PAPERPACK CARTON PACKAGING INDUSTRY

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

General Commercial Registry Number: 004465901000

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR 01/01/2018 UNTIL 31/12/2018

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

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STATEMENT BY MEMBERS OF THE BOARD

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

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

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

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

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

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

(a) The accompanying annual financial statements of PAPERPACK SA for the period from January 1 to December 31, 2018, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, fairly represent the assets and liabilities, equity, cash flows and results for the period ended 31 December 2018 of PAPERPACK SA in accordance with the provisions of paragraphs 3 to 5 of of article 4 of Law 3556/2007, and

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

Kifissia, 29th of March 2019

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of PAPERPACK SA, which comprise the statement of financial position as at December 31, 2018, the company's statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company PAPERPACK SA as at 31st of December 2018, its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been has been transposed into Greek Law, and the ethical requirements that are relevant to the audit of the financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the current legislation and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition Sales of the Company's goods and products as well as service revenues for the year ended December 31, 2018 amounted to € 16,620,824 and are analyzed in note 17 of the accompanying financial statements. The company's revenue comes from sales of packaging paper, merchandise sales and service. We focused on this area as International Standards on Auditing (ISAs) assume that there is a risk of fraud in revenue recognition. To this end, they focus on examining the existence of transactions and the recording of revenue for their use. Management's disclosures regarding accounting policies and other information related to the recognition of revenue are included in Note 3.17 of the accompanying financial statements.	We have examined the broad controlling environment of the company and the specific safeguards that are related to the monitoring of revenue generation, from the ordering and the execution of the production of the ordered products to the invoicing and the subsequent collection. We assessed whether the policy and methodology applied by Management are appropriate and consistent with IFRS 15. We have conducted detailed revenue review procedures and substantive audit procedures on a sample of transactions in order to obtain reasonable assurance about the recognition and accounting of revenue.
Recoverability of trade receivables At 31 December 2018, the Company's trade receivables, as detailed in Note 8.2.2 of the attached financial statements, amounted to € 4,455,176 (€ 4,315,744 at 31.12.2017), while the related accumulated impairment amounted to € 147,439 € 117,332 at 31.12.2017). The Company's trade receivables mainly include receivables from domestic customers. The demanding operating environment during the year has increased the risk of overheating by these company customers. In particular, in the case of the insolvency of these customers, the Company is exposed to increased credit risk when customers are unable to meet their contractual obligations. Management assesses the amount of the impairment of its trade receivables, evaluating the recoverability of the trade receivables by reviewing the maturity of the customer balances, their credit history and settlement of subsequent payments according to the settlement. Given the significance of the issue and the level of judgment and estimates required, we consider this to be one of the most	Our audit procedures for the recoverability of trade receivables included, among others: -The understanding and examination of the Company's credit control procedures as well as the examination of key cash flows for customers. -The assessment of the assumptions and methodology used by the Company to estimate the recoverable amount under IFRS 9 - The evaluation, with the support of our experts, of the appropriateness and reasonableness of the significant estimates and models used to estimate the recoverable amount. -The examination of lawyers' letters of reply on issues they dealt with over the course of the year to identify any issues suggesting balances from commercial claims that are not recoverable in the future. -The examination of the maturity of the balances of trade receivables at the end of the year and the identification of any debtors in financial difficulty. Talk to the Administration and examine the recent

Key audit matter	How our audit addressed the Key audit matter
important issues of our audit. Management's disclosures regarding accounting policy and other information related to the impairment test are contained in notes 2.6.1, 2.7 and 3.7 of the accompanying financial statements.	correspondence of the Company with its customers. Assessment of publicly available data and information. -Reduce the impairment of trade receivables by taking into account specific parameters for borrowers, such as outstanding balances, large debtors and high risk borrowers. -We also assessed the adequacy and appropriateness of the disclosures in the relevant notes to the financial statements.
Fair value of equity investments At 31 December 2018, the carrying amount of investments in equity instruments as detailed in Note 8.1 of the attached financial statements amounts to € 57.32,27 (€ 178,727.00 as at 31.12.2017), while the fair value measurement loss for year ended December 31, 2018 amounted to € 121,405.73 (€ 0 at 31.12.2017) As described in the note, these financial assets are valued subsequent to initial recognition in FVTPL. This area was considered to be important for controlling because, in addition to the significance of the amount of participations in the financial statements, the determination of the book value of equity investments involves a high degree of subjectivity in estimating future cash flows, which is dependent on a number of factors, including expectations of the quantities sold in future periods, cost estimates and the use of an appropriate discount rate. Management's disclosures regarding accounting policies and other information related to impairment testing are contained in notes 2.7 and 3.7 of the accompanying financial statements.	We received the Management's estimates and we examined the model for calculating the value for each financial item, taking into account the cases where operating losses incurred in the controlled use occurred. <u>Our audit focused on the following issues:</u> - We conducted discussions with the Company's Management and assessed the internal controls that are relevant to the calculation of the value of equity investments. -We assessed the suitability of the model and assumptions used to determine the value of the company FOKA BROS SA Emphasis was placed on the assumptions with the highest level of uncertainty, including the assumption of the long-term growth rate of the country's economy, the alternative assumptions taken into account for the identification of assumptions. In this evaluation: - The conclusions on the suitability of the model and the discount rate used were examined. - We recalculated the relevant amounts with the assistance of our internal valuation experts. -The inputs used to determine the assumptions in the model were examined and their reasonableness was verified after comparison with external market information, third party sources, including analyst reports and historically available Company information. -The mathematical precision of the model was checked. -The disclosures regarding the company FOKA BROS SA were examined in the financial statements -We also assessed the adequacy and appropriateness of the disclosures in the relevant notes to the financial statements.

<u>Other Information</u>

The members of the Board of Directors are responsible for the Other Information. The Other Information is included in the Management Report of the Board of Directors, which is referred to in the "Report on Other Legal and Regulatory Requirements", the Statements of Members of the Board of Directors and any other information required by specific provisions of the law or the Company has voluntarily incorporated into the Annual Financial Report provided 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 an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work we have done, we come to the conclusion that there is a material misstatement in the Other Information, we are obliged to report this fact. We have nothing to report about this issue.

<u>Responsibilities of management and those charged with governance for the financial statements</u>

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements

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

<u>Auditor's responsibilities for the audit of the financial statements</u>

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as they have been transposed into Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, as they have been transposed into Greek Law, we exercise professional judgment and maintain professional skepticism throughout the audit.
We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

<u>Report on other legal and regulatory requirements</u>

1. Additional Report to the Audit Committee
Considering that the management is responsible for the preparation of the Board of Directors' Statement and the Corporate Governance Statement contained in this report, pursuant to the provisions of paragraph 5 of Article 2 of Law 4336/2015 (Part B) we note that:
a) The Board of Directors' Report includes a corporate governance statement that provides the information specified in Article 43bb of the Codified Law. 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 articles 43a and paragraph 1 (c and d) of article 43bb of Codified Law 2190/1920 and its content corresponds to the attached financial statements for the year ended 31/12/2018.

c) Based on our knowledge of our company and its environment, we have not identified material inaccuracies in the Board of Directors' Report.

2. Supplementary Report to the Audit Committee

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

3. Provision of Non-Auditing Services

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

4. Appointment of Auditor

We were first appointed as Certified Auditors of the Company with the decision of the Annual General Meeting of Shareholders dated 30/06/2008. Since then, our appointment has been continuously renewed for a total period of 11 years, based on the decisions of the Annual General Meeting of Shareholders.

Palaio Faliro, 29/3/2019
The Certified Public Accountant
Michail Papazoglou

SOEL Reg. No.: 22921, ELTE Reg. No.: 1642
MAZARS Certified Public Accountants Business Advisors S.A.
Amfitheas Av. 14 -175 64 Palaio Faliro
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ANNUAL REPORT OF THE BOARD OF DIRECTORS

Presented to the Annual General Meeting of Shareholders «PAPERPACK S.A.» on the Financial Statements for the year

1 January 2018 to December 31, 2018

Dear Shareholders,

We issue the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union , and this Directors' Report for the financial year from 1 January 2018 to 31 December 2018. This report was written in accordance with the relevant provisions of Article 43a paragraph 3 of L. 2190/1920 , Article 4 of Law 3556/2007 and delegated the same Law Board's decisions SEC. This report accompanies the financial statements for the year 2018 (01.01.2018-31.12.2018) and contains the corporate governance statement .

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

ANNUAL REVIEW

Despite the volatile domestic environment, due to the problems in the Greek economy, the company managed to increase its turnover by 929 thousand euros, compared to the previous year.

Moreover, the most important event of the current year, in addition to the increase in turnover, includes the investment in fixed assets of more than € 1.100 thousand, which sets the basis for the increase of the competitiveness of the company while maintaining the quality of its products.

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

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

- The company's sales totaled € 16.621 thousands compared to € 15.692 thousand of their respective sales in 2017, an increase of 5,92%.

- The operating profit (EBIT) of the company for the fiscal year 2018 amounted up to € 1.488 thousand compared to € 2.273 thousand in the year 2017, an decrease of 34,54% as a consequence of the reduction in gross profit margin compared to last year and one-off results, which in the current year amounted to losses of € 205 thousand against profits of € 290 thousand in 2017. Gross profit margin is amounts less than the previous year and amounted to 26,51% (2017: 29,18%), as a result of the absorption of raw material increases and wage costs that could not be transferred to sales prices, as well as increased depreciation, due to the new investments made by the company.

- The financial cost of the company increased by 20,16% and amounted to 310 thousands € (2017: 258 thousands €), mainly due to the increase of interest for fixed assets, obtained through finance leases.

- The company’s profit before tax amounts up to € 1.059 thousand compared to gains of € 2.016 thousand in the previous year. The decrease is due both to the reduction of the gross margin as well as to one-off results, which in the current year amounted to losses of € 205 thousand against profits of € 290 thousand in 2017 and also a cost of € 121 thousand, which relates to loss from measurement at the fair value of the participation in the company FOKAS BROS SA. The tax charge (current and deferred) in the company's results amounted to € 285 thousand, posting results after tax on profits of € 774 thousand.

- The company's current assets which consist of inventories, receivables and cash equivalents, demonstrate an decrease of 7,65% compared to the previous year. The ratio Current assets to current liabilities amounts up to 1,66 versus 1,95 in the previous year. This change of current assets to current liabilities ratio arises from the decrease in the company's cash and cash equivalents at 31/12/2018, compared to 31/12/2017.

- The company's liabilities relate primarily to bond loan of € 6.973 thousand (2017: € 7.292 thousand), representing the 61,84% of company's total liabilities (2017: 66,43%).

- Current liabilities of the company, other than borrowings, increased by € 548 thousand, i.e. a 15,97% portion of total current liabilities. This increase is largely due to the increase of the company's liabilities towards its supplies, amounting € 532 thousand, compared to the previous year, as well as to the increase of other current liabilities, amounting € 310 thousand, while, current tax liabilities decreased up to € 295 thousand, compared to the previous year.

- Finally, the Company presented positive Operating Cash Flows of € 1.370 thousand (2017: positive operating Cash Flows of € 1.324 thousand). Negative flows from investing activities amounting up to € 1.149 thousand, due to the company's significant investments in fixed assets and the negative flows from financing activities of € 1.733 thousand, mainly due to the repayment of the loan and the distribution of dividends, resulted in a total negative cash flows for the fiscal year, totaling € 1.512 thousand.

B. Important Events

During the year 2018 and until the date of this report, the following important facts took place:

- On 24/4/2018, the Annual General Meeting of PAPERPACK SA resolved the following:

1. The approval of the Annual Financial Statements of the Company for the year 2017 and the reports of the Directors and the Auditor.
2. The discharge of the Directors and the Auditors from any liability for the fiscal year 2017.
3. The approval of the list of results of the year 2017 (01/01/2017-31/12/2017).
4. The approval of the Board of Directors' proposal for the distribution of a dividend of € 0,1600 per share for the year 2017 and the distribution of € 31.764,71 of the company's earnings, to company' s personnel. The net dividend per share, less the 15% dividend tax received by each shareholder, amounts to € 0,1360 per share.

5. The authorization in accordance with paragraph 1 of article 23 of Codified Law 2190/1920, to the members of the Board and directors of the company to attend Board Meetings and to the manage companies (associated), which serve the same or close purposes to the company.
6. The approval of the remuneration paid to the members of the Board for the year 2017 and the approval of remuneration for the fiscal year 2018.
7. Election of Auditors, regular and substitute for the audit of the financial statements for the year 2018 and determination of their remuneration.
8. Validation of the Election of the Audit Committee, in accordance with the Ordinary General Meeting of 21/04/2017 and the provisions of Article 44 of Law. 4449/2017, as in force
9. The announcement of its decisions

- On 10/7/2018, the Extraordinary General Meeting of PAPERPACK SA decided:
  1. Issuance of a Common Bond Loan of up to six million five hundred thousand (6,500,000) euro, duration of up to ten (10) years, and approval of the terms of issue according to the provisions of article 1 par. 2 and 3 of Law 3156/2003, which will be used to finance the purchase and improvement of real estate facilities, as well as the financing of the cost of relocation of the company to the new property.
  2. The distribution to the shareholders of the company of an extraordinary dividend totaling € 790.618,00, corresponding to a gross amount of € 0,20 per share (of a total of 3.953.090 shares of the company), which is part of the taxed and undistributed profits of previous years.

- The company completed its investment plan for the modernization of its mechanical equipment of approximately € 4,5 million. Most of this investment had been completed during the previous year.

C. Risks and uncertainties

Financial Risk Factors:

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

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

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

i) Foreign Exchange Risk

The Company is not exposed to high foreign exchange risk due to the fact that the majority of transactions are carried out in Euros. Furthermore, the Company has no investments in foreign companies or investments foreign currency clause and as a result of that, there is no foreign exchange risk relating to assets.

The possible foreign exchange risk is negligible, due to the fact that it arises from possible imports of goods invoiced in foreign currencies. This foreign exchange rate risk is created by the prospect of future transactions and the difference of the corresponding rate between the date of the transaction (export or import) and the date which the transaction is completed (recovery requirement or payment obligation). The foreign exchange risks are negligible, since they arise from low-value transactional activity.

ii) Interest rate Risk

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

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

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

	Interest	Borrowings with floating interest rate	% Change in interest rate	Effect in profits
Year 2018	Euribor	6.968.744,36	0,50%	34.843,72
			-0,50%	(34.843,72)
Year 2017	Euribor	7.286.011,01	0,50%	36.430,06
			-0,50%	(36.430,06)

iii) Credit risk

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

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

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

Amounts in €	31/12/2018	31/12/2017
Investments in	57.321,27	178.727,00
Trade and other receivables	4.307.737,38	4.198.412,61
Other non current assets	97.946,19	95.210,19
Cash and cash equivalents	1.726.019,18	3.238.084,25
Total	**6.189.024,02**	**7.710.434,05**

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

iv) Liquidity Risk

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

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

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

Financial Liabilities as at 31/12/2018

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

Financial Liabilities as at 31/12/2017

Amounts in €	up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	1.761.399,26	352.279,85	-	-	2.113.679,11
Borrowings	500.000,00	1.699.674,39	4.685.150,11	406.941,84	7.291.766,34
Total	**2.261.399,26**	**2.051.954,24**	**4.685.150,11**	**406.941,84**	**9.405.445,45**

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

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

D. Prospects for 2019 - Expected Evolution

As the current conditions do not allow the establishment of reliable and objective forecasts, the company's management estimates that in 2019, the company's turnover will show an increase of approximately 3,5% compared to the year 2018.

The objective of the Board for the next year is to manage to raise company's Earnings before Interest, Taxes, Depreciation, Amortization, (EBITDA) to a level over € 3.000 thousand and to achieve profit after tax, in order to strengthen the equity and the company' s liquidity.

There are no other significant events subsequent to December 31, 2018, which should either be disclosed or diversified in the published financial statements.

E. Alternative Performance Measurement Indicators

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

(a) EBITDA

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

The EBITDA ratio of the Company amounted, in 2018, to € 2.248 thousand, compared to € 2.761 thousand in 2017, recording a decrease of 18,58%. The decrease is due both to the reduction in the gross margin, as a result of the absorption of raw material increase and the increase in payroll costs that could not be transferred to sales prices, as well as the increased depreciation due to the new investments made by the company. Finally, this decrease is also due to one off results which, in the current year, amounted to losses of € 205 thousand, against profits of € 290 thousand, in 2017.

(b) EBITDA / Total net interest expense

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

In the numerator it is shown the EBITDA ratio as calculated in (a) above, while the denominator contains the interest payable, resulting from bank loans minus interest income. This ratio decreased to 7,33 in 2018, compared to 10,74 in 2017.

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

(c) Total net liabilities / Total equity

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

This ratio amounted up to 1,80 in 2018 versus 1,29 in 2017. This ratio is presented as part of the company's liabilities to credit institutions, bondholders, and for use by the company's shareholders.

(d) Net debt liabilities / EBITDA

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

This ratio amounted to 2,33 in 2018 versus 1,47 in 2017. This ratio is presented as part of the company's liabilities to credit institutions, bondholders, and for use by the company's shareholders.

F. Branches

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

G. Corporate Social Responsibility (Environment – Personnel)

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

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

The executives of the Company are in a harmonious cooperation with the General Management and each other. The Company's policy is the attraction of high-level personnel for optimal and timely meet of its needs and the establishment of an evaluation process of recruitment based on objectivity and integrity, through transparent procedures.

Additionally, the infrastructure of the Company, its long history and the current economic situation permit the immediate replenishment of the executives, without significant impact on the course of business operations.

The Company is inseparably connected within the community it operates. It recognizes its responsibility towards society and the environment. It respects the principles and values that characterize our culture, respect for humanity, human dignity and equal opportunities, respect for the environment we have inherited, and the improvement of living standards and quality of life.

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

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

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

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

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

H. Related Party Transactions

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

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

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

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

The remuneration of directors and members of management of the Company amounted during the fiscal year 1.1.2018 - 31.12.2018 up to € 1.171.147,88 in comparison to € 1.020.255,91 of last year.

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

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Salaries and other compensation to BoD members	258.947,24	234.807,70
Salaries and other compensation to key management personnel	391.095,16	312.917,81
Compensation to BoD memebers approoved by the General Meeting	521.105,48	472.530,40
Total	**1.171.147,88**	**1.020.255,91**

From the compensations presented above the amount due to related parties on 31/12/2018 was 38.656,77 euros (31/12/2017: 29.948,94 €) and is analyzed as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Salaries and other compensation payable	33.567,48	24.807,99
Compensation to BoD memebers approoved by the General Meeting payable	5.089,29	5.140,95
Total	**38.656,77**	**29.948,94**

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

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Loans to related parties	15.983,61	15.983,61
Total	**15.983,61**	**15.983,61**

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

I. Explanatory Report of the Board

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

1. Share capital structure.

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

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

2. Restrictions on transfer of shares of the company.

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

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

Mr. John P. Tsoukaridis had a rate of 71,438% stake in the company on 31/12/2018. No other natural or legal person owns more than 5% of the equity.

4. Holders of such shares providing special control rights.

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

5. Restrictions/Veto on voting rights.

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

6. Agreements between shareholders of company.

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

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

The rules provided by the company' s statute for the appointment and replacement of board members and the amendment of its Articles are not deviated from the provisions of Law 2190/1920.

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

In accordance with paragraph c, Article 6 of the Statute of the Company by the General Assembly, under article 7b of CL 2190/1920, can be assigned to the Board of Directors the right, decision to be taken by a majority of two thirds (2/3) of the total members, to increase the share capital wholly or partly, by issuing new shares until the amount of capital that is paid on the date the Board granted this power.

In accordance with the provisions of paragraphs 5 to 13 of Article 16 of Law 2190/1920, the listed companies on the Athens Stock Exchange may, by decision of the General Assembly of shareholders, acquire own shares through the Athens Stock Exchange up to 10% of their shares and to the specific terms and procedures of the above paragraphs of Article 16 of K.N. 2190/1920. There is no contrary provision in the statutes of the Company.

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

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

There is no such agreement.

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

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

J. Dividends proposal

The Board of Directors proposes to Annual General Meeting the formation of legal reserve amounting to € 592.963,50, i.e. € 0,15 earnings per share. It should be noted that the aforementioned decision is under the approval of the Annual General Meeting of Shareholders

K. Statement of Corporate Governance

of "PAPERPACK INDUSTRIAL & COMMERCIAL S.A" in accordance with Article 43a par 3 case d of Law 2190/1920).

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

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

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

GENERAL

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

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

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

Law 2190/1920 contains the basic rules of organization and governance of public limited companies. The company complies with both the Law 2190 / 1920, and by Law 3016/2002 on corporate governance which requires the involvement of independent non-executive members of the Board, has developed sufficient Internal Regulations which include the organizational structure and activities and has organized departments of Internal Audit, Investor and Corporate Communications for the protection and better serve of the company's shareholders.

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

RISK MANAGEMENT

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

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

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

INTERNAL CONTROL SYSTEM (ICS)

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

The company's ICS consists of safeguards which aim to adequately address the risks that characterize the company and are implemented by all the company staff. The objectives of the company are achieved through the implementation of the aforementioned policies, procedures and instructions. Adequate functioning of the company's ICS ensures the credibility of the published financial statements, which are audited by the company's Certified Auditors - Accountants.

INTERNAL AUDIT

The company has established the Internal Audit Service with powers beyond the minimum requirements of Law 3016 / 2002. Internal Audit, in addition to monitoring the implementation of the Internal Regulation provided by this abovementioned Law, conducts audits of substance based on the relative risk assessment, in collaboration with management and under the supervision of the independent audit committee. During 2018, the Internal Audit conducted audits of procedures, while it offered its consultation, whenever needed, in order to add value to the company.

Internal controls of the company included controls of adequacy on the Financial Statements' preparation processes, human recourses, information systems as well as its corporate governance framework. The methodology used by the Internal Audit complies with International Professional Standards of Internal Audit.

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

GENERAL MEETING OF SHAREHOLDERS AND SHARES 'RIGHTS

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

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

a. Amendments to the Articles of Association, as an indication of increases or decreases in share capital. The amendments to the Articles of Association are valid, unless they are prohibited by an express provision of the Articles of Association,

b. Election of members of the Board of Directors and appointment of Auditors,

c. Approval of the company's annual financial statements,

d. Distribution of annual profits, the appointment of liquidators, merging, splitting, transforming, reviving, extending the duration of the company or dissolving the company.

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

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

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

COMPOSITION AND OPERATIONS OF THE BOARD OF DIRECTORS

The Board of Directors has the management of corporate affairs and is responsible regarding any matter relating to the management of the company, the achievement of the corporate purpose and the management of the company's property, including, by way of illustration, the issue of loans with common, convertible or convertible bonds, under the conditions laid down by law, or by any type of bond with a view to securitization of receivables or receivables from immovable property. Excluded are decisions which, in accordance with the provisions of the Law or the Articles of Association, fall under the exclusive competence of the General Meeting of Shareholders.
The company is managed by its Board of Directors, consisting of minimum three (3) and maximum nine (9) members. The members of the Board of Directors may come from shareholders or non-shareholders and are elected by the General Meeting of the shareholders of the company by an absolute majority of the votes represented there.
The members of the board of directors of the company are distinguished in executive and non-executive directors.
Non-executive members are distinguished from non-executive and independent non-executive members. The number of non-executive members must not be less than 1/3 of the total number of members of the Board of Directors. and two of them must be independent. Independent non-executive members must not hold more than 0,50% of the company's share capital during their term of office and have no relationship of dependence with the company or its affiliates as provided for by the applicable legislation.
The term of office of the members of the Board of Directors is three years, with the exception of the time limit within which the next ordinary general meeting must be held, which may not exceed four years in each case.
The responsibilities of the executive members of the Board of Directors are determined by decision of the Board of Directors. and are persons dealing with issues of current day-to-day management of the company. Non-executive members of the Board of Directors are in charge of promoting all corporate issues, participate in boards and committees and ensure the principles of good corporate governance.

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

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

The **Audit Committee**, elected in accordance with article 44 of Law 4449/2017 of the Annual General Meeting of the shareholders of 21.04.2017, is a three member committee and consists of the following:

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

The task of the Committee is to supervise the work of the Internal Audit Service, which hierarchically refers in it, to audit the financial statements prior to their approval by the Board of Directors of the Company and to designate the statutory auditors proposed by the Board of Directors in General Assembly of Shareholders, for approval.
All the members of the Audit Committee have sufficient knowledge in the sector in which the company operates and are independent of the audited entity within the meaning of the provisions of Law 3016/2002 (A '110).

Kifissia, March 29, 2019

On behalf of the BoD

The President

John Tsoukaridis

PAPERPACK®
Carton Packaging Industry

FINANCIAL STATEMENTS FOR THE YEAR 2018

according to
International Financial Reporting Standards

Statement of financial position

Amounts in €	Note	31/12/2018	31/12/2017
Assets			
Non-current assets			
Goodwill	**5**	265.128,99	265.128,99
Tangible assets	**7**	5.647.895,37	5.284.856,02
Intangible assets	**6**	77.617,26	53.458,94
Investments in shareholdings	**8.1**	57.321,27	178.727,00
Other non current assets	**8.2.1**	97.946,19	95.210,19
Deferred tax assets	**21.2**	259.277,71	76.610,22
Total		**6.405.186,79**	**5.953.991,36**
Current assets			
Inventory	**9**	3.010.547,60	2.411.605,82
Trade and other receivables	**8.2.2**	4.307.737,38	4.198.412,61
Other current assets	**10**	1.137.884,03	1.176.651,54
Cash and cash equivalents	**8.2.3**	1.726.019,18	3.238.084,25
Total		**10.182.188,19**	**11.024.754,22**
Total assets		**16.587.374,98**	**16.978.745,58**
Equity and liabilities			
Equity			
Share Capital	**11**	1.185.927,00	1.185.927,00
Share premium	**12**	1.187.780,32	1.187.780,32
Capital Reserves	**13**	725.052,05	666.612,62
Retained earnings	**-**	2.211.539,01	2.962.514,54
Total		**5.310.298,38**	**6.002.834,48**
Long-term liabilities			
Employee benefit obligations due to exit from the service	**14**	289.818,42	253.497,68
Long-term debt liabilities	**15.1.1**	4.814.256,27	5.092.091,95
Other long-term liabilities	**15.1.3**	36.453,69	800,00
Total		**5.140.528,38**	**5.346.389,63**
Short-term liabilities			
Trade and other payables	**15.1.2**	2.645.968,53	2.113.679,11
Short-term loans	**15.1.1**	2.159.097,63	2.199.674,39
Current tax liabilities	**21.1**	610.194,16	905.216,64
Other short-term liabilities	**16**	721.287,90	410.951,33
Total		**6.136.548,22**	**5.629.521,47**
Total equity and liabilities		**16.587.374,98**	**16.978.745,58**

The notes on pages 29 to 72 form an integral part of these financial statements.

Statement of comprehensive income

Amounts in €	Note	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Revenue	**17**	16.620.823,92	15.691.911,93
Cost of Sales	**18**	(12.213.885,80)	(11.113.781,11)
Gross profit		**4.406.938,12**	**4.578.130,82**
Other Operating income	**19**	60.434,87	353.431,76
Administrative expenses	**18**	(1.958.551,34)	(1.865.963,14)
Running costs of research and development	**18**	-	(823,89)
Distribution Expenses	**18**	(776.094,89)	(752.676,52)
Other operating expenses	**19**	(244.870,15)	(39.170,86)
Operating results		**1.487.856,61**	**2.272.928,17**
Financial expenses	**20**	(310.064,55)	(258.154,89)
Financial income	**20**	2.824,80	1.029,03
Other Financial Results	**20**	(121.405,73)	-
Profit before tax		**1.059.211,13**	**2.015.802,31**
Income taxes	**21.3**	(284.941,16)	(620.819,12)
Profit after tax (a)		**774.269,97**	**1.394.983,19**
Net profits/ (losses) are distributed as follows:			
Equity holders of the parent	**-**	774.269,97	1.394.983,19
Other comprehensive income			
Actuarial gains and losses	**14**	(18.224,40)	(16.231,00)
Tax recognised in other revenue	**21.3**	5.102,83	4.706,99
Other comprehensive income after tax (b)		**(13.121,57)**	**(11.524,01)**
Total comprehensive income after tax (a) + (b)		**761.148,40**	**1.383.459,18**
Total comprehensive income is distributed as follows:			
Equity holders of the parent	**-**	761.148,40	1.383.459,18
Earnings / (losses) per share			
Basic (€ / share)	**22**	**0,1925**	**0,3500**

The notes on pages 29 to 72 form an integral part of these financial statements.

Statement of changes in Equity

Amounts in €	Share Capital	Share Premium	Capital reserves	Retained earnings	Total
Balance at 31/12/2016	**1.185.927,00**	**1.187.780,32**	**609.569,80**	**2.110.468,98**	**5.093.746,10**
Change in Accounting policy	-	-	-	-	-
Adjusted Balances on January 1st 2017	**1.185.927,00**	**1.187.780,32**	**609.569,80**	**2.110.468,98**	**5.093.746,10**
Results of the year	-	-	-	1.394.983,19	1.394.983,19
Capital Reserves	-	-	68.566,83	(68.566,83)	-
Dividends	-	-	-	(474.370,80)	(474.370,80)
Actuarial Revaluation	-	-	(11.524,01)	-	(11.524,01)
Balance at 31/12/2017	**1.185.927,00**	**1.187.780,32**	**666.612,62**	**2.962.514,54**	**6.002.834,48**
Change in Accounting policy	-	-	-	(30.572,61)	(30.572,61)
Adjusted Balances on January 1st 2018	**1.185.927,00**	**1.187.780,32**	**666.612,62**	**2.931.941,93**	**5.972.261,87**
Results of the year	-	-	-	774.269,97	774.269,97
Capital Reserves	-	-	71.561,00	(71.561,00)	-
Dividends	-	-	-	(1.423.111,89)	(1.423.111,89)
Actuarial Revaluation	-	-	(13.121,57)	-	(13.121,57)
Balance at 31/12/2018	**1.185.927,00**	**1.187.780,32**	**725.052,05**	**2.211.539,01**	**5.310.298,38**

The notes on pages 29 to 72 form an integral part of these financial statements.

Cash flow statement

Amounts in €	Note	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Cash flows from operations			
Profit / (Loss) before tax		1.059.211,13	2.015.802,31
Adjustments to profit / (loss)	**-**	**1.198.679,83**	**496.976,55**
		2.257.890,96	**2.512.778,86**
Movement Capital Changes			
(increase)/decrease in inventories	**9**	(598.941,78)	(449.503,56)
(increase)/decrease in receivables	**-**	(102.730,35)	984,10
Increase/(decrease) in liabilities	**-**	886.443,25	48.415,33
Cash flows from operating activities		**2.442.662,08**	**2.112.674,73**
Minus: Income tax payments	**-**	(762.826,05)	(534.097,23)
Interest paid	**-**	(310.064,55)	(254.110,89)
Net cash flows from operating activities		**1.369.771,48**	**1.324.466,61**
Cash flows from investment activities			
Purchases of tangible fixed assets	**7**	(1.107.735,80)	(2.945.126,70)
Purchases of intangible assets	**6**	(48.768,71)	(21.215,01)
Sales of tangible fixed assets	**7**	5.050,00	304.864,42
Proceed from interest income	**20**	2.824,80	1.029,03
Net cash flows from investment activities		**(1.148.629,71)**	**(2.660.448,26)**
Cash flows from financing activities			
Borrowing received	**15.1.1**	1.393.080,38	3.500.000,00
Repayment of borrowing	**15.1.1**	(1.283.657,14)	(3.835.000,00)
Change in short-term borrowing	**15.1.1**	-	202.277,23
Changes in guarantees given	**-**	-	6.616,68
Payments of Capital Leasing	**15.1.1**	(427.835,68)	2.540.684,89
Dividends paid	**-**	(1.414.794,40)	(463.834,79)
Net cash flows from financing activities		**(1.733.206,84)**	**1.950.744,01**
Net increase/(decrease) in Cash and cash equivalents		**(1.512.065,07)**	**614.762,36**
Cash and cash equivalents at the beginning of the period		3.238.084,25	2.623.321,89
Cash equivalents at the end of the period		**1.726.019,18**	**3.238.084,25**

The notes on pages 29 to 72 form an integral part of these financial statements.

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

Amounts in €	Note	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Adjustments to the results for:			
Depreciation of tangible fixed assets	**7**	735.523,08	450.337,64
Depreciation of intangible assets	**6**	24.610,38	38.146,18
Depreciation of grants	**-**	(14.434,83)	(20.564,61)
(earnings)/losses from sale of tangible fixed assets	**7**	1.298,57	(252.867,52)
Cost of retirement benefits to staff	**-**	36.320,74	12.612,00
Actuarial gain/(losses)	**-**	(13.283,59)	16.231,00
Interest income	**-**	(2.824,80)	(1.029,03)
Interest expense	**-**	310.064,55	254.110,89
Impairment of investments	**-**	121.405,73	-
Total Adjustments to profits		**1.198.679,83**	**496.976,55**
Operating results before changes in working capital		**2.257.890,96**	**2.512.778,86**

The notes on pages 29 to 72 form an integral part of these financial statements.

Notes to the financial statements

1 General information for the Company

1.1 The company

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

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

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

1.2 Nature of activities

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

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

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

Additionally, through the absorbed PROMOCARTON S.A., has expanded its activity and trade paper propellants (sector propellants), as displays, stands, etc. , in order to penetrate also to commercial customers with a portfolio of primarily consumer products.

These activities are in the field of propellants .

The main activities of the Company have not been changed from the previous year.

2 Basis of preparation

2.1 Compliance with IFRS

The financial statements of "PAPERPACK INDUSTRIAL & COMMERCIAL S.A" comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the Interpretations Committee (IFRIC) of the IASB, effective for annual periods ending 31 December 2018 and adopted by the European Union.

2.2 Basis of preparation of the financial statements

The financial statements PAPERPACK INDUSTRIAL & COMMERCIAL S.A have been prepared based on the principle of ongoing concern and the historical cost convention, as modified by the revaluation of certain assets and liabilities at fair value (Note 3).

2.3 Approval of the Financial Statements

These annual financial statements were approved by the Board of Directors on March 29, 2019 and are subject to final approval of the Annual General Meeting.

2.4 Period covered

These financial statements cover the period from 1 January 2018 and December 31, 2018.

2.5 Presentation of the Financial Statements

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

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

2.6 New standards, amendments to standards and interpretations

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

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

2.6.1 New or revised standards and interpretations to existing standards that are mandatory for the current year

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 01, 2018. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

<u>Standards, Interpretations and amendments effective for the current financial year</u>

IAS 40 (Amendments) "Transfers of Investment Property"

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence.

The application of the amendments did not have impact on Financial Statements of the Company.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"

The amendments clarified the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

The application of the amendments did not have impact on Financial Statements of the Company.

IFRS 4 "Insurance Contracts" Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts"

The amendments provide two options for entities that issue insurance contracts within the scope of IFRS 4:

• an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;

• an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional, and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

The overlay approach is to be applied when IFRS 9 is first applied. The deferral approach is effective for annual periods beginning on or after 1 January 2018 and is only available for three years after that date.

The application of the amendments did not have impact on Financial Statements of the Company.

IFRS 9 "Financial Instruments"

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" in the Company's financial statements and describes the new accounting policies that are effective from 1 January 2018, where they differ from those applied in prior periods.

a. Changes in accounting policies

IFRS 9 replaces the provisions of IAS 39 on the Recognition, Classification and Valuation of financial assets and liabilities. Specifically, IFRS 9 provides the following for Classification and Measurement of Financial Assets:

Classification of Financial Assets

IFRS 9 introduces a global classification model under which financial assets are classified into 3 categories:

• Financial assets at amortized cost

• Financial assets at Fair value through Other Total Income (FVOCI)

• Financial assets at fair value through Profit and Loss (FVPL)

Financial assets that result in cash flows consisting of capital and interest payments only, are classified by taking into account the business model for holding these financial instruments. Financial assets held in a business model for the purpose of holding them to maturity and collecting their contractual cash flows are measured at amortized cost. If the business model includes the intention to hold the financial assets for the collection of their contractual cash flows but expects to sell these financial assets when needed (e.g. to meet specific liquidity needs), then these financial assets are measured at FVOCI.

Financial assets that include cash flows other than capital and interest, such as investments in money market funds or derivatives, including embedded derivatives, are measured in FVPL. However, in particular for shares, IFRS 9 permits alternatively their measurement in FVOCI.

During the current year, equity investments were classified as financial assets measured after the initial recognition in FVPL.

Measurement of Impairment of Financial Assets

IFRS 9 introduces the application of the Expected Credit Loss (ECL) method to all financial assets measured at amortized cost or FVOCI (excluding shares). Where by IAS 39, only realized losses were to be recognized as impairment of financial assets, the expected credit loss should be estimated using the following three steps:

Stage 1: ECL measurement for the next 12 months. It includes all financial assets with a negligible increase in credit risk from initial recognition and typically involves financial assets that have not exceeded the due date for more than 30 days. It is recognized the proportion of ECLs for the total life of items that will come from default events that are likely to occur over the next 12 months.

Stage 2: Measurement of ECL for total life - no credit impairment. If a financial asset has a significant credit risk increase since initial recognition but has not yet been impaired, it is classified in Stage 2 and is measured in the ECL of its total life, which is defined as the expected credit loss as a result of all possible credit events over the entire life expectancy.

Stage 3: Measurement of ECL for total life - with credit impairment. If a financial asset is designated as a credit impairment, it is transferred to Stage 3 and measured by ECL for its total life. An objective presumption for a credit-impaired financial asset is the more than 90-day delay from the due date and other information about significant financial difficulties for debtors.

b. Impact on Financial Statements

In accordance with the transitional provisions of IFRS 9, comparative information has not been restated. Consequently:

(i) Any adjustment to the balances of financial assets or liabilities is recognized at the end of the current reporting period, the difference being recognized in the opening balance of the "retained earnings"

(ii) Financial assets are not reclassified in the Statement of Financial Position of the comparative period

(iii) Provisions for impairment of financial assets are not restated in the comparative period.

The adoption of IFRS 9 "Financial Instruments" as of 1st of January 2018 has resulted in changes in accounting policies and adjustments to the items recognized in the financial statements. The new accounting policies are described in note 3.7.

The company has applied the simplified approach in paragraph 5.5.15 of the IFRS 9 for the impairment of the expected credit losses on the balances of trade and other receivables at the date of initial application.

The result of the requirements of the new standard was the increase in provisions for impairment of the company by € 30,572.61, the increase of deferred tax assets by € 12,487.40 with a corresponding effect on the start of the account "Retained earnings". The table below shows the relevant calculations adopted:

Amounts in €	31/12/2017		
Days		**% of Losses**	**Amount of Losses**
0-90	3.798.512,65	1,03%	(39.134,46)
90-120	376.180,29	0,96%	(3.610,97)
120-180	23.701,22	1,31%	(310,89)
180-365	18,45	20,00%	(3,69)
>365	117.332,02	100,00%	(117.332,02)
Total receivables	**4.315.744,63**		**(160.392,03)**
		Previous accounting policy provision:	(117.332,02)
		Impact on Loss Provision:	(43.060,01)
		Deferred taxation:	12.487,40
Effect on retained earnings as at 1/1/2018 from change in accounting policy:			**(30.572,61)**

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

Amounts in €	31/12/2017	IFRS 9 Impact	Reclassifications	1/1/2018
Assets				
Non-current Assets				
Financial Assets availiable for sale	178.727,00		(178.727,00)	-
Investments in shareholdings			178.727,00	178.727,00
Deferred tax assets	76.610,22	12.487,40		89.097,62
Total Non-current Assets	**5.953.991,36**			**5.966.478,76**
Current Assets				
Trade and other receivables	4.198.412,61	(43.060,01)		4.155.352,60
Total Current Assets	**11.024.754,22**			**10.981.694,21**
TOTAL ASSETS	**16.978.745,58**			**16.948.172,97**
Equity and liabilities				
Equity				
Retained earnings	2.962.514,54	(30.572,61)		2.931.941,93
Total Equity	**6.002.834,48**			**5.972.261,87**
Total equity and liabilities	**16.978.745,58**			**16.948.172,97**

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 replaces IAS 11 "Construction Contracts", IAS 18 "Revenue" and all related interpretations for contract revenue with customers, unless such contracts fall within the scope of other standards.

The new standard establishes a five-step model for determining revenue from customer contracts. Under IFRS 15, revenue is recognized in the amount that an entity expects to be entitled to in exchange for the transfer of the goods or services to a customer. The standard also sets out the accounting for the additional costs of taking out a contract and the direct costs required to complete the contract.

On January 1, 2018, the Company adopted IFRS 15 by choosing the modified retrospective method, i.e. the transition effect would be collectively recognized in the "Retained Earnings Balance", while the comparative amounts would not be restated. However, there was no impact on the Company's profitability or financial position at the time of the first IFRS application 15. Therefore, no adjustment was made to the "Retained Earnings Balance" on January 1st, 2018.

Revenue is defined as the amount that an entity expects to be entitled to receive in exchange for the goods or services it has transferred to a client, except for amounts collected on behalf of third parties (value added tax, other sales tax). Variable amounts are included in the consideration and are calculated using either the "expected value" method or the "most likely amount" method.

An entity recognizes revenue when (or as) meets the obligation to execute a contract by transferring the goods or services promised to the customer. The customer acquires control of the good or service if he is able to direct the use and derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

Revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the good by the customer. The company's main products are carton boxes and printed materials with specialized quality requirements for raw materials and processing as well as paper promotional media (promotional media) such as displays, stands, etc.

Revenue from the provision of services is recognized in the accounting period in which the services are provided and measured according to the nature of the services provided using either output methods or input methods.

The customer requirement is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer.

A conventional asset is recognized when the Company has satisfied its obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer before the Company has the right to issue an invoice.

The contractual obligation is recognized when the Company receives a consideration from the client (prepayment) or when it reserves the right to a price which is unconditional (deferred income) before the performance of the obligations of the contract and the transfer of the goods or services. The contractual obligation is recognized when the contractual obligations are executed and the income is recorded in the income statement.

Rental income from operating leases is recognized in the income statement using the straight-line method over the lease term.

IFRIC 22 "Foreign currency transactions and advance consideration"

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts.

This amendment has no impact in the Company.

Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures"

The amendments clarified that when venture capital organizations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVPL), this election should be made separately for each associate or joint venture at initial recognition.

This amendment has no impact in the Company.

2.6.2 New or revised standards and interpretations to existing standards that are mandatory for the subsequent years

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

Standards and Interpretations mandatory for subsequent periods

IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

The amendments have not yet been endorsed by the EU.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

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

The amendments have not yet been endorsed by the EU.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

The amendments have not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.

The amendments have not yet been endorsed by the EU.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

The Company is currently assessing the impact of the amendment.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that reasonably discloses the substance of transactions in leases. IFRS 16 introduces a single model for the accounting treatment on the part of the lessee requiring the lessee to recognize assets and liabilities for all lease agreements with a maturity of more than 12 months unless the underlying asset is of non-significant value . Regarding accounting treatment by the lessor, IFRS 16 substantially integrates the requirements of IAS 17. Therefore, the lessor continues to categorize lease contracts in operating and finance leases and to follow different accounting treatment for each type of contract.

The management has decided to apply the modified retrospective adoption method to IFRS 16 and will therefore recognize only leases in the statement of financial position on 1 January 2019. In addition, it has decided to measure the assets with right to use by reference to the valuation of the lease obligation at that date. This will ensure that there will not be a direct impact on net assets at that date. At 31 December 2018 the operating lease commitments for the Company amounted to € 2.8 million. Assuming that the lease commitments remain at this level, the effect of discounting these withdrawals is expected to result in the recognition of a lease entitlement requirement of € 2.5 million on 1 January 2019. However, further steps need to be taken work to determine whether and when it is possible to extend the expansion and termination options, resulting in the recognized actual liability being different. Finally, instead of recognizing an operating expense for operating leases, the Company will recognize the interest on the lease and depreciation charges on the assets of the financial year. This will lead to an increase of EBITDA of approximately Euro 500 thousand.

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

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.

The new standard has not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)

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

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs.

The amendments have not yet been endorsed by the EU.

IAS 12 "Income taxes"

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way

IAS 23 "Borrowing costs"

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

IFRS 3 "Business combinations"

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

IFRS 11 "Joint arrangements"

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

2.7 Significant accounting judgments and Management's estimations

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

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

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

Impairment of goodwill

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

Impairment of other assets

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

The determination of impairment indicators, as well as the estimation of future cash flows and the determination of the fair values of assets, requires management to make significant estimates about the determination and measurement of impairment indicators, expected cash flows, discount rates to be implemented.

Provisions for bad debts

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

Determination of fair value of unlisted equity instruments

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

Contingent liabilities

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

3 Summary of accounting policies

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

3.1 Foreign currency translation

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

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

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

3.2 Segment reporting

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

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

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

- Carton Packaging
- Promotional Materials

3.3 Goodwill

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

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

3.4 Intangible assets (excluding goodwill)

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

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

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

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

3.5 Tangible assets

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

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

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

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

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

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

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

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

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

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

3.6 Non-current assets held for sale

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

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

3.7 Financial assets

3.7.1 Initial Recognition

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

3.7.2 Initial Measurement

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

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

3.7.3 Classification and Measurement of financial assets

3.7.3.1 Commercial claims and Debt securities

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

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

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

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

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

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

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

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

3.7.3.2 Shares

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

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

3.7.3.3 Reclassifications

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

3.7.4 Measurement of impairment of financial assets

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

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

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

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

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

• "EAD": represents the amount of the exposure at the reporting date.

• Probability of Default ("PD"): The probability of default is an estimate of probability within the specified time horizon. The Company calculates the default probabilities using the risk model of the EIKON THOMSON REUTERS base.

On 31.12.2018 the Company did not hold any receivables from customers for which no LAG has been recognized due to the effect of any collateral.

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

The Company recognizes the related loss provision at each reporting date

3.8 Financial liabilities

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

3.8.1 Financial liabilities (excluding loans)

The Company's financial liabilities (excluding loans) reflected on the balance sheet, the item "Long term financial liabilities" and the item "Other trading liabilities." Financial liabilities are recognized when the Company is involved in a contractual agreement of the instrument and are derecognised when the Company is exempted from or is canceled or expires.

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

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

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

3.8.2 Loans

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

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

3.8.3 Ordinary shares

The share capital issued by the company is identified as the product of recovery reduced the direct costs of issue, after the calculation of income tax attributable to them. When the Company acquires its own equity securities, those securities (the "treasury shares) are deducted from equity. During the purchase, sale, issue or cancellation of own equity instruments of the entity, no gain or loss is recognized in the income statement.

3.9 Inventories

Inventories include raw materials, equipment and other assets acquired for future sale. The cost of inventories is determined using the weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition and which are directly attributable to the production process, and some overhead costs associated with production, which are absorbed in the normal capacity of production facilities.

The cost of inventories does not include financing costs.

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

3.10 Income tax

3.10.1 The current tax asset

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

3.10.2 Deferred income tax

Deferred income tax is calculated on the liability method which focuses on temporary differences. This involves comparing the book value of assets and liabilities on the consolidated financial statements with their respective tax bases. Deferred tax assets are recognized to the extent that are likely to be offset against future income taxes.

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

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

3.11 Government grants

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

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

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

3.12 Retirement benefits and short-term employee benefits

3.12.1 Short-term benefits

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

3.12.2 Retirement Benefits

The Company has both defined benefit and defined contribution plans.

3.12.2.1 Defined benefit plans

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

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

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

3.12.2.2 Defined contribution plans

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

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

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

3.13 Other provisions

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

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

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

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

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

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

3.14 Contingent liabilities

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

3.15 Contingent assets

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

3.16 Leases

The assessments of whether a lease agreement contains a lease element take place at the beginning of the agreement, taking into account all available evidence and individual circumstances.

3.16.1 Company's company as lessee

3.16.1.1 Financial Leases

The ownership of a leased asset is transferred to the lessee if transferred to him all the risks and benefits associated with the leased asset is independent of the legal form of contract. At the beginning of the lease asset is recognized at fair value or if lower the present value of minimum lease payments including extra payments if any, are borne by the lessee. A corresponding amount is recognized as an obligation of the lease regardless of whether some of the lease payments are paid upfront at the start of the lease.

The subsequent accounting for assets that are acquired through leasing contracts, e.g. the depreciation method used and the determination of useful life is the same as that applied to comparable acquired other leases, assets. The accounting treatment of the corresponding obligation on the gradual reduction, based on the minimum lease payments of less financial burden, which is recognized as an expense in finance costs. Finance charges are allocated over the lease term, and represent a constant periodic rate of interest on the outstanding obligation.

3.16.1.2 - Operating leases

All other leases are treated as operating leases. Payments on operating lease contracts are recognized in the income statement with the straight method (correlation between income and use of exit). The related costs such as maintenance and insurance, are recognized as expenses when incurred.

3.17 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenues are net of value added tax, discounts and rebates. Income between Company companies consolidated under the full consolidation method, are eliminated in full.

The recognition of revenue is as follows:

3.17.1 Services

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenues are net of value added tax, discounts and rebates. Income between Company companies consolidated under the full consolidation method, are eliminated in full. The recognition of revenue is as follows: Services Revenue from service contracts with predetermined price identified by the stage of completion of the transaction at the balance sheet date. Under this method, revenue is recognized based on the proportion of services rendered to the date of financial statements in respect of all services to be performed.

When the result of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent that the approved costs are recoverable. In cases of change of original estimates of revenues, expenditures or the level of integration, these changes may lead to increases or decreases in estimated revenues or costs and appear to revenue in the period.

3.17.2 Sales of goods

Revenue is recognized when the significant risks and rewards of ownership are transferred to the buyer.

3.17.3 Dividends

Dividends income is recognized when the right to receive payment

3.18 Borrowing Costs

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

3.19 Fair Values

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

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

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

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

At the 31st of December 2018 and 31st of December 2017, the carrying amount of financial assets (Other long-term receivables, Receivables from customers and other trade receivables, Other receivables and Cash and cash equivalents) and financial liabilities (Long-term and Short-term borrowings, Suppliers and related liabilities as well as other short-term liabilities) approximated fair value.

The Company measures all equity instruments at fair value.

Changes in the fair value of financial assets measured at fair value through profit or loss are recognized in the income statement in other gains / (losses) as they arise. The value is determined based on management's estimates of expected future profitability of unlisted securities, taking into account comparable assets of similar securities.

4 Segment Reporting

4.1 Determination of functional segments

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

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

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

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

- Paper packing
- Promotional Materials

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

4.2 Segmental results

The results of each operating segment are as follows:

Amounts are expresses in € '

Results per segment for the period 1/1-31/12/2018	Carton Packaging	Promotionals Materials	Unallocated	Total
Sales to external customers	16.273.905,73	346.918,19	0,00	16.620.823,92
Sales to other segments	0,00	0,00	0,00	0,00
Net sales	**16.273.905,73**	**346.918,19**	**0,00**	**16.620.823,92**
Earnings before taxes, financial and investing activities	**1.435.123,51**	**52.733,10**	**0,00**	**1.487.856,61**
Financial results	(428.645,48)	0,00	0,00	(428.645,48)
Share of profit / (loss) from associates	0,00	0,00	0,00	0,00
Profit / (Loss) before tax	**1.006.478,03**	**52.733,10**	**0,00**	**1.059.211,13**
Income Tax	(269.648,56)	(15.292,60)	0,00	(284.941,16)
Net profit / (loss)	**736.829,47**	**37.440,50**	**0,00**	**774.269,97**

Results per segment for the period 1/1-31/12/2017	Carton Packaging	Promotionals Materials	Unallocated	Total
Sales to external customers	15.350.181,62	341.730,31	0,00	15.691.911,93
Sales to other segments	0,00	0,00	0,00	0,00
Net sales	**15.350.181,62**	**341.730,31**	**0,00**	**15.691.911,93**
Earnings before taxes, financial and investing activities	**2.221.525,33**	**51.402,84**	**0,00**	**2.272.928,17**
Financial results	(257.125,86)	0,00	0,00	(257.125,86)
Share of profit / (loss) from associates	0,00	0,00	0,00	0,00
Profit / (Loss) before tax	**1.964.399,47**	**51.402,84**	**0,00**	**2.015.802,31**
Income Tax	(605.912,30)	(14.906,82)	0,00	(620.819,12)
Net profit / (loss)	**1.358.487,18**	**36.496,01**	**0,00**	**1.394.983,19**

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

4.3 Assets and liabilities by operating segment

The assets and liabilities by operating segment are as follows:

Amounts are expresses in € '

Assets and Liabilities as at 31/12/2018	Carton Packaging	Promotionals Materials	Unallocated	Total
Segment Assets	16.235.721,56	351.653,42	0,00	16.587.374,98
Assets of associates	0,00	0,00	0,00	0,00
Total assets	**16.235.721,56**	**351.653,42**	**0,00**	**16.587.374,98**
Segment Liabilities	11.235.832,30	41.244,30	0,00	11.277.076,60
Liabilities to associates	0,00	0,00	0,00	0,00
Total liabilities	**11.235.832,30**	**41.244,30**	**0,00**	**11.277.076,60**

Assets and Liabilities as at 31/12/2017	Carton Packaging	Promotionals Materials	Unallocated	Total
Segment Assets	16.330.871,87	392.536,49	255.337,22	16.978.745,58
Assets of associates	0,00	0,00	0,00	0,00
Total assets	**16.330.871,87**	**392.536,49**	**255.337,22**	**16.978.745,58**
Segment Liabilities	10.015.725,52	54.968,94	905.216,64	10.975.911,10
Liabilities to associates	0,00	0,00	0,00	0,00
Total liabilities	**10.015.725,52**	**54.968,94**	**905.216,64**	**10.975.911,10**

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

I. all assets be allocated to the operating area of concern, except:
- investments in associates
- other financial assets and
- the requirements of tax

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

III. all the obligations allocated to functional areas other than:
- other financial liabilities
- deferred tax liabilities and
- liabilities for income taxes

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

4.4 Other information by operating segment

Other items by operating segment are listed below:

1/1- 31/12/2018

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

1/1- 31/12/2017

Amounts are expresses in € '	Carton Packaging	Promotionals Materials	Unallocated	Total
Depreciation	450.335,08	2,56	0,00	**450.337,64**
Amortization	38.146,18	0,00	0,00	**38.146,18**
Additions in tangibles	2.945.126,70	0,00	0,00	**2.945.126,70**
Additions in intangibles	21.215,01	0,00	0,00	**21.215,01**
Impairment in Goodwill	0,00	0,00	0,00	**0,00**

4.5 Sales by product and services

The Company's sales by product and services listed below:

Amounts are expresses in € '	1/1- 31/12/2018	1/1- 31/12/2017
Resale of goods	549.071,85	532.089,05
Sale of products	15.079.615,26	14.213.314,18
Sale of raw materials	540.118,82	507.247,00
Revenues from services	452.017,99	439.261,70
Total Turnover	**16.620.823,92**	**15.691.911,93**

4.6 Information by geographical area

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

Sales per region

Amounts are expresses in € '	1/1- 31/12/2018	1/1- 31/12/2017
Greece	16.452.813,73	15.462.515,21
European Union	134.641,11	158.527,41
Other	33.369,08	70.869,31
Total	**16.620.823,92**	**15.691.911,93**

Assets per region

Amounts are expresses in € '	31/12/2018	31/12/2017
Greece	16.419.702,91	16.793.576,16
European Union	134.370,15	185.169,42
Other	33.301,93	0,00
Total	**16.587.374,98**	**16.978.745,58**

5 Goodwill

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

Amounts in €	PromocartonS.A.	Total
Gross book value as at 1/1/2017	265.128,99	265.128,99
minus: Accumulated amortization	-	-
Net book value as at 1/1/2017	**265.128,99**	**265.128,99**
Additions	-	-
Reductions	-	-
Amortization	-	-
Gross book value as at 31/12/2017	265.128,99	265.128,99
minus: Accumulated amortization	-	-
Net book value as at 31/12/2017	**265.128,99**	**265.128,99**
Additions	-	-
Reductions	-	-
Amortization	-	-
Gross book value as at 31/12/2018	265.128,99	265.128,99
minus: Accumulated amortization	-	-
Net book value as at 31/12/2018	**265.128,99**	**265.128,99**

The Goodwill is subject to periodic impairment testing and, if any impairment loss is recognized, this is included in the result line "Other financial results".

During the current and the previous fiscal year, no impairment of goodwill has arisen. The underlying assumptions used in the impairment test are as follows:

Cash generation unit Promotional materials	2018	2017
Discount rate	11,61%	11,61%
Average growth during next 5 years	0,00%	0,00%
Growth after 5 years	0,00%	0,00%
% EBITDA	15,20%	15,04%

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

• Zero risk rate: The zero risk rate was determined on the basis of the zero risk bond yields.

• Budget margins: Operating profit margins before financial and investing activities and operating profits before financial and investing activities, depreciation and amortization were calculated based on the actual data for the current year.

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

6 Intangible assets

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

Amounts in €	Software	Total
Acquisition cost on 1/1/2017	382.661,44	382.661,44
Minus: Accumulated depreciation	(312.271,33)	(312.271,33)
Net book value on 1/1/2017	**70.390,11**	**70.390,11**
Additions	21.215,01	21.215,01
Reductions / Disposals	-	-
Depreciation	(38.146,18)	(38.146,18)
Depreciations of disposals / reductions	-	-
Acquisition cost on 31/12/2017	403.876,45	403.876,45
Minus: Accumulated depreciation	(350.417,51)	(350.417,51)
Net book value on 31/12/2017	**53.458,94**	**53.458,94**
Additions	48.768,71	48.768,71
Reductions / Disposals	-	-
Depreciation	(24.610,39)	(24.610,39)
Depreciations of disposals / reductions	-	-
Acquisition cost on 31/12/2018	452.645,16	452.645,16
Minus: Accumulated depreciation	(375.027,90)	(375.027,90)
Net book value on 31/12/2018	**77.617,26**	**77.617,26**

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

7 Tangible assets

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

Amounts in €	Land	Buildings	Machinery	Transportation means	Furniture & other equipment	Total
Acquisition cost on 1/1/2017	6.796,76	1.128.041,74	10.730.458,58	291.234,14	752.165,00	12.908.696,22
Minus: Accumulated depreciation	-	(880.635,81)	(8.352.833,00)	(174.092,02)	(659.071,53)	(10.066.632,36)
Net book value on 1/1/2017	**6.796,76**	**247.405,93**	**2.377.625,58**	**117.142,12**	**93.093,47**	**2.842.063,86**
Additions	-	194.177,00	2.655.827,92	24.314,44	70.807,34	2.945.126,70
Disposals / Reductions	-	(7.989,00)	(2.146.301,81)	(64.000,00)	(29.336,28)	(2.247.627,09)
Depreciation	-	(28.484,94)	(347.709,81)	(14.817,98)	(59.324,91)	(450.337,64)
Depreciation of disposals / reductions	-	7.988,99	2.142.295,86	16.533,32	28.812,02	2.195.630,19
Acquisition cost on 31/12/2017	6.796,76	1.314.229,74	11.239.984,69	251.548,58	793.636,06	13.606.195,83
Minus: Accumulated depreciation	-	(901.131,76)	(6.558.246,95)	(172.376,68)	(689.584,42)	(8.321.339,81)
Net book value on 31/12/2017	**6.796,76**	**413.097,98**	**4.681.737,74**	**79.171,90**	**104.051,64**	**5.284.856,02**
Additions	-	89.700,00	873.836,15	-	144.199,65	1.107.735,80
Disposals / Reductions	-	-	-	(25.600,00)	(2.614,41)	(28.214,41)
Depreciation	-	(52.427,99)	(627.762,89)	(11.457,82)	(43.874,37)	(735.523,07)
Depreciation of disposals / reductions	-	-	-	16.426,67	2.614,36	19.041,03
Acquisition cost on 31/12/2018	6.796,76	1.403.929,74	12.113.820,84	225.948,58	935.221,30	14.685.717,22
Minus: Accumulated depreciation	-	(953.559,75)	(7.186.009,84)	(167.407,83)	(730.844,43)	(9.037.821,85)
Net book value on 31/12/2018	**6.796,76**	**450.369,99**	**4.927.811,00**	**58.540,75**	**204.376,87**	**5.647.895,37**

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

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

8 Financial Assets

The financial assets of the Company are classified as follows:

Amounts in €	31/12/2018	31/12/2017
Loans and receivables (8.2)	6.131.702,75	7.531.707,05
Available for sale fnancial assets (8.1)	57.321,27	178.727,00
Total	**6.189.024,02**	**7.710.434,05**

8.1 Investments in equity instruments

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

Amounts in €	VLAHOU BROS AVEE	FOKA BROS AVEE	Total
Balance as at 1/1/2017	**54.000,00**	**124.727,00**	**178.727,00**
Movements during 2017			
Additions	-	-	-
Transfers of non-current assets available for sale	-	-	-
Disposals	-	-	-
Value Impairment	-	-	-
Balance as at 31/12/2017	**54.000,00**	**124.727,00**	**178.727,00**
Movements during 2018			
Transfers of non-current assets available for sale	-	-	-
Disposals	-	-	-
Value Impairment	-	(121.405,73)	(121.405,73)
Balance as at 31/12/2018	**54.000,00**	**3.321,27**	**57.321,27**

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

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

During the current fiscal year, the value of Fokas Bros SA was impaired by 121,405.73 €, which was charged to the account "Other financial results" (see note 20).

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

	VLAHOU BROS AVEE	FOKA BROS AVEE
Discount rate	15,07%	15,07%
Average growth during next 5 years	0,00%	5,00%
Growth after 5 years	0,00%	0,00%
% EBITDA	9,97%	-3,46%

8.2 Financial Instruments other than equity investments

This category includes the following financial assets:

Amounts in €	31/12/2018	31/12/2017
Other non current assets	97.946,19	95.210,19
Trade and other receivables	4.307.737,38	4.198.412,61
Cash and cash equivalents	1.726.019,18	3.238.084,25
Total	**6.131.702,75**	**7.531.707,05**

8.2.1 Other non-current assets

Amounts in €	31/12/2018	31/12/2017
Guaranteed rents	97.946,19	95.210,19
Total	**97.946,19**	**95.210,19**

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

8.2.2 Trade and other receivables

Trade and other receivables are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Domestic customers	3.624.345,31	3.242.871,73
Customers abroad	19.078,37	25.264,38
Prepayments to suppliers	2.942,59	7.285,04
Portfolio receivable Cheques	414.651,41	476.617,68
Cheques in third parties as collateral	394.158,72	563.705,80
Gross book value of trade receivables	**4.455.176,40**	**4.315.744,63**
Anticipating customer precarities	(147.439,02)	(117.332,02)
Total	**4.307.737,38**	**4.198.412,61**

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

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

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

Amounts in €	31/12/2017		
Days		**% of Losses**	**Amount of Losses**
0-90	3.798.512,65	1,03%	(39.134,46)
90-120	376.180,29	0,96%	(3.610,97)
120-180	23.701,22	1,31%	(310,89)
180-365	18,45	20,00%	(3,69)
>365	117.332,02	100,00%	(117.332,02)
Total receivables	**4.315.744,63**		**(160.392,03)**

For all of the company's requirements, an estimate of the potential impairment losses included in distribution costs (note 18) has been made:

The movement of the provision is as follows:

Amounts in €	31/12/2018	31/12/2017
Opening Balance	**117.332,02**	**254.376,41**
IFRS 9 Adjustment	43.060,01	-
Provisionn / reversal of use	(941,02)	-
Receivables right offs	(12.011,99)	(137.044,39)
Total	**147.439,02**	**117.332,02**

During the previous year, impairment of customers and other short-term receivables was estimated, based on the model of realized losses in accordance with IAS 39. As of 1/1/2018, the Company applies the simplified approach of IFRS 9 for the calculation of the expected credit losses of customers and other short-term receivables that are classified either in the Stage 2, or in Stage 3.

Amounts in €	31/12/2018	31/12/2017
Balance of receivables	**4.455.148,92**	**4.315.744,63**
Stage 2	4.334.452,08	4.198.394,16
Stage 3	120.696,84	117.350,47
Expected Credit Loss	**147.439,02**	**160.392,03**
Stage 2	29.756,23	43.056,32
Stage 3	117.682,79	117.335,71
Expected % of Credit Loss		
Stage 2	0,69%	1,03%
Stage 3	97,50%	99,99%

8.2.3 Cash and cash equivalents

Cash equivalents include the following elements:

Amounts in €	31/12/2018	31/12/2017
Cash in hand	11.968,89	23.368,32
Bank deposits	1.677.686,88	3.179.847,97
Foreign currency deposits	36.363,41	34.867,96
Total cash and cash equivalents	**1.726.019,18**	**3.238.084,25**

There are no commitments on the Company's treasury.

9 Inventories

Inventories are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Goods for resale	8.994,85	17.486,06
Products ready and unfinished	839.388,20	827.899,09
Raw and auxiliary materials	2.162.164,55	1.566.220,67
Total	**3.010.547,60**	**2.411.605,82**

The amount of inventories recognized as an expense during the year included in cost of sales (Note 18).

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

10 Other current assets

Other current assets are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Income tax Advance	449.786,19	624.857,09
Other Withholding taxes	232,65	105,70
Greek public	1.587,10	12.605,44
Other debtors	34.697,07	30.597,07
Guarantees	-	135.604,38
Prepayments	888,33	506,51
Prepaid costs	116.118,63	51.759,16
Provision of precarious other debtors	(12.011,99)	-
Prepaid purchases of materials	546.586,05	320.616,19
Total	**1.137.884,03**	**1.176.651,54**

11 Share capital

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

Amounts in €	31/12/2018		31/12/2017	
	Number of shares	Nominal value	Number of shares	Nominal value
Number of shares authorised				
Common shares	3.953.090,00	0,30	3.953.090,00	0,30
Number of fully paid shares				
Common shares	3.953.090,00	0,30	3.953.090,00	0,30

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

Amounts in €	31/12/2018	31/12/2017
Share capital at the beginning of the year	**1.185.927,00**	**1.185.927,00**
Increase of capital	-	-
Capital decrease	-	-
Share capital at the end of the year	**1.185.927,00**	**1.185.927,00**

The share capital of the company amounts up to 1,185,927 Euros, divided into three million, nine hundred fifty three thousand and ninety (3,953,090) ordinary shares of nominal value of thirty cents (0,30) Euro each.

The company's shares are listed on the Athens Stock Exchange, in the MAIN MARKET with the code

PPAK. Each share carries one voting right.

12 Share premium

Movement in share premium is analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Share capital at the beginning of the year	**1.187.780,32**	**1.187.780,32**
Increase in share capital	-	-
Share capital at the end of the year	**1.187.780,32**	**1.187.780,32**

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

13 Other reserves

Movement in other reserves is analyzed as follows:

Amounts in €	Legal Reserve	Extraordinary Reserves	Tax Free	Other reserves	Total
Balance as at 1/1/2017	**282.098,20**	**2.219,00**	**335.221,00**	**(9.968,40)**	**609.569,80**
Actuarial reserve	68.566,83	-	-	-	68.566,83
Reserves from profits	-	-	-	(11.524,01)	(11.524,01)
Balance as at 31/12/2017	**350.665,03**	**2.219,00**	**335.221,00**	**(21.492,41)**	**666.612,62**
Reserves from profits	71.561,00	-	-	-	71.561,00
Actuarial reserve	-	-	-	(13.121,57)	(13.121,57)
Balance as at 31/12/2018	**422.226,03**	**2.219,00**	**335.221,00**	**(34.613,98)**	**725.052,05**

Legal reserves

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

Tax-free reserves:

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

14 Employees defined benefit liability

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

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

The obligation of the Company is as follows:

Amounts in €	31/12/2018	31/12/2017
Present value of non-financed liabilities	289.818,42	253.497,68
Total	**289.818,42**	**253.497,68**

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

Amounts in €	31/12/2018	31/12/2017
Opening balance of defined benefit obligation	**253.497,68**	**224.655,09**
Current employment Cost	20.242,00	17.719,00
Cost of cuts/settlements/termination of service	21.894,27	21.798,59
Benefits paid	(28.349,00)	(30.950,00)
Interest on the obligation (staff)	4.309,07	4.044,00
Actuarial Revaluation	18.224,40	16.231,00
Total	**289.818,42**	**253.497,68**

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

Amounts in €	31/12/2018	31/12/2017
Net defined benefit liability at the end of the year	289.818,42	253.497,68
Net defined benefit liability at the end of the year	**289.818,42**	**253.497,68**

The amounts recognized in the income statement are as follows:

Amounts in €	31/12/2018	31/12/2017
Current employment Cost	20.242,00	17.719,00
Cost of cuts/settlements/termination of service	21.894,27	21.798,59
Interest on the obligation (staff)	4.309,07	4.044,00
Total	**46.445,34**	**43.561,59**

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

Movements in Other Comprehensive Income	31/12/2018	31/12/2017
Amount recognized in OCI	(18.224,40)	(16.231,00)
Accumulated amount recognized in OCI	6.237,00	24.460,59

Interest expenses are included in the item "Financial Expenses" in the Income Statement (note 20). All other expenses related with employee benefits included in the income statement.

The main actuarial assumptions used for accounting purposes these are:

	31/12/2018	31/12/2017
Discount rate	1,60%	1,70%
Future wage increases	2,00%	2,00%
Inflation rate	2,00%	2,00%

Demographic Assumptions:

I. Mortality

has used the Swiss EVK 2000 mortality table for men and women

II. Percentage departures (Turnover)

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

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

III. Normal retirement ages

have used the terms of withdrawal of social security funds owned by each worker, as they have been shaped with current legislation.

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

	Actuarial Liability	Diff %
Discount rate increase by 0,5%	264.031,00	-9%
Discount rate decrease by 0,5%	318.829,00	10%
Increase on expected salary increase by 0,5%	312.129,00	8%
Decrease on expected salary increase by 0,5%	265.774,00	-8%

15 Financial liabilities

15.1 Financial liabilities at amortized cost

This category includes:

Amounts in €	note	31/12/2018	31/12/2017
Borrowing and finance leases	15.1.1	6.973.353,90	7.291.766,34
Trade and other payables	15.1.2	2.645.968,53	2.113.679,11
Total		**9.619.322,43**	**9.405.445,45**

15.1.1 Borrowings

Borrowings are analyzed as follows:

Long Terms Loans

Amounts in €	31/12/2018	31/12/2017
Bond loans	2.775.000,00	2.625.000,00
Leasing liabilities	2.039.256,27	2.467.091,95
Total long term loans	**4.814.256,27**	**5.092.091,95**

Short Terms Loans

Amounts in €	31/12/2018	31/12/2017
Bond loans payable on next use	700.000,00	500.000,00
Liabilities leasing payable on next use	415.201,19	388.889,48
Short-term loans	1.043.896,44	1.310.784,91
Total short term loans	**2.159.097,63**	**2.199.674,39**

Total borrowings	**6.973.353,90**	**7.291.766,34**

The total debt of the company is analyzed as follows:

Borrowings as at 31/12/2018

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

Borrowings as at 31/12/2017

Amounts are expressed in € '	Corporate Bond	Long term bank loans	Financial Leases	Other	Total
1 year and less	500.000,00	-	388.889,48	1.310.784,91	2.199.674,39
Between 1 and 5 years	2.625.000,00	-	2.060.150,11	-	4.685.150,11
More than 5 years	-	-	406.941,84	-	406.941,84
Total	**3.125.000,00**	**-**	**2.855.981,43**	**1.310.784,91**	**7.291.766,34**

Interest rates are analyzed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Euribor 3m+4,85%	-	1.715,20
Euribor 3m+4,75%	-	0,02
Euribor 3m+4,40%	190.746,69	251.010,87
Euribor 3m+3,80%	-	762.530,92
Euribor 3m+3,85%	-	546.538,77
Euribor 3m+3,20%	850.000,00	-
Euribor 3m+3,30%	4.884.101,23	2.599.215,23
Euribor 3m+3,40%	-	3.125.000,00
Euribor 3m+3,50%	1.043.896,44	-
Fixed rate 9,6%	4.609,54	5.755,33
Total borrowings	**6.973.353,90**	**7.291.766,34**

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

Borrowings as at 31/12/2018	Total Borrowings	Interest charge	Euribor increase + 0,5%	Euribor decrease - 0,5%
Borrowings using 3months Euribor	6.973.353,90	310.064,55	344.931,32	275.197,78
Total	**6.973.353,90**	**310.064,55**	**344.931,32**	**275.197,78**

Borrowings as at 31/12/2017	Total Borrowings	Interest charge	Euribor increase + 0,5%	Euribor decrease - 0,5%
Borrowings using 3months Euribor	7.291.766,34	254.110,89	290.569,72	217.652,06
Total	**7.291.766,34**	**254.110,89**	**290.569,72**	**217.652,06**

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

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

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

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

The finance leases of the company refer to non-depreciated machinery with a value of 2.572.610,65 Euros, means of transport (clarks) of non-depreciated value of 5.290,00 Euros and other equipment of non-depreciated value of 1.610,00 Euros.

The present values of leases are analyzed as follows:

	Minimum future payments		Present value of future minimum lease payments	
Amounts are expressed in € '	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
< 1 year	415.201,19	388.889,48	457.975,33	481.568,74
1 - 5 years	2.039.256,27	2.060.150,11	2.257.696,88	2.314.994,04
5 years <	0,00	406.941,83	0,00	434.305,36
Total	**2.454.457,46**	**2.855.981,43**	**2.715.672,21**	**3.230.868,14**
minus: (interest charge)			(261.214,75)	(374.886,71)
Present value of minimum future payments	**2.454.457,46**	**2.855.981,43**	**2.454.457,46**	**2.855.981,43**
Included in:				
Borrowings as at 31/12/2018			2.039.256,27	2.467.091,95
Borrowings using 3months Euribor			415.201,19	388.889,48
			2.454.457,46	**2.855.981,43**

15.1.2 Trade and other payable

Trade and other payables are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Domestic Suppliers	1.393.140,59	1.557.061,11
International Suppliers	1.083.085,96	501.129,59
Advances to customers	32.411,33	19.647,59
Bills of exchange payables	119.330,65	17.840,82
Cheques payable	18.000,00	18.000,00
Total	**2.645.968,53**	**2.113.679,11**

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

15.1.3 Other long term liabilities

Other long term liabilities are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Guaranties received	950,00	800,00
Asset Grants	35.503,69	-
Total	**36.453,69**	**800,00**

16 Other current liabilities

Other current liabilities include:

Amounts in €	31/12/2018	31/12/2017
Staff remuneration payable	137.236,28	141.178,11
Dividends payable	19.767,96	11.450,48
BOD Fees payable	9.309,80	18.562,26
Other short-term liabilities in €	335.437,83	50.323,46
Asset Grants	-	7.396,86
Liabilities in Ika	159.674,07	157.827,33
Debts to other insurance funds	156,00	162,00
Accrued expenses	59.705,96	23.165,42
Accrued interest	-	885,41
Total	**721.287,90**	**410.951,33**

17 Turnover

Turnover is analyzed as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Sales of goods	549.071,85	532.089,05
Sales of products	15.079.615,26	14.213.314,18
Sales of other inventories	540.118,82	507.247,00
Revenue from services	452.017,99	439.261,70
Total	**16.620.823,92**	**15.691.911,93**

18 Expense analysis

Operating expenses are analyzed as follows:

	1/1/2018 - 31/12/2018				
Amounts in €	**Cost of Sales**	**Distribution Expenses**	**Administrative expenses**	**Running costs of research and development**	**Total**
Cost of raw materials and goods for resale	7.895.829,52	-	-	-	7.895.829,52
Demolition of raw materials and goods for resale	(12.979,71)	-	-	-	(12.979,71)
Bad debt provision	-	(941,03)	-	-	(941,03)
Depreciation	676.901,22	8.020,91	50.600,95	-	735.523,08
Amortization	13.813,81	83,68	10.712,90	-	24.610,38
Payroll and related expenses	2.633.961,90	283.863,73	704.713,30	-	3.622.538,93
Third parties fees	21.634,84	146.977,65	701.422,06	-	870.034,55
Operating leases and rents	363.886,90	63.446,64	163.967,89	-	591.301,43
Repairs and maintenance	207.514,45	37.638,04	70.602,91	-	315.755,40
Insurance premiums	27.758,41	16.390,61	27.708,11	-	71.857,13
Heat, electricity, telecommunications, etc	229.974,01	20.693,76	19.522,85	-	270.190,62
Duties and taxes	61.528,03	11.168,90	33.578,34	-	106.275,26
Sundry expenses	94.062,42	188.752,00	175.722,05	-	458.536,47
Total	**12.213.885,80**	**776.094,89**	**1.958.551,34**	**0,00**	**14.948.532,03**

	1/1/2017 - 31/12/2017				
Amounts in €	**Cost of Sales**	**Distribution Expenses**	**Administrative expenses**	**Running costs of research and development**	**Total**
Cost of raw materials and goods for resale	7.194.825,56	-	-	-	7.194.825,56
Demolition of raw materials and goods for resale	(19.831,44)	-	-	-	(19.831,44)
Bad debt provision	-	-	-	-	-
Depreciation	421.345,77	8.370,99	33.079,35	3,89	462.800,00
Amortization	0,00	122,07	24.741,75	820,00	25.683,82
Payroll and related expenses	2.440.197,87	247.100,61	756.627,94	-	3.443.926,42
Third parties fees	20.089,70	159.393,77	588.491,57	-	767.975,04
Operating leases and rents	375.396,58	55.668,02	156.237,71	-	587.302,31
Repairs and maintenance	273.046,84	36.911,21	76.832,34	-	386.790,39
Insurance premiums	24.300,21	16.665,75	28.793,53	-	69.759,49
Heat, electricity, telecommunications, etc	234.905,18	22.036,04	23.188,41	-	280.129,64
Duties and taxes	62.219,76	10.186,51	36.133,69	-	108.539,95
Sundry expenses	87.285,08	196.221,55	141.836,85	-	425.343,48
Total	**11.113.781,11**	**752.676,52**	**1.865.963,14**	**823,89**	**13.733.244,66**

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

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Remuneration of salaried staff	1.256.292,13	1.127.694,04
Daily staff Fees	1.468.791,82	1.474.687,10
Employer's staff contributions	721.855,21	686.180,66
Current service cost	20.242,00	17.719,00
Dismisal costs	50.243,17	52.748,51
Interest charge on defined benefit plans	4.309,47	4.044,00
Other expenses	105.114,60	84.897,11
Total	**3.626.848,40**	**3.447.970,42**

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

	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
White collar	54	47
Blue collar	107	110
Total	**161**	**157**

19 Other income and expenses

Other income is analyzed as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Grants	14.434,83	20.564,61
Revenues from rentals	20.695,00	24.709,00
Other extraordinary income	25.255,08	32.319,72
Profit from the sale of machinery	-	275.789,04
Gains on sale of tangible assets	49,96	49,39
Total	**60.434,87**	**353.431,76**

Other expenses are analyzed as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Tax fines and surcharges	696,82	16.225,44
Other Extraordinary expenses	240.000,00	-
Losses on sale of tangible assets	4.173,33	22.945,42
Total	**244.870,15**	**39.170,86**

20 Financial results

Financial expenses are analyzed as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Interest expenses	305.755,08	254.110,89
Interest on the obligation (staff)	4.309,47	4.044,00
Total	**310.064,55**	**258.154,89**

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

Financial income is analyzed as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Interest received	308,14	128,13
Gains on foreign currency exchange difference	2.516,66	900,90
Total	**2.824,80**	**1.029,03**

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

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Measurement of investments in participations in other companies	121.405,73	-
Total	**121.405,73**	**-**

21 Income taxes

21.1 Current tax liabilities

Current tax liabilities are analyzed as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Tax on income payable	274.947,94	681.742,29
Credit VAT	134.281,32	59.868,58
Other Withholding taxes	200.816,51	163.492,77
Other taxes	148,39	113,00
Total	**610.194,16**	**905.216,64**

21.2 Deferred tax assets and liabilities

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

Amounts are expressed in € '	31/12/2018		31/12/2017		31/12/2018	31/12/2017
	Assets	Liabilities	Assets	Liabilities	Income / (Expense)	Income / (Expense)
Intangible assets	(3.709,65)	3.709,65	(3.709,65)	3.709,65	-	(0,07)
Tangible assets	894,02	56,72	1.892,75	486,30	(1.428,31)	486,30
Bad debt receivables	1.266,17	11.749,66	1.266,17	-	11.749,66	-
Defined benefit liability	65.149,50	15.999,39	65.149,50	8.364,43	7.634,96	8.364,43
Recognition of tax loss	(548,93)	-	(548,93)	-	-	-
Available for sale financial assets	-	163.712,49	-	-	163.712,49	-
Impact of future tax rate changes	998,69	-	-	-	998,69	-
Total	**64.049,80**	**195.227,91**	**64.049,84**	**12.560,38**	**182.667,49**	**8.850,66**
Offseting	**195.227,91**	**(195.227,91)**	**12.560,38**	**(12.560,38)**	**-**	**-**
Deferred tax receivable / (payable)	**259.277,71**	**0,00**	**76.610,22**	**0,00**		
Other adjustments						
Impact of IFRS 9 on deferred tax					(12.486,98)	-
Tax on equity					**0,00**	**0,00**
Tax in other revenues					**0,00**	**0,00**
Tax presented in the statement of comprehensive income (n.21.3)					**170.180,51**	**8.850,66**

Deferred tax assets are recognized for tax losses carried forward to the extent possible the realization of related tax benefit through future taxable profits. For the calculation of deferred tax a 28% rate has been applied.

21.3 Income tax recognized in income statement

The tax which recognized in income statement was as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Current tax		
Tax for the year	(450.018,84)	(624.962,79)
Total	**(450.018,84)**	**(624.962,79)**
Deferred tax		
From temporary differences	165.077,68	4.143,67
From temporary differences to Other Comprehensive Income	5.102,83	4.706,99
Total	**170.180,51**	**8.850,66**
Grand total	**(279.838,33)**	**(616.112,13)**
Tax rate	**29%**	**29%**
Profit / (Loss) before tax	**1.040.986,73**	**1.999.571,30**
Tax based on tax rate (1)	**(301.886,00)**	**(579.876,00)**
Tax amounts are distributed among:		
Permanent differences on expenses	(21.289,31)	(23.271,74)
Non taxable revenues	43.336,98	(12.964,39)
Total (2)	**22.047,67**	**(36.236,13)**
Grand total (1+2)	**(279.838,33)**	**(616.112,13)**

22 Earnings per share

Earnings per share are calculated as follows:

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Profit / (loss) of the period	761.148,40	1.383.459,18
Weighted average of shares outstanding	3.953.090,00	3.953.090,00
Basic (€ / share)	**0,19**	**0,35**

Weighted average of shares outstanding have been calculated as follows:

Weighted average of shares outstanding	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Number of shares as at 1/1	3.953.090,00	3.953.090,00
Number of shares as at 31/12	3.953.090,00	3.953.090,00
Weighted average of shares outstanding	**3.953.090,00**	**3.953.090,00**

23 Dividends

Dividends to shareholders are proposed by the Board of Directors at each year end and are subject to approval by the Annual General Meeting. During the fiscal year 2018, the Board of Directors proposed and the Ordinary General Meeting of 2/4/2018 approved, the distribution of a dividend of € 632.494,40, i.e. € 0,1600 per share. The Extraordinary General Meeting dated 12/6/2018 approved the distribution to the shareholders of the company of an extraordinary dividend of a total amount of € 790.618,00, corresponding to a gross amount of € 0.20 per share.

24 Financial Instruments and risk management policies

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

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

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

24.1 Risk of changes in exchange rates

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

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

Amounts in €	31/12/2018	31/12/2017
	USD	**USD**
Cash and cash equivalents	41.636,10	41.817,14
Total	**41.636,10**	**41.817,14**

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

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

		% Change in exchange rate	Effect in profits	Effect in equity
Year 2018	**USD**	**10%**	**3.636,34**	**2.581,80**
		-10%	**(3.636,34)**	**(2.581,80)**
Year 2017	**USD**	**10%**	**3.486,80**	**2.475,62**
		-10%	**(3.486,80)**	**(2.475,62)**

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

24.2 Risk of changes in interest rates

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

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

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

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

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

	Interest	Borrowings with floating interest rate	% Change in interest rate	Effect in profits	Effects in equity
Year 2018	Euribor	6.968.744,36	0,50%	34.843,72	24.739,04
			-0,50%	(34.843,72)	(24.739,04)
Year 2017	Euribor	7.286.011,01	0,50%	36.430,06	25.865,34
			-0,50%	(36.430,06)	(25.865,34)

24.3 Credit Risk Analysis

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

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

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

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

Amounts in €	31/12/2018	31/12/2017
Investments in shareholdings	57.321,27	178.727,00
Trade and other receivables	4.307.737,38	4.198.412,61
Other non current assets	97.946,19	95.210,19
Cash and cash equivalents	1.726.019,18	3.238.084,25
Total	**6.189.024,02**	**7.710.434,05**

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

24.4 Liquidity risk analysis

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

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

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

Financial Liabilities as at 31/12/2018

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

Financial Liabilities as at 31/12/2017

Amounts in €	up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Trade and other payables	1.761.399,26	352.279,85	-	-	2.113.679,11
Borrowings	500.000,00	1.699.674,39	4.685.150,11	406.941,84	7.291.766,34
Total	**2.261.399,26**	**2.051.954,24**	**4.685.150,11**	**406.941,84**	**9.405.445,45**

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

25 Policies and procedures for capital management

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

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

Amounts in €	31/12/2018	31/12/2017
Total net liabilities	9.551.057,42	7.737.826,85
Shareholders' equity (sharoholders of the parent)	5.310.298,38	6.002.834,48
Total Debt / Equity	**1,13**	**1,29**

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

26 Transactions and balances with related parties

26.1 Balances with related parties from commercial activity

There are no balances with related parties from commercial activity.

26.2 Compensation to key management personnel

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

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Salaries and other compensation to BoD members	258.947,24	234.807,70
Salaries and other compensation to key management personnel	391.095,16	312.917,81
Compensation to BoD memebers approoved by the General Meeting	521.105,48	472.530,40
Total	**1.171.147,88**	**1.020.255,91**

26.3 Receivables and payables to key management personnel

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Loans to related parties	15.983,61	15.983,61
Total	**15.983,61**	**15.983,61**

Amounts in €	1/1/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Salaries and other compensation payable	33.567,48	24.807,99
Compensation to BoD memebers approoved by the General Meeting payable	5.089,29	5.140,95
Total	**38.656,77**	**29.948,94**

27 Commitments

27.1 Operating lease commitments

27.1.1 Company's company as lessee

The minimum lease payments (net of the annual updates) for operating lease agreements for transportation means which cannot be canceled without penalty will be made as follows:

Amounts are expressed in €'	31/12/2018	31/12/2017
< 1 year	84.139,88	85.493,61
1-5 years	176.127,07	201.025,51
5 years <	-	1.970,00
Total	**260.266,95**	**288.489,12**

The minimum lease payments (without taking into consideration the annual adjustments) for operating leases for buildings will be determined as follows:

Amounts are expressed in €'	31/12/2018	31/12/2017
> 1 year	490.193,16	490.193,16
1-5 years	1.605.820,85	1.906.543,89
5 years <	506.520,00	704.160,00
Total	**2.602.534,01**	**3.100.897,05**

28 Liens on the property and pledges

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

o On raw materials owned by the company , at least equal to 1.000.000,00 Euro throughout the duration of the loan ,

o On equipment owned by the company , worth at least 927.000,00 Euros , namely on the following and , finally ,

o On the receivables of the Company of the policyholders of these stocks and machinery.

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

29 Contingent assets and liabilities

29.1 Contingent Liabilities

29.1.1 Litigations

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

29.1.2 Tax audits

The Company has been audited for the years 2011 until 2013, in certificates of tax compliance, with an unqualified opinion in accordance with Article 82 par.5 of Law 2238/1994. For the years 2014 until 2017, the company has been audited by its statutory auditors, in certificate of tax compliance, with an unqualified opinion, in accordance with the provisions of the Article 65A of Law 4174/2013.

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

29.2 Contingent Assets

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

30 Audit fees

The total fees charged during the financial year 2018, by the statutory audit firm are as follows:

Type of fees (amounts in €')	
Fees for statutory audit of financial Statements	20.500,00
Fees for other audit procedures	7.000,00
Total	**27.500,00**

31 Subsequent events

There are no other significant events, subsequent to December 31, 2018, which should be publicized or could differentiate the items of the published financial statements.

Kifissia, 29th of March 2019

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