CELLCO CHEMICALS S.A.

ANNUAL FINANCIAL REPORT

for the year ended 2019

(1 January - 31 December 2019)

In accordance with International Financial Reporting Standards as adopted by the EU

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

Context **Page**

Annual Board of Director's report

of the Company
CELLCO CHEMICALS S.A.

Regarding the financial statements
for the financial year from 1 January 2019 to December 2019

1. General information

The current financial year is the twenty-eighth (28th) and includes the period of 1st January 2019 to 31st December 2019.

During this year, the entity's operations have been carried out in conformity to the relevant legislation in force and the Company's scope as defined by its Articles of Incorporation.

Company's financial statements for the financial year 2019, as published and submitted for approval to the General Assembly, derive from Company's books and records and have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.) as adopted by the European Union.

2. Financial performance

In 2019, the net turnover from sales of goods and services amounted to Euro 11.537.265,46 compared to Euro 10.991.612,63 in the previous year, showing an increase of 4,96%.

Cost of sales during the current period amounted to Euro 8.368.371,05 against Euro 7.856.438,14 in the prior year, showing an increase of 6,52%. The increase is due to the increase in sales and is almost equal to the increase in sales.

Gross profit amounted to Euro 3.168.894,41 compared to Euro 3.135.174,49 in the prior year, showing an increase of 1,08%.

Administrative expenses amounted to Euro 937.734,06 compared to Euro 809.859,70 in the previous year, showing a slight increase of 15,79%.

Distribution expenses amounted to Euro 208.932,88 compared to Euro 222.610,88 in the prior year, showing a decrease of 6,14%. Distribution expenses remained approximately the same as in the previous financial year.

Earnings before tax during the current year decreased by 2,13% and amounted to Euro 2.043.847,69 compared to Euro 2.088.290,05 in the previous year. Profit before taxes remained approximately the same as in the previous financial year.

Profit after tax in the current year increased by 1,35% and amounted to Euro 1.537.082,07 compared to Euro 1.516.569,60 in the previous year. The increase in profit after tax compared to the previous year is mainly due to the reduction of the income tax rate to 24% from 29% that was in force during the financial year 2018.

Earnings before taxes, interest and depreciation (EBITDA) amounted to Euro 2.172.023,89 in 2019 compared to Euro 2.201.360,09 in 2018, showing a decrease of 1,33%.

The financial ratios derived from the financial statements of the current and previous years.

The main financial ratios for the financial years 2019 and 2018 that present Company's financial position are as follows:

i. Financial structure ratios	2019	2018
Current Assets / Total Assets	91,2%	90,3%
Equity / Total Liabilities	584,5%	325,6%
Equity / Non-Current Assets	972,1%	787,4%
Current Asset / Current Liabilities	660,1%	398,1%

ii. Operating Performance & Profitability Ratios	2019	2018
EBITDA / Turnover	18,8%	20,0%
Gross margin / Revenues	27,5%	28,5%
Revenues / Equity	137,0%	150,9%
EBITDA (Profit before taxes, interest and depreciation)	**2.172.023,89**	**2.201.360,09**

3. Significant events during the current period

As reflected in the financial statements, the Company managed to increase both its sales and profitability. The gross profit during the current year is increased by 1.08% compared to the previous year and amounted to Euro 3.168.894,41, compared to Euro 3.135,174,49 during the previous year.

4. Administrative principles and internal management systems

Company's Board of Directors

The Board of Directors, among its responsibilities, is responsible for a) preparing the Company's business plans and budgets b) implementing the aforementioned approved business plans and budgets, c) daily managing of the Company, d) hiring senior management and the preparation of the Company's internal organizational chart. The Board of Directors is responsible for the proper operation of the Company.

General Assembly of Shareholders

The General Assembly is the supreme body of the Company and has the right to decide on any corporate case.

In particular, the General Meeting is solely competent to decide, inter alia, on a) amendments to articles of association which include increases or reductions in share capital, b) approval of the annual financial statements, c) distribution of annual profits and d) merger, extension of duration or dissolution of the Company.

The General Assembly must meet at the registered office of the Company, or in the region of another municipality within the prefecture of the registered office or other municipality adjacent to the registered office or in the district of the municipality where the registered office is located, at least once in each financial year.

Main features of internal control system

The Company's Internal Audit System (TEU) comprises a set of audit control mechanisms and procedures, aimed at the proper operation of the Company, ensuring the completeness and reliability of the information and information required to accurately and timely evaluate the Company's financial performance and the preparation of reliable financial statement.

5. Financial risk objectives and policies

The Company is exposed to various financial risks, such as credit risk and liquidity risk and the uncertainty of the effects of the impact of contingencies (COVID - 19), which may have a prolonged and unforeseen duration. The overall risk management plan of the Company aims to minimize the negative impact that these risks may have on the Company's financial performance.

Risk management is monitored by the Company's Management, which manages the financial risks to which the Company is exposed. The Management does not execute profit speculation transactions or transactions that are not related to the commercial, investment or borrowing activities of the Company.

Market risk

Foreign exchange risk

Apart from the Greek market, the Company is also active in the international markets and is therefore exposed to foreign exchange risk arising from changes in exchange rates. This risk arises mainly from future foreign exchange transactions, receivables and liabilities.

The main currency in the Company's trading volume outside the Euro is the US Dollar. («USD»). Foreign exchange risk is managed on the one hand by maximizing physical hedging through liabilities - receivables and inflows - outflows in USD.

The Company's policy is to not maintain foreign cash and cash equivalent higher than the necessary amounts that are expected to be used in its commercial activities.

Price risk

The Company is exposed to raw materials price variations. Part of this risk is compensated by incorporating change in cost to the final selling price of the products.

Credit risk

Credit risk arises from cash, deposits with banks, as well as customer credit reports including significant receivables and transactions.

The Company has significant concentration of its receivables to a few trade debtors, fact that maximizes its exposure to credit risk.

50.07% of the Company's turnover is carried out by two customers (2018: 48.16%) whose balance as at 31 December 2019 amounts to Euro 1.837.738,56 (31.12.2018: 2.481.216,61).

Liquidity risk

The Company manages the risks that may arise from a lack of sufficient liquidity, ensuring that there are always secured bank loans for use. The existing unused approved bank credits to the Company are sufficient to address any possible cash shortages.

Cash flow risk and risk relating to change of fair value due to change in interest rates

The Company's operating income and cash flows are influenced by changes in interest rates. The interest rate risk essentially affects floating rate borrowings. Company's policy is to monitor interest rate trends and to decide on the combination of fixed – floating interest rates according to prevailing market conditions and its financial needs. During the current period the Company's debt is with variable interest rate, as it was considered that this risk is limited, as the Euro interest rates are expected to remain stable or decrease in the medium-term future.

6. Environmental issues

In the context of environmental responsibility and protection, the Company identifies the environmental impacts of the activities, products and services offered that is able to control and influence, by applying principles of Current (Good) Environmental Practice.

In order to prevent and control pollution and reduce the environmental impacts arising from its activities, the Company applies among others the following:

Recycling programs for waste electrical and electronic equipment, Metals, lead-acid batteries, wood, printed paper, packaging materials, portable consumer batteries, fluorescent lamps, mineral oils etc.

Collection and disposal of all kinds of waste from appropriately licensed subcontractors and delivery to legal waste management companies that undertake sorting, recycling, processing, utilization, hibernation, final disposal etc. of waste, in accordance with the provisions of the relevant legislation.

7. Labour issues

The Company fully considers and respects the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work and the relevant national and European legislation and in particular the principles of:

- equal treatment
- respect for human rights
- diversity
- providing equal opportunities to all its employees and
- Avoiding child or forced labour.

Safeguarding human rights is a key issue for the Company in order to ensure equality, equal treatment for each client and to prevent any kind of racist behaviour.

The Company enhances the development of a good working environment through a continuous effort to improve the quality of work and the good cooperation of its human resources.

The Company ensures the existence of an excellent and safe working environment. This environment ensures non-discrimination policies and equal opportunities irrespective of gender, age, nationality and religion. Workers' labour rights are respected.

8. Financial and non-financial performance indicators

The Company does not use financial and non-financial performance indicators. For the purpose of informing the users of financial statements only, we have in Note 2 of this Board of Directors' Report performance, profitability and financial structure indicators of the Company.

9. Property

The Company wholly owns the following property:

Mandra Attica, location Mikro Katerini or Tsakali basement s.m. 1.535
Mandra Attica, location Mikro Katerini or Tsakali ground floor office s.m. 336
Mandra Attica, location Mikro Katerini or Tsakali ground floor s.m. 1.200
Mandra Attica, location Mikro Katerini or Tsakali 1st floor office s.m. 336
Mandra Attica, location Mikro Katerini or Tsakali ground floor s.m. 24
Mandra Attica, location Mikro Katerini or Tsakali land s.m. 5.699
Mandra Attica, location Mikro Katerini or Tsakali land s.m. 4.544

Company's property is subject to a first mortgage in favour of National Bank of Greece to secure a construction loan of a total amount Euro 1.275.000,00, which was fully repaid on 31/12/2017.

10. Securities

National Bank of Greece Shares: 62 shares with price per share as at 31/12/2019 Euro 3,02 and value Euro 187,24.

11. Treasury shares

No treasury shares were acquired from 01/01/2019 to 31/12/2019 by the Company.

12. Foreign Currency

The Company has no foreign currency.

13. Research and development

There was no research and development activity during the year 2019.

14. Branches

The Company has no branches.

15. Subsequent events that occurred from the end of the financial year to the date of submission of this report

In March 2020, the World Health Organization (WHO) declared the Coronation COVID-19 pandemic, the rapid spread of which has adverse results to business and economic activity around the world and has ceased or slowed down the activities of major sectors of the economy.

The spread of the pandemic is ongoing and therefore its effects cannot be estimated or quantified. The duration and severity of the effects are expected to be determined by: (i) whether the virus is subject to seasonal periodicity, (ii) how long it will take to develop effective methods of treating the disease (vaccine and / or treatment), (iii) the effectiveness of the fiscal and other measures of the countries as well as the decisions of the banking supervisory authorities to facilitate the banking institutions in providing liquidity and support to businesses and households.

Based on the above, and in accordance with the requirements of IAS 10 "Events following the reporting period", pandemic is considered a non-corrective event and therefore is not presented in the recognition and measurement of assets and liabilities in Company's annual financial statements for the fiscal year 2019.

In the context of public health protection, many countries have adopted extraordinary, temporary restraint measures, including the suspension of the normal business activities of some companies. Governments, including the Greek one, have imposed restrictions on traffic, travel and strict quarantine measures. Specifically, in Greece, gradually from March 20, 2020, measures were taken to safeguard public health and ensure the economic survival of workers, businesses and vulnerable groups which were implemented until May 4, 2020, on this date, lock down measures were gradually the lockdown measures implemented by the Greek Government were gradually lifted and the government's plan for the gradual transition to the new reality was implemented.

The Management monitors all the events from a very early stage and is in constant communication with all the competent bodies, in order to take any action deemed necessary in terms of taking measures that will protect the health of employees, its associates and public health in general. At the same time, it records the risks and evaluates the impact of the COVID-19 pandemic at each stage, on the results and future cash flows of the Company, while the measures it takes are based on the adequacy of liquidity and going concern principle. The assessment of the Management is that no uncertainty is created regarding the Company's going concern, which is the main assumption used for the preparation of the financial statements.

There have been no other events since the financial statements of 31 December 2019, which have significantly affected the understanding of these financial statements and should either be disclosed or differentiate the accounts of the published financial statements.

16. Conclusions

Believing that the Company's results are satisfactory, by taking also into consideration the economic decline and prevailing market conditions, please approve the submitted Financial Statements for the year ended December 31, 2019, exempt the Board of Directors and the auditors from any responsibility, and appoint the auditors for the year ended December 31, 2020.

Finally, we would like to thank you for the trust showed to the members of Board of Directors.

True copy from the minutes' book
of the Board of Directors

Mandra, 31 August 2020

THE PRESIDENT OF THE BOARD OF DIRECTORS
TSIRIVAS EFTHYMIOS

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THIS REPORT IS A FREE TRANSLATION OF THE ORIGINAL VERSION IN GREEK LANGUAGE

Independent Auditor's Report

To the Shareholders of CELLCO CHEMICALS S.A

<u>Report on the Audit of the Financial Statements</u>

Opinion

We have audited the financial statements of the CELLCO CHEMICALS S.A (the "Company"), which comprise the statement of financial position as at December 31, 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the CELLCO CHEMICALS S.A. as at December 31, 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in 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. We remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information includes the Board of Directors' Report, for which reference is also made in section Report on Other Legal and Regulatory Requirements but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether 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 incorporated in 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 incorporated in 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following:

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of the Law 4548/2018 and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31.12.2019.

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

Athens, 31 August 2020

THE CERTIFIED AUDITOR ACCOUNTANT

GERASIMOS ANAST. ZAFEIRATOS
SOEL REG. No 20901

AUDIT PLUS S.A.
METAMORFOSEOS 1 &
LEOFOROS PENTELIS 104
PC 15234 CHALANDRI
SOEL COMPANY REG. No 172

It is certified that the accompanied Financial Statements, are those that have been approved by the Board of Directors of **CELLCO CHEMICALS S.A.** on 31 August 2020 and they have been disclosed on the Company's website: http://www.cellco.gr/.

On behalf of
CELLCO CHEMICALS S.A.

THE PRESIDENT OF THE BOARD OF DIRECTORS
TSIRIVAS EFTHIMIOS
ID No AE 604126

THE MANAGING DIRECTOR
PARASKEVOPOULOS NIKOLAOS
ID No T 504598

THE CHIEF FINANCIAL OFFICER
ISARIS DIMITRIOS
ID No AM 083547
License No ECG. 35068 A' CLASS

Statement of comprehensive income for the year ended 31 December 2019

	Notes	Year ended 31/12/2019	Year ended 31/12/2018
Revenue from customer contracts	7	11.537.265,46	10.991.612,63
Cost of sales	8	(8.368.371,05)	(7.856.438,14)
Gross profit		3.168.894,41	3.135.174,49
Administrative expenses	8	(937.734,06)	(809.859,70)
Distribution expenses	8	(208.932,88)	(222.610,88)
Other operating income	9	33.584,76	-
Other operating expenses	9	(1.850,57)	(2.390,89)
Operating profit		2.053.961,66	2.100.313,02
Finance income	10	51,59	32,39
Finance costs	10	(10.165,56)	(12.055,36)
Profit before tax		2.043.847,69	2.088.290,05
Income tax expense	12	(506.765,62)	(571.720,45)
Profit for the year		1.537.082,07	1.516.569,60
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial (gains)/losses from employee benefits	24	-	-
Income tax effect	15	(26,02)	(104,08)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(26,02)**	**(104,08)**
Other comprehensive income/(loss) for the year, net of tax		**(26,02)**	**(104,08)**
Total comprehensive income for the year, net of tax		**1.537.056,05**	**1.516.465,52**

The accompanying notes on pages 17 to 49 are an integral part of these financial statements.

Statement of financial position as at 31 December 2019

	Notes	31 DECEMBER 2019	31 DECEMBER 2018
Assets			
Non-current assets			
Property, plant and equipment	13	804.050,54	868.767,67
Intangible Assets	14	0,38	0,38
Right of use of assets	26	435,61	-
Deferred tax assets	15	57.680,31	53.793,46
Other non-current assets	17	4.253,71	2.686,32
		866.420,55	925.247,83
Current assets			
Inventories	16	2.582.262,81	2.457.004,20
Trade and other receivables	17	5.264.225,78	5.744.440,34
Financial assets at fair value through profit or loss	18	187,24	68,20
Cash and short-term deposits	19	1.150.685,78	396.545,34
		8.997.361,61	8.598.058,08
Total assets		**9.863.782,16**	**9.523.305,91**
Equity and liabilities			
Equity attributable to equity holders of the company			
Issued share capital	20	962.100,00	962.100,00
Reserves	21	349.369,57	349.369,57
Retained earnings		7.111.285,52	5.974.229,47
Total Equity		**8.422.755,09**	**7.285.699,04**
Long-term Liabilities			
Provisions	23	-	-
Employee defined benefit liabilities	24	78.056,42	78.056,42
		78.056,42	78.056,42
Short-term Liabilities			
Trade and other payables	25	1.362.524,09	2.011.535,91
Lease liabilities	26	446,56	-
Income tax payable		-	148.014,54
		1.362.970,65	2.159.550,45
Total liabilities		**1.441.027,07**	**2.237.606,87**
Total equity and liabilities		**9.863.782,16**	**9.523.305,91**

The accompanying notes on pages 17 to 49 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2019

	Share capital (Note 20)	Reserves (Note 21)	Retained Earnings	Total Equity
Balance as at, 1 January 2018	**962.100,00**	**349.369,57**	**4.457.763,95**	**5.769.233,52**
Profit for the period	-	-	1.516.569,60	1.516.569,60
Other comprehensive income	-	-	(104,08)	(104,08)
Total comprehensive income	-	-	1.516.465,52	1.516.465,52
Balance as at, 31 December 2018	**962.100,00**	**349.369,57**	**5.974.229,47**	**7.285.699,04**
Profit for the period	-	-	1.537.082,07	1.537.082,07
Other comprehensive income/(loss)	-	-	(26,02)	(26,02)
Total comprehensive income	-	-	1.537.056,05	1.537.056,05
Dividends	-	-	(400.000,00)	(400.000,00)
Balance as at, 31 December 2019	**962.100,00**	**349.369,57**	**7.111.285,52**	**8.422.755,09**

The accompanying notes on pages 17 to 49 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2019

	Notes	Year ended 31/12/2019	Year ended 31/12/201
Cash flows from Operating Activities			
Profit before tax		2.043.847,69	2.088.290,05
Adjustment to reconcile profit before tax to net cash flows			
Non-cash items:			
Depreciation of property plant and equipment	8,13	118.062,23	100.851,58
Amortisation of intangible assets	8,14	-	195,49
Losses/(gains) from sale of property plant and equipment	9	(0,01)	-
(Gain)/loss arising on changes in fair value	9	(119,04)	129,90
Impairment of trade accounts receivables	8	-	12.582,02
Interest income	10	(51,59)	(32,39)
Interest expenses	10	6.714,64	8.482,54
Movements in provisions and provisions for employee benefits	24	-	26.302,71
Working Capital adjustments:			
(Increase)/decrease in inventories		(125.258,61)	(639.587,73)
Increase in trade and other receivable		562.430,08	(1.319.296,01)
Increase/(decrease) in trade and other payables		(305.762,12)	280.113,58
Income tax paid		(742.475,94)	(492.305,42)
Net cash flows from operating activities		**1.557.387,33**	**65.726,32**
Cash flows from Investing Activities			
Purchase of property, plant and equipment	13	(48.117,67)	(66.605,04)
Proceeds from sale of property, plant and equipment		0,01	-
Interest received		51,59	32,39
Net cash flows from/ (to) investing activities		**(48.066,07)**	**(66.572,65)**
Cash flows from Financing Activities			
Payment of principal portion of lease liabilities	26	(5.216,48)	-
Interest paid		(6.714,64)	(8.482,54)
Dividends paid	31	(743.249,70)	(254.995,24)
Net cash flows to financing activities		**(749.964,34)**	**(263.477,78)**
Net increase in cash and cash equivalents		**754.140,44**	**(264.324,11)**
Cash and cash equivalents at 1 January		396.545,34	660.869,45
Cash and cash equivalents at 31 December	19	**1.150.685,78**	**396.545,34**

Gains from sale of property plant and equipment include:

	2019	2018
Net Book Value	-	-
Losses/(gains) from sale of property plant and equipment	0,01	-
Proceeds from sale of property, plant and equipment	**0,01**	**-**

The accompanying notes on pages 17 to 49 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2019

1. General information

The main activity of the Company is the trading of raw materials, additives chemicals and other specialized products, which are mainly used as raw materials for preparing cosmetic products by the Greek and international companies.

The Company was established in November 1991 as a Limited Liability Company (Ltd.) and converted into a Societe Anonyme (SA) in July 2012.

Company's website is http://www.cellco.gr/

The Company has been incorporated and established in Greece and its registered offices and central facilities are in the town of Mandra, Makrigianni Street. The Company's duration, according to the Articles of Association, is one hundred years (100) from the registration date in the Companies register.

The Company's total number of employees as at 31 December 2019 amounted to 25. At 31 December 2018 the Company's total number of employees was 21.

2. Basis of presentation of financial statements

Basis for preparation of financial statements

The financial statements for the years ended December 31, 2019 and 2018, have been prepared in accordance with International Financial Reporting Standards ("I.F.R.S.") issued by the International Accounting Standards Board ("I.A.S.B.") and have been adopted by the European Union ("E.U.") and present the financial position, results and cash flows of the Company based on the principle of going concern. In this context, the Management considers that the principle of going concern is the appropriate basis for the preparation of this financial information. There are no standards and standard interpretations that have been implemented before the mandatory start date.

The preparation of financial statements in accordance with IFRS requires the use of certain significant accounting estimates. It also requires the management to exercise judgment in the process of applying the Company's accounting principles.

In addition, it requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of any receivables and liabilities at the date of preparation of the financial statements and the reported amounts of income and expenses during the reporting year.

Although these estimates are based on the best possible knowledge of Management taking into account the current circumstances and activities, the actual results may differ from these estimates. Areas with the highest degree of estimate or complexity, or where estimates and assumptions are relevant to the preparation of the financial statements, are presented in Note 5.

Approval of financial statements

The financial statements of the Company for the year ended 31 December 2019 were authorised for issue, by Company's Board of Directors, on 31 August 2020. The financial statements for the year ended 31 December 2019 are subject to approval by the Annual General Assembly of Shareholders that will take place on 31 August 2020.

3. Significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading; and
- Expected to be realised within twelve months after the reporting period.

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading; and,
- It is due to be settled within twelve months after the reporting period.

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Fair value of financial instruments

The fair value of financial instruments actively traded in organised financial markets is determined by reference to quoted active market bids, and in particular bid prices for assets and ask prices for liabilities, at the close of business on the balance sheet date, without any deduction in transaction costs.

Where there is no active market for a financial instrument, its fair value is determined by using appropriate valuation techniques. The valuation techniques include the method of discounted cash flows, comparison with similar instruments where market observable values exist, rights valuation models, credit models and other relevant valuation models.

For discounted cash flow techniques, the estimated future cash flows are based on the management's best possible estimates and the discount rate used is a rate indicated in the market for similar instruments. The use of different valuation models and assumptions could generate substantially different estimates of fair values.

Where the fair value cannot be measured in a reliable manner, such financial instruments are measured at cost, which is the fair value of the price paid to acquire the investment or the amount received when the financial liability is issued. All transaction costs directly attributable to acquisition are included in the cost of the investment.

The fair value of a financial asset or liability is the amount received to sell an asset or paid to settle a liability in a transaction under normal conditions between two contracting parties on the date of its valuation. The fair value of the financial assets or liabilities in the financial statements has been determined, where necessary, by the Management's best possible estimate. In cases where there are no available data or these are limited from active financial markets, valuations of fair values are derived from the Management's estimate according to the available information.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following methods and assumptions were used to estimate the fair value for each category of financial asset and liability:

Cash equivalents, trade and other receivables, trade payables and other short-term liabilities and accrued expenses: Their carrying values approximate to fair values due to short-term maturity.

c) Revenue from contracts with customers

IFRS 15 "Revenue from contracts with customers" replaces IAS 11 "Construction Contracts" and IAS 18 "Revenues" and other related interpretations and applies to all revenue arising from contracts with customers unless those contracts fall within the scope of other standards.

An entity shall account for a contract with a customer that is within the scope of this Standard only when all of the following criteria are met:

1. The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
2. The entity can identify each party's rights regarding the goods or services to be transferred;
3. The entity can identify the payment terms for the goods or services to be transferred;
4. The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
5. It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The underlying principle is that an entity will recognize revenue in a way that reflects the transfer of goods or services to customers at the amount that it expects to be entitled to in return for those goods or services. It also includes the principles that an entity must apply to determine the measurement of revenue and the timing of its recognition. Under IFRS 15, revenue is recognized when the customer obtains control of the goods or services, specifying the timing of the transfer of control - either at a given time or over time.

The customer obtains control over the goods or services if they are able to direct their use and derive substantially all the financial benefits from such goods or services.

Sale of goods

The Company recognizes revenue when it fulfils a contractual obligation to the customer with the delivery of the good (which is identical to the time when the control over the good passes to the customer). If a contract contains more than one contractual liability, the total value of the contract is allocated to the individual liabilities based on the individual sales values. The amount of revenue recognized is the amount allocated to the corresponding contractual liability that has been fulfilled, based on the consideration that the Company expects to receive under the terms of the contract.

Rendering of services

Revenue from services rendered is recognized over time based on the input method. Revenue is recognized based on the entity's inputs to meet the performance obligation (for example, resources spent, labour hours required, expenses incurred, time elapsed or hours of use of machinery) in relation to total estimated inputs to fulfil the obligation.

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

Contractual obligations
A contractual liability is recognized when the Company receives a payment from the customer (prepayment) or holds a right to a price that is unconditional (deferred income) before the performance of the contract obligations and the transfer of the goods or services. The contractual liability is derecognized when the obligations of the contract are executed, and the income is recorded in the statement of comprehensive income.

Interest income
Interest income is recognized on a time-proportion basis using the effective interest method. When receivables are impaired, their carrying amount is reduced to their recoverable amount, which is the present value of expected future cash flows before settling at the original effective interest rate where the discount is distributed as interest income.

Dividend income
Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the General Meeting of the Company's Shareholders.

d) Government grants

Grants related to assets are government grants, which according to IAS 20 “Accounting for Government Grants” whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets.

Government grants relating to assets must be presented in the statement of financial position, either as deferred income or as a deduction from the carrying amount of the related assets.

e) Taxes

Current income tax
Current income tax assets and liabilities, for the current and for the prior financial years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income.

Current income tax is recognised in the statement of comprehensive income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods.

Deferred tax income

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Foreign currencies

Functional and presentation currency
The items included in the financial statements are measured using that functional currency. Company's financial statements are presented in Euros, which is also Company's functional currency.

Transaction and balances
Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses arising from the year-end valuation of monetary assets and liabilities are reflected in the accompanying statements of comprehensive income. Gains or losses resulting from transactions are also reflected in the statement of comprehensive income.

g) Cash dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the General Assembly of the Company's Shareholders.

h) Property plant equipment

Property plant and equipment are stated in the financial statements at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably. Repairs and maintenance costs and expenses are charged to the statement of comprehensive income, during the financial period in which they are incurred.

Land is not depreciated. Depreciation on properties plant and equipment is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, in order to write down the cost in its residual value. The expected useful life of property, plant and equipment is as follows:

Classification	**Depreciation period**
Building	25 years
Transportation	6-8 years
Software	5-10 years
Furniture and other equipment	5-10 years

Property plant and equipment with acquisition cost up to Euro 1,500.00 are fully depreciated over the period in which they were acquired.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. When the carrying amount of on properties plant and equipment is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the statement of comprehensive income.

In case of sale of property, plant and equipment, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

i) Leases

Company as a lessee: Until 2018, leases were classified as financial or operating leases. The payments of the operating leases (net of any incentives received by the lessee) were recognized in the total income statement by the fixed method during the lease term.

From 1 January 2019, leases are recognized in the statement of financial position as a right to use an asset and an obligation to lease, the date on which the leased asset becomes available for use. The effect from the application of the standard on January 1, 2019 is described in note 4 and note 26.

Lease liabilities include the net present value of the following leases:

- fixed leases (including "substantial" fixed payments)
- the payment of a penalty for termination of the lease, if the duration of the lease reflects the exercise of the right of the Company to terminate the lease.

Lease payments are discounted with the imputed rental rate or, if this interest rate cannot be determined by the contract, with the differential lending rate ("incremental borrowing rate"), i.e. the interest rate at which the lessee would be charged for to borrow the necessary capital in order to acquire an asset of similar value with the leased asset for a similar period of time, with similar collateral and in a similar economic environment.

After their initial measurement, lease liabilities are increased by their financial costs and decreased by the payment of lease rents. The lease obligation is recalculated to reflect any reassessments or modifications of the lease.

The Company chose to use the exceptions for the recognition of the standard in short-term leases, i.e. leases lasting less than 12 months that do not include the right of redemption, as well as in leases in which the underlying asset is of low value. For the above leases, the Company recognize the rents in the total income statement as expenses with the fixed method throughout the lease.

Finally, the Company chose not to separate the non-rental from the rental data and, conversely, to account for each leased and linked non-rental item as a single rental item for all categories of fixed assets, to which the use of rights refer.

The cost of the right to use an asset consists of:

- the amount of the initial measurement of the lease obligation
- any rents paid on or before the start of the lease period, minus any lease incentives received
- any initial direct costs charged by the lessee and
- an estimate of the costs to be incurred by the lessee in dismantling and disposing of the underlying asset, restoring the place where it is located or restoring the underlying asset to the condition in which it is provided by the terms and conditions of the lease unless such costs involve the production of stocks. The lessee undertakes to charge this cost either at the start date of the lease term or due to the use of the underlying asset for a specified period of time.

The rights to use assets are initially measured in cost, and then reduced by the amount of accumulated depreciation and impairment. Depreciation is carried out by the fixed method in the shortest period between the useful life of the asset and the duration of the lease. Finally, the rights to use assets are adjusted to specific recalculations of the corresponding lease obligation.

Company as a lessee: The leases in which the Company is lessee are classified either as financial or as operating. When, under the terms of the lease, virtually all the risks and benefits that accompany the tenant's ownership are transferred, the lease is classified as financial. All other leases are classified as operating leases. Revenues from operating leases are recognized by a fixed method during each lease.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

k) Intangible assets

Intangible assets are mainly including software licenses, which are shown at historical cost less subsequent amortization. Amortization is calculated using the straight-line method over the useful economic lives of the assets, which varies between 1 – 5 years.

After the initial recognition, the Management reviews the intangible assets annually to determine whether there is any indication of impairment. When it is determined that their recoverable amount is less than their carrying amount, an impairment loss is recognized.

Expenses required to maintain the software are recognized as an expense in the statement of comprehensive income.

l) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets of the Company are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (c) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest' test and is performed at an instrument level.

Company's business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through other comprehensive income (debt instruments)

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income.

Upon derecognition of financial assets, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under I.A.S. 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired

Or

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

The Company transfers a financial asset if, and only if, it either:

- transfers the contractual rights to receive the cash flows of the financial asset

Or

- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

When the Company transfers a financial asset, it shall evaluate the extent to which retains the risks and rewards of ownership of the financial asset.
In this case:

- if the Company transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.
- if the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognise the financial asset.
- if the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company shall determine whether it has retained control of the financial asset. In this case:

  (i) if the Company has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

  (ii) if the Company entity have retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For trade receivables, the Company applies the simplified approach to calculate expected credit losses. Therefore, the Company does not monitor any changes in credit risk but recognizes impairment loss that is based on expected twelve-month credit losses or expected credit losses over the life of the financial assets at each reporting date. The Company uses a forecast table based on its historical experience of credit loss history adjusted to future factors related to trade receivables and the financial environment.

For financial assets that are measured at fair value through other comprehensive income, the Company applies a simplified credit risk approach. At each reporting date, the Company assesses whether the financial asset is considered to have a low credit risk using all reasonable and reliable information. In assessing this, the Company reassesses its internal credit rating. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are over 30 days due to delay.

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. The entity considers a change in the risk (default), if there is 90 days delay in the financial asset’s payment, unless the Company has reasonable and reliable information showing that a default criterion that determines a longer delay is more appropriate. The definition of a default used for these purposes is consistently applied by the Company to all financial assets, unless information arises that demonstrates that a different definition of the default is more appropriate for a particular financial asset. The Company derecognizes the financial asset when it has no reasonable expectations of recovering the contractual cash flows on all or part of the financial asset.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities of the Company are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings. Loans and borrowings are classified as current liabilities unless the Company has the right to defer settlement for at least twelve months from the date of financial position date. For more information on loans and borrowings.

Trade and other payables

Trade payables are obligations for goods or services that have been acquired in the ordinary course of business by suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade account payables subsequent to the initial recognition are measured at amortized cost using the effective interest method. For more information on trade and other payable, please refer to note 25.

Derecognition of financial liabilities

A financial liability (or part of it) is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any related selling costs.

The cost of inventories is determined using the annual weighted average method, which is consistently followed. The cost of inventories does not include financial expenses. Provision is made for slow moving or impaired inventories, if necessary.

n) Impairment of non-financial assets

Except for goodwill and other intangible assets with indefinite useful life which are tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is measured as the higher of fair value less cost to sell and value in use.

Fair value less cost is the amount for which the asset could be exchanged in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognised as income. Probable impairment of goodwill is not reversed.

o) Cash and short-term deposits

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with low risk and with original maturities of three months or less.

p) Share capital

The share capital includes the Company's ordinary shares that are included in equity.

Expenses incurred for the issue of shares are recognized after deduction of the relevant income tax, net of the issue proceeds. Expenses related to the issue of shares for the acquisition of business are included in the acquisition cost of the business acquired.

Upon acquisition of treasury shares, the consideration paid, including the related expenses, is shown as a deduction from equity (share premium).

q) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

r) Pensions and other post-employment benefits

Post-employment benefits

Staff retirement obligations are calculated at the present value of the future retirement benefits accumulated as at year-end, based on the employees earning retirement benefit rights steadily throughout the working period. The aforementioned obligations are calculated on the basis of financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method.

The Company has applied the revised IAS 19 "Employee Benefits", as from January 1, 2013, on immediate recognition of unrecognized actuarial gains in other comprehensive income of the respective years. The revised IAS 19 initiates a number of amendments in the accounting for defined benefit plans, including actuarial gains and losses, which are now recognized in other comprehensive income (OCI) and are permanently excluded from profit and loss.

Also, the expected returns on plan assets are no longer recognized in profit or loss, whereas there is a requirement to recognize interest on the net defined benefit liability (or asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation. The unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

Staff termination benefits

Staff termination benefits are payable when employment is terminated before the normal retirement date. The Company recognizes these benefits when committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when it provides such benefits as an incentive for voluntary redundancy. Staff termination benefits that are due 12 months after the date of the statement of financial position are discounted.

In the case of an employment termination where it is impossible to determine which employees will make use of these benefits, the Company does not account for them, but discloses of a contingent liability.

Short-term employee benefits

Short-term employee benefits in cash or in kind are recognized as expenses when accrued.

4. Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2019.

IFRS 16: Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’). The new standard requires lessees to recognize most leases on their financial statements. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

This standard did not significantly affect the financial statements of the Company during its first adoption, as described below.

Transition to the new standard

The Company first implemented IFRS 16 on 1 January 2019 using the simplified method without restating the comparative amounts. Based on this approach, the Company a) recognized an obligation from a financial lease and measured the lease liability with the present value of the remaining lease payments, discounted by the growth rate of the Company on the date of first adoption and b) recognized a right to use the asset and measured that right of use in an amount equal to the amount of the lease obligation. There was no cumulative effect of the adoption of IFRS 16 as an adaptation of the results to a new one on 1 January 2019, and there was no change in the comparative information. The Company also used the exception provided by the standard, regarding the determination of leases. This practically means that the requirements of IFRS 16 were applied to all contracts that were in force on January 1, 2019 and were recognized as leases based on IAS 17 and IFRIC 4. In addition, the Company used the exceptions of the standard regarding leases lasting less than 12 months on the date of first adoption of the standard and for leases of low value fixed assets. Finally, the Company decided to apply a single discount rate to each category of leases with similar characteristics (such as leases with a similar duration, for similar fixed assets and in a corresponding economic environment).

The Company was not affected by the adoption of IFRS 16 in cases where it acts as lessor, while the effect in cases where the Company act as a lessee is detailed in Note 26. The accounting policy on leases is described in Note 3(i).

IFRS 9: Prepayment features with negative compensation (Amendment)
The amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The Management assessed the effect of the amendment and did not affect the accounting policies, the financial position or the financial performance of the Company.

IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)
The amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. The Management assessed the effect of the amendment and did not affect the accounting policies, the financial position or the financial performance of the Company.

IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments
The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Management assessed the effect of the amendment and did not affect the accounting policies, the financial position or the financial performance of the Company.

IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)
The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. The Management assessed the effect of the amendment and did not affect the accounting policies, the financial position or the financial performance of the Company.

The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The Management assessed the effect of the amendment and did not affect the accounting policies, the financial position or the financial performance of the Company.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

- **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

Standards issued but not yet effective and not early adopted by the Company:

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The Management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

Conceptual Framework in IFRS Standard
The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

IFRS 3: Business Combinations (Amendments)
The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. The Management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)
The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU. The Management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)
The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an

RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. The Management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. The Management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

5. Significant accounting judgements, estimates and assumptions

Significant accounting estimates and assumptions

Provision for income tax
Provision for income tax is measured according to IAS 12, at the amounts expected to be paid to the taxation authorities and includes the current income tax for each period, provision for additional taxes that may imposed by the tax authorities and recognition of tax returns. If the final result of the audit is different from the one initially recognized, the difference will affect income tax and deferred tax asset / liability during the period of finalization of the result.

Depreciation of property, plant and equipment
Company's property, plant and equipment are depreciated over their useful lives. These useful lives are periodically reassessed to assess whether they continue to be appropriate. The useful lives of fixed assets may be differentiated by factors such as technological innovation and maintenance programs.

Impairment of property, plant and equipment
Property, plant and equipment are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. In calculating the value in use, management estimates future cash flows from the asset or cash flow unit and selects the appropriate discount rate to calculate the present value of future cash flows.

Deferred tax assets
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that there will be sufficient tax profits to offset those tax losses (Note 15). For the determination of deferred tax asset that may be recognised, the Company makes assumptions about whether these deferred tax assets can be recovered using the estimated future taxable income in accordance with the future tax planning strategies.

Provisions for doubtful debts
The Company estimates the provisions of doubtful debts based on specific reviews to customers' open balances. The Company periodically reassesses the adequacy of the provision in relation to its credit policy and taking into account appropriate data of the Legal Service arising from the processing of historical data and recent evolutions in judicial cases.

Provisions for slowly moving and obsolete inventories

The Management of the Company periodically re-evaluates the adequacy of the provision regarding slowly moving and impaired inventories. The provision is calculated based on the aging of the inventories and previous experience. For inventories that remain immovable, a relevant provision is made, which amounts to 100% of the cost value.

Going Concern

Management considering: (a) the Company's financial position; (b) the risks that the Company faces and could have an adverse effect on the Company's business model and capital adequacy; and (c) the fact that no significant uncertainties are identified in relation to the Company's ability to continue to operate as a 'financial unit' for the foreseeable future and in any event for at least 12 months from the date of approval of the financial statements, states that it continues to consider the principle of “going concern” as the appropriate basis for the preparation of the financial statements and that there are no significant uncertainties regarding the Company's ability to continue to apply as a suitable basis for the preparation of its financial statements for the foreseeable future, and in any event for at least 12 months from the date of approval of the financial statements.

Significant judgments in applying accounting policies

Determination of the lease contract term with renewal and termination rights - Group-Company as lessee

The Company shall determine the lease period as a non-cancellable lease term, including any periods covered by right of lease extension, if it is reasonably certain to be exercised, or any periods covered by right of lease termination, if reasonably it will certainly not be exercised.

6. Capital management

The main goal of the Company in relation to capital management is to ensure the maintenance of a high credit rating and sound capital ratios in order to support its operation and maximize shareholder value. The Company manages its capital structure and adjusts it, depending on the prevailing financial conditions. To maintain or adjust its capital structure, the Company may increase or decrease the debt, change the dividend to shareholders or return capital to shareholders.

The Company monitors the capital structure based on the gearing ratio, which is calculated by dividing net borrowing by total capital. The Company includes in the net borrowings the loan liabilities, trade liabilities, accrued expenses and other current liabilities, reduced in cash and cash equivalents, including available-for-sale financial assets, which are considered for sale. Equity includes equity attributable to the Company's shareholders. The purpose of the Company from the management of the capital is the continuation of its activity and the maintenance of the optimal capital structure for the reduction of the capital cost.

The rate on December 31, 2019 and 2018, is calculated as follows:

	31/12/2019	**31/12/2018**
Lease liabilities (Note 26)	446,56	-
Trade and other payables (Note 25)	1.362.524,09	2.011.535,91
(Less) Cash equivalent and short-term deposits (Note 19)	(1.150.685,78)	(396.545,34)
Net liabilities	212.284,87	1.614.990,57
Equity attributable to Company’s shareholders	8.422.755,09	7.285.699,04
Total equity	8.422.755,09	7.285.699,04
Total equity and liabilities	**8.635.039,96**	**8.900.689,61**
Gearing ratio	**2,46%**	**18,14%**

No changes were made to the objectives, policies or procedures for managing capital in the years ended December 31, 2019 and 2018.

7. Revenue from contracts with customers

Company's revenue from contracts with customers is analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Sale of goods	11.531.663,41	10.978.553,54
Rendering of services	5.602,05	13.059,09
Total	**11.537.265,46**	**10.991.612,63**

8. Expenses per category

Company's expenses are analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Employee benefit expenses (Note 11)	623.413,21	578.835,20
Cost of goods recognised as an expense	8.344.142,18	7.846.214,24
Depreciation of property plant and equipment (Note 13)	118.062,23	100.851,58
Amortization of intangible assets (Note 14)	-	195,49
Third parties' fees	63.388,68	66.611,63
Third parties' facilities	22.029,98	16.490,44
Transportation expenses	30.684,75	27.781,15
Repairs and maintenance of property plant and equipment	119.940,68	46.242,95
Operating leases	3.640,08	8.909,88
Insurance expenses	17.537,65	13.471,24
Telecommunication expenses	11.307,54	11.956,43
Travel expenses	10.886,04	14.048,33
Consumables	52.152,21	50.260,27
Impairment of doubtful accounts receivables (Note 17)	-	12.582,02
Impairment of slow-moving inventories	24.228,87	10.223,90
Taxes & fees (except income tax)	27.828,20	35.906,67
Other operating expenses	45.795,69	48.327,30
Total	**9.515.037,99**	**8.888.908,72**

The allocation of expenses per type is analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Cost of sale	8.368.371,05	7.856.438,14
Administrative expenses	937.734,06	809.859,70
Distribution expenses	208.932,88	222.610,88
	9.515.037,99	**8.888.908,72**

Depreciation and amortisation per type are analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Administrative expenses	118.062,23	101.047,07
	118.062,23	**101.047,07**

9. Other operating income / (expenses)

Company's other operating income are analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Gains from sale of property plant and equipment	0,01	-
Net gains from financial instruments valued at fair value through income and loss (Note 18)	119,04	-
Other operating income	33.465,71	-
Total other operating income	**33.584,76**	**-**

Company's other operating expenses are analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Net loss from financial instruments valued at fair value through income and loss (Note 18)	-	(129,90)
Other operating expenses	(1.850,57)	(2.260,99)
Total other operating expenses	**(1.850,57)**	**(2.390,89)**

10. Financial (expenses) / income

Company's financial expenses are analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Interest from lease liabilities (Note 26)	(164,68)	-
Losses from exchange differences	(3.450,92)	(3.572,82)
Other finance expense	(6.549,96)	(8.482,54)
Total financial expenses	**(10.165,56)**	**(12.055,36)**

Company's financial income is analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Interest income	51,59	32,29
Total financial income	**51,59**	**32,29**

11. Payroll and related expenses

Company's payroll and related expenses are analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Wages and salaries	458.422,88	432.798,86
Social security costs and other employer contributions (Note 24)	119.947,18	100.773,72
Other personnel expenses	10.563,11	11.026,51
Employee benefits (Note 24)	34.480,04	34.236,11
Total	**623.413,21**	**578.835,20**

12. Income tax

Income tax presented in the statement of comprehensive income is analysed as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Current income tax	510.678,49	626.832,97
Deferred income tax (Note 15)	(3.912,87)	8.943,05
Reversal of provision for taxes (Note 23)	-	(64.055,57)
Income tax in the statement of comprehensive income	**506.765,62**	**571.720,45**

The effective income tax rate differs from the nominal income tax rate due to various factors. The most significant ones are certain non-deductible expenses and the change in tax rates. Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for 2019 and 2018 is as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Profit before tax	**2.043.847,69**	**2.088.290,05**
Tax calculated at tax applicable rates (2019: 24%, 2018: 29%)	490.523,45	605.604,11
Non-deductible expenses for taxation purposes	13.886,06	21.278,59
Differences in tax rates	2.356,11	8.893,32
Prior year taxes	-	(64.055,57)
Total	**506.765,62**	**571.720,45**

Income tax has been calculated based on profits before tax multiplied by the Company's domestic nominal tax rate. In accordance with current tax laws, tax rate for the operations of the Company in Greece amounts to 24% effective on 31 December 2019 and 29% effective on 31 December 2018.

According to the provisions of article 22 of L.4646 / 2019, paragraph 1 of article 58 of L.4172 / 2013 is replaced as follows: Profits from business activity acquired by legal entities and legal entities that keep double-entry books, are taxed at a rate of twenty-four percent (24%) for income in the tax year 2019 onwards.

The Company has not been audited by the tax authorities since the year ended 31 December 2009. The unaudited fiscal years are those from the years ended December 31, 2010 to December 31, 2013. However, the tax liabilities of the Company for the years ended 31 December 2010, 2011 have become definitive since the decision of the Plenary of the Council of State 1738/2017 entitled the Greek State to the imposition of fines and taxes expired on 31 December 2016 and 31 December 2017 and 31 December 2018 respectively. Based on the above decision of the Council of State, the Company reversed the provision for contingent tax liabilities for the fiscal years 2010 and 2011 amounting to Euro 56,767.93 in the previous year. The amount of Euro 56,767.93 is deducted from income tax in the statement of comprehensive income for the previous year.

On April 16, 2018 and March 9, 2018, the tax authorities of the Hellenic Tax Authority of Athens carried out a tax audit for the financial years ended December 31, 2013 and December 31, 2012, respectively. The types of taxation that were audited included income tax, value added tax (VAT), other taxes and contributions and proper bookkeeping.

Based on these tax audits, additional taxes and charges of Euro 10,194,33 were imposed by tax authorities, on 31 October 2018. The amount of Euro 10,194,33 charged to the income tax on the statement of comprehensive income for the previous year.

Based on the above audits of income tax of the financial years ended December 31, 2013 and December 31, 2012, the Company reversed in the current year the provision for contingent tax liabilities of 2012 and 2013 amounting to Euro 74.249,90.

The amount of Euro 74.249,90 is deducted from income tax in the statement of comprehensive income of the current year (Note 23).

Tax Compliance Certificate

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies whose annual financial statements are required to be audited by a statutory auditor or an audit firm in accordance with the provisions of Law 2190/1920 and Law 3190/1955 must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994 for the fiscal years 2011-2013 and Article 65A of L. 4174/2013 for the fiscal year 2014 and after. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance.

For the Company, the tax compliance certificate for the financial 2014 - 2018 was concluded by its statutory auditors, based on the provisions of Article 65A of L. 4174/2013.

For the fiscal year 2019, the Company has been subject to the tax audit of the Certified Public Accountants provided by the provisions of article 65A of Law 4174/2013. The tax audit is performed by the same Statutory Auditor who audits the annual financial statements. This audit is ongoing, and the relevant tax certificate is expected to be issued after the publication of the financial statements for the year 2019. Until the completion of the tax audit there is a possibility of additional tax liabilities which we estimate will not have a material impact on the financial statements.

13. Property plant equipment

Company's property plant and equipment are analysed as follows:

	Land - buildings	Transportation means	Furniture and other equipment	Advances & assets under construction	Total
Cost					
Balance as at 1 January 2018	1.751.909,02	156.733,45	598.984,65	-	2.507.627,12
Additions	9.020,00	-	57.585,04	-	66.605,04
Balance as at 31 December 2018	**1.760.929,02**	**156.733,45**	**656.569,69**	-	**2.574.232,16**
Balance as at 1 January 2019	1.760.929,02	156.733,45	656.569,69	-	2.574.232,16
Additions	-	12.267,27	25.157,48	10.692,92	48.117,67
Disposals	-	(8.132,00)	-	-	(8.132,00)
Balance as at 31 December 2019	1.760.929,02	160.868,72	681.727,17	10.692,92	2.614.217,83
Accumulated depreciation					
Balance as at 1 January 2018	965.044,70	95.637,69	543.930,52	-	1.604.612,91
Depreciation	67.295,77	10.905,19	22.650,62	-	100.851,58
Balance as at 31 December 2018	**1.032.340,47**	**106.542,88**	**566.581,14**	-	**1.705.464,49**
Balance as at 1 I January 2019	1.032.340,47	106.542,88	566.581,14	-	1.705.464,49
Depreciation	60.492,07	11.068,76	41.273,97	-	112.834,80
Disposals	-	(8.132,00)	-	-	(8.132,00)
Balance as at 31 December 2019	1.092.832,54	109.479,64	607.855,11	-	1.810.167,29
Net book value 31.12.2018	**728.588,55**	**50.190,57**	**89.988,55**	-	**868.767,67**
Net book value 31.12.2019	**668.096,48**	**51.389,08**	**73.872,06**	**10.692,92**	**804.050,54**

Property, plant and equipment that have an indefinite useful life (land - plots) are not subject to amortization and are inspected annually for any impairment. The largest amount resulting from the comparison between the fair value of the asset, after deducting the costs incurred during the sale, and its value in use is the recoverable amount of the asset.

The property where Company's headquarters are located, is subject to a first mortgage in favour of National Bank of Greece to secure a construction loan of a total amount Euro 1.275.000,00.

14. Intangible assets

Company's property plant and equipment are analysed as follows:

	Software	Total
Cost		
Balance as at 1 January 2018	20.061,45	20.061,45
Additions	-	-
Balance as at 31 December 2018	**20.061,45**	**20.061,45**
Balance as at 1 January 2019	20.061,45	20.061,45
Additions	-	-
Balance as at 31 December 2019	**20.061,45**	**20.061,45**
Accumulated Depreciation		
Balance as at 1 January 2018	19.865,58	19.865,58
Depreciation	195,49	195,49
Balance as at 31 December 2018	**20.061,07**	**20.061,07**
Balance as at 1 January 2019	20.061,07	20.061,07
Depreciation	-	-
Balance as at 31 December 2018	**20.061,07**	**20.061,07**
Net Book Value 31.12.2018	**0,38**	**0,38**
Net Book Value 31.12.2019	**0,38**	**0,38**

15. Deferred tax

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and when deferred income taxes relate to the same tax authority. The total amounts of deferred tax assets and liabilities before offset are as follows:

	31/12/2019	31/12/2018
Deferred tax assets		
Recoverable after 12 months	46.206,07	42.074,10
Recoverable within 12 months	13.568,86	13.901,26
Total	59.774,93	55.975,36
Deferred tax liabilities		
To be settled after 12 months	(2.094,62)	(2.181,90)
To be settled within 12 months	-	-
Total	(2.094,62)	(2.181,90)
Net deferred tax assets	**57.680,31**	**53.793,46**

The movement on the deferred income tax account is as follows:

	31/12/2019	31/12/2018
Opening balance	53.793,46	62.840,59
Credit in the statement of comprehensive income (Note 12)	3.912,87	(8.943,05)
Credit in the statement of total comprehensive income	(26,02)	(104,08)
Closing balance	**57.680,31**	**53.793,46**

Changes in deferred tax assets and liabilities during the year without offsetting balances within the same tax authority are the following:

	Statement of financial position		Statement of comprehensive income	
	31/12/2019	31/12/2018	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Depreciation for tax purposes	-	-	-	1.084,65
Amortisation for tax purposes	-	-	-	56,80
Provision for doubtful debts	2.178,13	2.268,89	90,76	10.570,53
Provision for impaired inventories	25.294,39	20.291,10	(5.003,29)	281,65
Provision for employee benefits	18.733,55	19.514,11	754,54	(4.609,61)
Financial assets at fair value through profit or loss	11.166,24	11.661,26	495,02	1.828,13
Leases	2,62	-	(2,62)	-
Accrued expenses	2.400,00	2.240,00	(160,00)	80,00
Write off of trade account payable	(2.094,62)	(2.181,90)	(87,28)	(349,10)
Debit/(credit) in the statement of comprehensive income			**(3.912,87)**	**8.943,05**
Net deferred assets	**57.680,31**	**53.793,46**		

16. Inventories

Company's inventories are analysed as follows:

	31/12/2019	31/12/2018
Merchandises	2.687.656,09	2.538.168,61
Total	**2.687.656,09**	**2.538.168,61**

Less: Impairment for slow movement and impaired inventories

	31/12/2019	31/12/2018
Merchandises	105.393,28	81.164,41
	105.393,28	**81.164,41**
Total net releasable value	**2.582.262,81**	**2.457.004,20**

17. Trade and other receivables

Company's trade and other receivables are analysed as follows:

	31/12/2019	31/12/2018
Trade receivables	2.711.226,70	1.606.397,98
Less: Provisions for impairment	(124.249,42)	(124.249,42)
Total trade accounts receivables	2.586.977,28	1.482.148,56
Advances to suppliers	-	30.394,96
Greek State - prepaid and deduced taxes	83.782,91	-
Post-dated cheques	2.593.155,59	4.187.073,60
Other receivables	4.563,71	47.509,54
Total	**5.268.479,49**	**5.747.126,66**
Non-current assets	4.253,71	2.686,32
Current assets	5.264.225,78	5.744.440,34
Total	**5.268.479,49**	**5.747.126,66**

The movement of provision for doubtful debts of the Company for the years ended 31 December 2019 and 2018, is analysed as follows:

Balance as at 1 January 2018	**(111.667,40)**
Provisions for impairment of doubtful accounts receivable (Note 8)	(12.582,02)
Balance as at 31 December 2018	**(124.249,42)**
Balance as at 1 January 2019	**(124.249,42)**
Provisions for impairment of doubtful accounts receivable (Note 8)	-
Balance as at 31 December 2019	**(124.249,42)**

The maturity of the Company's trade and other receivables for the year ended 31 December 2019 and 2018 is analysed as follows:

			Past due but not impaired				
	Total	Not impaired and not doubtful	< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	>120 days
2019	5.304.382,29	2.305.234,96	1.246.755,56	424.655,01	450.979,49	513.864,67	362.892,60
2018	5.669.222,16	3.901.725,08	564.756,03	309.320,41	289.112,19	170.929,82	433.378,63

18. Financial assets at fair values through profit or loss

Company's financial assets at fair value through profit or loss of the Company are analysed as follows:

	31/12/2019	31/12/2018
Opening balance	68,20	198,10
Change in fair value gains/(losses) (Note 9)	119,04	(129,90)
Closing balance	**187,24**	**68,20**

Financial assets at fair value through profit or loss include the following:

	31/12/2019	**31/12/2018**
Listed equity instruments	187,24	68,20

The Company used Level 1 for the determination and disclosure of these financial assets.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

19. Cash equivalent and shot term deposits

Company's cash equivalent and shot term deposits are analysed as follows:

	31/12/2019	**31/12/2018**
Cash on hand	4.348,43	3.047,18
Cash at bank	1.146.337,35	393.498,16
Total	**1.150.685,78**	**396.545,34**

Company does not own cash and short-term deposits in foreign currency. Cash and cash equivalents are denominated in Euro, which is the Company's operating currency.

Bank deposits are accrued at floating rates based on monthly bank rates. Interest income on sight and time deposits with banks is accounted using the accrual method.

20. Share capital

	Number of shares	**Ordinary shares**	**Total**
Balance as at 1 January 2018	32.070	962.100,00	962.100,00
Balance as at 31 December 2018	**32.070**	**962.100,00**	**962.100,00**
Balance as at 1 January 2019	32.070	962.100,00	962.100,00
Balance as at 31 December 2019	**32.070**	**962.100,00**	**962.100,00**

On 31 December 2019 and December 2019, Company's authorized and issued share capital was divided into 32.070 shares, with nominal value 30 Euro each and was fully paid.

21. Reserves

Company's reserves are analysed as follows:

	Statutory reserve	**Other reserve**	**Total**
Balance as at 1 January 2018	349.344,05	25,52	349.369,57
Balance as at 31 December 2018	**349.344,05**	**25,52**	**349.369,57**
Balance as at 1 January 2019	349.344,05	25,52	349.369,57
Balance as at 31 December 2019	**349.344,05**	**25,52**	**349.369,57**

(a) Statutory reserve

The statutory reserve is formed in accordance with the provisions of the Greek corporate legislation, Law 4548/2018, article 158, according to which an amount equal to at least 5% of the annual net profit tax is required to be transferred to the statutory reserve until such reserve reaches one-third of the paid-up share capital. The statutory reserve can be used to cover losses after a decision of the Ordinary General Meeting of shareholders, and therefore cannot be used for any other reason.

(b) Tax-free reserves of special provisions of laws

Tax-free reserves of special provisions of laws are Profit-based reserves, which are not subject to tax in accordance with specific development laws, because they were used for the acquisition of new fixed productive equipment. That is, they are formed from profits for which no tax is calculated and paid.

According to Greek law, tax-free reserves are not subject to tax provided they are not distributed. In case of distribution, income tax is payable on the amounts distributed based on the applicable tax rates. The Group and the Company does not intend to distribute all or part of these reserves in the foreseeable future and, therefore, has not formed a deferred tax liability.

22. Dividends

According to Greek company law, companies are required to distribute annually at least 35% of their after-tax profits (calculated at entity level) and after forming a statutory reserve and deducting any profits from the sale of equity shares representing at least 20% of the paid-up share capital of a subsidiary whose share capital has been held for at least 10 years, depending on the case. The net profit remaining on the valuation of financial instruments at fair value after deducting the losses arising from these financial instruments is not taken into account for the above calculation of the minimum dividend. In addition, the Annual General Meeting of a Greek company may decide (i) by a majority of at least 65% of the paid-up share capital the non-distribution of the above minimum dividend or the distribution of a smaller dividend or non-distribution of the dividend and in any event the transfer of the non-distributed dividend in a special reserve which shall be distributed within four years of the date of the General Meeting or (ii) by a majority of at least 70% of the paid-up share capital the non-distribution of the above minimum dividend or the distribution of a smaller dividend or non-distribution of the dividend, in each case without the obligation to transfer the unpaid dividend in the reserve mentioned above.

In addition, Greek company law and more specifically in accordance with paragraph 1 of section 159 of Law 4548/2018 on Societe Anonyme, it is prohibited to distribute dividends to shareholders provided that, at the end of the last financial year, the Company's equity, as shown in the statement of financial position is or, after such distribution, will be less than the amount of equity, plus the reserves for which their distribution is prohibited by law or the Articles of Association.

For the financial year 2019, Company’s Board of Directors proposed to distribute a dividend of Euro 1.000.000,00. The dividend distribution is subject to approval by the annual general assembly of shareholders which will take place on August 31, 2020.

For the financial year 2018, Company’s Board of Directors proposed to distribute a dividend of Euro 400.000,00. The dividend distribution approved by the annual general assembly of shareholders, which took place on August 31, 2019.

23. Provisions

Company's provisions are analysed as follows:

	31/12/2019	31/12/2018
Long term liabilities	-	-
Total	**-**	**-**

	Unaudited tax years	Total
Balance as at 1 January 2018	**74.249,90**	**74.249,90**
Reversal of provision	(74.249,90)	(74.249,90)
Balance as at 31 December 2018	**-**	**-**

More information regarding the un-audited fiscal years by fiscal tax authorities are mentioned to Note 12.

The Company has not formed provisions for risks and expenses during the current and previous year.

24. Employee benefit liabilities

Retirement benefit plans Company's employees are mainly covered by the main state-owned private insurance fund that provides retirement and medical benefits. Each employee is required to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the Company. At retirement, the fund is responsible for the payment of pension benefits to retirees. Consequently, the Company has no legal or constructive obligation to pay future benefits under this plan. These contributions are recognized as an expense when they accrue and any outstanding amount is recognized as a liability. Contributions to pension funds for the years ended December 31, 2019 and 2018, amounted to Euro 119.947,18 and Euro 100.773,72, respectively (Note 11).

Termination benefits: Under Greek labour law, employees are entitled to compensation in the case of contract termination, either due to retirement or dismissal, calculated on the basis of the employee's remuneration, past service and termination of employment (dismissal or retirement) Employees who resign or are dismissed for a specific justified reason are not entitled to compensation. The compensation payable in the event of retirement is equal to 40% of the amount payable for dismissal without cause. In Greece according to local practice, these programs are not funded.

The Company recognises accrued benefits in the comprehensive income statement in each period with a corresponding increase in pension liability. Benefits paid to retirees in each period are debited against this liability.

An international firm of independent actuaries made an assessment of the Company's liabilities arising from its obligation to pay retirement benefits as of December 31, 2015. The actuarial study was renewed for the financial years ended December 31, 2017 and 2016. For the financial year ended December 31, 2019 and December 31, 2018, the Company's liabilities arising from its obligation to pay compensation due to retirement were measured in accordance with Law 2112/1920, as amended by Law 4487/2017, and not by based on an actuarial method.

The details and the basic assumptions of the actuarial study on December 31, 2019 and 2018 for the Company are as follows:

	31/12/2019	31/12/2018
Liabilities in the statement of financial position for:		
Employee benefits liabilities	**78.056,42**	**78.056,42**

The amounts recognized in the statement of comprehensive are determined as follow:

	1/1/2019-31/12/2019	1/1/2018-31/12/2018
Current service cost	34.480,04	34.236,11
Financial cost	-	-
Total cost included in employee benefits (Note.11)	**34.480,04**	**34.236,11**

Changes in the present value of the defined benefit obligations:

	31/12/2019	31/12/2018
Present value of the defined benefit obligations	**78.056,42**	**51.753,71**
Current service cost	34.480,04	34.236,11
Financial cost	-	-
Benefits paid	(34.480,04)	(7.933,40)
Actuarial (gains)/losses	-	-
Present value of the defined benefit obligations	**78.056,42**	**78.056,42**

25. Trade and other payables

Company's trade and other payables are analysed as follows:

	31/12/2019	31/12/2018
Trade payables	890.805,37	1.258.993,72
Post-dated cheques	10.145,91	5.000,00
Advance from customers	19.042,35	17.312,85
Accrued expenses	10.000,00	8.000,00
Social security and other taxes /fees	188.116,33	124.008,55
Dividends payable	198.749,73	541.999,43
Other liabilities	45.664,40	56.221,36
Total	**1.362.524,09**	**2.011.535,91**
Short term liabilities	1.362.524,09	2.011.535,91
Total	**1.362.524,09**	**2.011.535,91**

26. Leases

The recognised rights of use of assets presented in the statement of financial position as at 31 December 2019 are analysed as follows:

	Rights of use of Transportation means	Total
Cost		
Balance at 1 January 2019	**-**	**-**
Additions	5.663,04	5.663,04
Balance at 31 December 2019	**5.663,04**	**5.663,04**
Accumulated Depreciation		
Balance at 1 January 2019	**-**	**-**
Depreciation	(5.227,43)	(5.227,43)
Balance at 31 December 2019	**(5.227,43)**	**(5.227,43)**
Net book value 31.12.2019	**435,61**	**435,61**

The lease liabilities presented in the statement of financial position at 31 December 2019 are analysed as follows:

	31/12/2019
Balance at 1 January	
Additions	5.663,04
Interest expenses on lease liabilities (Note 10)	164,68
Cash outflows for leases	(5.381,16)
Balance at 31 December	**446,56**
Short-term liabilities	446,56
Long-term liabilities	-
Total	**446,56**

Most important leases of the Company and their accounting treatment

The Company has entered into lease agreements for the rental of transportation means. These leases are for a predetermined duration of up to 4 years and may have options to extend or terminate the contract. The duration of the lease of each contract is negotiated individually and may have different terms and conditions from the other contracts.

Implementation of IFRS 16 and effect on 1st January 2019

At December 31, 2018, the Company had only operating leases as tenants. For these leases, during the adoption of IFRS 16, the Company recognized lease obligations and rights to use assets. Liabilities were valued at the present value of residual rents, discounted by the lender's incremental borrowing rate on 1 January 2019. The rights to use the assets were valued at an amount equal to the lease obligation.

The reconciliation of the lease obligations on January 1, 2019 with the operating leases of December 31, 2018 is listed below:

Commitments from operating leases that had been disclosed at 31.12.2018	11.186,26
Discount borrowing rate at 01.01.2019	5,00%
Lease liabilities recognised at 01.01.2019	**5.663,04**
Short term lease liabilities	5.216,48
Long term lease liabilities	446,56

The Company used the following practical facilities permitted by the standard concerning leases which were previously classified as operating leases in accordance with IAS 17 and IFRIC 4:

- Use of the previous evaluations made during the application of IAS 17 and IFRIC 4 Interpretation, in order to determine whether a contract contains a lease, or whether a contract is a lease on the date of initial application.
- Use of a single discount rate on a lease portfolio with similar characteristics.
- Recognition leases with duration less than 12 months from January 1, 2019, as short-term leases.
- Exemption of the initial direct costs for the measurement of the rights to use fixed assets on the date of the first application.
- Use of later knowledge to determine the duration of leases whose contract includes a term of extension or expiration of the contract.

The Company was not affected by the application of the standard as a lessor. The Company does not have relevant contracts.

The judgments and assessments made by the Company regarding the application of IFRS 16 are described in note 5.

Company
EBITDA for the financial year 2019 increased, as a result of the change in accounting policy by Euro 5.381,16, due to the adoption of IFRS 16. In addition, the depreciation of the recognized right to use assets amounted to Euro 5.227,43, financial costs increased by Euro 164,68 and operating expenses decreased by Euro 153,73. Earnings before tax decreased by Euro 10,95 and earnings after income tax decreased by Euro 8,33 due to amount of Euro 2,62 (Note 15), which increased income tax on statement of comprehensive income as a deferred tax asset.

27. Commitments

Operating lease obligations
Future minimum rentals payable under non-cancellable operating leases as at 31 December 2019 and 2018 are, as follows:

	31/12/2019	**31/12/2018**
Within1 year	-	11.013,13
From 2-5 years	-	173,13
	-	**11.186,26**

Due to the adoption of IFRS 16, for the financial year ended 31 December 2019, this information is presented in the financial statements and more specifically in note 26.

28. Contingent liabilities - assets

No contingent liabilities exist at 31 December 2019 and 2018.

Contingent assets

There is a debt of the company "Athanasopoulos Ch. & Co. EE" to the Company with a total amount of Euro 38.203,02 for which a court procedure has been initiated to claim it and a lawsuit has been filed against the management of the above debtor company due to the issuance of unsecured checks.

29. Related party transactions

There is no remuneration of Board members for the financial years 2019 and 2018.

30. Financial risk management objectives and policies

Financial risk factors
The Company's activities create various financial risks such as exchange rate and interest rate risks, credit risks and cash flow liquidity risks.
The risk management of the Company seeks to minimize their potential negative impact on the financial performance of the Company.

Market risk
Foreign exchange risk
Apart from the Greek market, the Company is also active in the international markets and is therefore exposed to foreign exchange risk arising from changes in exchange rates. This risk arises mainly from future foreign exchange transactions, receivables and liabilities.
The main currency in the Company's trading volume outside the Euro is the US Dollar. («USD»). Foreign exchange risk is managed on the one hand by maximizing physical hedging through liabilities - receivables and inflows - outflows in USD.
The Company's policy is to not maintain foreign cash and cash equivalent higher than the necessary amounts that are expected to be used in its commercial activities.

Price risk
The Company is exposed to raw materials price variations. Part of this risk is compensated by incorporating change in cost to the final selling price of the products.

Credit risk
Credit risk arises from cash, deposits with banks, as well as customer credit reports including significant receivables and transactions.

The Company has significant concentration of its receivables to a few trade debtors, fact that maximizes its exposure to credit risk.

50.07% of the Company's turnover is carried out by two customers (2018: 48.16%) whose balance as at 31 December 2019 amounts to Euro 1.837.738,56 (31.12.2018: 2.481.216,61).

Liquidity risk
The Company manages the risks that may arise from a lack of sufficient liquidity, ensuring that there are always secured bank loans for use. The existing unused approved bank credits to the Company are sufficient to address any possible cash shortages.

The following tables summarize for the Company the maturity dates of the financial obligations on December 31, 2019 and December 31, 2018, based on the payments arising from the relevant contracts, at non-discounted prices.

31 December 2019	**Up to 1 year**	**Total**
Lease liabilities	446,56	446,56
Trade and other payable	1.362.524,09	1.362.524,09
Total	**1.362.970,65**	**1.362.970,65**

31 December 2018	Up to 1 year	Total
Trade and other payable	2.011.535,91	2.011.535,91
Total	**2.011.535,91**	**2.011.535,91**

Cash flow risk and risk relating to change of fair value due to change in interest rates
The Company's operating income and cash flows are influenced by changes in interest rates. The interest rate risk essentially affects floating rate borrowings. Company's policy is to monitor interest rate trends and to decide on the combination of fixed – floating interest rates according to prevailing market conditions and its financial needs. During the current period the Company's debt is with variable interest rate, as it was considered that this risk is limited, as the Euro interest rates are expected to remain stable or decrease in the medium-term future.

Determination of fair values
The fair value of financial instruments traded in active markets (stock exchange) (i.e. derivatives, stocks, bonds) is based on quoted market rates at the statement of financial position date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

In assessing the fair value of non-traded financial instruments, the Company uses a variety of valuation methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

The nominal values less any allowances of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the prevailing market interest rate available to the Company for similar financial instruments.

31. Changes in liabilities arising from financing operations

	1 January 2019	Cash flow	Other	31 December 2019
Short term lease liabilities	5.663,04	(5.216,48)		446,56
Dividends payable	541.999,43	(743.249,70)	400.000,00	198.749,73
Total liabilities from financing activities	**547.662,47**	**(748.466,18)**	**400.000,00**	**199.196,29**

	1 January 2018	Cash flow	Other	31 December 2018
Dividends payable	796.994,67	(254.995,24)	-	541.999,43
Total liabilities from financing activities	**796.994,67**	**(254.995,24)**	**-**	**541.999,43**

The column "Other" includes the distribution of dividend for the year 2018 amounting to Euro 400.000,00 which was approved by the annual general assembly of shareholders which took place on August 31, 2019 (Note 22).

32. Financial instruments

The carrying amount presented in the accompanying financial statements of cash and short-term deposits, trade and other receivables, trade payables and accrued expenses and short-term liabilities approximate their fair value due to their relatively short maturity of these financial instruments.

The fair value of floating rate interest bearing loans and borrowings approximates the carrying amount presented in the accompanying statement of financial position.

The Company used the level 1 for determining and disclosing the fair value of financial assets at fair value through profit or loss.
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

As at 31 December 2019 and 2018, the Company held the following financial instruments that are valued at fair value:

	Carrying amount		Fair value	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Financial assets				
Cash and short-term deposits	1.150.685,78	396.545,34	1.150.685,78	396.545,34
Financial assets at fair value through profit or loss	187,24	68,20	187,24	68,20
Financial liabilities				
Lease liabilities	446,56	-	446,56	-

33. Subsequent events after the date of the financial position statement

In March 2020, the World Health Organization (WHO) declared the Coronation COVID-19 pandemic, the rapid spread of which has adverse results to business and economic activity around the world and has ceased or slowed down the activities of major sectors of the economy.

The spread of the pandemic is ongoing and therefore its effects cannot be estimated or quantified. The duration and severity of the effects are expected to be determined by: (i) whether the virus is subject to seasonal periodicity, (ii) how long it will take to develop effective methods of treating the disease (vaccine and / or treatment), (iii) the effectiveness of the fiscal and other measures of the countries as well as the decisions of the banking supervisory authorities to facilitate the banking institutions in providing liquidity and support to businesses and households.

Based on the above, and in accordance with the requirements of IAS 10 "Events following the reporting period", pandemic is considered a non-corrective event and therefore is not presented in the recognition and measurement of assets and liabilities in Company’s annual financial statements for the financial year 2019.

In the context of public health protection, many countries have adopted extraordinary, temporary restraint measures, including the suspension of the normal business activities of some companies. Governments, including the Greek one, have imposed restrictions on traffic, travel and strict quarantine measures. Specifically, in Greece, gradually from March 20, 2020, measures were taken to safeguard public health and ensure the economic survival of workers, businesses and vulnerable groups which were implemented until May 4, 2020, on this date, lock down measures were gradually the lockdown measures implemented by the Greek Government were gradually lifted and the government's plan for the gradual transition to the new reality was implemented.

The Management monitors all the events from a very early stage and is in constant communication with all the competent bodies, in order to take any action deemed necessary in terms of taking measures that will protect the health of employees, its associates and public health in general. At the same time, it records the risks and evaluates the impact of the COVID-19 pandemic at each stage, on the results and future cash flows of the Company, while the measures it takes are based on the adequacy of liquidity and going concern principle. The assessment of the Management is that no uncertainty is created regarding the Company’s going concern, which is the main assumption used for the preparation of the financial statements.

There have been no other events since the financial statements of 31 December 2019, which have significantly affected the understanding of these financial statements and should either be disclosed or differentiate the accounts of the published financial statements.