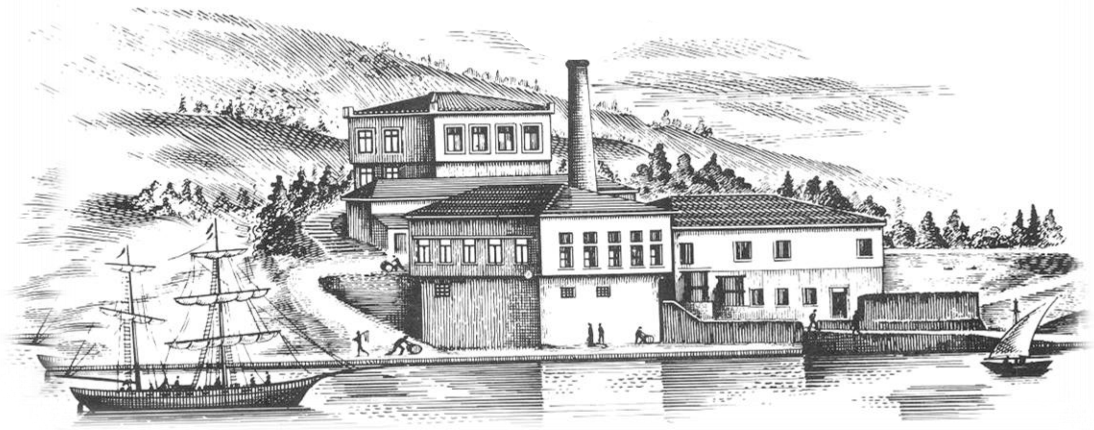
PAPOUTSANIS S.A.

ANNUAL FINANCIAL REPORT

Financial Year 2018

(1 January - 31 December 2018)



Anonymous Industrial and Commercial Company of Consumer Goods
Register No. G.E.M.I. 121914222000
71st km. Athens-Lamia highway, Vathi Avlidos, Chalkida

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A. STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS PURSUANT TO ARTICLE 4(2)(C) OF LAW 3556/2007

Pursuant to Law 3556/2007 regarding the "Transparency requirements for information on issuers whose securities have been admitted to trading on a regulated market and other provisions", the undersigned declare that to the best of our knowledge:

1. The Annual Financial Statements for the financial year 2018 (01.01.2018 - 31.12.2018), which have been prepared in accordance with the applicable accounting standards, present fairly the assets and liabilities, net assets and results of operations of PAPOUTSANIS S.A., in accordance with the provisions of Law 3556/2007.

2. The Annual Management Report of the Board of Directors of PAPOUTSANIS S.A. presents fairly the information required by Law 3556/2007.

Vathi Avlidos, 13 March 2019

CHAIRMAN OF THE BOARD	CHIEF EXECUTIVE OFFICER	BOARD MEMBER
GEORGIO GATZAROS	MICHAEL PANAGIS	MARY ISKALATIAN

B. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY PURSUANT TO ART.150 OF LA 4548/2018 (SUPPLEMENTING THE CONTENTS OF THE PROSECUTOR'S REPORT under article 43a of Law 2190/1920) AND ART.4(6) AND (7) OF LA 3556/2007

The Board of Directors of Papoutsanis S.A. (the Company) presents the Annual Management Report on the Annual Financial Statements for the financial year ended 31 December 2018, which has been prepared in accordance with the relevant provisions of the applicable law. 4548/2018, Law 3556/2007 and the executive decisions of the Board of Directors of the Hellenic Capital Market Commission issued pursuant to the same. In accordance with Articles 189 a) and 190 of the Law of the Hellenic Financial Market Authority, as amended by the provisions of Articles 189 a) and 190 of the Law of the Hellenic Financial Market Authority, as amended by the provisions of Articles 189 a) and 190 of the Law of the Hellenic Financial Market Authority. 4548/2018, the previous provisions of Law No. 2190/1920 that regulated the Management Report have already been repealed as of 01.01.2019, unless otherwise provided for in the relevant transitional provisions of Law No. 4548/2018. Nevertheless, it is noted that the Management Report and the Corporate Governance Statement that follows meet the provisions of the former articles 43^{α} and 43bb respectively of K.k.n. 2190/1920.

The above mentioned Financial Statements have been prepared in accordance with International Financial Reporting Standards.

1. Evolution and performance over the reporting period

Turnover - sales

In 2018, turnover amounted to € 24.2 million compared to € 20.8 million in 2017, an increase of 16.7%.

The growth of Papoutsanis' turnover is due to the expansion of the Greek soapmaking industry's partnerships with multinational companies and new collaborations. Sales growth was also boosted by the placement of Olivia branded products in new foreign markets, mainly in the USA. The significant increase in sales in the category of special soap masses, raw material for the production of solid soap, which is sold to foreign markets, also had a positive effect.

Exports amounted to €10 million, representing 41% of total turnover, compared to €8.1 million in the previous financial year (39%).

23% of the total turnover comes from sales of Papoutsani's branded products in Greece and abroad, 33% from sales to the hotel market, 29% from the production of products for third parties and 15% from industrial sales of soap mixes.

Turnover grew compared to the previous financial year, by product category, as follows:

- <u>**Branded products**</u>**.** This category grew by 10% mainly due to an increase in exports and sales to Greek retail chains (Super Markets).

- **<u>Hotel products</u>**. Sales of the Company's hotel products grew by 10% in 2018. This growth was driven by the international market in which the Company operates, primarily through its partnership with a company that has a dominant position in the global market. Its products (Olivia, Skin Essentials, Karavaki) and KORRE products (in collaboration with the company of the same name) are distributed to major hotel chains and hotel establishments both in Greece and abroad.
- **<u>Third party products (industrial sales, private label)</u>**. This category showed an increase of 16% compared to the year 2017. This growth was driven by the Greek market and relates to the expansion of an existing partnership.
- **<u>Industrial soap sales</u>.** This category grew by 50% due to exports. Sales of soap masses have shown significant growth rates in the last three years due to the demand from foreign companies for special soap masses. The company possesses the appropriate know-how for the development of these special industrial products and at the same time plans and implements the relevant action and investment plan.

Gross Profit

Gross profit in fiscal 2018 was positively impacted by sales growth and amounted to EUR 6.7 million compared to EUR 5.8 million in fiscal 2017, an increase of 15.1%.

Operating expenses

Selling, general and administrative, research and development expenses amounted to EUR 5.1 million in fiscal 2018 compared to EUR 4.7 million (in 2017), representing an increase of 10%, mainly due to variable selling and marketing expenses to develop new products and promote the Company's existing products.

Results

Profit before taxes amounted to a profit of EUR 1,062.3 thousand, compared to a profit of EUR 538.6 thousand in 2017, while profit after taxes amounted to a profit of EUR 1,105.30 thousand, compared to a profit of EUR 420.39 thousand in 2017.

Operating flows

Operating cash flow was positive and amounted to EUR 3.6 million, compared to EUR 2.4 million in 2017, representing an increase of 49%.

Lending

Net bank borrowings (bank loans minus cash) amounted to EUR 6.36 million (compared to EUR 6.88 million in 2017), representing 26% of the Company's turnover in 2018 (compared to 33% in 2017) and 16% of its total assets (compared to 19% in 2017).

Fixed equipment

The depreciated value of fixed assets (tangible and intangible fixed assets) amounted to EUR 26.8 million as at 31.12.2018 compared to EUR 25.4 million in 2017.

Financial structure

The total liabilities to equity ratio was 1.14 as at 31 December 2018, compared to 1.02 as at 31 December 2017.

Working capital-Liquidity

Working capital (current assets less current liabilities) as at 31.12.2018 amounted to EUR 2.8 million, compared to EUR 4.1 million as at 31.12.2017.

Alternative Performance Measurement Indicators (APAs)

The company uses Alternative Performance Measurement Indicators ("AIMIs") in the context of decision-making on its financial, operational and strategic planning, as well as for the evaluation and publication of its performance. These KPIs serve to provide a better understanding of the Company's financial and operating results, its financial position and its cash flow statement. The alternative measures (ALRs) should always be considered in conjunction with the financial results prepared in accordance with IFRS and in no way replace them.

	2018	2017
General Liquidity		
(Current assets / Current liabilities) x 100	130%	166%
The ratio reflects the coverage of current liabilities by total current assets		
Inventory turnover rate		
(Inventories / Cost of sales) x 365 days	92	86
The indicator reflects the average number of days that the Company keeps the inventory.		
Speed of collection of commercial receivables		
(Trade Receivables / Sales) x 365 days	59	81
The indicator shows the average number of days that the company's receivables are collected.		
Speed of payment of short-term liabilities other than banks		
(Short-term liabilities other than banks/cost of sales) x 365 days	128	95
The ratio reflects the average number of days that the Company's non-bank short-term liabilities are repaid.		
Gross profit margin		
(Gross Profit / Sales) x 100	27,7%	28,1%
The indicator shows gross profit as a percentage of sales		
Net profit margin		
(Net Profit / Sales) x 100	5%	2%
The indicator shows net profit after tax as a percentage of sales.		
Capital charge		
(Debt / Equity) x 100	114%	102%
The ratio shows the amount of Liabilities (current and long-term) as a percentage of equity.		
Net Borrowing		
Long-term loans + Short-term loans - Cash and cash equivalents	6.627.045	7.141.863

2. Other important information for the year ended 31 December 2018

Company property.

There was no change in the company's properties, which are presented in the following table:

ADDRESS	AREA (in m2)	USE
Land in Ritsona, Boeotia (on which the factory is located)	36.516	Self-service
Plot of land in Ritsona of Boeotia	4.888	Self-service
Plot of land in Ritsona of Boeotia	2.920	Self-service
Plot of land in Ritsona of Boeotia	2.898	Self-service
Plot of land in Ritsona of Boeotia	868	Self-service
Plot of land in Ritsona of Boeotia	8.406	Self-service
Main facilities in Ritsona, Boeotia	9.672	Self-service
Facilities in Ritsona, Boeotia	3.046	Self-service
Farm in the Prefecture of Evia	141.692	Investment in real estate held for capital support

The Company's properties are subject to liens to secure bank loans which are detailed in the notes to the financial statements, where an analysis of all items in the financial statements is provided.

Own shares

In 2018, 560,549 treasury shares with a total acquisition value of €108,916.83 were cancelled by the decision of the Extraordinary General Meeting of 3 May 2018.
No treasury shares were acquired in 2018.

Activities in the Research and Development sector

The company's Research and Development department is active in the research and development of new products and the improvement of existing products to meet current consumer trends.

Branches

The company has no branches.

3. Risks and uncertainties

Macroeconomic environment

After a prolonged period of economic recession, the Greek economy returned to positive growth in 2017. Despite this positive development, the Greek economy still faces significant challenges such as high public debt, non-performing loans and low investment.

In this context, risks and challenges are created for Greek companies.

The management monitors developments, assesses the risks and takes the necessary actions to minimize the impact of the aforementioned risks and to continue its uninterrupted operation and supply to its customers.

Risk of price variation

The main raw materials used in production are vegetable oils, their chemical derivatives and animal fat. Various types of plastics are used in the production of packaging. The price of these varies according to supply and demand on the world market, as most of them are traded products. Due to increased competition in the industry, any increases in international and domestic raw material prices are not easily passed on to the final price of the products, which carries the risk of adversely affecting the Company's results. To this end, the Company, annually, seeks and ultimately uses the supplier that ensures the best price, reducing the risk of dependence.

No derivatives are used to hedge this risk.

Credit risk

Credit risk arises mainly from receivables from customers. To address this risk, the Company continuously monitors the financial situation of its debtors and takes the necessary actions (credit insurance, legal actions) based on its credit policy to reduce this risk.

Interest rate and currency risk

The financial cost of all the company's bank borrowings is variable based on euribor. Bank borrowings are exclusively in euros. Management believes that there are no significant risks from a possible change in interest rates and the impact on the company's credit rating from borrowing costs is limited.

Risk sensitivity analysis

The table below shows the sensitivity of the result for the year and equity to a reasonable change in interest rates of 0.5%. Changes in interest rates are estimated to be on a reasonable basis relative to recent market conditions.

	2018	**2017**
Sensitivity of result	45.256	43.224

The Company has foreign currency transactions to a limited extent. There are no significant assets and liabilities in currencies other than the euro. Therefore, there are no circumstances that could expose it to high currency risk.

Liquidity risk - cash flow risk

Liquidity risk management includes ensuring that sufficient cash and cash equivalents are available, as well as ensuring creditworthiness through the availability of adequate credit limits from the cooperating banks.

According to the present financial statements, the Company has positive working capital, positive cash flows from operating activities and therefore has no significant liquidity risk. Its net bank borrowings amounted to EUR 6.36 million (compared to EUR 6.88 as at 31 December 2017), representing 26% of turnover.

Liquidity needs are monitored by the Company on a daily and weekly basis, as well as on a 6-month rolling period.

Risk of non-sustainability

Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, matters related to the going concern. The assessment made has not identified any events, or circumstances or relevant business risks that could cast serious doubt on the Company's ability to continue as a going concern in the next financial year.

4. Significant events that occurred between the end of the financial year and the preparation of the Report

They do not exist.

5. Objectives and prospects - Projected course of the Company

The Company's management's objective remains to increase its turnover and control its production and operating costs in order to improve its profitability and liquidity.

In the area of branded products (Olivia, Karavaki, Natura, Aromatics, etc.) the Company plans to strengthen its brands. In addition, already in 2018 the Company launched the new Hair Chic hair care line, which it supports with promotional activities.

In the hotel sector, an increase in exports is expected, due to the expansion of existing partnerships and targeting new markets, while in the domestic market the company, having already strengthened its sales team, aims at the dynamic promotion of its branded products (Brands).

In the area of third-party producers, new partnerships and new agreements with existing customers for the production of their products have already been reached.

Finally, the fast-growing specialty soaps category is expected to contribute significantly to the estimated turnover growth.

Based on the new partnerships that have been achieved and the company's product expansion plans, the outlook for 2019 remains positive, with a projected double-digit growth rate of turnover.

The Papoutsanis factory is considered one of the largest and most modern soap and hotel cosmetics production plants in Europe and the only one in Greece.

For the year 2019, the company's management is considering scenarios for the development of its activity abroad.

6. Transactions with related parties

Transactions with related parties, within the meaning of IAS 24, relate to :

α) Transactions of the company with members of the Board of Directors and executives.

These transactions relate to, their remuneration for their work.

	1.1-31.12.2018
Remuneration of executive members of the Board of Directors and managers (based on a special employment relationship)	696.588
Fees of a law firm controlled by a relative of an executive member of the Board of Directors	47.500
Remuneration of non-executive members of the Board of Directors	38.400
	782.488

The amount due to executive members of the Board of Directors and managers as at 31.12.2018 amounts to €8,819.

b) Transactions with shareholders. There were no such transactions.

7. Description of the company's policies in relation to the environment, corporate social responsibility and labour.

7.1 Environment

The corporate philosophy of PAPOUTSANIS S.A. focuses on respect and protection of the environment and nature. Our company is fully compliant with EU and national legislation on the environment.
Papoutsanis is a member and holds the certification of a global initiative of stakeholders for the sustainability of palm oil, the RSPO, which promotes the development and use of palm oil, which comes from certified crops and not from crops that have resulted from the destruction of ecosystems in various parts of the world, while many of our company's products are Ecocert certified. At the same time Papoutsanis holds ISO 9001:2008 and 22716:2008 certifications, and is a member of the GreenPalm program.

α) Actual and potential impact of the entity on the environment

The company complies with the standards concerning environmental parameters imposed by legislation. We aim to improve our environmental performance and reduce the environmental footprint of our activities.
The main source of energy for saponification is natural gas and for other activities electricity. As a result, there is no pollution or emissions of toxic substances and gases from the use of energy.

(b) Disclosure of the entity's procedures for the prevention and control of pollution and environmental impacts.

The procedures relating to the prevention and control of pollution and environmental impacts implemented by the company are:

- Use of modern technology machinery,
- Use of recycled packaging and materials in finished products
- Safety measures to prevent any kind of pollution.

- Use of natural gas for thermal energy.
- Separation of waste in appropriate containers during production.
- Compliance with the standards concerning environmental parameters imposed by legislation is ensured by measurements from certified laboratories.
- Waste treatment:

The processing of the returns (collection, transport, recovery and disposal) produced during the activity is carried out as follows:
α) Biological treatment plant. The company has a modern biological purification plant. The main volume of returns recycled in the biological treatment plant is the wastewater from soap and cosmetic production.
b) The management of returns from the production of plastics is entrusted to licensed waste treatment companies, which undertake their collection, transport, recovery and disposal.
(c) Disposal of unsuitable chemicals and products is handled by licensed chemical waste management and disposal companies.

7.2Working Issues

The company does not discriminate in the selection, recruitment, remuneration, training and assignment of its employees on the basis of race or ethnic origin, gender, age, religion and religious beliefs, marital status or disability. The remuneration of employees shall be determined in accordance with their work experience, theoretical training, qualifications, efficiency and abilities.

The Company's average headcount was 120 people (up 8% year-on-year (111 people in 2017)).

The Company monitors labour legislation including reports on child labour, respect for human rights and working conditions and is in full compliance with the provisions.

The Company holds SMETA (Sedex Members Ethical Trade Audit) certification. The SMETA methodology includes four audit disciplines, occupational health and safety, labour standards, environmental code and business ethics.

The company provides continuous training to staff in order to develop and improve their existing skills. This training is carried out either internally by trained personnel or through training centres in the form of seminars or long-term programmes.

The Company maintains a cooperation contract with an external partner, who ensures the provision of a Safety Technician and an Occupational Physician, with responsibilities related to preventive issues related to health and safety and health issues of the personnel.

EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4 PARAGRAPH 8 OF LAW 3556/2007.

This explanatory report of the Board of Directors is submitted to the Ordinary General Meeting of the Company's Shareholders pursuant to paragraph 8 of article 4 of Law 3556/2007, and has been prepared in accordance with the provisions of paragraph 7 of article 4 of the above mentioned law.

(a) Share capital structure

The share capital of the Company amounts to fifteen million three hundred and twenty two thousand two hundred and thirty euros and ten cents (15,322,230.10), divided into twenty-five million one hundred and eighteen thousand four hundred and ten (25,118,410) common nominal shares with voting rights, with a nominal value of EUR 0.61 each.

The Company's shares are listed for trading in the General Category (Main Market) of the Athens Exchange.

The rights of the Company's shareholders deriving from its shares are proportional to the percentage of the capital to which the paid-up nominal value of the share corresponds. Each share embodies all the rights and obligations provided for by law and the Company's Articles of Association, and in particular:

- The right to participate and vote in the General Meeting of the Company.
- The right to the dividend from the annual or liquidated profits of the Company.
- The right to withdraw the contribution upon liquidation.
- The right of pre-emption in principle to any increase in the Company's share capital in cash and the subscription of new shares.
- The right to receive copies of the financial statements and reports of the auditors and the management report of the Board of Directors of the Company.

(b) Restrictions on the transfer of the Company's shares

The transfer of the Company's shares, which are dematerialised and listed in the General Category (Main Market) of the Athens Exchange Market, is carried out as required by law and there are no restrictions on their transfer under the Company's Articles of Association.

(c) Significant direct or indirect shareholdings within the meaning of Articles 9 to 11 of Law 3556/2007

Based on the attendance at the last Annual General Meeting of shareholders on 06.09.2018, pursuant to article 14 of Law no. 3556/2007, the shareholder who held more than 5% of the total shares and voting rights is listed in the table below:

Full name or Name of Shareholder	Shares attributable to (in units)	QUANTUM

RAGUSO Co Ltd	15.726.173	62,61%

The entire share capital of Raguso Limited is held by Bolelli CO. Limited. The ultimate beneficiaries of the entire share capital of Bolelli CO. Limited are Mr. Georgios Gatzaros (Chairman of the Board of Directors of PAPOUTSANIS ABEE) and Mr. Menelaos Tasopoulos (Vice Chairman of the Board of Directors of PAPOUTSANIS ABEE), with a 50% share each.

(d) Holders of shares conferring special control rights
There are no shares of the Company that give their holders special control rights.

(e) Restrictions on voting rights - Deadlines for exercising the relevant rights
The Company's Articles of Association do not provide for any restrictions on the voting rights attached to its shares.

(f) Shareholders' agreements on restrictions on the transfer of shares or the exercise of voting rights
The Company is not aware of any shareholder agreements that entail restrictions on the transfer of shares or restrictions on the exercise of voting rights.

(g) Rules for the appointment/replacement of members of the Board of Directors and amendment of the Articles of Association if they differ from those provided for in the Law. 2190/1920 and from 01.01.2019 onwards in the law. 4548/2018.

The rules provided for in the Company's Articles of Association for the appointment/replacement of the members of the Board of Directors and amendment of the Articles of Association do not differ from those provided for in c.k.n. 2190/1920 and now from 01.01.2019 onwards in the Law of the Republic of Estonia. 4548/2018, however, the possibilities provided by these laws are used in the case of vacancy of a Board of Directors member, as follows:

1. If for any reason a vacancy occurs in the Board of Directors:
α. If there is an alternate Member or Alternate Members elected by the General Assembly of the Company, he/she shall fill the vacant position or positions, in the order of their election.
β. If there are none, the Board of Directors may either continue to manage and represent the Company, provided that the remaining Members exceed half of the total number of Members before the vacancy or vacancies, but in any case such Members may not be less than three, or, if the remaining Members are at least three (3), to elect an alternate Member or Members to fill the vacancy or vacancies for the remainder of the term of office of the Member or Members being replaced. Such election shall be announced at the next ordinary or extraordinary General Meeting, which may replace the elected members, even if no item is yet on the agenda.
The choice of one of the two solutions under b. above is made by the Board of Directors at its sole discretion. The Board of Directors may, of course, fill only some of the vacant positions, provided that the Members after partial replacement exceed half of the total number of Members before the vacancy or vacancies.

2. The Company's Articles of Association were in line with the provisions of Law 3604/2007 and its provisions were not in conflict with mandatory provisions of Law No. 2190/1920, as in force, while at the next General Meeting of the Company the Articles of Association will be harmonized, where required, with the new law 4548/2018 on limited liability companies, which entered into force on 01.01.2019.

(h) Authority of the Board of Directors to issue new shares / purchase of own shares pursuant to article 16 of the Companies Act. 2190/20 and now article 49 of the law. 4548/2018.

1. According to the provisions of Article 13 par. 1(b) of the c.l. 2190/1920, and now according to the provisions of article 24 par. 1 letter b. of Law No. 4548/2018, the Board of Directors of the Company has the right, following the relevant resolution of the General Meeting subject to the publicity formalities of article 7b of the law. 2190/1920 and in addition to article 13 of the law. 4548/2018, to increase the Company's share capital by issuing new shares, by a decision taken by a majority of at least two-thirds (2/3) of all its members. In this case, the share capital may be increased in accordance with the applicable law. 4548/2018, up to three times the amount of the capital paid up on the date on which the Board of Directors was granted such authority by the General Assembly. The aforementioned authority of the Board of Directors may be renewed by the General Assembly for a period not exceeding five years for each renewal.

2. According to the provisions of Article 13 par. 14 of Art. 2190/1920, a resolution of the Annual General Meeting was adopted on 06.09.2018, which allows the Board of Directors to establish a share issue programme in the form of stock options under any conditions within the framework of the law that the Board of Directors deems appropriate, but subject to the following restrictions:
a) the rights to be allocated will correspond to a maximum of 1.250.000 shares, as their number was on 06.09.2018, provided that this number will be adjusted in case of corporate transactions that without new contributions lead to a change in the total number of shares, such as for example a division or merger of shares, so that the percentage of the total number of shares represented by the rights remains constant,
b) the shares to be allocated will result from an increase in the company's share capital through a cash payment,
c) the purchase price will be set at a minimum at the nominal value of each share
(d) the programme may be addressed to any of the persons provided for by law, i.e. either members of the Company's board of directors, and/or members of the Company's staff and/or persons providing services to the Company on a regular basis, as the board of directors deems appropriate.

The other terms of the program will be defined by the Board of Directors in the resolution establishing the program and taking all decisions related to it. It is proposed that the authorisation granted by the Governing Board be valid for one year from today, provided, of course, that this period of time relates only to the adoption and not to the termination of the programme.

In the event that the coverage of the amount of the share capital increases that will take place in accordance with the share placement plan to be adopted by the Board of Directors is not complete, the share capital shall be increased up to the amount of the corresponding coverage according to article 13a of Law 2190/1920 (now article 28 of Law 4548/2018).

3. At the responsibility of the members of the Board of Directors of the Company, the Company may itself or with a person acting in its name, but on its behalf, acquire its own shares, subject to the approval of the General Meeting and subject to the specific conditions and procedures of paragraphs 1 to 9 of article 16 of the Law. 2190/1920 and, in addition, Article 49 of Law No. 49. 4548/2018.

It is noted that according to the relevant decision of the Extraordinary General Meeting of the Company's shareholders held on 15 November 2016, the share purchase plan was unanimously approved, in accordance with article 16 of the Greek Law 2190/1920, with the following conditions:
A. The maximum number of shares that may be purchased under the treasury share purchase plan shall not exceed 10% of the paid-up share capital of the Company.
B. The duration of the share buyback program was set at twenty-four (24) months, starting from the date of the relevant decision of the General Meeting, i.e. until November 15, 2018, with a minimum purchase price of EUR 0,095 per share and a maximum purchase price of EUR 0,6 per share.
Γ. The maximum amount of money that could be made available for the Company's own shares purchase program is 750,000 euros.
Δ. The purchase of treasury shares and the purchase programme of such shares shall be carried out in compliance with the conditions and trading restrictions provided for by the provisions of Regulation 596/2014/EU and the delegated Regulation (EU) 2016/1052.
E. The Board of Directors of the Company has been authorized to decide at its discretion within the framework of the aforementioned program to purchase or not to purchase treasury shares, to start and receive the individual periods for the purchase of treasury shares and, in general, to determine the specific terms and details of the implementation of the aforementioned program for the purchase of treasury shares.

In 2017, 560,549 shares were purchased with a total acquisition value of €108,916.83, representing 1.104% of the share capital. These shares were cancelled by the decision of the Extraordinary General Meeting of 03.05.2018. No treasury shares were acquired in the 2018 financial year.

(i) Significant agreements of the Company that are in force / amended / terminated in the event of a change in control of the Company following a public offer.
There are no significant agreements that come into effect, are amended or expire in the event of a change in control of the Company following a public offering.

(j) Compensation agreements for Board members or staff in the event of resignation/ dismissal without just cause or termination of office/ employment due to public proposal
There are no agreements between the Company and its directors or employees that provide for the payment of compensation in the event of resignation or dismissal without just cause or termination of their term of office or employment due to the public offering.

COMPANY ANNOUNCEMENT PURSUANT TO ARTICLE 152 OF LA 4548/2018 (INCLUDING THE CONTENTS OF THE PROSECUTOR'S STATEMENT OF PRIVACY Article 43bb of Law 2190/1920)

This Corporate Governance Statement is prepared in accordance with article 152 of Law No. 4548/2018 (covering the content of the former article 43bb of the former article 43b of the Law of Cyprus. 2190/1920), as amended and in force.

CONTENTS

INTRODUCTION

The term "corporate governance" describes the way companies are managed and controlled. Corporate governance is articulated as a system of relationships between the Company's management, the Board of Directors, shareholders and other stakeholders, constitutes the structure through which the Company's objectives are approached and set, the means of achieving these objectives are identified and it becomes possible to monitor management's performance in the process of implementing them.

In Greece, the corporate governance framework has been developed mainly through the adoption of mandatory rules, such as Law no. 3016/2002 and Decision 5/204/2000 of the Hellenic Capital Market Commission, which, inter alia, require the participation of non-executive and independent non-executive members in the Boards of Directors of Greek companies whose shares are listed on a regulated market in Greece, the establishment and operation of an internal audit unit and the adoption of internal operating regulations with minimum mandatory content in accordance with the above provisions. In addition, other legislative acts have incorporated into the Greek legislative framework the European company law directives or implemented European regulations, creating new corporate governance rules, such as Law No. 4449/2017, which requires, inter alia, the operation of an audit committee and Law 4449/2017, which requires, inter alia, the operation of an audit committee and Law 4449/2017, which requires, inter alia, the operation of an audit committee. 3884/2010 concerning shareholders' rights and additional corporate disclosure obligations to shareholders in the context of the preparation of their General Meeting as well as significant disclosure obligations regarding, inter alia, the ownership and governance of a company. Finally, the Act on Public Limited Companies (formerly Act No. 2190/1920 and from 01.01.2019 v. 4548/2018) contains the basic rules of corporate governance of public limited companies.

1. Corporate Governance Code

1.1 Notification of the Company's voluntary compliance with the Corporate Governance Code

The Company has decided to adopt the **Corporate Governance Code of the Federation of Enterprises and Industries (SEV) for Listed Companies** (hereinafter referred to as the "**Code**"). This Code is available on the SEV website at the following address:
http://www.sev.org.gr/Uploads/pdf/kodikas_etairikis_diakivernisis_GR_20131003.pdf
In addition to the SEV website, the Code is available to all staff and in hard copy at the Financial Services and Human Resources Departments as well as on the Company's official website at the following e-mail address: http://www.papoutsanis.gr/corporate-governance.php?id=3&lang=gr

1.2 Deviations from the Code of Corporate Governance and justification of such deviations. Specific provisions - practices of the Code for listed companies - not applied by the Company and explanation of the reasons for non-application

The Company hereby confirms that it applies the provisions of the Greek legislation which formulate the minimum requirements to be met by any Code of Corporate Governance applicable to a company whose shares are traded only on a regulated market in Greece.
These minimum requirements are incorporated as of the date hereof into the aforementioned Code, which the Company has adopted and applies. The Code, however, contains, in addition to the minimum requirements, a number of specific provisions from which deviation is permitted on a case-by-case basis.
The Company deviates from or does not apply in full certain provisions of the Code concerning "*Special Practices for listed companies*", to the extent permitted by applicable law. These deviations are detailed below (*at the end of each paragraph the Code numbering of the relevant specific practices is indicated).*
It should be noted that the following report also includes the exemptions for specific practices for smaller listed companies, i.e. those not included in the FTSE/ATHEX 20 and FTSE/ATHEX Mid 40 indices, for which the Code provides in Appendix 1 thereof the possibility of exempting them from the obligation to explain non-compliance with them, to the extent permitted by the applicable legislation.

Regarding the Board of Directors and its members
Role and responsibilities of the Board of Directors
- the Board of Directors has not established a special, separate committee, which presides over the process of submitting nominations for election to the Board of Directors and prepares proposals to the Board of Directors regarding the remuneration of executive members and key senior executives, since on the one hand the Company's policy regarding such remuneration is stable and well-established, and on the other hand, in view of the size of the Company, the existence of such committees is not considered absolutely necessary. *A I (1.2)*

Role and required qualities of the Chairman of the Board of Directors

- no explicit distinction is established between the responsibilities of the Chairman and the Chief Executive Officer, nor is it considered appropriate to create such a distinction in view of the organisational structure and operation and the size of the Company. *A III (3.1)*
- the Board does not appoint an independent Vice-Chairman from among its independent members, but an Executive Vice-Chairman, as the assistance of the Vice-Chairman to the Chairman of the Board in the exercise of his executive duties is considered of paramount importance. *A III (3.3 & 3.4)*

Nomination of candidates for members of the Board of Directors
- there is no nomination committee for the Board of Directors, as due to the structure and operation of the Company this committee is not considered necessary at present. *A V (5.4 to 5.8)*

Functioning of the Board of Directors
- the Board of Directors at the beginning of each calendar year does not adopt a calendar of meetings and a 12-month action plan, which can be revised according to the needs of the Company, as all its members are residents of the prefecture of Attica, it is easy to convene and meet the Board of Directors when the needs of the Company or the law require it, without the existence of a predetermined action plan. *A VI (6.1*)
- there is currently no provision for the Board of Directors to be supported in its work by a competent, qualified and experienced company secretary, as its basic duties are fully serviced by other departments of the Company. *A VI (6.2, 6.3)*
- there is no need to hold meetings on a regular basis between the Chairman of the Board and the non-executive members of the Board without the presence of the executive members to discuss the performance and remuneration of the latter, as all relevant matters are discussed in the presence of all Board members without any secrecy. *A VI (6.5*)
- there is no provision for the existence of introductory information programmes for new Board members and continuous professional training and education for the other members, given that persons with proven experience and organisational and management skills are proposed for election as Board members. *A VI (6.6).*
- there is no provision for the provision of adequate resources to the Board committees for the fulfilment of their duties and for the hiring of external consultants to the extent required, as there are no Board committees, other than the Audit Committee, as required by law, and the relevant resources, where necessary, are approved on a case-by-case basis by the Board of Directors of the Company, based on the corporate needs at any given time. *A V (6.9).*

Evaluation of the Board of Directors
- there is no established procedure to evaluate the effectiveness of the Board and its committees, nor is the performance of the Chairman of the Board evaluated during a procedure chaired by the independent Vice-Chairman or another non-executive member of the Board in the absence of an independent Vice-Chairman. In addition to the Board's evaluation through its Performance Report at the Annual General Meeting of Shareholders, the Board monitors and reviews the implementation of its resolutions on an annual basis. There is no longer a senior evaluation system for the Board and the *A VII* committees *(7.1, 7.2 and 7.3)*.

Regarding internal control
Internal control system
No specific budget is allocated to the Commission for the use of external consultants, as the composition of the Commission and the specialised knowledge and experience of its members ensure its effective functioning. *B J (1.9*)

Regarding the fees

Level and structure of remuneration

- there is no remuneration committee, the purpose of which is to determine the remuneration of the executive and non-executive members of the Board of Directors and, consequently, there are no regulations on the duties of this committee, the frequency of its meetings and other matters relating to its operation. The establishment of this committee, in view of the structure and operation of the Company, has not been assessed as necessary to date.

The general remuneration of the Chairman of the Board of Directors, the CEO and the members of the Board of Directors, executive and non-executive, is approved by the Annual General Meeting of Shareholders and adequately disclosed in the financial statements, in accordance with IAS 24. No remuneration report is disclosed in the corporate governance statement. *C J (1.1 - 1.11)*. However, the remuneration policy of Articles 110 and 111 of the Law will be adopted in the current financial year. 4548/2018, while a remuneration report will be issued for the 2019 financial year in accordance with article 112 of Law No. 4548/2018.

No "compensation package" has been agreed for any Board member.

The employment contracts of the executive members of the Board of Directors include the possibility of a salary.

The General Meeting of Shareholders

- no discrepancy was observed, except for the exception granted by the Code, in accordance with Annex 1, for information in English. *D II (2.1)*

1.3 Corporate governance practices applied by the Company in addition to the provisions of the law

The Company does not apply any other practices in addition to the provisions of the applicable legal framework on corporate governance.

2. Main Features of Internal Control and Risk Management Systems in relation to the Financial Statements and Financial Reporting Process

The Company's Internal Control and Risk Management System in relation to the preparation of the financial statements and financial reports includes safeguards and control mechanisms at various levels within the Organization as described below:

2.1 General

Identify, assess, measure and manage risks:

The identification and assessment of risks is mainly done during the strategic planning phase and the annual business plan. The issues considered vary according to market and industry conditions and include, but are not limited to, developments and trends in the markets in which the company operates or are important sources of raw materials, changes in technology, macroeconomic indicators and the competitive environment. The Board conducts an annual review of the corporate strategy, key business risks and internal control systems.

Planning and monitoring/Budgeting:

The Company's progress is monitored through a detailed budget. The development of the Company's financial performance is largely dependent on exogenous factors such as raw material prices and other market factors. Therefore, the budget is adjusted periodically to take into account these changes. The Company's management monitors the Company's financial performance through regular reports, comparisons with the budget and management team meetings.

Adequacy of the Internal Control System:

The Company's management has designed and performs ongoing supervisory activities, which are integrated into the Company's operations and which ensure that the Internal Control System maintains its effectiveness over time. The Company also performs periodic individual assessments as to the adequacy of the Internal Control System, which are primarily implemented through the Internal Audit function.

The Company has an independent Internal Audit Department, which, among other things, ensures that the risk identification and management procedures applied by the Company's Management are adequate, ensures the effective operation of the Internal Audit System and the quality and reliability of the information provided by the Management to the Board of Directors regarding the Internal Audit System.

The adequacy of the Internal Audit System is monitored on a systematic basis by the Audit Committee through two-way communication with the Internal Audit Service.

Prevention and suppression of financial fraud:

As part of risk management, areas considered to be at high risk of financial fraud are monitored with appropriate control systems and correspondingly increased safeguards. Indicative examples are the existence of an organisational chart, operating rules, as well as detailed procedures and approval limits. Furthermore, in addition to the control mechanisms implemented by each management, all the Company's activities are subject to audits by the Internal Audit Department.

Internal Rules of Procedure:

The Company has drawn up relevant Internal Operating Regulations, which have been approved by the Board of Directors.The Regulations also define the powers and responsibilities of key positions, thus promoting the adequate separation of responsibilities within the Company.

Security nets in information systems:

The Company has developed a framework for monitoring and controlling its information systems, which is defined by individual control mechanisms, policies and procedures. Among these is the definition of specific access rights for all employees according to their position and role, and a relevant log of access to the Company's systems is also maintained.

2.2 Safeguards for the financial reporting process

As part of the Company's financial reporting procedures, certain safeguards are in place and in operation, which relate to the use of tools and methodologies that are generally accepted in accordance with international practices. The key areas in which safeguards related to the preparation of the Company's financial reports and financial statements are in place are as follows:

Organisation - Allocation of responsibilities

- The assignment of responsibilities and powers to both the company's senior management and its middle and junior executives ensures the enhancement of the effectiveness of the Internal Audit System, while preserving the required separation of responsibilities.
- Appropriate staffing of the financial services with people who have the necessary technical knowledge and experience for the tasks assigned to them.

Accounting monitoring and financial reporting procedures

- Existence of policies and monitoring of the accounting department.
- Training and briefing of staff involved in the preparation of the Financial Statements.

- Automatic checks and verifications carried out between the different reporting systems and specific approval of accounting treatments of non-recurring transactions is required.
- Management's judgments and estimates required for the preparation of the financial statements are reviewed at each financial reporting period, also in relation to the risks identified.

Internal control procedures of the financial statements

- Internal control over financial reporting is designed to provide reasonable assurance on the assertions made by management to third parties and the external auditors on the individual line items in the financial statements, which are:
  For the balance sheet: the existence and ownership of the data, completeness, measurement and classification in accordance with the accounting framework.
  For results: The existence of the transaction, self-sufficiency of the use, completeness, accuracy and classification based on the accounting framework.

Asset safekeeping procedures

- Existence of security safeguards for fixed assets, inventories, cash - cheques and other assets of the company, such as, but not limited to, physical security of cash and warehouses, inventory and comparison of quantities counted with those in the books, adequate security of assets, etc.

3. **Board** of **Directors**

3.1 Composition and functioning of the Board of Directors

3.1.1 The role, powers and responsibilities of the Board of Directors are described in the Articles of Association and, in addition, in the Internal Operating Regulations of the Company.

The Board of Directors, acting collectively, is responsible for the administration and management of the company's affairs. It decides in general on all matters concerning the Company and performs all acts except those which either by law or by the Articles of Association are the responsibility of the General Meeting of Shareholders.

By way of illustration and not limitation, the Board of Directors :

(a) Represent the Company in and out of court.

(b) Initiate and conduct legal proceedings, effect seizures, record mortgages and liens, consent to their cancellation, waive privileges, actions and remedies, settle in and out of court and agree to arbitrations.

(c) Acquire, create or transfer rights in rem and rights in rem in movable and immovable property subject to Article 19 of Law No. 4548/2018 (former article 10 of Law 2190/1920) and accepts obligations, enters into any form of contracts, without prejudice to articles 99 to 101 of Law No. 4548/2018 (former Article 23$^{\alpha}$ of the Law 2190/1920), participates in public or other tenders and bidding procedures, and participates in public or other tenders as well as in low-price or bidding auctions.

(d) Appoint, install and remove employees and agents of the Company, regulate their remuneration and salaries and grant and revoke any general and special powers of attorney on behalf of the Company.

(e) Issue, accept and sign or guarantee or endorse promissory notes, bills of exchange, cheques and any instrument to order.

(f) Determine the general expenses of the Company.

(g) Audit the books and the treasury of the Company, prepare the annual financial statements, recommend depreciation of premises and bad debts and recommend dividends and profits to be distributed.

(h) Arrange the internal functioning of the Company and issue the relevant regulations and generally undertake all acts of administration of the Company and management of its property and have all powers and rights to manage the corporate interests and to take all actions for the realization of the purposes pursued by the Company.
i) Provide any kind of guarantees on behalf of the company in favour of legal or natural persons with whom the company has or maintains commercial or financial transactions in order to serve its purposes.
(j) Decide on the issuance of bond loans, other than those referred to in Article 71 of Law No. 4548/2018. With regard to bond loans convertible into shares of the Company, the Board of Directors may decide to issue them upon authorization by the General Meeting in accordance with Articles 71 and 24(1) of Law 4548/2018. 4548/2018 (former articles 3$^{\alpha}$ paragraph 1 and 13 paragraph 1) .
3.1.2 The Board of Directors may, by its decision, delegate the exercise of all or part of its rights and powers related to the administration, management and representation of the Company to one or more persons, whether or not such persons are members of the Board of Directors. Such persons may, if provided for by the relevant resolutions of the Board of Directors, further delegate the exercise of the powers conferred on them or part thereof to other parties or third parties. The title and competence of each of these persons shall always be determined by the decision of the Governing Board appointing them.
3.1.3 Each director is liable to the company for any loss suffered by the company as a result of an act or omission constituting a breach of his or her duties. If damage is caused by a joint act of several members of the board of directors, or if several members are jointly and severally liable for the same damage, they are all jointly and severally liable. The same shall apply if several persons have acted at the same time or in succession and it cannot be ascertained whose act caused the damage. The court may, however, decide to apportion liability between the persons responsible, depending on the gravity of the act, the degree of fault and the allocation of responsibilities among the members of the board of directors. The court may also regulate the right of recourse between the persons responsible. Liability shall not exist in respect of acts or omissions based on a lawful resolution of the general meeting or concerning a reasonable business decision taken (a) in good faith, (b) on the basis of information which is adequate in the circumstances and (c) solely for the purpose of serving the interests of the company. These elements shall be assessed by reference to the timing of the decision. The directors shall bear the burden of proving the requirements of this paragraph. The court may also consider that there is no liability in respect of acts or omissions based on the recommendation or opinion of an independent body or committee operating in the company in accordance with the law.*3.1.4 Incompatibilities - other obligations*
α) Members of the Board of Directors who participate in any way in the management of the company, as well as its directors, are prohibited, without the authorisation of the general meeting or a relevant provision in the articles of association, from acting, for their own account or for the account of third parties, in acts falling within the purposes of the company, as well as from participating as general partners or as sole shareholders or partners in companies pursuing such purposes. B) Members of the Board of Directors and any third person to whom functions have been delegated by the Board of Directors have a duty of loyalty to the company. They shall in particular:
α) Not to pursue self-interests that are contrary to the interests of the company.
b) To disclose in a timely and adequate manner to the other members of the Board of Directors their own interests that may arise from transactions of the company that fall within their duties, as well as any conflict of interests with those of the company or its affiliated companies within the meaning of article 32 of Law No. 4308/2014, which arises in the exercise of their duties. They are also required to disclose any conflict of interest between the interests of the company and

the interests of the persons referred to in paragraph 2 of Article 99 of Law No. 4548/2018, if they are related to these persons. A sufficient disclosure is deemed to be one that includes a description of both the transaction and the company's own interests. Companies shall disclose the cases of conflict of interest and any contracts concluded that fall under Article 99 of Law No. 454848/2018. 4548/2018 with the annual report of the board of directors.
c) To maintain strict confidentiality about the company's affairs and the company's secrets, which have become known to them by virtue of their capacity as consultants.
3.1.5. Meetings of the Board of Directors
The Board of Directors shall meet at the Company's headquarters whenever the law or the needs of the Company require it and shall be convened by the Chairman or the Vice-Chairman who replaces him on a day and time determined by him. It shall also be convened whenever the Chairman deems it expedient or when requested by two Directors, as provided by law.
The convening of the Board of Directors may be requested by two (2) of its members, in addition to the President or his/her deputy, through a request to the President or his/her deputy, who are obliged to convene the Board of Directors in order for it to meet within seven (7) days from the submission of the request. The request must, under penalty of inadmissibility, clearly state the matters to be dealt with by the Board of Directors. If the Board of Directors is not convened by the Chairperson or his/her deputy within the above deadline, the members who requested the meeting shall be allowed to convene the Board of Directors within five (5) days of the expiry of the above seven (7) day period, by notifying the other members of the Board of Directors of the invitation. Ten meetings of the Board of Directors were held in 2018, which were attended by all members of the Board of Directors. All other resolutions of the Board of Directors were made by signing minutes.

3.2 Information on the members of the Board of Directors

The current Board of Directors of the Company has seven (7) members, as elected by the Annual General Meeting on 6.09.2018 and consists of the following members:

α. **Georgios Gatzaros, Chairman, Executive Member**. He holds a degree in Mechanical Engineering from NTUA. He is the founder of GAGEO S.A. which merged in 2009 with PAPOUTSANIS S.A. From 2008 to 2009 he was an industrialization consultant of PAPOUTSANIS and GAGEO. He was also Chairman of the Board of Directors of PLIAS EMPORIKI S.A. (100% subsidiary of PAPOUTSANIS S.A.) which was acquired by the Company at the end of the second half of 2014.

β. **Menelaos Tassopoulos, Vice Chairman, executive member**. He holds PhD and MPhil in Engineering & Applied Science from Yale University, has a Master in Industrial Engineering & Management Science from Columbia University and Master in Chemical Engineering from Worcester Polytechnic Institute. He also holds a degree in Chemical Engineering from the National Technical University of Athens. He has many years of experience in industry, as a General Manager and Managing Director and as a Private Equity Director in a commercial bank.

c. **Michael Panagis, Chief Executive Officer, Executive Member.** He holds a degree in Chemical Engineering from the National Technical University of Athens and has done postgraduate studies in Business Administration at Imperial College London. He has had a very successful career in business to date, most recently as CEO of Eurodrip and then as CEO of Selonda.

δ. **Mary Haigui Iskalatian, Executive Member and Chief Financial Officer**. She holds a degree in Economics from the National and Kapodistrian University of Athens and an M.B.A. from the

University of Strathclyde. She has many years of experience in industry and service provision. He also served as Vice Chairman of the Board of Directors of PLIAS EMPORIKI S.A. (100% subsidiary of PAPOUTSANIS S.A.), which was absorbed by the Company at the end of the second half of 2014.

ε. **Georgios Minoudis, Non-executive member**. Lawyer, graduate of the University of Essex (LLB) and the University of London (LLM, London School of Economics and Political Science). He is employed at Karatzas & Partners Law Firm. Partners since 2000 and has been a partner since 2004. He specializes in commercial and corporate law.

f. **Christos Georgalis, Non-executive, independent member.** He holds a degree from the Athens School of Economics and Commerce (ASSE). He has extensive experience in financial matters in the industry as a Financial Director.

ζ. **Dimitrios Papoutsanis, Non-executive independent member**. He studied Business Management with a major in Marketing and Communications at Adelphi University. He has worked in marketing, sales and purchasing for a large multinational company.

Based on the above composition, the Board of Directors consists of four (4) executive and three (3) non-executive members, of which two (2) are independent members, for whom the Board of Directors considers that they maintain their independence, based on the definitions of the Code.
The term of office of the Board of Directors is three years, expires on 06.09.2021 and is automatically extended until the first Ordinary General Meeting after the expiry of its term of office. In any case, the term of office may not exceed four (4) years.
The members of the Board of Directors, apart from their activities related to their status and position in the Company, do not engage in other professional activities that are important for the Company, with the following exceptions:
Georgios Gatzaros, Administrator of GAGEO M. Ltd, member of the Boards of Directors of Bolelli CO Ltd and Raguso Ltd.
Menelaos Tasopoulos, member of the Boards of Directors of Bolelli CO Ltd and Raguso Ltd.
Michael Panagis, non-executive member of the boards of directors of the listed companies Perseas SA and Selonta SA. Member of the Boards of Directors of Geohellas AEBE and Specta SA. Member of the Board of Directors of the Theotokos Foundation. Georgios Minoudis, Lawyer, partner of the Karatzas and Partners Law Firm, member of the board of directors of the Michael Cacoyannis Foundation.

3.3 Audit Committee
The Company complies with the provisions and requirements of Law no. 4449/2017, the Company has established an Audit Committee to support the Board of Directors in its duties regarding, inter alia, financial reporting, internal control and supervision of regular audit, whose composition was renewed at the Annual General Meeting on 06.09.2018.
The Audit Committee consists of one independent non-executive member of the Board of Directors, Mr Christos Georgalis, one non-executive member of the Board of Directors, Mr Georgios Minoudis, and Mr Meletios Babekos, an accountant. The members of the Audit Committee are elected by the General Assembly.
Mr Christos Georgalis has been appointed Chairman of the Audit Committee.
According to the decision of the Ordinary General Meeting on 06.09.2018, the term of office of the Committee is identical to the term of office of the Board of Directors, i.e. it expires on 06.09.2021, but it is extended until the next termination of the Ordinary General Meeting, not exceeding four years.

In the event of resignation or for any reason the resignation of a member or members of the Audit Committee, he or they shall be replaced by the Board of Directors and the replacement shall be submitted for approval at the next general meeting of the Company's shareholders.

The powers and duties of the Audit Committee consist, inter alia, of:

a) monitoring the financial reporting process, reviewing management's judgments and estimates that affect the preparation of the financial statements and overseeing any official communication regarding the company's financial performance,
b) monitoring the effective operation of the internal control system and the risk management system, as well as supervising the Company's internal audit department and ensuring its independence,
c) monitoring the progress of the statutory audit of the Company's individual and consolidated financial statements,
d) reviewing and monitoring issues related to the existence and maintenance of the statutory auditor's or audit firm's objectivity and independence, in particular with regard to the provision of other services to the Company by the statutory auditor or audit firm.
The Audit Committee met 7 times during the financial year 2018 (01.01.2018-31.12.2018).
It is clarified that the Company's Statutory Auditor, who performs the audit of the annual and interim financial statements, does not provide any other type of non-audit services to the Company that are prohibited under Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council and Law No. 4449/2017, nor is it connected with any other relationship with the Company, in order to ensure its objectivity and independence.

3.4 Other management, supervisory bodies or committees of the company
There are no other management or supervisory bodies or committees of the Company as at the date hereof within the function of the Board of Directors.

3.5 Diversity policy in the composition of the Company's administrative, management and supervisory bodies
Due to the size of the Company and the small number of the Company's administrative, management and supervisory bodies (each of which is composed of a small number of members), the Company does not maintain a separate diversity policy in the composition of these bodies, while respecting, inter alia, the principle of non-discrimination and equality.

4. Information required under Article 10 par. 1(c), (d), (f), (h) and (i) of Directive 2004/25/EC, concerning public takeover bids
This is information on the following issues, which are already given in the section entitled "*EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4 OF LAW 3556/2007*" of this Annual Management Report of the Board of Directors to which we refer:

- significant direct or indirect holdings (including indirect holdings through pyramid structures or cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;
- the holders of any type of securities conferring special control rights and a description of such rights;
- restrictions on voting rights of any kind, such as restrictions on voting rights to holders of a given percentage or number of votes, time limits on the exercise of voting rights, or systems in which, with the cooperation of the company, the financial rights attaching to securities are separated from the holding of securities;
- the rules concerning the appointment and replacement of members of the board and the amendment of the statutes;

- the powers of the members of the board, in particular as regards the possibility of issuing or repurchasing shares;

The disclosure of the above required information is included in the section entitled "*EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4 OF LAW 3556/2007*" of this Annual Management Report of the Board of Directors to which we hereby refer.

13 March 2019
For the Board of Directors

The Chief Executive Officer

Michael Panagis

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Independent Auditor's Report

To the Shareholders of the company "PAPOUTSANIS ANONYMOUS INDUSTRIAL AND COMMERCIAL COMPANY OF CONSUMER GOODS"

Audit Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of "PAPOUTSANIS ANONYMOUS INDUSTRIAL AND COMMERCIAL COMPANY OF COLLECTIVE GOODS" (the Company), which comprise the statement of financial position as at 31 December 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of "PAPOUTSANIS ANONYMOUS INDUSTRIAL AND TRADE COMPANY OF COLLECTIVE GOODS" as at 31 December 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Opinion base

We conducted our audit in accordance with the International Standards on Auditing (ISA) as incorporated into Greek Law. Our responsibilities under those standards are further described in the section of our report entitled "Auditor's Responsibilities for the Audit of the Financial Statements". We have been independent of the Company throughout our appointment in accordance with the Code of Ethics for Professional Accountants of the Council on International Standards on Auditing Ethics as incorporated into Greek law and the ethical requirements related to the audit of financial statements in Greece and have fulfilled our ethical responsibilities in accordance with the requirements of applicable law and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Major control issues

The most significant audit matters are those matters that, in our professional judgment, were of major significance in our audit of the financial statements of the audited financial year. Those matters and the related risks of material misstatement were considered in the context of our audit of the financial statements taken as a whole in forming our opinion on them and we do not express a separate opinion on those matters.

Major control issue	How the major control issue was addressed
Revenue recognition (Turnover)	
We have identified this area as one of the most	Our audit approach included the following key

important control issues due to its increasing trend in terms of the amount and volume of transactions and its significant impact on the formulation of the results of operations. In addition, this figure reflects the growth of the company, which, in our judgment, is the main focus of the users of its Financial Statements.	procedures: • Examination of the internal safeguards designed and implemented to ensure the completeness and accuracy of the automated revenue records. In addition, we performed substantive verification procedures on a sample basis for the proper accounting of invoices and their collections. • Consideration of the potential impact of applying IFRS 15. • Sample testing of non-automated revenue accounting entries (manual journal entries). • Recalculation of discounts on the basis of confirmed turnover and reconciliation with the corresponding issued documents. • Control of the correct segregation of duties, focusing on the control of credit invoices for the following financial year.
Stocks - Cost of production	
We identified the area of cost of production - end of year inventories as one of the most important control issues mainly due to the estimates required both in measuring the value of inventories and in calculating the cost of production, and their significant impact on profit and loss. The measurement of the value of inventories is based on management estimates that take into account the movement of inventories during the financial year, their shelf life, the possibility of reusing or liquidating slow-moving inventories, etc.	Our audit approach included the following key procedures: • Examination of the internal safeguards relating to the inventory tracking circuit, product costing, inventories and end-of-year inventory valuation. • Examination of the correctness and consistency of the application of cost accounting principles, with detailed procedures, in particular to confirm the completeness of the costed expenditure and the correct calculation of gross profit. • Monitoring of the physical inventory and sample recounts. • Sample confirmation of the correct determination of the acquisition price of stocks. • In order to assess the adequacy of the impairment of inventories, substantial analytical procedures have been carried out on the movement of inventories and their qualitative assessment with regard to their reusability or realisability.

Other information

Management is responsible for the other information. The other information is included in the Management Report of the Board of Directors, for which reference is made in the "Report on Other Legal and Regulatory Requirements", in the Statements of the Members of the Board of Directors and in any other information that is either required by specific provisions of the law or that the Company has voluntarily included in the Annual Financial Report required by Law 3556/2007, 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 in this opinion any form of assurance on the financial statements.

In connection with our audit of the financial statements, our responsibility is to identify the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of that other information, we are required to report that fact. We have nothing to report on this matter.

Responsibilities of management and those charged with governance over financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, matters related to continuing operations and the use of the going concern basis of accounting, unless management either intends to liquidate the Company or discontinue operations or has no realistic alternative but to take those actions.

The Audit Committee (article 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's 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, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but it is not a guarantee that an audit performed in accordance with the ISAs, as incorporated into Greek law, will always detect a material misstatement when it occurs. Errors may arise from fraud or error and are considered material when, 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 an audit task, in accordance with the ISAs as incorporated into Greek law, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of material misstatement of the financial statements, whether due to fraud or error, by designing and performing audit procedures that are appropriate 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 due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, false assurances or circumvention of internal controls.

- We understand internal control relevant to the audit for the purpose of designing 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.

- We evaluate the appropriateness of the accounting principles and methods used and the reasonableness of the accounting estimates and related disclosures made by management.

- We express an opinion on the appropriateness of management's use of the going concern basis of accounting and on the basis of the audit evidence obtained as to whether there is any material uncertainty about events or circumstances that may indicate a material uncertainty about the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required in the auditor's report to draw attention to the relevant disclosures in the financial statements or, if those disclosures are inadequate, to qualify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in the Company ceasing to operate as a going concern.

- We assess the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in a manner that achieves fair presentation.

Among other matters, we communicate to those responsible for governance the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

In addition, we declare to those responsible for governance that we have complied with the relevant ethical requirements on independence and disclose to them all relationships and other matters that may reasonably be considered to affect our independence and related safeguards, where applicable.

From the matters disclosed to those charged with governance, we identify those matters that were of significant importance to the audit of the financial statements of the audited financial year and are therefore the most significant audit matters.

Report on Other Legal and Regulatory Requirements

1. Management Report of the Board of Directors

Taking into account that the management is responsible for the preparation of the Management Report of the Board of Directors and the Corporate Governance Statement included in this report, pursuant to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B), we note that:

a) The Management Report of the Board of Directors shall include a corporate governance statement, which provides the information specified in Article 43bb of the c.c. 2190/1920.
b) In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of article 43a and paragraph 1 (cases c' and d') of article 43bb of the Greek Law. 2190/1920 and its content corresponds to the attached financial statements for the year ended 31/12/2018.

c) Based on the knowledge we obtained during our audit, about the company "PAPOUTSANIS ANONYMOUS INDUSTRIAL AND COMMERCIAL COMPANY OF CUSTOMER GOODS" and its environment, we have not identified material misstatements in the Management Report of its Board of Directors.

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, as required by article 11 of the European Union Regulation (EU) No 537/2014.

3. Provision of non-audit services

We did not provide the Company with any non-audit services prohibited under Article 5 of the European Union Regulation (EU) No 537/2014 or other permitted non-audit services.

4. Appointment of the Auditor

We were appointed for the first time as the Company's Statutory Auditors by a resolution of the Annual General Meeting of Shareholders on 22/06/2005. Since then, our appointment had been continuously renewed for a total period of 4 years based on the resolutions passed annually at the annual general meeting of shareholders. We were re-appointed as the Company's Statutory Auditors by a resolution passed at the annual general meeting of shareholders held on 29 June 2012. Since then, our appointment has been continuously renewed for a total period of 6 years based on the resolutions passed annually at the annual general meeting of shareholders.

Athens, 13 March 2019

Anastasia Ath. Zirou
Certified Public Accountant
A.M. SOEL 15841

SOLL S.A.
Crowe Global Network Member
Phoc. Negri 3, 112 57 Athens
A.M. CNEL 125

D. FINANCIAL STATEMENTS

1. Statement of Financial Position

ASSETS	Note.	31.12.2018	31.12.2017
Non-current assets			
Tangible fixed assets	6.1	26.815.600	25.355.972
Investment in real estate	6.2	235.000	235.000
Intangible assets	6.3	185.617	76.264
Long-term receivables	6.4	21.268	59.894
		27.257.485	**25.727.130**
Current assets			
Inventories	6.5	4.426.394	3.515.533
Trade receivables (open balance).	6.6	3.790.903	4.539.873
Trade receivables (balance covered by cheques)	6.6	106.695	45.783
Other receivables	6.6	832.550	365.552
Cash and cash equivalents	6.7	2.940.575	1.918.717
		12.097.117	**10.385.458**
Total assets		**39.354.602**	**36.112.587**
CAPITAL EQUITY			
Equity attributable to equity holders of the parent			
Share capital	6.8	15.322.230	15.747.184
Share Premium	6.8	14.431.168	31.953.519
Own shares	6.8	-	(108.917)
Fair value reserves	6.9	1.479.307	1.479.307
Other reserves	6.10	217.200	217.200
Retained earings		(13.084.449)	(31.379.593)
Total equity capital		**18.365.456**	**17.908.701**
LIABILITIES			
Long-term liabilities			
Long-term loans	6.11	6.419.970	6.700.365
Deferred income tax	6.12	2.769.308	2.881.230
Provisions for employee benefits	6.13	712.120	606.021
Other provisions	6.14	175.142	10.000
Asset grants	6.15	1.618.873	1.746.984
		11.695.414	**11.944.601**
Short-term liabilities			
Suppliers	6.16	5.481.951	3.245.988
Other liabilities	6.16	664.132	653.083
Short-term loans	6.11	3.147.650	2.360.214
		9.293.732	**6.259.286**
Total liabilities		**20.989.146**	**18.203.886**
Total Equity and Liabilities		**39.354.602**	**36.112.587**

The notes set out on pages 33 to 81 form an integral part of the financial statements.

2. Statement of Comprehensive Income (by function)

		01.01-31.12.2018	01.01-31.12.2017
Sales	6.17	24.240.709	20.775.451
Cost of sales	6.18	(17.532.131)	(14.945.143)
Gross profit		**6.708.578**	**5.830.308**
Other revenue	6.19	436.591	352.755
Distribution expenses		(2.858.535)	(2.405.121)
Administrative expenses		(2.122.200)	(2.105.098)
Research & development costs		(139.810)	(144.966)
Other expenses	6.21	(334.110)	(414.371)
Financial costs (net)	6.22	(628.232)	(574.940)
profit / (loss) before tax		**1.062.282**	**538.567**
Deferred income tax Deferred income tax	6.23	43.018	(118.175)
Current income tax		-	-
Net profit/(loss) for the year (A)		**1.105.300**	**420.392**
Other Total Income			
Items that shall not be reclassified subsequently in profit or loss			
Recalculations of defined benefit plans		(62.614)	(16.306)
Deferred income tax Deferred income tax		15.654	4.729
Items reclassified subsequently to profit or loss			
Cancellation of treasury shares		64.853	
Other comprehensive income after tax (B)		**17.893**	**(11.577)**
Aggregated total income after tax (A+B)		**1.123.193**	**408.815**
Profit/(loss) after tax per share	6.24	0,0309	0,0084

The notes set out on pages 33 to 81 form an integral part of the financial statements.

3. Statement of Changes in Equity

	Share capital	Own Shares	Share Premium	Fair value reserves	Other reserves	Retained earnings	Total
Balances 1.1.2017	**15.747.184**	**-**	**31.953.519**	**1.479.307**	**217.200**	**(31.788.407)**	**17.608.803**
Net profit for the year						420.392	420.392
Purchase of own shares		(108.917)					(108.917)
Other comprehensive income						(11.577)	(11.577)
Changes in items in the period	**-**	**(108.917)**	**-**	**-**	**-**	**408.815**	**299.898**
31.12.2017	**15.747.184**	**(108.917)**	**31.953.519**	**1.479.307**	**217.200**	**(31.379.593)**	**17.908.701**
Balances 1.1.2018	**15.747.184**	**(108.917)**	**31.953.519**	**1.479.307**	**217.200**	**(31.379.593)**	**17.908.701**
Changes in accounting policies ($1^{η}$ application of IFRS 9)						**(159.751)**	(159.751)
Aggregate total income after tax						1.123.193	1.123.193
Increase in share capital	17.331.703		(17.331.703)				-
Share capital increase expenses			(190.649)				(190.649)
Reduction of share capital by offsetting losses	(17.331.703)					17.331.703	-
Return of Share Capital	(251.184)						(251.184)
Cancellation of Treasury Shares	(173.770)	108.917					(64.853)
Changes in items in the period	(424.954)	108.917	(17.522.352)	-	-	18.295.144	456.755
Balances 31.12.2018	**15.322.230**	**-**	**14.431.168**	**1.479.307**	**217.200**	**(13.084.449)**	**18.365.456**

The notes set out on pages 33 to 81 form an integral part of the financial statements.

4. Cash Flow Statement (Indirect Method)

Operating activities	**01.01-31.12.2018**	**01.01-31.12.2017**
Profit before tax	1.062.282	538.567
Plus / (minus) adjustments for:		
Depreciation	1.176.658	1.189.906
Provisions	208.627	256.836
Amortisation of grants	(128.111)	(131.415)
Financial costs - (net)	628.232	574.940
	2.947.689	2.428.833
Plus/ minus adjustments for changes in capital accounts traffic or related to operational activities:		
Decrease / (increase) in inventories	(910.861)	(116.536)
Decrease / (increase) in receivables	8.057	354.863
(Decrease) / increase in liabilities (excluding banks)	2.246.846	320.306
Minus:		
Interest and related charges paid	(648.239)	(546.277)
Total inflows / (outflows) from operating activities (a)	**3.643.492**	**2.441.188**
Investment activities		
Purchase of tangible and intangible fixed assets	(2.767.779)	(1.667.302)
Purchase of Own Shares	-	(108.917)
Proceeds from the sale of tangible and intangible fixed assets	60.765	161.038
Total inflows / (outflows) from investing activities (b)	**(2.707.014)**	**(1.615.180)**
Financial activities		
Return of Share Capital	(251.018)	-
Expenses for changes in share capital	(190.649)	-
Proceeds from loans issued/drawn	1.286.794	5.580.416
Receipt of grant	-	37.439
Proceeds from loans issued / assumed (leasing)	1.822.306	158.180
Loan repayments	(1.843.878)	(5.291.186)
Repayments of finance lease liabilities (interest payments)	(738.175)	(169.960)
Total inflows/(outflows) from financing activities (c)	**85.380**	**314.889**
Net increase / (decrease) in cash and cash equivalents period equivalents (a)+(b)+(c)	**1.021.858**	**1.140.896**
Cash and cash equivalents at the beginning of the year	1.918.717	777.821
Cash and cash equivalents at the end of the financial year	**2.940.575**	**1.918.717**

The notes set out on pages 33 to 81 form an integral part of the financial statements.

5. Notes to the Financial Statements

5.1. General information

PAPOUTSANIS S.A. was founded in 1960 and is active in the production, import, export, promotion (marketing) and general marketing of consumer goods, such as soapmaking products, cosmetics and other personal care products, as well as the raw materials for their manufacture, etc. The company is classified as a fully vertically integrated industry producing soaps and personal care products for the consumer, hotels, etc.

The company's facilities are located at 71^{o} km of the National Road Athens-Lamia in the area of Ritsona of the Regional Unit of Evia.

PAPOUTSANIS S.A. has the form of a Public Limited Company and its shares are listed on the Athens Stock Exchange. The registered office of the Company is the Municipality of Chalkideon of the Regional Unit of Evia of the Region of Central Greece.

These financial statements were approved by the Board of Directors on 13^{η} March 2019 and are posted, together with the auditor's report and the annual report of the Board of Directors, online at www.papoutsanis.gr

5.2. Summary of significant accounting principles

The basic accounting principles applied in the preparation of the financial statements are described below. These policies have been applied consistently for all periods presented, with the exception of the change in policies arising from the first application of IFRS 9 (financial instruments) and IFRS 15 (revenue from contracts with customers). More detailed information is provided below (5.2.3).

5.2.1. Framework for the preparation of financial statements

These financial statements have been prepared by the management in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations of the Interpretations Committee of the International Financial Reporting Standards, as adopted by the European Union, and present the financial position of PAPOUTSANIS S.A, its financial performance and its cash flows on a going concern basis, taking into account macroeconomic and microeconomic factors and their impact on operations.

5.2.2. Risk of non-sustainability

Events, circumstances and relevant business risks that could cast serious doubt on the company's ability to continue as a going concern in the next financial year were assessed. There is no going concern risk.

5.2.3. New standards, amendments to standards and interpretations

Adoption of New and Revised International Standards

New standards, amendments to standards and interpretations have been issued and are mandatory for annual accounting periods beginning on or after 1 January 2018.

In 2018 the company adopted IFRS 15 and IFRS 9. Unless otherwise stated, the other amendments and interpretations effective for the first time in fiscal 2018 have no impact on the company's financial statements. The company did not early adopt standards, interpretations or amendments issued by IASB and adopted by the European Union but which are not mandatory in fiscal 2018.

Standards and Interpretations mandatory for the current financial year 2018

IFRS 9 "Financial Instruments"
On 24 July 2014 the Board issued the final version of IFRS 9, which includes guidance on classification and measurement, impairment and hedge accounting for financial instruments. The standard replaces IAS 39 and all previous versions of IFRS 9. IFRS 9 is effective for annual accounting periods beginning on or after 1 January 2018 and was adopted by the European Union on 22 November 2016.
Based on paragraph 7.2.15 of IFRS 9, the company applied this IFRS retrospectively and therefore, the differences arising from its adoption in the 2018 financial year affected the relevant line items as at 1/1/2018, only with regard to differences with expected credit losses on receivables from customers, which were recognised directly in Net Position. The relevant disclosures of the impact are provided in note 6.6.

IFRS 15 "Revenue from Contracts with Customers" and Clarifications to IFRS 15 "Revenue from Contracts with Customers"
On 28 May 2014 the IASB issued IFRS 15 "Revenue from Contracts with Customers" is the new standard on revenue recognition and including the amendments to the standard issued on 11 September 2015 is mandatory for annual accounting periods beginning on or after 1 January 2018. IFRS 15 replaces IAS 18, IAS 11 and interpretations IFRIC 13, IFRIC 15, IFRIC 18 and IFRIC 31. In April 2016, the IASB issued clarifications to IFRS 15 to provide clarification on the application of these principles.
The adoption of IFRS 15 in 2018 did not result in a retrospective adjustment of the items affected by customer contracts (revenue, receivables, payables, equity items).

IAS 40 "Investment Property" Transfers of Investment Property
The amendments to IAS 40 issued by the Council on 8 December 2016 clarify that **an entity** may transfer a property to or from investment property when, and only when, there is evidence of a change in use. A change in use occurs if the property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of the property is not in itself an indication of a change in use. The amendment is effective for annual accounting periods beginning on or after 1 January 2018 and was adopted by the European Union on 14^{η} March 2018.
There was no impact from the application of the standard.

The following standards, amendments and improvements are not applicable to the company and are reported at title level

IFRS 4 "Insurance Contracts" (Amendment) "Application of New IFRS 9 with IFRS 4".

IFRIC 22 Interpretation 22 "Foreign Currency Transactions and Advances"

IFRS 2 Share-based Payment (Amendment) "Classification and Measurement of Transactions Involving Share-based Payment Transactions"

Annual Improvements to IFRSs, Cycle 2014-2016
The following amendments to the 2014-2016 Cycle, adopted by the Council on 8 December 2016, are effective for annual periods beginning on or after 1 January 2018 and were adopted by the European Union on 7η February 2018.

IFRS 1 First-time adoption of international financial reporting standards

IFRS 12 Disclosures of interests in other entities: Clarification of the purpose of the standard.
IAS 28 "Measurement of Associates or Joint Ventures at Fair Value"

Standards and Interpretations mandatory for subsequent periods that have not been early adopted by the Company

IFRS 16 "Leases"
On 13 January 2016 the IASB issued IFRS 16 and replaces IAS 17. The objective of the standard is to ensure that lessees and lessors provide useful information that fairly presents the substance of transactions involving leases. IFRS 16 introduces a single model for lessee accounting, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is not of significant value. With respect to lessor accounting, IFRS 16 substantially incorporates the requirements of IAS 17. Therefore, the lessor continues to categorise leases into operating and finance leases, and to apply different accounting treatment for each type of lease. The new standard is effective for annual accounting periods beginning on or after 1 January 2019 and was adopted by the European Union on 31η October 2017.
As at the date of the financial statements, the Company has annual expenditure on operating leases, lasting from 3 to 6 years, of €139 thousand. However, the Company is in the process of estimating the amount of assets and liabilities for future payments to be recognised as a result of these commitments and how these commitments will affect both the results and the classification of cash flows.

IFRS 9 (Amendment) "Financial Instruments - Characteristics of Prepayment with Negative Compensation"

On 12 October 2017, the Council issued amendments to IFRS 9 to allow financial assets with prepayment features that allow or require a counterparty to a contract to either settle or collect compensation for early termination of the contract to be measured at amortised cost or fair value through other comprehensive income.
The amendment is effective for annual accounting periods beginning on or after 1 January 2019 and was adopted by the European Union on 22 March 2018. The amendment is not expected to have a material impact on the Company's financial statements.

IFRIC 23 Interpretation "Uncertainty about the treatment of income tax matters"
Interpretation 23 applies to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty about the appropriateness of tax treatments in accordance with IAS 12. In this case it should be considered:
- whether tax treatments are to be examined collectively or individually and on the assumption that audits will be carried out by the tax authorities with full knowledge of the relevant information
- the likelihood that the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates will be accepted by the tax authorities; and
- reassessing judgements and assessments if events and circumstances change

The Interpretation is effective for annual accounting periods beginning on or after 1 January 2019.
The amendment is not expected to have a significant impact on the Company's financial statements.

Standards and amendments to standards not adopted by the EU:

IFRS 17 "Insurance Contracts"
On 18 May 2017, the IASB issued IFRS 17, which replaces the existing IFRS 4.
IFRS 17 establishes principles for the recognition, measurement, presentation and disclosures of insurance contracts with the objective of providing a more uniform approach to measurement and presentation for all insurance contracts.
IFRS 17 is not applicable to the Company.

Annual Improvements to IFRSs, Cycle 2015-2017
The following amendments to the 2015-2017 Cycle, adopted by the Council in December 2017, are effective for periods beginning on or after 1 January 2019 and have not been adopted by the European Union. The amendments below are not expected to have a material impact on the Company's financial statements unless otherwise stated.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements
The amendments to IFRS 3 clarify that when an entity acquires control of an entity that was a joint venture, it shall measure the interests it previously held in that entity.
The amendments to IFRS 11 clarify that an entity that participates in, but does not have joint control of, a joint venture may acquire joint control of the joint venture whose operations constitute an enterprise as defined in IFRS 3. In such cases, the interests in the joint venture previously held are not remeasured.

IAS 12 Income Taxes
The Council amended IAS 12 to clarify that an entity shall recognise all tax effects arising from the distribution of dividends in profit or loss, other comprehensive income or equity, depending on where the entity recognised the initial transaction that gave rise to the distributed profits and subsequently the dividend.

IAS 23 Cost of borrowing
The amendments clarify that if borrowings obtained specifically for the acquisition of an asset remain outstanding and the asset is ready for its intended use or sale, then the balance of those borrowings should be included in general borrowings when calculating the capitalisation rate.

IAS 28 (Amendment) "Long-term investments in associates and joint ventures"

In October 2017, the Council issued amendments to IAS 28 "Investments in Associates and Joint Ventures". In this amendment, the Board clarified that the exemption in IFRS 9 applies only to equity method investments. Entities should apply IFRS 9 to other interests in associates and joint ventures, including long-term interests to which the equity method is not applied and which, in substance, form part of the net investment in those associates and joint ventures.
The amendment is effective for annual accounting periods beginning on or after 1 January 2019. The amendment is not expected to have an impact on the Company's financial statements.

IAS 19 (Amendment) "Employee Benefits" - Amendment, curtailment or settlement of a defined benefit plan.

The International Accounting Standards Board on 7$^{\eta}$ February 2018 issued an amendment to IAS 19 clarifying how service costs should be determined when changes to the defined benefit plan arise. Under IAS 19, in the event of a modification, curtailment or settlement, a recalculation of the net defined benefit liability or asset is required. The amendment to IAS 19 requires that the revised assumptions used in the recalculation of the net liability or asset should be used to determine the service cost and net interest for the remaining period after the change in the plan.

In addition, the amendment to IAS 19 clarifies the effect of an amendment, curtailment or settlement on receivables with respect to the limitation on the recognition of the net receivable (asset ceiling).
The amendment is effective for annual accounting periods beginning on or after 1 January 2019. The amendment is not expected to have a material impact on the Company's financial statements.

Amendments to references in the IFRS Conceptual Framework (issued on 29 March 2018

On 29$^{\eta}$ March 2018 the International Accounting Standards Board issued the revised conceptual framework which redefines:
-the purpose of financial reporting,
-the qualitative characteristics of financial statements,
-the definitions of asset, liability, equity, and income and expenses,
-the recognition criteria and guidance on the timing of derecognition of assets and liabilities in the financial statements,
-the valuation bases and instructions on how they should be used; and,
-concepts and guidance on presentation and disclosures
The purpose of the revised Conceptual Framework is to assist preparers of financial statements to develop consistent accounting policies for transactions and other events that are not within the scope of existing standards or when a standard provides a choice of accounting policies. In addition, the objective of the revision is to assist all parties involved in understanding and interpreting the standards.

The International Accounting Standards Board also issued a companion document, 'Amendments to Conceptual Framework References', which sets out the amendments to the standards affected in order to update references to the revised Conceptual Framework.

The amendment shall be applied by preparers developing accounting policies under the Conceptual Framework in annual accounting periods beginning on or after 1 January 2020.

IAS 1 and IAS 8 (amendments) "Definition of significant"

The amendments clarify the definition of significant and how it should be applied, including in the definition guidance that has previously been referred to in other IFRSs. The definition of material, which is an important accounting concept in IFRSs, helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 Presentation of Financial

Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment ensures that the definition of significant is consistent across IFRS standards. The amendment is effective on or after 1 January 2020.

IFRS 3 (Amendment) "Business Combinations"

The amendment concerns the refinement of the definition of an undertaking in order to help companies determine whether an acquisition they are making relates to an undertaking or a group of assets. The amended definition of an undertaking focuses on the output of an undertaking, which is the provision of goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Companies are required to apply the amended definition of business to acquisitions occurring on or after January 1, 2020.

5.2.4. Consolidation

There is no subsidiary or any other interest in another entity and therefore no consolidated financial statements are prepared.

5.2.5. Information by sector

The segments are determined based on internal information received by the Company's management and are presented in the financial statements based on this internal classification. The Company has a single business segment, that of production (in Greece) and distribution of products to domestic and foreign markets.

5.2.6. Currency conversions

Functional and presentation currency

The company's financial statements are presented in euros, using the currency of the primary economic environment in which the company operates (referred to as the "functional currency").

Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of each transaction. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognised in the income statement.

5.2.7. Tangible fixed assets

Owner-occupied property, plant and equipment (buildings, land) are valued at revalued value, which consists of the fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value is determined after an appraisal by professional appraisers and the positive difference is recorded in an equity account "Fair value reserve". The negative difference is recorded in the income statement to the extent that it does not offset a corresponding fair value reserve. Such estimates are made when there is market evidence of a change in fair value and at least every 5 years. The last estimate was made as at 31 December 2015. The result of this valuation was a decrease in the fair value of the Land by €992,648 and a decrease in the fair value of the Buildings by €237,087.

Other items of property, plant and equipment (machinery, equipment, etc.) are stated at cost less accumulated depreciation and any impairment. Cost includes expenditure directly related to the acquisition of the tangible fixed assets. Subsequent expenditure is either included in the carrying amount of property, plant and equipment or, if deemed more appropriate, recognised as a separate asset only when it is considered probable that future economic benefits will flow to the company and provided that the cost of the asset can be measured reliably. The cost of repairs and maintenance is expensed in the income statement when incurred.

Finance charges arising from the borrowing of funds used to finance the acquisition of property, plant and equipment are capitalised over the period of time required to prepare and complete the asset for future use. Other categories of borrowing costs are recognised as expenses in the profit or loss for the year.

Land is not depreciated. Depreciation of other items of property, plant and equipment is calculated using the straight-line method with equal annual charges over the period of the expected useful life of the item so that the cost is written off at the end of the useful life. Residual values were estimated to be zero. The estimated useful lives of the major categories of fixed assets are as follows:

	Years
Industrial buildings	50-60
Machinery and mechanical equipment	10-30
Other mechanical installations and other mechanical equipment	2-7
Computer equipment and software	5-10
Means of transport of persons / cargo	10 / 8,3
Furniture and other equipment	10

The cost of subsequent expenditure is amortised over the expected useful life of each item. When a machine is composed of major components with different useful lives, the components are treated as separate items.

The residual values and useful lives of property, plant and equipment may be reviewed and adjusted, if necessary, at each balance sheet date.

When the depreciable amount of an item of property, plant and equipment exceeds its recoverable amount, the difference is recognised immediately as an expense in the income statement and the asset is carried at its recoverable amount.

Gains and losses on the sale of property, plant and equipment are determined by the difference between the proceeds and their depreciated value and are included in the income statement. In the event that property, plant and equipment measured at fair value is sold, the fair value reserves formed are transferred to retained earnings.

5.2.8. Intangible fixed assets

Research costs

Research costs are expensed as incurred.

Development costs

The costs of development projects (which mainly involve the design and testing of new or improved products) are recognised as intangible assets only when there is a probability of success of these projects, taking into account the degree of commercial and technological viability, and when the costs can be measured reliably. Other development costs are recognised as expenditure when incurred. Development costs of finite-lived assets that have been capitalised are amortised from the start of commercial production of the products indicated using the straight-line method of depreciation in equal annual instalments over the expected useful life of the asset, which in any case may not exceed 10 years.

Computer software

Capitalised software licences are measured at cost less accumulated amortisation, less any accumulated impairment. Amortisation is calculated using the straight-line method over their useful lives, which cannot exceed 5 years. Expenditure required for the development or maintenance of software is recognised as an expense in the income statement as incurred.

5.2.9. Investment in real estate

The purpose of real estate investments is either rental or capital enhancement. They are measured at fair value with differences from previous measurement recorded in the income statement. No depreciation is charged. Due to the insignificant value of the Company's investment property, no fair value measurement is performed when it is assessed that it will not have an impact on the value of the property and the results of operations, applying the cost-benefit principle.

5.2.10. Impairment of non-financial assets

Assets with indefinite useful lives are not depreciated but are subject to impairment testing annually or more frequently when events or changes in circumstances indicate that their depreciable amount may not be recoverable. Fixed assets subject to depreciation are subject to impairment testing when there is an indication that their depreciable carrying amount may not be recovered.

Impairment losses are recognised immediately as an expense and are equal to the difference between the depreciated value and the recoverable amount of the underlying asset.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of calculating impairment, assets are categorised at the lowest possible level to link them to separately identifiable cash flows (cash-generating units).

5.2.11. Financial instruments

Initial identification

Financial assets are classified, on initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flows of the financial asset and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the Company has applied the feasibility practice, the Company initially measures financial assets at fair value plus, in the case of a financial asset not measured through profit or loss, transaction costs.

Trade receivables that do not contain a significant financial component or for which the Company has applied the feasibility practice are measured at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through comprehensive income, it must generate cash flows that are "solely payments of principal and interest (SPPI)" on the principal. This assessment is referred to as the SPPI test and is considered at the financial asset level.

The Company's business model for managing financial assets refers to the way in which it manages its financial resources in order to generate cash flows. The business model determines whether the cash flows will be generated from the collection of contractual cash flows, sale of financial assets or both.

The purchase or sale of financial assets that require the delivery of assets within a time frame specified by regulation or market contract are recognised on the transaction date, i.e. the date on which the Company commits to purchase or sell the asset.

Subsequent measurement
For subsequent measurement purposes, financial assets are classified into the following categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost (debt securities)
- Financial assets at fair value through comprehensive income without recycling of cumulative gains and losses on remeasurement (equity instruments)

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets that are required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired with the intention of selling or repurchasing them in the near future. Derivatives, including embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

(b) Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met: a) the financial asset is held in a business model with the objective of holding financial assets to collect contractual cash flows and b) the contractual covenants of the financial asset generate cash flows at specified dates that are solely payments of principal and interest on the principal balance.
Financial assets at amortised cost are subsequently measured using the (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(c) Financial assets at fair value through comprehensive income (equity securities)

Upon initial recognition, the Company may elect to irrevocably classify its equity investments as equity securities designated at fair value through comprehensive income when they meet the definition of equity in accordance with IAS 32 Financial Instruments: Presentation, and are not held for trading. Classification is determined on a financial instrument-by-financial instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right to receive payment has been established, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised in the statement of comprehensive income. Equity instruments designated at fair value through comprehensive income are not subject to impairment testing.

Recognition and impairment

Read more

A financial asset is derecognised primarily when:

- the rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset; or

has assumed an obligation to pay in full the cash flows received without material delay to a third party under a pass-through arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred the rights to receive cash flows from an asset or has entered into a transfer agreement, the Company assesses whether and to what extent it holds the risks and rewards of ownership. When the Company has neither transferred nor retained substantially all the risks and rewards of ownership of an asset and has neither transferred control of the asset, it continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Company also recognises any related liability. The transferred asset and the associated liability are measured on the basis of the rights and obligations held by the Company.

Footnote

For trade receivables, the Company uses the simplified approach to calculate ECL credit losses. As such, the Company does not monitor changes in credit risk, but recognizes a lifetime ECL-based loss rate in each reporting period. The Company has established a provisioning matrix based on historical credit loss experience, adjusted for future factors appropriate to the debtors, their credit insurance coverage and the economic environment.

Offsetting of financial instruments

Financial assets and liabilities are offset and presented net in the statement of financial position if there is a legal right to offset the amounts recognised and, in addition, there is an intention to settle the net amount, i.e. to settle assets and liabilities in parallel.

5.2.12. Leases

When the lessee is the company

Leases in which the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any other incentives received by the lessor) are recognised in the income statement on a pro rata basis over the lease term.

Finance leases are leases of property, plant and equipment where the company bears substantially all the risks and rewards incidental to ownership of the asset. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the liability and finance charges to achieve a constant rate of interest on the remaining financial liability.

The corresponding lease liabilities, net of financial debts, are included in long-term liabilities. The portion of the financial costs relating to the interest rate is charged to the income statement over the lease period to produce a constant periodic rate of interest on the balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the company will obtain ownership of the assets at the end of the lease.

When the lessor is the company

When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross amount and the present value of the receivable is recognised as uncollected financial income. Lease income is recognised over the lease term using the net investment method, which reflects a fixed periodic rate of return.

Assets leased to third parties under operating leases are recorded as property, plant and equipment. They are depreciated over their expected useful lives, which are determined after comparison with similar property, plant and equipment owned by the Company. Lease income (excluding contingent incentives to lessees) is recognised using the straight-line method over the lease period.

5.2.13. Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the amount of distribution expenses.

The costs of finished products and work in progress are determined by the weighted average cost method and consist of raw materials, direct labour costs and industrial overheads allocated on the basis of normal production capacity.

Appropriate provision shall be made for unusable, obsolete and very low-speed stocks if they exceed the prescribed level. Write-downs from book value to net realisable value and losses on inventories are expensed in the period to which the write-down or loss corresponds.

5.2.14. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, short-term investments of up to three months with a high degree of liquidity. Overdrafts are included in the balance sheet under short-term liabilities as borrowings.

5.2.15. Equity capital

Ordinary shares are included in equity. The direct costs of issuing new shares are shown in equity as a deduction, net of tax. When the Company purchases treasury shares, the amount paid, including any additional costs and net of income taxes, is shown as a deduction from equity in the form of treasury shares until such shares are cancelled or reissued. When those shares are subsequently sold or reissued, the value of any such transaction shall be included in equity.

5.2.16. Lending

Loans are initially recorded at fair value as amounts received less any direct transaction costs. Subsequently, they are measured at amortised cost using the effective interest method. Any difference between the amount received (net of related transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowing using the effective interest method. Loans are classified as current liabilities unless the company has the right to defer repayment of the liability for at least 12 months after the balance sheet date.

5.2.17. Current and deferred income tax

Current income tax is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates those items in tax returns that relate to situations in which the applicable tax laws are subject to differing interpretations and makes provisions where necessary on the basis of the amounts expected to be paid to the tax authorities.

Deferred tax is defined as the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the respective tax bases used in the computation of taxable profit, and is accounted for using the balance sheet based method of computation.

Deferred income tax is not provided if it arises from the initial recognition of an asset or liability in a transaction other than a business combination and, at the time of the transaction, it affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences will be utilised. Deferred tax liabilities are always recognised.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply in the period when the deferred tax assets become due and payable.

Deferred tax is charged or credited to profit or loss unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is accounted for directly in other comprehensive income.

5.2.18. Suppliers

Suppliers are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

5.2.19. Staff benefits

(a) Short-term benefits

Short-term employee benefits in cash and in kind are recognised as an expense when they are earned.

(b) Post-employment benefits

Post-employment benefits include both defined contribution plans and defined benefit plans.

The accrued cost of defined contribution plans is recognised as an expense in the period to which it relates.

Liabilities arising from defined benefit plans for employees are measured at the discounted value of future employee benefits that have become accrued at the balance sheet date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from empirical adjustments and from changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Past service costs are recognised directly in profit or loss.

(c) Termination benefits

Termination benefits are payable when the enterprise either terminates the employment of employees before retirement or following an employee³s decision to accept an offer of benefits in exchange for termination of employment. An entity recognises termination benefits as a liability and an expense on the earlier of (a) when the entity can no longer withdraw the offer of those benefits and (b) when the entity recognises restructuring costs within the scope of IAS 37 that involve the payment of termination benefits. Termination benefits payable 12 months after the balance sheet date are discounted.

5.2.20. Provisions

Provisions are recognised when: a) there is a present legal or constructive obligation arising from past events; b) it is probable that an outflow of resources will be required to settle the obligation; and c) the amount required can be reliably estimated. Future losses associated with the company's current operations are not recorded as provisions.

Where there are a number of similar liabilities, the likelihood that an outflow will be required on liquidation is determined by considering the liability category as a whole. A provision is recognised even if the probability of an outflow in respect of any item included in the same class of liabilities may be remote. In those cases where the enterprise expects a provision to be covered by a third party, such as in the case of insurance policies, the coverage is recognised as a separate asset but only when the coverage is substantially assured.

Provisions are calculated at the present value of the expenditure that, based on management's best estimate, is required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current reasonable estimates of the time value of money relating to the specific obligation.

5.2.21. Government Grants

Government grants are recognised at fair value when it is expected with certainty that the grant will be received and the company will comply with all stipulated conditions.

Government grants relating to costs are deferred and recognised in profit or loss to match the costs they are intended to compensate.

Government grants related to the purchase of property, plant and equipment are included in long-term liabilities as deferred government grants and are transferred as income (credited) to the income statement on a straight-line basis over the expected useful lives of the related assets.

5.2.22. Revenue recognition

Although IFRS 15 does not introduce any material differences from the Company's current accounting policies, the corresponding accounting policy was formulated as follows:

An entity recognises revenue when a contractual obligation to a customer is discharged by the delivery of goods or provision of services (which is the time when control of the goods or services passes to the customer). If a contract contains more than one contractual obligation, the total contract value is allocated to the individual obligations based on the individual sales values. The amount of revenue recognised is the amount allocated to the relevant contractual obligation that has been fulfilled, based on the consideration that the entity expects to receive under the terms of the contract. Any variable consideration is included in the amount of revenue recognised to the extent that it is not significantly probable that this amount will be offset in the future.

Rights to future discounts based on sales volume are assessed by the company to determine whether they are material rights that the customer would not have acquired had the customer not entered into the contract. For all such rights, the Company assesses the likelihood of their exercise and then the portion of revenue attributable to that right is recognised when the right is either exercised or expires.

In accordance with the requirements of the new standard, the company concluded that future volume discounts create an entitlement for which provision should be made and recognised at the time of exercise or expiry. The company provides volume discounts to customers based on the limits set out in the contracts between them. All such discounts are accounted for within the financial year and therefore the application of the new standard has no impact on the annual consolidated financial statements.

Furthermore, the company concluded that the transfer of control of the products to the customer takes place at a specific time, when the customer receives the goods, as that is when the customer is able to receive the benefits of the specific products.

5.2.23. Borrowing costs

Net financing costs consist of accrued interest on borrowings, calculated using the effective interest method.

Finance charges arising from the borrowing of funds used to finance the acquisition of property, plant and equipment are capitalised over the period of time required to prepare and complete the asset for future use. Other categories of borrowing costs are recognised as expenses in the profit or loss for the year.

5.2.24. Dividends

Dividends are recognised as income when the right to receive them has been established.

5.2.25. Dividend distribution

Dividends are recognised in the financial statements in the period in which they are approved by the General Meeting of Shareholders.

5.2.26. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the parent company by the weighted average number of ordinary shares outstanding during each year, excluding the average number of ordinary shares acquired as treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the parent (after deducting interest on convertible shares, net of tax) by the weighted average number of shares outstanding during the year (adjusted for the effect of diluted convertible shares).

The weighted average number of ordinary shares outstanding during the accounting period and for all periods presented is adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

5.2.27. Comparative figures and roundings

Differences presented between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding of decimal amounts to the nearest whole unit. In addition, where necessary, comparative figures for previous years are reclassified to conform to the current year's figures, with appropriate disclosure.

5.3. Financial risk management

The company has no material financial assets traded in active markets, except for possible temporary holding of treasury shares.

5.3.1. Financial risk factors

The company is exposed to financial risks such as market risk (foreign exchange rate risk, cash flow risk and fair value risk from changes in interest rates and price risk), credit risk and liquidity risk.

(a) Market risk

Exchange rate risk

The Company has foreign currency transactions to a limited extent. There are no significant assets and liabilities in currencies other than the euro. Therefore, there are no circumstances that could expose it to high currency risk.

Interest rate risk

The financial cost of all the company's bank borrowings is variable based on euribor. Bank borrowings are exclusively in euros. Management believes that there are no significant risks from a possible change in interest rates and the impact on the company's credit rating from borrowing costs is limited.

The Company's revenues and operating cash flows are largely independent of interest rate fluctuations in the market because the Company has no other interest-bearing assets.

Exposure to risks arising from fluctuations in interest rates on borrowings is limited as cash flow risk from changes in floating interest rates.

The company's approach consists of a continuous review of interest rate trends, and the duration of funding needs.

The table below shows the sensitivity of the result for the year and equity to a reasonable change in interest rates of 0.5%. Changes in interest rates are estimated to be on a reasonable basis relative to recent market conditions.

	2018	**2017**
Sensitivity of result	45.256	43.224

Risk of price variation

The main raw materials used in production are vegetable oils, their chemical derivatives and animal fat. Various types of plastics are used in the production of packaging. The price of these varies according to supply and demand on the world market, as most of them are traded products. Due to increased competition in the industry, any increases in international and domestic raw material prices are not easily passed on to the final price of the products, which carries the risk of adversely affecting the Company's results. To this end, the Company, annually, seeks and ultimately uses the supplier that ensures the best price, reducing the risk of dependence. No derivatives are used to hedge this risk.

(b) Credit risk

Credit risk arises mainly from receivables from customers. To address this risk, the Company continuously monitors the financial situation of its debtors and takes the necessary actions (credit insurance, legal actions) based on its credit policy to reduce this risk.

Most of the active customers are covered by credit insurance which covers 80% or 90% of the claim.

The following table shows the breakdown of trade receivables, after estimating expected credit losses, after adjusting the balances as at 31 December 2017 by the retrospective application of IFRS 9.

	2018	**2017**
Balance within the credit period	3.116.188	3.361.548
Balance beyond the credit period	781.410	1.011.106
Total	**3.897.598**	**4.372.654**

The movement in the provision for impaired trade receivables is presented below:

Balance 31.12.2017	**(1.321.433)**
Use of provision for deletion	-
New provision in the use	16.122
Balance 31.12.2018	**(1.305.311)**

(c) Liquidity risk

Liquidity risk - cash flow risk

Liquidity risk management includes ensuring the availability of sufficient cash and cash equivalents and ensuring creditworthiness through the availability of adequate credit limits from the cooperating banks.

According to the present Financial Statements as of 31.12.2018, the Company has positive working capital, significantly improved positive operating cash flows and significant cash reserves. Therefore, no significant liquidity risk is foreseen.

Liquidity needs are monitored by the Company on a daily and weekly basis, as well as on a 6-month rolling period.

ηThe maturity of financial liabilities based on estimated undiscounted contractual outflows as of December 31, 2018 and 2017, respectively, is as follows:

	2018			
	Short-term		Long-term	
	within 6 months	6 to 12 months	1 to 5 years	more than 5 years
Lending	1.352.804	1.352.804	5.264.276	-
Finance lease obligations	229.463	212.578	1.155.694	-
Trade and other payables	6.146.083	-	-	-

	7.728.351	**1.565.382**	**6.419.970**	**-**

	2017			
	Short-term		Long-term	
	within 6 months	6 to 12 months	1 to 5 years	more than 5 years
Lending	1.102.341	1.102.341	6.342.293	-
Finance lease liabilities	76.708	78.825	358.072	-
Trade and other payables	3.899.071	-	-	-
	5.078.120	**1.181.166**	**6.700.365**	**-**

The expected timing of collection from customers that are not impaired is presented in the following table (prior year balances are presented restated after the retrospective application of IFRS 9):

	2018	**2017**
Less than 6 months	3.768.150	4.227.428
Between 6 months and 1 year	129.448	145.226
	3.897.598	**4.372.654**

5.3.2. Determination of fair values

The company uses the following hierarchy for the determination and disclosures of fair values of financial assets, based on the valuation method used:
Level 1: fair values are determined by reference to published active market transaction prices.
Level 2: fair values are determined using measurement techniques for which all parameters that have a significant effect on the recorded fair value are supported by observable market transaction prices (directly or indirectly).
Level 3: fair values are determined using measurement techniques for which the parameters that have a significant effect on the recorded fair value are not supported by observable market transaction prices.

There were no financial assets and liabilities measured at fair value as at 31 December 2018 and 31 December 2017.

The carrying amounts of the following financial assets and liabilities approximate their fair values due to their short-term maturity:

- Trade receivables
- Cash and cash equivalents
- Suppliers and other liabilities

5.4. Significant accounting estimates and judgements made by management

Management's estimates and judgments are continually reviewed and are based on historical data and expectations of future events that are believed to be reasonable under current circumstances.

5.4.1. Significant accounting estimates and assumptions

The company makes estimates and assumptions, mainly related to the determination of the useful life of fixed assets, the need to reassess the fair value of real estate, the determination of the fair value of investment property, the determination of the recoverable amount of receivables, the recognition of contingent liabilities and the impairment testing of assets. Estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the next 12 months are as follows:

Fair value of owner-occupied property

Management reassessed the fair value of its owner-occupied properties as of December 31, 2015 and assessed that no revaluation was warranted until December 31, 2018.

Income tax

The company's tax returns have either been examined by the tax authorities, or have been audited in accordance with Article 82 par. 5 of Law 2238/1994 as amended and in force with article 65a of Law 4174/2013 and the company has received tax compliance reports from an Independent Certified Public Accountant with an "unqualified" conclusion.

Of the former subsidiaries, only the period from 01.01 to 30.06.2014 of PLIAS TRADE SA, which was merged by PAPOUTSANIS S.A. in accordance with the provisions of Law 2166/1993 with a transformation balance sheet on 30 June 2014, remains unaudited.

It is also noted that for the financial year 2018 the tax audit of the company by independent chartered accountants is in progress.

Management believes that there is no need to make a provision in its Financial Statements to cover any differences arising from tax audits.

On the basis of the business plan and the budgets for the following years, it is reasonably estimated that the company's accumulated tax losses, which can be offset against tax profits for the next two years, amount to approximately EUR 2,2 million. Consequently, the amount of tax due on these losses will not be paid and has been recognised as a tax receivable, which has offset corresponding tax liabilities.

Provisions for litigation or arbitration

Management makes corresponding provisions for pending litigation when it estimates that the outcome of the case will be against the Company.
Due to the uncertain nature of litigation, the ultimate outcome or final settlement costs of cases may differ significantly from initial estimates.

5.4.2. Management's judgements about the application of accounting policies , at each balance sheet date.

It is done for all current assets and in particular:
Estimation of recoverable value of receivables, for impairment to their recoverable amount.
Estimation of the recoverable value of inventories from use or sale, for impairment to their recoverable amount.

Information by sector

The Company has a single business sector, that of production (in Greece) and distribution of products to domestic and foreign markets.

The company's sales, for the closed and the previous financial year, at the level of geographical origin of customers are presented in the following table:

	2018		**2017**	
Domestic Sales	14.203.046	58,59%	12.686.378	61,06%
Foreign sales	10.037.663	41,41%	8.089.072	38,94%
Total sales	**24.240.709**	**100,00%**	**20.775.451**	**100,00%**

All of the Company's non-current assets are located in Greece.

The Company, for the year ended 31.12.2018, had two significant customers. The first represented sales of EUR 3.09 million (12.7% of total sales) and the second represented sales of EUR 2.96 million (12.1% of total sales). Each of the other customers represented less than 10% of the Company's sales.

6. Explanatory notes to the items in the Financial Statements

6.1. Tangible fixed assets

Buildings - Land

The Residual Replacement Cost method in combination with the Comparables or Property Market method has been used to determine the fair value of the properties to be valued. Under this method, the fair value of land and the replacement cost of the buildings was calculated separately, diluted by a selected factor representing their operational and technological depreciation. The sum of the two separate values (fair value of the land plus the depreciated replacement cost of the buildings) is the fair value of the property. The comparables or real estate market method was used to determine the fair value of the land.

Tangible fixed assets are broken down as follows:

	31.12.2018	31.12.2017
Proprietary fixed assets	24.155.050	24.560.882
Leased Fixed assets	2.660.549	795.090
	26.815.600	**25.355.972**

Analysis of Own Fixed Assets

	Grounds & Land	Buildings & Building Facilities	Machinery and Mechanical Installations	Other equipment	Fixed assets under execution	TOTAL
Acquisition or valuation value						
On 1 January 2017	**1.500.028**	**5.251.542**	**29.442.726**	**1.796.093**	**171.286**	**38.161.672**
Additions	-	3.990	818.067	30.863	599.832	1.452.752
Divestments	-	-	(68.694)	-	-	(68.694)
As at 31 December 2017	**1.500.028**	**5.255.532**	**30.192.099**	**1.826.956**	**771.118**	**39.545.730**
On 1 January 2018	**1.500.028**	**5.255.532**	**30.192.099**	**1.826.956**	**771.118**	**39.545.730**
Additions	-	42.856	269.427	82.489	250.612	645.384
Delete	-	-	-	-	-	-
Transfers from under way	-	-	803.417	-	-803.417	-
Transfer from leased	-	-	-	-	-	-
Divestments	-	-	-	-	-	-
As at 31 December 2018	**1.500.028**	**5.298.388**	**31.264.944**	**1.909.445,05**	**218.313**	**40.191.115**

	Grounds & Land	Buildings & Building Facilities	Machinery and Mechanical	Other equipment	Fixed assets under	TOTAL

			Installations		execution	
Accumulated depreciation						
On 1 January 2017	**-**	**98.588**	**12.107.479**	**1.681.764**	**-**	**13.887.831**
Depreciation and amortisation for the year	-	99.936	990.272	28.206	-	1.118.413
Amortisation of depreciation of assets sold	-	-	(21.394)	-	-	(21.394)
As at 31 December 2017	**-**	**198.524**	**13.076.357**	**1.709.970**	**-**	**14.984.851**
On 1 January 2018	**-**	**198.524**	**13.076.357**	**1.709.970**	**-**	**14.984.851**
Depreciation and amortisation for the year	-	100.521	917.596	33.099		1.051.216
Amortisation of depreciation of assets sold	-	-	-	-	-	-
Depreciation carried forward from leased assets	-	-	-	-	-	-
As at 31 December 2018	**-**	**299.045**	**13.993.953**	**1.743.070**	**-**	**16.036.067**
Depreciable Value						
As at 31 December 2017	1.500.028	5.057.009	17.115.743	116.986	771.118	24.560.882
As at 31 December 2018	**1.500.028**	**4.999.344**	**17.270.991**	**166.376**	**218.313**	**24.155.050**

α) To secure a bond loan, the outstanding balance of which as at 31.12.2018 amounts to €5,600,000, a mortgage of €7,200,000 has been registered on the owner-occupied properties.
In addition, a first mortgage lien of € 2.000.000 has been registered to secure working capital.
b) The analysis of the historical cost of owner-occupied land and buildings and changes in their fair value, according to the valuation made in a previous financial year, is disclosed in note 6.9.

Analysis of leased assets (held under finance leases)

Leased assets relate to machinery and computers and are broken down as follows:

Acquisition or valuation value	
On 1 January 2017	**707.797**
Transfer to own property	
Additions	158.180
As at 31 December 2017	**865.977**
On 1 January 2018	**865.977**
Additions	1.951.011
As at 31 December 2018	**2.816.989**

Accumulated depreciation	
On 1 January 2017	**37.562**
Depreciation and amortisation for the year	**33.324**
As at 31 December 2017	**70.887**
On 1 January 2018	**70.887**
Depreciation and amortisation for the year	**85.552**
As at 31 December 2018	**156.440**
Depreciable Value	
As at 31 December 2017	795.090
As at 31 December 2018	**2.660.549**

6.2. Investment in real estate

The investments in real estate relate to agricultural land with a one-storey house owned by the Company (in Evia), with a fair value of 235,000 euros. In the 2015 financial year there was a decrease in fair value of €5,000 recognised in the income statement (other expenses).

Change analysis

	Value of fixed assets (Historical costs)	Valuation Value 31.12.2015	Valuation difference previous uses	Valuation difference 31.12.2015
Investment in real estate	262.000	235.000	(22.000)	(5.000)

6.3. Intangible assets

Intangible assets relate to purchased computer software and new product development costs. They are analysed as follows:

	Computer software	**Development costs**	**Total**
Acquisition or valuation value			
On 1 January 2017	**1.864.510**	**231.797**	**2.096.307**
Additions	12.090	-	**12.090**
As at 31 December 2017	**1.876.600**	**231.797**	**2.108.397**
On 1 January 2018	**1.876.600**	**231.797**	**2.108.397**
Additions	139.243	10.000	**149.243**
As at 31 December 2018	**2.015.843**	**241.797**	**2.257.640**

Accumulated depreciation			
On 1 January 2017	**1.770.303**	**223.661**	**1.993.965**
Depreciation and amortisation for the year	36.914	1.253	**38.167**
As at 31 December 2017	**1.807.217**	**224.914**	**2.032.133**
On 1 January 2018	**1.807.217**	**224.914**	**2.032.133**
Depreciation and amortisation for the year	38.285	1.605	**39.890**
As at 31 December 2018	**1.845.502**	**226.519**	**2.072.022**
Depreciable Value			
As at 31 December 2017	69.383	6.883	76.264
As at 31 December 2018	**170.341**	**15.278**	**185.617**

6.4. Long-term receivables

They relate to long-term guarantees and other receivables and their movement during the years 2018 and 2017 was as follows:

	Guarantees	Other receivables	Total
Balance 01.01.2017	**24.809**	**104.543**	129.352
In-use repayments of guarantees	(4.259)		(4.259)
Granting of guarantees in use	2.777		2.777
Receivables from debtors (from sale of assets)		(67.976)	(67.976)
Balance 31.12.2017	**23.327**	**36.567**	**59.894**
Balance 01.01.2018	**23.327**	**36.567**	**59.894**
In-use repayments of guarantees	(4.122)		(4.122)
Granting of guarantees in use	2.063		2.063
Receivables from debtors (from sale of assets)		(36.567)	(36.567)
Balance 31.12.2018	**21.268**	**0,00**	**21.268**

6.5. Inventories

	31.12.2018	31.12.2017
Raw and auxiliary materials	2.084.884	1.874.140
Merchandise	99.118	47.039
Ready products	2.312.392	1.744.281
Devaluation projections	(70.000)	(149.927)
	4.426.394	**3.515.533**

6.6. Trade and other receivables

Effect of retrospective application of IFRS 9 on the assessment of impairment of trade receivables

In the current financial year 2018, the company applied IFRS 9 for the first time. Specifically, it applied the simplified method based on statistical loss data, taking into account the terms of the credit insurance of its trade receivables and determined the expected credit losses as at 31 December 2017 in the amount of EUR 1,321,432.87, compared to the amount of EUR 1,108,430.94 already recognised. The difference from the accumulated impairments recognised as at 31.12.2017 (amounting to EUR 159,751.45, after deduction of the deferred tax due), weighed on the retained earnings balance as at 1 January 2018.

Analysis and measurement of trade receivables as at 31.12.2018

	Balances of claims - Time overdue of balances				
	Current receivables				
31.12.2018	**Without delay**	**1-180 days**	**more than 180 days**	**Receivables beyond one year for which a provision for doubtful debts has been made**	**Total**
Trade receivables	3.139.181,36	637.370,30	186.976,79	1.239.380,96	5.202.909,41
Loss rate	0,7%	2,2%	15,5%	100,0%	
Estimated credit losses	(22.993,67)	(13.984,48)	(28.952,15)	(1.239.380,96)	**(1.305.311,26)**
Balance (net) of receivables from customers 31.12.2018	3.116.187,69	623.385,82	158.024,64	-	**3.897.598,15**
Change in estimated credit losses recognised in profit or loss before tax					**16.121,61**

The decrease in trade receivables, despite the growth of the company's business, is due to the increase in exports and the category of soap operas available with a shorter credit period and the assignment of receivables without risk transfer to risk-free receivables agency companies.

Other receivables (current item)

Analysis:

	31.12.2018	**31.12.2017**
Other deductions (Greek State)	17.174	27.954
Use VAT claim	714.718	243.383
Advances	29.404	40.008
Debtors	36.616	39.484
Other receivables	39.318	19.401
Less: Provisions for other doubtful receivables	(4.679)	(4.679)
Total other receivables	**832.550**	**365.552**

6.7. Cash and cash equivalents

Cash and cash equivalents represent cash and bank deposits.

	31.12.2018	31.12.2017
Checkout	70	1.756
Sight deposits in Euro	2.807.315	1.843.883
Sight deposits in foreign currency	133.190	73.078
	2.940.575	**1.918.717**

6.8. Share Capital and Treasury Shares

6.8.1. Analysis of share capital and share premium

		Equity capital	Treasury Shares	In favour of the even
Balance 01.01.2017		**15.747.184**	**-**	**31.953.519**
Change		-	(108.917)	-
Balance 31.12.2017		**15.747.184**	**(108.917)**	**31.953.519**
Balance 01.01.2018		**15.747.184**	**(108.917)**	**31.953.519**
Cancellation of Treasury Shares	(1)	(173.770)	108.917	-
Increase in share capital	(3)	17.331.703	-	(17.331.703)
Share capital increase expenses	(3)	-	-	(190.649)
Reduction of share capital by offsetting losses	(4)	(17.331.703)	-	-
Return of Share Capital	(5)	(251.184)	-	-
Balance 31.12.2018		**15.322.230**	**-**	**14.431.168**

On 6.6.2018, the decisions of 6.6.2018 of the General Secretariat of Commerce and Consumer Protection (Department of Supervision of Listed Companies) with numbers 60320, 60374 and 60376 were registered in the General Commercial Register (G.E.M.I.), approving the amendment of article 3 (share capital) of the Articles of Association, in accordance with the decision of the Extraordinary General Meeting of the company's shareholders of 3.5.2018. The amendment to Article 3 concerns the following changes, which have been reflected in their entirety in these financial statements:

1. Reduction of share capital by 173.770,19€ with the cancellation of 560.549 treasury shares.
2. Increase of the nominal value of the shares from €0.31 to €0.62 by combining the old shares (reverse split 2:1) and reduction of the total number of existing shares from 50,236,820 to 25,118,410

3. Increase of the share capital by 17.331.702,90€ with capitalization of part of the share capital by increasing the nominal value of the shares from 0,62€ to 1,31€.
4. Reduction of share capital for loss compensation by 17.331.702,90€ with a reduction of the nominal value of the shares from 1,31€ to 0,62€.
5. Reduction of share capital by 251.184,10€ with a reduction of the nominal value of the shares from 0,62€ to 0,61€ per share in order to return the capital in cash to the shareholders.

The Company's shares are listed on the main market of the Athens Stock Exchange.

Capital management policies and procedures

The company considers the total Equity as shown in the financial statements as Capital.

The Company's objectives in terms of capital management are to maintain positive Equity and to ensure that the capital requirements imposed by legislation are met.

6.8.2. Own shares

By the decision of the Extraordinary General Meeting of 15ης November 2016, the purchase of the Company's own shares was approved in accordance with article 16 of the Greek law. 2190/1920. In the 2017 financial year, 560,549 shares were purchased with a total acquisition value of €108,916.83, representing 1.104% of the share capital. No further treasury shares were acquired in fiscal 2018, and, by resolution of the Extraordinary General Meeting of May 3, 2018, all of the Treasury shares held by the company were cancelled. As at 31 December 2018 and to date, no treasury shares are held.

6.9. Fair value reserves

The fair value reserves are derived from the valuation of the properties by independent professional valuers carried out on 31.12.2015 and are analysed as follows:

Analysis of Changes in Fair Value in Use.

Fair value reserves	**31.12.2018**	**31.12.2017**
Balances at the beginning of the period	1.479.307	1.479.307
Balances at the end of the financial year	**1.479.307**	**1.479.307**

Fair value reserve analysis:

	DEPRECIATED VALUE OF FIXED ASSETS BEFORE VALUATION	EVALUATION VALUE	FAIR VALUE RESERVE BEFORE VALUATION	CHANGE IN FAIR VALUE	FAIR VALUE RESERVE AFTER VALUATION	DEFERRED TAX	BLESSING RESERVE
BUILDINGS	5.428.867	5.191.779	1.693.812	(237.087)	1.456.725	(422.450)	**1.034.275**
HOUSEHOLDS	2.492.676	1.500.028	1.619.454	(992.648)	626.806	(181.774)	**445.032**
TOTAL	**7.921.542**	**6.691.807**	**3.313.266**	**(1.229.735)**	**2.083.531**	**(604.224)**	**1.479.307**

6.10. Other reserves

Other reserves are broken down as follows:

	Regular reserve	Tax-free reserves	Other reserves	Total
Balance at 1 January 2017	46.127	150.155	20.918	217.200
Balance at 31 December 2017	46.127	150.155	20.918	217.200
Balance at 1 January 2018	46.127	150.155	20.918	217.200
Balance at 31 December 2018	46.127	150.155	20.918	217.200

(a) Regular reserve

The ordinary reserve is formed compulsorily, in accordance with the provisions of Law 4548/2018 (similarly with the previous provisions of Law 2190/20), to cover any losses of the company. The amount consists of 5% of the profit for the financial year, after deduction of income tax, up to 1/3 of the share capital.

(b) Tax-free reserves

Tax-free reserves are formed on the basis of development laws, from net profits. These amounts are tax-exempt, they are not subject to income tax because they are formed for the creation of fixed investments.

(c) Other reserves

These reserves are formed by withholding taxed profits, following a decision of the General Meeting. Their main purpose is to strengthen the liquidity of the company.

6.11. Loans

The fair value of the loans does not differ significantly from the carrying amount, as the loans are variable rate loans.

The loans are broken down as follows:

	31.12.2018	31.12.2017
Long term		
Bank loans	5.001.460	6.079.477
Liabilities arising from finance leases	1.155.694	358.072
Non-bank loans	262.816	262.816
Total	**6.419.970**	**6.700.365**
Short term		
Bank loans	1.593.214	1.558.557
Short-term portion of long-term bank loans	1.112.394	646.125
Liabilities arising from finance leases	442.041	155.532
Non-bank loans	-	-
Total	**3.147.650**	**2.360.214**
Total loans	**9.567.619**	**9.060.580**

The average cost of bank borrowings (interest and expenses on bank loans and leases / average monthly bank borrowings) was 4.8% in fiscal 2018 and 4.9% in fiscal 2017.

The bank loans are secured by mortgages and pledges as mentioned in note 6.1. The bond loan agreement that the Company has entered into with the cooperating banks contains covenants, the main ones of which are as follows:

- For major acquisitions and sales of equity and fixed asset investments, the consent of all cooperating banks is required.
- The consent of all banks is also required for lending to third parties.
- There should be no overdue debts outside the settlement period to credit institutions, insurance funds and the state.
- Achievement of financial indicators

Analysis of liabilities from finance leases

Lease liabilities are secured by leased property, plant and equipment which are transferred to the lessor in the event of the lessee's inability to repay its obligations.

Lease liabilities (capital)

	31.12.2018	31.12.2017
Up to one year	442.041	155.532
From 1 to 5 years	1.155.694	358.072
Total Liabilities	**1.597.735**	**513.605**

Leasing liabilities - Minimum lease payments

	31.12.2018	31.12.2017
Up to one year	530.873	169.492
From 1 to 5 years	1.250.245	368.295
	1.781.118	**537.787**
Future financial costs	-	-

Total Liabilities	**1.781.118**	**537.787**

6.12. Deferred tax

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities arise from the same taxation authority.
The offsetting of deferred assets and liabilities gives rise to deferred tax liabilities payable after recovery of the accumulated tax losses. Under current tax legislation, tax losses for each year are offset against taxable profits for the following five years in order to calculate the amount of income tax payable on the difference, after the offset. There are deferred tax assets due to the existence of accumulated tax losses arising in fiscal years 2014 and 2015, which can be offset against profits until fiscal years 2019 and 2020, respectively.

With the provisions of Article 23 of Law 4579/2018 (Government Gazette A' 201/03.12.2018), Article 58 of the Tax Code (Law 4172/2014) was replaced.
The new provisions gradually reduce the tax rate on business profits earned by legal persons and legal entities by one percentage point per year, starting with the reduction for the income of the 2019 tax year. Specifically, for the income of the 2018 tax year, the already applicable tax rate (29%) will be applied, while for the income of the 2019 tax year the tax rate is set at twenty-eight percent (28%), for income in tax year 2020 at twenty-seven percent (27%), for income in tax year 2021 at twenty-six percent (26%) and for income in tax year 2022 and subsequent years the rate is set at twenty-five percent (25%).
Consequently, the tax rates of article 58 of the Tax Code n.4172/2013 as in force after 3/12/2018 are staggered decreasing from 29% to 25% without any condition.
Regarding the rates at which deferred taxes will be calculated, we note that the paragraph of IAS 12 "Income Taxes" states that:
"*Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply in the period in which the asset or liability is settled, taking into account tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.*"

Accordingly, deferred taxes have been calculated using the new tax rates that will apply in the year in which the asset or liability is expected to be settled.
This revaluation of all tax liabilities based on the new tax rates resulted in a reduction of these liabilities by € 481,998.28, of which € 413,094 benefited income tax and € 68,904 directly benefited equity.

The total change in deferred income tax (liabilities) is as follows:

	31.12.2018	31.12.2017
Opening balance	(2.881.230)	(2.767.784)
Debit/(credit) to profit and loss account	43.018	(118.175)
Debit/(credit) directly to other comprehensive income	68.904	4.729
Balance at the end of the financial year	**(2.769.308)**	**(2.881.230)**

The balances and changes in deferred tax assets and liabilities during the financial year, excluding the offsetting of balances, are as follows:

Deferred tax assets:

	Valuation of inventories	government grants	Provision for workers' compensation	Tax losses	Investment in real estate	Multiannual depreciation expenses	Bad debts IFRS 9	Provisions	Transitional accounts	Total
Balance at 1 January 2017	55.824	285.604	159.547	892.601	7.830	8.950	-	(1.166)	-	1.409.190
Debit/(credit) to the profit and loss account	9.297	(21.041)	11.471	31.850	-	(5.972)	-	8.030	6626	40.259
Debit/(credit) to other comprehensive income	-	-	4.729	-	-	-	-	-	-	4.729
Balance at 31 December 2017	**65.121**	**264.563**	**175.747**	**924.451**	**7.830**	**2.978**	**-**	**6.864**	**6.626**	**1.454.178**
Balance 1 January 2018	**65.121**	**264.563**	**175.747**	**924.451**	**7.830**	**2.978**	**-**	**6.864**	**6.626**	**1.454.178**
Debit/(credit) to the profit and loss account	(23.901)	(51.862)	(11.870)	(321.451)	(1080)	(1.887)	(4.030)	38.673	(1.658)	(379.065)
Debit/(credit) to other comprehensive income	-	-	15.654	-	-	-	53.250	-	-	68.904
Balance at 31 December 2018	**41.220**	**212.701**	**179.531**	**603.000**	**6.750**	**1.091**	**49.220**	**45.537**	**4.968**	**1.144.017**

Deferred tax liabilities:

	Own-use properties	Tangible fixed assets	Tangible fixed assets (leased)	Transitional accounts	Total
Balance at 1 January 2017	**1.144.749**	**3.021.978**	**10.246**	**-**	**4.176.974**
Debit/(credit) to the profit and loss account	64.390	78.016	13.709	2.320	158.434
Balance at 31 December 2017	**1.209.139**	**3.099.994**	**23.955**	**2320**	**4.335.408**
Balance 1 January 2018	**1.209.139**	**3.099.994**	**23.955**	**2.320**	**4.335.408**
Debit/(credit) to the profit and loss account	(285.845)	(168.668)	34.750	(2.320)	(422.083)
Balance at 31 December 2018	**923.294**	**2.931.326**	**58.705**	**-**	**3.913.325**

Deferred tax	**2018**	**2017**
Balance of tax receivables	1.144.017	1.454.178
Balance of tax liabilities	(3.913.325)	(4.335.408)
Net balance	**(2.769.308)**	**(2.881.230)**

6.13. Provisions for employee benefits

The plan in force is the contractual obligation to provide benefits in the form of a lump sum in the event of retirement, depending on the length of service, based on the current legislation (Law 2112/20, as amended and in force until Law 4093/The company's obligation to the persons it employs, for the future payment of benefits, is measured and reflected on the basis of the accrued right expected to be paid by each employee at the balance sheet date, discounted to its present value, in relation to the expected time of payment. The above liability has been calculated by certified actuaries at the end of the financial year as follows:

Balance sheet as at 31 December	**2018**	**2017**
Present value of unfunded liabilities	712.120	606.021
Unrecognised actuarial gains / (losses)	-	-
Net liability recognised in the balance sheet	**712.120**	**606.021**

Statement of results	**2018**	**2017**
Current employment costs	34.905	33.823
Interest on the obligation	9.090	8.505
Recognition of past service cost due to modifications	-	-
Normal expenditure in the profit and loss account	**43.995**	**42.328**
Cost of curtailments/settlements/termination of service	24.542	24.976
Total expense in the profit and loss account	**68.537**	**67.304**

Changes in the net liability recognised in the balance sheet	**2018**	**2017**
Net liability at the beginning of the year	606.021	550.162
Total expenditure recognised in the profit and loss account	68.537	67.304
Actuarial (gains)/losses	62.614	16.306
Benefits paid by the employer	(25.052)	(27.751)
Net liability at the end of the year	**712.120**	**606.021**

Balance sheet	**31.12.2018**	**31.12.2017**
Present value of the liability at the beginning of the period	606.021	550.162
Current employment costs	34.905	33.823
Interest cost	9.090	8.505
Costs of Curtailment / Settlement / Termination of Employment Effect	24.542	24.976
Less compensation paid	(25.052)	(27.751)
Actuarial loss / (gain)	62.614	16.306
Present value of the liability at the end of the period	**712.120**	**606.021**

The main actuarial assumptions used are as follows:

	31.12.2018	31.12.2017
1. Increase in annual salary taken into account for the compensation of Law 2112/20	2,00%	2,00%
2. Discount rate	1,59%	1,50%
3. Average annual long-term inflation growth rate	1,50%	1,50%
4. Amount of compensation	Application of the legislative provisions of Law 2112/20 Law 3198/55 and 4093/2012, for the provision of a lump sum based on a percentage of the applicable scale.	
5. Actuarial valuation method	The Projected Unit Credit Method was used.	

6.14. Provisions

	31.12.2018	31.12.2017
Long-term provisions	175.142	10.000
Short-term provisions	-	-
	175.142	10.000

They relate to provisions for possible losses from litigation, labour and other disputes that will be finalised in subsequent financial years.

6.15. Asset grants

These grants are recognised as income along with the depreciation of the assets - mainly machinery - that were subsidised.

Government grants recognised in liabilities as deferred income relate to:

(a) Investments made during the period from 1999 to 2006 and subsidised under Law 2601/1998.

(b) Grant for an investment programme under Law 3299/2004, concerning investments made during the period from 2008 to 2012.

By the decision of the Deputy Minister of Development & Tourism of the Ministry of Development & Tourism of the Republic of Greece, No 77887/24.12.2014 Competitiveness, the final disbursement of the grant amount of the investment programme of Law 3299/2004, concerning investments made during the period from 2008 to 2012, was approved. The final disbursement took place on 3η September 2015.

(c) With the decision of the Development Management Authority of Central Greece and Thessaly with protocol number 962/31.03.2016, the final disbursement of the grant of the investment programme "EXTRACTION - COMPETITIVENESS OF BUSINESSES II" was approved, concerning investments made during the period from 2013 to 2014. The grant amounted to 48.970 € and was received in the financial year 2016.

(d) With the decision of the Development Management Authority of Central Greece and Thessaly with protocol number 3355/22.11.2016, the final disbursement of the grant of the investment programme "ENICHYSI M.M.E. OPERATING IN THE MANUFACTURING-TOURISM-COMMERCE & MANUFACTURING-TOURISM-COMMERCIAL SECTORS SERVICES' concerning investments carried out in the period from 2013 to 2015. The grant amounted to €37,438.80 and was received in the 2017 financial year.

The movement within fiscal years 2018 and 2017 of the grants account to be recognized as revenue in future years was as follows:

Balance at 1 January 2017	**1.840.960**
Receipt of a grant	37.439
Revenue recognised in the year	(131.415)
Balance at 31 December 2017	**1.746.984**
Balance 1 January 2018	**1.746.984**
Receipt of a grant	-
Revenue recognised in the year	(128.111)
Balance 31.12.2018	**1.618.873**

6.16. Suppliers and other liabilities

Trade and other payables are analysed as follows:

	31.12.2018	**31.12.2017**
Suppliers (open balances)	5.300.899	3.006.502
Suppliers (Cheques payable)	181.052	239.486
Total Suppliers	5.481.951	3.245.988
Various creditors	160.228	141.621
Tax-tax liabilities	130.290	190.897
Insurance funds	173.211	165.708
Customer credit balances	117.417	79.695
Transitional liability accounts	82.986	75.163
Total Other liabilities	**664.132**	**653.083**

Total suppliers and other liabilities	**6.146.083**	**3.899.071**

The increase in suppliers is due to an increase in the company's activity and renegotiation of payment terms with key suppliers of materials.

6.17. Sales

The turnover (sales) is analysed as follows:

	1.1 - 31.12.2018	**1.1 - 31.12.2017**
Sales of goods	344.405	294.280
Product sales	23.760.523	20.211.747
Sales of other inventories	119.782	113.424
Service provision	16.000	156.000
Total	**24.240.709**	**20.775.451**

6.18. Cost of sales

The cost of sales is broken down as follows:

	1.1 - 31.12.2018	**1.1 - 31.12.2017**
Cost of goods	197.852	179.977
Cost of products	17.334.279	14.765.166
Total	**17.532.131**	**14.945.143**

6.19. Other Operating Income

Other revenues for the fiscal year 2018 and 2017 are detailed below:

	2018	**2017**
Costs to be recovered	225.902	187.130
Exchange rate differences - income	45.726	-
Revenue from Previous Uses	-	804
Gains on sale of assets	-	899
Revenue from the amortisation of subsidies	128.111	131.415
Proceeds from reduction of provision for impairment losses Customer provision for impairment losses IFRS 9	16.122	-
Other	20.731	32.507
	436.591	**352.755**

6.20. Expenses per item

The expenses for the years ended December 31, 2018 and 2017, which are allocated in the statement of comprehensive income to cost of sales, selling, general and administrative expenses and research and development expenses, are broken down by type as follows:

	2018	2017
Purchases and changes in inventories	12.795.275	10.876.925
Staff remuneration & expenses	4.255.989	3.631.869
Third party fees & expenses	1.232.259	904.571
Third party benefits	1.297.762	1.227.761
Taxes - fees	171.254	172.727
Miscellaneous expenses	1.654.942	1.529.265
Depreciation	1.176.658	1.189.906
Operating provisions	68.537	67.304
TOTAL	**22.652.676**	**19.600.328**

6.21. Other Operating Expenses

Other Operating expenses for the years ended December 31, 2018 and 2017 are detailed below:

	2018	2017
Exchange rate differences Expenses	-	66.707
Fines - taxes - fees	5.867	23.225
Interest on late payments	500	16
Expenses of previous years	18.655	28.683
Losses on sale of assets	-	3.300
Provision for doubtful debts	-	49.667
Provision for litigation and future liabilities	150.000	-
Staff indemnities	-	111.055
Losses from destruction of inventories	158.300	130.384
Other extraordinary expenses	788	1.334
	334.110	**414.371**

6.22. Financial costs - net

The net financial costs for fiscal years 2018 and 2017 include:

	1.1 - 31.12.2018	1.1 - 31.12.2017
Interest income	(176)	24
Interest and charges on bank loans	398.219	384.338
Interest and leasing costs	93.090	36.937
Cost of assignment of receivables (*)	86.564	74.325
Banking & other expenses	50.534	79.316
Net financial expenses	**628.232**	**574.940**

(*) Refers to charges for the assignment of customer receivables (without risk transfer) to trade receivables agencies.

The average cost of bank borrowings (interest and expenses on bank loans and leases / average monthly bank borrowings) was 4.8% in fiscal 2018 and 4.9% in fiscal 2017.

6.23. Income taxes

	31.12.2018	31.12.2017
Profit / (loss) before tax	**1.062.282**	**538.567**
Applicable Tax Rate	29%	29%
Tax based on the applicable tax rates	308.062	156.184
Actual tax (tax base)	105.548	72.979
Tax reduction due to offsetting of tax losses of previous years	(105.548)	(72.979)
Tax payable (current)	-	-
Adjustment (reduction) of deferred taxes due to change of tax rates for the following years.	(413.094)	-
Tax on deferred income tax	370.076	118.175
Income tax	**(43.018)**	**118.175**

6.24. Earnings per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

	01.01-31.12.2018	01.01-31.12.2017
Earnings	1.105.300	420.392
Weighted average number of shares	35.817.976	50.236.820
Basic earnings per share	0,0309	0,0084

6.25. Remuneration and expenses to employees

The number of employees and their costs charged to the results in fiscal 2018 and 2017 were:

	2018	2017
Average number of people	120	111
Persons on 31 December	129	108
Regular Remuneration	4.136.895	3.527.668
Fringe benefits & staff costs	119.094	104.202
Total cost	**4.255.989**	**3.631.869**

6.26. Depreciation

The depreciation of property, plant and equipment and intangible assets in 2018 and 2017, which are discussed in notes 6.1 and 6.3, as well as the depreciation of grants discussed in note 6.16, are summarized as follows:

	2018	2017
Depreciation of fixed assets	1.176.658	1.189.906
Amortisation of grants	(128.111)	(131.415)

6.27. Contingent liabilities

For contingent liabilities from tax audits of unaudited financial years, please refer to note 5.4.1.

Pending court cases:

- The Company has brought an action against the decision of the Head of the EOF, No. 56960/2009, by which a tax of EUR 695.743,53 was imposed, before the Athens Administrative Court of First Instance on 27.10.2009 under the general number 41240/2009. The appeal with case no. 41240/2009 before the Athens Administrative Court of First Instance was heard on 29.09.2016 (adjourned from 09.06.2016), and the decision of the 19ου Chamber No. 5492/2017 was issued, by which the case was referred to the Athens Administrative Court of Appeal. The hearing date was set for 07.06.18, before the 6ου division, when the case was heard, and no decision has yet been issued. It is presumed that the outcome of the appeal will be positive (at least with regard to the part of the amounts imposed). Against the above decision, the Application for Suspension for the suspension of the execution of the tax imposed was filed on 27.10.2009 and the decision of the Athens Administrative Court of First Instance No. 1145/2010 was issued, by which the execution - payment of 2/3 of the above imposed amount, i.e. the amount of 463,823.02 euros, was suspended until the decision on the Appeal is issued. The original amount of the tax was confirmed in cash by means of cash confirmation No 9133/2009 issued by the Tax Office of Chalkida. The company brought an appeal against the above cash statement before the Athens Administrative Court of First Instance on 29.10.2009, with the general number 1477/2009, which was referred to the Chalkida Administrative Court of First Instance. Against the above cash statement, the company also filed a Suspension Application of 27.10.2009 for the suspension of the execution of the cash statement and the provisional order of 04.11.2009 for the suspension of the execution of 95% of the fine (i.e. the amount of €695,734.53) was issued until the decision on the Suspension. Subsequently, on the aforementioned Suspension Application, the decision of the Administrative Court of First Instance of Chalkida, No. 44/2011, was finally issued, by virtue of which the enforceability of the cash confirmation of the

Tax Office of Chalkida against the Company was suspended by 70% and until the discussion of the Appeal. The hearing of the Opposition was scheduled for 22.02.2012 and was postponed (due to the absence of lawyers on 22.02.2012) to 21.03.2012 and then to 20.06.2012, when the decision 453/2012 of the Administrative Court of First Instance of Chalkida was discussed and issued, which accepted the Opposition and annulled the cash confirmation no. 9133/2009. The Greek State (DOU Chalkida) lodged an appeal against the decision of the Single Administrative Court of First Instance of Chalkida No. 453/2012 before the Administrative Court of Appeal of Piraeus (ABEM 32/14), which was heard on 07.06.2017 (adjourned from 02.12.2015, 09.03.2016 and 01.03.2017) and the decision 3379/2017 was issued, rejecting the appeal of the Greek State (DOU Chalkida). State. In this decision, the Hellenic State did not proceed to file an appeal. The assessment of the Company's management, which is based on the assessment of the lawyers handling the case, is that no additional burden will arise from this case.

- Lawsuits have been brought by former employees of the company, who are seeking recognition of the invalidity of the termination of their employment contract and claiming wages and moral damages totalling EUR 290 thousand. The court recognised the invalidity of the termination of their employment contract by declaring the judgment provisionally enforceable and ordering the company to pay the sum of €118 000. The company has appealed against the abovementioned judgments. The Company's management's assessment, which is based on the assessment of the lawyer handling these cases, is that the outcome of these cases will be positive. The Company has already charged, for the above cases, an amount of €129 thousand to its net position from previous years and has made a supplementary provision in fiscal 2018 of €150 thousand, which we believe is sufficient to cover the possible final charge for these cases.
- There are disputes of the Company against third parties. Any benefit arising will be recognised in the results of the Company when realised.

There are no other disputes in dispute or under arbitration.

Apart from the above, there are no other contingent liabilities.

6.28. Transactions with related parties

α) Intercompany transactions

There were no inter-company commercial transactions in both the 2018 and the previous financial year.

b) Intercompany balances
They do not exist.

c) Transactions with key management and members of the Management.

	1.1-31.12.2018	1.1-31.12.2017
Remuneration of executive members of the Board of Directors and managers (based on a special employment relationship)	696.588	930.588
Fees of a law firm controlled by a related party of an executive member of the Board of Directors.	47.500	30.000
Remuneration of non-executive members of the Board of Directors	38.400	40.987
	782.488	**1.001.574**

(d) Claims and liabilities with directors and members of management.

	1.1-31.12.2018	1.1-31.12.2017
Receivables from directors and officers on current accounts	-	-
Receivables from directors and management from advance payments of payroll fees.	-	-
Liabilities to directors and management (from assigned accounts)	1.519	1.062
Liabilities to directors and members of the management (from remuneration)	7.300	10.393

e) Transactions with shareholders

The shareholder Tanaca Holdings Ltd, granted a loan to the Company in 2010 for an amount of €1,228,000, the majority of which was repaid in 2010. In 2013 an amount of €265,184 was repaid. The balance of the loan amounting to €262,816 was settled on a long-term basis.

Related party transactions are entered into on terms equivalent to those prevailing in purely commercial transactions.

6.29. Events after the Balance Sheet date

No significant events have occurred since the end of the financial year and up to the approval of the financial statements that would require special disclosure under the applicable accounting framework.

E. DATA AND INFORMATION FOR USE 201 8

PAPOUTSANIS

ΠΑΠΟΥΤΣΑΝΗΣ Α.Β.Ε.Ε.

ΑΝΩΝΥΜΗ ΒΙΟΜΗΧΑΝΙΚΗ & ΕΜΠΟΡΙΚΗ ΕΤΑΙΡΕΙΑ ΚΑΤΑΝΑΛΩΤΙΚΩΝ ΑΓΑΘΩΝ
ΑΡ. Γ.Ε.ΜΗ. 121914222000
ΕΔΡΑ: 71ο χλμ. ΑΘΗΝΩΝ - ΛΑΜΙΑΣ, ΒΑΘΥ ΑΥΛΙΔΟΣ, ΧΑΛΚΙΔΑ
ΣΤΟΙΧΕΙΑ & ΠΛΗΡΟΦΟΡΙΕΣ ΤΗΣ ΠΕΡΙΟΔΟΥ από 1η ΙΑΝΟΥΑΡΙΟΥ έως 31η ΔΕΚΕΜΒΡΙΟΥ 2018
(Σύμφωνα με την απόφαση 4/507/28.4.2009 του Διοικητικού Συμβουλίου της επιτροπής κεφαλαιαγοράς)
ΠΟΣΑ ΕΚΦΡΑΣΜΕΝΑ ΣΕ ΕΥΡΩ

Τα παρακάτω στοιχεία και πληροφορίες, που προκύπτουν από τις χρηματοοικονομικές καταστάσεις στοχεύουν σε μια γενική ενημέρωση για την οικονομική κατάσταση και τα αποτελέσματα της ΠΑΠΟΥΤΣΑΝΗΣ ΑΒΕΕ. Συνιστούμε, επομένως στον αναγνώστη, πριν προβεί σε οποιαδήποτε είδους επενδυτική επιλογή ή άλλη συναλλαγή με την Εταιρεία, να ανατρέξει στη διεύθυνση του διαδικτύου της εταιρείας: www.papoutsanis.gr, όπου αναρτώνται οι χρηματοοικονομικές καταστάσεις καθώς και η Έκθεση ελέγχου του νόμιμου ορκωτού ελεγκτή λογιστή.

ΣΤΟΙΧΕΙΑ ΕΠΙΧΕΙΡΗΣΗΣ

Αρμόδια Υπηρεσία - Νομαρχία:	Υπουργείο Ανάπτυξης Γενική Γραμματεία Εμπορίου. Διεύθυνση Ανωνύμων Εταιρειών και Πίστεως.
Διεύθυνση Διαδικτύου:	www.papoutsanis.gr
Σύνθεση Διοικητικού Συμβουλίου:	• Πρόεδρος - εκτελεστικό μέλος: Γεώργιος Γκάτζαρος • Αντιπρόεδρος εκτελεστικό μέλος: Μενέλαος Τασόπουλος • Διευθύνων Σύμβουλος εκτελεστικό μέλος: Μιχαήλ Παναγής • Μέλος - εκτελεστικό μέλος : Μαίρη Ισκαλατιάν • Μέλος - μη εκτελεστικό μέλος : Γεώργιος Μηνούδης • Μέλος ανεξάρτητο - μη εκτελεστικό μέλος : Χρήστος Γεωργαλής • Μέλος ανεξάρτητο - μη εκτελεστικό μέλος : Δημήτριος Παπουτσάνης
Ημερομηνία έγκρισης Χρηματοοικονομικών Καταστάσεων:	13 Μαρτίου 2019
Νόμιμος Ελεγκτής:	Αναστασία Ζήρου, Αρ.Μ. ΣΟΕΛ 15841
Ελεγκτική Εταιρεία:	Συνεργαζόμενοι Ορκωτοί Λογιστές Α.Ε. Μέλος Δικτύου Crowe Global
Τύπος Έκθεσης Ελέγχου:	Με σύμφωνη γνώμη

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΟΙΚΟΝΟΜΙΚΗΣ ΘΕΣΗΣ

ΕΝΕΡΓΗΤΙΚΟ	**31.12.2018**	**31.12.2017**
Ιδιοχρησιμοποιούμενα ενσώματα πάγια στοιχεία	26.815.600	25.355.972
Επενδύσεις σε ακίνητα	235.000	235.000
Άυλα περιουσιακά στοιχεία	185.617	76.264
Λοιπά μή κυκλοφορούντα περιουσιακά στοιχεία	21.268	59.894
Αποθέματα	4.426.394	3.515.533
Απαιτήσεις από πελάτες	3.790.903	4.539.873
Επιταγές εισπρακτέες μεταχρονολογημένες	106.695	45.783
Λοιπά κυκλοφορούντα περιουσιακά στοιχεία	3.773.125	2.284.269
ΣΥΝΟΛΟ ΕΝΕΡΓΗΤΙΚΟΥ	**39.354.602**	**36.112.587**
ΠΑΘΗΤΙΚΟ		
Μετοχικό Κεφάλαιο	15.322.230	15.747.184
Λοιπά στοιχεία Ιδίων κεφαλαίων	3.043.226	2.161.516
Σύνολο Ιδίων κεφαλαίων (α)	**18.365.456**	**17.908.701**
Μακροπρόθεσμες δανειακές υποχρεώσεις	6.419.970	6.700.365
Προβλέψεις / λοιπές μακροπρόθεσμες υποχρεώσεις	5.275.444	5.244.235
Βραχυπρόθεσμες δανειακές υποχρεώσεις	3.147.650	2.360.214
Λοιπές βραχυπρόθεσμες υποχρεώσεις	6.146.083	3.899.071
Σύνολο υποχρεώσεων (β)	**20.989.146**	**18.203.886**
ΣΥΝΟΛΟ ΙΔΙΩΝ ΚΕΦΑΛΑΙΩΝ & ΥΠΟΧΡΕΩΣΕΩΝ (α) + (β)	**39.354.602**	**36.112.587**

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΜΕΤΑΒΟΛΩΝ ΚΑΘΑΡΗΣ ΘΕΣΗΣ

	01.01-31.12.2018	**01.01-31.12.2017**
Σύνολο Ιδίων κεφαλαίων έναρξης περιόδου (01.01.2018 και 01.01.2017 αντίστοιχα)	**17.908.701**	**17.608.803**
Μεταβολές λογιστικών πολιτικών	(159.751)	-
Συγκεντρωτικά συνολικά έσοδα μετά από φόρους	1.123.193	408.815
Αύξηση/(μείωση) μετοχικού κεφαλαίου	(506.686)	-
Αγορά ιδίων μετοχών	-	(108.917)
Σύνολο Ιδίων κεφαλαίων λήξης περιόδου (31.12.2018 και 31.12.2017 αντίστοιχα)	**18.365.456**	**17.908.701**

ΠΡΟΣΘΕΤΑ ΣΤΟΙΧΕΙΑ ΚΑΙ ΠΛΗΡΟΦΟΡΙΕΣ

1. Οι μετοχές της εταιρείας διαπραγματεύονται στο ΧΑ στη κύρια αγορά.
2. Οι βασικές λογιστικές αρχές που ακολουθήθηκαν είναι όμοιες με αυτές της 31/12/2017
3. Στη σημείωση 5.4.1 των χρηματοοικονομικών καταστάσεων γίνεται αναφορά για τις ανέλεγκτες φορολογικά χρήσεις.
4. Για τις επίδικες ή υπό διαιτησία διαφορές που είναι ενδεχόμενο να έχουν σημαντική επίπτωση στην χρηματοοικονομική κατάσταση ή λειτουργία της εταιρείας γίνεται αναφορά στις σημειώσεις 5.4.1 και 6.27 των χρηματοοικονομικών καταστάσεων.
5. Ο αριθμός του απασχολούμενου προσωπικού την 31/12/2018 ήταν 129 άτομα ενώ την 31/12/2017 ήταν 108 άτομα.
6. Γνωστοποιήσεις συνδεδεμένων μερών σύμφωνα με το ΔΛΠ 24 (σημείωση 6.28 των χρηματοοικονομικών καταστάσεων)

	31.12.2018
α) Έσοδα	-
β) Έξοδα	-
γ) Συναλλαγές και αμοιβές διευθ. Στελεχών, μελών της διοίκησης και συνδεδεμένων με αυτά μερών	782.488
δ) Απαιτήσεις από τα διευθυντικά στελέχη και μέλη της διοίκησης	-
ε) Υποχρεώσεις προς τα διευθυντικά στελέχη και μέλη της διοίκησης	8.819

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΣΥΝΟΛΙΚΩΝ ΕΣΟΔΩΝ 1 ΙΑΝΟΥΑΡΙΟΥ - 31 ΔΕΚΕΜΒΡΙΟΥ 2018

	01.01-31.12.2018	**01.01-31.12.2017**
Πωλήσεις	24.240.709	20.775.451
Μικτό κέρδος	**6.708.578**	**5.830.308**
Κέρδη προ φόρων, χρηματοδοτικών και επενδυτικών αποτελεσμάτων	1.562.403	982.091
Κέρδη προ φόρων	**1.062.282**	**538.567**
Κέρδη μετά από φόρους (Α)	1.105.300	420.392
Λοιπά συνολικά εισοδήματα μετά από φόρους (Β)	17.893	(11.577)
Συγκεντρωτικά συνολικά εισοδήματα μετά από φόρους (Α+Β)	**1.123.193**	**408.815**
Κέρδη μετά από φόρους ανά μετοχή	**0,0309**	**0,0084**
Κέρδη προ φόρων, χρηματοδοτικών, επενδυτικών αποτελεσμάτων και συνολικών αποσβέσεων	2.739.061	2.171.997

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΑΠΟΤΕΛΕΣΜΑΤΩΝ Β' ΕΞΑΜΗΝΟΥ (1 ΙΟΥΛΙΟΥ - 31 ΔΕΚΕΜΒΡΙΟΥ 2018)

	01.07 - 31.12.2018	**01.07 - 31.12.2017**
Πωλήσεις	12.259.285	10.771.320
Μικτό κέρδος	**3.366.809**	**3.012.196**
Κέρδη προ φόρων, χρηματοδοτικών και επενδυτικών αποτελεσμάτων	815.229	539.228
Κέρδη προ φόρων	**541.226**	**285.028**
Κέρδη μετά από φόρους (Α)	723.007	299.220
Λοιπά συνολικά έσοδα μετά από φόρους (Β)	(46.961)	(11.577)
Συγκεντρωτικά συνολικά έσοδα μετά από φόρους (Α+Β)	**676.046**	**287.643**
Κέρδη μετά από φόρους ανά μετοχή	0,0202	0,0059
Κέρδη προ φόρων, χρηματοδοτικών, επενδυτικών αποτελεσμάτων και συνολικών αποσβέσεων	1.416.161	1.137.819

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΤΑΜΕΙΑΚΩΝ ΡΟΩΝ (Έμμεση Μέθοδος)

	01.01-31.12.2018	**01.01-31.12.2017**
Λειτουργικές δραστηριότητες		
Κέρδη προ φόρων	1.062.282	538.567
Πλέον / (μείον) προσαρμογές για:		
Αποσβέσεις	1.176.658	1.189.906
Προβλέψεις	208.627	256.836
Αποσβέσεις επιχορηγήσεων	(128.111)	(131.415)
Χρηματοοικονομικό κόστος - (καθαρό)	628.232	574.940
	2.947.689	2.428.833
Πλέον/ μείον προσαρμογές για μεταβολές λογαριασμών κεφαλαίου κίνησης ή που σχετίζονται με τις λειτουργικές δραστηριότητες:		
Μείωση / (αύξηση) αποθεμάτων	(910.861)	(116.536)
Μείωση / (αύξηση) απαιτήσεων	8.057	354.863
(Μείωση) / αύξηση υποχρεώσεων (πλην τραπεζών)	2.246.846	320.306
Μείον:		
Χρεωστικοί τόκοι και συναφή έξοδα καταβλημένα	(648.239)	(546.277)
Σύνολο εισροών / (εκροών) από λειτουργικές δραστηριότητες (α)	**3.643.492**	**2.441.188**
Επενδυτικές δραστηριότητες		
Αγορά ενσώματων και άϋλων παγίων στοιχείων	(2.767.779)	(1.667.302)
Αγορά Ιδίων Μετοχών	-	(108.917)
Εισπράξεις από πωλήσεις ενσώματων και άυλων παγίων	60.765	161.038
Σύνολο εισροών / (εκροών) από επενδυτικές δραστηριότητες (β)	**(2.707.014)**	**(1.615.180)**
Χρηματοδοτικές δραστηριότητες		
Επιστροφή Μετοχικού κεφαλαίου	(251.018)	-
Έξοδα μεταβολών μετοχικού κεφαλαίου	(190.649)	-
Εισπράξεις από εκδοθέντα / αναληφθέντα δάνεια	1.286.794	5.580.416
Είσπραξη επιχορήγησης	-	37.439
Εισπράξεις από εκδοθέντα / αναληφθέντα δάνεια (leasing)	1.822.306	158.180
Εξοφλήσεις δανείων	(1.843.878)	(5.291.186)
Εξοφλήσεις υποχρεώσεων από χρηματοδοτικές μισθώσεις (χρεολύσια)	(738.175)	(169.960)
Σύνολο εισροών/(εκροών) από χρηματοδοτικές δραστηριότητες(γ)	**85.380**	**314.889**
Καθαρή αύξηση / (μείωση) στα ταμειακά διαθέσιμα και ισοδύναμα περιόδου (α)+(β)+(γ)	**1.021.858**	**1.140.896**
Ταμειακά διαθέσιμα και ισοδύναμα στην έναρξη της χρήσης	1.918.717	777.821
Ταμειακά διαθέσιμα και ισοδύναμα στη λήξη της χρήσης	**2.940.575**	**1.918.717**

ΧΑΛΚΙΔΑ, 13 Μαρτίου 2019

Ο ΠΡΟΕΔΡΟΣ ΤΟΥ Δ.Σ.	Ο ΔΙΕΥΘΥΝΩΝ ΣΥΜΒΟΥΛΟΣ	Η ΟΙΚΟΝΟΜΙΚΗ ΔΙΕΥΘΥΝΤΡΙΑ & ΜΕΛΟΣ Δ.Σ.	Ο ΠΡΟΪΣΤΑΜΕΝΟΣ ΛΟΓΙΣΤΗΡΙΟΥ
ΓΕΩΡΓΙΟΣ Σ. ΓΚΑΤΖΑΡΟΣ Α.Δ.Τ ΑΝ 649624	**ΜΙΧΑΗΛ Ν. ΠΑΝΑΓΗΣ** Α.Δ.Τ. ΑΗ 064586	**ΜΑΙΡΗ Σ. ΙΣΚΑΛΑΤΙΑΝ** Α.Δ.Τ. ΑΙ 132693	**ΑΛΕΞΑΝΔΡΟΣ Β. ΓΕΩΡΓΙΑΔΗΣ** Α.Δ.Τ. ΑΜ 992916- ΑΡ.ΑΔΕΙΑΣ Ο.Ε.Ε. 50454 Α' ΤΑΞΗΣ

Vathi Avlida, 13 March 2019

The Chairman of the Board of Directors. The Chief Executive Officer

Georgios Gatzaros **Michael Panagis**

The Chief Financial Officer & Board Member Head of Accounting

Mary IskalatianAlexander **Georgiades**