GR. SARANTIS S.A.

ANNUAL FINANCIAL REPORT

of the Year 2017

from 1 January to 31 December 2017

(According to article 4 of Law 3556/2007)

The Annual Financial Report was prepared in accordance with article 4 of Law 3556/2007 and it was approved by the Board of Directors of SARANTIS S.A. on 27th of March 2018. It is uploaded on the internet, on the website: www.sarantisgroup.com

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1. STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

Statements by Members of the Board of Directors

(according to article 4 of Law 3556/2007)

It is hereby declared that to our knowledge, the annual parent and consolidated financial statements of the company “GR. SARANTIS S.A.” for the financial year 2017 (from 1 January 2017 to 31 December 2017), which were prepared according to the applicable International Financial Reporting Standards, accurately present the assets and liabilities, equity and results of the Company Gr. Sarantis SA as well as those of the companies included in the consolidation, considered as a whole.

Furthermore, we declare that to our knowledge, the annual report of the Board of Directors reflects in a true manner the development, performance and financial position of GR. SARANTIS S.A., and of the businesses included in the Group consolidation, considered as a whole, including the description of the principal risks and uncertainties faced.

Marousi, 27 March 2018

The Members of the Board

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN & CHIEF EXECUTIVE OFFICER	THE FINANCE DIRECTOR & BOARD MEMBER
GRIGORIS SARANTIS	KYRIAKOS SARANTIS	KONSTANTINOS ROZAKEAS
ID No. X 080619/03	ID No. AI 597050/2010	ID No. AK 783631/13

BOARD OF DIRECTORS' ANNUAL MANAGEMENT REPORT

2. BOARD OF DIRECTORS' ANNUAL MANAGEMENT REPORT

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

OF THE COMPANY "GR. SARANTIS S.A."

on the Annual Financial Statements for the financial year from 1st January to 31st December 2017

2.1 INTRODUCTION

The present Annual Report by the Board of Directors which follows (hereinafter the "Report") refers to the financial period 01.01.2017 - 31.12.2017. This Report was prepared and is in line with the relevant stipulations of Law 3556/2007 (Government Gazette 91A/30.04.2007) and the relevant executive decisions issued by the Hellenic Capital Market Commission, as well as Decision no 7/448/11.10.2007 issued by the Board of Directors of Hellenic Capital Market Commission and provisions of articles 43a, 43bb, 107a, 136 of P.L. 2190/1920.

The Report is included in the 2017 annual financial report, together with the Company's financial statements and other information and statements required by law.

The present report briefly presents the Company's financial information for financial year 2017, significant events that occurred during the year and their effects on the financial statements. The report also includes a description of the basic risks and uncertainties the Group's companies may face in the following year and finally, significant transactions between the issuer and its related parties are also presented.

The report also includes non financial information – sustainability report, the Corporate Governance statement, the depiction of the most significant related party transactions of the Company and the Group, as well as additional information as required by the respective legislation.

The financial statements (parent and consolidated), the audit report by the certified auditor and the management report of the Board of Directors of GR. SARANTIS S.A. are being presented on the address: https://ir.sarantis.gr/el/analystcorner/financial-results-release

The financial statements and the certified auditors' audit reports of Sarantis Group's companies which are being consolidated and which are publicly traded (according to the Decision 8/754/14.04.2016 of the Board of Directors of the Hellenic Capital Market Commission) are being presented on the following address: https://ir.sarantis.gr/el/subsidiariesisol/financial-accounts-of-subsidiaries

2.2 PERFORMANCE AND FINANCIAL POSITION

The consolidated turnover amounted to €343.16 mil. from €329.02 mil. in FY 2016, up by 4.30%, supported by growth across the Group's territory. Brand-supporting initiatives, the continuous renewal of the brand portfolio and the increased penetration across its distribution channels support further brand engagement and drive growth. The foreign markets exhibited an increase of 5.60% and the Greek market, despite the continuing political instability and uncertainty, was up by 2.02% in FY 2017, outperforming the market.

The Group's Gross Profit stood at €159.96 mil. during FY 2017 from €152.63 last year, up by 4.80%. The Group's Gross Profit margin during FY 2017 stood at 46.61% from 46.39% in the previous year.

The growth in sales combined with continued financial discipline and focus behind better sourcing, value adding innovations, productivity driven cost savings and the utilization of synergies, resulted in a double-digit earnings per share growth and improvement in all profitability margins.

- EBITDA* was up by 10.42% to € 39.66 mil. from €35.92 mil., with an EBITDA margin of 11.56% from 10.92% in FY 2016.
- EBIT* reached € 34.51 mil. Increased by 9.47% versus €31.52 mil. and EBIT margin rose at 10.06% from 9.58% in FY 2016.

- EBT* settled at €34.67 mil. from €28.84 mil. in FY 2016 up by 20.22% with the EBT margin reaching 10.10% from 8.76% in the previous year.
- Net Profit* increased by 16.78% to €28.63 mil. from €24.52 mil. in the previous year, while Net Profit margin reached 8.34% from 7.45% in FY 2016.

Sarantis Group exhibits an exceptionally healthy financial position and capital structure that allows for investing behind initiatives to accelerate growth and returning value to its shareholders.
Within 2017, the Group paid a dividend for FY 2016 of approximately €6 mil. (0.175 euros per share).
As of the end of FY 2017 the Group maintains a net cash* position of €16.20 mil., significantly increased vs €7.05 mil. at the end of 2016.

Regarding working capital management, the Group's operating working capital* settled at €90.25 mil. in FY 2017 compared to €88.75 mil. in H1 2016, while operating working capital requirements over sales settled at 26.30% in FY 2017 versus 26.97% in FY 2016.
The improvement is driven by improved receivables days as well as the efficient inventory management despite the Group's growth and the continuous product additions in the Group's portfolio.

** Comparable financial figures – Explanations are given in the paragraph "Alternative Performance Measures".*

As far as the breakdown by business unit is concerned, Cosmetics sales were up by 5.44% yoy to €164.10 mil. in FY 2017 from €155.64 mil. in FY 2016, supported by both the own brands portfolio as well as the distributed brands subcategory. Cosmetics participation to total Group turnover at 47.82%.
Sales of Household Products increased by 2.06% amounting to €120.30 million from €117.87 million in the previous year, supported by growth in the own brands subcategory. The category's participation to total Group turnover amounted to 35.06%.
The category "Private Label" represents sales of Polipak, the Polish packaging products company, which specializes on the production of private label garbage bags.
The category of Other Sales increased by 7.01% mainly driven by the positive performance of the Luxury Cosmetics subcategory.

Regarding the operating profits by business unit, Cosmetics EBIT increased by 16.66% in FY 2017 to €11.06 million from €9.48 million in the previous year, driven mostly by the own Cosmetics subcategory. The margin of Cosmetics increased at 6.74% in FY 2017 from 6.09% in the previous year.
The EBIT of Household Products posted a reduction of 2.35% during FY 2017 to €11.07 million from €11.33 million in FY 2016, driven by increased marketing and promotion expenses. Therefore, the EBIT margin of the household products stood at 9.20% during FY 2017 from 9.62% in FY 2016 and their participation to total Group EBIT settled at 32.08% in FY 2017.

As for the geographical breakdown, Despite the continuing political instability and uncertainty, Greece, exhibited a sales increase of 2.02% performing better than the total retail market.
The foreign markets of the Group showed a turnover increase of 5.60% yoy to €220.97 million from €209.26 mil in FY 2016. The foreign countries presented an average sales growth in local currencies of 4.8%.

The Greek EBIT during FY 2017 increased by 9.37% to €20.44 mil., from €18.68 mil. in FY 2016.
Excluding the income from Associated companies, Greek EBIT during FY 2017 amounted to €12.61 mil. increased by 10.86% compared to €11.38 mil. last year.
Greek EBIT margin, excluding income from Associated Companies, stood at 10.32% during FY 2017 from 9.50% in FY 2016.
The foreign countries EBIT was up by 9.60% during FY 2017, amounting to €14.07 mil., from 12.84 mil. last year. The foreign countries EBIT margin settled at 6.37% from 6.13% in the previous year.

The analysis by business unit and geographical region is presented in paragraph 4.10.27.

2.3 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2017

- According to the provisions of the article 17 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council, as well as the article 4.1.3.1 of the Athens Exchange Regulation, the company GR. SARANTIS CYPRUS LTD”. proceeded on March 6th 2017 to the sale of thirteen thousand six hundred and twenty five (13,625) common registered shares of the Societe Anonyme under the name “THRACE SARANTIS INDUSTRIAL & COMMERCIAL SOCIETE ANONYME” with the distinctive title “THRACE SARANTIS S.A.”. The shares correspond to the 50% of the paid-in share capital of “THRACE SARANTIS S.A.” and were sold for one million (1,000,000) Euros. Following this transaction, GR. SARANTIS S.A. has no participation in the company «THRACE SARANTIS S.A.».

- Following the General Shareholders Meeting resolution dated May 3rd 2017, the company GR. SARANTIS S.A. proceeded to the distribution of a dividend payment for the fiscal year 2016 amounting to 0.1750 euro per share. The aforementioned dividend amount was subject to a 15% withholding tax and therefore shareholders received a net amount of 0.14875 euro per share. The dividend payment took place on May 16th 2017 via the National Bank of Greece through the authorized operators of the beneficiary shareholders registered with the D.S.S.

- On September 15th 2017, the one hundred fifty seven thousand seven hundred and sixty (157,760) new common registered shares of the Company, which derived from a share capital increase due to the exercise of the Company’s stock options (stock option plan) by six executive members of the Company, were subject to negotiation at the Stock Exchange of Athens in accordance with the decision of the Repeated General Meeting of the Company's shareholders of 18.07.2001 as this was modified by subsequent General Meetings as well as the Company’s Board of Directors’ decision dated May 31st 2017.

  In total 157,760 shares of nominal value 1.55 euro per share were granted at an exercise price of 2.00 euro which corresponds to 315,520.00 euro that was paid by July 14th 2017. After the aforementioned increase, SARANTIS share capital amounts to 54,155,050.10 Euro divided into 34,938,742 registered shares, with a nominal value of 1.55 Euro each.

2.4 MAJOR RISKS AND UNCERTAINTIES FOR 2018.

The Group is exposed to financial and other risks, including the effects of changes in interest rates, credit risks and liquidity risks. The Group’s overall risk management program aims at minimizing the possible negative effects from such risks on its financial performance. The Group’s financial instruments consist mainly of deposits with banks, trade accounts receivable and payable, loans and dividends payable.

2.4.1 Foreign exchange risk

The Group operates in an environment characterized by relatively high foreign exchange risk given that almost 65% of the Group’s total turnover comes from Eastern European countries where the volatility of foreign exchange rates is likely to be high. The management of the Group is constantly examining the currencies’ fluctuations, but at the moment it has not taken any measures against the foreign exchange risk due to the lack of appropriate hedging tools.

2.4.2 Interest rate risk

The interest rate risk emerges from the relation between the cost of debt and the subsequent effect of any interest rate changes on the earnings and cash flows. The Group’s objective is to achieve an optimal balance between borrowing cost and the potential effect of any interest rate changes on earnings and cash flows. The Group monitors and manages its debt and overall financing strategies using a combination of short and long-term debt. It is policy of the Group to continuously review interest rate trends along with its financing needs. Daily working capital requirements are typically financed with operational cash flow and through the use of various committed lines of credit. The interest rate on these short-term borrowing arrangements, is generally determined as the inter-bank offering rate at the borrowing date plus a pre-set margin. The mix of fixed-rate debt and variable-rate debt is managed within Group policy guidelines.

2.4.3 Credit risk

The credit risk is detected when a client-debtor of the Group defaults on its obligations resulting into the generation of a loss for the Group. The Group's trade receivables mainly come from wholesale clients whereas a significant part of receivables come from large clients.
All Group companies monitor the financial position of their debtors on an ongoing basis and control the granting of credit as well as the credit lines. Where considered appropriate, credit guarantee insurance cover is purchased. Moreover, appropriate provision for impairment losses is made for specific credit risks wherever deemed necessary.

2.4.4 Liquidity risk

The liquidity risk refers to a case when the Group is not in position to fulfill its obligations with regard to money payments. Prudent liquidity risk management implies the existence of a balance between cash flows as well as funding through adequate amounts of committed credit facilities. The Group closely monitors the amount of funding as well as the short-term and long-term funding with respect to total debt and the composition of total debt, and it manages the risk that could arise from the lack of sufficient liquidity and secures that necessary borrowing facilities are maintained. The Group has sufficient credit line facilities that could be utilized to fund any potential shortfall in cash resources.

The Group manages and monitors its working capital in order to minimize any possible liquidity and cash flow risks.

2.4.5 Raw material price risk

The Group is exposed to price volatility in the basic raw materials it uses for products that are manufactured in its own production facilities.

- The basic raw materials used by the Group for the Fragrances, Cosmetics and Personal Care products are perfumes, oils and chemicals.

The prices of raw materials in fragrances, cosmetics and personal care products do not fluctuate significantly, and any differences are eliminated by gradually transferring volumes from one supplier to another when necessary, maintaining active alternative suppliers and creating safety stocks.

- The basic raw materials used by the Group for the categories of household products (food packaging products and plastic waste bags) are aluminum (in jumbo rolls), plastic (PVC / LDPE Clingfilm in Jumbo rolls) and polyethylene (HDPE, LDPE, LLDPE).

Regarding the effect of fluctuations in the prices of aluminum and plastic, the Group proceeds to the closing of price at short intervals, and in addition creates a safety stock when it deems it necessary.

2.4.6 Compliance Risk

The incomplete compliance with the legal regulatory framework that governs the Group could lead to penalties and other fines, so by this way it will negatively affect the financial position and, as a result its reputation.
Regulatory compliance issues that are recognized by the management are as follows:
1. Issues related to commercial legislation
2. Taxation and labor issues
3. Issues related to the Capital Market Committee and the Stock Exchange
4. Issues related to the protection of personal data
5. Issues covered by the Code of Ethics (fraud, bribery, child labor, work safety and work practices, issues relating to free competition, etc.)
6. Issues relating to the protection of the environment and the operation of the production facilities.
7. Issues relating to product safety and certification (e.g. EFET) where provided, as well as to the protection of consumers.

The relevant body that is responsible for assessing the risks is the Execution Committee. Each group of risks shall be examined separately. The likelihood of occurrence, the potential effect and the level of the organization's abundance are estimated, and then the optimum actions are being proposed. Subsequently the Group assigns the personnel responsible for the management who implement the agreed actions and inform the administration about the results of these actions.

2.5 FUTURE OUTLOOK AND PROSPECTS

The Group's FY 2017 financial results were marked again by significant progress backed by the Group's deep product and market know-how as well as new product development initiatives that are supported by an efficiently executed and well balanced communication plan. At the same time the balanced allocation of resources and management of expenses together with cost saving initiatives support the Group's profitability and provide the fuel for further investments behind growth.

The Group's strategic priorities for 2018 are focused on new product development, geographical expansion, increasing scale, improving costs, identifying brand acquisitions that can provide additional value and re-investing behind high-return areas of the business.

This is expected to lead to further strengthening of the Group's position in the region as a leading consumer products regional multinational company.

Despite the adverse economic conditions throughout the last years, the Group managed to build a great momentum, which will now serve as a sound basis for the future.
In each of its markets the Group is well positioned to further benefit from the strong new product pipeline and leverage its capabilities behind the commercial strategy, production efficiency and operational effectiveness, ultimately delivering further volume-growth, increased profitability margins and additional free cashflow.

Consistent with its yearly schedule, Sarantis Group management will publish its FY 2018 guidance on Thursday, April 19th 2018 during the Group's annual presentation at the Hellenic Fund and Asset Management Association.
Moreover, the Board of Directors of the Company will propose during the Annual Shareholders Meeting a dividend of 0.28 euro per share.

2.6 RELATED PARTY TRANSACTIONS

The most significant transactions between the Company and its related parties, as such are defined by International Accounting Standard 24, are presented below.

Subsidiaries ***Company***

Trade receivables	31.12.2017	31.12.2016
Sarantis Romania S.A.	1,400,510.80	1,763,046.90
Sarantis Czech Republic sro	0.00	787,864.15
Sarantis Polska S.A.	542,316.17	680,262.68
Elode France SARL	15,894.32	12,849.52
Polipak SP.Z.O.O.	37,729.84	104,608.36
Sarantis Hungary Kft.	210,465.04	349,665.87
Sarantis Bulgaria LTD	110,767.17	81,292.91
Arpina S.A.	0.00	138,721.61
Sarantis Portugal LDA	1,023,944.27	1,014,675.40
Total	**3,341,627.61**	**4,932,987.40**
GRAND TOTAL - RECEIVABLES	**3,341,627.61**	**4,932,987.40**

Trade Liabilities	31.12.2017	31.12.2016
Thrace-Sarantis S.A.	0.00	773.32
Sarantis Polska S.A.	67,846.48	199,911.84
Sarantis Czech Republic sro	374,931.28	12,875.80
Sarantis Belgrade D.O.O	1,522,428.03	1,243,881.97
Sarantis Romania S.A.	0.00	0.00
Sarantis Bulgaria LTD	0.00	37,023.31
Polipak SP.Z.O.O.	538,589.71	514,239.32
Sarantis Skopje D.O.O	708,623.45	516,564.82
Sarantis Hungary Kft.	18,365.66	40,059.52
Sarantis Portugal LDA	80,588.68	0.00
Sarantis France SARL	60,792.76	0.00
Total	**3,372,166.05**	**2,565,329.90**

Liabilities from loans	31.12.2017	31.12.2016
Sareast Consumer Products Trading LTD	0.00	0.00
Waldeck LTD	547,239.69	527,985.96
Total	**547,239.69**	**527,985.96**
GRAND TOTAL - LIABILITIES	**3,919,405.74**	**3,093,315.86**

INCOME

Income from sale of merchandise	31.12.2017	31.12.2016
Sarantis Romania S.A.	4,443,353.13	4,772,950.41
Sarantis Bulgaria LTD	1,797,888.32	1,645,586.17
Sarantis Belgrade D.O.O	1,967,157.23	2,120,927.66
Sarantis Skopje D.O.O	500,902.82	523,710.13
Sarantis Polska S.A.	4,924,998.60	6,362,764.83
Sarantis Czech Republic sro	3,012,107.64	3,660,500.05
Sarantis Hungary Kft.	848,791.67	975,616.97
Arpina S.A.	0.00	-3,967.65
Sarantis Portugal LDA	736,693.67	422,051.17
Total	**18,231,893.08**	**20,480,139.74**

Other Income	31.12.2017	31.12.2016
Sarantis Banja Luca DOO	2,540.62	3,088.34
Sarantis Romania S.A.	65,025.56	67,617.72
Sarantis Belgrade D.O.O	26,908.54	26,575.60
Sarantis Skopje D.O.O	11,984.25	12,574.57
Sarantis Hungary Kft.	56,946.25	47,020.34
Sarantis Czech Republic sro	116,539.81	156,600.23
Sarantis Polska S.A.	173,610.36	73,842.98
Sarantis Bulgaria LTD	21,797.18	16,017.35
Arpina S.A.	0.00	2,399.24
Sarantis Portugal LDA	67,159.47	34,801.62
Polipak SP.Z.O.O.	21,969.41	0.00
Total	**564,481.45**	**440,537.99**
GRAND TOTAL - INCOME	**18,796,374.53**	**20,920,677.73**

EXPENSES & PURCHASES

Purchases of Merchandise - Services	31.12.2017	31.12.2016
Sarantis Bulgaria LTD	327,007.81	402,964.65
Sarantis Romania S.A.	71,742.08	90,078.87
Sarantis Czech Republic sro	50,864.31	12,875.36
Sarantis Belgrade D.O.O	28,665.24	137,428.80
Sarantis Polska S.A.	346,917.78	488,319.80
Sarantis Skopje D.O.O	0.00	0.00
Sarantis Hungary Kft.	18,365.66	40,822.49
Polipak SP.Z.O.O.	2,666,493.36	2,101,722.11
Thrace-Sarantis S.A.	0.00	144,219.26
Sarantis Portugal LDA	80588.68	0.00
Arpina S.A.	0.00	0.00
Total	**3,590,644.93**	**3,418,431.35**

Expenses – Interest	31.12.2017	31.12.2016
Waldeck LTD	22,059.70	0.00
Sareast Consumer Products Trading LTD	0.00	22,120.13
Total	**22,059.70**	**22,120.13**
GRAND TOTAL - EXPENSES	**3,612,704.63**	**3,440,551.48**

TABLE OF DISCLOSURE OF RELATED PARTIES		
	Group	**Company**
a) Income	0.00	18,796,374.53
b) Expenses	0.00	3,612,704.63
c) Receivables	0.00	3,341,627.61
d) Liabilities	0.00	3,919,405.74
e) Transactions and remuneration of senior executives and management	2,574,703.10	1,935,590.50
f) Receivables from senior executives and management	79,889.94	0.00
g) Liabilities towards senior executives and management	0.00	0.00
h) Receivables from affiliates	1,549,841.09	0.00

2.7 DETAILED INFORMATION ACCORDING TO A. 4, PAR.7, L.3556/2007.

2.7.1 Structure of the Company's share capital

The company's share capital amounts to fifty four million, one hundred fifty five thousand, and fifty euro and ten cents (54,155,050.10 Euro), divided into thirty four million nine hundred and thirty eight thousand, seven hundred and forty two common registered shares with voting right (34,938,742 shares), with a nominal value of one euro and fifty five cents (1.55 Euro) each.

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

• The right to dividend from the annual earnings or liquidation profits of the Company.

A percentage of 35% of the net earnings following deduction only of the statutory reserve is distributed from the earnings of each year to shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. Dividends are entitled to each shareholder who is registered in the Shareholders' Register at the dividend record date. The dividend for each share is paid to its holder within two (2) months from the date on which the Ordinary General Meeting approved the Annual Financial Statements. The payment date and the payment method are released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.

• The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,

• The pre-emptive right at every share capital increase of the Company via cash payment or the issuance of new shares.

• Each shareholder is entitled to request a copy of the financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

• The right to participate in the Company's General Meeting which consists of the following specific rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.

• The General Meeting of Company's Shareholders retains all its rights and obligations during liquidation. The liability of shareholders is limited to the nominal value of the shares such hold.

2.7.2 Limits on transfers of Company's shares

The transfer of Company shares takes place based on procedures stipulated by Law, while there are no restrictions set by the Articles of Association for transfer of shares, as such are dematerialized shares listed on the Athens Exchange.

2.7.3 Significant direct or indirect holdings according to the definition of 3556/2007

During 2017 the following notifications of significant participations in accordance with Law 3556/2007 have been made:

- The total percentage of voting rights that shareholder of Brandes Investment Partners L.P. holds indirectly in the Company fell to 5% on 04/08/17 and in particular stood at 4.977% (i.e. 1,731,291 voting rights).
- The total percentage of direct and indirect participation of Sarantis family (Messrs. GRIGORIS SARANTIS, KIRIAKOS SARANTIS, AIKATERINI SARANTI) due to sale of voting rights that took place on 11/04/2017, decreased below 50%, and namely at 49.979% (i.e. 17,383,137 of the voting rights).
- The total share of direct and indirect participation of Sarantis family (Messrs. GRIGORIS SARANTIS, KIRIAKOS SARANTIS, AIKATERINI SARANTI) due to purchase of shares realized on 21/11/2017 amounted to over 50% and namely at 51.997% (i.e. 18,167,087 of voting rights).
- The total percentage of voting rights held in the Company, directly and indirectly by Fabio Maria Matteo Granata, Paolo Bergamaschi and SODALIS S.R.L. fell below 5.00% on 21/11/2017.

  It is noted that Fabio Maria Matteo Granata and Paolo Bergamaschi own by 100% of SODALIS SRL, which holds 100% of CONTER SRL. Finally, it is noted that ARGOS S.P.A. which served as the fiduciary of Fabio Maria Matteo Granata and Paolo Bergamaschi and which had made the prior disclosure (September 12, 2013) no longer exists as a legal entity.

2.7.4 Shares conferring special control rights

None of the Company shares carry any special rights of control.

2.7.5 Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights emanating from its shares.

2.7.6 Agreements among Company shareholders

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights emanating from its shares, apart from those mentioned in paragraph 2.7.3.

2.7.7 Rules governing the appointment and replacement of members of Board of Directors and the amendment of the Articles of Association

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20.

2.7.8 Responsibility of the Board of Directors for the issuance of new shares or the purchase of treasury shares

According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members. In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

2.7.9 Important agreements initiated, amended or terminated in case a charge arises in the company's control following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

2.7.10 Agreements with members of the Board of Directors or employees of the Company

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to a public offer.

2.8 TREASURY SHARES

Within the year 2017, the Company acquired 877,400 own shares corresponding to 2.5% of its share capital, at a price of EUR 11.10 per share.

As of 31/12/2017, the Company held in total 1,365,800 treasury shares with an average acquisition price of EUR 9.17 per share, corresponding to 3.91% of its share capital.

2.9 EVENTS AFTER THE REPORTING PERIOD

- On 11/01/2018, Sarantis Group announced the acquisition of the cosmetics products INDULONA with significant presence in Slovakia and Czech Republic. More specifically, Sarantis Group signed an agreement for the purchase of 100% of the share capital of the Company SANECA TRADE S.R.O, as well as of its Czech subsidiary SANECA TRADE CZ S.R.O.. INDULONA products are being distributed through the above companies in the markets of Slovakia and Czech Republic.
- On March 23rd 2018 Sarantis Group announced that it has entered into an agreement to acquire ERGOPACK GROUP in Ukraine. More specifically, GR. Sarantis Cyprus Ltd, a 100% subsidiary of GR. SARANTIS S.A., signed an agreement for the acquisition of 90% of the share capital of the Ukrainian company Ergopack LLC. The acquisition is subject to customary closing conditions and the approval of the Antimonopoly Committee. Ergopack is involved in the production and distribution of household products, with the major categories being Garbage Bags, Food Packaging and Cleaning items for the Household.

2.10 CORPORATE GOVERNANCE STATEMENT

In the context of compliance with the obligations emanating from the clauses of article 2, paragraph 2 of L. 3873/10, the following statement has been compiled.

1. Corporate Governance Code:

Gr. Sarantis SA applies corporate governance rules and practices, which are summarized in the Corporate Governance Code which the Company has compiled, taking into consideration the state law and the relevant guidance of the pertinent authorities, which have been announced up to the publication date of the current statement.

The Corporate Governance Code of Gr. Sarantis SA is at any interested party's disposal in the corporate website: http://ir.sarantis.gr/el-gr/intro/our-responsibility.

2. The General Assembly of Shareholders:

Operation Items of the General Assembly

The General Assembly (GA) is the supreme body of the Company. It is entitled to decide upon any subject, whereas its decision constitutes commitment even for the absent or opposing shareholders. The General Assembly is chaired by the Chairman of the Board of Directors (BoD) who based on defined procedure provides for the election of the ordinary President of the GA. The GA is obliged to take decisions for all subjects of the agenda, whereas it is the only appropriate body to decide on the following: a) for the amendments of the articles of association including capital changes, b) for the election of the BoD directors, the auditors and the determination of their fees. Based on the article 10 of the articles of association, the election of the directors of the first BoD is excluded from the rule, whereas based on the article 12 of the articles of association, the election of BoD advisors for substituting vacancies that were due to death, resignation or deposition, is also excluded, c) for the approval of the financial statements, d) for the allocation of the annual earnings, e) for the issuance of convertible bond (according to the article 3 of PL 2190/20, f) for the cases of merger, split, transformation, renewal, extension or termination of the company, and g) for the appointment of liquidators.

Amendment to the clauses of the articles of association that are noted in article 29, paragraph 3 of PL 2190/20 is performed with increased quorum (2/3) and majority (2/3 of the attendants). Amendment of other clauses is performed with simple quorum (1/5) and majority (½ + 1 of the attendants).

Communication with the Shareholders and the potential Shareholders

The Company operates a website which presents subjects and information for the shareholders, in both the Greek and the English language.

The shareholders have at their disposal the contact details of both the Chairman of the Company, and the manager of investor relations and shareholders department, in case there is a need for immediate communication.

In cases of institutional shareholders wishing to acquaint with the Group, they may contact the manager of investor relations and shareholders department who will handle the arrangement of a relevant presentation meeting.

With regard to the operating procedure of the General Assembly, the Company is governed by the clauses of L. 3884/10 and posts all the required, by law, information at its website in both the Greek and the English language for the facilitation of shareholders.

3. Board of Directors and Committees:

(a) The Company is governed by the **Board of Directors** (BoD), which is elected from the General Assembly, in the context of the Company's Articles of Association and the L. 2190/1920, is comprised of 3 (three) up to 11 (eleven) directors and has a six-year term (according to the provisions of article 19 of L. 2190/1920).

In particular, the current Board of Directors consists of 8 (eight) members. Four (4) members of the Board of Directors are executive members, whereas two (2) of the non-executive members are also independent.
At the Ordinary General Assembly on May 3, 2017, the following were decided:
As the tenure of Company's Board of Directors expires on 30/11/2017 and in order to avoid the convening of an extraordinary General Assembly, it is decided the revocation of the Board of Directors and its re-election with exactly the same composition for the period from 03/05/2017 to 30/06/2022 or until the date of the Annual General Assembly in 2022.

Chairman: Grigorios Sarantis of Pantazis, (executive member)
Vice Chairman and Chief Executive Officer: Kyriakos Sarantis of Pantazis, (executive member)
Executive Directors: Konstantinos Rozakeas of Petros, Konstantinos Stamatiou of Fokion
Non Executive Directors: Aikaterini Sarantis of Pantazis, Antonios Agiostratitis of Miltiadis,
Independent Non Executive Directors: Dimitrios Efstathiou of Konstantinos, Christos Oikonomou of Ioannis

With the decision regarding the re-election of the BoD, it was also decided the re-election of the Audit Committee, which exists as a committee of the BoD, with exactly the same composition, namely:
Dimitrios Efstathios, of Konstantinos (Chairman of the A.C.)
Aikaterini Saranti of Pantazi, (Member of the A.C.)
Christos Economou of Ioannis, (Member of the A.C.)

The curriculum vitae of each of the directors of the Company's BOD are posted in the corporate website http://ir.sarantis.gr/el-gr/viograficadbod/board-of-directors-cvs.

The members of the BoD are elected – appointed from the General Assembly with simple quorum (1/5) and majority (½ + 1 of the attendants).
In case of resignation, casualty or loss in any manner of the status of member or members of the Board of Directors, the remaining members can decide to continue the administration and representation of the Company without the replacement of the vacancies, under the condition that the number of the remaining members exceeds the ½ of the number of members they were in effect prior to the occurrence of the above events. In any case, the remaining members are not allowed to account for less than three (3).
The BoD convenes regularly depending on the needs of the Company and the subjects for arrangement, and at least once per month. The Legal Advisor of the Company, who is also executive director of the BoD, keeps the minutes of the meetings. It is noted that in the financial year 2017, the attendances of the executive and non executive directors amounted, as a percentage, to around 95% and of the independent non executive directors to the neighborhood of 18% of the total meetings.
The Board of Directors possesses the authorities, responsibilities and duties provided by the Law, the General Assembly and the Company's Articles of Association. In the above mentioned context, the Board of Directors is the Body which exercises control over the Company. The duties of the Board of Directors include the decision making process and the responsibility for exercising effective control over the Company's entire scope of activities.

The major responsibilities of the Board of Directors based on the Articles of Association and the Company's Internal Regulation of Operation are the following:

- The definition of the business strategy, the planning of the broader corporate practices, the formulation of corporate culture.
- The application of the general corporate policy and the communication of the approved business targets to the lower-ranking employees.
- The evaluation of recommendations and proposals of the Directors of Divisions.
- The approval of the business action plan and the annual budget.
- The monitoring and evaluation of the effectiveness and implementation of the business action plan.
- The management of the Company's assets and the Company's representation. The control and approval of large capital expenditures, concerning investment plans under implementation.
- The definition of the risk management policy and the formulation of action plans.
- The existence of sufficient and effective Internal Control System.
- The integration of the principles of Corporate Governance into business practices and the supervision of the Internal Regulation of Operation, the Corporate Governance Code and the Code of Conduct.

- The monitoring and arrangement of any conflict of interest issues between the directorial officials, the members of the Board of Directors and the shareholders, including cases of asset mismanagement and transactions with affiliated parties.
- The compliance of the Company's activities with the legislation in effect and the corporate practices.
- The audit of validity and completeness of the released financial statements, including the Chartered Auditor Accountant report. The compilation of the annual, six-month and quarterly financial reports which include, among other notes, the Company's transactions with its affiliated companies in the context provided by the article 42e, par. 5 of P.L. 2190/1920.
- The subjects concerning any kind of fees paid to the Company's directorial officials and the Company's broader remuneration policy.

In the context of the above authorities and duties it possesses, the Board of Directors acts collectively and its relevant decisions are approved by all directors independently of their status as executive, non executive or independent directors.
The members of the BoD possess the right to request from the Management via the Chief Executive Officer any information they deem appropriate in the execution of their duties.
The executive directors are responsible with the daily subjects of the Company's management and the supervision of the execution of the BoD decisions.
The non executive directors deal with the supervision of subjects which they have been assigned for, following decision of the BoD.
The independent non executive directors formulate estimations with regard to the effectiveness and capacity of the managerial efforts, whereas they can submit, either individually or jointly, to the General Meeting, reports and notes different from the ones of the BoD in case they deem it necessary.
The independent directors are, also, appointed from the General Assembly of Shareholders. The BoD examines the suitability of a candidate independent director prior to his / her placement for election in front of the General Assembly. Specifically, independent are the directors who have no business, or commercial, relation with the Company, relation that could affect their independence. More particularly, it is not considered as independent the director who: (i) Possesses, or possessed within the previous the year, a material business relation with the Company or with affiliated company (in the concept of article 42e, paragraph 5 of P.L. 2190/1920), acting as an important customer or supplier, or as partner, shareholder, BoD director, or high-ranking official of a legal entity which is related in such nature with the Company or with affiliated party, (ii) Is Chairman or General Director or executive director of the BoD of an affiliated company, or retains a dependent, or rendered against payment, employment relation with the Company or with affiliated company, (iii) Has been appointed according to article 18, paragraph 3 of P.L. 2190/1920 in the Company or affiliated company, (iv) Possesses up to second degree family relation or marital relation with executive director of the BoD, high-ranking official, advisor, or major shareholder of the company or affiliated company, (v) Controls, directly or indirectly through affiliated companies, over 10% of the Company's voting rights, or represents major shareholder of the Company or affiliated company (in the concept of article 42e, paragraph 5 of P.L. 2190/1920).

(b) Committees

Executive Management Committee (see Corporate Governance Code chapter 4, paragraph 4.1), which is chaired by the Chief Executive Officer and has as members the directors of the Company's core operations team and on case by case basis the pertinent directors of the Business Units. The Executive Management Committee constitutes collective body of the Company's management with explicitly executive responsibilities and supervision role over current operating and administrative issues. It is the appropriate committee for the business risk management.

Audit Committee (see Corporate Governance Code, chapter 3, paragraph 3.1).

The Audit Committee of Gr. Sarantis S.A. is a committee of the Board of Directors and is consisted of three non-executive members, out of which two are independent.
The members of the Audit Committee have sufficient knowledge of the FMCGs segment in which the Company operates. One member of the Audit Committee has sufficient knowledge in auditing and accounting. The Chairman of the Audit Committee is appointed by its members and is independent (in accordance with the provisions of Law 3016/2012).
Given the fact that the Audit Committee is consisted of members of the Board of Directors, its tenure is related with the tenure of the Board of Directors. The suspension, revocation or replacement of a member of the Audit Committee is conducted in accordance with the provisions of the relevant legislation, the Articles of Association and the Internal Regulation of Operation of Sarantis SA.

The responsibilities of the Committee are described in detail in its Regulation of Operation and it is summarized as follows:
The Audit Committee assists the Board of Directors in fulfilling its supervision responsibility undertaken on behalf of the shareholders.
Supervision responsibility includes among others the supervision of the financial information process, the confirmation of the financial statements' integrity, the supervision of the internal control system, the supervision of the internal audit operation, the supervision of the annual audit of the financial statements by the certified auditors, the compliance with the legal and regulatory framework of the Group and the ethical regulatory framework established by the Management, including of the Group's Code of Ethics.
The Commission also supervises issues relating to the qualifications, independence and appointment of independent auditors.
The Commission and the Deputy Chief Executive Officer (DCEO), as supervisory bodies of the Internal Audit Department, assess its performance, as well as approve the division's responsibilities and budget. They also approve the regulation of operation of the internal audit department.

The meetings of the Audit Committee within the past year completed with quorum, whereas the subjects of the agenda are the following:

Date	Agenda
19/1/2017	Update by the internal auditor manager for the progress of the audit work during the fourth quarter of 2016.
6/4/2017	Update by the internal auditor manager for the progress of the audit work during the first quarter of 2017.
12/5/2017	Update by the Certified Auditor for the statutory audit plan of 2017, and in particular for the scope of the audit, the audit approach and the estimates of potential risks.
7/7/2017	Update by the internal auditor manager for the progress of the audit work during the second quarter of 2017.
20/7/2017	Update by the Certified Auditor for the results of semi-annual financial statements' audit
11/10/2017	Update by the internal auditor manager for the progress of the audit work during the third quarter of 2017
2/11/2017	Information from the Certified Auditor about the regular audit plan for the year 2017 and in particular about audit planning and methodology, on the control measures and the audit of information systems.

The authorities, the obligations, the duties and the responsibilities of the Board of Directors of the Executive Management Committee and the Audit Committee are published with the Corporate Governance Code and are described in the Company's Internal Regulation of Operation.
Specifically, the liabilities, duties and responsibilities of the Audit Committee are analytically presented in the regulation of its operation.

(c) BoD members' fees definition procedure and evaluation method
The management has developed a procedure based on which the BoD members are evaluated and their fees are defined.

Evaluation of Executive Members

- The evaluation procedure with regard to executive directors of the BoD, is similar to the one for the evaluation of Directors of Departments.
- BoD executive members' fees are comprised of the salary, bonus salary which is directly linked to the Company's annual performance, as well as other benefits.

- The Chief Executive Officer and the Personnel Director are responsible for the evaluation and the granting of the BoD executive members' fees.
- The targets are placed at the beginning of each calendar year and are evaluated at the beginning of the following year (after the finalization of the figures that have been placed as targets).
- Specifically, the evaluation regarding the bonus is based on corporate targets, which are set during the submission of the annual budgets, per corporate entity and business operation, and then is supervised and finalized by the Chief Executive Officer. The audit of the budgetary figures is performed on regular basis, is expedited by the Executive Management Committee, whereas the frequency of the comparative budgetary – reviewed figures whenever is required is daily.

It is noted that the fees of the Chief Executive Officer are proposed annually from the BoD to the General Assembly for approval.

Evaluation of Non Executive Directors

The evaluation of the non executive directors is mainly performed through the broader evaluation of the effectiveness of the committees which the directors participate in.

The Chief Executive Officer and the Personnel Director are responsible for evaluating and granting their fees.

The fees of the non executive directors concern only annual compensation. They are also associated with the responsibilities and duties that have been assigned to the directors, as well as with any additional participations or presidencies in the BoD committees.

4. Diversity Policy for managerial, administrative and supervisory bodies

The Code of Business Conduct of the Group includes operation principles with regard to the applied diversity. These principles are presented in synopsis as follows:

Sarantis Group supports the Universal Declaration of Human Rights of the United Nations as well as other international standards for the human rights (ILO, OECD, Global Pact of United Nations).

Sarantis Group recognizes and applies in its subsidiaries, per case, the social, environmental, ceremonial, institutional specificities existing in the countries in which it is active, to the extent that these policies do not contradict the regulatory framework governing the Parent company, the articles of association of the Parent company, the policies, regulations and generally the culture of the Group.

The fundamental values of the Group reflect the commitment toward the creation of an environment where all employees have equal opportunities of personal development and are treated in fair manner according to their skills and merits.

Sarantis Group does not make any discrimination in terms of race, religion, color, descent, age, special needs, sexual orientation, political belief, gender or family position.

With regard to issues of employment, hiring, remuneration and bonus, training, promotion, transfer and termination of collaboration, every employee is treated according to the regulatory framework each time in effect and in accordance with the regulations, policies and the culture of the Group.

There is no physical, sexual, race related, psychological, verbal or any other type of harassment or violence exercised against the employees of the Group.

The Group does not hire people with age lower than the legally required one. The Group is against the use of compulsive or mandatory work practices.

The Group recognizes and promotes the healthy balance between work and personal life, whereas at the same time it respects the commitments made by its employees outside the work environment. The Group recognizes the right to rest and have free time, while it closely follows the law provisions applied in any location of activity, with regard to the leave of absence, maternity leave, as well as other types of leaves related to family commitments or to "force majure" events.

The following table presents in summary data with regard to the gender, the age, the education of the highest, higher and middle management level of the Group.

Levels	Positions	GENDER		EDUCATION			AGE		
		% Females	% Male	% THIRD GRADE	% HIGHER (BSc)	% HIGHEST (MSc)	FROM	TO	AVG
Highest	BOARD	13.0%	87.0%	25.0%	38.0%	37.0%	56	65	60
Higher	DIRECTORS &GM's	9.0%	91.0%		33.0%	67.0%	35	49	44
Middle	MANAGERS	36.0%	64.0%	26.0%	57.0%	17.0%	33	64	45

Specifically, the curriculum vitae of the members of the Board are presented in the following link http://ir.sarantis.gr/el/viograficadbod/board-of-directors-cvs .

Respectively the curriculum vitae of the senior staff of the Group are uploaded in the following link http://ir.sarantis.gr/el/viografika/management-committee .

5. Internal Control System and risk management:

Internal Control System

The Internal Control System is defined by the entire procedures, methods and mechanisms, the application of which is responsibility of the board of directors, the directors of the management and in general the entire personnel of the Group based on their corresponding responsibilities. The System is designed to provide a desirable assurance level with regard to the achievement of the following targets:

- The risk management
- The avoidance and the detection of administrative anomalies and errors
- The effectiveness and efficiency of various operations
- The preservation of the corporate assets
- The credibility of the financial statements and the reports in general
- The compliance with the rules of the management
- The compliance with the law and rules in effect

The internal control as a set of procedures, methods and mechanisms, is practically performed by the directors of the management, and in general, by the organization's entire personnel based on the corresponding responsibilities, is supervised by the Audit Committee, the BoD and the Chief Executive Officer and is examined for its effectiveness and completeness – adequacy by the Internal Control Department.

The Group's Management is responsible for the introduction, operation and monitoring of the control systems. The Board of Directors ensures that the Company's senior management has introduced, applied and operates an appropriate internal control and risk management system.

The issues referring to the Group's internal control are the following:

- Introduction and maintenance of an adequate and effective control system.
- Evaluation of the Group's potential risks.
- Application of the appropriate audit mechanisms.
- Monitoring and evaluation of the system.
- Provision of the relevant information and proposals of improvement or adjustment on case by case basis.
- Appropriate measures from any management officials and application of measures within the agreed time horizon.
- Re-evaluation of the system at second stage.

The responsibilities of the Internal Control Department are presented analytically in the regulation of its operation. In synopsis, the Department is responsible to conduct the audits, as well as for the submission of proposals, the communication of the results and the monitoring of the corrective actions wherever is required. It evaluates the probable risks detected during the audits and communicates these risks to the Audit Committee and the Deputy General Manager, with the objective to undertake appropriate measures for their elimination. The Internal Control Department reports to the Deputy General Manager and the Audit Committee, whereas it is supervised by the Audit Committee.

Risk Management

The Management has developed a system of assessment, evaluation and management of the potential risks, both the ones related to the environment which the Company activates in, and the ones related to endogenous factors of operation.

Depending on the nature, the effect and the probability of risks, relevant cost – benefit decisions, based on estimates, for their acceptance are taken, or decisions for the activation of audit mechanisms, or in general the undertaking of measures with the objective to smooth out or eliminate their consequences.

The evaluation process includes the following steps:
- Identification of risk
- A description of the possible effect on the organization since its occurrence
- Assess the likelihood of the risk
- Assessment of the possible impact on the organization
- Determination of the organization's level of tolerance for this particular risk
- Management's actions to address the risk

The main risks faced by the Group are mentioned in the report of the BoD towards the General Meeting of Shareholders and, more specifically, in the Annual Financial Statements. In particular, the description of the main risks identified by the management is presented in Chapter 2.4 of the Annual Financial Report, while the description of the main identified risks' management is included in Chapter 4.9 of the Annual Financial Report.

Mechanisms

The Management has compiled and uses, as a general framework of rules and operations for the Group, the Internal Regulation of Operations, the Corporate Governance Code and the Code of Business Conduct. The Internal Regulation of Operations and the Code of Business Conduct are posted in the corporate website: http://ir.sarantis.gr/el-gr/intro/our-responsibility.

It has a fully developed, and integrated into its information system, budgetary control which is constantly updated and performs continuous audit of its activities.

It possesses a network of procedures with integrated control mechanisms (in many cases automated via its information system), for all its operations and specifically for the ones most susceptible to risks.

It possesses an analytical program for ending period works and an automated extraction system of the relevant reports.

The adequacy and effectiveness of the internal control system is examined by the Internal Control Department, per business cycle or per operation, following an annual program of audit projects and priority definition.

It has a reliable, extended and secure information system which evolves and can be adjusted to any Company's needs.

It possesses complete security system with regard to its information systems.

6. Information provided by the article 10, paragraph 1 of directive 2004/25/CMC:

The Company is under the directive 2004/25/CMC concerning the public offerings for acquisition / takeover.

Group's structure is presented analytically in chapter 4.6.2 of the Financial Statements compiled by the Company and published with the means provided by the law.

The Company has not issued any securities granting special control rights to their holders. Furthermore, there are no constraints to the voting rights, the expiration periods for exercising the voting rights are the ones in effect during the General Assembly of the shareholders, there are no loans convertible into bonds and in general, there are no systems via which the financial rights emanating from the securities are dissociated from the possession of securities.

2.11 NON-FINANCIAL STATEMENT

Sarantis Group prepares the Corporate Social Responsibility and Sustainability Report according to the Law 4403/2016 and the guidelines GRI-G4 (in Accordance Core), which is jointly presented with the current Report of the Board of Directors to the General Assembly.

I. Short Description of the Business Model

From the early start of its long-term business course, Sarantis Group offers daily use products of high quality at affordable prices with respect to the society and the environment. In this manner, the Group establishes itself, generates growth and achieves to offer added value to consumers, customers, suppliers, shareholders and employees.

The Group's business activity focuses on the areas of cosmetics and perfumes, personal care products, household products as well as health care products. In each category, Sarantis offers highly recognized products which are frequently placed at the top of the consumers' preferences.

The international presence of the Group demonstrates ten subsidiary companies in the countries of Europe – Poland, Romania, Bulgaria, Serbia, Czech Republic, Slovakia, Hungary, FYROM, Bosnia, Portugal and exports to more than 35 countries.

The goal of the Group is to hold a leading position in the production and trade of consumer products in the markets where it activates and at the same time to offer high quality daily use products thus satisfying the needs of millions of consumers.

The strategic priorities of the business model of the Group, which support and ensure the realization of its goals, are the following:

- The renewal and expansion of our product portfolio through the creation of new products and the entrance into new dynamic subcategories, and also through the utilization of innovative ideas in both the creation of new products and the consumer approach.
- The acquisitions of brands similar to the Group's existing portfolio, with strong market shares and with the ability to generate added value in our profitability.
- The successful new exclusive agreements for representation and distribution of international trademarks.
- The aggressive sales policy via dynamic promotion and support across all distribution channels.
- The constantly growing presence of the Group in the international markets as well as the geographic expansion through both organic growth and acquisitions.

The maintenance of the Group's healthy financial position which allows the smooth financing of its strategic growth plans.

II. Description of the applied policies with regard to environmental, social and labor issues, the respect for human rights and the fight against corruption, including the applied procedures for the proper diligence.

The policy of the Group's corporate responsibility determines the general framework of principles with which the Group broadly activates.

The policies with regard to environmental, social, labor issues, respect for human rights and fight against corruption adopted and applied by the Group are presented in synopsis in the Code of Conduct of the Group.

Responsibility Policy

The Group has adopted the following principles:

- **Responsibility:** The Groups is responsible for the effect generated by its business activities on the society, the economy and the environment. As a result, it accepts the audit from institutional bodies operating according to the Legislation in effect.
- **Transparency:** It adopts principles of transparency, which are reflected in both the Code of Conduct and the Corporate Governance Code which have been prepared by the Group, as well as in the Internal Operation Regulation.
- **Ethics:** The business activity of the Group is based on the values of honesty, justice and integrity. These values indicate strong interest for the people, the animals and the environment. These values set the framework with

which the Group manages any potential repercussions from its activities and decisions upon the interests of the stakeholders and other involved parties.

- **Respect for the Interests of the Parties Involved:** The Group respects the expectations of the parties involved and through communication with them it considers solutions of mutual benefit in the issues which may arise, by applying prudent and rational practices during the solution of these matters.
- **Respect for Law:** In any case, the Group respects the legislative framework upon which it broadly operates and activates.
- **Respect for the International Rules of Conduct:** The Group shows respect for the international rules of conduct to the extent that these rules are not in disagreement with the regulatory framework governing the Parent Company, the articles of association, the policies, regulations and generally the culture of the Group.
- **Respect for Human Rights:** The Group demonstrates high respect for the human rights and recognizes their importance and universality.

The above principles are included in the Code of Conduct of the Group which is presented in the following link: GR. SARANTIS Code of Conduct **PDF**

Regulatory Compliance System & Quality Management System

The Group has developed a Regulatory Compliance System which includes: Codes, Policies, Regulations Procedures, Work Guidelines, Organizational Structure Graphs, Job Descriptions, Forms and Audit Mechanisms. Each subsidiary is obliged to make use of regulatory tools concerning the Group, whereas it is obliged to develop regulatory tools according to the guidelines of the pertinent Business Controller.

The Regulatory Compliance System is complemented by the Quality Management System which includes the standards: ISO 9001/2008, ISO 13485/2003 & ISO 22716/2007.

The Quality Management System places emphasis on the following:

- The satisfaction of demands of customers – consumers, which is achieved through constant communication and solution of any problems arising.
- The review of effectiveness of the Quality Management System with the goal of constant improvement.
- The evaluation of the degree of achievement of the appropriate quality targets through reviews.
- The continuous training and strengthening of awareness of the personnel with the goal to fully understand the applied quality policy, as well as the revaluation of this policy with regard to its suitability.
- The development of procedures covering all management cycles of the important operations, the reviewing of their compliance, as well as the evaluation of their effectiveness through a framework of indicators / ratios.
- The strict compliance and application of the provided rules with regard to the Good Manufacturing Practices (GMPs).
- The commitment to the provision of the necessary resources for the training of human force and the availability of modern technological equipment.
- The application of the appropriate measures concerning health and safety in the entire supply chain so that the full compliance of the products to the requirements of national and European legislations and of relevant derivative regulations is ensured.

III. The results of the presented policies

During the year 2017, there were no reports in relation to social and labor issues, the issues of respect for human rights and the fight against corruption, as well as to communication and customer protection issues.

IV. The major risks and management policy

Sarantis Group implements a risk assessment and management system the operation responsibility of which is assumed by the Executive Committee.

The description of the most important risks that have been identified by the management is presented in the annual report of the BoD in Chapter 2.4 of the Annual Financial Report, while the description of the main identified risks' management is included in the annual financial statements in Chapter 4.9 of the Annual Financial Report.

With regard to the issues managed by the non-financial statement and the corporate responsibility and sustainable development report, and more specifically, in the re-assessment of the significance analysis, it was found that the main items identified during the significance analysis completed in February 2017 remain up-to-date at the report that will be compiled for 2017. In particular:

1. In the economic and business environment of the Group there have not been any catalysts within the year of the reference, that justify the change of the conditions and as a result the change of the priorities or principles that the significance analysis was based on, conducted last year.
2. The management approved for the report of 2017 the significant issues as presented and documented in the significance analysis completed in February 2017 and they were included in the 2016 corporate governance report, as it considered as up-to-date the basis according to which the significant issues were examined, namely the methodology, the criteria and the principles according to which the criteria were based.

Analysis of Significance in Synopsis

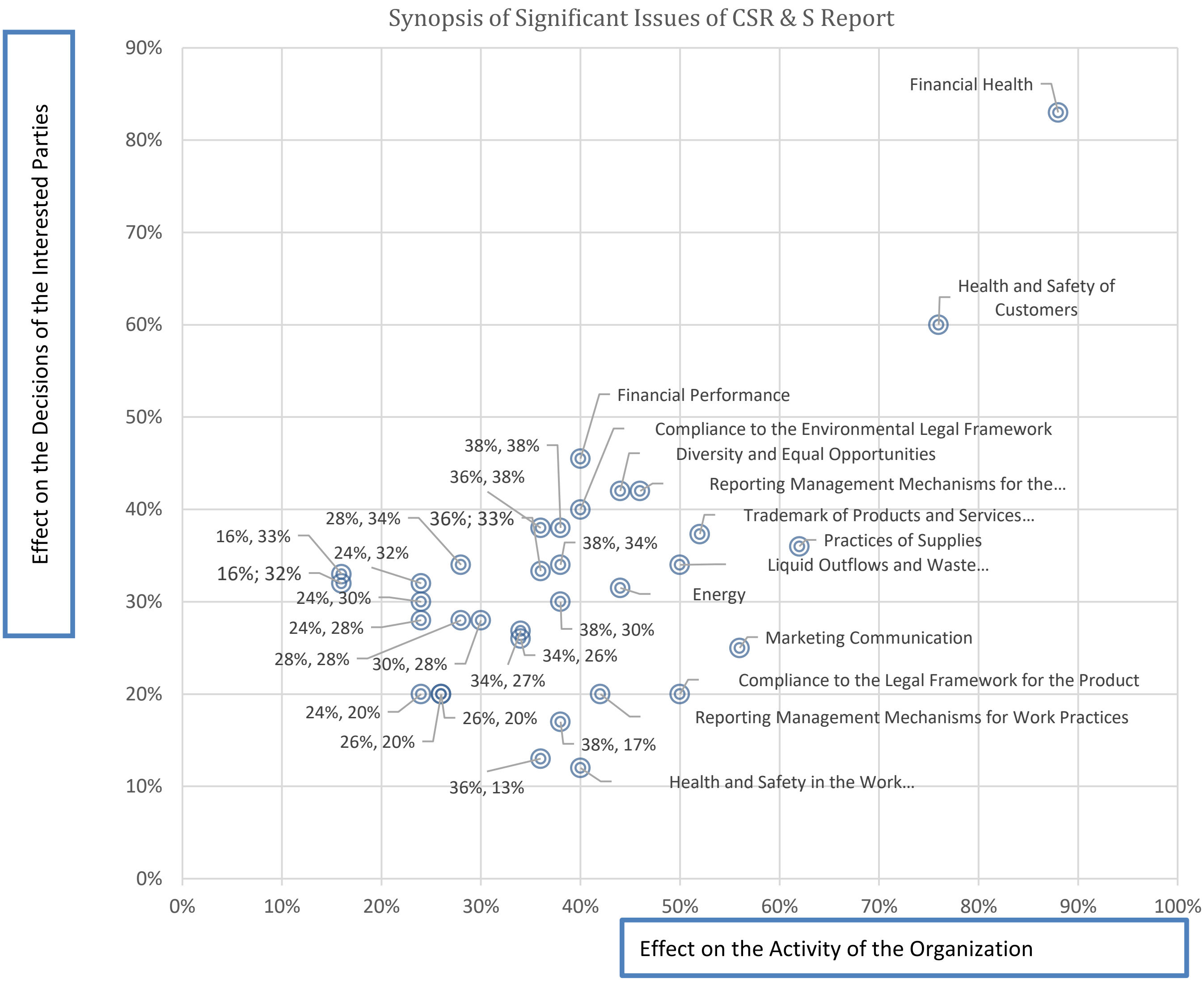
Within February 2017, a special study was completed for the detection of essential issues, in which the project team of the first Corporate Social Responsibility and Sustainability Report determined and reviewed issues of relevant interest. No consultation took place especially for the preparation of the Report. The study for the detection of essential matters was based on the material and information possessed by the senior staff of the organization from their contacts with the interested, per case, parties during the exercise of their duties. The study was prepared according to the following procedure.

I. The team determined the Sources from which the relevant information was collected and the relevant issues were recognized:
II. The criteria were determined for the ranking of the relevant issues.
The selection of the criteria was based on the following principles:
- The principle of the uninterrupted continuation of the business activity
- The potential effect on the image and goodwill of the Group or of an individual product
- The potential effect on the society and the application in more areas or ethnicities
- The potential opportunity for innovation
- The potential effect on the Group’s activities from Legislation, Regulations, Standards and other frameworks of operation

III. The essential issues were recognized, ratified from the Management and their limits were determined with regard to their potential effect inside and outside the organization.
IV. Finally, the essential issues were documented according to the standards GRI-G4 whereas the relevant ratios and indicators were compiled.

The management of essential issues is performed on the basis of the risk management system and according to the regulatory compliance system of the Group as well as of its quality management system. The issues which have been deemed as essential during the significance analysis are the following:

1	Financial Health
2	Health and Safety of Customers
3	Practices of Supplies
4	Marketing Communication
5	Trademark of Products and Services
6	Liquid Outflows and Waste Materials
7	Compliance to the Legal Framework for the Product
8	Reporting Management Mechanisms for the Environment
9	Energy
10	Diversity and Equal Opportunities
11	Reporting Management Mechanisms for Work Practices
12	Financial Performance
13	Compliance to the Environmental Legal Framework
14	Health and Safety in the Work Environment


Synopsis of Significant Issues of CSR & S Report
Effect on the Decisions of the Interested Parties
Effect on the Activity of the Organization
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Financial Health
Health and Safety of Customers
Financial Performance
Compliance to the Environmental Legal Framework
Diversity and Equal Opportunities
Reporting Management Mechanisms for the...
Trademark of Products and Services...
Practices of Supplies
Liquid Outflows and Waste...
Energy
Marketing Communication
Compliance to the Legal Framework for the Product
Reporting Management Mechanisms for Work Practices
Health and Safety in the Work...
38%, 38%
36%, 38%
28%, 34%
36%; 33%
16%, 33%
24%, 32%
38%, 34%
16%; 32%
24%, 30%
24%, 28%
38%, 30%
28%, 28%
30%, 28%
34%, 26%
34%, 27%
24%, 20%
26%, 20%
26%, 20%
38%, 17%
36%, 13%

V.Non financial indicators - ratios 2017

Basic Figures	2017	2016
Investments (€)	9,256,906	8,352,292
Dividends (€)	5,642,087	5,493,349
Environment		
CO2 Emissions (metric tons)	5,359	4,936,94
Consumed Energy (KWH)	15,518,272	13,574,714
Consumed Energy from Renewable Sources (KWH)	1,088,319	1,189,126
Employees		
Number of Employees (at year-end)	1,721	1,659
Employees covered by collective agreements (%)	94%	97%
Percentage of females in total number of employees	53%	53%
Participation of females in the BoD (%)	13%	13%
Allocation of employee nativity in countries of activity	98%	98%
Investment in Education (€)	121,027	132,950
Fatal Labor Accidents	0	0
Labor Accidents	4	2
Condemnatory court decisions for corruption issues against the company or its employees occurring in the context of the exercise of their duties.	0	0
Social Effect		
Amounts of expenditures in the total of the Group (€)		225,000

More elements will be presented in the Social Responsibility and Sustainability Report which will be compiled in accordance with the standards GRI-G4 and is expected to be available until June 30th 2018.

VI.Provisions against bribery and anti-corruption issues

Issues of fair competition law

The Group is fully compliant with the Commercial Law and Competition Law in all countries of operation. The Group's policies, regulation and procedures ensure its operation, so as its activities are carried out in accordance with the statutory framework.

Each employee, if it is required or in doubt, should consult the Group's Legal Services for issues regarding the application of the Commercial Law and the Competition Law. He / she should also inform the Group's Legal Service in case of any notice from the authority responsible for antitrust issues.

Measures against corruption

The Group is fully complimented with the effective legislation regarding corruption. An employee that bribes during the performance of his/her responsibilities shall be subject to civil and legal penalties in accordance with the applicable legislation.

Compensation in excess of the agreed

Employees are not allowed to accepting gifts or other compensation from customers, suppliers or competitors of the Group. However, the acceptance of small gifts apart from money is permitted in the ordinary course of business unless they constitute a breach of any law or regulation of the Group.

The Code of Ethics defines the following:

- The members of management and the employees must comply with the requirements of the Code.
- Every employee has to ensure that these rules are also applied by his / her colleagues.
- In the event that an act or practice is perceived as illegal, unethical or prohibited by the Code, it must be reported directly to the CEO, or to the Group Human Resources Manager or to the Legal Service Manager of the Group or to the Internal Audit Officer of the Group. For this purpose, a relevant procedure for communication of irregularities has been drawn up.
- To prevent malicious or unjustified complaints, penalties may be imposed on those who acted in bad faith.

The implementation of the Code of Ethics is audited by the directly involved department managers as well as the Internal Auditors.

Supply Chain Issues - Procurement Practices

The Group in 2017 spent 60% of its supplies amount in the local societies of the countries in which it operates. To this amount are included the expenses in companies that are represented in the countries of operation. By this way the Group contributes to the employment opportunities of local communities.

2.12 ALTERNATIVE PERFORMANCE MEASURES ("APM")

The Group utilizes Alternative Performance Measures (APM) in the context of its decision making with regard to the financial, operational and strategic planning as well as for the evaluation and public disclosure of its performance. These APM serve and facilitate the best understanding of the financial and operating results of the Group, its financial position and the statement of cash flows. The Alternative Performance Measures (APM) should be always taken into consideration along with the financial results which have been prepared in accordance with the IFRS whereas in no case they replace IFRS.

Definitions and reconciliation of Alternative Performance Measures ("APM")

a) Comparative financial figures

The Group in order to describe its performance utilizes comparative financial figures. These figures derive from the deduction of the effect of the changes related to discontinued activities from the financial results which have been calculated from the items of the annual financial statements.

The Group presents the above comparative figures in an effort to facilitate the understanding of the performance of its continued activities based on a common ground for all reporting periods.

Reconciliation Table

(Euro million)		FY 2017			FY 2016		
		Published	Discontinued Activities	Comparative	Published	Discontinued Activities	Comparative
EBITDA	**Earnings before interest, taxes, depreciation and amortization**	39.66	-	39.66	33.52	-2.4	35.92
EBIT	**Earnings before interest and taxes**	34.51	-	34.51	29.12	-2.4	31.52
EBT	**Earnings before taxes**	34.67	-	34.67	23.61	-5.23	28.84
Net Income	**Net Earnings**	28.63	-	28.63	19.29	-5.23	24.52

b) Profitability ratios

The Group utilizes the following profitability ratios for the purpose of the full analysis of its operating results:

EBITDA (Earnings before interest, taxes, depreciation and amortization)

EBITDA is calculated from the annual financial statements as follows: "Gross operating earnings" plus "Other operating income" minus the "Administrative Expenses" and the "Distribution Expenses" prior to depreciation and amortization. The depreciation and amortization for the Group are presented in the paragraph "Table of Changes in Fixed Assets" of the financial statements.

	FY 2017			FY 2016		
(Euro million)	**Published**	**Discontinued Activities**	**Comparative**	**Published**	**Discontinued Activities**	**Comparative**
Gross operating earnings	159.96	-	159.96	152.63	-	152.63
Other operating income	11.76	-	11.76	11.61	-	11.61
Administrative expenses	15.91	-	15.91	14.99	-	14.99
Distribution expenses	121.30	-	121.30	120.14	2.4	117.74
Depreciation and amortization	5.15	-	5.15	4.39	-	4.39
Earnings before interest, taxes, depreciation and amortization	**39.66**	**-**	**39.66**	**33.52**	**2.40**	**35.92**

EBIT (Earnings before interest and taxes)

EBIT equals with the operating earnings of the Group as they are recorded in the annual financial statements.

EBT (Earnings before taxes)

EBT equals with the earnings deriving before the deduction of taxes from the annual financial statements.

Net Income (Net earnings)

It equals with the earnings after the deduction of taxes as they are recorded in the financial statements. These earnings are distributed to the shareholders of the parent company.

Profitability Margins

For all the above profitability figures, the corresponding profit margin is calculated by dividing each figure with the total turnover.

(Euro million)		FY 2017		FY 2016	
		Comparative	**Margin**	**Comparative**	**Margin**
EBITDA	**Earnings before interest, taxes, depreciation and amortization**	39.66	11.56%	35.92	10.92%
EBIT	**Earnings before interest and taxes**	34.51	10.06%	31.52	9.58%
EBT	**Earnings before taxes**	34.67	10.10%	28.84	8.76%
Net Income	**Net Earnings**	28.63	8.34%	24.52	7.45%

c) Net Debt

The net debt comprises a figure which depicts the capital structure of the Group. It is calculated by adding the short-term part of the long-term loans and the short-term loans to the long-term loans and then by deducting the cash and cash equivalents. Also, other financial assets are added to the above figure, such as the “Financial Assets Available for Sale” and the “Financial Assets at fair value through results”, since they are considered to be liquid items. The relevant calculations are presented in the following table:

(Euro million)	FY 2017	FY 2016
Long-term loans	26.02	28.44
Short-term loans	5.71	6.24
Cash and cash equivalents	44.95	34.85
Other financial assets	2.98	6.87
Net Debt	**-16.20**	**-7.05**

d) Operating Working Capital

Operating working capital comprises a figure which depicts the liquidity of the Group. The calculations are presented as follows:

(Euro million)	FY 2017	FY 2016
Trade receivables	80.94	78.76
Inventories	65.60	60.71
Suppliers	56.29	50.72
Operating working capital	**90.25**	**88.75**
Operating working capital / Sales	**26.30%**	**26.97%**

Marousi, 27 March 2018

The Board of Directors

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN & CHIEF EXECUTIVE OFFICER	THE FINANCE DIRECTOR & BOARD MEMBER
GRIGORIS SARANTIS	KYRIAKOS SARANTIS	KONSTANTINOS ROZAKEAS
ID No. X 080619/03	ID No. AI 597050/2010	ID No. AK 783631/13

3. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "GR. SARANTIS S.A."

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the Company "Gr. Sarantis SA" (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2017, and the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company "Gr. Sarantis SA" and its subsidiaries (the Group) as of December 31, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as incorporated in Greek Legislation. Our responsibilities, under those standards are described in the "Auditor's Responsibilities for the Audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	Audit response
Assessment of goodwill impairment	
As it is presented in note 4.10.2 of the financial statements, the book value of the goodwill in the balance sheet of the Group and the Company on 31st December 2017 amounts to € 7,195 k. and € 1,100 k. respectively. The goodwill is tested for impairment at least on an annual basis. This review includes estimates based on assumptions of future cash flows, including the assumptions in relation to revenue growth, profit margins and projected cash flows, the selection of the appropriate discount rates and the assessment of the cash generation units of the Group and the Company. Due to the significance of the value of the above item, the subjectivity with regard to the assumptions of the management and the significant judgments and estimates that are being made for the determination of the recoverable amount, we consider the evaluation of the potential goodwill impairment as one of the most significant issues within our audit. The disclosures of the Company and the Group with regard to the accounting policy, as well as the judgments and estimates that were utilized during the assessment of goodwill impairment are included in notes 4.8.4 and 4.10.2 of the financial statements.	Our audit approach was based on the audit risk and includes, among other, the performance of the following procedures: - We obtained the impairment estimate that was prepared by the management and we assessed the judgments, estimates and assumptions with regard to the future cash flows, the prospective growth rates in sales value and volume, the expected growth rates as well as the discount rate used for the cash flows of the Cash Generating Units. In the context of our assessment, we utilized historic data. - We assessed the consistency between the years, the methods, the assumptions and the calculations which are being followed by the Group and the Company, and the extent to which the management has taken into account any events within the year which affect the environment or the conditions and the elements which in turn affect the assumptions used or changes in business practices, accounting principles and policies that affect the calculations. - We assessed the adequacy and the appropriateness of the relevant disclosures in the financial statements.

Inventory Valuation

As it is presented in note 4.10.3 of the financial statements, the value of the inventory on the balance sheet of the Group and the Company on 31 December 2017, amounts to € 65,600 k. and € 34,040 k. respectively.

The Company and the Group values the inventory at the lowest price between their acquisition cost and their net residual value. The net residual value is the estimated sales price during the normal course of the Company's and Group's activities, minus the estimated cost which is deemed as necessary for the realization of the sale.

Based on the above, the Group's management performs estimates, based on the maturity of the inventory, their movement during the year as well as the respective planning for the following period.

Due to the significance of the value of inventory at the year end and the management's judgments and estimates in the determination of the net residual value, we deem that the proper valuation of the inventory comprises one of the most significant issues of our audit.

The Company's and Group's disclosures regarding the accounting policy that is utilized for the valuation of the inventory is included in the Notes 4.8.9 and 4.10.3 of the financial statements.

Our audit approach was based on the audit risk and includes, among other, the performance of the following procedures:

- We attended the process of inventory physical counting.

- For a sample of inventory codes, we recalculated the net realizable value based on the average sales of the period as well as of the period after the end of the reporting period and we compared it with the year-end cost.

- For inventories of a limited economic life due to maturity, we ascertained the proper calculation of the impairment provision and the appropriate presentation in the financial statements.

Recoverability of Trade Receivables

As it is presented in note 4.10.4 of the financial statement, the value of the trade receivables in the balance sheet of the Group and the Company on 31 December 2017 amounts to € 80,936 k. and € 41,509 k. respectively. Against these trade receivables the Group and the Company have recognized impairment provisions of € 4,488 k. and € 3,999 k. respectively.

The management assesses the recoverability of the Company's and Group's trade receivables and proceeds with estimates of the required provision, so that the trade receivables are recorded at their recoverable amount.

The management assesses the estimated provision based on the targeted review of customer accounts taking into consideration its experience in relation to the current economic conditions as well as the guarantees which have been acquired from certain customers.

Due to the significance of the value of the trade receivables and the judgments and estimates made by the Company for the determination of their recoverable amount, we considered the assessment of the potential impairment of trade receivables as one of the most significant issues of our audit.

The Company's and Group's disclosures with regard to the trade receivables, the related risks such as the credit risk and the maturity of trade receivables, are included in notes 4.9.6 and 4.10.4 of the financial statements.

Our audit approach was based on the audit risk and includes, among other, the performance of the following procedures:

- We assessed the trade receivables aging analysis and the Company's and Group's estimates regarding the provision.

- We received confirmation letters from third parties for a representative sample of trade receivables and we executed procedures for the collection of the year end balances after the date of the financial statements.

- We assessed the management's estimation regarding the recoverability of the trade receivables, taking into consideration any guarantees that have been granted from the customers.

- We obtained and reviewed the letters of the legal advisors with regard to the recoverability of the trade receivables.

- We performed analytical procedures for the detection of significant deviations in the trade receivables collection days.

- We assessed the adequacy and suitability of the relevant disclosures in the financial statements.

Contingent liabilities – Competition Committee

As it is presented in note 4.10.2 of the financial statements, a relevant decision of the Competition Committee imposes penalties of € 1,900 k. on the Company and of € 5,400 k. on ESTE LAUDER HELLAS S.A., which is a subsidiary of the Group's associate Elca Cosmetics Ltd. Against the above decision, respective appeals have been filed in the Administrative Court of Appeals of Athens. The hearing of the appeals has not been yet determined.

The management's judgment is required to a significant extent for the determination of the probability as well as of the degree to which this risk can be reliably estimated. Due to the wide range of the possible outcomes and the significant uncertainty surrounding the resolution of various claims, the determination of the potential burden on the financial statements in the form of a provision is by nature subjective and as result is considered to be a significant risk.

We emphasized on this area due to the significance of the above mentioned case and the management's estimates.

Our audit approach was based on the audit risk and includes, among other, the performance of the following procedures:

- Review lawyers' assessments and discussion with the management about the pending legal cases, wherever it was deemed appropriate.

- Discussion of the pending cases directly with the Company's legal advisors.

- Assessment and extended discussion with the management about its conclusions, via the understanding of the outcome of any similar litigation cases in the past.

- We assessed the adequacy and appropriateness of the relevant disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the "Corporate Responsibility & Sustainability Report", which is expected to be made available to us after 27/3/2018.

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

In connection with our audit of the separate and consolidated 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 separate and consolidated 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 respect. When we read the "Corporate Responsibility & Sustainability Report", if we conclude that there is a material misstatement therein, we are required to communicate this matter to those charged with governance and, depending on the case, to proceed in further action in compliance with relevant legislation.

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

Management is responsible for the preparation and fair presentation of the separate and consolidated 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 separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and Group'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 and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group'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 separate and consolidated 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1) Board of Directors' Report

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

a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a and 107A and of paragraph 1 (cases c' and d') of article 43bb of Codified Law 2190/1920 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2017.

c) Based on the knowledge we obtained during our audit about the company "Gr. Sarantis SA" and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2) Additional Report to the Audit Committee

Our audit opinion on the separate and the consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, referred to in article 11 of EU Regulation 537/2014.

3) Provision of Non-Audit Services

We have not provided to the Company and the Group any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014 or other permissible non-audit services.

4) Auditor's Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on 26/06/2014. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 4 consecutive years.

Ag. Paraskevi, March 27, 2018

Certified Public Accountant

John Kalogeropoulos

Reg. SOEL: 10741

BDO

BDO Certified Public Accountant S.A.

449 Mesogion Av,

Athens- Ag. Paraskevi, Greece

Reg. SOEL: 173

ANNUAL FINANCIAL STATEMENTS

4. ANNUAL FINANCIAL STATEMENTS

Those responsible for the preparation of the 2017 Annual Financial Statements (01/01/2017 – 31/12/2017) are the signatories at the end of the Financial Statements.

4.1 STATEMENT OF FINANCIAL POSITION

Amounts in €	Note	Group		Company	
		31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
ASSETS					
Non-current assets		**105,463,774.24**	**92,523,226.01**	**94,004,151.78**	**83,666,830.41**
Tangible fixed assets	4.10.19	43,357,040.03	38,329,382.76	33,496,779.63	28,881,982.08
Investments in Property	4.10.19	528,504.86	537,341.78	190,146.33	190,146.33
Intangible assets	4.10.19	36,238,000.76	34,018,503.48	18,910,586.19	16,623,675.17
Company goodwill	4.10.2	7,194,612.91	7,445,155.44	1,100,000.00	1,365,130.32
Deferred tax assets	4.10.11	167,159.58	827,049.95	0.00	379,892.49
Investments in subsidiaries, associates		17,256,128.08	10,396,533.49	40,166,849.15	35,686,148.74
Financial assets available for sale	4.9.3	0.00	700,664.80	0.00	400,064.80
Other long-term receivables		722,328.01	268,594.32	139,790.48	139,790.48
Current assets		**200,888,301.84**	**190,234,910.89**	**111,446,309.11**	**108,890,693.63**
Inventories	4.10.3	65,600,123.67	60,711,437.44	34,040,135.81	29,128,984.88
Trade receivables	4.10.4	80,935,996.87	78,756,302.96	41,508,935.67	41,248,806.12
Other receivables	4.10.4	5,016,110.07	7,700,436.37	18,190,561.03	9,318,811.40
Cash & cash equivalents	4.10.5	44,946,833.10	34,854,308.13	14,212,975.51	22,337,122.92
Financial assets at fair value through profit and loss	4.10.6	2,977,999.70	6,172,956.07	2,977,999.70	6,172,956.07
Prepayments and accrued income	4.10.17	1,411,238.43	2,039,469.92	515,701.39	684,012.24
Total Assets		**306,352,076.07**	**282,758,136.90**	**205,450,460.89**	**192,557,524.04**
Shareholders' EQUITY:					
Share capital	4.10.15	54,155,050.10	53,910,522.10	54,155,050.10	53,910,522.10
Share premium account	4.10.15	41,025,743.18	39,373,995.98	41,025,743.18	39,373,995.98
Reserves	4.10.18	8,599,333.67	17,423,981.41	81,581,481.70	81,376,402.44
Profit (losses) carried forward		96,223,695.32	72,256,173.75	-44,719,278.49	-49,101,878.32
Total Shareholders' Equity		**200,003,822.27**	**182,964,673.24**	**132,042,996.49**	**125,559,042.20**
Non controlling interest:		**1,431,345.47**	**1,069,305.42**	**0.00**	**0.00**
Total Equity		**201,435,167.73**	**184,033,978.66**	**132,042,996.49**	**125,559,042.20**
LIABILITIES					
Long-term liabilities		**31,136,472.11**	**32,375,464.15**	**29,001,622.29**	**29,634,950.18**
Loans	4.10.9	26,018,341.37	28,440,266.73	26,000,000.00	28,400,000.00
Deferred tax liabilities	4.10.11	3,295,285.03	2,003,866.14	1,689,160.29	0.00
Provisions for post employment employee benefits	4.10.21	1,419,942.23	1,160,133.19	1,312,462.00	1,076,329.00
Provisions - Long-term liabilities	4.10.8	402,903.48	771,198.10	0.00	158,621.18
Short-term liabilities		**73,780,436.23**	**66,348,694.08**	**44,405,842.11**	**37,363,531.66**
Suppliers	4.10.7	56,285,348.75	50,720,898.21	31,403,550.15	28,032,180.06
Other liabilities	4.10.7	7,046,374.63	4,909,517.52	8,912,368.71	5,598,335.00
Income taxes - other taxes payable		2,603,595.99	2,628,703.97	745,355.40	669,862.17
Loans	4.10.9	5,708,068.17	6,241,109.62	2,400,000.00	2,400,000.00
Accruals and deferred expenses	4.10.17	2,137,048.69	1,848,464.78	944,567.85	663,154.43
Total Equity & Liabilities		**306,352,076.07**	**282,758,136.90**	**205,450,460.89**	**192,557,524.04**

4.2 STATEMENT OF COMPREHENSIVE INCOME

Amounts in Euros	Note	Group			
		01.01 - 31.12.2017	01.01 - 31.12.2016		
		Total Activities	Continuing Operations	Discontinued Activities	Total Activities
Revenue	4.10.1	343,156,319.74	329,017,645.69	0.00	329,017,645.69
Cost of sales	4.10.13	-183,200,660.55	-176,384,097.42	0.00	-176,384,097.42
Gross operating profit		**159,955,659.19**	**152,633,548.27**	**0.00**	**152,633,548.27**
Other operating income		11,755,355.71	11,611,802.44	0.00	11,611,802.44
Administrative expenses	4.10.13	-15,907,042.53	-14,986,186.66	0.00	-14,986,186.66
Distribution expenses	4.10.13	-121,298,849.48	-117,737,890.47	-2,400,000.00	-120,137,890.47
Operating profit (loss)		**34,505,122.89**	**31,521,273.58**	**-2,400,000.00**	**29,121,273.58**
Financial income-expenses	4.10.14	160,451.60	-2,686,201.91	-2,826,844.49	-5,513,046.40
Earnings (loss) before taxes		**34,665,574.49**	**28,835,071.67**	**-5,226,844.49**	**23,608,227.18**
Income tax	4.10.10	-4,000,492.10	-4,350,174.16	0.00	-4,350,174.16
Deferred tax	4.10.11	-1,680,426.04	184,694.00	0.00	184,694.00
Earnings (loss) after the deduction of tax (A)		**28,984,656.35**	**24,669,591.51**	**-5,226,844.49**	**19,442,747.02**
Shareholders of the parent		**28,631,498.32**	**24,518,174.05**	**-5,226,844.49**	**19,291,329.56**
Non controlling interest		**353,158.03**	**151,417.46**	**0.00**	**151,417.46**
Other Comprehensive Income: Items not transferred to the statement of comprehensive income:		**-54,578.07**	**992,272.14**	**0.00**	**992,272.14**
Profit from revaluation of property		0.00	986,328.22	0.00	986,328.22
Profit/Loss from actuarial study		-76,870.53	8,371.72	0.00	8,371.72
Actuarial study deferred tax		22,292.46	-2,427.80	0.00	-2,427.80
Items which may be transferred in future to the statement of comprehensive income:		**2,422,874.40**	**-318,627.17**	**2,826,844.49**	**2,508,217.32**
Valuation of available for sale financial assets		0.00	-207,855.48	0.00	-207,855.48
Impairment of available for sale financial assets		483,045.72	770,339.53	2,826,844.49	3,597,184.02
Foreign exchange differences from subsidiaries abroad		1,939,828.68	-881,111.22	0.00	-881,111.22
Other total income after taxes (B)		**2,368,296.33**	**673,644.97**	**2,826,844.49**	**3,500,489.46**
Total comprehensive income after taxes (A) + (B)		**31,352,952.68**	**25,343,236.48**	**-2,400,000.00**	**22,943,236.48**
Owners of the parent		30,930,345.66			22,828,076.54
Non controlling interest		422,607.03			115,159.94
Earnings (loss) per share, which correspond to the parent's shareholders for the period		**0.8362**	**0.7049**	**-0.1503**	**0.5547**

Amounts in Euros	Note	Company			
		01.01 - 31.12.2017	**01.01 - 31.12.2016**		
		Total Activities	**Continuing Operations**	**Discontinued Activities**	**Total Activities**
Revenue		140,414,022.79	140,243,961.09	0.00	140,243,961.09
Cost of sales	4.10.13	-78,796,930.58	-79,104,266.93	0.00	-79,104,266.93
Gross operating profit		**61,617,092.21**	**61,139,694.16**	**0.00**	**61,139,694.16**
Other operating income		4,166,089.95	4,489,664.36	0.00	4,489,664.36
Administrative expenses	4.10.13	-8,328,536.27	-8,289,345.81	0.00	-8,289,345.81
Distribution expenses	4.10.13	-51,257,954.87	-52,001,707.50	-2,400,000.00	-54,401,707.50
Operating profit (loss)		**6,196,691.02**	**5,338,305.21**	**-2,400,000.00**	**2,938,305.21**
Financial income-expenses	4.10.14	16,666,077.93	14,997,423.85	-2,826,844.49	12,170,579.36
Earnings (loss) before taxes		**22,862,768.95**	**20,335,729.06**	**-5,226,844.49**	**15,108,884.57**
Income tax	4.10.10	0.00	0.00	0.00	0.00
Deferred tax	4.10.11	-2,096,866.86	242,743.14	0.00	242,743.14
Earnings (loss) after the deduction of tax (A)		**20,765,902.09**	**20,578,472.20**	**-5,226,844.49**	**15,351,627.71**
Shareholders of the parent		**20,765,902.09**	**20,578,472.20**	**-5,226,844.49**	**15,351,627.71**
Non controlling interest		**0.00**			**0.00**
Other Comprehensive Income:					
Items not transferred to the statement of comprehensive income:		**-54,578.07**	**992,272.14**	**0.00**	**992,272.14**
Profit from revaluation of property		0.00	986,328.22	0.00	986,328.22
Profit/Loss from actuarial study		-76,870.53	8,371.72	0.00	8,371.72
Actuarial study deferred tax		22,292.46	-2,427.80	0.00	-2,427.80
Items which may be transferred in future to the statement of comprehensive income:		**0.00**	**-187,755.48**	**2,826,844.49**	**2,639,089.01**
Valuation of available for sale financial assets		0.00	-187,755.48	0.00	-187,755.48
Impairment of available for sale financial assets		0.00	0.00	2,826,844.49	2,826,844.49
Other total income after taxes (B)		**-54,578.07**	**804,516.66**	**2,826,844.49**	**3,631,361.15**
Total comprehensive income after taxes (A) + (B)		**20,711,324.02**	**21,382,988.86**	**-2,400,000.00**	**18,982,988.86**
Owners of the parent		20,711,324.02			18,982,988.86
Non controlling interest		0.00			0.00
Proposed dividend		0.2800	0.1750		0.1750
Earnings (loss) per share, which correspond to the parent's shareholders for the period		**0.6065**	**0.5917**	**-0.1503**	**0.4414**

4.3 STATEMENT OF CHANGES IN GROUP'S EQUITY FOR THE PERIOD

Amounts in €	Attributed to shareholders of the parent					Non-controlling interests	Total
	Share Capital	Share Premium	Readjustments Reserve and other reserves	Balance of profit / losses	Total		
Balance as at 1 January 2016	**53,895,022.10**	**39,369,495.98**	**13,479,332.19**	**59,661,472.81**	**166,405,323.08**	**1,005,222.91**	**167,410,545.99**
Total comprehensive income for the period							
Net profit for the period				19,291,329.56	19,291,329.56	151,417.46	19,442,747.02
Other comprehensive income							
Financial assets available for sale			3,389,328.54		3,389,328.54		3,389,328.54
Foreign exchange differences				-844,853.70	-844,853.70	-36,257.52	-881,111.22
Reserve due to actuarial study			5,943.92		5,943.92		5,943.92
Revaluation of property			986,328.22		986,328.22		986,328.22
Total other comprehensive income	**0.00**	**0.00**	**4,381,600.68**	**-844,853.70**	**3,536,746.98**	**-36,257.52**	**3,500,489.46**
Total comprehensive income after taxes	**0.00**	**0.00**	**4,381,600.68**	**18,446,475.86**	**22,828,076.54**	**115,159.94**	**22,943,236.48**
Other transactions registered in Equity							
Purchase of treasury shares			-457,718.72		-457,718.72		-457,718.72
Share capital increase	15,500.00	4,500.00			20,000.00		20,000.00
Distributed dividends				-5,493,349.58	-5,493,349.58		-5,493,349.58
Minority interests due to acquisition of interest in a subsidiary					0.00	0.00	0.00
Formation of reserves			20,767.26	-20,767.26	0.00		0.00
Tax due to aggregation of capital				-155.00	-155.00		-155.00
Circular recording of reserve			0.00	0.00	0.00		0.00
Change from subsidiaries				-119,180.68	-119,180.68	-51,077.44	-170,258.12
Change from associates				-218,322.41	-218,322.41		-218,322.41
Total other transactions	**15,500.00**	**4,500.00**	**-436,951.46**	**-5,851,774.92**	**-6,268,726.38**	**-51,077.44**	**-6,319,803.82**
Balance as at 31 December 2016	**53,910,522.10**	**39,373,995.98**	**17,423,981.41**	**72,256,173.75**	**182,964,673.24**	**1,069,305.41**	**184,033,978.66**
Balance as at 1 January 2017	**53,910,522.10**	**39,373,995.98**	**17,423,981.41**	**72,256,173.75**	**182,964,673.24**	**1,069,305.41**	**184,033,978.66**
Total comprehensive income for the period							
Net profit for the period				28,631,498.32	28,631,498.32	353,158.03	28,984,656.35
Other comprehensive income							
Financial assets available for sale			483,045.72		483,045.72		483,045.72
Foreign exchange differences				1,870,379.68	1,870,379.68	69,449.00	1,939,828.68
Reserve due to actuarial study			-54,578.07	0.00	-54,578.07		-54,578.07
Total other comprehensive income	**0.00**	**0.00**	**428,467.65**	**1,870,379.68**	**2,298,847.33**	**69,449.00**	**2,368,296.33**
Total comprehensive income after taxes	**0.00**	**0.00**	**428,467.65**	**30,501,878.00**	**30,930,345.65**	**422,607.03**	**31,352,952.68**
Other transactions registered in Equity							
Purchase of treasury shares			-9,739,140.00	0.00	-9,739,140.00		-9,739,140.00
Stock option	244,528.00	1,651,747.20			1,896,275.20		1,896,275.20
Distributed dividends			0.00	-6,001,202.67	-6,001,202.67	-60,566.98	-6,061,769.65
Formation of reserves			486,024.61	-486,024.61	0.00		0.00
Tax due to aggregation of capital				-2,445.28	-2,445.28		-2,445.28
Change from associates			0.00	-44,683.87	-44,683.87		-44,683.87
Total other transactions	**244,528.00**	**1,651,747.20**	**-9,253,115.39**	**-6,534,356.44**	**-13,891,196.62**	**-60,566.98**	**-13,951,763.60**
Balance as at 31 December 2017	**54,155,050.10**	**41,025,743.18**	**8,599,333.67**	**96,223,695.32**	**200,003,822.27**	**1,431,345.47**	**201,435,167.73**

4.4 STATEMENT OF CHANGES IN COMPANY'S EQUITY FOR THE PERIOD

Amounts in €	Attributed to shareholders of the parent				
	Share Capital	**Share Premium**	**Readjustments Reserve and other reserves**	**Balance of profit / losses**	**Total**
Balance as at 1 January 2016	**53,895,022.10**	**39,369,495.98**	**67,816,109.59**	**-48,573,351.03**	**112,507,276.64**
Total comprehensive income for the period					
Net profit for the period				15,351,627.71	15,351,627.71
Other comprehensive income					
Financial assets available for sale			2,639,089.01		2,639,089.01
Reserve due to actuarial study			5,943.92		5,943.92
Revaluation of property			986,328.22		986,328.22
Total other comprehensive income	**0.00**	**0.00**	**3,631,361.15**	**0.00**	**3,631,361.15**
Total comprehensive income after taxes	**0.00**	**0.00**	**3,631,361.15**	**15,351,627.71**	**18,982,988.86**
Other transactions registered in Equity					
Purchase of treasury shares			-457,718.72		-457,718.72
Share capital increase	15,500.00	4,500.00			20,000.00
Tax due to aggregation of capital				-155.00	-155.00
Distributed dividends			-5,493,349.58	0.00	-5,493,349.58
Formation of reserve from collected dividends			15,880,000.00	-15,880,000.00	0.00
Total other transactions	**15,500.00**	**4,500.00**	**9,928,931.70**	**-15,880,155.00**	**-5,931,223.30**
Balance as at 31 December 2016	**53,910,522.10**	**39,373,995.98**	**81,376,402.44**	**-49,101,878.32**	**125,559,042.20**
Balance as at 1 January 2017	**53,910,522.10**	**39,373,995.98**	**81,376,402.44**	**-49,101,878.32**	**125,559,042.20**
Total comprehensive income for the period					
Net profit for the period				20,765,902.09	20,765,902.09
Other comprehensive income					
Reserve due to actuarial study			-54,578.07	0.00	-54,578.07
Total other comprehensive income	**0.00**	**0.00**	**-54,578.07**	**0.00**	**-54,578.07**
Total comprehensive income after taxes	**0.00**	**0.00**	**-54,578.07**	**20,765,902.09**	**20,711,324.02**
Other transactions registered in Equity					
Purchase of treasury shares			-9,739,140.00	0.00	-9,739,140.00
Stock option	244,528.00	1,651,747.20			1,896,275.20
Distributed dividends			-6,001,202.67		-6,001,202.67
Formation of reserve from collected dividends			16,000,000.00	-16,000,000.00	0.00
Effect from absorption of subsidiary				-380,856.98	-380,856.98
Tax due to aggregation of capital				-2,445.28	-2,445.28
Total other transactions	**244,528.00**	**1,651,747.20**	**259,657.33**	**-16,383,302.26**	**-14,227,369.73**
Balance as at 31 December 2017	**54,155,050.10**	**41,025,743.18**	**81,581,481.70**	**-44,719,278.49**	**132,042,996.49**

4.5 STATEMENT OF CASH FLOWS

Amounts in Euros	Group		Company	
	01.01 - 31.12.2017	01.01 - 31.12.2016	01.01 - 31.12.2017	01.01 - 31.12.2016
Operating Activities				
Earnings / (loss) before tax (continuing activities)	34,665,574.49	28,835,071.67	22,862,768.95	20,335,729.06
Earnings / (loss) before tax (discontinued activities)	0.00	-5,226,844.49	0.00	-5,226,844.49
Plus/minus adjustments for:				
Depreciation/Amortization	5,153,996.69	4,394,107.03	3,387,529.55	2,688,959.15
Impairment of tangible and intangible assets	321,000.32	0.00	265,130.32	0.00
Foreign Exchange differences	-92,710.64	608,255.49	-20,590.85	2,559.16
Results (income, expenses, profits and losses) from investing activities	-8,484,533.12	-7,431,105.07	-16,738,170.62	-16,583,341.64
Interest expense and related expenses	1,891,799.77	2,160,637.44	1,474,516.41	1,654,132.58
Decrease / (increase) in inventories	-4,060,690.83	-7,588,284.94	-4,911,150.93	-1,640,518.70
Decrease / (increase) in receivables	-243,358.54	-4,665,830.78	-108,176.46	-2,908,479.13
(Decrease) / increase in liabilities (other than to banks)	4,280,607.57	-329,300.18	4,171,123.62	2,489,623.87
Less:				
Interest and related expenses paid	-2,063,377.05	-2,155,237.31	-1,552,224.26	-1,620,219.75
Tax paid	-3,566,139.80	-3,589,816.63	-61,971.78	-750,808.10
Operating flows from discontinued activities	**0.00**	**5,226,844.49**	**0.00**	**5,226,844.49**
Total inflows / (outflows) from operating activities (a)	**27,802,168.86**	**10,238,496.71**	**8,768,783.95**	**3,667,636.50**
Investing Activities				
Acquisition/Sale of subsidiaries, associates, joint ventures and other investments	6,261,604.76	749,569.64	1,207,549.27	-3,090,581.76
Purchase of tangible and intangible fixed assets	-9,256,906.20	-8,352,292.89	-7,893,342.92	-4,063,061.95
Proceeds from sale of tangible and intangible assets	82,006.39	337,205.50	12,898.66	1,931.79
Interest received	258,195.48	427,106.48	177,530.26	346,425.36
Dividends received	3,130,671.89	3,168,199.13	7,070,585.99	14,099,811.69
Investment flows from discontinued activities	**0.00**	**0.00**	**0.00**	**0.00**
Total inflows / (outflows) from investing activities (b)	**475,572.32**	**-3,670,212.14**	**575,221.26**	**7,294,525.13**
Financing Activities				
Proceeds from share capital increase	313,074.72	19,845.00	313,074.72	19,845.00
Proceeds from loans granted / assumed	3,000,000.00	1,725,262.10	3,000,000.00	0.00
Payment of loans	-6,128,598.97	-1,200,000.00	-5,400,000.00	-1,200,000.00
Dividends paid	-5,704,145.73	-5,322,780.71	-5,642,087.34	-5,322,780.71
(Payments)/Proceeds from (purchase)/sale of treasury shares	-9,739,140.00	-457,718.72	-9,739,140.00	-457,718.72
Financing flows from discontinued activities	**0.00**	**0.00**	**0.00**	**0.00**
Total inflows / (outflows) from financing activities (c)	**-18,258,809.98**	**-5,235,392.33**	**-17,468,152.62**	**-6,960,654.43**
Net increase / (decrease) in cash and cash equivalents (a+b+c)	**10,018,931.20**	**1,332,892.24**	**-8,124,147.41**	**4,001,507.20**
Cash and cash equivalents at beginning of period	**34,854,308.13**	**33,434,257.18**	**22,337,122.92**	18,335,615.72
Effect from foreign exchange differences due to translation to euro	73,593.76	87,158.71	0.00	0.00
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**44,946,833.10**	**34,854,308.13**	**14,212,975.51**	**22,337,122.92**

4.6 NOTES ON THE ANNUAL FINANCIAL STATEMENTS

4.6.1 The Company

Gr. Sarantis SA (the Company) has the legal form of a société anonyme and is the parent company of the Gr. Sarantis SA Group (the Group).

The Company's domicile is located at 26 Amarousiou – Chalandriou Street, Marousi Greece, The Company's central offices are also located at the same address.

The shares of Gr. Sarantis SA are listed on the main market of the Athens Exchange.

4.6.2 Group Structure

The Group's companies, which are included in the consolidated financial statements, are the following:

GROUP STRUCTURE					
Company	Domicile	Direct Participation Percentage	Indirect Participation Percentage	Total	Tax Unaudited Fiscal years
Full Consolidation Method					
GR. SARANTIS S.A.	GREECE	PARENT			-
SARANTIS BULGARIA LTD	BULGARIA	0.00%	100.00%	100.00%	2013-2017
SARANTIS ROMANIA S.A.	ROMANIA	0.00%	100.00%	100.00%	2011-2017
SARANTIS BELGRADE D.O.O	SERBIA	0.00%	100.00%	100.00%	2011-2017
SARANTIS BANJA LUKA D.O.O	BOSNIA	0.00%	100.00%	100.00%	2014-2017
SARANTIS SKOPJE D.O.O	F.Y.R.O.M.	0.00%	100.00%	100.00%	2006-2017
SARANTIS POLSKA S.A.	POLAND	0.00%	100.00%	100.00%	2011-2017
POLIPAK SP.Z.O.O.	POLAND	0.00%	70.00%	70.00%	2015-2017
SARANTIS CZECH REPUBLIC sro	CZECH REPUBLIC	0.00%	100.00%	100.00%	2011-2017
SARANTIS HUNGARY Kft.	HUNGARY	0.00%	100.00%	100.00%	2016-2017
GR SARANTIS CYPRUS LTD	CYPRUS	100.00%	0.00%	100.00%	2013-2017
ZETAFIN LTD	CYPRUS	0.00%	100.00%	100.00%	2013-2017
ZETA COSMETICS LTD	CYPRUS	0.00%	100.00%	100.00%	2011-2017
WALDECK LTD	CYPRUS	0.00%	100.00%	100.00%	2014-2017
SAREAST CONSUMER PRODUCTS TRADING LTD	CYPRUS	0.00%	100.00%	100.00%	2014-2017
ELODE FRANCE S.A.R.L	FRANCE	100.00%	0.00%	100.00%	2011-2017
SARANTIS FRANCE S.A.R.L	FRANCE	100.00%	0.00%	100.00%	2011-2017
SARANTIS PORTUGAL Lda	PORTUGAL	0.00%	100.00%	100.00%	2013-2017
ASTRID TM A.S.	CZECH REPUBLIC	0.00%	100.00%	100.00%	2014-2017
Equity Consolidation Method					
ELCA COSMETICS LTD	CYPRUS	0.00%	49.00%	49.00%	2013-2017
ESTEE LAUDER HELLAS S.A.	GREECE	0.00%	49.00%	49.00%	2015-2017
ESTEE LAUDER BULGARIA EOOD	BULGARIA	0.00%	49.00%	49.00%	2011-2017
ESTEE LAUDER ROMANIA S.A.	ROMANIA	0.00%	49.00%	49.00%	2011-2017

Notes:

1) The subsidiary company of GR. SARANTIS S.A., GR. SARANTIS CYPRUS LTD, proceeded on March 6th, 2017, to the sale of its 50% participation in the company "THRACE SARANTIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" and with the distinctive title "THRACE SARANTIS S.A." for a total consideration of EUR one million (1,000,000.00). Following the above, GR. SARANTIS S.A. does not have any remaining interest in "THRACE SARANTIS S.A.". The sale resulted into a capital gain of EUR 306,615 for the Group during the First Half of 2017.

31.12.2016	Participation in Associated Company Thrace Sarantis SA	703,561.78
	Change in participation within 2017 (until the sale)	-10,176.62
05.03.2017	Participation in Associated Company Thrace Sarantis SA	**693,385.16**
05.03.2017	Cost of sale	1,000,000.00
	Participation in Associated Company Thrace Sarantis SA	-693,385.16
	Gain from the sale of the participation in the Associated Company Thrace Sarantis SA	**306,614.84**

2) The merger of the ARPINA S.A., was completed according to the Law 2166/1993 on December 22nd 2017.

Business activity

The Group is active in the production and trade of cosmetics, household use products and parapharmaceutical items.

The Group's basic activities have not changed from the previous year.

4.7 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

4.7.1 Compliance with IFRS

The consolidated and individual financial statements of "GR. SARANTIS S.A." are in accordance with the International Financial Reporting Standards (IFRS), which have been issued by the International Accounting Standards Board (IASB) as well as their interpretations, which have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB that have been adopted by the European Union.

4.7.2 Basis for the preparation of the financial statements

The consolidated and parent financial statements of "GR. SARANTIS SA" have been compiled on the basis of the "going concern" principle as well as on the basis of the historical cost principle, apart from the financial assets at fair value through results, available for sale, which based on the requirements of IFRS are recorded at fair value.

4.7.3 Approval of financial statements

The annual consolidated financial statements have been approved by the Company's Board of Directors on 27/03/2018.

4.7.4 Covered period

The present annual consolidated financial statements include the financial statements of "GR. SARANTIS S.A." and its subsidiaries, which together are referred to as the Group, and cover the period from January 1st 2017 to December 31st 2017.

4.7.5 Presentation of the financial statements

The present financial statements are presented in €, which is the Group's operating currency, namely the currency of the primary economic environment in which the parent Company operates.

4.7.6 Significant judgments and estimations by Management

The preparation of the Financial Statements according to the International Accounting Standards requires the implementation of estimations, judgments and assumptions that may affect the accounting balances of assets and liabilities and the required disclosures for contingent receivables and liabilities, as well as the amount of income and expenses recognized.

The use of adequate information and the implementation of subjective judgment constitute inseparable data for the conduct of estimations in the valuation of assets, liabilities for employee benefits, impairment of assets, recognition of deferred tax assets and pending judicial cases. The estimations are considered significant but not binding. Actual future results may differ from the aforementioned estimations.

4.7.7 New standards, interpretations, and amendments

New standards, amendments to standards and interpretations effective for the current financial year

None of the amendments set out below are applicable and/or have a significant impact on the company (or the Group)'s consolidated financial statements, unless stated otherwise.

- **IAS 7 (Amendments) "Disclosure initiative"** (effective for annual periods beginning on or after 1 January 2017 - Endorsed by the EU on 6 November 2017). These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendment to IAS 7 has resulted in a reconciliation of liabilities disclosed for the first time in the Note 4.5 and is as follows:

	Non Current Loans & Borrowings	Current Loans & Borrowings	Total
At 1 January 2017	**28,400,000.00**	**2,400,000.00**	**30,800,000.00**
Cash Flows	0.00	-2,400,000.00	**-2,400,000.00**
Non Cash Flows			
-Effects of Foreign exchange	0.00	0.00	**0.00**
-Loans and borrowings classified as non current at 31 December 2016 becoming current during 2017	-2,400,000.00	2,400,000.00	**0.00**
At 31 December 2017	**26,000,000.00**	**2,400,000.00**	**28,400,000.00**
	Non Current Loans & Borrowings	**Current Loans & Borrowings**	**Total**
At 1 January 2017	**28,440,266.73**	**6,241,109.62**	**34,681,376.34**
Cash Flows	-23,872.49	-3,150,524.33	**-3,174,396.82**
Non Cash Flows			
-Effects of Foreign exchange	1,947.13	217,482.89	**219,430.02**
-Loans and borrowings classified as non current at 31 December 2016 becoming current during 2017	-2,400,000.00	2,400,000.00	**0.00**
At 31 December 2017	**26,018,341.37**	**5,708,068.18**	**31,726,409.54**

- **IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"** (effective for annual periods beginning on or after 1 January 2017 - Endorsed by the EU on 6 November 2017). These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

- **Annual Improvements to IFRSs (2014 – 2016 Cycle)** (effective for annual periods beginning on or after 1 January 2017 – Endorsed by the EU on 7 February 2018)
  - **IFRS 12 "Disclosures of Interests in Other Entities".** The amendement clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale or distribution according to IFRS 5, except for the summarised financial information required (par B10-B16).

<u>**New standards, amendments to standards and interpretations issued not yet effective, nor early adopted**</u>

There are a number of standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. The most significant of these are:

- IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers (both mandatorily effective for periods beginning on or after 1 January 2018); and
- IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019).

- **IFRS 9 “Financial Instruments”** (effective for annual accounting periods beginning on or after 1 January 2018 – Approved by the European Union on 22 November 2016). IFRS 9 replaces the provisions of IAS 39 referring to the classification and measurement of financial assets and financial liabilities. It also includes a new model of expected credit losses which replaces the model of realized credit losses which is currently being applied. IFRS 9 establishes an alternative approach with regard to hedge accounting based on principles, and also deals with the inconsistencies and weaknesses in the current model of IAS 39.

Based on the current estimates made by the Management, the IFRS 9 in its first time adoption as well as in its application for subsequent periods is not expected to have any significant effect on the financial statements of the Group and the Company. The Company will apply the new standard during the year 2018, by adjusting the opening balance of earnings carried forward and will not proceed with any readjustment of the comparative items of 2017. According to the current business model, the financial assets which the Group holds will be classified into similar portfolios according to IFRS 9 and as a result no significant effect is expected with regard to their measurement. With regard to the new model of receivables’ impairment, the Group will apply the simplified approach for the recognition of credit losses. The Group has proceeded with the grouping of customers based on their common characteristics of creditworthiness and is in the process of calculating the historic default rates. The provision for impairment is likely to increase, however the final amount is not expected to significantly differ from the existing provision. The Group is in the process of finalizing the above effect on the Financial Statements by also utilizing additional support data which are to be made available within the year 2018.

- **IFRS 15 “Revenue from Contracts with Customers”** (effective for annual accounting periods beginning on or after 1 January 2018 – Approved by the European Union on 22 September 2016) & **IFRS 15 (Clarifications)** (effective for annual accounting periods beginning on or after 1 January 2018 – Approved by the European Union on 31 October 2017). The purpose of IFRS 15 is to provide a unified model for the recognition of income. It includes the principles which must be applied by an economic entity in order to define the measurement of income and the timing of recognition. The basic principle is that an economic entity will recognize income in a manner that depicts the actual transfer of goods or services to customers at the amount expected to fairly collect in exchange for these goods or services.

The Group intends to fully adopt the standard for the period 2018, by recognizing the cumulative outcome of the transition in the initial balance of equity on 1 January 2018. It will also provide figures for the previous fiscal years for comparability purposes.

The Group proceeded with the evaluation of the respective income, by applying the five steps described in the particular standard, in order to detect the areas which might affect the Group itself. The obligations for execution emanating from the customer contracts are being extended in subsequent periods. Some of them, beginning on 1st January 2018, will be recorded as subtraction from the turnover, thus affecting the gross profit and the distribution expenses, without however affecting the net profit. Based on the current estimates of the Group, the IFRS 15 during its first time adoption and also during its use for subsequent periods is not expected to have any material effect on the financial statements of the Company and the Group, apart from the reclassification of certain items.

- **IFRS 16 “Leases”** (effective for annual accounting periods beginning on or after 1 January 2019 – It was approved by the European Union on 31 October 2017). The IFRS 16 introduces a unified model for the accounting treatment on behalf of the lessee. The model requires that the lessee recognizes assets and liabilities for all leasing agreements with duration longer than 12 months, unless the underlying asset has no significant value. With regard to the accounting treatment from the side of the lessor, IFRS 16 practically incorporates the requirements of IAS 17. As a result, the lessor continues to categorize the leasing agreements between operating and financial ones, and to follow different accounting treatment for each type of leasing agreement.

The Group is currently in the process of the evaluation of the effect from the application of IFRS 16 as well as of the selection of the application method at the time of adoption. The standard will mainly affect the accounting treatment of the Group’s operating leases. However the Group has not yet defined the degree to which these commitments will lead to the recognition of assets and liabilities with regard to future payments. The above occurs since certain commitments may be exempted from the requirements of the standards in the sense that they are short-term ones or / and are of insignificant value, whereas certain commitments may not even fulfill the criteria which are required for their characterization as leases according to IIFRS 16.

Other Standards and Interpretations

- **IFRIC 22 "Foreign currency transactions and advance consideration"** (effective for annual periods beginning on or after 1 January 2018 – it has not yet been endorsed by the EU). The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency denominated contracts.

- **IFRIC 23 "Uncertainty over Income Tax Treatments"** (effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU). The interpretation is to be applied when there is uncertainty over income tax treatments under IAS 12. An entity is required to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment in its calculations.

Other Amendments

- **IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"** (effective for annual periods beginning on or after 1 January 2018 – Endorsed by the EU on 26 February 2018). The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

- **Annual Improvements to IFRSs (2014 – 2016 Cycle)** (effective for annual periods beginning on or after 1 January 2018 – Endorsed by the EU on 7 February 2018)
    - **IAS 28 "Investments in associates and Joint ventures".** The amendements clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

    - **IFRS 1 "First-time adoption of IFRS".** IFRS 1 has been amended to remove short-term exemptions which are no longer applicable and had been available to entities for reporting periods that have now passed

- **IAS 40 (Amendments) "Transfers of Investment Property"** (effective for annual periods beginning on or after 1 January 2018 – it has not yet been endorsed by the EU). The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. A change in management's intentions alone does not constitute evidence of change in use.

- **IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"** (effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU). The amendment clarifies that an entity can measure at amortised cost some prepayable financial assets with negative compensation. The assets affected, that include some loans and debt securities, would otherwise have been measured at fair value through profit or loss (FVTPL). Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be "reasonable compensation for early termination of the contract".

- **IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures"** (effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU). The amendment clarifies that an entity should apply IFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture.

- **Annual Improvements to IFRSs (2015 – 2017 Cycle)** (effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU).

  - **IFRS 3 "Business Combinations".** The amendment clarifies that when an entity obtains control over a previously held interest in a joint operation that is a business, it must remeasure its previously held interest at the acquisition-date fair value and recognize any difference as a gain or loss.

  - **IFRS 11 "Joint Arrangements".** The amendment clarifies that when an entity participates in a joint operation that is a business and obtains joint control, it must not remeasure its previously held interest at the acquisition-date fair value.

  - **IAS 12 "Income Taxes".** The amendment clarifies that the income tax consequences of dividends must be recognized at the same time as the liability to pay those dividends is recognized and in the same statement where the entity originally recognised the past transactions or events that generated the distributable profits from which the dividends are being paid.

  - **IAS 23 "Borrowing Costs".** The amendment clarifies that once a qualifying asset funded through specific borrowings becomes ready for its intended use or sale, those borrowings then become part of the pool of general borrowings. Therefore, from that date, the rate applied on those borrowings are included in the determination of the capitalisation rate applied to general borrowings.

- **IAS 19 (Amendments) "Plan Amendment, Curtailment or Settlement"** (effective for annual periods beginning on or after 1 January 2019 – it has not yet been endorsed by the EU). The amendment specifies that entities should determine pension expenses when changes to a defined benefit pension plan occur during an annual reporting period, by requiring the use of the updated assumptions to determine current service cost and net interest for the remainder of the reporting period after the date of change to the plan.

4.8 BASIC ACCOUNTING PRINCIPLES

4.8.1 Consolidation

4.8.1.1 Subsidiaries

The Group's subsidiaries are legal entities on which the Group has the ability to set the operational and financial policies, usually by participating in their share capital with a voting right over 50%. The existence and effect of voting rights that may be exercised or converted are taken into account when establishing whether the Group controls a legal entity.

Subsidiaries are consolidated with the full consolidation method from the date that control is transferred to the Group and cease to be consolidated from the date that this control no longer exists.

The accounting method of the acquisition is used for the accounting entries of the subsidiaries' acquisition by the Group. The acquisition cost is calculated as the fair value of assets acquired, liabilities assumed or existing and financial products issued during the transaction date. Expenses related to the acquisition are registered in the results. The assets acquired, the liabilities and contingent liabilities assumed during a business combination are initially recognized at fair value during the acquisition date. According to the case, the Group recognizes the value of the minority interest either at fair value or as a percentage of the minority shareholders on the net assets acquired. The difference between the acquisition cost, the proportion of the minority interest plus fair value during the acquisition date of a previous participation and the Group's share in the net assets acquired, is booked as goodwill. If this value is less than the fair value of net assets acquired, the difference is registered directly in the results.

Transactions between group companies and unrealized profit related to transactions between Group companies are eliminated. Unrealized losses are also eliminated. The accounting principles of subsidiaries have been amended when necessary in order to conform to the accounting principles of the Group. In the financial statements of the parent company, investments in subsidiaries are valued at acquisition cost minus any cumulative impairment loss.

4.8.1.2 Investments in associate companies

Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. Significant influence is the authority to participate in decisions that regard decisions for the issuer's financial and business policies, but not control on such polices. Significant influence is usually implied when the group holds a percentage between 20% and 50% of the voting rights through ownership of shares or another type of agreement.

Investments in associates are initially recognized at cost and are subsequently valued using the equity method for consolidation purposes. Goodwill is included in the book cost of the investment and is examined for impairment as part of the investment.

When an economic unit of the group transacts with a group's associate company, any possible intra-company profit and losses are written-off by the participation percentage of the group in the relevant associate company.

All subsequent changes of the participation percentage in the associate company's net position are recognized in book value of the group's investment.

Changes that arise from the profit or losses of associates are registered in the consolidated profit and loss account.

Changes that have been directly recognized in equity of the associates are recognized in the group's consolidated equity.

Any changes recognized directly in equity that are not related to a result, such as the distribution of dividends or other transactions with shareholders of the associate, are registered in the book value of the participation. No effect in the net result or equity is recognized in the context of such transactions.

When the share of losses in as associate for the group is equal or over the book value of the investment, including any other secured receivables, the group does not recognize further losses, unless it has been burdened with commitments or has proceeded with payments on behalf of the associate.

The accounting policies of associates are amended when deemed necessary in order to render such consistent with the policies adopted by the group.

In the parent's financial statements, investments in associates are valued, according to IAS 28, at acquisition cost minus any accumulated impairment loss.

4.8.1.3 Joint agreements

Investments in joint arrangements are classified as joint activities or joint ventures and their classification depends on the contractual rights and obligations of each investor.

The Group assessed the nature of the joint arrangements' investments and decided that they form joint ventures. The joint ventures are accounted based on equity method. Based on the equity method, participations in joint ventures are recognized initially at the acquisition cost and adjusted to the Group's share on operating profit (or loss) and on the total other joint venture's profits.

Where the Group's share of the losses of a joint venture is equal or greater than that of the participation in the joint venture, the Group does not recognize any further losses unless it has incurred obligations or has made payments for the joint venture's account.

Non-realized profits from transactions among the Group and the joint-ventures are eliminated according to the participation share of the Group in the joint ventures. Non-realized losses are also eliminated, unless there is evidence from the transaction for the impairment of the assets that have been transferred. In the Company's separate financial statements, the participations in joint ventures appear in the acquisition cost minus any impairment losses, if any.

4.8.2 Foreign currency translation

Transactions in foreign currency are translated to the operating currency using exchange rates in effect during the date of the transactions.

Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency with the effective exchange rates during the balance sheet date, are registered in the results.

Foreign exchange differences from non-monetary items valued at fair value, are considered as part of the fair value and thus are registered accordingly as fair value differences.

Items of the financial statements of the group's companies are calculated based on the currency of the economic environment in the country where each group company operates.

The individual financial statements of companies participating in the consolidation, and which are initially presented in a currency different than the group's presentation currency, have been converted to €. The assets and liabilities have been converted to € according to the closing exchange rate during the balance sheet date. Income and expenses have been converted to the group's presentation currency at average exchange rates of each reported period. Any differences that arise from this procedure have been transferred to an equity reserve.

4.8.3 Financial information by segment

The company's Board of Directors is the main decision maker and controls the internal financial reporting in order to assess the company's and Group's performance and make decisions relating to the allocation of resources.

The Management has defined activity sectors based on such internal reports according to IFRS 8. Operating segments are defined as the segments in which the Group operates and on which the Group's internal information system is based.

For the breakdown per operating segment, the following have been taken into account:

- The nature of products and services.

- The quantitative limits defined by IFRS 8.

The Group offers information per geographic segment as additional information to readers of the financial statements.

4.8.4 Goodwill

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

Following the initial recognition, goodwill is calculated at cost minus any accumulated impairment losses. The group examines goodwill for impairment at least on an annual basis. Impairment losses that are registered for goodwill are not reversed in subsequent periods.

4.8.5 Intangible assets

Intangible assets of the group are initially recognized at acquisition cost. Following the initial recognition, intangible assets are calculated at cost minus accumulated amortization and any impairment loss that may have emerged.

The useful economic life and depreciation method are reviewed at least at the end of each financial period. If the estimated useful life or expected burn-up rate of future economic benefits incorporated in another intangible asset have changed, the changes are accounted for as changes in accounting estimations.

The amortization of intangible assets is based on the straight line method during their useful life, which is estimated depending on their usage. Intangible assets mainly include the acquired software used in production or management, as well as trademarks.

4.8.6 Tangible assets

Land-plots and buildings are presented in the financial statements at readjusted values minus accumulated depreciations.

The fair value of land-plots and buildings is defined periodically by an independent evaluator.

On 31/12/2016, a valuation was carried out by an approved appraiser and according to specific guidelines and rules as set out by the Royal Institution of Chartered Surveyors (RICS Valuation - Professional Standards 2014) and has been shaped by the incorporation of the International Valuation Standards of the IVSC (International Valuation Standards Committee).

The mechanical equipment and other tangible fixed assets are presented at acquisition cost minus accumulated depreciations and possible impairment losses.

The acquisition cost of fixed assets includes all expenses directly attributed to the acquisition of the assets. Subsequent expenses are registered as in increase of the tangible assets' book value or as a separate fixed asset, only to the extent where such expenses increase the future economic benefits expected to arise from the use of the fixed assets, and the cost of such may be reliably calculated. The cost of repairs and maintenance is registered in the results of the period where such are realized.

Self-produced tangible assets constitute and addition to the acquisition cost of tangible assets at values that include the direct payroll cost for staff that participates in the construction, the cost of used materials and other general costs.

The depreciations of tangible fixed assets are calculated with the straight line method during their useful life, which is as follows:

Buildings	from 20 to 60 years
Mechanical Equipment	from 8 to 10 years
Vehicles	from 5 to 9 years
Other Equipment	from 4 to 20 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the residuals values, the expected useful life or expected burn-up rate of future economic benefits incorporated in an asset have changed, the changes are accounted for as changes in accounting estimations.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.

The book value of tangible fixed assets is examined for impairment when there are indications, namely events or changes in circumstances, that the book value may not be recoverable. If there is such an indication and the book value exceeds the estimated recoverable amount, the assets or cash flow creation units are impaired to the recoverable amount. The recoverable amount of property, facilities and equipment is the largest between their net sales price and their value in use. For the calculation of the value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects the market's current expectations for the time value of money and related risks as regards to the asset. When the book values of tangible assets exceed their recoverable value, the difference (impairment) is registered initially as a reduction of the created fair value reserve (if there is such for the relevant fixed asset), which is presented in equity accounts. Any impairment loss that emerges over the created reserve for the specific fixed asset, is recognized directly as an expense in the profit and loss account.

4.8.7 Investments in Property

The investments in property include privately owned land plots and buildings, which are possessed by the Company with the objective to receive lease payments or / and to generate capital gains. The investments in property are initially recorded at their acquisition cost, which also includes the transaction costs. In a following stage, the investments in property are recorded at fair value.

On 31/12/2016, a valuation was carried out by an approved appraiser and according to specific guidelines and rules as set out by the Royal Institution of Chartered Surveyors (RICS Valuation - Professional Standards 2014) and has been shaped by the incorporation of the International Valuation Standards of the IVSC (International Valuation Standards Committee).

It is noted that on 31/12/2017, there was a fair value estimate with regard to the Investment Property of the Company conducted by a certified appraiser. According to estimate there is no change compared to the previous estimate conducted in 31/12/2016.

4.8.8 Impairment of non financial assets

Assets with an indefinite useful economic life are not depreciated and are subject to impairment reviews annually and also when several events or changes in conditions indicate that the book value may not be recoverable. The assets depreciated are subject to impairment review when there are indications that their book value will not be recovered. Impairment losses are recognized for the amount for which the book value of the fixed asset exceeds its recoverable value. The recoverable value is the largest between fair value less the relevant cost required for the sale and value in use (present value of cash flows expected to be generated according to management's estimation on the future financial and operating conditions). To estimate impairment losses, assets are classified in the smallest possible cash flow generating units. Non-financial assets apart from goodwill that have suffered impairment are re-assessed for possible reversal of the impairment during each balance sheet date.

4.8.9 Inventories

The cost of inventories is defined using the weighted average method, and includes all the expenses realized in order to render inventories to their current position and condition and which are directly attributable to the production process, as well as part of general expenses related to the production. During the Balance Sheet date, inventories are presented at the lowest price between acquisition cost and net realizable value.

Net realizable value is the estimated sales price during the normal conduct of the company's activities, minus the estimated cost necessary to realize the sale.

4.8.10 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another. The financial instruments of the Group are classified in the following categories: Financial assets at fair value through profit and loss, investments held until maturity, investments available for sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management defines the classification during the initial recognition and reviews the classification at each balance sheet date.

4.8.10.1 Financial assets at fair value through profit and loss

A financial asset is included in this category if it is acquired with the intention to be sold in a short period of time or if it has been characterized as such by management. Derivatives are also included in the category for sale unless such are intended for risk hedging. Assets in this category are included in current assets either because such are intended for sale or are to be liquidated within twelve months from the balance sheet date.

4.8.10.2 Loans and receivables

Such included non-derivative financial assets with fixed or pre-defined payments, which are not traded on active markets and there is no intention to sell such. Loans and receivables are included in current assets, except for those with a maturity over 12 months from the balance sheet date. The latter are included in non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

4.8.10.3 Financial assets held until maturity

Such include non-derivative financial assets with fixed or pre-defined payments and a specific maturity date, which the Group's management intends and has the ability to hold until maturity. In case such assets are sold entirely or partially (unless the amount is trivial) then the entire category will be eliminated and the relevant assets must be re-classified to available for sale.

4.8.10.4 Financial assets available for sale

Such include non-derivative financial assets that are either defined in this category or cannot be included in any of the above categories. Financial assets available for sale are included in non-current assets given that Management has no intention of liquidating such within 12 months from the Balance Sheet date.

4.8.11 Recognition and measurement

Financial assets measured at fair value through profit and loss are initially recognized at fair value and the transaction expenses are presented in the profit and loss account.
Fair value is an amount which can be the basis for an asset exchange, or for the settlement of an obligation, between two parties that willingly and knowledgeably proceed into a transaction purely on a trading basis.
The purchases and sales of financial assets are recognized during the transaction date that is also the date when the Group commits to purchasing or selling the investment. Financial assets are initially recognized at fair value plus the expenses directly attributed to the transaction, for all financial assets recognized at fair value through profit and loss. Financial assets are eliminated when the right to cash flows from the investments matures or is transferred and the Group has essentially transferred all the risks and rewards emanating from ownership. Financial assets available for sale are valued subsequently at cost minus impairment losses, given that equity instruments cannot be valued accurately.

Loans and receivables, as well as financial assets held until maturity are recognized at present value using the effective interest rate method. Realized and valuation profit or losses that result from a change in the fair value of assets in the category "financial assets through profit and loss" are registered in the results during the period when such are realized. Valuation profit or losses that result from the change in fair value of non-financial assets available for sale are included directly in equity. When investments available for sale are sold or impaired, the cumulative change in their fair value is transferred to the results as profit or loss from investments in securities. The fair values of financial assets that are traded on active markets are defined by the current market prices. For non-traded assets, the fair values are defined by the use of valuation techniques, such as analysis of recent transactions, comparable traded assets and discounted cash flows, that are specialized at reflecting the actual conditions of the issuer.

4.8.12 Impairment of financial assets

At each balance sheet date, the Group assesses whether there are objective indications that lead to the conclusion that financial assets have suffered impairment. For shares of companies listed as financial assets available for sale, such an indication refers to the significant or continuous reduction in fair value compared to the acquisition cost. If impairment is evidenced, the cumulative loss in equity – which corresponds to the difference between the acquisition cost and fair value minus previous impairment losses that had been recognized in the results for the specific financial asset – is transferred to the results. The impairment losses of equity instruments registered in the results are not reversed through the results. If there is objective indication for impairment of financial assets held until maturity that are presented at their net book value, then the impairment loss is calculated as the difference between the book value of the asset and the present value of estimated future cash flows (excluding future losses from credit risks that have not been realized), discounted with the initial effective interest rate of the financial assets. The current amount of the asset, is decreased using a provision account for impairment and the loss is recognized in the results.

4.8.13 Trade receivables

Trade receivables are initially recognized at fair value and are measured subsequently at net book value using the effective interest rate, minus any impairment provisions. Impairment provisions are recognized when there is objective indication that the Group is not in a position to collect all amounts due according to the contractual terms. Trade receivables include bills of exchange and notes receivables from customers. Serious financial problems of a customer, the possibility of default or financial restructuring and the inability to perform normal payments are considered indications that the receivables are impaired. The amount of the impairment provision is the difference between the book value of receivables and the present value of estimated future cash flows, discounted with the effective interest rate. The amount of the impairment loss is registered in the results as an expense.

4.8.14 Cash & cash equivalents

Cash & cash equivalents include cash in banks and in hand, as well as short-term highly liquid investments such as repos and bank deposits with a maturity less than three months.

4.8.15 Share capital

The share capital includes the Company's common shares. Direct expenses realized for the issue of shares are presented after the deduction of the relevant income tax, and reduce the product of the issue.

4.8.16 Loans

Loans are initially registered at fair value, minus any direct expenses realized for the transaction. Subsequently loans are valued at net book cost. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the borrowing term according to the effective interest rate method. Loans are characterized as short-term liabilities unless the Group has the final right to postpone payment for at least 12 months following the balance sheet date.

4.8.17 Leases

Leases of fixed assets where the Group essentially maintains all the risks and benefits of ownership are classified as financial leases. Financial leases are capitalized at the inception of the lease at the lower value between the fair value of the fixed asset and the present value of minimum leases. Each lease payment is allocated between the liability and the financial expenses so as to achieve a fixed interest rate on the balance of the liability. The corresponding liabilities from leases, net of financial expenses, are presented in liabilities. The part of the lease's financing cost that refers to interest, is recognized in the results throughout the lease period in a way that assures a fixed rate on the balance of the liability during each period. Fixed assets acquired with financial leasing are depreciated within the smallest period between the useful life of the assets and the duration of their lease. Leases where essentially all the risks and benefits of ownership are maintained by the lessor, are classified as operating leases. The lease payments of an operating lease (net of any incentives offered by the lessor) are registered proportionately in the results throughout the duration of the lease period.

4.8.18 Employee benefits

4.8.18.1 Short-term benefits

Short-term employee benefits (apart from employment termination benefits) in money and in kind, are recognized as an expense on an accrual basis.

4.8.18.2 Liabilities due to retirement

The group has both defined benefits and defined contribution schemes, according to the conditions and practices in place in the countries where the Group is active.

The defined benefits schemes define a specific amount as pension payment / benefit, which an employee will receive at in his / her retirement. Typically, this depends on a variety of factors such as age, length of service and compensation.

Defined benefits scheme is defined a pension plan where within its framework the Group makes fixed contributions and there is no legal or monetary liability to pay additional contributions in the event that the Fund's merits are insufficient to compensate for the employees' benefits for the current period and the previous periods.

The liability regarding the defined benefit schemes that is recognized in the financial position statement is the present value of the commitment for the defined benefit at the date of the preparation of the financial statements, less the fair value of the assets of the scheme (if any). The commitment of the defined benefit is calculated annually from an independent actuary using the recommended credit unit's method. The present value of the commitment for the defined benefit is calculated by the discount of future cash outflows using the interest rates of the high-rated treasury bills, which are denominated in the currency at which the benefit will be paid and which have a duration that relates to the duration of the related retirement obligation.

The Group recognizes in income statement the current cost of service and net financial income or expense. Revaluations, which are consisted of actuary profits or losses, are recognized immediately in the financial position statement with the relative debit or credit of the relevant reserve through the other comprehensive income of the period realized. The reassessments are not reclassified at the results of subsequent periods.

For defined benefits schemes the Group pays contributions to the social security funds of the State at obligatory base. The Group does not have any other obligation to pay if it has paid its contributions. The contributions are recognized as personnel expenses when due. Contributions that are pre-paid are recognized as an asset if there is a chance to reimburse the money or to set-off with new obligations.

4.8.18.3 Share based payments

The Group has a stock option plan in effect. The total amount of the expense during the maturity period of the option is defined according to the fair value of the plan during the period when the option is provided. The conditions not related to the purchase are included in the assumptions for the definition of the number of options expected to be exercised. At each balance sheet date, the Group revises its estimations on the number of stock options expected to be exercised. It recognizes the effect of the revision of initial estimations in the results with a corresponding adjustment of equity.

4.8.19 Recognition of income and expenses

Income includes the fair value of sales of goods and provision of services, net of Value Added Tax, tariffs, discounts and rebates. Income is recognized when it is likely that economic benefits will arise for the Group. Income between Group companies consolidated with the full consolidation method, are fully written-off. Expenses are recognized in the results on an accrual basis. Payments realized for operating leases are transferred to the results as an expense, during the use of the lease. Interest expenses are recognized on an accrual basis.

The recognition of income is as follows:

4.8.19.1 Provision of services

Income from agreements for provision of services at a predefined price is recognized based on the completion stage of the transaction during the balance sheet date.

When the result of the transaction that concerns provision of services cannot be reliably estimated, the income is recognized only to the extent where the recognized expenses are recoverable.

4.8.19.2 Sales of goods

Sales of goods are recognized when the Group delivers ownership and all the risks related to ownership of the goods to customers, the goods are accepted by the latter and the collection of the receivable is reasonably secured.

4.8.19.3 Interest income

Interest income is recognized based on the time proportion and by using the real interest rate.

4.8.19.4 Income from Dividends

Dividends are accounted for as income when the right to receive such is established

4.8.20 Government grants

The Group recognizes the government grants that cumulatively satisfy the following criteria:

- There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
- It is probable that the amount of the grant will be received.

Government grants that relate to acquisition of fixed assets are presented as a deferred income in liabilities and recognized in the results during the useful life of the fixed assets such refer to.

4.8.21 Contingent Liabilities and Provisions

Provisions are booked when the Group has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured. The provisions are reviewed at every balance sheet date and are adjusted so as to reflect the present value of the expense deemed necessary to settle the liability. Contingent liabilities are not recorded in the financial statements but are disclosed, except if the probability of an outflow of resources that embody economic benefits is very small. Contingent assets are not recorded in the financial statements but are disclosed if the inflow of economic benefits is probable.

4.8.22 Dividend distribution

Dividend distribution to shareholders of the parent from the period's profit, are recognized as a liability in the individual and consolidated financial statements on the date when the distribution is approved by the General Shareholders' Meeting.

4.8.23 Current and deferred taxation

The period's charge with income tax consists of current taxes and deferred taxes. Tax is recognized in the "Statement of comprehensive income", unless it is related to amounts recognized directly in "Equity". In the latter case tax is also recognized in Equity.

Income tax on earnings, is calculated based on the tax law in effect during the balance sheet date in countries where the Group's activities are carried out and is recognized as an expense during the period when earnings are gained. Management periodically reviews cases where the relevant tax law needs clarifications when interpreted. When deemed necessary provisions are made on the amounts expected to be paid to the tax authorities.

Deferred income tax is calculated according to the liability method which results from the temporary differences between the book value of assets or liabilities in the financial statements with their respective tax base. Deferred income tax is not recorded if such results from the initial recognition of an asset or liability in a transaction, apart from a business combination, which did not affect the accounting or the tax profit or loss when realized. Deferred tax is defined according to the tax rates and laws in effect during the balance sheet date and those expected to be effective when the deferred tax assets will be realized or the deferred tax liabilities repaid.

Deferred tax assets are recognized to the extent that there will be future taxable profit for the use of the temporary difference that creates the deferred tax asset. Deferred tax assets and liabilities are offset only when the law permits the offsetting of tax assets and liabilities and given that the deferred tax assets and liabilities arise from the same tax authority on one entity that is taxed or on different entities when the settlement is intended to take place through offsetting.

4.8.24 Noncurrent assets held for sale and discontinued operations

Assets held for sale include tangible fixed assets that the Group intends to sell within one year from their classification as “held for sale”.

Assets classified as “held for sale” are valued at the lowest between their book value directly prior to their classification as held for sale, and their fair value less any sale cost. Assets classified as “held for sale” are not subject to depreciation. The profit or loss that results from the sale and revaluation of assets “held for sale” is included in the results.

The Group has not classified noncurrent assets as held for sale.

4.9 FINANCIAL RISK MANAGEMENT

4.9.1 Capital Management

The Group’s objectives as regards to management of capital, is to reassure the ability for the Group’s smooth operation, aiming at providing satisfactory returns to shareholders and to maintain an ideal capital structure by reducing thus the cost of capital. The Group monitors its capital based on the leverage ratio. The leverage ratio is calculated by dividing net debt with total employed capital. Net debt is calculated as “Total debt” (including “short-term and long-term debt” as presented in the Statement of Financial Position) minus “Cash and cash equivalents”, “Financial assets available for sale” and “financial assets at fair value through the profit and loss”. The calculation of net debt does not include the purchase of treasury shares. Total employed capital is calculated as “Shareholders’ Equity” as presented in the statement of financial position plus net debt. The leverage ratio on 31 December 2017 was as follows:

Amounts in Euros	Group	
	31.12.2017	**31.12.2016**
Total Debt	31,726,409.54	34,681,376.34
Minus		
Cash & cash equivalents	-44,946,833.10	-34,854,308.13
Financial assets available for sale	0.00	-700,664.80
Financial assets at fair value through profit and loss	-2,977,999.70	-6,172,956.07
Net Debt	**-16,198,423.26**	**-7,046,552.66**
Shareholders' Equity	200,003,822.27	182,964,673.24
Total Employed Capital	**183,805,399.01**	**175,918,120.58**
Leverage Ratio	**-8.81%**	**-4.01%**

4.9.2 Financial Instruments

The Group’s financial instruments mainly consist of bank deposits, bank overdrafts, trade debtors and creditors, investments in securities, other liabilities.

The financial assets and liabilities during the date of the financial statements can be classified as follows:

Amounts in Euros	Group		Company	
Non-current assets	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Financial assets available for sale	0.00	700,664.80	0.00	400,064.80
Other long-term receivables	722,328.01	268,594.32	139,790.48	139,790.48
Total	**722,328.01**	**969,259.12**	**139,790.48**	**539,855.28**
Current assets				
Trade receivables	80,935,996.87	78,756,302.96	41,508,935.67	41,248,806.12
Other receivables	5,016,110.07	7,700,436.37	18,190,561.03	9,318,811.40
Cash & cash equivalents	44,946,833.10	34,854,308.13	14,212,975.51	22,337,122.92
Financial assets at fair value through profit and loss	2,977,999.70	6,172,956.07	2,977,999.70	6,172,956.07
Total	**133,876,939.74**	**127,484,003.54**	**76,890,471.91**	**79,077,696.51**
Long-term Liabilities				
Loans	26,018,341.37	28,440,266.73	26,000,000.00	28,400,000.00
Provisions and other long-term liabilities	402,903.48	771,198.10	0.00	158,621.18
Total	**26,421,244.84**	**29,211,464.83**	**26,000,000.00**	**28,558,621.18**
Short-term Liabilities				
Suppliers	56,285,348.75	50,720,898.21	31,403,550.15	28,032,180.06
Other liabilities	7,046,374.63	4,909,517.52	8,912,368.71	5,598,335.00
Loans	5,708,068.17	6,241,109.62	2,400,000.00	2,400,000.00
Total	**69,039,791.55**	**61,871,525.34**	**42,715,918.86**	**36,030,515.06**

4.9.3 Definition of fair values

The following table presents the financial assets measured at fair value, according to the measurement method. The different categories are as follows:

• Publicized market prices (without amendment or adjustment) for the financial assets traded in active money markets (level 1)

• Measurement or valuation techniques based directly on publicized market prices or calculated indirectly from publicized market prices for similar instruments (level 2).

• Measurement or valuation techniques that are not based on available information from current transactions in active money markets (level 3).

The financial assets measured at fair value during 31 December 2017, are as follows:

Group				
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets Available for Sale	0.00	0.00	0.00	**0.00**
Financial Assets at Fair Value through Profit and Loss	2,977,999.70	0.00	0.00	**2,977,999.70**

Company				
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets Available for Sale	0.00	0.00	0.00	**0.00**
Financial Assets at Fair Value through Profit and Loss	2,977,999.70	0.00	0.00	**2,977,999.70**

The fair value of financial assets traded on active markets (i.e. derivatives, equity, bonds, mutual funds), is defined based on the published prices in effect during the end of the reporting period. A market is considered "Active" when there are available and revised prices in frequent intervals, that are published by a stock exchange, broker, sector, rating agency or regulatory authority. Such financial instruments are included in level 1.

The fair value of financial assets not traded on active markets (i.e. over the counter derivative contracts) is defined using valuation techniques that are based primarily on available information for transactions carried out in active markets, while they use the least possible estimations by the entity. Such financial instruments are included in level 2.

If the valuation techniques are not based on available market information, then the financial instruments are included in level 3.

4.9.4 Foreign exchange risk

The Group operates in an environment characterized by relatively high foreign exchange risk given that almost 65% of the Group's total turnover comes from Eastern European countries where the volatility of foreign exchange rates has recently been high. The Management of the Group is constantly examining the currencies' fluctuations, but at the moment has not taken any measures against the foreign exchange risk due to the lack of appropriate hedging tools.

On 31 December 2017, if the euro had depreciated by 5% against the following currencies, with all other variables remaining constant, the effect on the statement of comprehensive income and on the equity of the Group for each currency separately, would be as follows:

Effect	**P&L**	**Equity**
PLN	272,290	1,698,643
RON	270,745	786,157
YUD	87,776	1,093,929

An appreciation by 5% against the relevant currencies, would have an equivalent but opposite effect on the above currencies with the amounts presented above, given that all other variables remain constant.

4.9.5 Interest Rate Risk

The Group's objective is to achieve an optimal balance between borrowing cost and the potential effect of interest rate changes on earnings and cash flows. The Group monitors and manages its debt and overall financing strategies using a combination of short and long-term debt. It is Group policy to continuously review interest rate trends along with its financing needs. Daily working capital requirements are typically financed with operational cash flow and through the use of various committed lines of credit. The interest rate on these short-term borrowing arrangements, is generally determined as the inter-bank offering rate at the borrowing date plus a pre-set margin. The mix of fixed-rate debt and variable-rate debt is managed within Group policy guidelines. In case of an interest

rate increase, the Group will not be affected as regards to next year's results as part of the Group's current strategy is the continuous reduction of its existing bank loans.
An increase of the borrowing rate by 0.5%, taking into account the total debt on 31/12/2017, would result in a reduction of net results and Equity by € 0.15 mil.

4.9.6 Credit Risk

The Group's trade receivables mainly come from wholesale clients. All Group companies monitor the financial position of their debtors on an ongoing basis and control the granting of credit as well as the credit lines. When considered appropriate, credit guarantee insurance cover is purchased. When there is a possibility that receivables will not be collected, provisions are made for bad debts.

Further analysis is given in the Note 4.10.4

4.9.7 Liquidity risk

Prudent liquidity risk management implies the existence of a balance between cash flows as well as funding through adequate amounts of committed credit facilities. The Group closely monitors the amount of short-term and long-term funding as well as the proportion of such towards total debt and the composition of total debt, manages the risk that could arise from the lack of sufficient liquidity and secures that necessary borrowing facilities are maintained. The Group has sufficient credit line facilities that could be utilized to fund any potential shortfall in cash resources.

The Group manages and monitors its working capital in order to minimize any possible liquidity and cash flow risks. The maturity of financial liabilities on 31 December 2017 and 2016 for the Company and Group, is analyzed as follows:

			Company		
Maturity of Liabilities 2017	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term Loans			26,000,000.00		**26,000,000.00**
Short-term Loans	1,200,000.00	1,200,000.00			**2,400,000.00**
Suppliers	30,776,049.59	627,500.56			**31,403,550.15**
Other Liabilities	4,578,821.43	1,819,837.47	2,513,709.82		**8,912,368.71**
Total	**36,554,871.02**	**3,647,338.03**	**28,513,709.82**	**0.00**	**68,715,918.86**

			Company		
Maturity of Liabilities 2016	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term Loans			28,400,000.00	-	**28,400,000.00**
Short-term Loans	1,200,000.00	1,200,000.00		-	**2,400,000.00**
Suppliers	25,789,605.66	2,242,574.40		-	**28,032,180.06**
Other Liabilities	5,486,368.30	111,966.70		-	**5,598,335.00**
Total	**32,475,973.96**	**3,554,541.10**	**28,400,000.00**	**0.00**	**64,430,515.06**

			Group		
Maturity of Liabilities 2017	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term Loans			26,000,000.00		**26,000,000.00**
Short-term Loans	1,200,000.00	1,200,000.00			**2,400,000.00**
Suppliers	53,667,304.30	2,618,044.45			**56,285,348.75**
Other Liabilities	4,503,585.82	512,578.99	2,007,997.00		**7,024,161.81**
Total	**59,370,890.13**	**4,330,623.44**	**28,007,997.00**	**0.00**	**91,709,510.56**

			Group		
Maturity of Liabilities 2016	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term Loans			28,440,266.73	-	**28,440,266.73**
Short-term Loans	4,638,119.68	1,602,989.94		-	**6,241,109.62**
Suppliers	46,663,226.35	4,057,671.86		-	**50,720,898.21**
Other Liabilities	4,811,327.16	98,190.35		-	**4,909,517.52**
Total	**56,112,673.19**	**5,758,852.15**	**28,440,266.73**	**0.00**	**90,311,792.07**

4.9.8 Raw material price risk

The Group is exposed to price volatility in the basic raw materials it uses for products that manufactures in its own production facilities.

- The basic raw materials used by the Group for the Perfume, Cosmetics and Face Care products are perfumes, oils and chemicals.

The prices of raw materials in perfumes, cosmetics and facials do not fluctuate significantly, and any differences are eliminated by gradually transferring volumes from one supplier to another when necessary, maintaining active alternative suppliers and creating security stocks.

- The basic raw materials used by the Group for the categories of household products (food packaging products and plastic waste bags) are aluminum (in jumbo rolls), plastic (PVC / LDPE Clingfilm in Jumbo rolls) and polyethylene (HDPE, LDPE, LLDPE).

Regarding the effect of fluctuations in the prices of aluminum and plastic, the Group proceeds to the closing of price at short intervals, and in addition creates a security stock when it deems it necessary.

However, in the worst case scenario, where the cost of products that are based on aluminum and plastic increases at the same time by 3%, then by keeping all other parameters stable, the burden on the Group's cost of sales will be 0.57 million euro.

4.10 EXPLANATORY NOTES ON THE FINANCIAL STATEMENTS

4.10.1 Segment reporting

For management purposes, the Group is organized in three basic business segments: Mass Market Cosmetics, Household Products and Other Sales. According to IFRS 8 – Operating Segments, the management monitors the operating results of the business segments separately with the objective to evaluate the performance and decision making as regards to the allocation of resources. The Group's results per segment are analyzed as follows:

For the period 01/01/2017 – 31/12/2017:

COMMERCIAL ACTIVITY SECTORS	Mass Market Cosmetics	Household Products	Other Sales	Private Label (Polipak)	Income from associate companies	Continuing Activities	Discontinued Activities	Group Total
Income from external customers	164,098,846.91	120,298,453.56	42,695,139.98	16,063,879.28	0.00	**343,156,319.74**	0.00	**343,156,319.74**
Earnings before interest & tax (EBIT)	11,062,668.52	11,067,647.99	3,568,809.01	981,036.16	7,824,961.21	**34,505,122.89**	0.00	**34,505,122.89**
Interest income	43,957.93	32,224.91	11,436.95	4,303.11	0.00	**91,922.90**	0.00	**91,922.90**
Interest expenses	-645,301.38	-473,060.96	-167,894.13	-63,169.51	0.00	**-1,349,425.97**	0.00	**-1,349,425.97**
Earnings before tax	11,139,397.18	11,123,896.65	3,588,772.22	988,547.24	7,824,961.21	**34,665,574.49**	0.00	**34,665,574.49**
Income tax	2,451,139.27	2,447,724.10	789,681.92	217,522.27	-225,149.41	**5,680,918.14**	0.00	**5,680,918.14**
Earnings / losses	8,688,257.91	8,676,169.97	2,799,090.89	771,025.13	8,050,110.62	**28,984,654.52**	0.00	**28,984,654.52**
Depreciation / amort	2,173,467.72	1,593,337.25	565,491.53	821,700.18	0.00	**5,153,996.69**	0.00	**5,153,996.69**
Earnings before interest, tax, depreciation & amortization (EBITDA)	13,236,136.25	12,660,985.25	4,134,300.54	1,802,736.34	7,824,961.21	**39,659,119.58**	0.00	**39,659,119.58**

For the period 01/01/2016 – 31/12/2016:

COMMERCIAL ACTIVITY SECTORS	Mass Market Cosmetics	Household Products	Other Sales	Private Label (Polipak)	Income from associate companies	Continuing Activities	Discontinued Activities	Group Total
Income from external customers	155,638,694.28	117,866,728.25	39,896,456.39	15,615,766.77	0.00	**329,017,645.69**	0.00	**329,017,645.69**
Earnings before interest & tax (EBIT)	9,482,523.99	11,333,796.74	3,065,044.45	331,642.86	7,308,265.54	**31,521,273.58**	-2,400,000.00	**29,121,273.58**
Interest income	74,023.27	56,058.55	18,975.14	7,427.01	0.00	**156,483.97**	0.00	**156,483.97**
Interest expenses	-743,078.22	-562,740.51	-190,480.83	-74,555.60	0.00	**-1,570,855.15**	0.00	**-1,570,855.15**
Earnings before tax	8,211,841.52	10,371,496.28	2,739,317.43	204,150.91	7,308,265.54	**28,835,071.67**	-5,226,844.49	**23,608,227.18**
Income tax	1,127,633.68	1,424,193.16	376,157.60	28,033.59	1,209,462.13	**4,165,480.16**	0.00	**4,165,480.16**
Earnings / losses after tax	7,084,207.84	8,947,303.12	2,363,159.83	176,117.31	6,098,803.41	**24,669,591.51**	-5,226,844.49	**19,442,747.02**
Depreciation / amortization	1,820,115.81	1,378,391.77	466,568.88	729,030.58	0.00	**4,394,107.03**	0.00	**4,394,107.03**
Earnings before interest, tax, depreciation & amortization (EBITDA)	11,302,639.80	12,712,188.50	3,531,613.33	1,060,673.44	7,308,265.54	**35,915,380.61**	-2,400,000.00	**33,515,380.61**

Notes

- Income from Associate Companies refers to income from the joint venture Estee Lauder JV between the Company and Estee Lauder Hellas and from the related company Thrace-Sarantis SA. They are presented in the above table for reconciliation purposes.

- The calculation of financial income & expenses and depreciation, amortization has been proportionate based on the sales of each business activity of the Group. The calculation of income tax is based proportionately on the earnings before tax of each of the Group's business activity.

The allocation of consolidated assets and liabilities to the Group's business segments, is analyzed as follows:

	Group		Mass Market Cosmetics		Household Products		Other Sales		Private Label (Polipak)	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Total Assets	306,352,076.07	282,758,136.90	146,498,897.27	133,756,069.93	107,396,189.08	101,294,799.59	38,115,995.60	34,287,059.75	14,340,994.13	13,420,207.63
Total Liabilities	104,916,908.34	98,724,158.24	50,171,722.59	46,700,531.97	36,780,152.66	35,366,776.47	13,053,648.82	11,971,224.42	4,911,384.27	4,685,625.38

4.10.2 Goodwill

The goodwill of the Group and the Company is analysed as follows:

Amounts in Euros	Group	Company
Balance as at 01/01/2017	***7,445,155.44***	***1,365,130.32***
Foreign exchange differences	70,457.79	0
Impairment	-321,000.32	-265130.32
Balance as at 31/12/2017	***7,194,612.91***	***1,100,000.00***

Amounts in Euros	Group	Company
Balance as at 01/01/2016	***7,535,705.24***	***1,365,130.32***
Foreign exchange differences	-90,549.80	0
Balance as at 31/12/2016	***7,445,155.44***	***1,365,130.32***

The Group and the Company check on an annual basis for a likely impairment of the existing goodwill, in which case the impairment is recognized in the income statement. For the fiscal year 2017, the assumptions used per country are as follows:

Assumptions 2017	Pic-Greece	Elmiplant-Romania	Polipak-Poland	Trade 90-Hungary	Astrid-Czech Rep.
WACC	9.45%	8.10%	7.97%	8.15%	5.54%
Increase rate 5+	1.00%	3.30%	2.60%	2.20%	2.30%
EBIT (5yr horizon)	4,1%-8,1%	15,5%-17,9%	6,5%-9,5%	6,5%-8,3%	11,7%-12,6%

The recoverable amount of the above cash generating units was determined using the value in use method. The value in use was determined based on the projected cash flows derived from five year plans approved by management, with these cash flows projected over to perpetuity.

The key assumptions used by Management to calculate their projected cash flows in the context of its annual audit for the impairment of goodwill are as follows:
- The zero risk rate was established on the basis of external information.
- Earnings before interest and taxes were calculated based on last years' historical data adjusted in order to take into account the expected changes in operating performance.

Based on the above, the resulting impairments are 265,130.32 euros for the Company (Pic- Greece) and 321,000.32€ for the Group (Company 265,130.32€ and PlusFidelity-Cyprus 55,870€ full impairment).

4.10.3 Inventories

Inventories are analyzed as follows:

Inventories		
Parent Company	**31.12.2017**	**31.12.2016**
Merchandise	15,984,530.10	14,281,189.62
Products	9,731,817.39	9,501,027.27
Raw Materials	8,727,858.32	7,846,767.99
Impairment due to obsolescence	-404,070.00	-2,500,000.00
Total	**34,040,135.81**	**29,128,984.88**

Group	31.12.2017	31.12.2016
Merchandise	44,272,507.96	42,560,255.42
Products	10,204,235.67	10,086,087.49
Raw Materials	11,702,147.99	10,742,723.35
Impairment due to obsolescence	-578,767.96	-2,677,628.82
Total	**65,600,123.67**	**60,711,437.44**

Both the Group's and the Company's inventories are free from any encumbrances.

During the current year, the Group and the Company incurred stock write off totaling € 1.8 million and € 1.4 million respectively, and in 2016 the stock write off amounted to € 1.6 million and € 0.9 million respectively.

4.10.4 Trade and other receivables

The trade receivables account is analyzed as follows:

Trade Receivables		
Parent Company	**31.12.2017**	**31.12.2016**
Trade receivables	28,036,985.82	25,801,317.29
Minus provisions	-1,599,872.46	-899,872.46
Net trade receivables	26,437,113.36	24,901,444.83
Checks and notes receivable	17,471,822.31	18,747,361.29
Minus provisions	-2,400,000.00	-2,400,000.00
Net checks and notes receivable	15,071,822.31	16,347,361.29
Total	**41,508,935.67**	**41,248,806.12**

Group	31.12.2017	31.12.2016
Trade receivables	66,979,025.93	62,768,981.34
Minus provisions	-2,087,733.61	-1,310,135.34
Net trade receivables	64,891,292.32	61,458,846.01
Checks and notes receivable	18,444,704.55	19,697,456.95
Minus provisions	-2,400,000.00	-2,400,000.00
Net checks and notes receivable	16,044,704.55	17,297,456.95
Total	**80,935,996.87**	**78,756,302.96**

As of December 31 2017 and December 31 2016, the aging analysis of trade receivables, past due but nor impaired, is as follows:

		31.12.2017	31.12.2016	31.12.2017	31.12.2016
		Company		Group	
Not impaired and not past due		31,410,447.23	32,978,534.48	69,031,255.03	68,830,855.36
Past Due:	**0-90 days**	5,331,575.61	2,131,922.95	7,054,283.97	4,255,881.98
	91-180 days	771,167.02	1,028,701.50	1,136,822.58	1,066,934.29
	181-270 days	685,935.16	146,840.01	558,964.78	115,401.37
	271-360 days	119,958.41	871,897.94	61,060.09	808,518.67
	More than 360 days	3,189,852.24	4,090,909.24	3,093,610.41	3,678,711.29
		41,508,935.67	**41,248,806.12**	**80,935,996.87**	**78,756,302.96**

Other receivables are analyzed as follows:

Other Receivables		
Parent Company	**31.12.2017**	**31.12.2016**
Accounts receivable in legal contest	468,484.76	490,148.38
Sundry Debtors	604,031.72	827565.51
Receivables from dividends	17,062,000.00	7946000
Accounts for management of prepayments & credits	56,044.55	55,097.51
Total	**18,190,561.03**	**9,318,811.40**

Group	31.12.2017	31.12.2016
Accounts receivable in legal contest	621,055.01	688,087.61
Sundry Debtors	2,789,169.42	2,467,410.18
Receivables from dividends	1,549,841.09	4,489,841.09
Accounts for management of prepayments & credits	56,044.55	55,097.51
Total	**5,016,110.07**	**7,700,436.38**

4.10.5 Cash & cash equivalents

Cash & cash equivalents represent cash in hand of the Group and company and bank deposits available at first demand, which are analyzed as follows:

Cash & Cash Equivalents		
Parent Company	**31.12.2017**	**31.12.2016**
Cash in hand	275,684.22	248,959.53
Bank deposits	13,937,291.29	22,088,163.39
Total	**14,212,975.51**	**22,337,122.92**

Group	31.12.2017	31.12.2016
Cash in hand	294,468.67	274,876.78
Bank deposits	44,652,364.43	34,579,431.36
Total	**44,946,833.10**	**34,854,308.13**

4.10.6 Financial assets at fair value through profit and loss

	Group		Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Opening Balance	**6,172,956.07**	**7,017,679.38**	**6,172,956.07**	**7,017,679.38**
Additions	1,495,231.28	2,438,680.73	1,495,231.28	2,438,680.73
Sales	-5,637,621.39	-3,289,941.19	-5,637,621.39	-3,289,941.19
Fair value Adjustments	947,433.74	6,537.15	947,433.74	6,537.15
Ending Balance	**2,977,999.70**	**6,172,956.07**	**2,977,999.70**	**6,172,956.07**

Such are placements with a short-term investment horizon that are traded on active markets.

4.10.7 Trade and other liabilities

The Company's and Group's trade and other liabilities are analyzed as follows:

Suppliers		
Parent Company	**31.12.2017**	**31.12.2016**
Suppliers	25,853,751.47	23,733,326.66
Checks payable	5,549,798.68	4,298,853.40
Total	**31,403,550.15**	**28,032,180.06**

Company	31.12.2017	31.12.2016
Suppliers	50,735,550.07	46,422,044.81
Checks payable	5,549,798.68	4,298,853.40
Total	**56,285,348.75**	**50,720,898.21**

Other Liabilities		
Parent Company	**31.12.2017**	**31.12.2016**
Social Security Funds	991,681.22	893,918.86
Customer Prepayments	3,988,635.34	3,315,714.66
Short-term Liabilities towards Related Companies	483,500.00	483,500.00
Dividends Payable	22,212.82	17,394.13
Sundry Creditors	3,426,339.33	887,807.35
Total	**8,912,368.71**	**5,598,335.00**

Group	31.12.2017	31.12.2016
Social Security Funds	1,529,476.42	1,541,123.61
Customer Prepayments	1,440,210.23	1,838,687.58
Dividends Payable	22,212.82	17,394.13
Long-term Liabilities payable in the following year	162,578.99	145,195.29
Sundry Creditors	3,891,896.17	1,367,116.90
Total	**7,046,374.63**	**4,909,517.51**

4.10.8 Provisions and other long-term liabilities

The provisions and other long-term liabilities are analyzed as follows:

Provisions - Other long-term liabilities		
A. Parent Company	**31.12.2017**	**31.12.2016**
Other provisions	0.00	158,621.18
Total	**0.00**	**158,621.18**

B. Group	31.12.2017	31.12.2016
Other provisions	139,751.75	236,270.92
Other long-term liabilities	263,151.73	534,927.18
Total	**402,903.48**	**771,198.10**

4.10.9 Loans

Loans are analyzed as follows:

	Group		Company	
Short-term loans	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Bank loans	5,708,068.17	6,241,109.62	2,400,000.00	2,400,000.00
Long-term loans				
Bank loans	26,018,341.37	28,440,266.73	26,000,000.00	28,400,000.00
Total	**31,726,409.54**	**34,681,376.34**	**28,400,000.00**	**30,800,000.00**

4.10.9.1 Parent Company

Parent Company		
Analysis of Bond Loans		
Bank	Maturity	Amount
NBG	20/3/2018	1,200,000.00
NBG	20/9/2018	1,200,000.00
NBG	20/3/2019	9,000,000.00
EUROBANK	29/1/2019	17,000,000.00
Total		**28,400,000.00**

4.10.9.2 Group

Group		
Analysis of Bond Loans		
Bank	Maturity	Amount
NBG	20/3/2018	1,200,000.00
NBG	20/9/2018	1,200,000.00
NBG	20/3/2019	9,000,000.00
EUROBANK	29/1/2019	17,000,000.00
Total		**28,400,000.00**

4.10.10 Income Tax

	Group		Company	
	1.1 - 31.12.2017	1.1 - 31.12.2016	1.1 - 31.12.2017	1.1 - 31.12.2016
Income tax	-4,000,492.10	-4,350,174.16	0.00	0.00
Tax audit differences	0.00	0.00	0.00	0.00
Deferred tax	-1,680,426.04	184,694.00	-2,096,866.86	242,743.14
Total	**-5,680,918.14**	**-4,165,480.16**	**-2,096,866.86**	**242,743.14**
Earnings / (Losses) before taxes	**34,665,574.50**	**23,608,227.18**	**22,862,768.95**	**15,108,884.57**
-minus/plus: Temporary differences in income	-5,399,318.51	-6,800,429.38	-5,401,770.57	-5,557,900.45
-minus/plus: Temporary differences in expenses	581,564.58	3,449,837.42	1,171,195.18	3,611,971.27
Adjustments in tax for income not subject to taxation				
- Tax free income	0.00	0.00	-16,000,000.00	-15,880,000.00
- Differences in income	-6,958,716.32	-4,087,490.34	-181,555.91	-173,534.38
- Profit from company acquisition	0.00	0.00	0.00	0.00
- Other adjustments	-54,914.93	-16,994.54	0.00	0.00
Adjustments in tax for Expenses which are not tax deductible				
- Differences in expenses	480,855.63	3,055,379.18	480,855.63	2,943,498.55
- Non tax-deductible expenses	402,200.87	4,440,356.66	1,817,069.07	3,446,887.24
Offsetting of losses from previous fiscal years	**0.00**	**0.00**	**-21,471,614.12**	**-25,039,245.64**
Total	**23,717,245.83**	**23,648,886.18**	**-16,723,051.77**	**-21,539,438.84**
Tax Rate (Average tax for the Group)	16.82%	18.57%	29.00%	29.00%
Expected Tax Expense	**3,989,633.74**	**4,392,753.42**	**0.00**	**0.00**
Adjustments on the tax due to change in tax rate	0.00	0.00	**0.00**	0.00
Tax due to recognition of tax losses	870,000.00	-807,062.60	870,000.00	-807,062.60
Tax of temporary differences	810,426.04	622,368.60	1,226,866.86	564,319.46
Other movements	10,858.36	-42,579.25	0.00	0.00
Provisions and expenses of additional tax liabilities	0.00	0.00	0.00	0.00
Real tax expense	**5,680,918.14**	**4,165,480.17**	**2,096,866.86**	**-242,743.14**

With regard to the fiscal year 2017, the Company is subject to the tax audit of the Certified Auditors stipulated by the provisions of article 65A of Law 4174/2013. The audit is under progress and the relevant tax certificate is expected to be granted after the release of the annual financial statements for the period 31.12.2017. The Management of the Company does not expect the emergence of any significant tax obligations apart from those already depicted in the financial statements.

4.10.11 Deferred taxes

Company

Deferred tax assets /(liabilities)	**31.12.2017**	**31.12.2016**
Differences of intangible assets	-2,170,796.60	-1,638,349.26
Differences of tangible assets	174,602.48	118,575.24
Provisions for employee benefits	380,613.98	312,135.41
Recognition of tax loss	0.00	870,000.00
Provisions	-73,580.15	717,531.10
Total	**-1,689,160.29**	**379,892.49**

Deferred taxes income / (expense)	**31.12.2017**	**31.12.2016**
Differences of intangible assets	1,812,951.74	-1,099,758.55
Differences of tangible assets	-2,289,371.84	42,242.49
Provisions for employee benefits	68,478.57	29,697.16
Recognition of tax loss	-870,000.00	807,062.61
Provisions	-791,111.25	461,071.63
From absorption of subsidiary	-5,521.62	
Total	**-2,074,574.40**	**240,315.34**
Total deferred tax recognized in the statement of comprehensive income (a)	-2,096,866.86	242,743.14
Total deferred tax recognized in the statement of comprehensive income (b)	22,292.46	-2,427.80

Group

Deferred tax assets	**31.12.2017**	**31.12.2016**
Differences of intangible assets	-363,374.80	-1,638,349.26
Differences of tangible assets	-30,205.81	128,253.54
Write-off of trade receivables	6,076.30	10,375.02
Provisions for employee benefits	71,726.02	375,439.50
Provisions	487,888.81	1,065,320.07
Recognition of tax loss	0.00	870,000.00
Foreign exchange differences	-4,950.94	16,011.08
Total	**167,159.58**	**827,049.95**

Deferred liabilities	**31.12.2017**	**31.12.2016**
Differences of tangible assets	2,199,469.12	50,771.83
Differences of intangible assets	1,409,074.32	1,949,675.05
Provisions	-380,613.98	-2,458.01
Foreign exchange differences	67,355.58	5,877.26
Total	**3,295,285.03**	**2,003,866.14**

Deferred taxes income / (expense)	**31.12.2017**	**31.12.2016**
Differences of intangible assets	1,815,575.19	-1,224,814.64
Differences of tangible assets	-2,307,156.63	8,484.24
Write-off of trade receivables	-4,298.72	2,914.36
Provisions for employee benefits	76,900.49	84,913.79
Provisions	-647,244.85	407,328.65
Recognition of tax loss	-870,000.00	807,062.61
Foreign exchange differences	-5,922.83	-29,387.53
Sub total	**-1,942,147.34**	**56,501.48**
Proportion of deferred tax from associate companies	284,013.76	125,764.72
Total	**-1,658,133.58**	**182,266.20**
Total deferred tax recognized in the statement of comprehensive income (a)	-1,680,426.04	184,694.00
Total deferred tax recognized in the statement of comprehensive income (b)	22,292.46	-2,427.80

4.10.12 Employee benefits

Employee salaries and expenses are analyzed as follows:

	31.12.2017	**31.12.2016**
A. Parent Company		
Employee salaries	15,489,872.29	14,990,922.59
Employee benefits	2,232,469.35	536,146.83
Employer contributions	3,884,978.49	3,545,717.67
Employment termination indemnities	411,387.77	143,275.34
Attendance fees of BoD members	0.00	347,049.00
Remuneration of BoD members	301,051.89	908,943.30
Total	**22,319,759.79**	**20,472,054.73**
Average number of employees	**699**	**648**

	31.12.2017	31.12.2016
B. Group		
Employee salaries	29,313,548.08	27,624,266.18
Employee benefits	2,673,317.69	968,644.81
Employer contributions	6,595,002.02	6,018,896.43
Employment termination indemnities	452,322.24	182,522.70
Attendance fees of BoD members	0.00	537,378.80
Remuneration of BoD members	940,164.49	908,943.30
Total	**39,974,354.51**	**36,240,652.23**
Average number of employees	**1,676**	**1,651**

4.10.13 Expenses per category

Expenses per category are analyzed as follows:

	31.12.2017	31.12.2016
A. Parent Company		
Cost of sales	78,796,930.58	79,104,266.93
Employee expenses	20,295,523.97	18,394,552.01
Third-party fees	2,657,595.67	2,947,249.74
Third-party benefits	3,642,273.37	3,347,978.56
Taxes – duties	1,355,626.16	1,188,566.18
Sundry expenses	28,970,511.87	32,358,717.24
Fixed asset depreciation	2,664,960.10	2,053,989.58
Continued Activities	**138,383,421.72**	**139,395,320.24**
Impairment of Subsidiary Company	0.00	0.00
Discontinued Activities	0.00	2,400,000.00
Total Activities	**138,383,421.72**	**141,795,320.24**

	31.12.2017	31.12.2016
B. Group		
Cost of sales	183,200,660.55	176,384,097.42
Employee expenses	35,184,947.10	31,541,187.37
Third-party fees	5,400,986.09	5,737,884.51
Third-party benefits	8,569,146.17	8,282,475.77
Taxes – duties	2,396,165.42	2,247,542.81
Sundry expenses	82,007,669.99	81,863,482.67
Fixed asset depreciation	3,646,977.24	3,051,504.00
Continued Activities	**320,406,552.56**	**309,108,174.55**
Discontinued Activities	0.00	2,400,000.00
Total Activities	**320,406,552.56**	**311,508,174.55**

Note: The above expenses are reduced by the amount of expenses that have been charged to the production of the parent Company and Group.

4.10.14 Financial income/expenses

Financial income/expenses		
Company	**31.12.2017**	**31.12.2016**
Interest Expense	-1,206,617.81	-1,304,387.40
Interest Income	81,427.09	80,565.95
Foreign exchange differences	20,590.85	301,769.14
Gain from sale of participations & securities	1,451,008.18	126,152.02
Loss from sale of participations & securities	-301,239.66	-90,860.65
Dividends received from subsidiaries	16,000,000.00	15,880,000.00
Impairement of goodwill	-265,130.32	0.00
Other financial income/expense	886,039.60	-2,822,659.70
Total	**16,666,077.93**	**12,170,579.36**
Group	**31.12.2017**	**31.12.2016**
Interest Expense	-1,349,425.97	-1,570,855.15
Interest Income	91,922.90	156,483.97
Foreign exchange differences	92,710.64	-303,927.19
Gain from sale of participations & securities	1,757,623.02	126,152.02
Loss from sale of participations & securities	-727,740.51	-90,871.15
Impairement of goodwill	-321,000.32	0.00
Other financial income/expense	616,361.86	-3,830,028.89
Σύνολο	**160,451.61**	**-5,513,046.40**

4.10.15 Share capital

Share Capital					
	Number of shares	**Nominal value of shares**	**Share capital**	**Share premium**	**Total**
31.12.2017	34,938,742	1.55	54,155,050.10	41,025,743.18	**95,180,793.28**
31.12.2016	34,780,982	1.55	53,910,522.10	39,373,995.98	**93,284,518.08**
31.12.2015	34,770,982	1.55	53,895,022.10	39,369,495.98	**93,264,518.08**

On September 15th 2017, the one hundred fifty seven thousand seven hundred and sixty (157,760) new common registered shares of the Company, which derived from a share capital increase due to the exercise of the Company's stock options (stock option plan) by six executive members of the Company, were subject to negotiation at the Stock Exchange of Athens in accordance with the decision of the Repeated General Meeting of the Company's shareholders of 18.07.2001 as this was modified by subsequent General Meetings as well as the Company's Board of Directors' decision dated May 31st 2017.

In total 157,760 shares of nominal value 1.55 euro per share were granted at an exercise price of 2.00 euro which corresponds to 315,520.00 euro that was paid by July 14th 2017. After the aforementioned increase, SARANTIS share capital amounts to 54,155,050.10 Euro divided into 34,938,742 registered shares, with a nominal value of 1.55 Euro each.

Therefore, the share capital change is analyzed as follows:

Share Capital			
	Number of shares	Nominal value of shares	Share capital
31.12.2016	34,780,982	1.55	53,910,522.10
Stock option	157,760	1.55	244,528.00
31.12.2017	34,938,742	1.55	54,155,050.10

4.10.16 Treasury shares

Within the year 2017, the Company acquired 877,400 own shares corresponding to 2.5% of its share capital, at a price of EUR 11.10 per share.

As of 31/12/2017, the Company held in total 1,365,800 treasury shares with an average acquisition price of EUR 9.17 per share, corresponding to 3.91% of its share capital.

4.10.17 Transitional Accounts

4.10.17.1 Asset Transitional Accounts

Company	31.12.2017	31.12.2016
Prepaid expenses	420,325.75	429,050.96
Accrued income	95,375.64	254,961.28
Total	**515,701.39**	**684,012.24**
Group	**31.12.2017**	**31.12.2016**
Prepaid expenses	578,615.67	584,756.31
Accrued income	147,353.26	468,241.18
Other transitional asset accounts	685,269.50	986,472.42
Total	**1,411,238.43**	**2,039,469.92**

4.10.17.2 Liability transitional Accounts

Company	31.12.2017	31.12.2016
Deferred income	2,641.23	83,683.75
Accrued expenses	941,926.62	579,470.68
Total	**944,567.85**	**663,154.43**
Group	**31.12.2017**	**31.12.2016**
Deferred income	183,422.33	393,487.60
Accrued expenses	1,494,750.94	1,430,162.45
Other transitional liability accounts	458,875.42	24,814.73
Total	**2,137,048.69**	**1,848,464.78**

4.10.18 Revaluation Reserve and Other

Company	31.12.2017	31.12.2016
Ordinary Reserve	3,226,953.51	3,226,953.51
Special Reserves	87,281,565.94	77,337,346.68
Extraordinary Reserves	0.00	0.00
Tax free reserves of special law provisions	3,601,874.85	3,601,874.85
Reserves for treasury shares	-12,528,912.60	-2,789,772.60
Total	**81,581,481.70**	**81,376,402.44**

Group	31.12.2017	31.12.2016
Ordinary Reserve	4,545,116.16	4,242,267.95
Special Reserves	12,852,992.74	12,369,611.21
Extraordinary Reserves	128,262.52	0.00
Tax free reserves of special law provisions	3,601,874.85	3,601,874.85
Reserves for treasury shares	-12,528,912.60	-2,789,772.60
Total	**8,599,333.67**	**17,423,981.41**

4.10.19 Tables of changes in fixed assets

4.10.19.1 Parent company

	Acquisition cost 31/12/2015	Additions	Reclassifications	Revaluation	Reductions	Write-offs	Value as at 31/12/2016
Land - fields	6,057,641.00	0.00	0.00	-332,956.14	0.00	0.00	5,724,684.86
Buildings, building facilities and technical projects	27,128,226.97	25,098.48	1,323,286.11	2,258,904.45	0.00	0.00	30,735,516.01
Investment property	203,997.02	0.00	0.00	-337.11	0.00		203,659.91
Machinery, technical installations and other equipment	10,103,784.43	467,340.91	0.00	0.00	0.00	80,337.81	10,490,787.53
Vehicles	925,528.63	4,574.99	0.00	0.00	4,491.06	0.00	925,612.56
Furniture and other equipment	8,049,084.97	838,459.44	172,476.59	0.00	159,049.45	2,338.93	8,898,632.62
Fixed assets under construction and prepayments	146,659.32	1,874,244.23	-1,495,762.70	0.00	0.00	0.00	525,140.85
Intangible assets	18,882,082.38	853,343.90	0.00	0.00	0.00	0.00	19,735,426.28
Total	**71,497,004.72**	**4,063,061.95**	**0.00**	**1,925,611.20**	**163,540.51**	**82,676.74**	**77,239,460.62**

	Depreciations 31/12/2015	Depreciations for the Period	Revaluation	Depreciations of reductions	Depreciations of write-offs	Depreciations 31/12/2016	Net book value as at 31/12/2016
Land - fields	0.00	0.00	0.00	0.00	0.00	0.00	5,724,684.86
Buildings, building facilities and technical projects	11,401,686.61	989,085.60	939,620.09	0.00	0.00	13,330,392.30	17,405,123.71
Investment property	13,513.58	0.00	0.00	0.00	0.00	13,513.58	190,146.33
Machinery, technical installations and other equipment	7,234,553.29	506,439.22	0.00	0.00	9,112.37	7,731,880.14	2,758,907.39
Vehicles	696,011.27	43,197.36	0.00	4,485.32	0.00	734,723.31	190,889.25
Furniture and other equipment	6,281,756.22	499,554.20	0.00	158,733.96	1,179.86	6,621,396.60	2,277,236.02
Fixed assets under construction and prepayments	0.00	0.00	0.00	0.00	0.00	0.00	525,140.85
Intangible assets	2,461,068.34	650,682.77	0.00	0.00	0.00	3,111,751.11	16,623,675.17
Total	**28,088,589.31**	**2,688,959.15**	**939,620.09**	**163,219.28**	**10,292.23**	**31,543,657.04**	**45,695,803.58**

It is noted that on 31/12/2016, there was a fair value estimate with regard to the land-fields, buildings and investment property of the company. The fair value estimate was conducted by a certified appraiser and according to the pertinent guidance and rules that have been set by the Royal Institution of Chartered Surveyors (RICS Valuation - Professional Standards 2014) and as they have been formed via the incorporation of the International Valuation Standards of the International Valuation Standards Council (IVSC). The method for the measurement of the fair value of the said assets is referred to and included in the Level 3.

	Acquisition cost 31/12/2016	Additions	Reclassifications	Due to absorption of subsidiary	Revaluation	Reductions	Write-offs	Value as at 31/12/2017
Land - fields	5,724,684.86	2,042,386.73	0.00	0.00	0.00	0.00	0.00	7,767,071.59
Buildings, building facilities and technical projects	30,735,516.01	49,838.86	1,952,105.38	0.00	0.00	0.00	17,028.14	32,720,432.11
Investment property	203,659.91		0.00	0.00	0.00	0.00		203,659.91
Machinery, technical installations and other equipment	10,490,787.53	1,620,557.62	343,510.00	0.00	0.00	0.00	91,478.04	12,363,377.11
Vehicles	925,612.56	0.00	0.00	28,000.00	0.00	34,939.23	0.00	918,673.33
Furniture and other equipment	8,898,632.62	1,210,384.22	300,400.65	1,170.00	0.00	105,022.56	131,873.19	10,173,691.74
Fixed assets under construction and prepayments	525,140.85	2,206,535.18	-2,596,016.03	0.00	0.00	0.00	0.00	135,660.00
Intangible assets	19,735,426.28	3,238,640.31	0.00	0.00	0.00	0.00	0.00	22,974,066.59
Total	**77,239,460.62**	**10,368,342.92**	**0.00**	**29,170.00**	**0.00**	**139,961.79**	**240,379.37**	**87,256,632.38**

	Depreciations 31/12/2016	Depreciations for the Period	Revaluation	Due to absorption of subsidiary	Depreciations of reductions	Depreciations of write-offs	Depreciations 31/12/2017	Net book value as at 31/12/2017
Land - fields	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,767,071.59
Buildings, building facilities and technical projects	13,330,392.30	1,122,638.13	0.00	0.00	0.00	16,038.07	14,436,992.36	18,283,439.75
Investment property	13,513.58	0.00	0.00	0.00	0.00		13,513.58	190,146.33
Machinery, technical installations and other equipment	7,731,880.14	620,887.61	0.00	0.00	0.00	52,475.79	8,300,291.96	4,063,085.15
Vehicles	734,723.31	34,974.79	0.00	27,999.99	11,160.34	0.00	786,537.75	132,135.58
Furniture and other equipment	6,621,396.60	657,299.73	0.00	1,169.99	104,178.32	117,383.82	7,058,304.18	3,115,387.56
Fixed assets under construction and prepayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135,660.00
Intangible assets	3,111,751.11	951,729.29	0.00	0.00	0.00	0.00	4,063,480.40	18,910,586.19
Total	**31,543,657.04**	**3,387,529.55**	**0.00**	**29,169.98**	**115,338.66**	**185,897.68**	**34,659,120.23**	**52,597,512.15**

It is noted that on 31/12/2017, there was a fair value estimate with regard to the Investment Property of the Company conducted by a certified appraiser. According to estimate there is no change compared to the previous estimate conducted in 31/12/2016.

4.10.19.2 Group

	Acquisition cost 31/12/2015	Additions	Reclassifications	Revaluation	Reductions	Write-offs	Foreign exchange differences	Value as at 31/12/2016
Land - fields	6,567,881.52	0.00	0.00	-332,956.14	0.00	0.00	18,741.88	6,216,183.50
Buildings, building facilities and technical projects	30,127,370.44	117,720.48	1,323,286.11	2,258,904.45	0.00	0.00	108,732.31	33,718,549.16
Investment property	552,466.30	0.00	0.00	-337.11	0.00	0.00	1,273.83	550,855.36
Machinery, technical installations and other equipment	18,435,712.21	3,806,073.98	-5,730.27	0.00	245,205.32	285,416.57	305,569.02	21,399,865.01
Vehicles	2,895,175.77	144,483.72	0.00	0.00	695,419.17	889.69	35,951.41	2,307,399.21
Furniture and other equipment	8,773,203.57	854,342.47	178,206.86	0.00	160,549.58	2,338.93	15,226.30	9,627,638.08
Fixed assets under construction and prepayments	315,769.43	2,385,930.52	-1,662,583.74	0.00	0.00	0.00	7,168.31	1,031,947.90
Intangible assets	39,789,463.14	1,043,741.72	166,821.04	0.00	17,019.47	0.00	166,516.29	40,816,490.14
Total	**107,457,042.37**	**8,352,292.89**	**0.00**	**1,925,611.20**	**1,118,193.55**	**288,645.19**	**659,179.37**	**115,668,928.35**

	Depreciations 31/12/2015	Depreciations for the Period	Revaluation	Depreciations of reductions	Depreciations of write-offs	Foreign exchange differences	Depreciations 31/12/2016	Net book value as at 31/12/2016
Land - fields	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,216,183.50
Buildings, building facilities and technical projects	12,149,997.34	1,076,504.92	939,620.09	0.00	0.00	27,043.66	14,139,078.68	19,579,470.48
Investment property	13,513.58	0.00	0.00	0.00	0.00	0.00	13,513.58	537,341.78
Machinery, technical installations and other equipment	12,189,659.56	1,338,258.85	0.00	165,430.26	214,191.13	157,605.84	12,990,691.19	8,409,173.82
Vehicles	2,001,728.89	240,382.73	0.00	551,440.28	286.68	22,900.29	1,667,484.37	639,914.83
Furniture and other equipment	6,807,682.63	541,477.65	0.00	160,234.09	1,179.86	12,800.47	7,174,945.85	2,452,692.24
Fixed assets under construction and prepayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,031,947.90
Intangible assets	5,667,421.75	1,197,482.89	0.00	17,019.47	0.00	49,898.51	6,797,986.66	34,018,503.48
Total	**38,830,003.75**	**4,394,107.03**	**939,620.09**	**894,124.11**	**215,657.67**	**270,248.77**	**42,783,700.33**	**72,885,228.02**

	Acquisition cost 31/12/2016	Additions	Reclassifications	Revaluation	Reductions	Write-offs	Foreign exchange differences	Value as at 31/12/2017
Land - fields	6,216,183.50	2,042,386.73	0.00	0.00	0.00	0.00	-29,825.29	8,288,395.52
Buildings, building facilities and technical projects	33,718,549.16	58,707.88	1,952,105.38	0.00	0.00	29,485.41	-175,251.34	35,875,128.34
Investment property	550,855.36	0.00	0.00	0.00	0.00	0.00	8,836.92	542,018.44
Machinery, technical installations and other equipment	21,399,865.01	2,217,944.99	809,597.91	0.00	70,812.84	186,212.76	-612,292.20	24,782,674.51
Vehicles	2,307,399.21	116,990.25	0.00	0.00	224,770.09	0.00	-38,178.61	2,237,797.98
Furniture and other equipment	9,627,638.08	1,220,937.80	300,400.65	0.00	110,478.20	135,005.93	-18,476.64	10,921,969.05
Fixed assets under construction and prepayments	1,031,947.90	2,622,051.65	-3,068,941.71	0.00	0.00	0.00	-29,271.06	614,328.90
Intangible assets	40,816,490.14	3,503,960.99	6,837.76	0.00	825.94	12,826.89	-286,407.66	44,600,043.73
Total	**115,668,928.35**	**11,782,980.28**	**0.00**	**0.00**	**406,887.06**	**363,530.99**	**-1,180,865.89**	**127,862,356.47**

	Depreciations 31/12/2016	Depreciations for the Period	Revaluation	Depreciations of reductions	Depreciations of write-offs	Foreign exchange differences	Depreciations 31/12/2017	Net book value as at 31/12/2017
Land - fields	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,288,395.52
Buildings, building facilities and technical projects	14,139,078.68	1,217,249.26	0.00	0.00	25,752.14	-46,298.74	15,376,874.54	20,498,253.81
Investment property	13,513.58	0.00	0.00	0.00	0.00		13,513.58	528,504.86
Machinery, technical installations and other equipment	12,990,691.19	1,548,930.93	0.00	69,729.10	147,210.64	-280,207.74	14,602,890.13	10,179,784.38
Vehicles	1,667,484.37	194,481.37	0.00	166,312.58	0.00	-24,477.25	1,720,130.41	517,667.56
Furniture and other equipment	7,174,945.85	695,248.52	0.00	105,023.86	120,516.56	-18,705.24	7,663,359.19	3,258,609.86
Fixed assets under construction and prepayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	614,328.90
Intangible assets	6,797,986.66	1,498,086.60	0.00	825.94	11,783.59	-78,579.23	8,362,042.97	36,238,000.75
Total	**42,783,700.33**	**5,153,996.69**	**0.00**	**341,891.48**	**305,262.93**	**-448,268.21**	**47,738,810.82**	**80,123,545.65**

4.10.20 Number of Employees

The number of employees for the Group and Company is as follows:

	Group		Company	
	01/01 - 31/12/2017	01/01 - 31/12/2016	01/01 - 31/12/2017	01/01 - 31/12/2016
Regular employees (during the presented date)	1,574	1,492	630	580
Day-wage employees (during the presented date)	102	159	69	68
Total Employees	**1,676**	**1,651**	**699**	**648**

4.10.21 Provisions for post-employment employee benefits

The liability for post employment benefits is presented in the Financial Statements according to IAS 19 and is based on an actuarial study that was carried out based on 31 December 2017.
The calculations of the study were based on the following actuarial assumptions:
a. Average annual long-term inflation rate: 2%
b. Annual Increase of Wages: 1.3%
c. Discount rate: According to guidance of IAS 19, the discount rate for the calculation of present values, and the investment of reserves must be defined prudently. In our case, this rate was set at 2.7%, in nominal terms.
d. Employee mobility: We assumed that no dismissals will occur and all employees will receive indemnity during their retirement.
e. Retirement ages and condition: According to the statutory provisions of the Main Social Insurance fund of each employee.
f. Indemnities: In application of the legal provisions of Law 4093/2012.
g. Assets for the indemnity of Law 2112/20: zero (0)
The expense for the provision for staff retirement indemnities that was recognized in the results, is as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Current Employment Service Cost	140,019.65	142,016.96	123,826.00	86,716.00
Financial cost	42,918.86	69,115.90	35,436.47	40,612.67
Actuarial Losses (Profit)	76,870.53	-8,371.72	76,870.53	-8,371.72
Total	**259,809.04**	**202,761.14**	**236,133.00**	**118,956.95**
Further Payments		-16,552.95		-16,552.95
Retirement expenses	**259,809.04**	**186,208.19**	**236,133.00**	**102,404.00**
Balance of Liability at beginning of period	**1,160,133.19**	**973,925.00**	**1,076,329.00**	**973,925.00**
Retirement expenses	**259,809.04**	186,208.19	**236,133.00**	102,404.00
Reductions due to discontinued activities		0.00		0.00
Closing Balances	**1,419,942.23**	**1,160,133.19**	**1,312,462.00**	**1,076,329.00**

A quantitative sensitivity analysis of the major assumptions as of 31st December 2017 is presented below:

Assumptions	**Discount Rate**		**Future Salary Increase**	
Sensitivity level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
	EUR	EUR	EUR	EUR
Effect on the defined Benefit obligation	-56,628	57,657	63,506	-61,625

4.10.22 Discontinued Activities

The Discontinued Activities which are depicted in the Statement of Comprehensive Income and the Cash Flow Statement of the Company and the Group during 2016 and account for EUR 5.23 million, refer to provisions for doubtful receivables from the business activity of Marinopoulos S.A.(2.4 mil. euros) and impairment from financial assets (2.83 mil. euros).

4.10.23 Legal Cases

There are no pending or under arbitration legal cases and decisions by judicial or arbitration bodies which may significantly affect the financial statements of the Group and the Company, apart from the case of Marinopoulos S.A., where the Company has a claim of 2.4 million euros.

4.10.24 Contingent Liabilities

In December 2016, a hearing took place in front of the Competition Committee with regard to the officio investigation carried out by the General Directorate of Competition concerning the market of cosmetics characterized by high quality and price. The investigation took place in order to detect any violation of articles 1, 2 and 2a of Law 703/1977. The decision of the Committee with number 646/2017 which calls for a penalty of € 1,939,849.41 was presented to our company on October 4, 2017. Following a relevant decision, the Company has proceeded with an appeal in front of the Administrative Court of Appeals in Athens. At the same time, the Company submitted a petition with regard to the revocation of the execution of the decision. The Administrative Court of Appeals in Athens has accepted the above petition based on its decision 149/2017, which was announced to the Company on 29/12/2017. The Court viewed as highly probable the positive outcome of the appeal due to the lapse of time for the validity of the case, therefore it granted a revocation of the execution with regard to the above decision made by the Competition Committee until the hearing of appeal and without any conditions. The appeal is scheduled to be heard before the Administrative Court of Appeals of Athens on 26/04/2018.

With regard to the penalty imposed by the Competition Committee on the Associated Company ESTEE LAUDER HELLAS S.A., according to the Competition Committee Decision (646/2017) a penalty of 5,400,000.00 Euros was imposed on the above mentioned company. The lawyers of this company have already filed an appeal before the Administrative Court of Appeal in Athens against the decision, which has been determined for 26/4/2018. The petition with regards to the revocation of the execution of the decision has also been accepted by Decision No 13/2018 of the Administrative Court of Appeal of Athens.

For all the above reasons, the management of the Group did not proceed with the recognition of any provisions according to IAS 37, on both 31.12.206 and 31.12.2017.

4.10.25 Events after the Balance Sheet Date

- There are no events after the balance sheet date that may significantly affect the financial statements and the On 11/01/2018, Sarantis Group announced the acquisition of the cosmetics products INDULONA with significant presence in Slovakia and Czech Republic. More specifically, Sarantis Group signed an agreement for the purchase of 100% of the share capital of the Company SANECA TRADE S.R.O, as well as of its Czech subsidiary SANECA TRADE CZ S.R.O.. INDULONA products are being distributed through the above companies in the markets of Slovakia and Czech Republic.
- On March 23rd 2018 Sarantis Group announced that it has entered into an agreement to acquire ERGOPACK GROUP in Ukraine. More specifically, GR. Sarantis Cyprus Ltd, a 100% subsidiary of GR. SARANTIS S.A., signed an agreement for the acquisition of 90% of the share capital of the Ukrainian company Ergopack LLC. The acquisition is subject to customary closing conditions and the approval of the Antimonopoly Committee. Ergopack is involved in the production and distribution of household products, with the major categories being Garbage Bags, Food Packaging and Cleaning items for the Household.

4.10.26 Intra-Group Transactions

Period : 01/01-31/12/2016

Sales / Purchases & Other Income / Expenses	Gr. Sarantis S.A.	Sarantis Banja Luka D.O.O.	Sarantis Romania S.A.	Sarantis Bulgaria LTD	Sarantis Belgrade D.O.O.	Sarantis Skopje D.O.O.	Polipak Sp. Z.o.o.	Sarantis Polska S.A.	Sarantis Czech Republic sro	Sarantis Hungary Ktf.	Arpina S.A.	Sarantis Portugal	Grand Total
Gr. Sarantis S.A.		3,088.34	4,840,568.13	1,661,603.52	2,147,503.26	536,284.70		6,436,607.81	3,817,100.28	1,022,637.31	-1,568.41	456,852.79	**20,920,677.73**
Sarantis Romania S.A.	90,078.87			9,818.82	9,784.56	3,420.36		24,862.55	4,343.16				**142,308.33**
Gr.Sarantis Cyprus LTD			2,849.32		79,500.00					40,200.00			**122,549.32**
Sarantis Skopje D.O.O.			130,179.02		15,473.17								**145,652.19**
Sarantis Banja Luka D.O.O.					6,235.32	823.84							**7,059.16**
Sarantis Bulgaria LTD	402,964.65	4,313.49	12,139.58		2,875.66			1,585.45					**423,878.83**
Sarantis Czech Republic sro	12,875.36		21,785.66	1,249.19	16,464.53			96,498.65		4,838.34			**153,711.73**
Sarantis Belgrade D.O.O.	137,428.80	468,841.51	145,440.92	32,524.32		987,624.41		38,248.64	3,158.19	20,213.18		7,229.69	**1,840,709.67**
Sarantis Polska S.A.	488,319.80		1,943,954.62	569,077.49	2,231,406.36		52,306.27		1,239,145.51	2,012,430.12		65,390.31	**8,602,030.50**
Thrace - Sarantis S.A.	144,219.26												**144,219.26**
Sarantis Hungary Ktf.	40,822.49				9,883.72			5,634.68					**56,340.88**
Sareast Consumer Products Trading LTD	22,120.13												**22,120.13**
Astrid TM A.S.									264,170.18				**264,170.18**
Polipak Sp. Z.o.o.	2,101,722.11							4,306,209.79	502,122.16	123,150.69			**7,033,204.75**
Total	**3,440,551.48**	**476,243.34**	**7,096,917.25**	**2,274,273.35**	**4,519,126.58**	**1,528,153.31**	**52,306.27**	**10,909,647.57**	**5,830,039.47**	**3,223,469.64**	**-1,568.41**	**529,472.79**	**39,878,632.64**

Period : 01/01-31/12/2017

Sales / Purchases & Other Income / Expenses	Gr. Sarantis S.A.	Sarantis Banja Luka D.O.O.	Sarantis Romania S.A.	Sarantis Bulgaria LTD	Sarantis Belgrade D.O.O.	Sarantis Skopje D.O.O.	Polipak Sp. Z.o.o.	Sarantis Polska S.A.	Sarantis Czech Republic sro	Sarantis Hungary Ktf.	Sarantis Portugal	Grand Total
Gr. Sarantis S.A.		2,540.62	4,508,378.69	1,819,685.50	1,994,065.77	512,887.07	21,969.41	5,098,608.96	3,128,647.45	905,737.92	803,853.14	**18,796,374.53**
Sarantis Romania S.A.	71,742.08	425.82		464.05	22,840.13	5,942.94			12,440.46			**113,855.47**
Gr.Sarantis Cyprus LTD			2,958.90		79,500.00				9,698.63	40,200.00		**132,357.53**
Sarantis Skopje D.O.O.			65,095.89		2,105.97			80,547.95				**147,749.81**
Sarantis Banja Luka D.O.O.												**0.00**
Sarantis Bulgaria LTD	327,007.81		7,409.53					2,536.84	4,575.33			**341,529.51**
Sarantis Czech Republic sro	50,864.31		9,762.72		619.76			83,655.20				**144,901.99**
Sarantis Belgrade D.O.O.	28,665.24	431,090.80	3,857.36	1,550.41		728,395.07		31,422.88				**1,224,981.76**
Sarantis Polska S.A.	346,917.78		2,196,033.72	704,154.93	2,445,861.38		111,073.68		1,080,817.23	2,041,054.82	75,748.32	**9,001,661.87**
Thrace - Sarantis S.A.												**0.00**
Sarantis Hungary Ktf.	18,365.66				606.26				441.22			**19,413.13**
Waldeck LTD	22,059.70											**22,059.70**
Sareast Consumer Products Trading LTD												**0.00**
Sarantis Portugal	80,588.68											**80,588.68**
Astrid TM A.S.									282,865.46			**282,865.46**
Polipak Sp. Z.o.o.	2,666,493.36							5,283,770.16	457,829.80	202,178.08		**8,610,271.40**
Total	**3,612,704.63**	**434,057.23**	**6,793,496.81**	**2,525,854.89**	**4,545,599.26**	**1,247,225.07**	**133,043.09**	**10,580,542.00**	**4,977,315.58**	**3,189,170.82**	**879,601.46**	**38,918,610.85**

Period : 01/01-31/12/2016

Receivables / Liabilities	Gr. Sarantis S.A.	Sarantis Banja Luka D.O.O.	Zetafin LTD	Zeta Cosmetics LTD	Waldeck LTD	Sarantis Belgrade D.O.O.	Sarantis Bulgaria LTD	Sarantis Romania S.A.	Sarantis Czech Republic sro	Sarantis Polska S.A.	Elode France SARL	Sarantis Portugal	Arpina S.A.	Grand Total
Gr. Sarantis S.A.							81,292.91	1,763,046.90	787,864.15	680,262.68	12,849.52	1,014,675.40	138,721.61	**4,932,987.40**
Thrace - Sarantis S.A.	773.32													**773.32**
Zetafin LTD					6,394.92									**6,394.92**
Sarantis Polska S.A.	199,911.84						158,326.11	346,140.04	66,472.11			14,191.38		**4,266,027.16**
Sarantis Czech Republic sro	12,875.80							14,735.28		79,872.93				**107,484.01**
Sarantis Belgrade D.O.O.	1,243,881.97	67,858.54						32,148.90		382,491.21				**1,726,380.62**
Sarantis Romania S.A.							-15,982.00		2,676.48					**-13,305.52**
Sarantis Bulgaria LTD	37,023.31							4,437.00		1,585.45				**43,045.76**
Waldeck LTD	527,985.96													**527,985.96**
Gr.Sarantis Cyprus LTD			5,950.00	8,178.90	8,611.08	79,500.00								**142,439.98**
Polipak Sp. Z.o.o.	514,239.32								63,896.40	1,040,360.04				**1,630,715.62**
Sarantis Skopje D.O.O.	516,564.82					208,388.47								**724,953.29**
Astrid TM A.S.									282,800.33					**282,800.33**
Sarantis Hungary Ktf.	40,059.52					1,529.85				4,826.64				**46,416.01**
Total	**3,093,315.86**	**67,858.54**	**5,950.00**	**8,178.90**	**15,006.00**	**289,418.32**	**223,637.02**	**2,160,508.12**	**1,203,709.47**	**2,189,398.95**	**12,849.52**	**1,028,866.78**	**138,721.61**	**14,425,098.86**

Period : 01/01-31/12/2017

Receivables / Liabilities	Gr. Sarantis S.A.	Sarantis Banja Luka D.O.O.	Astrid TM A.S.	Waldeck LTD	Sarantis Belgrade D.O.O.	Sarantis Bulgaria LTD	Sarantis Skopje D.O.O.	Sarantis Romania S.A.	Sarantis Czech Republic sro	Polipak Sp. Z.o.o.	Sarantis Hungary Ktf.	Sarantis Portugal	Grand Total
Gr. Sarantis S.A.						110,767.17		1,400,510.80		37,729.84	210,465.04	1,023,944.27	**3,341,627.61**
Thrace - Sarantis S.A.													**0.00**
Zetafin LTD				6,394.92									**6,394.92**
Sarantis Polska S.A.	67,846.48					133,622.05		491,170.24	21,534.20	3,266,418.65	241,441.87	7,364.00	**4,229,397.49**
Sarantis Czech Republic sro	374,931.28												**380,956.13**
Sarantis Belgrade D.O.O.	1,522,428.03	73,191.00					63,499.42						**2,014,426.75**
Sarantis Romania S.A.					2,959.63		3.48		935.62				**3,898.74**
Sarantis Bulgaria LTD								15,982.00					**15,982.00**
Waldeck LTD	547,239.69												**547,239.69**
Gr.Sarantis Cyprus LTD			8,859,698.63	13,999.08	79,500.00						40,200.00		**8,993,397.71**
Polipak Sp. Z.o.o.	538,589.71								65,349.20		21,868.41		**1,611,282.40**
Sarantis Skopje D.O.O.	708,623.45												**708,623.45**
Astrid TM A.S.									268,186.37				**268,186.37**
Sarantis Hungary Ktf.	18,365.66				603.00								**18,968.66**
Sarantis Portugal	80,588.68												**80,588.68**
Sarantis France	60,792.76												**60,792.76**
Total	**3,919,405.74**	**73,191.00**	**8,859,698.63**	**20,394.00**	**83,062.63**	**244,389.22**	**63,502.90**	**1,907,663.04**	**356,005.39**	**3,304,148.49**	**513,975.32**	**1,031,308.27**	**22,281,763.36**

All transactions (income and expenses) cumulatively from the beginning of the financial year as well as the balances of receivables and liabilities of the Company and the Group at the end of the period that have resulted from their transactions with related parties, as such are defined by IAS 24, are as follows:

TABLE OF DISCLOSURE OF RELATED PARTIES		
	Group	**Company**
a) Income	0.00	18,796,374.53
b) Expenses	0.00	3,612,704.63
c) Receivables	0.00	3,341,627.61
d) Liabilities	0.00	3,919,405.74
e) Transactions and remuneration of senior executives and management	2,574,703.10	1,935,590.50
f) Receivables from senior executives and management	79,889.94	0.00
g) Liabilities towards senior executives and management	0.00	0.00
h) Receivables from affiliates	1,549,841.09	0.00

4.10.27 Business Unit and Geographical Analysis

4.10.27.1 Breakdown by Business Unit

Consolidated Turnover Breakdown

SBU Turnover (€ mil)	***FY '17***	***%***	***FY '16***
Cosmetics	**164.10**	**5.44%**	**155.64**
% of Total	**47.82%**		**47.30%**
Own	107.25	4.27%	102.86
% of SBU	65.35%		66.09%
Distributed	56.85	7.72%	52.78
% of SBU	34.65%		33.91%
Household Products	**120.30**	**2.06%**	**117.87**
% of Total	**35.06%**		**35.82%**
Own	119.52	5.15%	113.67
% of SBU	99.35%		96.44%
Distributed	0.78	-81.43%	4.20
% of SBU	0.65%		3.56%
Private Label	**16.06**	**2.87%**	**15.62**
% of Total	**4.68%**		**4.75%**
Other Sales	**42.70**	**7.01%**	**39.90**
% of Total	**12.44%**		**12.13%**
Health Care Products	10.45	1.67%	10.27
% of SBU	24.46%		25.75%
Selective	32.25	8.87%	29.62
% of SBU	75.54%		74.25%
Total Turnover	**343.16**	**4.30%**	**329.02**

Consolidated EBIT Breakdown *

SBU EBIT (€ mil)		*FY '17*	*%*	*FY '16*
Cosmetics		**11.06**	16.66%	**9.48**
	Margin	6.74%		6.09%
	% of EBIT	32.06%		30.08%
Own		8.65	10.99%	7.79
	Margin	8.06%		7.57%
	% of EBIT	25.06%		24.71%
Distributed		2.42	42.78%	1.69
	Margin	4.25%		3.21%
	% of EBIT	7.00%		5.37%
Household Products		**11.07**	-2.35%	**11.33**
	Margin	9.20%		9.62%
	% of EBIT	32.08%		35.96%
Own		11.23	-0.32%	11.27
	Margin	9.40%		9.91%
	% of EBIT	32.55%		35.74%
Distributed		-0.16	-341.53%	0.07
	Margin	-20.88%		1.61%
	% of EBIT	-0.47%		0.21%
Private Label		**0.98**	195.81%	**0.33**
	Margin	6.11%		2.12%
	% of EBIT	2.84%		1.05%
Other Sales		**3.57**	16.44%	**3.07**
	Margin	8.36%		7.68%
	% of EBIT	10.34%		9.72%
Health Care Products		**1.28**	12.50%	**1.13**
	Margin	12.21%		11.03%
	% of EBIT	3.70%		3.60%
Selective		**2.29**	18.75%	**1.93**
	Margin	7.11%		6.52%
	% of EBIT	6.65%		6.13%
Income from Associated Companies		**7.82**	7.07%	**7.31**
	% of EBIT	22.68%		23.19%
Total EBIT		**34.51**	9.47%	**31.52**
	Margin	**10.06%**		**9.58%**

4.10.27.2 Geographical Breakdown

Consolidated Turnover Analysis

Country Turnover (€ mil)	*FY '17*	*%*	*FY '16*
Greece	**122.18**	**2.02%**	**119.76**
% of Total Turnover	**35.61%**		**36.40%**
Poland	62.16	-1.33%	63.00
Poland - Polipak	16.06	2.87%	15.62
Romania	63.44	12.68%	56.30
Bulgaria	15.59	7.70%	14.48
Serbia	17.59	4.36%	16.85
Czech Republic	23.69	9.55%	21.62
Hungary	12.51	5.35%	11.88
FYROM	4.19	2.46%	4.09
Bosnia	2.87	4.24%	2.76
Portugal	2.87	7.65%	2.67
Foreign Countries Subtotal	**220.97**	**5.60%**	**209.26**
% of Total Turnover	**64.39%**		**63.60%**
Total Turnover	**343.16**	**4.30%**	**329.02**

Consolidated EBIT Breakdown *

Country EBIT (€ mil)	*FY '17*	*%*	*FY '16*
Greece	**20.44**	**9.37%**	**18.68**
% of Total Ebit	**59.23%**		**59.28%**
Poland	3.29	3.97%	3.17
Poland-Polipak	0.98	195.81%	0.33
Romania	4.70	15.79%	4.06
Bulgaria	1.62	-3.92%	1.68
Serbia	1.58	-3.05%	1.62
Czech Republic	1.46	10.75%	1.32
Hungary	0.08	-44.69%	0.14
FYROM	0.61	-6.82%	0.65
Bosnia	-0.09	-30.58%	-0.07
Portugal	-0.15	-115.28%	-0.07
Foreign Countries Subtotal	**14.07**	**9.60%**	**12.84**
% of Total Ebit	**40.77%**		**40.72%**
Total EBIT	**34.51**	**9.47%**	**31.52**

*Note

Comparable financial figures. Explanations given in the paragraph "Alternative Performance Measures".

Marousi, 27 March 2018

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN	THE FINANCIAL DIRECTOR & BOARD MEMBER	THE HEAD ACCOUNTANT
GRIGORIS SARANTIS	**KYRIAKOS SARANTIS**	**KONSTANTINOS ROZAKEAS**	**VASILIOS D. MEINTANIS**
ID No. X 080619/03	ID No. AI 597050/2010	ID No. AK 783631/13	ID No. AB 656347/06