00	**0,00**

4.5 Sales per product and service category

The Company's sales per category of products and services are described in the table below:

Amounts are expressed in € '	1/1- 31/12/2019	1/1- 31/12/2018
Resale of goods	413.616,73	549.071,85
Sale of products	16.894.931,52	15.079.615,26
Sale of raw materials	533.594,54	540.118,82
Revenues from services	604.496,47	452.017,99
Total Turnover	**18.446.639,26**	**16.620.823,92**

4.6 Information by geographical area

Data on sales and assets by geographic area is listed below:

Sales per region

Amounts are expressed in € '	1/1- 31/12/2019	1/1- 31/12/2018
Greece	18.196.293,13	16.452.813,73
European Union	116.714,25	134.641,11
Other	133.631,88	33.369,08
Total	**18.446.639,26**	**16.620.823,92**

Assets per region

Amounts are expressed in € '	31/12/2019	31/12/2018
Greece	17.067.032,68	16.419.702,91
European Union	109.470,97	134.370,15
Other	125.338,70	33.301,93
Total	0,00	0,00
Total	**17.301.842,35**	**16.587.374,99**

5 Goodwill

The carrying amount of goodwill arises from the activity of the Promotion carried out by the subsidiary PROMOCARTON A.E. The goodwill movement and its breakdown into cash flow units is analyzed as follows:

Amounts in €	PromocartonS.A.	Total
Acquisition cost at 1/1/2018	265.128,99	265.128,99
minus: Accumulated amortization	-	-
Net book value as at 1/1/2018	**265.128,99**	**265.128,99**
Acquisition cost at 31/12/2018	265.128,99	265.128,99
minus: Accumulated amortization	-	-
Net book value as at 31/12/2018	**265.128,99**	**265.128,99**
Impairment	(32.468,00)	(32.468,00)
Acquisition cost at 31/12/2019	265.128,99	265.128,99
minus: Accumulated amortization	(32.468,00)	(32.468,00)
Net book value as at 31/12/2019	**232.660,99**	**232.660,99**

The Goodwill is subjected to periodic impairment test and, in case impairment loss is recognized, this is included in the result line "Other financial results".

During the current and the previous fiscal year, impairment of goodwill has arisen of the amount 32.648 (2018: € 0,00). The underlying assumptions used in the impairment test are as follows:

Cash generation unit Promotional materials	2019	2018
Discount rate	6,25%	11,61%
% EBITDA	14,09%	15,20%

The key assumptions used by the management in the calculation of the cash flow forecasts in the context of the annual audit of the impairment of goodwill are as follows:

- Zero risk rate: The zero risk rate was determined on the basis of the zero risk bond yields.
- Budget margins: Operating profit margins before financial and investing activities and operating profits before financial and investing activities, depreciation and amortization were calculated based on the actual data for the current year.

The key assumptions used are consistent with independent external sources of information.

6 Intangible assets

The intangible assets of the Company are mainly in software licenses and software. The analysis of the carrying amounts of intangible assets of the Company is shown in the tables below:

Amounts in €	Software	Total
Acquisition cost on 1/1/2018	403.876,45	403.876,45
Minus: Accumulated amortization	(350.417,51)	(350.417,51)
Net book value on 1/1/2018	**53.458,94**	**53.458,94**
Additions	48.768,71	48.768,71
Depreciation	(24.610,39)	(24.610,39)
Acquisition cost on 31/12/2018	452.645,16	452.645,16
Minus: Accumulated amortization	(375.027,90)	(375.027,90)
Net book value on 31/12/2018	**77.617,26**	**77.617,26**
Additions	31.840,97	31.840,97
Depreciation	(29.629,93)	(29.629,93)
Acquisition cost on 31/12/2019	484.486,13	484.486,13
Minus: Accumulated amortization	(404.657,83)	(404.657,83)
Net book value on 31/12/2019	**79.828,30**	**79.828,30**

The amortization of intangible assets recognized in the income statement (note 18). The intangible assets of the company are not there any kind pledges to secure obligations.

7 Tangible assets

The book values of tangible assets for the periods presented are as follows:

Amounts in €	Land	Buildings	Machinery	Transportation means	Furniture & other equipment	Total
Acquisition cost on 1/1/2018	6.796,76	1.314.229,74	11.239.984,69	251.548,58	793.636,06	13.606.195,83
Minus: Accumulated depreciation	-	(901.131,76)	(6.558.246,95)	(172.376,68)	(689.584,42)	(8.321.339,81)
Net book value on 1/1/2018	**6.796,76**	**413.097,98**	**4.681.737,74**	**79.171,90**	**104.051,64**	**5.284.856,02**
Additions	-	89.700,00	873.836,15	-	144.199,65	1.107.735,80
Disposals / Reductions	-	-	-	(25.600,00)	(2.614,41)	(28.214,41)
Depreciation	-	(52.427,99)	(627.762,89)	(11.457,82)	(43.874,37)	(735.523,07)
Depreciation of disposals / reductions	-	-	-	16.426,67	2.614,36	19.041,03
Acquisition cost on 31/12/2018	6.796,76	1.403.929,74	12.113.820,84	225.948,58	935.221,30	14.685.717,22
Minus: Accumulated depreciation	-	(953.559,75)	(7.186.009,84)	(167.407,83)	(730.844,43)	(9.037.821,85)
Net book value on 31/12/2018	**6.796,76**	**450.369,99**	**4.927.811,00**	**58.540,75**	**204.376,87**	**5.647.895,37**
Additions		3.220,03	337.345,94	51.290,00	77.416,63	469.272,60
Disposals / Reductions			(1.760,31)	(28.787,60)	(33.780,10)	(64.328,01)
Depreciation		(84.161,04)	(793.630,88)	(13.404,76)	(84.852,99)	(976.049,67)
Depreciation of disposals / reductions			1.760,25	28.787,58	33.771,18	64.319,01
Acquisition cost on 31/12/2019	6.796,76	1.407.149,77	12.449.406,47	248.450,98	978.857,83	15.090.661,81
Minus: Accumulated depreciation	-	(1.037.720,79)	(7.977.880,47)	(152.025,01)	(781.926,24)	(9.949.552,51)
Net book value on 31/12/2019	**6.796,76**	**369.428,98**	**4.471.526,00**	**96.425,97**	**196.931,59**	**5.141.109,30**

Depreciation of tangible fixed assets recognized in the income statement (note 18). There no mortgages on land and buildings.

There is a collateral on equipment owned by the company, worth EUR 927.000,00, in order to secure bank loan.

8 Financial Assets

The financial assets of the Company are classified as follows:

Amounts in €	31/12/2019	31/12/2018
Loans and receivables (8.2)	5.584.911,76	6.131.702,75
Available for sale financial assets (8.1)	293.214,30	57.321,27
Total	**5.878.126,06**	**6.189.024,02**

8.1 Available for sale financial assets

The financial assets included in this category relate to the company's participation at 6.18% in the share capital of the company Vlachos Bros SA based in Koropi and the participation at 35.00% in the share capital of the company Fokas Bros SA for which there is no relevant audit capability. The analysis of the value of available-for-sale financial instruments is as follows:

Amounts in €	VLAHOU BROS AVEE	FOKA BROS AVEE	Total
Balance as at 1/1/2018	**54.000,00**	**124.727,00**	**178.727,00**
Revaluation	0,00	(121.405,73)	(121.405,73)
Balance as at 31/12/2018	**54.000,00**	**3.321,27**	**57.321,27**
Revaluation	239.214,30	(3.321,27)	235.893,03
Balance as at 31/12/2019	**293.214,30**	**0,00**	**293.214,30**

Both companies, Vlachos Bros SA and Fokas Bros SA are not traded on any active market.

Investments in Vlachos Bros SA and Fokas Bros SA are monitored at fair value through profit or loss and recognized in the income statement as they arise.

During the current fiscal year, the value of Fokas Bros S.A. was impaired by € 3.321,27, which was charged to the account "Other financial results" (see note 20) and there was a positive revaluation of Vlahou Bros AVEE by € 239.214,30.

The underlying assumptions used in the impairment test are as follows:

	VLAHOU BROS AVEE	FOKA BROS AVEE
Discount rate	7,80%	6,25%
Average growth during next 5 years	2,30%	5,00%
Growth after 5 years	0,00%	0,00%
% EBITDA	11,86%	(3,81%)

8.2 Loans and receivables

This category includes the following financial assets:

Amounts in €	31/12/2019	31/12/2018
Other non current assets	99.242,49	97.946,19
Trade and other receivables	3.441.941,58	4.307.737,38
Cash and cash equivalents	2.043.727,69	1.726.019,18
Total	**5.584.911,76**	**6.131.702,75**

8.2.1 Other non-current assets

Amounts in €	31/12/2019	31/12/2018
Guaranteed on leased buildings	99.242,49	97.946,19
Total	**99.242,49**	**97.946,19**

These guarantees include guaranteed rents. As the balance is not important for the fair presentation of financial statements of the Company, it has not been adjusted to the value of these guarantees to the real interest rate.

8.2.2 Trade and other receivables

Trade and other receivables are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Domestic customers	3.083.719,17	3.618.159,30
Foreign Customers	19.078,37	25.264,38
Prepayments	67.808,89	2.942,59
Portfolio receivable Cheques	405.695,83	414.651,41
Cheques in third parties as collateral	0,00	394.158,72
Gross book value of trade receivables	**3.576.302,26**	**4.455.176,40**
Provision for doubtful accounts	(134.360,68)	(147.439,02)
Total	**3.441.941,58**	**4.307.737,38**

All of these amounts are considered as short term. The fair value of short-term financial assets is not determined separately as the book value is considered to approximate their fair value.

The aging analysis of the Company's trade receivables and the corresponding expected credit losses is as follows:

Amounts in €	31/12/2019		
Days		**% of Losses**	**Amount of Losses**
0-90	3.229.373,13	0,91%	(29.258,03)
90-120	170.081,86	0,82%	(1.396,28)
120-180	5.127,46	0,69%	(35,58)
180-365	103.910,92	99,77%	(103.670,80)
>365	0,00	0,00%	-
Total receivables	**3.508.493,37**		**(134.360,69)**

Amounts in €	31/12/2018		
Days		**% of Losses**	**Amount of Losses**
0-90	3.878.016,47	0,69%	(26.733,55)
90-120	410.717,16	0,65%	(2.685,48)
120-180	45.718,45	0,74%	(337,20)
180-365	3.348,36	9,98%	(334,31)
>365	117.348,48	100,00%	(117.348,48)
Total receivables	**4.455.148,92**		**(147.439,02)**

For all of the company's requirements, an estimate of the potential impairment losses included in distribution costs (note 19) has been made:

The movement of the provision is as follows:

Amounts in €	31/12/2019	31/12/2018
Opening Balance	**147.439,02**	**117.332,02**
IFRS 9 Adjustment		43.060,01
Reversal of unused provision	(13.078,34)	(941,02)
Receivables right offs		(12.011,99)
Total Receivables	**134.360,68**	**147.439,02**

As of 1/1/2018, the Company applies the simplified approach of IFRS 9 for the calculation of the expected credit losses of customers and other short-term receivables that are classified either in the Stage 2, or in Stage 3.

Amounts in €	31/12/2019	31/12/2018
Balance of receivables	**3.508.493,37**	**4.455.148,92**
Stage 2	3.404.582,45	4.334.452,08
Stage 3	103.910,92	120.696,84
Expected Credit Loss	**134.360,69**	**147.439,02**
Stage 2	30.689,89	29.756,23
Stage 3	103.670,80	117.682,79
Expected % of Credit Loss		
Stage 2	0,90%	0,69%
Stage 3	99,77%	97,50%

8.2.3 Cash and cash equivalents

Cash equivalents include the following elements:

Amounts in €	31/12/2019	31/12/2018
Cash in hand	15.807,89	11.968,89
Bank deposits	1.991.662,02	1.677.686,88
Foreign currency deposits	36.257,78	36.363,41
Total cash and cash equivalents	**2.043.727,69**	**1.726.019,18**

There are no commitments on the Company’s treasury.

9 Right of Use Assets

The company implemented the IFRS 16 with initial recognition of right of use assets from the Leasing that possessed. The item is analyzed as follows:

	Leased buildings	Leased Vehicles	Total
Initial Recognition 01/01/2019	**2.493.827,97**	**278.371,45**	**2.772.199,42**
Annual amortization	(484.732,94)	(84.563,93)	(569.296,87)
Acquisition cost 31/12/2019	**2.493.827,97**	**278.371,45**	**2.772.199,42**
less: Accumulated depreciation	**(484.732,94)**	**(84.563,93)**	**(569.296,87)**
Book Value 31/12/2019	**2.009.095,03**	**193.807,52**	**2.202.902,55**

10 Inventories

Inventories are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Goods for resale	11.255,22	8.994,85
Products ready and unfinished	881.536,07	839.388,20
Raw and auxiliary materials	2.316.558,68	2.162.164,55
Total	**3.209.349,97**	**3.010.547,60**

The amount of inventories recognized as an expense during the year included in cost of sales (Note 19).

There is a lien on inventories up to EUR 1 million.

11 Other current assets

Other current assets are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Income tax Prepayment	-	449.786,19
Other Withholding taxes	8.583,85	232,65
Greek State	24.088,04	1.587,10
Other debtors	44.747,72	34.697,07
Prepayments	5.778,89	888,33
Prepaid costs	55.062,57	116.118,63
Provision of doubtful accounts other debtors	(12.011,99)	(12.011,99)
Prepaid purchases of materials	247.466,99	546.586,05
Total	**373.716,07**	**1.137.884,03**

12 Share capital

The company's share capital consists of 3.953.090 ordinary shares of nominal value € 0,30. All shares carry the same rights to receive dividends and the repayment of capital and represent a vote in the General Assembly of shareholders.

Amounts in €	31/12/2019		31/12/2018	
	Number of shares	**Nominal value**	**Number of shares**	**Nominal value**
Number of shares authorised				
Common shares	3.953.090,00	0,30	3.953.090,00	0,30
Number of fully paid shares				
Common shares	3.953.090,00	0,30	3.953.090,00	0,30

There has been no change in the share capital during the last two fiscal years:

Amounts in €	31/12/2019	31/12/2018
Share capital at the beginning of the year	**1.185.927,00**	**1.185.927,00**
Capital increase	-	-
Capital decrease	-	-
Share capital at the end of the year	**1.185.927,00**	**1.185.927,00**

The share capital of the company amounts to one million, one hundred eighty five thousand and nine hundred twenty seven Euros (1.185.927,00) divided into three million, nine hundred fifty three thousand and ninety (3.953.090) ordinary shares of nominal value of thirty cents (0,30) Euro each.

The company's shares are listed on the Athens Stock Exchange, in the MAIN MARKET with the code PPAK. Each share carries one voting right.

13 Share premium

Movement in share premium is analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Share premium at the beginning of the year	**1.187.780,32**	**1.187.780,32**
Share premium increase	-	-
Share premium at the end of the year	**1.187.780,32**	**1.187.780,32**

The amounts received, additional to the par value of shares issued during the year are included in equity under the heading "Share premium", after deduction of registration fees, legal fees and other related tax benefits.

14 Reserves

Movement in other reserves is analyzed as follows:

Amounts in €	Legal Reserve	Extraordinary Reserves	Tax Free	Other reserves	Total
Balance as at 1/1/2018	**350.665,03**	**2.219,00**	**335.221,00**	**(21.492,41)**	**666.612,62**
New reserves	71.561,00	-	-	-	71.561,00
Actuarial reserve	-	-	-	(13.121,57)	(13.121,57)
Balance as at 31/12/2018	**422.226,03**	**2.219,00**	**335.221,00**	**(34.613,98)**	**725.052,05**
New reserves	0,00	-	-	-	-
Actuarial reserve	-	-	-	(25.656,49)	(25.656,49)
Balance as at 31/12/2019	**422.226,03**	**2.219,00**	**335.221,00**	**(60.270,47)**	**699.395,56**

Legal reserves

Under Greek corporate law, companies are required to form the 5% of profits of the year, as legal reserve, until it reaches one third of the outstanding share capital. During the life of the company, the distribution of the reserve is prohibited.

Tax-free reserves:

The tax-free reserves concern reserves derived from investment laws and reserves from tax-exempt income for which tax has been withheld tax at source.

15 Employees defined benefit liability

The Company recognizes a liability for employee benefits due to retirement, the present value of the legal commitment of the lump sum compensation to staff retiring. The liability was calculated on an actuarial study conducted by an independent actuary. Specifically , the study involved the examination and calculation of actuarial methods required by the standards set by the International Accounting Standards (IAS 19) and must be recorded on the balance sheet and income statement for each company.

The Company companies have not been activated, either formally or informally, no specific benefit plan for employees, which is committed to withdrawing benefits employees. The only program that is in force is a contractual obligation under applicable law and N.2112/1920 3198/1955 to provide a lump sum in case of retirement plan.

The obligation of the Company is as follows:

Amounts in €	31/12/2019	31/12/2018
Provision for defined benefit obligation	341.456	289.818
Total	**341.456**	**289.818**

Movement in the present value of the obligation is as follows:

Amounts in €	31/12/2019	31/12/2018
Opening balance of defined benefit obligation	**289.818,42**	**253.497,68**
Current service cost	22.901,55	20.242,00
Past service cost	11.140,37	21.894,27
Employer's paid benefit	(20.800,14)	(28.349,00)
Interest cost	4.637,11	4.309,07
Actuarial (gain) / loss	33.758,54	18.224,40
Total	**341.455,85**	**289.818,42**

Movement in defined benefit liability recognized in Statement of Financial Position is as follows:

Amounts in €	31/12/2019	31/12/2018
Net defined benefit liability at the end of the year	341.455,85	289.818,42
Net defined benefit liability at the end of the year	**341.455,85**	**289.818,42**

The amounts recognized in the income statement are as follows:

Amounts in €	31/12/2019	31/12/2018
Current service cost	22.901,55	20.242,00
Past service cost	11.140,37	21.894,27
Interest cost	4.637,11	4.309,07
Total	**38.679,03**	**46.445,34**

The amounts recognized in the statement of "Other Comprehensive Income" are as follows:

Movements in Other Comprehensive Income	31/12/2019	31/12/2018
Amount recognized in OCI	(33.758,54)	(18.224,40)
Accumulated amount recognized in OCI	(27.521,54)	6.237,00

Interest expenses are included in the item "Financial Expenses" in the Income Statement (note 21). All other expenses related with employee benefits included in the income statement.

The main actuarial assumptions used for accounting purposes these are:

	31/12/2019	31/12/2018
Discount rate	1,15%	1,60%
Future wage increases	2,00%	2,00%
Inflation rate	1,50%	2,00%

Demographic Assumptions:

I. Mortality

The Swiss EVK 2000 mortality table has been used for men and women.

II. Percentage departures (Turnover)

The percentage of exits (turnover), based on years of service, is analyzed as follows:

Years of service	Percentage of exits
From 0 to 1 year	4,5%
From 1 to 5 years	4,0%
From 5 to 10 years	0,5%
From 10 years and over	0,0%

III. Normal retirement ages

Based on the withdrawal terms of the Social Security Funds where each worker is registered, as they have been shaped with current legislation.

Below is the sensitivity analysis of the results of the actuarial liability, per scenario of change on the discount rate and the expected salary increases:

	Actuarial Liability	Diff %
Discount rate increase by 0,5%	314.120,00	-8%
Discount rate decrease by 0,5%	372.073,00	9%
Increase on expected salary increase by 0,5%	361.408,00	6%
Decrease on expected salary increase by 0,5%	318.946,00	-7%

16 Financial liabilities

16.1 Financial liabilities at amortized cost

This category includes:

Amounts in €	note	31/12/2019	31/12/2018
Borrowings	16.1.1	3.125.540,67	6.973.353,90
Lease Liabilities	16.1.2	4.162.850,18	-
Trade and other payables	16.1.3	2.380.632,67	2.645.968,53
Total		**9.669.023,52**	**9.619.322,43**

16.1.1 Borrowings

Borrowings are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Bond loans	2.377.631,56	2.775.000,00
Leasing liabilities	-	2.039.256,27
Total long term loans	**2.377.631,56**	**4.814.256,27**

Short Terms Loans

Amounts in €	31/12/2019	31/12/2018
Bond loans payable on next use	747.909,11	700.000,00
Liabilities leasing payable on next use	-	415.201,19
Short-term loans	-	1.043.896,44
Total short term loans	**747.909,11**	**2.159.097,63**
Total borrowings	**3.125.540,67**	**6.973.353,90**

The total debt of the company is analyzed as follows:

Borrowings as at 31/12/2019

Amounts are expressed in € '	Corporate Bond	Financial Leases	Other	Total
1 year and less	747.909,11	-	-	747.909,11
Between 1 and 5 years	2.377.631,56	-	-	2.377.631,56
More than 5 years	-	-	-	-
	3.125.540,67	**-**	**-**	**3.125.540,67**

Borrowings as at 31/12/2018

Amounts are expressed in € '	Corporate Bond	Financial Leases	Other	Total
1 year and less	700.000,00	415.201,19	1.043.896,44	2.159.097,63
Between 1 and 5 years	2.775.000,00	2.039.256,27	-	4.814.256,27
More than 5 years	-		-	0,00
	3.475.000,00	**2.454.457,46**	**1.043.896,44**	**6.973.353,90**

Interest rates are analyzed as follows:

Amounts are expressed in € '	31/12/2019	31/12/2018
Euribor 3m+4,40%		190.746,69
Euribor 3m+3,20%	2.125.000,00	850.000,00
Euribor 3m+3,30%		4.884.101,23
Euribor 3m+3,40%	1.000.540,67	-
Euribor 3m+3,50%		1.043.896,44
Fixed rate 9,6%		4.609,54
Total borrowings	**3.125.540,67**	**6.973.353,90**

Below is presented a sensitivity analysis of the results in a change of Euribor by 50bps.

Borrowings as at 31/12/2019	Total Borrowings	Interest charge	Euribor increase + 0,5%	Euribor decrease - 0,5%
Borrowings using 3-months Euribor	3.125.540,67	252.478,31	268.106,01	236.850,61
Total	**3.125.540,67**	**252.478,31**	**268.106,01**	**236.850,61**
Borrowings as at 31/12/2018	**Total Borrowings**	**Interest charge**	**Euribor increase + 0,5%**	**Euribor decrease - 0,5%**
Borrowings using 3-months Euribor	6.973.353,90	310.064,55	344.931,32	275.197,78
Total	**6.973.353,90**	**310.064,55**	**344.931,32**	**275.197,78**

To secure the bank loans between the company and the Bondholders, the Company has set up a pledge:

- On paper stock owned by the company, at least equal to 1.000.000,00 Euros throughout the duration of the loan,
- On equipment owned by the company, worth at least 927.000,00 Euros, namely on the following and, finally,
- On the receivables of the Company of the policy holders of these stocks and machinery.

Besides the above there are no mortgages or any other encumbrances on the company's assets.

For long-term debt of the company there is an obligation to comply with specific financial terms which they are met entirely.

16.1.2 Leases

Amounts in €	31/12/2018	Impact of the application of IFRS 16	Reclassifications	1/1/2019
Assets				
Non current Assets				
Goodwill	265.128,99	-	-	265.128,99
Tangible assets	5.647.895,37	-	-	5.647.895,37
Intangible assets	77.617,26	-	-	77.617,26
Investment in shareholdings	57.321,27	-	-	57.321,27
Deferred tax asset	259.277,71	-	-	259.277,71
Right to use assets	-	2.772.199,42	-	2.772.199,42
Other non current assets	97.946,19	-	-	97.946,19
Total non current assets	**6.405.186,79**	**2.772.199,42**	**-**	**9.177.386,21**
TOTAL ASSETS	**16.587.374,98**	**-**	**-**	**19.359.574,40**
Long term liabilities				
Defined benefit liabilty	289.818,42	-	-	289.818,42
Long term debt	4.814.256,27	-	(2.039.256,27)	2.775.000,00
Long term lease liabilities	-	2.254.211,85	2.039.256,27	4.293.468,12
Other long term liabilities	36.453,69	-	-	36.453,69
Total Long term liabilities	**5.140.528,38**	**2.254.211,85**	**-**	**7.394.740,23**
Short term liabilities	-	-	-	-
Trade and other payables	2.645.968,53	-	-	2.645.968,53
Short term debt	2.159.097,63	-	(415.201,19)	1.743.896,44
current portion of long term debt	-	517.987,57	415.201,19	933.188,76
Current tax liabilities	610.194,16	-	-	610.194,16
Other short term liabilities	721.287,90	-	-	721.287,90
Total short term liabilities	**6.136.548,22**	**517.987,57**	**-**	**6.654.535,79**
Total Equity and liabilities	**16.587.374,98**	**-**	**-**	**19.359.574,40**

16.1.3 Trade and other payable

Trade and other payables are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Domestic Suppliers	1.312.860,38	1.975.096,96
Foreign Suppliers	526.036,70	501.129,59
Advances to customers	12.867,40	32.411,33
Notes payable	510.868,19	119.330,65
Cheques payable	18.000,00	18.000,00
Total	**2.380.632,67**	**2.645.968,53**

All of the above liabilities are considered to be short term. The fair value of short-term financial liabilities is considered to approximate their carrying value.

16.1.4 Other long term liabilities

Other long term liabilities are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Guaranties received	1.000,00	950,00
Asset Grants	-	35.503,69
Total	**1.000,00**	**36.453,69**

17 Other current liabilities

Other current liabilities include:

Amounts in €	31/12/2019	31/12/2018
Employees compensation & expenses	144.141,92	137.236,28
Dividends payable	4.536,91	19.767,96
BOD Fees payable	28.059,87	9.309,80
Other short term liabilities	27.939,60	335.437,83
Social security	160.807,16	159.674,07
Debts to other insurance funds	144,00	156,00
Accrued expenses	50.626,06	59.705,96
Accrued interest	377,78	-
Total	**416.633,30**	**721.287,90**

18 Turnover

Turnover is analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Sales of goods	413.616,73	549.071,85
Sales of products	16.894.931,52	15.079.615,26
Sales of other inventories	533.594,54	540.118,82
Revenue from services	604.496,47	452.017,99
Total	**18.446.639,26**	**16.620.823,92**

19 Expense analysis

Operating expenses are analyzed as follows:

Amounts in €	Cost of Sales	Distribution Expenses	Administrative expenses	Total
1/1/2019 - 31/12/2019				
Cost of raw materials and goods for resale	8.263.574,85	-	-	8.263.574,85
Self-use of raw materials and goods for resale	(142.081,70)	-	-	(142.081,70)
Bad debt provision	-	(13.078,34)	-	(13.078,34)
Depreciation	1.375.557,57	7.116,91	162.672,07	1.545.346,55
Amortization	23.671,35	586,67	5.371,91	29.629,93
Payroll and related expenses	2.687.487,10	305.572,98	707.774,77	3.700.834,85
Third parties fees	19.777,22	268.907,61	848.234,53	1.136.919,37
Operating leases and rents	1.062,70	201,91	495,70	1.760,31
Repairs and maintenance	258.147,97	39.649,93	87.152,85	384.950,75
Insurance premiums	28.257,40	24.140,27	29.129,75	81.527,42
Heat, electricity, telecommunications, etc	242.826,74	21.061,16	20.486,95	284.374,85
Duties and taxes	70.570,89	10.908,52	41.042,79	122.522,20
Sundry expenses	99.176,79	151.603,00	144.270,05	395.049,83
Total	**12.928.028,88**	**816.670,62**	**2.046.631,37**	**15.791.330,87**

Amounts in €	Cost of Sales	Distribution Expenses	Administrative expenses	Total
1/1/2018 - 31/12/2018				
Cost of raw materials and goods for resale	7.895.829,52	-	-	7.895.829,52
Self-use of raw materials and goods for resale	(12.979,71)	-	-	(12.979,71)
Bad debt provision	-	(941,03)	-	(941,03)
Depreciation	690.715,02	8.020,91	50.600,95	749.336,89
Amortization	0,00	83,68	10.712,90	10.796,57
Payroll and related expenses	2.633.961,90	283.863,73	704.713,32	3.622.538,95
Third parties fees	21.634,84	146.977,65	701.422,06	870.034,55
Operating leases and rents	363.886,90	63.446,64	163.967,89	591.301,43
Repairs and maintenance	207.514,45	37.638,04	70.602,91	315.755,40
Insurance premiums	27.758,41	16.390,61	27.708,11	71.857,13
Heat, electricity, telecommunications, etc	243.508,71	20.693,76	19.522,85	283.725,32
Duties and taxes	61.528,03	11.168,90	33.578,34	106.275,26
Sundry expenses	80.527,72	188.752,00	175.722,03	445.001,75
Total	**12.213.885,80**	**776.094,89**	**1.958.551,34**	**14.948.532,03**

Employee benefits recognized in profit and loss statement are as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Salaries & other benefits	1.335.022,12	1.256.292,13
Wages & other benefits	1.453.864,58	1.468.791,82
Contributions to Social Security	737.605,76	721.855,21
Current service cost	22.901,55	20.242,00
Retirement and severance payments	31.940,51	50.243,17
Interest cost	4.637,11	4.309,47
Other expenses	119.500,33	105.114,62
Total	**3.705.471,96**	**3.626.848,42**

The number of employees for both periods presented is as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
White collar	56	54
Blue collar	106	107
Total	**162**	**161**

20 Other income and expenses

Other income is analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Grants	13.235,17	14.434,83
Rental income	21.550,00	20.695,00
Other extraordinary income	47.334,42	25.255,08
Gains on disposals of machinery	299,98	-
Gains on disposals of other equipment	11.004,32	49,96
Total	**93.423,89**	**60.434,87**

Other expenses are analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Tax fines and surcharges	14.348,77	240.696,82
Losses on disposal of assets	-	4.173,33
Total	**14.348,77**	**244.870,15**

21 Financial results

Financial expenses are analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Interest expenses	252.478,31	305.755,08
Interest cost	4.637,11	4.309,47
Interest on right of use assets	83.051,19	-
Total	**340.166,61**	**310.064,55**

The bank interest expenses derive from company's loans, from factoring agreements and from finance leases of fixed equipment.

Financial income is analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Interest received	211,31	1.923,90
Gains on foreign currency exchange difference		900,90
Total	**211,31**	**2.824,80**

Other financial results include the effect of measuring participation in affiliated companies (FOKAS BROS SA) in the income statement:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Measurement of investments in participations in other companies	(235.893,03)	121.405,73
Foreign exchange costs	1,31	-
Impairment of Goowill	32.468,00	-
Total	**(203.423,72)**	**121.405,73**

22 Income taxes

22.1 Current tax liabilities

Current tax liabilities are analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Income Tax	132.511,44	274.947,94
VAT liabilities	-	134.281,32
Other Withholding taxes	94.965,05	200.816,51
Other tax liabilities	1,21	148,39
Total	**227.477,70**	**610.194,16**

22.2 Deferred tax assets and liabilities

Deferred tax arising from temporary differences and tax losses recognized, is as follows:

Amounts are expressed in € '	31/12/2019		31/12/2018		31/12/2019	31/12/2018
	Assets	Liabilities	Assets	Liabilities	Income / (Expense)	Income / (Expense)
Intangible assets	(3.709,65)	3.709,65	(3.709,65)	3.709,65	-	0,00
Tangible assets	(104,67)	10.126,39	894,02	56,72	9.070,98	(1.428,31)
Bad debt receivables	1.266,17	6.751,45	1.266,17	11.749,66	(4.998,21)	11.749,66
Defined benefit liability	65.149,50	16.799,84	65.149,50	15.999,39	800,45	7.634,96
Recognition of tax loss	(548,93)	-	(548,93)	-	-	-
Available for sale financial assets	-	83.710,67	-	163.712,49	(80.001,82)	163.712,49
Impact of future tax rate changes	998,69	-	998,69	-	-	998,69
Total	**63.051,11**	**121.098,00**	**64.049,80**	**195.227,91**	**(75.128,60)**	**182.667,49**
Offseting	**121.098,00**	**(121.098,00)**	**195.227,91**	**(195.227,91)**	**-**	**-**
Deferred tax receivable / (payable)	**184.149,11**	**0,00**	**259.277,71**	**0,00**		
Other adjustments						
Impact of IFRS 9 on deferred tax						(12.486,98)
Tax on equity					**0,00**	**0,00**
Tax in other revenues					**0,00**	**0,00**
Tax presented in the statement of comprehensive income (n.21.3)					**(75.128,60)**	**170.180,51**

Deferred tax assets are recognized for tax losses carried forward to the extent possible the realization of related tax benefit through future taxable profits. For the calculation of deferred tax a 24% rate has been applied.

22.3 Income tax recognized in income statement

The tax which recognized in income statement was as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Tax for the year	(560.047,69)	(450.018,84)
Total	**(560.047,69)**	**(450.018,84)**
From temporary differences	(83.230,65)	165.077,68
From temporary differences to Other Comprehensive Income	8.102,05	5.102,83
Total	**(75.128,60)**	**170.180,51**
Grand total	**(635.176,29)**	**(279.838,33)**
Tax rate	**24%**	**29%**
Profit / (Loss) before tax	**2.564.093,39**	**1.040.986,72**
Tax based on tax rate (1)	**(615.382,00)**	**(301.886,00)**
Permanent differences on expenses	(22.162,08)	(21.289,31)
Non taxable revenues	2.367,78	43.336,98
Total (2)	**(19.794,30)**	**22.047,67**
Grand total (1+2)	**(635.176,30)**	**(279.838,33)**

23 Earnings per share

Earnings per share are calculated as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Profit / (loss) of the period	1.928.917,10	761.148,40
Weighted average of shares outstanding	3.953.090,00	3.953.090,00
Basic (€ / share)	**0,49**	**0,19**

Weighted average of shares outstanding have been calculated as follows:

Weighted average of shares outstanding	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Number of shares as at 1/1	3.953.090	3.953.090
Number of shares as at 31/12	3.953.090	3.953.090
Weighted average of shares outstanding	**3.953.090**	**3.953.090**

24 Dividends

Dividends to shareholders are proposed by Board of Directors at each year end and are subject to approval by the Annual General Meeting. During the fiscal year 2019, the Board of Directors proposed and the Ordinary General Meeting of 2/4/2018 also approved, the distribution of a dividend of € 592.963,50 i.e. € 0,1500 per share.

25 Risk management policies

The Company's activities generate a variety of financial risks, including risks and interest rate, credit and liquidity risks. The overall risk management program of Company's movements focuses in financial markets and seeks to minimize potential adverse effects of these fluctuations on the financial performance of the Company.

The risk management policy is handled by the Finance Division in cooperation with other departments directly involved in the Company. Through this policy, the access is coordinate to domestic and international stock markets and managed the financial risks, associated with the activities of the Company. The Company does not perform speculative transactions or transactions is not related to trade, investment and lending activities of the Company.

The financial instruments used by the Company consist mainly of deposits in banks, transactions in foreign currency or current prices or commodity futures, bank overdrafts, accounts receivable and payable, loans to and from subsidiaries, investments in securities, dividends payable and obligations arising from financial leases.

25.1 Risk of changes in exchange rates

The Company's exposure to foreign exchange risk mainly arises from actual or anticipated cash flows in foreign currency (import / export). This risk is managed within approved policy.

The book values of assets and liabilities in foreign currency, included in the statement of financial position are:

Amounts in €	31/12/2019	31/12/2018
	USD	**USD**
Cash and cash equivalents	41.515,54	41.636,10
Total	**41.515,54**	**41.636,10**

Currency risk that Company facing stems from the exchange rates of USD.

In table that follows, present the sensitivity of the results and equity of the Company, in a variation of 10% of these exchange rates. This change is the best estimate of the administration in changing of the above rates.

		% Change in exchange rate	Effect in profits	Effect in equity
Year 2019	**USD**	**10%**	**3.625,78**	**2.574,30**
		-10%	**(3.625,78)**	**(2.574,30)**
Year 2018	**USD**	**10%**	**3.636,34**	**2.581,80**
		-10%	**(3.636,34)**	**(2.581,80)**

The sensitivity analysis includes only the balances of assets and liabilities at the date of financial statements and adjust the rest been measured at +/-10%

25.2 Risk of changes in interest rates

The operating results and cash flows from operating activities of the Company are sensitive to fluctuations in interest rates.

Exposure to interest rate risk on liabilities and investments is monitored on a proactive basis. The finance Company has been formed in accordance with a predetermined combination of fixed and floating interest rates to mitigate the risk of changing interest rates. The financial management forms the index fixed-floating rate net debt of the Company according to market conditions, strategy and financial needs. It can also be used occasionally, interest rate derivatives, only as a means to mitigate this risk and to change the above combination of stable - fluctuating interest rates, if necessary. In 2018, the Company has not used any interest rate derivatives.

Company policy is to constantly monitor the trends in interest rates and term financial needs. Thus, decisions about the course and the relationship between fixed and variable costs of a new loan for each individual case. Therefore, all short term borrowings are at floating rates. The medium-term loans have been either fixed or floating rates.

The sensitivity analysis presented in the following table include all financial instruments affected by interest rate changes based on the assumption that the balance of these financial instruments at the end of the period remained unchanged throughout the period of use.

The sensitivity to interest rate risk has been identified in a 0.5% change in interest rates, which is the best estimate of management for the possible change.

	Interest	Borrowings with floating interest rate	% Change in interest rate	Effect in profits	Effects in equity
Year 2019	Euribor	5.034.178,99	0,50%	25.170,89	17.871,34
			-0,50%	(25.170,89)	(17.871,34)
Year 2018	Euribor	6.968.744,36	0,50%	34.843,72	24.739,04
			-0,50%	(34.843,72)	(24.739,04)

25.3 Credit Risk Analysis

The Company has no significant credit risk. Receivables from customers mainly come from a broad customer base. The financial situation of clients is constantly monitored by the Company.

Where necessary, additional insurance coverage as a credit guarantee. Special computer application controls the size of the provision of credit and the credit limits of accounts. For specific credit risk provisions made for possible impairment losses. At year end, the administration found that there is no significant credit risk, which is not already covered by insurance as credit guarantee or doubtful debt provision.

Potential credit risk exists in cash and cash equivalents and investments. In these cases, the risk may arise from failure of counterparty to meet its obligations to the Company. To minimize this credit risk, the Company deals only with recognized financial institutions of high credit rating.

The Company's maximum exposure to credit risk is as follows:

Amounts in €	31/12/2019	31/12/2018
Investments in shareholdings	293.214,30	57.321,27
Trade and other receivables	3.441.941,58	4.307.737,38
Other non current assets	99.242,49	97.946,19
Cash and cash equivalents	2.043.727,69	1.726.019,18
Total	**5.878.126,06**	**6.189.024,02**

The commercial risk which is associated with the concentration of turnover in a small number of clients, is addressed through the effort of the company’s management to expand its customer list and to develop its activities to new markets.

25.4 Liquidity risk analysis

Prudent liquidity management is achieved by an appropriate mix of cash and bank credit.

The Company manages the risks that may arise from lack of adequate liquidity by ensuring that there is always secured bank credit to use. The existing available bank loans approved in the Company are sufficient to meet any potential shortfall in cash.

The following table summarizes the maturity profile of financial liabilities of the Company shown in the consolidated balance sheet at discounted prices, based on its payments under the relevant loan contracts or agreements with suppliers.

Financial Liabilities as at 31/12/2019

Amounts in €	up to 6 months	6 months to 1 year	1 to 5 years	Total
Trade and other payables	1.983.860,56	396.772,11	-	2.380.632,67
Borrowings	382.119,63	365.789,48	2.377.631,56	3.125.540,67
Financial lease liabilities		856.978,51	3.305.871,67	4.162.850,18
Total	**2.365.980,19**	**1.619.540,10**	**5.683.503,23**	**9.669.023,52**

Financial Liabilities as at 31/12/2018

Amounts in €	up to 6 months	6 months to 1 year	1 to 5 years	Total
Trade and other payables	2.204.973,78	440.994,76	-	2.645.968,53
Borrowings	700.000,00	1.459.097,63	4.814.256,27	6.973.353,90
Total	**2.904.973,78**	**1.900.092,39**	**4.814.256,27**	**9.619.322,43**

These tables reflect the repayment of existing liabilities of the Company the date of financial statements, in accordance with relevant agreements with the contractors. The amounts reported on the interest and capital repayment. For interest-bearing liabilities with floating interest rate was used the last compounding rate used.

26 Policies and procedures for capital management

The Company manages its capital to ensure smooth operation, while ensuring an adequate return to shareholders through the optimization of the relationship between foreign and equity.

The Company monitors capital using the ratio of net total liabilities (total liabilities minus cash) to equity.

Amounts in €	31/12/2019	31/12/2018
Total net liabilities	8.611.862,68	9.551.057,42
Shareholders' equity (sharoholders of the parent)	6.646.251,98	5.310.298,38
Total Debt / Equity	**1,30**	**1,80**

The Board of Directors periodically examines the capital structure of the Company and takes into account the cost of capital and the risks associated with it to determine the follow up strategy to follow.

27 Transactions and balances with related parties

27.1 Balances with related parties

There are no balances with related parties from commercial activity.

27.2 Compensation to key management personnel

The benefits to key management Company and company are as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Salaries and other compensation to BoD members	279.362,25	258.947,24
Salaries and other compensation to key management personnel	428.301,26	391.095,16
Compensation to BoD memebers approved by the General Meeting	635.003,75	521.105,48
Total	**1.342.667,26**	**1.171.147,88**

27.3 Receivables and payables to key management personnel

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Loans to related parties	600,00	15.983,61
Total	**600,00**	**15.983,61**

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Salaries and other compensation payable	17.924,73	33.567,48
Compensation to BoD memebers approoved by the General Meeting payable	22.843,36	5.089,29
Total	**40.768,09**	**38.656,77**

28 Liens on the property and pledges

To secure the bank loans between the company and the Bondholders ,the Company has set up a pledge:

- On raw materials owned by the company , at least equal to 1.000.000,00 Euro throughout the duration of the loan ,
- On equipment owned by the company , worth at least 927.000,00 Euros , namely on the following and , finally ,
- On the receivables of the Company of the policyholders of these stocks and machinery.

No liens and guarantees granted to secure the obligations of the Company to its creditors

29 Contingent assets and liabilities

29.1 Contingent Liabilities

29.1.1 Litigations

There are no pending cases that may have a significant impact on the financial statements of the Company.

29.1.2 Tax audits

The Company has been audited for the years 2011 until 2013, in certificates of tax compliance, with an unqualified opinion in accordance with Article 82 par.5 of Law 2238/1994. For the years 2014 until 2018, the company has been audited by its statutory auditors, in certificate of tax compliance, with an unqualified opinion, in accordance with the provisions of the Article 65A of Law 4174/2013.

For the year 2019, the tax audit is in progress and the relevant tax certificate to be granted after the publication of the financial statements year 2018. Upon the completion of the audit, the company's management does not expect any significant liabilities, other than those already recorded and disclosed in the financial statements.

29.2 Contingent Assets

There are requirements that are not shown in the Financial Statements or should be disclosed otherwise.

30 Audit fees

The total fees charged during the financial year 2019, by the statutory audit firm are as follows:

Type of fees (amounts in €')	
Fees for statutory audit of financial Statements	26.000,00
Fees for other audit procedures	7.000,00
Total	**33.000,00**

31 Subsequent events

On January 29, 2020, the company entered into an amendment of the commercial lease contract of the building at Menexedon and 24, Viltanioti Str., where the Company's headquarter and factory are accommodated. The contract provides for the amendment of the lease term that expired on 30/09/2020 and was extended until 30/09/2028, while the lease was readjusted. The above contract affects the Rights of Use Assets recognized by the Company on 31.12.2019 by the amount of € 1.482.595,84 with an equal increase in the lease liability.

On February 14, 2020, the company also entered into an amendment of the commercial lease contract of the building at 25, Matsa Street. The contract extended the lease term that was initially expiring on 01/07/2024 to 01/07/2028. The above contract will result in a change in the Right of Use Assets recognized by the Company on 31.12.2019 for the amount of € 656.968,13 with an equal increase in the lease liability.

There are no other significant events, subsequent to December 31, 2019, which should be publicized or could differentiate the items of the published financial statements.

Kifissia, 26th of February 2020

President and CEO	Vice-President	Deputy CEO and Member of the Board	Deputy CEO and Chief Financial Officer
John Tsoukaridis **ID No. AM 644642**	**Korina Fasouli** **ID No. AZ 120328**	**Juliana Tsoukaridis** **ID No. T 196593**	**Nikolaos Zetos** **ID No. AE 519511**