GR. SARANTIS S.A.

ANNUAL FINANCIAL REPORT

Of the year from 1st January to 31st December 2019

GR. SARANTIS S.A.

G.E.M.I. 255201000

26 Amarousiou-Halandriou, 15125 Marousi, Athens

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 April 1st 2020. It is uploaded on the internet, on the website: www.sarantisgroup.com

CONTENTS

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 2019 (from 1 January 2019 to 31 December 2019), 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 S.A. as well as those of the companies included in the consolidation, considered as a whole.

Furthermore, we declare that to our knowledge, the annual management 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, April 1st 2020

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

FOR THE YEAR 01.01.2019 – 31.12.2019

SARANTIS

Great brands for everyday

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 2019

2.1 INTRODUCTION

The present Annual Report by the Board of Directors which follows (hereinafter the "Report") refers to the financial period 01.01.2019 - 31.12.2019. 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 Law 4548/2018.

The Report, along with the financial statements of "GR. SARANTIS S.A." (hereafter the "Company"), includes to their entirety all the other elements and statements required by the law in the annual financial report for the period 1.1.2019-31.12.2019.

The present report briefly presents the Company's financial information for financial year 2019, 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 within the report, 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 (company 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 not publicly traded are being presented on the following address: https://ir.sarantis.gr/el/subsidiariesisol/financial-accounts-of-subsidiaries

The Consolidated and Company Financial Statements were compiled according to the International Financial Reporting Standards (I.F.R.S.), as these have been adopted by the European Union (E.U.).

2.2 PERFORMANCE AND FINANCIAL POSITION

During 2019 the consolidated turnover amounted to €370.07 mil. from €344 mil. in FY 2018, up by 7.58%, supported on the one hand by successful new product launches and new businesses added, which are combined with an efficiently executed and well balanced communication plan, and on the other hand by the Group's successful commercial approach across all distribution channels across the Group's countries.

- Greek sales, presented accelerated growth throughout the year, amounting to €126.21 mil. in FY 2019 compared to €116.71 mil. last year, posting an increase of 8.14%.
- The foreign countries, that contributed 65.90% in the Group's turnover, exhibited growth of 7.29% reaching €243.86 mil. in FY 2019 from €227.29 million in FY 2018.

The Group's commitment behind continued productivity improvement, increasing operating leverage and exploiting synergies behind acquisitions resulted in significant profitability growth.

- EBITDA * was up by up by 16.50% to € 54.75 mil. from €46.99 mil. in FY 2018, with an EBITDA margin of 14.79% from 13.66% in FY 2018.
- EBIT reached reached € 43.84 mil. increased by 8.05% versus €40.57 mil. and EBIT margin stood at 11.85% from 11.79% in FY 2018.
- EBT settled settled at €45.46 mil. from €38.78 mil., increased by 17.21%, with the EBT margin reaching 12.28% from 11.27% last year.
- Net Profit reached €38.01 mil. from €32.54 mil. in the previous year, up by 16.81%, while Net Profit margin settled at 10.27% from 9.46% in FY 2018.

*Alternative Performance Measures as defined in paragraph 2.42 of the Group's Financial Report.

Sarantis Group exhibits a healthy financial position, supported by the improving profitability of the business and balanced capital expenditure. The strong cash generated by the business is invested behind initiatives to accelerate growth, either organically or through acquisitions, and to return value to its shareholders.
2019 was another active year in terms of investments behind growth.
Apart from investments behind the active portfolio management and new product development, focus was also given, to the optimization and modernization of the supply chain and production processes across the Group. This is of strategic importance for the scale of the business and a key driver of the Group's further geographical expansion, which involves, amongst others, the existing as well as the new territory where the Group entered through the acquisition of Ergopack (Ukraine and CIS countries).
To this end, a significant project completed within 2019 worth to mention is the expansion of the Group's production plant at Oinofota, Greece, which involves the expansion of the manufacturing and packaging equipment and the improvement in the production processes.
Key to the Group's further strengthening in the Polish cosmetics market was the acquisition of the Polish cosmetics brand LUKSJA which was finalized at the end of February of 2020.

It is worth to note that a new investment in the subsidiary company Polipak is under-way that will lead to a more automated production process. The cost of this project for the following years and until it is completed is estimated at approximately € 20 million.

Within 2019, the Group paid a dividend for FY 2018 of approximately €10 mil. (0.14311 euros per share).
As of the end of 2019 the Group maintains a net debt position of €8.45 mil. vs a net debt position of €11.53 mil. at the end of 2018.
The Board of Directors will propose at the AGM of 2020 a dividend payment of 0.16048 euro per share, amounting to 11.2 mil. Euros .

In terms of the business unit analysis, Cosmetics sales were up by 5.34% yoy to €159.62 mil. in FY 2019 from €151.53 mil. in FY 2018, supported by growth in the distributed brands portfolio, that increased by 10.70% and the positive performance of the own brands. Cosmetics participation to total Group turnover stood at 43.13%.
Sales of Household Products increased by 8.95% amounting to €142.15 million from €130.46 million in the previous year, supported by the own brands subcategory that increased by 9.23%. The category's participation to total Group turnover amounted to 38.41%.
The category "Private Label" represents sales of Polipak, the Polish packaging products company, which specializes on the production of private label garbage bags. Sales of this category exhibited a 11.26% increase in FY 2019 amounting to €20.70 mil. from €18.61 mil. in FY 2018.
The category of Other Sales was up in sales by 9.69%, driven mostly by the sales in the Selective category that increased by 15.42%.

As for the operating income analysis by business unit, Cosmetics EBIT decreased by 5.22% in FY 2019 to €11.56 million from €12.20 million in the previous year, driven by the own cosmetics subcategory. The margin of Cosmetics stood at 7.24% in FY 2019. The EBIT of Household Products posted an increase of 8.42% during FY 2019 to €14.42 million from €13.30 million in FY 2018, driven by the own brands subcategory that was up by 8.57%. The EBIT margin of the household products stood at 10.14% during FY 2019 and their participation to total Group EBIT settled at 32.89% in FY 2019.
The EBIT of the Other Sales category was up to € 4.34 mil. from € 4.17 mil., up by 3.87%, driven by the Selective products subcategory.
The income from Associated Companies represents the income from the Estee Lauder JV that stood at €12.06 mil. up by 13.06% vs last year.

As far as the geographical analysis is concerned, Greek sales, presented accelerated growth throughout the year, amounting to €126.21 mil. in FY 2019 compared to €116.71 mil. last year, posting an increase of 8.14%.
The foreign countries, that contributed 65.90% in the Group's turnover, exhibited growth of 7.29% reaching €243.86 mil. in FY 2019 from €227.29 million in FY 2018. On a currency neutral basis, that is without the FX devaluation effect, Foreign Countries sales were up by 6.90% in FY 2019.
Furthermore, the Greek EBIT during FY 2019 increased by 13.82% to €25.61 mil., from €22.50 mil. in FY 2018.
Excluding the income from Associated companies, Greek EBIT during FY 2019 amounted to €13.56 mil. up by 3.78% compared to €13.07 mil. last year.
Greek EBIT margin, excluding income from Associated Companies, stood at 10.74% during FY 2019 from 11.20% in FY 2018.
The foreign countries EBIT was up by 0.86% during FY 2019, amounting to €18.22 mil. from 18.07 mil. last year. The foreign countries EBIT margin settled at 7.47% from 7.95% last year.

It is noted that:
- The breakdown business unit and by geographical region is presented in detail in section 4.10.31 "Business Units and Geographical Analysis Tables".
- References to sales in Greece are made at Group level, that is, having eliminated intra-group transactions.
- References to the EBIT of Greece, as well as to the EBIT of the other countries, relate to the operating profitability as monitored by the management in order to serve the evaluation of the performance and to make a more efficient decision-making.

2.3 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2019

- Following the General Shareholders Meeting resolution dated June 18th 2019, the company GR. SARANTIS S.A. announced the distribution of dividend payment for the fiscal year 2018 amounting to 0.14311 euro per share.
  According to the legislation in force, the dividend corresponding to the company's 2,731,600 treasury shares was applied to the dividend paid out to the other shareholders and hence the dividend was increased to 0.14893 euro per share.
  The aforementioned dividend amount was subject to a 10% withholding tax and therefore shareholders received a net amount of 0.134037 euro per share.
  July 24th 2019 was set as the ex-dividend date, while the entitled shareholders were those registered in the Dematerialized Securities System on July 25th 2019 (Record date).
  The dividend payment took place on Wednesday, July 31st 2019 via the National Bank of Greece through the authorized operators of the beneficiary shareholders registered with the D.S.S.

- Sarantis Group announced on July 30th 2019 that it has signed an agreement with Coty for the representation and distribution of Coty Luxury Cosmetics brands in the Greek selective market, starting from 1st September 2019.
  The agreement involves the representation and distribution of the following brands:
  BALENCIAGA, BOTTEGA VENETA, BURBERRY, CALVIN KLEIN, CHLOE, DAVIDOFF, ESCADA, GUCCI, HUGO BOSS, JIL SANDER, JOOP, LACOSTE, LANCASTER, MARC JACOBS, MIU MIU, NIKOS, PHILOSOPHY, ROBERTO CAVALLI, STELLA MCCARTNEY, and TIFFANY & CO.
  The cooperation with COTY reflects the position of Sarantis Group as a supplier within the mass and the selective market.
  It is noted that no cost was assumed by Sarantis Group for this agreement.
  Through the deal that is fully aligned with its growth strategy, Sarantis Group strengthens its product portfolio in the Greek market, supporting further at the same time its turnover and profitability in the selective distribution channel.

- Sarantis Group announced on July 30th 2019 the extension of its agreement with Estee Lauder Companies Inc. regarding ELCA Cosmetics Ltd. ELCA Cosmetics Ltd ("ELCA"), is a joint venture created in 2001 for the sale and distribution of beauty products in Greece, Romania, Bulgaria and Cyprus (the "Territory"). ELCA is owned by Sarantis Group (the "Group") which holds a 49% interest in the joint venture and The Estée Lauder Companies Inc. ("EL") which holds the remaining 51% interest.
  ELCA is based in Cyprus and fully owns the subsidiary companies ESTEE LAUDER HELLAS S.A., ESTEE LAUDER BULGARIA EOOD and ESTEE LAUDER ROMANIA Srl., based in Greece, Bulgaria and Romania respectively.

The Group and EL have agreed to amend the Shareholders Agreement governing ELCA to extend the term of the arrangement from June 30, 2021 to June 30, 2028. The parties have also agreed to expand the Territory to include Moldova.
Based on the new agreement, EL will have the right to increase its interest in ELCA to 100% by purchasing shares held by the Group, including the right to increase its stake based on the financial statements of ELCA at June 30th 2021, June 30th 2024 and June 30th 2027 for the 9%, 25% and 15% respectively.

The Group's strategy with respect to the aforementioned extension will be based on:
1. Utilizing the liquidity that will be created during the period 2021-2027, in order to further support the Group's investment plan.
This involves acquisitions that satisfy the Group's criteria and are able to provide synergies, contribute to profitability, as well as provide added value to the shareholders.
2. Absorbing new distribution agreements, which will further strengthen the Group's product portfolio.

As always, the Group's Management remains committed to its strategic priorities for the future focusing on the development of new products, geographical expansion, increasing economies of scale, cost improvement and acquisitions with the ultimate goal to create added value for its shareholders.

- Sarantis Group announced on August 13th 2109 that it completed the acquisition of LUKSJA, a Polish cosmetics brand specializing in the personal care products category.
  More specifically, Sarantis Group signed an agreement for the acquisition of the LUKSJA trademark that until now belonged to the company PZ Cussons Plc. The acquisition was approved by the Antimonopoly Committee and completed at the end of February of 2020.
  LUKSJA is an award winning cosmetics brand boasting a 30-year history of successful presence in the Polish bath and shower market. LUKSJA holds the leading position in the branded bar soap, liquid soap, hand wash and bath foam categories.
  LUKSJA products are highly recognized in the market for their high quality, unique fragrances and the constant new product development pipeline that addresses consumer needs and trends.
  LUKSJA's FY 2018 sales amounted to 16 mil. euros.
  The acquisition cost amounted to 9.222 million GBP and will be funded through own cash.
  As part of the deal, Sarantis Group will act as a distributor for other brands of PZ Cussons currently sold in CEE, including Morning Fresh, Carex, Original Source, etc. The estimated sales from the distribution business amounts to 6 mil. euros.
  It is noted that no cost was assumed by Sarantis Group for the distribution business.
  This acquisition, completely aligned with the Group's strategic growth plan, is a great fit within the Group's portfolio and reinforces its position as a leading consumer products company, supporting further the Group's geographical footprint in its territory. Moreover, LUKSJA offers numerous expansion opportunities by leveraging its strong brand equity to diversify into adjacent subcategories of the personal care market.

- The Cross Border Merger between GR.SARANTIS S.A.and GR SARANTIS CYPRUS LIMITED was completed in Devember 30th 2019. The management of the societe anonyme company under the name GRIGORIS SARANTIS INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, APPAREL, HOUSEHOLD AND PHARMACEUTICAL PRODUCTS SOCIETE ANONYME informed the investors about the completion of the Cross Border Merger between: a) the Greek societe anonyme company under the name "GRIGORIS SARANTIS INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, APPAREL, HOUSEHOLD AND PHARMACEUTICAL PRODUCTS SOCIETE ANONYME", with General Commercial Registry (G.E.M.I.) number 000255201000, based in the Municipality of Maroussi, Attica, at 26 Amaroussiou-Chalandriou Street (the absorbing company), and b) the Cypriot limited liability company named "GR. SARANTIS CYPRUS LIMITED", which is a wholly owned (100%) subsidiary of the absorbing company, based in Nicosia, Cyprus, at 10 Skopa Street, TRIBUNE HOUSE, 1075, registered with the Department of Registrar of Companies and Official Recipient under number HE 168379 (the absorbed company), through the absorption of the latter by the former, in accordance with the provisions of Law 3777/2009, Articles 7-21 and 30-35 of Law 4601/2019 and Article 54 of Law 4172/2013, as applicable, as well as the provisions of the Cypriot Corporate Law (Chapter 113) Article 201Θ - 201ΚΖ.
  The aforementioned cross-border merger was approved by the decision no. 135913/30.12.2019 of the head of the Companies Division of the Supervision Department for Listed SAs and Athletic SAs, of the Market General-Directorate, General Secretariat for Trade and Consumer Protection, Ministry of Development and Investment (Web Publication no: ΩΕ3946ΜΤΛΡ-ΝΙ7), registered on 30.12.2019 with the General Commercial Registry (G.E.MI.) under Code Registration Number 2034296.

2.4 MAJOR RISKS AND UNCERTAINTIES FOR 2020.

The Group is exposed to financial and other risks, including the unforeseen 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

Credit risk is the risk that a counterparty will cause the Group and the Company to suffer a financial loss because of the obligation to settle the liabilities. The maximum credit risk to which the Group and the Company are exposed at the date of the preparation of the financial statements is the book value of their financial assets.
Financial assets classified as at fair value through profit or loss are viewed not to expose the Group and the Company to material credit risk.
The greater part of the risk is found in the event that the debtor - customer of the Group may default on contractual obligations resulting in material loss to the Group. The Group's receivables come from wholesale, while a large part of its receivables come from large customers. The financial position of the customers is continuously monitored by the Group companies, which both control the amount of credit provisions and the credit limits of the accounts and, on the other hand, try to effectively manage the receivables before they become overdue but also when they become overdue or doubtful. Where necessary, additional collateral is required with guarantees.
In order to monitor credit risk, customers are grouped according to the category they belong to, their credit risk characteristics, the maturity of their receivables and any previous problematic receivables that they have demonstrated, taking into account future factors as well as the economic environment.
The Group and the Company apply the simplified approach of IFRS 9 for the calculation of expected credit losses and recognize impairment losses for expected credit losses for all financial assets other than those measured at fair value through profit or loss.

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 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.

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 solid, product-centric, consumer-oriented business model, which focuses on product quality, commercial excellence in all its distribution channels, cost efficiencies and synergies, generated added value for our shareholders and the fuel for further investments behind growth. This reflects the management's capability in staying ahead of a very competitive operating landscape and growing the business while implementing its investment plan.

The Group's strategic priorities for 2020 and the near future are as always focus on driving further top-line growth, both organically and through new businesses added, while expanding our geographical footprint, emphasis behind cost efficiencies, economies of scale and benefits from synergies and operating leverage.
In addition, key drivers to the Group's further future growth remain the disciplined cash management as well as the reinvestment of the free cashflow to support our business and return value to all stakeholders.
This is expected to bring accelerated top line growth and further improvement on profit margins, ultimately increasing further the Group's footprint in the region of its operation.

In light of the COVID-19 pandemic, which poses a serious global challenge with an uncertain evolution, Sarantis Group has enabled precautionary measures and an action plan to ensure its uninterrupted business continuity across all functions, as well as the safety of its employees and society.

Even though visibility is low at the moment, the management estimates that, after this period of disturbance, consumption will return to normal levels. In addition, the Group's strong capital base, low net debt and strong cash flows, provide safety and the support necessary to mitigate any potential negative effects.
The management remains confident in the Group's abilities to overcome the challenges and, having as a main priority to ensure our business continuity and the safety of our employees and the society, will follow consistently the Group's strategic expansion plan.

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	31.12.2019	31.12.2018
Sarantis Belgrade D.O.O	79,500	0
Sarantis Banja Luca DOO	23,800	0
Sarantis Bulgaria LTD	163,656	108,171
Sarantis Romania S.A.	392,248	814,636
Sarantis Polska S.A.	1,092,462	426,494
Sarantis Czech Republic sro	1,049,344	763,938
Polipak SP.Z.O.O.	38,692	7,460
Sarantis Hungary Kft.	182,992	274,109
Sarantis Portugal LDA	1,229,076	1,142,773
Sarantis Slovakia S.R.O	164,378	0
Elode France SARL	22,826	19,506
Ergopack LLC	266,428	0
Total	**4,705,401**	**3,557,085**

Receivables from loans	31.12.2019	31.12.2018
Ergopack LLC	7,131,128	0
Total	**7,131,128**	**0**
Grand Total Receivables	**11,836,529**	**3,557,085**

Trade Liabilities	31.12.2019	31.12.2018
Sarantis Belgrade D.O.O	993,074	1,647,316
Sarantis Skopje D.O.O	996,596	902,108
Sarantis Polska S.A.	388,312	246,879
Sarantis Czech Republic sro	0	399
Polipak SP.Z.O.O.	477,778	454,131
Sarantis Hungary Kft.	0	670
Sarantis France SARL	53,868	57,181
Total	**2,909,627**	**3,308,683**

Liabilities from loans	31.12.2019	31.12.2018
Sarantis Bulgaria LTD	7,514,695	0
Sarantis Romania S.A.	15,029,391	0
Sarantis Polska S.A.	7,514,695	0
Waldeck LTD	538,347	538,493
Total	**30,597,128**	**538,493**
Grand Total Liabilities	**33,506,756**	**3,847,176**

Income

Income from sale of merchandise	01.01 - 31.12.2019	01.01 - 31.12.2018
Sarantis Belgrade D.O.O	2,493,528	2,124,960
Sarantis Skopje D.O.O	671,669	597,697
Sarantis Bulgaria LTD	1,939,111	1,946,875
Sarantis Romania S.A.	5,464,271	4,915,722
Sarantis Polska S.A.	6,641,399	4,289,920
Sarantis Czech Republic sro	3,995,340	2,986,444
Sarantis Hungary Kft.	939,052	1,028,109
Sarantis Portugal LDA	1,062,023	975,686
Sarantis Slovakia S.R.O	308,520	0
Ergopack LLC	221,134	0
Total	**23,736,046**	**18,865,414**

Income – Interest	01.01 - 31.12.2019	01.01 - 31.12.2018
Ergopack LLC	264,015	0
Total	**264,015**	**0**

Other Income	01.01 - 31.12.2019	01.01 - 31.12.2018
Sarantis Belgrade D.O.O	186,596	83,046
Sarantis Banja Luca DOO	27,959	3,870
Sarantis Skopje D.O.O	19,954	14,234
Sarantis Bulgaria LTD	26,839	31,743
Sarantis Romania S.A.	79,379	82,628
Sarantis Polska S.A.	178,141	159,394
Sarantis Czech Republic sro	99,790	99,294
Polipak SP.Z.O.O.	66,092	43,742
Sarantis Hungary Kft.	72,011	53,387
Sarantis Portugal LDA	86,580	77,321
Sarantis Slovakia S.R.O	22,889	0
Ergopack LLC	45,294	0
Total	**911,524**	**648,660**
Grand Total Income	**24,911,586**	**19,514,074**

Expenses and Purchases

Purchases of Merchandise - Services	01.01 - 31.12.2019	01.01 - 31.12.2018
Sarantis Belgrade D.O.O	53	14,292
Sarantis Bulgaria LTD	3,714	0
Sarantis Romania S.A.	23,129	79,505
Sarantis Polska S.A.	1,210,162	1,430,136
Sarantis Czech Republic sro	0	3,502
Polipak SP.Z.O.O.	3,252,666	3,521,156
Sarantis Hungary Kft.	82	1,564
Sarantis Portugal LDA	127	390
Total	**4,489,933**	**5,050,544**

Expenses – Interest	01.01 - 31.12.2019	01.01 - 31.12.2018
Sarantis Bulgaria LTD	38,672	0
Sarantis Romania S.A.	77,344	0
Sarantis Polska S.A.	38,672	0
Waldeck LTD	22,060	22,060
Total	**176,747**	**22,060**
Grand Total Expenses	**4,666,680**	**5,072,603**

Table of Disclosures of Related Parties		
	Group	**Company**
a) Income	0	24,911,586
b) Expenses	0	4,666,680
c) Receivables	0	11,836,529
d) Liabilities	0	33,506,756
e) Transactions and remuneration of senior executives	1,499,720	1,347,644
f) Receivables from senior executives and management	83,149	83,149
g) Liabilities towards senior executives and managemer	0	0
h) Receivables from affiliates	336	336
j) Liabilities τo affiliates	17,394	17,394

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 54,504,437.52 euro, divided into 69,877,484, common registered shares with voting right, and with a nominal value of 0.78 euro per share.
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 5 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.

Pursuant to article 4 of Law 3016/2002, as in force, the independent non-executive members of the Board of Directors of the Company may not, among other things, hold shares exceeding 0.5% of the paid-up share capital.

In accordance with Article 19 of Regulation (EC) No 596/2014 of the European Parliament and of the Council (as well as Commission Regulation 2016/522 and Commission Executive Regulation 2016/523), the executives and the closely related people with these persons, are required to disclose transactions that are directly or indirectly incurred on their behalf and relate to the Company's shares or debt securities or derivatives or other financial instruments that are linked to them after the completion of a sum amounting to € euro 5,000 (gross basis) each year.

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

❖ During 2019 the following announcement was made with regards to significant direct or indirect holdings according to the definition of 3556/2007:

 Due to the completion as at December 11th 2019 of the merger through absorption by the company HAWKEYE HOLDING LTD of its fully owned subsidiary MARGINPLUS INVESTMENTS LTD, HAWKEYE HOLDING LTD now owns directly (and not indirectly through MARGINPLUS INVESTMENTS LTD) 29,653,200 shares of the Company, that correspond to 42.436% of the Company's total shares and voting rights.

 The Company HAWKEYE HOLDING LTD belongs to Grigoris P. Sarantis, Kyriakos P. Sarantis and Aikaterini P. Saranti, who have entered into an oral agreement on 24.12.1997, for adopting a common policy with regards to the management of the Company through the coordinated exercise of their rights.

 Consequently, the aforementioned individuals now own, directly and indirectly, 35,261,851 shares of the Company, that correspond to a 50.462% of the Company's total shares and voting rights.

- As of December 31st 2019, and through a notification sent on April 4th 2016, the Company FMR LLC holds indirectly, through entities it controls, a participation on the Company's voting rights over 10% (in particular 10.67% based on the notification dated April 4th 2016)

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 2190/1920 and since 1/1/2019 in Law 4548/2018.

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 24§1b & 1c of Law 4548/2018, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting 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 Information for acquired Treasury Shares according to article 50 paragraph 2 of L. 4548/2018.

During the year 2019, the Company did not proceed with any purchase of treasury shares (own shares).

The share buy-back program, which was approved in accordance with the provisions of article 16 of Codified Law 2190/1920 of the Extraordinary General Meeting, which took place on the 9th of June 2016, has been completed. During the above program, pursuant to Regulations EU/596/2014 and EU/1052/2016, as well as any acceptable practice for servicing the legitimate purposes and uses allowed, the company purchased in total 2,731,600 own common registered shares (adjusted after split), which correspond to 3.91% of its share capital, at an average acquisition price of 4.59 Euro per share, paying a total of 12,528,913 Euros.

As of 31/12/2019, the Company held in total 2,731,600 treasury shares with nominal value of EUR 0.78 per share, corresponding to 3.91% of its share capital.

2.9 RESEARCH AND DEVELOPMENT ACTIVITY

Innovation and quality drives constantly our vision to offer loved and trusted brands that match our consumers' needs. The Group has achieved to develop in this scale due to its given emphasis on know-how, specialization and high quality, without compromise. Our continuous research aims to improve and create new products that ensure our high quality, as product development plays a crucial part at our business model.

We continuously work on a wide portfolio of projects, combined with the search of new technologies that have a responsible perspective against the environment and the society, in our focus to create new innovative products that are completely safe for health. Our R&D laboratory consists of high qualified scientists of all specialties, cosmetologists, chemists, chemical engineers and mechanical engineers, who ensure that the latest scientific knowledge and trends are embedded in the development of innovative and safe products that always represent an environmental-friendly approach in product-development. Our research teams aim to bring together the best ideas within the framework of collaboration with top universities and specialist companies, while they attend International congresses & exhibitions in order to be updated.

We explore the potential of circular innovation, both in ingredients and packaging and we have started to develop our capabilities by starting pilot programs for brands and materials for future launches. Combined with constant quality controls in all product development phases, from the collection of raw materials to their final appearance at the points of sale, our products respond in the best way to the most demanding quality criteria, but also to all modern consumers' needs.

The Group has developed a Regulatory Compliance System that includes: Codes, Policies, Regulations, Procedures, Labour Directives, Organization Charts, Job Descriptions, Forms and Audit Mechanisms. Each subsidiary is obliged to make use of the regulatory tools relating to the Group, while it is obliged to develop regulatory tools based on the instructions of the Business Controller manager. The Regulatory Compliance System is complemented by the Integrated Management System. The Integrated Management System has been designed and installed in order to meet the customer requirements and expectations in terms of quality and to fully comply with the applicable Statutory and Regulatory Requirements. Specifically, the applied Integrated Management System meets the requirements of the International Standards ISO 9001, FSSC 22000, ISO 13485, ISO 22716 & ISO 50001.

The Group's certifications are presented in paragraph 2.13.

2.10 COMPANY'S BRANCHES

The Company has the following branches:

1	67 MESOGEION – TZAVELLA, 15231 HALANDRI
2	NATIONAL ROAD ATHENS-LAMIA POSITION LYSIA-TEMPELI 32011, Oinofyta
3	TZUMBA POSITION 0 19011 AVLONA
4	12 KM NATIONAL ROAD NEAPOLI THESSALONIKI MOUDANIA 56728 NEAPOLI, THESSALONIKI

2.11 SUBSEQUENT EVENTS

- The exponential COVID-19 spread and its declaration by WHO as a pandemic, is an unexpected global challenge with an uncertain course. Sarantis Group, with an utmost sense of responsibility, closely monitors the recent developments in order to appropriately respond at all levels by having prepared a specific coronavirus action plan ensuring its business continuity as well as the protection of its employees' and the society's well-being.

  The Group has enacted precautionary measures in line with each state's government in which it operates and in accordance with the official WHO's guidelines. In Greece, a special coronavirus protection policy was enacted which includes remote working, suspension of both professional and personal travel, cancellation of both internal and external events, the headquarters' decontamination and special health guidance. In the other countries of its operation, the Group is aligned with the precautionary measures taken by the authorities and is prepared to implement remote work and further specific protection measures.
  Regarding the supply chain, the Group has ensured inventory that can meet increased orders, even in categories presenting high consumption.

Given the low visibility, the quantitative and qualitative impact of COVID-19 spread on the Group's operation are under evaluation and will be presented in the Interim Financial Statements.
However, the Management estimates that, after this period of disturbance, consumption will return to normal levels. In addition, the Group's strong capital base, low net debt and strong cash flows, provide security during this challenging and uncertain period for the world.

The Group's main priority is to overcome any challenges ahead and continue to offer high quality brands to the consumers, always protecting its employees and the society.

- The acquisition of the brand LUKSIA and the distribution of PZC brands in Poland were approved by the Antimonopoly Committee in February 28th 2020.

- Following the election of the new third person of the Audit Committee, Mr. Ioannis Arkoulis of Michael, who was elected by the General Extraordinary Meeting dated February 27th 2020, after having confirmed that the requirements set out by the provisions of article 44 of the L.4449/2017 are met, and the authorization of the Board of Directors by the same General Meeting to appoint the two independent non-executive members of the Board of Directors who will occupy the remaining positions of the members of the Company's Audit Committee, the Board of Directors, at its meeting on March 3rd 2020, appointed as members of the Company's Audit Committee, the independent non-executive members, Mr. Dimitrios Efstathiou of Konstantinos and Mr. Christos Economou of Ioannis.
  The aforementioned members of the Audit Committee were appointed in accordance with article 44 of Law 4449/2017. Furthermore, during the meeting of the Audit Committee on March 3rd 2020, the members of the Audit Committee decided to appoint, Mr. Ioannis Arkoulis of Michael as its Chairman.

  In view of the above, the Audit Committee of the Company consists of the following:

  - Dimitrios Efstathiou of Konstantinos, independent non-executive member of the Board of Directors, member of the Audit Committee,
  - Christos Economou of Ioannis, Independent non-executive Board Member, member of the Audit Committee, and
  - Ioannis Arkoulis of Michael, third person, Chairman of the Audit Committee.

2.12 CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement summarizes the framework of principles, rules and practices applied by the company to ensure best governance for the benefit of the entity itself, its shareholders, its employees and all of its stakeholders.

The issues addressed in this Statement are:

- Corporate Governance Code
- General Assembly of Shareholders
- Board of Directors and Committees
- Diversity Policy for managerial, administrative and supervisory bodies
- Internal Control System and Risk Management
- Information provided by the article 10, paragraph 1 of directive 2004/25/CMC

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
The Code is in the process of being updated with a view to integrating issues related to the Remuneration Committee and the Remuneration Policy.

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,

f) for the cases of merger, split, transformation, renewal, extension or termination of the company, and

g) for the appointment of liquidators.

The Company has adjusted the provisions of its Articles of Association which are subject to the provisions of Law 4548/2018, such as the aforementioned decisions requiring an increased quorum (2/3) and a majority (2/3 of those present). Modification of other provisions by simple quorum (1/5) and majority (½ +1 of those present) is also provided.

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 the national legislation and posts all the required, by law, information at its website in both the Greek and the English language for the facilitation of shareholders.

Conditions for Participation of Shareholders in the General Assembly

Law 4548/2018 in Article 124 and Law 4569/2018 in Article 14 set the conditions for the participation of shareholders in the General Meeting.

Specifically:

- Any natural or legal person has the right to participate on the fifth day (date of registration) before the General Meeting.

- For the cases of repeated General Meetings or Meetings after postponement, the deadlines of article 124 of Law 4548/2018 apply.

- Shareholder status is evidenced by information obtained from the Central Depository, as well as by any legal means.

- There is no requirement for the shareholders to block their shares in order to participate in the General Meetings.

Shareholders' Rights

Law 4548/2018 in article 123 defines the rights of shareholders regarding the General Meeting and in particular the information that the company is obliged to provide to its shareholders. Specifically, the company is obliged to post on its website, from the publication of the invitation and until its convocation, the information provided in article 121 of Law 4548/2018 regarding:

- the procedure for the exercise of the right to vote through a representative,

- information on the exercise of minority rights under paragraphs 2, 3, 6 and 7 of article 141 of Law 4548/2018,

- availability of representation forms and also of representation revoking forms,

- draft decisions on the items on the agenda,

- the total number of shares and voting rights at the date of the invitation,

- the alternative way of providing representation forms and also representation revoking forms, free of charge, in cases of inability to obtain them online.

For cases of participation through a representative, article 128 of Law 4548/2018 applies. The appointment, revoking and replacement of a representative shall be submitted in writing to the Company at least 48 hours prior to the General Meeting. In case of non-compliance, the non-compliant shareholder may participate in the General Meeting, unless the General Meeting refuses the participation for a significant reason. The representative shall vote in accordance with the instructions of the shareholder, if any. Non-compliance of the representative with the instructions received does not affect the validity of the decisions of the General Assembly. The representative is obliged to disclose to the Company, prior to the beginning of the General Meeting, any case of serving interests other than those of the represented shareholder.

The Company does not, for the time being, allow remote participation in the voting of the General Meeting by electronic means or by correspondence.

The rights of minority shareholders and the manner in which they are exercised are defined in Articles 141, 142 and 144 of Law 4548/2018.

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 national legislation, is comprised of 3 (three) up to 11 (eleven) directors and has a six-year term (according to the provisions of articles 77 and 85 of Law 4548/2018).

In particular, the current Board of Directors consists of 9 (nine) members. Five (5) members of the Board of Directors are executive members, whereas three (3) of the non-executive members are also independent.

The tenure of the Board of Directors for the year 1/1 / -31 / 12/2019 is from 03/05/2017 to 30/06/2022 or until the date of convocation of the Ordinary General Meeting of the year 2022.

The members of the Board of Directors are the following:

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, Deputy CEO and CFO, Konstantinos Stamatiou of Fokion, Legal Advisor

Non Executive Directors: Aikaterini Sarantis of Pantazis, Antonios Agiostratitis of Miltiadis,

Independent Non Executive Directors: Dimitrios Efstathiou of Konstantinos, Christos Oikonomou of Ioannis and Nikolaos Nomikos of Periklis.

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 2019, the attendances of the executive and non executive directors amounted, as a percentage, to around 68% and of the independent non executive directors to the neighborhood of 32% 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 financial reports which include, among other notes, the Company's transactions with its affiliated companies.
- 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, 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 79, L. 4548/2018 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.

(b) Committees

Executive Management Committee (see Corporate Governance Code chapter 4, paragraph 4.1). The Executive Management Committee 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 independent non-executive members.
The Audit Committee is attended by Nikolaos Nomikos of Pericles, Chairman, Efstathios Dimitrios of Konstantinos, member, and Christos Economou of Ioannis, member.

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 Committee also supervises issues relating to the qualifications, independence and appointment of independent auditors.

The Committee and the Deputy Chief Executive Officer, 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	Subjects of the Daily Agenda
10/1/2019	Internal Audit and Data Protection Officer briefing on the progress of audit work in Q4 2018, on quarterly data protection issues, as well as on developments in the preparation of the Non-Financial Report and the Corporate Responsibility and Sustainable Development Report for the fiscal year.
29/3/2019	Information from the Certified Auditors on the significant audit issues that arose during the ordinary audit process as well as on the significant risk areas identified during the same process. Other issues of the supplementary report to the Audit Committee were also discussed.
15/4/2019	Internal Audit and Data Protection Officer briefing on the audit progress in the first quarter of 2019 as well as on quarterly data protection issues. Additional briefing on the handling of various issues concerning the Corporate Responsibility and Sustainability Report and the Non-Financial Report and communication of those to the Head of Investor Relations and Shareholders' Department, ahead of the assignment of the preparation of these reports.
20/5/2019	Information from the Certified Auditors on the audit approach and methodology for auditing the fiscal year 2019, on the proposed timetable as well as on the audit plan.
12/7/2019	Information from the Certified Auditors on the results of the audit of the half-yearly financial statements and related matters on the audit work. Internal Audit and Data Protection Officer briefing on audit progress in Q2 2019 and on quarterly data protection issues.
15/7/2019	Internal Audit and Data Protection Officer briefing on audit progress in Q2 2019 and on quarterly data protection issues.
18/10/2019	Internal Audit and Data Protection Officer briefing on audit progress in the third quarter of 2019, as well as on quarterly data protection issues.
29/10/2019	Information from the Certified Auditors on the plan for the ordinary audit of fiscal year 2019, the planning of the audit work, as well as the plan for providing other information in accordance with ISA 720.

Specifically, the liabilities, duties and responsibilities of the Audit Committee are analytically presented in the regulation of its operation.

Remuneration Committee: The Remuneration Committee of Gr. Sarantis SA is a three-member committee and mainly consists of non-executive and independent members of the Board of Directors. An independent and non-executive member of the Board of Directors is appointed as the Chairman of the Committee.

The Remuneration Committee monitors, reviews, and regularly updates the remuneration procedures and conditions, both at the corporate and group levels, to align them with the business objectives as well as the applicable regulatory framework. Particularly:

Regarding the executive members of the Board of Directors, the Committee:

- Submits proposals to the Board of Directors regarding remuneration of each of its executive members if variable remuneration i.e. bonus and incentives-based remuneration are included in the remuneration.
- It examines and submits proposals to the Board of Directors regarding the overall size of the annual variable remuneration, excluding salary.
- Examines and submits proposals to the Board of Directors and through the General Assembly (when required) regarding the stock options or equity issuance programs.
- Submits proposed performance targets related to variable remuneration of Board members or targets linked to stock options or equity programs.
- Regularly reviews the remuneration of the Board of Directors and other terms of their contracts with the company, including retirement allowances and retirement arrangements.
- Submits proposals to the Board of Directors on any remuneration-related business policy.
- Examines the annual remuneration report.

The meetings of the Remuneration Committee within the preceding year were concluded with a quorum, with the following topics:

Date	Subjects of Daily Agenda
02/Oct/2019	Establishment into Body of Remuneration Committee and Election of President

In particular, the Remuneration Committee's obligations, duties and responsibilities are detailed in its Regulation of Operation.

(c) Remuneration of BoD Members and Evaluation Method, Remuneration Policy.

The management has developed a procedure based on which the BoD members are evaluated and their fees are defined.

Remuneration to the members of the Board of Directors of the company is paid in accordance with the approved remuneration policy of the company.

The company provides fixed remuneration on a regular basis to those persons within its remuneration policy. This remuneration is fully aligned with the business growth and effectiveness.

According to the company's remuneration policy (see 2.1.2), fixed remuneration is usually competitive so that it is possible to attract and retain people who have the appropriate abilities, skills, experiences and behaviors that the company needs.

Maintaining competitiveness is ensured by monitoring the level of remuneration in the company's field of activity - Greek and / or European - through relevant research. Along with assessing the importance of the position, it is also taken into account the academic background and the beneficiary's previous experience in order to determine the level of fixed remuneration.

The objective is to raise the average earnings level of the comparable sample market, as reflected in earnings surveys. Higher earnings may be provided for specialized roles that are critical to the operation and development of the company or in cases of outstanding experience and performance.

Gr. Sarantis SA pays regular monthly remuneration to the Board members for the work they provide, as well as for their participation in the Board meetings. Independent members are provided with compensation related to their status and duties as members of committees.

Further, the Company does not include variable remuneration in the remuneration of its Board of Directors members. However, it may reward the performance of its executives on the basis of predetermined measurable quantitative and qualitative criteria, both short-term and long-term. If it is decided to provide variable remuneration schemes then they may be linked to both individual performance and the course of the Company and the Group.

Evaluation of Executive Members

The process of evaluating the executive members of the Board of Directors is similar to the evaluation of the executives.

Potential reward for the performance of executives is based on pre-determined measurable quantitative and qualitative criteria, both short-term and long-term. If it is decided to provide variable remuneration schemes then they may be linked to both individual performance and the course of the Company and the Group. In this case the criteria will be set at the beginning of each evaluation period and will be assessed at the end of each evaluation period.

Evaluation of Non-Executive Members

The evaluation of non-executive members is mainly done through a more general assessment of the effectiveness of the committees in which they participate.

The remuneration reflects their working time as well as the range of their duties. It may not include bonuses, stock options, or performance-related compensation. The Board of Directors (BoD) determines and proposes to shareholders the basic annual remuneration of its members, as well as any additional fixed remuneration for their participation or chairing the BoD committees, within the remuneration policy framework.

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, and 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, and 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	11.0%	89.0%	25.0%	38.0%	37.0%	56	65	60
Higher	DIRECTORS &GM's	15.0%	85.0%		33.0%	67.0%	37	50	45
Middle	MANAGERS	39.0%	61.0%	21.0%	58.0%	21.0%	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.

2.13 NON-FINANCIAL STATEMENT

The current non-financial statement provides data on the Company's performance and positions in relation to environmental, social and labour issues, respect for human rights, the fight against corruption and issues related to bribery, and has been prepared in accordance with a. 151 of Law 4548/2018. Sarantis Group annually prepares the Corporate Social Responsibility and Sustainability Report according to the Global Reporting Initiative Standards (GRI Standards, 2016) guidelines, which is available on the corporate website https://ir.sarantis.gr/.

I. Short Description of the Business Model

Headquartered in Athens and boasting a history of over 50 years, Sarantis Group, is a multinational consumer products company having dominant presence in Eastern Europe through own subsidiaries and strong export activity worldwide.

Its activity focuses on the sectors of Cosmetics & Toiletries Personal Care, Home Care products as well as Health & Care products. In each category the Group offers a wide range of products with high brand awareness, which are often at the top of consumers' preferences.

The Group's international presence is demonstrated through own subsidiaries in 12 countries of Europe - Poland, Romania, Bulgaria, Serbia, Czech Republic, Slovakia, Hungary, North Macedonia, Bosnia and Herzegovina, Portugal, Ukraine and Russia and exports to more than 40 countries worldwide.

The Group's purpose is to offer high quality products in order to address the everyday needs of millions of consumers, while adopting socially responsible practices and environmentally friendly production methods.

The Group follows and invests on a clear strategy that is shaped throughout its successful history and creates sustainable profitable growth and value for all stakeholders, consumers, customers, suppliers, shareholders and employees, within a highly competitive and dynamic international business environment.

The strategic axes of the Group's business model that support and ensure the implementation of the Group's objectives are as follows:

- Focus on maintaining dynamic sales growth both on an organic basis and through acquisitions, combined with new strategic international brand distribution agreements, as well as the geographical expansion of the Group.
- Focus on cost optimization, economies of scale and the exploitation of synergies.
- Efficient liquidity management.
- Reinvestment of net cash flows to further enhance the operation and financing of its development projects.

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.

Sustainability is an integral part of the Group's business model, whose goal is to create value for all stakeholders (suppliers, customers, consumers, partners, shareholders and employees). The Group seeks to strike a balance between its economic performance and its use of responsible environmental and social practices.

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

Materiality analysis

The main sustainability axes for Sarantis Group emerged through a special study conducted in order to identify the material issues. During this process the material issues were updated, taking into account the issues of interest and the expectations of the stakeholders, as well as the relevant issues of interest identified by the project team of the Corporate Social Responsibility and Sustainability Report.

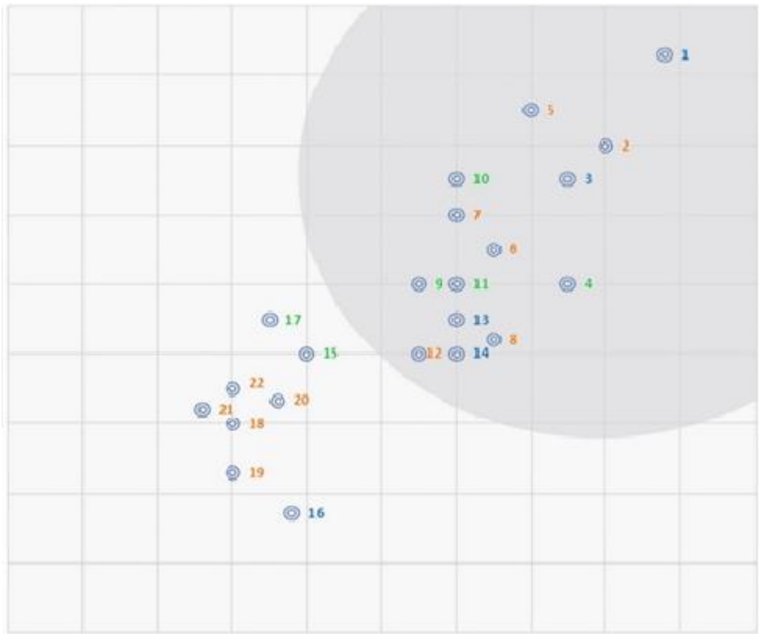
The material issues are managed on the basis of the risk management system and on the basis of the Group's regulatory compliance system as well as the quality management system.

The issues that were essentially considered in the materiality analysis are the following:

1	Economic Performance
2	Customer Health and Safety
3	Procurement Practices
4	Materials
5	Local Communities
6	Marketing and Labeling
7	Occupational Health and Safety
8	Diversity and Equal Opportunity
9	Energy
10	Environmental Compliance
11	Effluents and Waste
12	Socioeconomic Compliance
13	Anti-Corruption
14	Anti-competitive Behavior

Synopsis of Material Issues

Effect on the decisions of the stakeholders



Effect on the activity of the organization

1 Economic Performance
2 Customer Health and Safety
3 Procurement Practices
4 Materials
5 Local Communities
6 Marketing & Labeling
7 Occupational Health and Safety
8 Diversity and Equal Opportunity
9 Energy
10 Environmental Compliance
11 Effluents & Waste
12 Socioeconomic Compliance
13 Anti-corruption
14 Anti-competitive Behavior
15 Emissions
16 Market Presense
17 Supplier Environmental Assessment
18 Training and Education
19 Child Labor
20 Forced or Compulsory Labor
21 Supplier Social Assessment
22 Customer Privacy

➢ **<u>Responsibility in Management</u>**

Regulatory Compliance System, Risk Management & Mechanisms

The Group's 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.
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 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.

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 .

Integrated Management System Policy

The Regulatory Compliance System is complemented by the Integrated Management System which has been designed and installed in order to meet the requirements of the International Standards ISO 9001, FSSC 22000, ISO 13485, ISO 22716 & ISO 50001.

The Integrated Management System gives emphasis on the following:

- To focus on customer satisfaction, effective handling of customer complaints and continuous communication with them, so that the Company constantly gains customers' trust.
- To maintain communication channels between suppliers and the Company.
- To commit to continual improvement of the Company's energy performance.
- To comply with the applicable Statutory and Regulatory Requirements.
- To apply the appropriate measures of hygiene & safety, to ensure the quality of produced and traded products and to control the energy performance, throughout the entire supply chain, so as to assure that products fully comply with the requirements of the National and European Legislation and the Regulations deriving from them.
- To ensure the continuous personnel training and awareness, aiming at a) the understanding of the Integrated Management System Policy; b) the hygiene and safety of produced and traded products; and c) the promotion of an energy saving culture.
- To re-evaluate this Policy, regarding its appropriateness.
- To control the effectiveness of the Integrated Management System, aiming at its continuous improvement.
    - To ensure availability of information and all necessary resources, in order to achieve established goals and objectives.
    - To evaluate the extent to which goals and objectives have been met, through their review and their continuous reappraisal.
    - To develop processes and procedures which cover all the activities of the company, oversee their implementation, and evaluate their effectiveness, through a framework of appropriate indicators.
    - To determine and address opportunities and risks, which can affect either the conformity of products and services, or the Company's ability to enhance customer satisfaction.
    - To supervise the strict application and implementation of GMPs (Good Manufacturing Practices), GHPs (Good Hygiene Practices) and HACCP Study (where this is applicable).
    - To continuously attempt and support the purchasing of energy-efficient products or services and to design energy performance improvements.

The certified systems applied to the Group are listed in the following table:

International Standard	International Standard Implementation Department	Scope of Certification
ISO 50001:2011 Energy Management Systems - Requirements and Implementation Guidelines	GR. SARANTIS SA HEADQURTERS (MAROUSI) PRODUCTION SITES (INOFITA)	▪ Production and packaging of household products. ▪ Production and packaging of Cosmetics. ▪ Trade and distribution of health & care products, cosmetics & household products.
FSSC 22000 Food safety Management Systems	GR. SARANTIS SA HOUSEHOLD PRODUCTION	▪ Production (winding) and packaging of aluminium foil, cling-films and repacking of one-use plastic food packaging products.
ISO 9001:2015 Quality Management Systems-Requirements	GR. SARANTIS SA HOUSEHOLD PRODUCTION	▪ Production and packaging of aluminium foil, plastic film, multipurpose plastic utensils and related food packaging articles and waste bags for domestic and professional use.
ISO 22716:2007 Cosmetics - Good Manufacturing Practice (GMP) - Guidelines for Good Manufacturing Practice	GR. SARANTIS SA COSMETICS PRODUCTION	▪ Production and packaging of sun care products, hair care products, skin care products, perfumery products and Depilatory products.
ISO 9001:2015 Quality Management Systems-Requirements	GR. SARANTIS SA DISTRIBUTION CENTER / HEALTH & CARE DPT	▪ Trade and distribution of Medical Devices of Self-care , Diagnostics and Disposables: Dressings and wound care, Thermometers, Devices for Venipuncture, Therapy Delivery Devices, Earplugs, Thermogel, Ice Spray and Nasal Spray. ▪ Trade and Distribution of IVD and self-test IVD.
ISO 13485:2016 Products for Medical Use-Quality Management Systems-System Requirements for Regulatory Purposes	GR. SARANTIS SA DISTRIBUTION CENTER / HEALTH & CARE DPT	
ISO 9001:2015 Quality Management Systems-Requirements	SARANTIS ROMANIA SA	▪ Import and distribution of cosmetics and home care products.
ISO 13485:2016 Products for Medical Use-Quality Management Systems-System Requirements for Regulatory Purposes	SARANTIS ROMANIA SA	▪ Import and distribution of medical devices - Mouth rinse device for prevention and/or treatment of tooth sensitivity and foot skin care products. Storage and distribution of products. ▪ Labeling and repackaging of products.
BRC Consumer Products (Personal Care and Household)	SARANTIS POLAND HOUSEHOLD PRODUCTION	▪ Rewinding and packaging of aluminum foil, LDPE and PVC foil for food, baking paper, breakfast paper; packaging of baking sleeves and freezer bags; sealing and packaging of ice bags. Exclusions: commercial products including other food contact articles, cosmetics, household chemicals, household and cleaning accessories, personal hygiene accessories.
ISO 9001:2015 Quality Management Systems	POLIPAK POLAND	▪ Design, production and sales of foil packaging.
ISO 9001:2015 Quality Management Systems	SARANTIS HUNGARY	▪ Distribution of household cleaning products and cosmetic products.
ISO 9001: 2015 **ISO 14001: 2015** **OHSAS 18001: 2007**	ERGOPACK	▪ Development, Manufacture and Supply of household disposable goods.

- **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.

- **Environmental Responsibility**

In the area of production, adopting sustainable development practices is a key component of our strategy within the supply chain. The efficient use of energy and natural resources, the use of renewable energy resources, the mitigation of waste production and their rational management, the manufacturing of more environmentally friendly products have been and still remain our commitments vis-à-vis the environmental challenges.

The Group is committed in applying the most updated technologies for safety and environmental protection, strictly following all relevant local and European regulations.

Group's Production Plant in Greece:

- A "Solar system" has been installed which transforms solar power into cooling energy, covering part of the plant's needs in air conditioning.
- Natural Gas has fully replaced oil; as a result, gas emissions are reduced, operation is cleaner, and the energy cost was reduced as well.
- Safety & Quality are Group's main priorities. Applied ISO Standards: ISO 9001, FSSC 22000, ISO 13485, ISO 22716 & ISO 5000.
- Energy ISO 50001 certification in 2018 contributes to further improvement of energy performance, to reducing energy use and thus reducing emissions of pollutants.

- The Group received in 2019 ISO 22000 – Food Safety System certification, proof of the high quality and safety of the household products it produces.

Ergopack's Production Plant, Group's subsidiary in Ukraine:

- Emphasis is given in safety & quality, while it has the following certifications: SGS ISO 9001: 2015, SGS ISO 14001: 2015, και SGS OHSAS 18001: 2007.
- In the context of the Circular Economy there is a vertically integrated system for the production of recycling plastic film from consumer waste.

Polipak's Production Plant, Group's subsidiary in Poland:

- Has an ISO 9001: 2015 Certification.
- A new investment is under-way that will lead to a more automated production process, which, combined with a new R&D and new equipment, will result in increased efficiency and QA improvement. Also, the use of photovoltaics is foreseen, leading to higher energy efficiency.

➢ **Social Responsibility & Employer Responsibility**

✓ **Product quality & Safety- Product Design & Packaging- Customer Health & Safety**

Product quality and safety is one of the Group's top priorities. Quality is the foundation behind our product development process and is the factor that builds trust with consumers and drives strong brand awareness and performance. There is a continuous flow of new innovative ideas and techniques presenting an improved environmental and social footprint, having quality as a guiding principle.

- The Group applies a Quality Management System based on the standards ISO 9001, FSSC 22000, ISO 13485, ISO 22716 & ISO 50001.
- The Group is constantly keeping abreast with the developments mainly around the European Union and worldwide, by following the positions and attitudes of opinion delivery organizations (IFRA, SCCS, etc) or of collective bodies (Hellenic Cosmetic Toiletry & Perfumery Association, etc). The aim is full and immediate compliance with the legal framework regarding the product in the countries the Group operates. The Group is in a position to respond to consumers' worries and questions offering documented information over the phone or in writing.

The Group is continuously examining ways to increase the use of recycled packaging materials (plastic, glass, paper) and increase the packaging materials that are recyclable, reusable or compostable.

- Typical examples are the actions by Carroten and Sanitas to increase recycled plastic in packaging, actions by Bioten to increase recycled glass in its cream jars, actions to move to fully recyclable packaging, actions for use of FSC-certified paper boxes, etc.
- Under consideration is a new technology regarding the production of a product with a smaller environmental footprint as part of a new investment launched at Polipak's plant.

The Group is continuously examining ways to increase the level of ingredients that are coming from sustainable sources (increase the % of natural ingredients, use RSPO palm oil, a key ingredient in our suncare products) and adapt our formulas to have an improved environmental footprint.

- A typical example in this direction is the Group's cooperation with the University of Ioannina and the National Technical University, which concerns the development of innovative cosmetology formulations and food supplements based on natural ingredients, which will arise with green innovative extraction and biotransformation processes.

✓ **Social Contribution**

- Group has the usual recruitment practice from the local community, in the areas where it operates. Recruitment in the local community accounts for over 98% of employees.
- Our contribution to the local community is also expressed through initiatives that focus on improving people's well-being, protecting the environment and educating consumers on environmental awareness. (Typical examples: Sanitas' constant contribution in beach cleaning activities through the provision of garbage bags and cleaning gloves and Lanes' support of the Panhellenic Breast Cancer Association by participating in the largest symbolic race event of the year "Greece Race for the Cure ".)

✓ **Employer's Responsibility**

Our focus remains behind our people, our most valuable asset, thanks to whom our business develops and flourishes. The Group is committed to establishing a better environment and prospects for them. Group's aim is to strengthen the leadership capabilities of its people, their business insight and their talents in order to create high-performance teams. The ever-changing, competitive conditions in the markets where the Group operates necessitate a business frame of mind that promotes innovation and improved performance. To that end, the Group rewards performance and also invests in educational programs and training seminars for its employees. We focus on being a high-priority employer, by adopting structures and practices, making the most of its talented employees and their abilities.

In this context, the main axes that the Group focuses on is the following:
- Diversity and equal opportunities.
- Educational programs and employee development.
- Employee Health & Safety.

III. The results of the presented policies

The main results of the above policies are presented in the table below.

Key Figures	2019	2018	2017
Investments (€)	13,414,308	12,023,156	9,256,906
Dividends (€)	10,000,037	9,400,424	6,001,202
Percentage of commissions spent on local communities	73%	71%	70%
Environment			
CO_2 Emissions (metric tones)	17,955	17,504	5,359
Consumed Energy (KWH)	28,954,084	27,629,469	15,518,272
Consumed Energy from Renewable Energy Sources (KWH)	1,016,383	1,130,672	1,088,319
Employees			
Number of headcount (at year end)	2,786	2,670	1,721
Employees covered by collective agreements (%)	98%	98%	94%
% of women in workforce	47%	45%	53%
% of women in BoD	11%	13%	13%
Allocation of employee nativity in countries of activity	99%	98%	98%
Investment in education (€)	132,111	132,950	121,027
Work-related Fatalities	0	0	0
Work-related injuries	7	0	4
Court convictions regarding corruption or bribery against the company or its employees during their duties	0	0	0
Loss or Leakage of Information regarding GDPR	0	0	0
Confirmed Incidents of Human Rights Violation	0	0	0
Confirmed Incidents of Forced/Compulsory Labour	0	0	0
Social Impact			
Donations, charities, community offering (€)	190,000	170,000	180,000

In 2019:

- There were no reports of relevant social and labour issues, respect for human rights and the fight against corruption, as well as communication and consumer protection issues.

- There have been no instances of non-compliance with regulations and voluntary codes concerning the effects of products on health and safety during their life cycle.

More data will be presented in the Corporate Social Responsibility & Sustainability Report for the year 2019 which is prepared in accordance with GRI standards and is expected to be available by 30 June 2020.

2.14 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) <u>Profitability ratios</u>

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.

(Euro million)	**FY 2019**	**FY 2018**
Gross operating earnings	137.59	128.89
Other operating income	13.01	10.54
Administrative expenses	18.62	16.33
Distribution expenses	88.14	82.53
Depreciation and amortization	10.91	6.42
Earnings before interest, taxes, depreciation and amortization	**54.75**	**46.99**

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 2019**	**Margin**	**FY 2018**	**Margin**
EBITDA	**Earnings before interest, taxes, depreciation and amortization**	54.75	14.79%	46.99	13.66%
EBIT	**Earnings before interest and taxes**	43.84	11.85%	40.57	11.79%
EBT	**Earnings before taxes**	45.46	12.28%	38.78	11.27%
Net Income	**Net Earnings**	38.01	10.27%	32.54	9.46%

b) Net Debt

The net debt comprises a figure which depicts the capital structure of the Group. It is calculated by adding the long-term loans and the short-term loans then by deducting the cash and cash equivalents and other financial assets, such as 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 2019	FY 2018
Long-term loans	35.00	38.00
Short-term loans	30.81	7.72
Cash and cash equivalents	54.85	32.78
Other financial assets	2.51	1.42
Net Debt	**8.45**	**11.53**

Marousi, April 1st 2020

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 SA"

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, 2019, 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, 2019, 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 4.10.3 of the financial statements, the book value of the goodwill in the balance sheet of the Group and the Company on 31st December 2019 amounts to € 7,898 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 Group and the Company 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 4.7.6, 4.8.4 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 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 and after the year end 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 4.10.4 of the financial statements, the value of the inventory on the balance sheet of the Group and the Company on 31th December 2019, amounts to € 94,553 k. and € 43,828 k. respectively.

The Group and the Company 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 Group's and Company'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 for the calculation of the provision for obsolete inventories, based on the maturity of the inventory, their movement during the year as well as the respective planning for the following period and estimation of future selling prices.

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 Group's and Company's disclosures regarding the accounting policy that is utilized for the valuation of the inventory is included in the notes 4.7.6, 4.8.8 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 partially attended the process of inventory physical counting that took place at Group's and Company's warehouses in order to examine, in a sampling basis, the inventories' condition.

- 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.

- We assessed the management's estimations reviewing historical data and reports, regarding the maturity of the inventory, the write-offs and the selling prices of the inventories.

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

Recoverability of Trade Receivables

As it is presented in note 4.10.5 of the financial statement, the value of the trade receivables in the balance sheet of the Group and the Company on 31th December 2019 amounts to € 102,486 k. and € 45,735 k. respectively. Against these trade receivables the Group and the Company have recognized impairment provisions of € 6,136 k. and € 4,196 k. respectively.

The management assesses the recoverability of the Group's and Company's trade receivables and assesses the required provision of bad debts for the expected credit losses.

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 specific customers.

Due to the significance of the value of trade receivables and the fact that the assessment of impairment requires a significant degree of judgment from the management regarding the assessment of the ability of the client to repay, the expected collection time, the value of the warranties held and future market conditions, we consider that the recoverability of the Group's and Company's trade receivables is one of the most significant matters of our audit.

The Group's and Company's disclosures with regard to the trade receivables, the related risks such as the credit risk and the aging of trade receivables, are included in notes 4.7.6, 4.8.12 and 4.10.5 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 an understanding of the Group's process to monitor trade receivables, and of the factors considered in estimating the provision for impairment. We evaluated whether the process is in line with the relevant accounting standards.

- 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 the aging analysis, 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.

- On a sample basis, we confirmed the accuracy and completeness of the data used by the management in the calculation of expected credit losses.

- We have assessed the impact of the adoption of the new IFRS 9 in the current fiscal year, which led to a corresponding adjustment of the Group's and Company's accounting policy to address impairment losses on trade receivables.

- We assessed the adequacy and suitability 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 this date.

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. 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 also includes the Corporate Governance Statement, 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 152 of Law 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150-151 and 153-154 and paragraph 1 (cases c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2019.

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 6 consecutive years.

Ag. Paraskevi, April 2, 2020

Certified Public Accountant

BDO Certified Public Accountant S.A.

449 Mesogion Av,

Athens- Ag. Paraskevi, Greece

Reg. SOEL: 173

John V. Kalogeropoulos

Reg. SOEL: 10741

ANNUAL FINANCIAL STATEMENTS

4. ANNUAL FINANCIAL STATEMENTS

Those responsible for the preparation of the 2019 Annual Financial Statements (01/01/2019 – 31/12/2019) are the signatories at the end of the Financial Statements.

4.1 STATEMENT OF FINANCIAL POSITION

Amounts in €	Note	Group		Company	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
ASSETS					
Non-current assets		**162,023,115**	**140,342,273**	**163,278,521**	**96,411,206**
Tangible fixed assets	4.10.22	67,215,999	56,554,017	38,363,658	33,974,494
Right of use		11,960,168	0	4,603,531	0
Investments in Property	4.10.22	1,032,612	1,111,266	31,857	190,146
Intangible assets	4.10.22	51,689,682	53,016,769	21,659,829	17,786,371
Company goodwill	4.10.3	7,898,422	7,928,988	1,100,000	1,100,000
Deferred tax assets	4.10.12	166,767	734,581	0	0
Investments in subsidiaries, associates	4.10.2	21,458,228	20,554,060	97,148,691	43,166,849
Other long-term receivables		601,237	442,592	370,955	193,346
Current assets		**259,525,736**	**214,361,623**	**139,064,473**	**111,556,492**
Inventories	4.10.4	94,553,285	79,746,481	43,828,151	38,597,165
Trade receivables	4.10.5	102,486,263	94,640,764	45,734,670	41,495,554
Other receivables	4.10.5	2,794,093	3,788,784	15,930,604	17,769,862
Cash & cash equivalents	4.10.6	54,847,405	32,779,766	30,278,899	11,669,266
Financial assets at fair value through profit and loss	4.10.7	2,514,360	1,415,190	2,514,360	1,415,190
Prepayments and accrued income	4.10.20	2,330,330	1,990,638	777,789	609,455
Total Assets		**421,548,851**	**354,703,896**	**302,342,993**	**207,967,699**
Shareholders' EQUITY:					
Share capital	4.10.16	54,504,438	54,504,438	54,504,438	54,504,438
Share premium account		40,676,356	40,676,356	40,676,356	40,676,356
Reserves	4.10.21	13,751,423	10,942,261	137,114,752	72,816,477
Profit (losses) carried forward		142,339,551	115,801,405	-35,743,113	-42,037,541
Total Shareholders' Equity		**251,271,767**	**221,924,459**	**196,552,433**	**125,959,729**
Non controlling interest:		**2,364,554**	**2,704,462**	**0**	**0**
Total Equity		**253,636,320**	**224,628,921**	**196,552,433**	**125,959,729**
LIABILITIES					
Long-term liabilities		**52,718,198**	**46,192,652**	**42,100,833**	**40,848,663**
Loans	4.10.10	35,000,000	38,000,000	35,000,000	38,000,000
Lease liabilities		8,768,273	0	3,245,488	0
Deferred tax liabilities	4.10.12	6,025,422	5,772,151	1,717,043	1,058,580
Provisions for post employment employee benefits	4.10.24	2,230,142	1,878,697	2,138,302	1,790,083
Provisions - Long-term liabilities	4.10.9	694,362	541,804	0	0
Short-term liabilities		**115,194,332**	**83,882,322**	**63,689,728**	**41,159,307**
Suppliers	4.10.8	65,725,156	62,612,807	31,993,865	28,069,170
Other liabilities	4.10.8	5,850,709	6,365,807	6,944,659	7,822,071
Income taxes - other taxes payable		4,871,081	4,562,074	2,264,380	1,656,427
Loans	4.10.10	30,814,535	7,720,618	20,000,000	3,000,000
Lease liabilities		3,784,924	0	1,646,597	0
Accruals and deferred expenses	4.10.20	4,147,927	2,621,016	840,226	611,640
Total Equity & Liabilities		**421,548,851**	**354,703,896**	**302,342,993**	**207,967,699**

Since 01/01/2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 4.7.7 "Significant accounting policies".

The basic financial statements should be read in conjunction with the attached notes.

4.2 STATEMENT OF COMPREHENSIVE INCOME

Amounts in €	Note	Group		Company	
		01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
		Total Activities	Total Activities	Total Activities	Total Activities
Revenue	4.10.1	370,072,778	343,995,729	149,947,139	135,575,845
Cost of sales	4.10.14	-232,483,810	-215,102,260	-94,611,656	-84,806,674
Gross operating profit		**137,588,968**	**128,893,470**	**55,335,483**	**50,769,172**
Other operating income		13,013,501	10,537,885	1,036,849	940,510
Administrative expenses	4.10.14	-18,618,949	-16,327,660	-9,457,132	-7,899,453
Distribution expenses	4.10.14	-88,144,325	-82,529,877	-41,501,173	-39,102,527
Operating profit (loss)		**43,839,194**	**40,573,818**	**5,414,026**	**4,707,701**
Financial income-expenses	4.10.15	1,582,112	-2,377,863	73,135,196	-817,934
Gain (loss) from revaluation of fixed assets		34,321	584,345	-68,290	0
Earnings (loss) before taxes		**45,455,627**	**38,780,300**	**78,480,932**	**3,889,767**
Income tax	4.10.11	-6,090,230	-5,801,937	0	0
Deferred tax	4.10.12	-549,798	160,420	16,934	317,092
Earnings (loss) after the deduction of tax (A)		**38,815,599**	**33,138,784**	**78,497,866**	**4,206,859**
Shareholders of the parent		**38,009,532**	**32,539,619**	**78,497,866**	**4,206,859**
Non controlling interest		**806,067**	**599,165**	**0**	**0**
Other Comprehensive Income:					
Items not transferred to the statement of comprehensive income:		**2,318,871**	**1,342,297**	**1,114,019**	**-176,209**
Profit from revaluation of fixed assets		2,430,786	1,874,698	960,586	0
Deferred tax from revaluation of fixed assets		-265,348	-356,193	0	0
Profit/Loss from actuarial study		195,351	-199,698	195,351	-199,698
Actuarial study deferred tax		-46,884	23,489	-46,884	23,489
Effect from change in tax rate		4,966	0	4,966	0
Items which may be transferred in future to the statement of comprehensive income:		**-349,865**	**-1,066,272**	**0**	**0**
Foreign exchange differences from subsidiaries abroad		-349,865	-1,066,272	0	0
Other total income after taxes (B)		**1,969,006**	**276,024**	**1,114,019**	**-176,209**
Total comprehensive income after taxes (A) + (B)		**40,784,605**	**33,414,808**	**79,611,885**	**4,030,650**
Owners of the parent		39,879,696	32,645,321	79,611,885	4,030,650
Non controlling interest		904,909	769,487	0	0
Earnings (loss) per share, which correspond to the parent's shareholders for the period	4.10.16	**0.5661**	**0.4801**	**1.1691**	**0.0621**

Since 01/01/2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 4.7.7 "Significant accounting policies".

The basic financial statements should be read in conjunction with the attached notes..

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 2018	**54,155,050**	**41,025,743**	**8,599,334**	**96,223,695**	**200,003,822**	**1,431,345**	**201,435,168**
Effect due to adoption of IFRS 9				-1,115,000	-1,115,000		
Adjusted balances as at 1st January 2018	**54,155,050**	**41,025,743**	**8,599,334**	**95,108,695**	**198,888,822**	**1,431,345**	**201,435,168**
Total comprehensive income for the period							
Net profit for the period				32,539,619	32,539,619	599,165	33,138,784
Other comprehensive income							
Foreign exchange differences				-1,024,275	-1,024,275	-41,997	-1,066,272
Reserve due to actuarial study			-176,209		-176,209		-176,209
Asset Revaluation			1,306,187		1,306,187	212,319	1,518,505
Total other comprehensive income	**0**	**0**	**1,129,978**	**-1,024,275**	**105,703**	**170,322**	**276,024**
Total comprehensive income after taxes	**0**	**0**	**1,129,978**	**31,515,343**	**32,645,321**	**769,487**	**33,414,808**
Other transactions registered in Equity							
Share capital increase	349,387	-349,387			0		0
Distributed dividends				-9,400,424	-9,400,424	-141,263	-9,541,687
Δικαιώματα μειοψηφίας λόγω εξαγοράς ποσοστού θυγατρικής					0	640,762	640,762
Formation of reserves			1,212,949	-1,175,050	37,899	4,131	42,030
Tax due to aggregation of capital				-3,494	-3,494	0	-3,494
Change from associates				-243,666	-243,666	0	-243,666
Total other transactions	**349,387**	**-349,387**	**1,212,949**	**-10,822,633**	**-9,609,684**	**503,630**	**-9,106,054**
Balance as at 31 December 2018	**54,504,438**	**40,676,356**	**10,942,261**	**115,801,405**	**221,924,459**	**2,704,462**	**224,628,921**
Balance as at 1 January 2019	**54,504,438**	**40,676,356**	**10,942,261**	**115,801,405**	**221,924,459**	**2,704,462**	**224,628,921**
Effect due to adoption of IFRS 16				18,722	**18,722**		**18,722**
Adjusted balances as at 1st January 2019	**54,504,438**	**40,676,356**	**10,942,261**	**115,820,127**	**221,943,181**	**2,704,462**	**224,647,643**
Total comprehensive income for the period							
Net profit for the period				38,009,532	38,009,532	806,067	38,815,599
Other comprehensive income							
Foreign exchange differences				-322,452	-322,452	-27,412	-349,865
Reserve due to actuarial study			153,433		153,433		153,433
Επανεκτίμηση ακινήτων			2,039,184		2,039,184	126,254	2,165,438
Total other comprehensive income	**0**	**0**	**2,192,617**	**-322,452**	**1,870,165**	**98,842**	**1,969,006**
Total comprehensive income after taxes	**0**	**0**	**2,192,617**	**37,687,079**	**39,879,696**	**904,909**	**40,784,605**
Other transactions registered in Equity							
Distributed dividends				-10,000,037	-10,000,037	-779,843	-10,779,880
Minority interests due to acquisition of interest in a subsidiary				-551,074	-551,074	-464,974	-1,016,048
Formation of reserves			616,545	-616,545	0		0
Total other transactions	**0**	**0**	**616,545**	**-11,167,655**	**-10,551,110**	**-1,244,817**	**-11,795,927**
Balance as at 31 December 2019	**54,504,438**	**40,676,356**	**13,751,422**	**142,339,552**	**251,271,767**	**2,364,554**	**253,636,321**

Since 01/01/2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 4.7.7 "Significant accounting policies".

The basic financial statements should be read in conjunction with the attached notes.

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 2018	**54,155,050**	**41,025,743**	**81,581,482**	**-44,719,278**	**132,042,996**
Effect due to adoption of IFRS 9				-710,000	-710,000
Adjusted balances as at 1st January 2018	**54,155,050**	**41,025,743**	**81,581,482**	**-45,429,278**	**131,332,996**
Total comprehensive income for the period					
Net profit for the period				4,206,859	4,206,859
Other comprehensive income					
Reserve due to actuarial study			-176,209		-176,209
Total other comprehensive income	**0**	**0**	**-176,209**	**0**	**-176,209**
Total comprehensive income after taxes	**0**	**0**	**-176,209**	**4,206,859**	**4,030,650**
Other transactions registered in Equity					
Share capital increase	349,387	-349,387			0
Formation of reserves			811,628	-811,628	0
Tax due to aggregation of capital				-3,494	-3,494
Distributed dividends			-9,400,424		-9,400,424
Total other transactions	**349,387**	**-349,387**	**-8,588,796**	**-815,121**	**-9,403,918**
Balance as at 31 December 2018	**54,504,438**	**40,676,356**	**72,816,477**	**-42,037,541**	**125,959,729**
Balance as at 1 January 2019	**54,504,438**	**40,676,356**	**72,816,477**	**-42,037,541**	**125,959,729**
Effect due to adoption of IFRS 9				18,722	**18,722**
Adjusted balances as at 1st January 2019	**54,504,438**	**40,676,356**	**72,816,477**	**-42,018,819**	**125,978,451**
Total comprehensive income for the period					
Net profit for the period				78,497,866	78,497,866
Other comprehensive income					
Reserve due to actuarial study			153,433		153,433
Revaluation of property			960,586		960,586
Total other comprehensive income	**0**	**0**	**1,114,019**	**0**	**1,114,019**
Total comprehensive income after taxes	**0**	**0**	**1,114,019**	**78,497,866**	**79,611,885**
Other transactions registered in Equity					
Distributed dividends			-10,000,037		-10,000,037
Formation of reserves			138,087	-138,087	0
Formation of reserve from collected dividends			73,046,206	-73,046,206	0
Effect due to absorption				962,133	962,133
Total other transactions	**0**	**0**	**63,184,256**	**-72,222,160**	**-9,037,903**
Balance as at 31 December 2019	**54,504,438**	**40,676,356**	**137,114,752**	**-35,743,113**	**196,552,433**

Since 01/01/2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 4.7.7 "Significant accounting policies".

The basic financial statements should be read in conjunction with the attached notes.

4.5 STATEMENT OF CASH FLOWS

Amounts in €	Group		Company	
	01.01 - 31.12.2019	**01.01 - 31.12.2018**	**01.01 - 31.12.2019**	**01.01 - 31.12.2018**
Operating Activities				
Earnings / (loss) before tax (continuing activities)	45,455,627	38,780,300	78,480,932	3,889,767
Plus/minus adjustments for:				
Depreciation/Amortization	10,909,132	6,419,774	5,769,535	3,892,074
Revaluation of fixed assets	-102,611	-584,344	0	0
Foreign Exchange differences	-2,522,733	958,233	27,499	28,292
Results (income, expenses, profits and losses) from investing activities	-13,289,219	-10,264,573	-74,443,281	-707,705
Interest expense and related expenses	2,286,381	2,203,435	1,351,042	1,519,909
Decrease / (increase) in inventories	-13,913,533	-9,980,910	-5,230,986	-4,557,030
Decrease / (increase) in receivables	-5,343,217	-8,569,627	-4,211,566	-653,426
(Decrease) / increase in liabilities (other than to banks)	3,145,906	-2,085,420	4,223,688	-4,362,937
Less:				
Interest and related expenses paid	-2,320,455	-2,453,664	-1,371,831	-1,578,104
Tax paid	-4,439,448	-3,851,951	0	0
Total inflows / (outflows) from operating activities (a)	**19,865,830**	**10,571,254**	**4,595,033**	**-2,529,159**
Investing Activities				
Acquisition/Sale of subsidiaries, associates, joint ventures and other investments	-706,470	-12,192,267	63,003	-864,610
Purchase of tangible and intangible fixed assets	-13,414,308	-12,023,156	-6,762,745	-3,153,214
Proceeds from sale of tangible and intangible assets	187,535	176,779	90,116	26,621
Interest received	135,821	202,433	27,870	67,618
Dividends received	8,871,502	5,647,106	16,219,262	30,265
Proceeds from grants	967,921	0	0	0
Total inflows / (outflows) from investing activities (b)	**-3,957,998**	**-18,189,104**	**9,637,506**	**-3,893,320**
Financing Activities				
Proceeds from share capital increase	0	-3,494	0	-3,494
Proceeds from borrowings	69,992,331	42,507,286	64,000,000	41,000,000
Payment of borrowings	-50,000,000	-37,963,734	-50,000,000	-28,400,000
Payment of lease liabilities	-3,655,144	0	-1,629,070	0
Dividends paid towards the shareholders of the parent	-9,531,104	-8,717,736	-9,531,104	-8,717,736
Dividends paid towards the non-controlling interests	-775,254	-141,107	0	0
Total inflows / (outflows) from financing activities (c)	**6,030,829**	**-4,318,786**	**2,839,826**	**3,878,770**
Net increase / (decrease) in cash and cash equivalents (a+b+c)	**21,938,661**	**-11,936,636**	**17,072,365**	**-2,543,710**
Cash and cash equivalents at beginning of period	**32,779,766**	**44,946,833**	**11,669,266**	**14,212,976**
Cash and cash equivalents of merged subsidiary	0	0	1,537,269	0
Effect from foreign exchange differences due to translation to euro	128,978	-230,430	0	0
Cash and cash equivalents at the end of the period	**54,847,405**	**32,779,766**	**30,278,899**	**11,669,266**

Since 01/01/2019, the Group and the Company adopted the IFRS 16 by applying the cumulative effect method, according to which the comparative information is not being restated. Analytical information is provided in paragraph 4.7.7 “Significant accounting policies”.

The basic financial statements should be read in conjunction with the attached notes.

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's 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**
Full Consolidation Method				
GR. SARANTIS S.A.	GREECE	PARENT		
SARANTIS BULGARIA LTD	BULGARIA	0.00%	100.00%	0.00%
SARANTIS ROMANIA S.A.	ROMANIA	0.00%	100.00%	0.00%
SARANTIS BELGRADE D.O.O	SERBIA	0.00%	100.00%	0.00%
SARANTIS BANJA LUKA D.O.O	BOSNIA	0.00%	0.00%	100.00%
SARANTIS SKOPJE D.O.O	F.Y.R.O.M.	0.00%	0.00%	100.00%
SARANTIS POLSKA S.A.	POLAND	0.00%	100.00%	100.00%
POLIPAK SP.Z.O.O.	POLAND	0.00%	0.00%	80.00%
SARANTIS CZECH REPUBLIC sro	CZECH REPUBLIC	0.00%	100.00%	0.00%
SARANTIS HUNGARY Kft.	HUNGARY	0.00%	100.00%	0.00%
ZETAFIN LTD	CYPRUS	0.00%	100.00%	0.00%
ZETA COSMETICS LTD	CYPRUS	0.00%	0.00%	100.00%
WALDECK LTD	CYPRUS	0.00%	0.00%	100.00%
ELODE FRANCE S.A.R.L	FRANCE	100.00%	100.00%	0.00%
SARANTIS FRANCE S.A.R.L	FRANCE	100.00%	100.00%	0.00%
SARANTIS PORTUGAL Lda	PORTUGAL	0.00%	100.00%	0.00%
ASTRID TM A.S.	CZECH REPUBLIC	0.00%	100.00%	0.00%
SARANTIS SLOVAKIA S.R.O	SLOVAKIA	0.00%	0.00%	100.00%
IVYBRIDGE VENTURES LTD	CYPRUS	0.00%	90.00%	0.00%
SARANTIS UKRAINE LLC	UKRAINE	0.00%	100.00%	0.00%
ERGOPACK LLC	UKRAINE	0.00%	0.00%	90.00%
HOZTORG LLC	RUSSIA	0.00%	0.00%	90.00%
Equity Consolidation Method				
ELCA COSMETICS LTD	CYPRUS	0.00%	49.00%	49.00%
ESTEE LAUDER HELLAS S.A.	GREECE	0.00%	49.00%	49.00%
ESTEE LAUDER BULGARIA EOOD	BULGARIA	0.00%	49.00%	49.00%
ESTEE LAUDER ROMANIA S.A.	ROMANIA	0.00%	49.00%	49.00%

SANECA TRADE CZ S.R.O. was absorbed by SARANTIS CZECH REPUBLIC S.R.O. in January 2019.

GR SARANTIS CYPRUS LTD was absorbed by the parent company GR. SARANTIS SA on December 30, 2019.

In September 2019, the company acquired an additional 10% of POLIPAK SP.Z.O.O, resulting in the Group owning 80% of the shares.

Business activity

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

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

4.7 BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED 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 April 1st 2020 and are subject to the approval of the Annual Shareholders General Meeting.

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 2019 to December 31st 2019.

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 Group and the Company make estimates and assumptions related to the future. Therefore these estimates will rarely be identical to actual events. Estimates and assumptions that involve a significant revaluation risk in the book value of assets and liabilities in the subsequent period are reported below.

Estimates and assumptions are continually revalued and rely on past evidence and experience as adjusted in line with current market conditions and other factors including expectations for future events that are considered reasonable under current circumstances. The actual results may differ from the above estimates under different assumptions or conditions. Significant accounting estimates and assumptions relating to future and other principal sources of uncertainty at the date of preparation of the financial statements that present a significant risk of causing material adjustments to the book values of assets and liabilities in the next financial year are as follows:

Impairment of goodwill

The Group and the Company assess whether there is impairment of goodwill at least on an annual basis. Therefore, it is necessary to estimate the value in use of each cash-generating unit to which goodwill has been allocated. Estimated value in use requires the Group and the Company to estimate the future cash flows of the cash-generating units and to select the appropriate discount rate, based on which the present value of the future cash flows will be determined. An analysis of impairment testing is included in note 4.10.3.

Estimation of the useful life of assets

The Group and the Company value the useful lives of tangible and intangible fixed assets. These estimates shall be reviewed at least on a yearly basis taking into account new circumstances and market conditions.

Own used assets

With respect to land and plots, fair value is determined by approved appraisers based on international rules and guidelines, taking into account comparative evidence of recent or past real estate prices in the wider real estate area as well as its specific features such as location, size, quality construction and maintenance status. These estimates are reassessed at regular intervals.

Investment property

The fair value determination is carried out by approved appraisers by the comparative method, taking into account comparative data of recent and / or past real estate prices in the wider real estate area as well as its specific features such as location, size, quality of construction and maintenance status. These estimates are reassessed on at least a yearly basis.

Assets with right of use

The Group's most significant estimates regarding right of use assets relate to: the determination of the existence of leases in specific transactions, the terms of renewal of leases and the determination of the discount rate.

Provision for income tax

The income tax provision under IAS 12 "Income Taxes" relates to the amounts of taxes that are expected to be paid to the tax authorities and includes the provision for current income tax and the provision for any additional taxes that may arise as a result of control by the tax authorities. Group companies are subject to different income tax laws and therefore significant management assessment is required to determine the Group's income tax income. Income tax expense may differ from these estimates due to future changes in tax legislation, significant changes in the laws of the countries in which the Group and the Company operate or unforeseen consequences from the final determination of the tax liability of each fiscal year by the tax authorities .These changes may have a significant impact on the Group's and Company's financial position. In the event that the resulting additional taxes are different from the amounts initially recorded, these differences will affect income tax and deferred tax provisions in the use that has been made to determine tax differences.

Deferred tax receivables

Deferred tax assets and liabilities are recognized in the event of temporary differences between the book value and the tax base of assets and liabilities using the tax rates that have been enacted and are expected to apply in the periods when those differences are expected to be eliminated. Deferred tax receivables are recognized for all deductible temporary differences and tax losses transferred to the extent that it is probable that taxable profit will be available and will be used against the deductible temporary differences and the transferred unused tax losses. The Group and the Company take into account the existence of future taxable income and follow a continuous conservative tax planning strategy in assessing the recovery of deferred tax receivables. Accounting estimates related to the deferred tax receivables require the management to make assumptions about the timing of future events, such as the probability of expected future taxable income and the available tax planning capabilities.

Inventories

Inventories are valued at the lower of their acquisition cost and their net realizable value. Net realizable value is the estimated selling price in the ordinary course of business of the Group companies less the estimated cost necessary to make the sale. The management of the Group makes estimates for the calculation of any provision for impairment of inventories, including, but not limited to, the maturity of inventories, their movement through use, planning for the next period, and an estimate of the future selling price.

Provisions for expected credit losses from customer receivables and contract assets

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured at the amount of the expected credit losses over the life of the receivables from customers. At each balance sheet date, the historical percentages used and the estimates of the future financial situation are updated.

The correlation between the historical data, the future financial situation and the expected credit losses includes significant estimates. The amount of expected credit losses depends to a large extent on the changes in the conditions and forecasts of the future financial situation. In addition, past experience and forecasts for the future may not lead to conclusions indicative of the actual amount of customer default in the future. Additional analysis is included in Note 4.10.5.

Liabilities in relation to post employment benefits

The present value of the pension benefits of defined benefit plans is based on a number of factors identified using actuarial methods and assumptions. Such actuarial assumptions are the discount rate used to calculate the cost of provision and the rate of wage increases. Any changes in these assumptions will affect the balance of pension liabilities. The Company determines the appropriate discount rate at the end of each financial year. This is defined as the interest rate that should be used to determine the present value of future cash flows that are expected to be required to meet pension plan liabilities. In determining the appropriate discount rate, the Company uses the interest rate on low-risk corporate bonds that are converted into the currency in which the liability will be paid and whose maturity date is close to that of the relevant pension liability. Additional analysis is included in note 4.10.24.

Business combinations

When acquiring a company, the fair value and useful life of the acquired tangible and intangible assets are determined, where estimations are required. Future events could cause changes in the assumptions used by the Group, which could have an impact on the Group's results and equity.

Contingent liabilities

The Group and the Company are involved in various disputes and legal proceedings. The Group and the Company review the status of each significant case on a periodic basis and evaluate the potential economic risk, based on the views of legal advisers. If the potential loss from any litigation or legal case is considered probable and the amount can be estimated reliably, the Group and the Company calculate a provision for the estimated loss. Both the determination of the probability and the determination of whether the risk can be reliably estimated require the management's judgment to a significant degree. When additional information becomes available, the Group and the Company reconsider the probable liability for outstanding litigation and legal affairs and may review the estimates of the probability of an adverse effect and the related estimate of potential loss. Such revisions to the estimates of the probable liability may have a material effect on the Group's and Company's financial position and results.

4.7.7 Significant Accounting Policies

The significant accounting policies that were adopted in the preparation of the financial statements of the Group are presented in the note 4.8. The policies are applied on a consistent manner for all annual periods unless it is stated otherwise.

a. New Accounting Standards, amendments of standards and Interpretations applied in the financial statements

Title	Applied in annual accounting periods beginning on
IFRS 16 "Leases"	1 January 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	1 January 2019
IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"	1 January 2019
IAS 28 (Amendment) "Long-term Interests in Associates and Joint Ventures"	1 January 2019
Annual Improvements in IFRS (Cycle 2015 – 2017) (IFRS 3 "Business Combinations", IFRS 11 "Join Arrangements", IAS 12 "Income Taxes", IAS 23 "Borrowing Costs")	1 January 2019
IAS 19 (Amendment) "Defined Benefit Plan Amendment, Curtailment or Settlement"	1 January 2019

Of the above mentioned amendments, only IFRS 16 and IFRIC 23 have led to significant changes in accounting policies applied.

The effect from the application of the new standards in the recognition and measurement of the transactions is disclosed in the Statement of Changes in Equity and more analytically in the following notes:

IFRS 16 «Leases»

IFRS 16 replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement Contains a Lease" and the Interpretations SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions in the Legal Form of Lease". The standard introduces the principles for the recognition, measurement, presentation and disclosure of leases and requires from the lessee to recognize all leases with a single model in the financial statements, providing at the same time the right to exclude short-term leases and low value leases.

The accounting treatment of leases for the lessor remains the same with the one of IAS 17. The lessor will continue to classify the leases into operating ones or financial ones by using similar principles with the ones of IAS 17. The Group and the Company were not affected by the adoption of IFRS 16 in cases where the Group or the Company was lessor.

IFRS 16 has a significant effect on the financial statements of the Group and the Company, and especially on the entire assets and liabilities, the results, the net cash flows from operating activities, the net cash flows from financing activities and the presentation of the financial position.
The new requirements affect both the Group and the Company as lessee especially with regard to the leases of buildings and vehicles.

Transition method and practical facilitations applied

The Group and the Company applied IFRS 16 on 1st January 2019 by utilizing the simplified transition approach. According to this method the standard is applied retrospectively and the cumulative effect arising from its adoption is recognized on 1st January 2019 without restating the comparative items.
During the transition into the IFRS 16, the liabilities emanating from the existing operating leases are being discounted according to the relevant discount rate (incremental borrowing rate) and are recognized as liabilities

from leasing. The utilization rights of the assets on 1st January 2019 are being recognized via an amount equivalent with the liability from leases, adjusted for the amount of prepaid or accrued leases.
During the first adoption of IFRS 16, the Group used the following practical options provided by the standard:

- Use of the previous evaluations, performed at the adoption of IAS 17 and of IFRIC 4, for determining whether a contract contains a lease or whether a contract is a lease at the date of initial adoption.
- Utilization of a single discount rate in a portfolio of leases with similar characteristics.
- Utilization of the previous evaluations for determining the existence of any burdensome leases.
- Use of the accounting treatment of operating leases for leases which have a term of less than 12 months from the 1st January 2019.
- Exception of the initial direct expenses for the measurement of the utilization rights of the fixed assets at the date of initial adoption.
- Use of subsequent knowledge for the determination of the term of leases with an agreement referring to a condition for the extension or termination of the contract.

Furthermore, the Group selected to use the recognition exceptions of the standard concerning the lease contracts which at their opening date had a term of 12 months or lower and did not include a redemption right (short-term leases), as well as for the leasing of fixed assets with insignificant value (fixed assets of insignificant value) such as for example office equipment (photocopy machines). The payments for the short-term leases and the leasing of fixed assets of insignificant value are being recognized in the results for the year as an expense based on the straight line method. In addition, the Group selected not to separate the elements which are irrelevant to the leasing from the ones that are relevant.
According to the requirements of the new IFRS 16, the Group (as intermediate lessor) has classified sub-leases as financial leases as of 1st January 2019. For these particular sub-leases, the assets incorporating a utilization right that are being subleased were de-recognized and a receivable in relation to leases was recognized. The difference between the book value of the assets with utilization right which were de-recognized and the receivable from leases that was recognized affected the “balance of earnings (losses) carried forward” at the transition date, meaning on 1st January 2019.
The change in the accounting policy affected the following items of the statement of financial position of the Group and the Company on 1st January 2019:

Amounts in €	Group			Company		
	31.12.2018	IFRS 16 - Transition adjustments	01.01.2019 - Restated	31.12.2018	IFRS 16 - Transition adjustments	01.01.2019 - Restated
ASSETS						
Non-current assets	**140,342,273**	**14,349,644**	**154,691,917**	**96,411,206**	**6,259,191**	**102,670,397**
Tangible fixed assets	56,554,017	0	56,554,017	33,974,494	0	33,974,494
Right of use	0	13,991,135	13,991,135	0	5,900,682	5,900,682
Investments in Property	1,111,266	0	1,111,266	190,146	0	190,146
Intangible assets	53,016,769	0	53,016,769	17,786,371	0	17,786,371
Company goodwill	7,928,988	0	7,928,988	1,100,000	0	1,100,000
Deferred tax assets	734,581	0	734,581	0	0	0
Investments in subsidiaries, associates	20,554,060	0	20,554,060	43,166,849	0	43,166,849
Other long-term receivables	442,592	358,509	801,101	193,346	358,509	551,855
Current assets	**214,361,623**	**134,059**	**214,495,682**	**111,556,492**	**134,059**	**111,690,551**
Inventories	79,746,481	0	79,746,481	38,597,165	0	38,597,165
Trade receivables	94,640,764	0	94,640,764	41,495,554	0	41,495,554
Other receivables	3,788,784	158,809	3,947,592	17,769,862	158,809	17,928,671
Cash & cash equivalents	32,779,766	0	32,779,766	11,669,266	0	11,669,266
Financial assets at fair value through profit and loss	1,415,190	0	1,415,190	1,415,190	0	1,415,190
Prepayments and accrued income	1,990,638	-24,750	1,965,888	609,455	-24,750	584,705
Total Assets	**354,703,896**	**14,483,703**	**369,187,599**	**207,967,699**	**6,393,250**	**214,360,948**
Shareholders' EQUITY:						
Share capital	54,504,438	0	54,504,438	54,504,438	0	54,504,438
Share premium account	40,676,356	0	40,676,356	40,676,356	0	40,676,356
Reserves	10,942,261	0	10,942,261	72,816,477	0	72,816,477
Profit (losses) carried forward	115,801,405	18,106	115,819,512	-42,037,541	18,106	-42,019,435
Total Shareholders' Equity	**221,924,459**	**18,106**	**221,942,565**	**125,959,729**	**18,106**	**125,977,835**
Non controlling interest:	**2,704,462**	**0**	**2,704,462**	**0**	**0**	**0**
Total Equity	**224,628,921**	**18,106**	**224,647,027**	**125,959,729**	**18,106**	**125,977,835**
LIABILITIES						
Long-term liabilities	**46,192,652**	**11,101,931**	**57,294,584**	**40,848,663**	**4,700,356**	**45,549,018**
Loans	38,000,000	0	38,000,000	38,000,000	0	38,000,000
Lease liabilities	0	11,095,403	11,095,403	0	4,693,827	4,693,827
Deferred tax liabilities	5,772,151	6,528	5,778,679	1,058,580	6,528	1,065,108
Provisions for post employment employee benefits	1,878,697	0	1,878,697	1,790,083	0	1,790,083
Provisions - Long-term liabilities	541,804	0	541,804	0	0	0
Short-term liabilities	**83,882,322**	**3,363,665**	**87,245,988**	**41,159,307**	**1,674,788**	**42,834,095**
Suppliers	62,612,807	0	62,612,807	28,068,249	0	28,068,249
Other liabilities	6,365,807	0	6,365,807	7,822,071	0	7,822,071
Income taxes - other taxes payable	4,562,074	0	4,562,074	1,656,427	0	1,656,427
Loans	7,720,618	0	7,720,618	3,000,000	0	3,000,000
Lease liabilities	0	3,363,665	3,363,665	0	1,674,788	1,674,788
Accruals and deferred expenses	2,621,016	0	2,621,016	612,561	0	612,561
Total Equity & Liabilities	**354,703,896**	**14,483,703**	**369,187,599**	**207,967,699**	**6,393,250**	**214,360,948**

The Group possesses various leasing agreements for buildings, machinery, vehicles and other machinery. Usually the leasing agreements have a predetermined duration but at the same time they may have extension or termination options. The duration of each leasing agreement is a subject of separate negotiation and may have different terms and conditions from other leasing contracts.

The Group and the Company present the fixed assets with utilization right and the liabilities from leases on a separate basis in the statement of financial position.

The reconciliation between the commitments from operating leases as at 31st December 2018 (the commitments from operating leases are disclosed in the Note 4.10.27 of the Annual Financial Statements as at 31st December 2018) and the liabilities from leases that were recognized as at 1st January 2019, is as following:

Amounts in Euros	Group	Company
Obligations arising from operating leases as of 31.12.2018	**15,393,688**	**6,678,751**
(Less): short-term leases recognized on 1.1.2019	-634,482	0
Add/(less): adjustments on 1.1.2019 as a result of a different treatment of extension and termination options	577,460	0
	-617	189
Gross lease liabilities as of 1.1.2019	**15,336,049**	**6,678,940**
Discounting	876,980	310,324
Lease liabilities as of 1.1.2019	***14,459,069***	***6,368,616***

During the 1st January 2019, the average weighted discount rate that was applied for the Company and the Group settled at 2.5%.

The assets incorporating utilization rights as of 31th December 2019 were as follows:

Group

	Land - fields	Buildings, building facilities and technical projects	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Total
Acquisition cost 1/1/2019	246,291	10,401,898	0	3,246,586	96,361	**13,991,135**
Additions	0	824,149	21,486	1,016,648	0	**1,862,283**
Write-offs	0	0	0	-102,546	0	**-102,546**
Foreign exchange differences	49,285	-188,779	199	2,546	-2,327	**-139,076**
Values as at 31.12.2019	**295,575**	**11,037,268**	**21,685**	**4,163,235**	**94,034**	**15,611,797**

	Land - fields	Buildings, building facilities and technical projects	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Total
Depreciations 1/1/2019	0	0	0	0	0	**0**
Depreciations for the Period	9,782	2,391,647	8,594	1,251,766	12,483	**3,674,272**
Depreciations of write-offs	0	0	0	-28,464	0	**-28,464**
Foreign exchange differences	932	6,557	80	-1,659	-89	**5,821**
Depreciations 31.12.2019	10,714	2,398,205	8,674	1,221,642	12,393	**3,651,628**
Net book value as at 31.12.2019	**284,861**	**8,639,063**	**13,011**	**2,941,593**	**81,641**	**11,960,168**

Company

	Land - fields	Buildings, building facilities and technical projects	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Total
Acquisition cost 1/1/2019	0	3,764,903	0	2,135,779	0	**5,900,682**
Additions	0	0	0	304,690	0	**304,690**
Write-offs	0	0	0	-102,546	0	**-102,546**
Values as at 31.12.2019	**0**	**3,764,903**	**0**	**2,337,923**	**0**	**6,102,826**

	Land - fields	Buildings, building facilities and technical projects	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Total
Depreciations 1/1/2019	0	0	0	0	0	**0**
Depreciations for the Period	0	907,065	0	620,695	0	**1,527,759**
Depreciations of write-offs	0	0	0	-28,464	0	**-28,464**
Depreciations 31.12.2019	0	907,065	0	592,230	0	**1,499,295**
Net book value as at 31.12.2019	**0**	**2,857,838**	**0**	**1,745,693**	**0**	**4,603,531**

The Group's and the Company's statement of income during 2019 includes an amount concerning the amortization of utilization rights of € 3,674,272 and € 1,527,759 respectively, of financial expenses for leasing liabilities amounting to € 335,028 and € 138,041 respectively, and also of financial income for leasing assets of the Company and the Group for an amount of € 10,778.

The Group performed estimations in order to determine the duration of the leasing contracts incorporating renewal rights and where the Group is lessor. The assessment of the Group regarding its certainty to exercise such renewal rights determines the duration of the leases and therefore affects significantly the amount of leasing liabilities and the utilization rights that are being recognized.

Accounting policy of leases after 1st January 2019

Since 1st January 2019, the leases are being recognized in the statement of financial position as a utilization right of the assets and as a leasing liability at the date when the leased fixed asset becomes available for use except for

- Short-term leases and
- Leases of fixed assets with insignificant value

The lease liabilities are initially measured at the present value of leases which were not paid at the commencement of lease. They are discounted with the implied lease rate or, if this particular rate cannot be determined from the agreement, via the interbank rate (IBR). The latter is defined as the cost which the lessor would have to pay in order to borrow the necessary capital and then purchase an asset of similar value with the leased asset in a similar financial environment and with similar terms and conditions.

Following their initial measurement, the lease liabilities are increased due to their financial cost or are reduced due to the payment of the leases. Finally, they are re-measured whenever there is a change: a) in the leases due to the change of an indicator, b) in the measurement of the residual value which is expected to be paid or c) in the evaluation of a buy or extension option when is relatively certain that the particular option will not be exercised.

The lease liabilities include the net present value of the following:

- Fixed leases (including the ones that are essentially fixed leases)
- Variable leases which are not dependent on any indicator
- Residual value which is expected to be paid
- Exercise price of a buy option if the lessor is almost certain regarding the exercise of the option
- Charges relating to the termination of a lease if the lessor selects the particular option.

The utilization rights relating to assets are initially being measured at cost and then are reduced by the amount of the cumulative amortization and impairment. Finally, they are adjusted after certain re-measurements of the respective lease liability take place. When the utilization rights relating to assets fulfill the definition of the investment property, then they are initially estimated according to their cost and subsequently according to their fair value. The initial measurement of the utilization rights for assets consists of the following:

- The amount of the initial measurement of the lease liability
- The payment of leases that occurred at the opening date or prior to this, reduced by the amount of the offered discounts or other incentives
- The initial expenses which are directly linked to the lease payment
- The recovery costs.

Each lease payment is allocated between the lease liability and the interest expense, which is charged against results throughout the entire leasing period, so that a fixed interest rate is achieved with regard to the balance of the financial liability in each period. The utilization right relating to an asset is amortized at the shortest period between the economic life of the asset and the term of its leasing, based on the straight line method.

IFRIC 23 «Uncertainty over Income Tax Treatments»

IFRIC 23 provides guidance on accounting for current and deferred tax liabilities and receivables in circumstances where there is uncertainty about the tax treatment of particular issues. The Interpretation requires the Group to:

• Consider whether uncertain income tax treatment should be dealt with separately or jointly based on an approach that might provide the best possible estimations for resolving these issues.

• Determine whether tax authorities are likely to accept uncertain tax treatment.

• If uncertain tax treatment is unlikely to be accepted, calculate the amount of the tax uncertainty using either the "expected value" method or the "most likely amount" method.

Significant assumptions and estimations

The main sources of uncertainty regarding the application of IFRS 16 and IFRIC 23 relate to the estimations of:

• Determining the existence of leases in specific transactions;
• Terms of renewal of leases;
• Determining the discount rate;
• Identifying uncertain tax treatments and assessing the range of possible effects that the tax authority may impose on a tax treatment.

b. New Accounting Standards, amendments of standards and Interpretations that are mandatorily applied in subsequent periods

Title	Applied in annual accounting periods beginning on
Amendments to References to the Conceptual Framework of the Preparation of Financial Statements (release on 29 March 2018)	1 January 2020
Amendments to IFRS 3 Business Combinations (release on 22 October 2018)	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of "Material" (release on 31 October 2018)	1 January 2020
Amendments to IFRS 9, IAS 39 & IFRS 7: Interest Rate Benchmark Reform) (release on 26 September 2019)	1 January 2020
IFRS 17 Insurance Contracts	1 January 2021
Amendments to IAS 1: Classification of Liabilities between Short-term and Long-term (release on 23 January 2020)	1 January 2022

It is not expected that the amendments which are mandatory in subsequent periods will have a significant impact on the financial statements of the Company.

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 the intangible fixed assets is calculated with the straight line method along their economic life, depending on the utilization time of the intangible assets and varies between 3 and 50 years.

Intangible assets mainly include the acquired software used in production or management as well as trademarks and other rights.

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 31/12/2019, a valuation was carried out by an approved appraiser for buildings and land plots in the Company as well as the Company's subsidiaries in Poland and Ukraine.

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 10 to 60 years
Mechanical Equipment	from 8 to 10 years
Vehicles	from 4 to 10 years
Other Equipment	from 3 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 31/12/2019, 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).

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 assets are classified at initial recognition and subsequently measured at amortized cost, at fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flows of the financial asset and the business model of the Company and the Group for their management. With the exception of trade receivables that do not contain a significant financial component, the Company and the Group initially measure financial assets at their fair value plus, in the case of a financial asset not valued through profit or loss, transaction costs. Receivables from customers that do not have a significant financial component are valued at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through total income, cash flows that are "exclusive capital and interest payments (SPPIs)" of the original capital must be obtained.

The Company's and Group's business model for managing financial assets refers to the way in which it manages its financial capabilities to generate cash flows. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both.

The purchase or sale of financial assets that require the delivery of assets within a timeframe specified by a regulation or a contract on the market is recognized on the trade date meaning on the date on which the Company commits to purchase or sell the asset.

For the purpose of subsequent measurement, financial assets are classified in the following categories:

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

(b) Financial assets at amortized cost

(c) Financial assets measured at fair value through total income without recycling of cumulative gains and losses on de-recognition

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

Financial assets valued at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless defined as effective hedging instruments. Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

(b) Financial assets at amortized cost

The Company and the Group measure financial assets at amortized cost if both of the following conditions are met: (a) the financial asset is retained in a business model in order to hold financial assets for the collection of contractual cash flows; and (b) the contractual clauses of the financial asset generate cash flows on specific dates that consist only of capital and interest payments on the balance of the original capital.

Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

(c) Financial assets classified at fair value through total income

Upon initial recognition, the Company and the Group may choose to irrevocably classify its equity investments as equity instruments at fair value through total income when they meet the definition of equity in accordance with IAS 32 Financial Instruments: Presentation and not held for trading purposes. Classification is determined by financial instrument.

Profits and losses from these financial assets are never recycled to profits or losses. Dividends are recognized in the income statement when the payment entitlement has been established, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, so that the gains are recognized in the statement of comprehensive income. Equity instruments measured at fair value through total income are not subject to an impairment test.

A financial asset is derecognized primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Company and the Group have transferred their rights to receive cash flows from the asset or have undertaken to fully pay the cash flows received without significant delay to a third party under a pass-through agreement and either (a) the Company and the Group have transferred substantially all the risks and rewards of the asset or (b) the Company and the Group have not transferred or held substantially all the risks and estimates of the asset but have transferred the control of the asset.

When the Company and the Group have transferred the rights to receive cash flows from an asset or have entered into a transfer agreement, they assess whether and to what extent they own the risks and rewards of ownership.

When the Company and the Group have not transferred or hold substantially all the risks and rewards of the asset and have not transferred ownership of the asset, they continue to recognize the transferred asset to the extent of its continued involvement. In this case, the Company and the Group also recognize any relevant obligation. The transferred asset and the related liability are valued on the basis of the rights and obligations that the Company and the Group hold.

Further disclosures about impairment of financial assets are also provided in the following notes:

- Disclosure of important assumptions
- Customers' receivables

4.8.11 Offsetting of financial instruments

Financial assets and liabilities are offset and presented in the statement of financial position in the statement of financial position if there is a legal right to offset the amounts recognized and, in addition, if it is intended to clear the net amount, i.e. fixed assets and liabilities to be offset at the same time

4.8.12 Trade receivables

Receivables from customers are recognized when there is an unconditional right to receive the consideration for the client's contractual obligations to the entity. A contract asset is recognized when the Company and the Group have satisfied their obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Company's right and also the Group’s right to issue an invoice. Receivables from customers on credit are initially recognized at their fair value, which corresponds to the nominal value, net of impairment losses.

Regarding non-doubtful trade receivables, the Company and the Group apply the simplified approach of IFRS 9 and calculate the expected credit losses over the life of the receivables. For this purpose, the Group uses a maturity forecast table based on the historical data for credit losses, adjusted for future factors in relation to borrowers and the economic environment. The bad debts are evaluated one by one for the calculation of the relevant provision. The amount of the provision is recognized in the statement of comprehensive income.

4.8.13 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.

4.8.14 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.

4.8.15 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.

4.8.16 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.

4.8.17 Employee benefit

4.8.17.1 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.

4.8.17.2 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 retained earnings 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.

4.8.17.3 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.

4.8.18 Recognition of income

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

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

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

Revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the good by the customer.

The Group is active in the production and distribution of consumer products. The main products of the Company and the Group are perfumes, personal care products, sunscreen products, hair care products as well as food packaging products, plastic garbage bags and household cleaning products. Net proceeds from sales are measured at the fair value of the consideration received or receivable and are declared net of discounts on sales and the consideration paid to customers. These are, in particular, incentives to promote sales which are recorded as deductions from sales.

The customer receivable is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer. A contract asset is recognized when the Company and the Group have satisfied their obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Company's right and Group to issue an invoice.

The contractual obligation is recognized when the Company and the Group receive a consideration from the client (prepayment) or when it retains the right to a price that is unconditional (deferred income) before performing the obligations of the contract and the transfer of the goods or services. The contractual obligation is de-recognized when the contractual obligations are executed and the income is recorded in the income statement.

Classification of revenue is as follows:

i. **Sales of goods**
Sales of goods are recognized when the Group delivers the property and risks associated with the ownership of the goods to the customers, the goods are accepted by them and the collection of the receivable is reasonably assured.

ii. **Interest income**
Interest income is recognized on a time proportion basis using the effective interest rate.

iii. **Rental income**
Receivables from rentals are recognized in the income statement on the basis of the rental amount corresponding to the period under review.

iv. **Income from Dividends**
Dividends are recognized as income when the right to receive the dividend is established.

4.8.19 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.

4.8.20 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.

4.8.21 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.

4.8.22 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.

4.8.23 Non current 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 2019 was as follows:

Amounts in €	**Group**	
	31.12.2019	**31.12.2018**
Total Debt	65,814,535	45,720,618
Minus		
Cash & cash equivalents	-54,847,405	-32,779,766
Financial assets at fair value through profit and loss	-2,514,360	-1,415,190
Net Debt	**8,452,770**	**11,525,662**
Shareholders' Equity	251,271,767	221,924,459
Total Employed Capital	**259,724,536**	**233,450,121**
Leverage Ratio	**3.25%**	**4.94%**

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 €	Group		Company	
Non-current assets	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Other long-term receivables	601,237	442,592	370,955	193,346
Total	**601,237**	**442,592**	**370,955**	**193,346**
Current assets				
Trade receivables	102,486,263	94,640,764	45,734,670	41,495,554
Other receivables	2,794,093	3,788,784	15,930,604	17,769,862
Cash & cash equivalents	54,847,405	32,779,766	30,278,899	11,669,266
Financial assets at fair value through profit and loss	2,514,360	1,415,190	2,514,360	1,415,190
Total	**162,642,122**	**132,624,504**	**94,458,533**	**72,349,872**
Long-term Liabilities				
Loans	35,000,000	38,000,000	35,000,000	38,000,000
Lease liabilities	8,768,273	0	3,245,488	0
Provisions and other long-term liabilities	694,362	541,804	0	0
Total	**44,462,634**	**38,541,804**	**38,245,488**	**38,000,000**
Short-term Liabilities				
Loans	30,814,535	7,720,618	20,000,000	3,000,000
Lease liabilities	3,784,924	0	1,646,597	0
Suppliers	65,725,156	62,612,807	31,993,865	28,069,170
Other liabilities	5,850,709	6,365,807	6,944,659	7,822,071
Total	**106,175,324**	**76,699,232**	**60,585,121**	**38,891,241**

4.9.3 Definition of fair values

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

• Published 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 2019, are as follows:

Assets	**Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
Tangible fixed assets	0	41,634,392	0	**41,634,392**
Investments in Property	0	1,032,612	0	**1,032,612**
Financial Assets at Fair Value through Profit and Loss	2,514,360	0	0	**2,514,360**

Assets	Company			
	Level 1	Level 2	Level 3	Total
Tangible fixed assets	0	27,419,979	0	**27,419,979**
Investments in Property	0	31,857	0	**31,857**
Financial Assets at Fair Value through Profit and Loss	2,514,360	0	0	**2,514,360**

The fair value of own- use tangible fixed assets and investments in property is carried out by approved appraiser based on international rules and standards.

The fair value of fixed 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 fixed 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 2019, 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:

Impact	P&L	Equity
PLN	372,459	1,891,062
RON	319,732	868,638

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 31/12/2019, would result in a reduction of net results and Equity by € 0.27 million.

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.

A relevant analysis is presented in note 4.10.5.

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 2019 and 2018 for the Company and Group, is analyzed as follows:

			Group		
Maturity of liabilities 2019	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term loans			35,000,000		**35,000,000**
Short-term loans	20,000,000	10,814,535			**30,814,535**
Lease liabilities	1,968,194	1,816,730	7,807,823	960,450	**12,553,196**
Suppliers	64,710,500	1,014,739	0		**65,725,240**
Other Liabilities	3,615,466	891,211	1,343,949		**5,850,625**
Total	**90,294,160**	**14,537,215**	**44,151,771**	**960,450**	**149,943,597**

			Group		
Maturity of liabilities 2018	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term loans			38,000,000		**38,000,000**
Short-term loans	1,911,410	5,809,208			**7,720,618**
Lease liabilities					**0**
Suppliers	61,846,984	765,823	0		**62,612,807**
Other Liabilities	3,880,118	1,263,791	1,221,898		**6,365,807**
Total	**67,638,512**	**7,838,822**	**39,221,898**	**0**	**114,699,232**

			Company		
Maturity of liabilities 2019	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term loans			35,000,000		**35,000,000**
Short-term loans	20,000,000				**20,000,000**
Lease liabilities	845,605	800,993	3,245,488		**4,892,086**
Suppliers	30,990,895	1,002,970			**31,993,865**
Other Liabilities	3,876,077	970,669	2,097,913		**6,944,659**
Total	**55,712,577**	**2,774,632**	**40,343,401**	**0**	**98,830,610**

			Company		
Maturity of liabilities 2018	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term loans			38,000,000		**38,000,000**
Short-term loans	1,500,000	1,500,000			**3,000,000**
Lease liabilities					**0**
Suppliers	27,303,347	765,823			**28,069,170**
Other Liabilities	3,668,219	2,289,164	1,864,687		**7,822,071**
Total	**32,471,566**	**4,554,987**	**39,864,687**	**0**	**76,891,241**

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 0.79 million euro.

4.10 EXPLANATORY NOTES ON THE FINANCIAL STATEMENTS

4.10.1 Segment reporting

For management purposes, the Group is organized in four basic business segments: Mass Market Cosmetics, Household Products, Other Sales and the Private Label Products. 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 01/01/2019 – 31/12/2019:

Commercial Activity Sectors	Mass Market Cosmetics	Household Products	Other Sales	Private Label (Polipak)	Income from associate companies	Continuing Activities	Group Total
Income from external customers	159,624,764	142,145,601	47,601,196	20,701,217	0	**370,072,778**	**370,072,778**
Earnings before interest & tax (EBIT)	11,560,234	14,418,550	4,335,368	1,469,743	12,055,298	**43,839,194**	**43,839,194**
Interest income	43,379	38,629	12,936	5,626	0	**100,570**	**100,570**
Interest expenses	-683,129	-608,325	-203,714	-88,593	0	**-1,583,760**	**-1,583,760**
Earnings before tax	12,257,455	15,039,425	4,543,284	1,560,164	12,055,298	**45,455,627**	**45,455,627**
Income tax	1,592,596	1,954,054	590,303	202,710	2,300,364	**6,640,028**	**6,640,028**
Earnings / losses after tax	10,664,859	13,085,371	3,952,981	1,357,453	9,754,934	**38,815,599**	**38,815,599**
Depreciation / amortization	4,513,169	4,018,970	1,345,858	1,031,135	0	**10,909,132**	**10,909,132**
Earnings before interest, tax, depreciation & amortization (EBITDA)	16,073,403	18,437,520	5,681,226	2,500,879	12,055,298	**54,748,326**	**54,748,326**

For the period 01/01/2018 – 31/12/2018:

Commercial Activity Sectors	Mass Market Cosmetics	Household Products	Other Sales	Private Label (Polipak)	Income from associate companies	Continuing Activities	Group Total
Income from external customers	151,528,834	130,464,018	43,396,165	18,606,712	0	**343,995,729**	**343,995,729**
Earnings before interest & tax (EBIT)	12,196,528	13,298,544	4,173,674	1,466,193	9,438,878	**40,573,818**	**40,573,818**
Interest income	53,770	46,295	15,399	6,603	0	**122,066**	**122,066**
Interest expenses	-605,704	-521,502	-173,467	-74,376	0	**-1,375,048**	**-1,375,048**
Earnings before tax	11,406,491	12,618,334	3,947,416	1,369,181	9,438,878	**38,780,300**	**38,780,300**
Income tax	1,490,746	1,649,125	515,899	178,942	1,806,805	**5,641,516**	**5,641,516**
Earnings / losses after tax	9,915,745	10,969,209	3,431,518	1,190,239	7,632,073	**33,138,784**	**33,138,784**
Depreciation / amortization	2,532,854	2,180,748	725,381	980,791	0	**6,419,774**	**6,419,774**
Earnings before interest, tax, depreciation & amortization (EBITDA)	14,729,382	15,479,293	4,899,055	2,446,984	9,438,878	**46,993,592**	**46,993,592**

Notes

- Income from associate companies refers to income from the company ELCA Cosmetics Ltd.

- The calculation of financial income & expenses and depreciation, amortization has been proportionately 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)	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Total Assets	421,548,851	354,703,896	183,271,247	156,245,741	163,202,756	134,525,204	54,652,739	44,747,035	20,422,109	19,185,917
Total Liabilities	167,912,531	130,074,975	70,686,407	57,297,540	62,946,134	49,332,310	21,079,170	16,409,375	13,200,819	7,035,749

4.10.2 Investments in associates

The financial figures of ELCA Cosmetics Ltd are consolidated through the equity method in Sarantis Group consolidated financial figures.

The movement of the Group's participations in associate companies and joint ventures is analyzed as follows:

Amounts in €

Group	31.12.2019	31.12.2018
Opening Balance	**20,554,060**	**17,256,128**
Share of profit of associates and joint ventures	9,754,934	7,632,073
Dividends	-8,820,000	-4,067,000
Other comprehensive income	0	-243,666
Foreign Exchange differences	-30,767	-23,475
Ending Balance	**21,458,228**	**20,554,060**

The basic consolidated financial figures of ELCA Cosmetics Ltd are presented below:

ELCA COSMETICS	01.01 - 31.12.2019	01.01 - 31.12.2018
Revenue	114,208,275	102,922,303
Profit (loss) before tax	24,602,649	19,263,016
Profit (loss) after tax	19,908,029	15,575,659

ELCA COSMETICS	31.12.2019	31.12.2018
Current fixed assets	65,781,608	61,226,754
Non- current fixed assets	19,644,824	9,323,125
Current liabilities	-24,425,294	-22,283,973
Non-Current liabilities	-17,208,836	-6,318,844
Total equity	**43,792,301**	**41,947,062**

4.10.3 Goodwill

The goodwill of the Group and the Company are analyzed as follows:

Amounts in Euros	Group	Company
Balance as at 1/1/2019	**7,928,988**	***1,100,000***
Additions / Reductions	0	0
Foreign exchange differences	-30,566	0
Impairment	0	0
Balance as at 31.12.2019	**7,898,422**	***1,100,000***

Amounts in Euros	Group	Company
Balance as at 1/1/2018	**7,194,613**	***1,100,000***
Additions / Reductions	806,713	0
Foreign exchange differences	-72,337	0
Impairment	0	0
Balance as at 31.12.2018	**7,928,988**	***1,100,000***

The additions in goodwill derive from the acquisitions that were made during 2018. More details are presented in the note 4.6.2 “Group Structure”.

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 2019, the assumptions used per country are as follows:

Assumptions 2019	**D. Koukouzelis - Greece**	**Elmiplant-Romania**	**Polipak-Poland**	**Trade 90-Hungary**	**Astrid T.M.- Czech Rep.**	**Indulona-Slovakia & Czech Rep.**	**Ergopack-Ukraine**
WACC	9.6%	10.4%	7.9%	8.1%	7.1%	7.1%	13.2%
Rate of Increase rate 5+	2.0%	2.5%	1.0%	1.5%	1.0%	1.0%	1.0%
EBIT (5yr horizon)	4%-7,5%	18%-19,5%	6,9%-7,7%	12,1%-12,9%	10,8%-12,3%	10-13,6%	5-5,5%
Goodwill balance	1,100,000	2,236,124	2,231,684	1,285,763	236,776	263,331	544,744

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.

4.10.4 Inventories

The inventories are analyzed as follows:

Group	31.12.2019	31.12.2018
Merchandise	68,125,403	52,286,194
Products	10,786,429	12,038,002
Raw Materials	17,262,147	14,828,628
Prepayments for stock purchase	654,225	1,434,255
Impairment due to obsolescence	-2,274,919	-840,598
Total	**94,553,285**	**79,746,481**

Company	31.12.2019	31.12.2018
Merchandise	23,812,380	16,949,344
Products	9,902,511	11,287,142
Raw Materials	11,353,140	9,505,647
Prepayments for stock purchase	252,436	1,233,535
Impairment due to obsolescence	-1,492,317	-378,503
Total	**43,828,151**	**38,597,165**

There is no pledge over the Group's and the Company's inventories.

The analysis of the provision for the impairment due to obsolescence is as follows:

Group	31.12.2019	31.12.2018
Opening Balance	**840,597.89**	**578,767.96**
Provision	1,638,072.61	973,376.44
Use of provision	-134,559.94	-711,546.51
Provision reverse	-111,613.59	0.00
Foreign echange differences	42,421.56	0.00
End balance	**2,274,918.53**	**840,597.89**

Company	31.12.2019	31.12.2018
Opening Balance	**378,503.09**	**404,070.00**
Provision	1,137,394.59	378,503.09
Use of provision	-23,581.16	-404,070.00
Provision reverse	0.00	0.00
Foreign echange differences	0.00	0.00
End balance	**1,492,316.52**	**378,503.09**

During the current fiscal year, the Group and the Company proceeded into disposal of inventories amounting to 0.25 million Euros and to 0.02 million Euros in total, whereas the corresponding amounts in 2018 settled at 0.7 million Euros and 0.4 million Euros respectively.

4.10.5 Trade and other receivables

The trade receivables account is analyzed as follows:

Group	31.12.2019	31.12.2018
Trade receivables	89,715,374	86,510,585
Minus provisions	-3,735,758	-4,644,059
Net trade receivables	85,979,616	81,866,526
Checks and notes receivable	18,906,647	15,174,238
Minus provisions	-2,400,000	-2,400,000
Net checks and notes receivable	16,506,647	12,774,238
Total	**102,486,263**	**94,640,764**

Company	31.12.2019	31.12.2018
Trade receivables	31,854,397	32,031,390
Minus provisions	-1,796,014	-2,341,955
Net trade receivables	30,058,382	29,689,434
Checks and notes receivable	18,076,288	14,206,120
Minus provisions	-2,400,000	-2,400,000
Net checks and notes receivable	15,676,288	11,806,120
Total	**45,734,670**	**41,495,554**

On 31st December 2019 and 2018, the maturity of the current and overdue trade receivables, was as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current (Not past due)	91,265,050	80,987,095	38,137,852	34,832,056
0-90 days	7,494,687	9,997,858	2,606,118	2,314,949
91-180 days	1,602,868	2,139,049	1,462,159	1,409,112
over 180 ημερών	8,259,416	8,560,821	7,724,555	7,681,393
	108,622,021	**101,684,823**	**49,930,684**	**46,237,509**

Since 1/1/2018, the Group and the Company applied the simplified approach of IFRS 9 and determines the expected credit loss for the total life . The Group and the Company apply the simplified approach of IFRS 9 for the calculation of expected credit losses for all trade receivables. More analytical information is provided in paragraph 4.7.7 “Significant Accounting Policies”.

The tables below present the credit risk analysis of the Group and the Company:

Group					
TRADE RECEIVABLES	**Current**	**<90**	**90-180**	**181+**	**Total**
TOTAL TRADE RECEIVABLES	91,265,050	7,494,687	1,602,868	8,259,416	**108,622,021**
EXPECTED CREDIT LOSS	307,419	571,065	172,859	5,084,416	**6,135,758**
PERCENTAGE EXPECTED CREDIT LOSS	0.34%	7.62%	10.78%	61.56%	**5.65%**

Company					
TRADE RECEIVABLES	**Current**	**<90**	**90-180**	**181+**	**Total**
TOTAL TRADE RECEIVABLES	38,137,852	2,606,118	1,462,159	7,724,555	**49,930,684**
EXPECTED CREDIT LOSS	4,393	5,322	51,812	4,134,488	**4,196,014**
PERCENTAGE EXPECTED CREDIT LOSS	0.01%	0.20%	3.54%	53.52%	**8.40%**

The other receivables are analyzed as follows:

Group	31.12.2019	31.12.2018
Accounts receivable in legal contest	425,136	425,136
Sundry Debtors	2,422,742	3,621,577
Short Term Lease Receivables	205,186	0
Accounts for management of prepayments & credits	51,294	52,336
Minus provisions	-310,266	-310,266
Total	**2,794,093**	**3,788,784**

Company	31.12.2019	31.12.2018
Accounts receivable in legal contest	425,136	425,136
Sundry Debtors	1,061,845	540,655
Receivables from dividends	7,658,096	17,062,000
Short Term Claims from Subsidiaries	6,867,112	0
Short Term Lease Receivables	177,385	0
Accounts for management of prepayments & credits	51,294	52,336
Minus provisions	-310,266	-310,266
Total	**15,930,604**	**17,769,862**

The analysis of the provision for trade receivables and for other receivables is as follows:

Group	31.12.2019	31.12.2018
Opening balance	**7,354,324**	**4,527,544**
Effect due to change in accounting policy IFRS9	0	1,500,000
Additions for the year	290,182	535,180
Receivables written off	-29,472	-125,707
Amounts offset	-1,372,422	-378,523
Foreign exchange differences	203,411	3,018
Additions due to acquisition	0	1,292,812
Ending balance	**6,446,024**	**7,354,324**

Company	31.12.2019	31.12.2018
Opening balance	**5,052,221**	**3,999,872**
Effect due to change in accounting policy IFRS9	0	1,000,000
Additions for the year	50,000	310,266
Receivables written off	0	0
Amounts offset	-595,941	-257,917
Foreign exchange differences	0	0
Additions due to acquisition	0	0
Ending balance	**4,506,280**	**5,052,221**

4.10.6 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:

Group	31.12.2019	31.12.2018
Cash in hand	242,159	295,354
Bank deposits	54,605,246	32,484,412
Total	**54,847,405**	**32,779,766**

Company	31.12.2019	31.12.2018
Cash in hand	218,106.09	279,370
Bank deposits	30,060,793	11,389,896
Total	**30,278,899**	**11,669,266**

4.10.7 Financial Assets at Fair Value through Results

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening balance	**1,415,190**	**2,978,000**	**1,415,190**	**2,978,000**
Additions	3,851,053	3,171,319	3,851,053	3,171,319
Sales	-3,245,669	-4,437,694	-3,245,669	-4,437,694
Fair value adjustments	493,786	-296,435	493,786	-296,435
Closing balance	**2,514,360**	**1,415,190**	**2,514,360**	**1,415,190**

The above items are placements with a short-term investment horizon that are traded on active markets.

4.10.8 Trade and other liabilities

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

Group	31.12.2019	31.12.2018
Suppliers	61,993,633	58,100,885
Checks payable	3,731,523	4,511,922
Total	**65,725,156**	**62,612,807**

Company	31.12.2019	31.12.2018
Suppliers	28,262,342	23,557,248
Checks payable	3,731,523	4,511,922
Total	**31,993,865**	**28,069,170**

The other liabilities of the Company and the Group are analyzed as follows:

Group	31.12.2019	31.12.2018
Social Security Funds	2,039,444	1,810,879
Customer Prepayments	1,324,382	1,312,857
Long-term Liabilities payable in the foll	77,201	148,868
Dividends Payable	26,813	29,991
Sundry Creditors	2,382,870	3,063,212
Total	**5,850,709**	**6,365,807**

Company	31.12.2019	31.12.2018
Social Security Funds	1,428,597	1,271,364
Customer Prepayments	3,254,100	3,827,002
Short-term Liabilities towards Related (	483,500	483,500
Dividends Payable	26,813	29,991
Sundry Creditors	1,751,649	2,210,213
Total	**6,944,659**	**7,822,071**

4.10.9 Provisions and other long-term liabilities

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

Group	31.12.2019	31.12.2018
Other provisions	588,706	401,465
Other long-term liabilities	105,656	140,339
Total	**694,362**	**541,804**

4.10.10 Loans

Loans are analyzed as follows:

	Group		Company	
Short-term loans	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Bank loans	30,814,535	7,720,618	20,000,000	3,000,000
Bond Loans	0	0	0	0
Long-term loans				
Bank loans	30,000,000	22,000,000	0	22,000,000
Bond Loans	5,000,000	16,000,000	35,000,000	16,000,000
Total	**65,814,535**	**45,720,618**	**55,000,000**	**41,000,000**

The Group's bank loans concern loans for working capital and Bond Loans.

During 2019, the bond loan that had been granted by EBRD to GR. SARANTIS SA amounting to 25 mil. euros was fully repaid.

Additionally, within H1 2019 a bond loan had been granted by EFG EUROBANK to GR. SARANTIS SA. amounting to 4 mil. euros was. The total amount of bond loans granted by EFG EUROBANK to GR. SARANTIS S.A. amounted to 20 mil. Euros by the end of H1 2019.

During H2 2019 a part of the total bond loan granted by EFG EUROBANK was repaid amounting to 15 mil. euros.

During H2 2019 an intracompany bond loan of 30 mil. Euros was granted to GR. SARANTIS S.A..

The analysis of the loans is presented below:

4.10.10.1 Group

Group		
Analysis of Bond Loans		
Bank	**Maturity**	**Amount**
EUROBANK	15/10/2021	5,000,000
Total		**5,000,000**

4.10.10.2 Company

Company		
Analysis of Bond Loans		
Bank	**Maturity**	**Amount**
EUROBANK	15/10/2021	5,000,000
SARANTIS POLSKA S.A.	25/9/2024	7,500,000
SARANTIS BULGARIA LTD	25/9/2024	7,500,000
SARANTIS ROMANIA S.A.	25/9/2024	15,000,000
Σύνολο		**35,000,000.00**
Total		**35,000,000.00**

The tables below present the change from liabilities arising from financing activities:

Group	Non Current Loans & Borrowings	Current Loans & Borrowings	Total
At 1 January 2019	**38,000,000**	**7,720,618**	**45,720,618**
Cash Flows	-3,000,000	22,992,332	**19,992,332**
Loans and borrowings liabilities from the Acquisition			**0**
Non Cash Flows			
-Effects of Foreign exchange		101,585	**101,585**
-Loans and borrowings classified as non current at 31 December 2017 becoming current during 2018	0	0	**0**
At 31 December 2019	**35,000,000**	**30,814,535**	**65,814,535**

Company	Non Current Loans & Borrowings	Current Loans & Borrowings	Total
At 1 January 2019	**38,000,000**	**3,000,000**	**41,000,000**
Cash Flows	-3,000,000	17,000,000	**14,000,000**
Non Cash Flows			
-Effects of Foreign exchange			**0**
-Loans and borrowings classified as non current at 31 December 2017 becoming current during 2018			**0**
At 31 December 2019	**35,000,000**	**20,000,000**	**55,000,000**

4.10.11 Income Tax

	Group		Company	
	01.01 - 31.12.2019	**01.01 - 31.12.2018**	**01.01 - 31.12.2019**	**01.01 - 31.12.2018**
Income tax	-6,090,230	-5,801,937	0	0
Deferred tax	-549,798	160,420	16,934	317,092
Total	**-6,640,028**	**-5,641,516**	**16,934**	**317,092**
Earnings / (Losses) before taxes	**45,455,627**	**38,780,299**	**78,480,932**	**3,889,767**
-minus/plus: Temporary differences in income	-8,403,068	-3,957,275	-4,933,877	-2,646,009
-minus/plus: Temporary differences in expenses	4,572,367	4,219,379	4,314,756	3,339,210
Adjustments in tax for income not subject to taxation				
- Tax free income	0	0	-73,046,206	0
- Differences in income	-6,670,092	-5,222,011	-98,469	-229,372
- Profit from company acquisition	0	0	0	0
- Other adjustments	0	0	0	0
Adjustments in tax for Expenses which are not tax deductible				
- Differences in expenses	-1,240,795	177,735	594,960	433,175
- Non tax-deductible expenses	681,065	319,443	1,195,818	1,554,586
Offsetting of losses from previous fiscal years	**-1,950,120**	**0**	**-10,271,896**	**-16,613,252**
Total	**32,444,984**	**34,317,571**	**-3,763,982**	**-10,271,896**
Tax Rate (Average tax for the Group)	0	0	0	0
Expected Tax Expense	**6,058,567**	**5,807,680**	**0**	**0**
Adjustments on the tax due to change in tax rate	-165,523	-116,063	-165,523	-116,063
Tax due to recognition of tax losses		0	0	0
Tax of temporary differences	715,320	-44,357	148,589	-201,028
Other movements	31,663	-5,744	0	0
Provisions and expenses of additional tax liabilities		0	0	0
Real tax expense	**6,640,028**	**5,641,516**	**-16,934**	**-317,092**

With regard to the fiscal year 2019, 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 31.12.2019. The Management of the Company does not expect the emergence of any significant tax obligations apart from those already depicted in the financial statements.

4.10.12 Deferred taxes

Deferred tax assets	31.12.2019	31.12.2018
Differences of intangible assets	-388	0
Differences of tangible assets	-132,121	-120,941
Write-off of trade receivables	11,049	31,461
Provisions for employee benefits	5,389	14,312
Provisions	200,553	178,778
Recognition of tax loss	82,287	630,970
Foreign exchange differences	0	0
Total	**166,767**	**734,581**

Deferred liabilities	31.12.2019	31.12.2018
Differences of intangible assets	-7,107,089	-6,958,578
Differences of tangible assets	-329,967	-229,821
Provisions for doubtful debts	71,926	208,852
Provisions for employee benefits	570,637	520,711
Provisions	772,954	684,605
Foreign exchange differences	-3,883	2,079
Total	**-6,025,422**	**-5,772,151**

Deferred taxes income / (expense)	31.12.2019	31.12.2018
Differences of intangible assets	-107,680	-2,840,729
Differences of tangible assets	223,040	-466,486
Write-off of trade receivables	-22,610	234,237
Provisions for employee benefits	57,457	82,684
Provisions	-425,097	442,850
Recognition of tax loss	-326,148	630,970
Foreign exchange differences	-5,928	1,233
From acquisition	0	2,102,038
From absorption of subsidiary	6,234	0
Sub total	**-600,732**	**186,797**
Proportion of deferred tax from associated companies	3,103	25,919
Total	**-597,628**	**212,716**
Total deferred tax recognized in the statement of comprehensive income (a)	-549,798	160,420
Total deferred tax recognized in the statement of comprehensive income (b)	-47,830	52,296

Company

Deferred tax assets /(liabilities)	**31.12.2019**	**31.12.2018**
Differences of intangible assets	-2,763,707.67	-2,166,226.89
Differences of tangible assets	228,715.03	215,032.26
Provisions for doubtful debts	35,074.01	196,651.97
Provisions for employee benefits	513,192.48	447,520.75
Recognition of tax loss	0.00	0.00
Provisions	269,683.32	248,442.23
Total	**-1,717,042.83**	**-1,058,579.68**

Deferred taxes income / (expense)	**31.12.2019**	**31.12.2018**
Differences of intangible assets	23,851.83	4,569.71
Differences of tangible assets	19,594.98	40,429.78
Provisions for employee benefits	59,759.52	196,651.97
Recognition of tax loss	0.00	66,906.77
Provisions	-140,336.87	322,022.38
From absorption of subsidiary	6,234.17	0.00
Total	**-30,896.37**	**630,580.61**
Total deferred tax recognized in the statement of comprehensive income (a)	16,933.86	317,091.73
Total deferred tax recognized in the statement of comprehensive income (b)	-47,830.22	313,488.88

4.10.13 Employee benefits

Employee salaries and expenses are analyzed as follows:

Group	**31.12.2019**	**31.12.2018**
Employee salaries	37,869,753	33,838,734
Employee benefits	1,326,406	1,044,784
Employer contributions	7,749,476	6,965,874
Employment termination indemnities	1,054,075	673,576
Remuneration of BoD members	1,742,400	952,105
Total	**49,742,109**	**43,475,074**
Average number of employees	**2,786**	**2,581**

Company	**31.12.2019**	**31.12.2018**
Employee salaries	18,005,076	16,465,383
Employee benefits	733,585	590,645
Employer contributions	4,485,401	4,098,625
Employment termination indemnities	836,021	518,772
Remuneration of BoD members	1,147,894	304,010
Total	**25,207,976**	**21,977,435**
Average number of employees	**886**	**696**

4.10.14 Expenses per category

Expenses per category are analyzed as follows:

Group	01.01 - 31.12.2019	01.01 - 31.12.2018
Cost of sales	232,483,810	215,102,260
Employee expenses	42,451,458	37,308,793
Third-party fees	6,641,645	7,232,517
Third-party benefits	8,023,487	10,060,708
Taxes – duties	2,354,683	2,256,621
Sundry expenses	39,090,157	37,443,062
Fixed asset depreciation	8,201,844	4,555,835
Total Activities	**339,247,085**	**313,959,797**

Company	01.01 - 31.12.2019	01.01 - 31.12.2018
Cost of sales	94,611,656	84,806,674
Employee expenses	22,864,904	19,665,717
Third-party fees	3,090,858	3,362,186
Third-party benefits	2,621,611	4,175,606
Taxes – duties	1,512,387	1,149,554
Sundry expenses	16,121,411	15,479,893
Fixed asset depreciation	4,747,135	3,169,024
Total Activities	**145,569,962**	**131,808,654**

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

The cost of sales analysis is as follows:

Group	01.01 - 31.12.2019	01.01 - 31.12.2018
Cost of goods	216,774,743	202,718,715
Employee expenses	7,290,651	6,247,966
Third-party fees	4,578,271	3,786,832
Third-party benefits	4,303,362	3,939,515
Taxes – duties	56,907	33,432
Sundry expenses	567,141	524,182
Fixed asset depreciation	2,599,775	1,881,598
Own inventory use	-3,812,573	-4,271,279
Inventory disposal	125,533	241,299
Total Activities	**232,483,810**	**215,102,260**

Company	01.01 - 31.12.2019	01.01 - 31.12.2018
Cost of goods	89,632,856	80,208,560
Employee expenses	2,343,072	2,298,313
Third-party fees	2,258,917	2,107,007
Third-party benefits	703,081	990,080
Taxes – duties	4,959	270
Sundry expenses	202,736	200,145
Fixed asset depreciation	919,739	723,050
Own inventory use	-1,453,704	-1,720,751
Total Activities	**94,611,656**	**84,806,674**

The administrative expenses analysis is as follows:

Group	01.01 - 31.12.2019	01.01 - 31.12.2018
Employee expenses	10,533,639	7,983,297
Third-party fees	2,095,708	2,835,707
Third-party benefits	2,668,631	3,089,113
Taxes – duties	318,237	258,851
Sundry expenses	1,384,232	1,062,424
Fixed asset depreciation	1,618,502	1,098,268
Total Activities	**18,618,949**	**16,327,660**

Company	01.01 - 31.12.2019	01.01 - 31.12.2018
Employee expenses	4,915,479	3,406,785
Third-party fees	1,053,395	1,322,559
Third-party benefits	1,571,566	1,805,747
Taxes – duties	145,168	92,948
Sundry expenses	907,071	631,789
Fixed asset depreciation	864,453	639,625
Total Activities	**9,457,132**	**7,899,453**

The distribution expenses analysis is as follows:

Group	01.01 - 31.12.2019	01.01 - 31.12.2018
Employee expenses	31,917,819	29,325,497
Third-party fees	4,545,937	4,396,810
Third-party benefits	5,354,856	6,971,595
Taxes – duties	2,036,446	1,997,770
Sundry expenses	37,705,925	36,380,638
Fixed asset depreciation	6,583,342	3,457,567
Total Activities	**88,144,325**	**82,529,877**

Company	01.01 - 31.12.2019	01.01 - 31.12.2018
Employee expenses	17,949,425	16,258,931
Third-party fees	2,037,464	2,039,627
Third-party benefits	1,050,045	2,369,859
Taxes – duties	1,367,218	1,056,607
Sundry expenses	15,214,340	14,848,104
Fixed asset depreciation	3,882,682	2,529,399
Total Activities	**41,501,173**	**39,102,527**

4.10.15 Financial Income / Expenses

The financial income / expenses are analyzed as follows:

Group	01.01 - 31.12.2019	01.01 - 31.12.2018
Interest Expense	-1,583,760	-1,375,048
Interest Income	100,570	122,066
Foreign exchange differences	2,522,733	-958,233
Gain from sale of participations & securities	844,563	1,077,284
Loss from sale of participations & securities	-134,777	-154,717
Other financial income/expense	-167,218	-1,089,216
Σύνολο	**1,582,112**	**-2,377,863**

Company	01.01 - 31.12.2019	01.01 - 31.12.2018
Interest Expense	-1,163,012	-1,127,329
Interest Income	252,688	68,525
Foreign exchange differences	-27,499	-28,292
Gain from sale of participations & securities	844,563	1,077,284
Loss from sale of participations & securities	-134,777	-154,714
Dividends from subsidiaries	73,046,206	0
Other financial income/expense	317,026	-653,408
Σύνολο	**73,135,196**	**-817,934**

Dividends from subsidiaries relate mainly to dividends from "GR. SARANTIS CYPRUS" which was subsequently absorbed by the parent company as described in note 2.3.

4.10.16 Share capital

Share Capital					
	Number of shares	Nominal value of shares	Share capital	Share premium	Total
31.12.2019	69,877,484	0.78	54,504,438	40,676,356	**95,180,793**
31.12.2018	69,877,484	0.78	54,504,438	40,676,356	**95,180,793**
31.12.2017	34,938,742	1.55	54,155,050	41,025,743	**95,180,793**

Following the decision of the Ordinary General Meeting of shareholders on 27/04/2018, the Company proceeded with a share capital increase by an amount of 349,387.42 Euros via capitalization of part of the share premium account.

The share capital increase took place via the corresponding increase of the nominal value per share from 1.55 Euros to 1.56 Euros. Following the above share capital increase, the Company’s share capital amounts to 54,504,437.52 Euros divided into 34,938,742 common registered shares with a nominal value of 1.56 Euros per share.

Following, the General Meeting approved the decrease of the nominal value per share from 1.56 Euros to 0.78 Euros and the simultaneous increase of the total number of shares from 34,938,742 to 69,877,484 common registered shares (stock split).

The above 34,938,742 new shares were distributed as bonus shares to the Company’s shareholders based on the ratio of one new common registered share for every one old common registered share.

4.10.17 Earnings per Share

Earnings per share were calculated according to the weighted average number of shares after the deduction of the weighted average number of treasury shares held by the Company.

	Group		Company	
	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
Earnings after tax attributed to the owners of the Company	38,009,532	32,539,619	78,497,866	4,206,859
Weighted average number of shares	67,145,884	67,778,268	67,145,884	67,778,268
Earnings per share (€)	0.5661	0.4801	1.1691	0.0621

4.10.18 Dividends

- For the period ended on 31/12/2019:

The Ordinary General Meeting of shareholders during its meeting on 18.06.2019 approved the distribution of a dividend of 0.14311 Euros per share or a total amount of 10,000,036 Euros. According to the legislation in effect, the dividend that corresponded to 2,731,600 treasury shares of the Company further increased the total dividend of the other shareholders and therefore the total gross dividend per share accounted for 0.14893 Euros.

- For the period ended on 31/12/2018:

The Ordinary General Meeting of shareholders during its meeting on 27.04.2018 approved the distribution of a dividend of 0.26905 Euros per share or a total amount of 9,400,423.76 Euros. According to the legislation in effect, the dividend that corresponded to 1,365,800 treasury shares of the Company further increased the total dividend of the other shareholders and therefore the total gross dividend per share accounted for 0.2800 Euros.

4.10.19 Treasury Shares

The share buy-back program, which was approved in accordance with the provisions of article 16 of Codified Law 2190/1920 of the Extraordinary General Meeting, which took place on the 9th of June 2016, has been completed. During the above program, pursuant to Regulations EU/596/2014 and EU/1052/2016, as well as any acceptable practice for servicing the legitimate purposes and uses allowed, the company purchased in total 2,731,600 own common registered shares (adjusted after split), which correspond to 3.91% of its share capital, at an average acquisition price of 4.59 Euro per share, paying a total of 12,528,913 Euros.

As of 31/12/2019, the Company held in total 2,731,600 treasury shares with nominal value of EUR 0.78 per share, corresponding to 3.91% of its share capital.

4.10.20 Transitory Accounts

4.10.20.1 Transitory Asset Accounts

The transitory asset accounts are analyzed as follows:

Group	31.12.2019	31.12.2018
Prepaid expenses	1,094,435	878,781
Accrued income	306,532	253,281
Other transitional asset accounts	929,363	858,576
Total	**2,330,330**	**1,990,638**

Company	31.12.2019	31.12.2018
Prepaid expenses	660,991	490,338
Accrued income	116,798	119,117
Total	**777,789**	**609,455**

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4.10.20.2 Transitory Liability Accounts

The transitory liability accounts are analyzed as follows:

Group	31.12.2019	31.12.2018
Prepaid income	1,270,929	67,078
Accrued expenses	1,174,559	1,483,231
Other transitional liability accounts	1,702,440	1,070,707
Total	**4,147,927**	**2,621,016**

Company	31.12.2019	31.12.2018
Prepaid income	122,641	2,641
Accrued expenses	603,956	554,005
Other transitional liability accounts	113,628	54,993
Total	**840,226**	**611,640**

4.10.21 Revaluation and Other Reserves

The reserves are analyzed as follows:

Group	31.12.2019	31.12.2018
Ordinary reserve	6,227,175	5,673,696
Special reserve	452,114	432,240
Extraordinary reserve	165,445	165,446
Tax-free reserves on special law provisions	3,601,875	3,601,875
Reserve for treasury shares	-12,528,913	-12,528,913
Reserve from revaluation of fixed assets	15,833,726	13,597,917
Total	**13,751,423**	**10,942,261**

Company	31.12.2019	31.12.2018
Ordinary reserve	4,176,668	4,038,581
Special reserve	128,612,806	65,413,203
Tax-free reserves on special law provisions	3,601,875	3,601,875
Reserve for treasury shares	-12,528,913	-12,528,913
Reserve from revaluation of fixed assets	13,252,316	12,291,730
Total	**137,114,752**	**72,816,477**

4.10.22 Table of changes in fixed assets

4.10.22.1 Company

Company	Land - fields	Buildings, building facilities and technical projects	Investment property	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Fixed assets under construction and prepayments	Intangible assets	Total
Acquisition cost 1/1/2018	7,767,072	32,720,432	203,660	12,363,377	918,673	10,173,692	135,660	22,974,067	**87,256,632**
Additions	6,000	230,847	0	1,669,972	168,695	1,062,224	165,758	77,418	**3,380,915**
Write-offs	0	0	0	-22,198	-25,150	-20,503	-86,160	0	**-154,011**
Cost of disposals	0	0	0	-46,177	-57,482	-51,001	0	0	**-154,660**
Values as at 31.12.2018	**7,773,072**	**32,951,279**	**203,660**	**13,964,975**	**1,004,737**	**11,164,412**	**215,258**	**23,051,484**	**90,328,877**

Company	Land - fields	Buildings, building facilities and technical projects	Investment property	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Fixed assets under construction and prepayments	Intangible assets	Total
Depreciations 1/1/2018	0	14,436,992	13,514	8,300,292	786,538	7,058,304	0	4,063,480	**34,659,120**
Depreciations for the Period	0	1,172,322	0	688,612	34,059	795,448	0	1,201,633	**3,892,074**
Depreciations of write-offs	0	0	0	-7,624	-24,831	-16,085	0	0	**-48,540**
Depreciation of disposals	0	0	0	-44,737	-35,079	-44,972	0	0	**-124,789**
Depreciations 31.12.2018	0	15,609,315	13,514	8,936,543	760,686	7,792,695	0	5,265,113	**38,377,866**
Net book value as at 31.12.2018	**7,773,072**	**17,341,964**	**190,146**	**5,028,432**	**244,050**	**3,371,717**	**215,258**	**17,786,371**	**51,951,011**

Company	Land - fields	Buildings, building facilities and technical projects	Investment property	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Fixed assets under construction and prepayments	Intangible assets	Total
Acquisition cost 1/1/2019	7,773,072	32,951,279	203,660	13,964,975	1,004,737	11,164,412	215,258	23,051,484	**90,328,877**
Additions	0	231,524	0	2,291,888	43,977	1,231,871	2,711,825	93,440	**6,604,525**
Reclassifications	0	2,163,014	0	537,781	0	12,329	-2,713,124	0	**0**
Due to absorption of subsidiary	0	0	0	0	0	0	0	5,984,802	**5,984,802**
Revaluation	777,761	366,727	-3,300	0	0	0	0	0	**1,141,189**
Write-offs	0	0	0	0	0	-121,258	-78,967	0	**-200,225**
Cost of disposals	0	0	-168,388	0	0	-989	0	0	**-169,377**
Values as at 31.12.2019	**8,550,833**	**35,712,545**	**31,972**	**16,794,644**	**1,048,714**	**12,286,365**	**134,992**	**29,129,726**	**103,689,791**

Company	Land - fields	Buildings, building facilities and technical projects	Investment property	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Fixed assets under construction and prepayments	Intangible assets	Total
Depreciations 1/1/2019	0	15,609,315	13,514	8,936,543	760,686	7,792,695	0	5,265,113	**34,659,120**
Depreciations for the Period	0	1,185,173	0	853,528	51,562	910,996	0	1,240,516	**4,241,776**
Due to absorption of subsidiary	0	0	0	0	0	0	0	964,268	**964,268**
Revaluation	0	183,903	0	0	0	0	0	0	**183,903**
Depreciations of write-offs	0	0	0	0	0	-119,372	0	0	**-119,372**
Depreciation of disposals	0	0	-13,398	0	0	-594	0	0	**-13,993**
Depreciations 31.12.2019	0	16,978,390	115	9,790,071	812,248	8,583,725	0	7,469,897	**43,634,448**
Net book value as at 31.12.2019	**8,550,833**	**18,734,154**	**31,857**	**7,004,573**	**236,466**	**3,702,640**	**134,992**	**21,659,829**	**60,055,343**

4.10.22.2 Group

Group	Land - fields	Buildings, building facilities and technical projects	Investment property	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Fixed assets under construction and prepayments	Intangible assets	Total
Acquisition cost 1/1/2018	8,288,396	35,875,128	542,018	24,782,675	2,237,798	10,921,969	614,329	44,600,044	**127,862,356**
Additions	1,011,207	1,522,489	0	4,124,267	360,531	1,277,865	4,567,577	18,812,955	**31,676,891**
Reclassifications	0	0	0	314,019	7,891	-1,169	-320,514	-228	**0**
Due to absorption of subsidiary	43,573	1,938,123	0	3,614,310	171,540	177,318	277,194	739,399	**6,961,456**
Revaluation	931,161	911,558	583,076	0	0	0	261,237	0	**2,687,033**
Write-offs	0	0	0	-83,751	-25,328	-28,337	-96,735	0	**-234,151**
Cost of disposals	0	0	0	-331,868	-283,845	-79,113	-198,569	-20,525	**-913,921**
Foreign exchange differences	-23,282	6,523	-315	-163,580	-8,628	-4,318	-4,206	-210,848	**-408,654**
Values as at 31.12.2018	**10,251,054**	**40,253,822**	**1,124,780**	**32,256,071**	**2,459,960**	**12,264,215**	**5,100,314**	**63,920,796**	**167,631,011**

Group	Land - fields	Buildings, building facilities and technical projects	Investment property	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Fixed assets under construction and prepayments	Intangible assets	Total
Depreciations 1/1/2018	0	15,376,875	13,514	14,602,890	1,720,130	7,663,359	0	8,362,043	**47,738,811**
Depreciations for the Period	0	1,308,339	0	1,983,548	178,378	829,986	0	2,119,523	**6,419,774**
Due to absorption of subsidiary	0	681,243	0	1,966,739	125,272	162,356	0	472,490	**3,408,100**
Revaluation	0	227,989	0	0	0	0	0	0	**227,989**
Depreciations of reclassifications	0	0	0	1,615	0	-1,387	0	-228	**0**
Depreciations of write-offs	0	0	0	-79,470	-25,009	-23,919	0	0	**-128,399**
Depreciation of disposals	0	0	0	-304,407	-224,069	-73,084	0	0	**-601,560**
Foreign exchange differences	0	10,199	0	-67,211	-5,876	-3,067	0	-49,801	**-115,757**
Depreciations 31.12.2018	0	17,604,645	13,514	18,103,704	1,768,826	8,554,244	0	10,904,027	**56,948,959**
Net book value as at 31.12.2018	**10,251,054**	**22,649,177**	**1,111,266**	**14,152,367**	**691,134**	**3,709,971**	**5,100,314**	**53,016,769**	**110,682,052**

Group	Land - fields	Buildings, building facilities and technical projects	Investment property	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Fixed assets under construction and prepayments	Intangible assets	Total
Acquisition cost 1/1/2019	10,251,054	40,253,822	1,124,780	32,256,071	2,459,960	12,264,215	5,100,314	63,920,796	**167,631,011**
Additions	4,075	606,027	0	4,263,253	281,094	1,432,713	7,066,104	672,659	**14,325,925**
Reclassifications	0	5,088,246	0	3,985,848	9,587	159,431	-9,243,111	0	**0**
Revaluation	824,423	2,665,271	99,311	0	0	0	0	0	**3,589,005**
Write-offs	0	-4,653	0	-123,195	0	-362,486	-78,967	0	**-569,301**
Cost of disposals	0	-68,058	-168,388	-208,376	-104,614	-989	-1,396,220	-51,279	**-1,997,924**
Foreign exchange differences	37,403	709,177	-22,976	1,140,872	47,201	39,631	260,336	199,743	**2,411,387**
Values as at 31.12.2019	**11,116,955**	**49,249,832**	**1,032,727**	**41,314,472**	**2,693,227**	**13,532,516**	**1,708,456**	**64,741,919**	**185,390,104**

Group	Land - fields	Buildings, building facilities and technical projects	Investment property	Machinery, technical installations and other equipment	Vehicles	Furniture and other equipment	Fixed assets under construction and prepayments	Intangible assets	Total
Depreciations 1/1/2019	0	17,604,645	13,514	18,103,704	1,768,826	8,554,244	0	10,904,027	**56,948,959**
Depreciations for the Period	0	1,444,784	0	2,423,719	206,013	985,510	0	2,174,834	**7,234,860**
Revaluation	0	1,181,252	0	0	0	0	0	0	**1,181,252**
Depreciations of reclassifications	0	10,356	0	-10,356	0	0	0	0	**0**
Depreciations of write-offs	0	-2,722	0	-121,434	0	-274,189	0	0	**-398,345**
Depreciations of disposal	0	-57,878	-13,398	-183,060	-99,076	-594	0	-51,279	**-405,285**
Foreign exchange differences	0	260,414	0	543,312	29,458	32,531	0	24,654	**890,370**
Depreciations 31.12.2019	0	20,440,850	115	20,755,885	1,905,221	9,297,502	0	13,052,237	**65,451,811**
Net book value as at 31.12.2019	**11,116,955**	**28,808,982**	**1,032,612**	**20,558,586**	**788,006**	**4,235,013**	**1,708,456**	**51,689,682**	**119,938,293**

The net book value of intangible assets within the Group at 31/12/2019 includes trademarks – rights amounting to 45.7 mil. euros (46.3 mil. euros at 31/12/2018) and software amounting to 6.6 mil. euros (6.7 mil. at 31/12/2018).

The net book value of intangible assets within the Company at 31/12/2019 includes trademarks – rights amounting to 17.7 mil. euros (13.5 mil. euros at 31/12/2018) and software amounting to 3.9 mil. euros (4.3 mil. at 31/12/2018).

4.10.23 Number of Employees

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

	Group		Company	
	01.01 - 31.12.2019	01.01 - 31.12.2018	01.01 - 31.12.2019	01.01 - 31.12.2018
Regular employees	2,136	1,841	805	623
Day-wage employees	650	740	81	73
Total Employees	**2,786**	**2,581**	**886**	**696**

4.10.24 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 2018.

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 2.22%, 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 Primary 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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Current Employment Service Cost	498,441	465,385	496,100	477,620
Financial cost	47,470	31,846	47,470	38,477
Actuarial Losses (Profit)	-195,351	199,698	-195,351	199,698
Total	**350,560**	**696,928**	**348,219**	**715,794**
Further Payments	0	-238,173	0	-238,173
Retirement expenses	**350,560**	**458,755**	**348,219**	**477,621**
Balance of Liability at beginning of period	**1,878,697**	**1,419,942**	**1,790,083**	**1,312,462**
Retirement expenses	350,560	458,755	348,219	477,621
Reductions due to discontinued activities	0	0		0
Fx Diferrences	885	0		0
Closing Balances	**2,230,142**	**1,878,697**	**2,138,302**	**1,790,083**

A quantitative sensitivity analysis of the major assumptions as of 31st December 2019 is presented below:

Assumptions	Discount rate		Future Salary increase	
	0.50%	0.50%	0.50%	0.50%
Sensitivity level	increase	reduction	increase	reduction
	EUR	EUR	EUR	EUR
Effect on the defined benefit obligation	-57,065	57,522	15,362	-86,857

4.10.25 Litigation 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, that is included in the Company's provisions.

4.10.26 Contingent Liabilities

During the period 01.01 – 31.12.2019 there are no contingent liabilities either in the Group or the Company.

4.10.27 Contractual Obligations

A. Guarantees

The Company has guaranteed loan liabilities of its subsidiaries.

B. Capital investment commitments

A new investment in the subsidiary company Polipak is under-way that will lead to a more automated production process. The cost of this project for the following years and until it is completed is estimated at approximately € 20 million.

4.10.28 Events after the Balance Sheet Date

❖ The exponential COVID-19 spread and its declaration by WHO as a pandemic, is an unexpected global challenge with an uncertain course. Sarantis Group, with an utmost sense of responsibility, closely monitors the recent developments in order to appropriately respond at all levels by having prepared a specific coronavirus action plan ensuring its business continuity as well as the protection of its employees' and the society's well-being.

The Group has enacted precautionary measures in line with each state's government in which it operates and in accordance with the official WHO's guidelines. In Greece, a special coronavirus protection policy was enacted which includes remote working, suspension of both professional and personal travel, cancellation of both internal and external events, the headquarters' decontamination and special health guidance. In the other countries of its operation, the Group is aligned with the precautionary measures taken by the authorities and is prepared to implement remote work and further specific protection measures.
Regarding the supply chain, the Group has ensured inventory that can meet increased orders, even in categories presenting high consumption.

Given the low visibility, the quantitative and qualitative impact of COVID-19 spread on the Group's operation are under evaluation and will be presented in the Interim Financial Statements.
However, the Management estimates that, after this period of disturbance, consumption will return to normal levels. In addition, the Group's strong capital base, low net debt and strong cash flows, provide security during this challenging and uncertain period for the world.

The Group's main priority is to overcome any challenges ahead and continue to offer high quality brands to the consumers, always protecting its employees and the society.

❖ The acquisition of the brand LUKSIA and the distribution of PZC brands in Poland were approved by the Antimonopoly Committee in February 28th 2020.

❖ Following the election of the new third person of the Audit Committee, Mr. Ioannis Arkoulis of Michael, who was elected by the General Extraordinary Meeting dated February 27th 2020, after having confirmed that the requirements set out by the provisions of article 44 of the L.4449/2017 are met, and the authorization of the Board of Directors by the same General Meeting to appoint the two independent non-executive members of the Board of Directors who will occupy the remaining positions of the members of the Company's Audit

Committee, the Board of Directors, at its meeting on March 3rd 2020, appointed as members of the Company's Audit Committee, the independent non-executive members, Mr. Dimitrios Efstathiou of Konstantinos and Mr. Christos Economou of Ioannis.

The aforementioned members of the Audit Committee were appointed in accordance with article 44 of Law 4449/2017. Furthermore, during the meeting of the Audit Committee on March 3rd 2020, the members of the Audit Committee decided to appoint, Mr. Ioannis Arkoulis of Michael as its Chairman.

In view of the above, the Audit Committee of the Company consists of the following:

- Dimitrios Efstathiou of Konstantinos, independent non-executive member of the Board of Directors, member of the Audit Committee,
- Christos Economou of Ioannis, Independent non-executive Board Member, member of the Audit Committee, and
- Ioannis Arkoulis of Michael, third person, Chairman of the Audit Committee.

4.10.29 Foreign Exchange Differences

The operating currency of the Group is the Euro. The Company converts the statements of income of the subsidiary companies into euro based on the average exchange rate and the balance sheets based on the closing exchange rate as of 31st December.

The major foreign exchange differences that were used in the conversion of foreign transactions into euro are the following:

	Average rate for the period ended		Spot rate as at	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
US dollar	1.12	1.18	1.12	1.15
UK sterling	0.88	0.88	0.85	0.89
Polish zloty	4.30	4.26	4.26	4.30
Romanian leu	4.75	4.65	4.78	4.66
Bulgarian lev	1.96	1.96	1.96	1.96
Czech koruna	25.67	25.65	25.41	25.73
Serbian dinar	117.86	118.28	117.59	118.19
Macedonian dinar	61.51	61.51	61.49	61.50
Hungarian florint	325.34	318.85	330.52	321.51
Bosnia-Herzegovina convertible marka	1.96	1.96	1.96	1.96
Ukrainian hryvnia	28.94	32.13	26.42	31.71
Russian rouble	72.50	73.95	69.34	79.46

4.10.30 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	31.12.2019	31.12.2018
Sarantis Belgrade D.O.O	79,500	0
Sarantis Banja Luca DOO	23,800	0
Sarantis Bulgaria LTD	163,656	108,171
Sarantis Romania S.A.	392,248	814,636
Sarantis Polska S.A.	1,092,462	426,494
Sarantis Czech Republic sro	1,049,344	763,938
Polipak SP.Z.O.O.	38,692	7,460
Sarantis Hungary Kft.	182,992	274,109
Sarantis Portugal LDA	1,229,076	1,142,773
Sarantis Slovakia S.R.O	164,378	0
Elode France SARL	22,826	19,506
Ergopack LLC	266,428	0
Total	**4,705,401**	**3,557,085**

Receivables from loans	31.12.2019	31.12.2018
Ergopack LLC	7,131,128	0
Total	**7,131,128**	**0**
Grand Total Receivables	**11,836,529**	**3,557,085**

Trade Liabilities	31.12.2019	31.12.2018
Sarantis Belgrade D.O.O	993,074	1,647,316
Sarantis Skopje D.O.O	996,596	902,108
Sarantis Polska S.A.	388,312	246,879
Sarantis Czech Republic sro	0	399
Polipak SP.Z.O.O.	477,778	454,131
Sarantis Hungary Kft.	0	670
Sarantis France SARL	53,868	57,181
Total	**2,909,627**	**3,308,683**

Liabilities from loans	31.12.2019	31.12.2018
Sarantis Bulgaria LTD	7,514,695	0
Sarantis Romania S.A.	15,029,391	0
Sarantis Polska S.A.	7,514,695	0
Waldeck LTD	538,347	538,493
Total	**30,597,128**	**538,493**
Grand Total Liabilities	**33,506,756**	**3,847,176**

Income

Income from sale of merchandise	01.01 - 31.12.2019	01.01 - 31.12.2018
Sarantis Belgrade D.O.O	2,493,528	2,124,960
Sarantis Skopje D.O.O	671,669	597,697
Sarantis Bulgaria LTD	1,939,111	1,946,875
Sarantis Romania S.A.	5,464,271	4,915,722
Sarantis Polska S.A.	6,641,399	4,289,920
Sarantis Czech Republic sro	3,995,340	2,986,444
Sarantis Hungary Kft.	939,052	1,028,109
Sarantis Portugal LDA	1,062,023	975,686
Sarantis Slovakia S.R.O	308,520	0
Ergopack LLC	221,134	0
Total	**23,736,046**	**18,865,414**

Income – Interest	01.01 - 31.12.2019	01.01 - 31.12.2018
Ergopack LLC	264,015	0
Total	**264,015**	**0**

Other Income	01.01 - 31.12.2019	01.01 - 31.12.2018
Sarantis Belgrade D.O.O	186,596	83,046
Sarantis Banja Luca DOO	27,959	3,870
Sarantis Skopje D.O.O	19,954	14,234
Sarantis Bulgaria LTD	26,839	31,743
Sarantis Romania S.A.	79,379	82,628
Sarantis Polska S.A.	178,141	159,394
Sarantis Czech Republic sro	99,790	99,294
Polipak SP.Z.O.O.	66,092	43,742
Sarantis Hungary Kft.	72,011	53,387
Sarantis Portugal LDA	86,580	77,321
Sarantis Slovakia S.R.O	22,889	0
Ergopack LLC	45,294	0
Total	**911,524**	**648,660**
Grand Total Income	**24,911,586**	**19,514,074**

Expenses and Purchases

Purchases of Merchandise - Services	01.01 - 31.12.2019	01.01 - 31.12.2018
Sarantis Belgrade D.O.O	53	14,292
Sarantis Bulgaria LTD	3,714	0
Sarantis Romania S.A.	23,129	79,505
Sarantis Polska S.A.	1,210,162	1,430,136
Sarantis Czech Republic sro	0	3,502
Polipak SP.Z.O.O.	3,252,666	3,521,156
Sarantis Hungary Kft.	82	1,564
Sarantis Portugal LDA	127	390
Total	**4,489,933**	**5,050,544**

Expenses – Interest	**01.01 - 31.12.2019**	**01.01 - 31.12.2018**
Sarantis Bulgaria LTD	38,672	0
Sarantis Romania S.A.	77,344	0
Sarantis Polska S.A.	38,672	0
Waldeck LTD	22,060	22,060
Total	**176,747**	**22,060**
Grand Total Expenses	**4,666,680**	**5,072,603**

Table of Disclosures of Related Parties		
	Group	**Company**
a) Income	0	24,911,586
b) Expenses	0	4,666,680
c) Receivables	0	11,836,529
d) Liabilities	0	33,506,756
e) Transactions and remuneration of senior executives	1,499,720	1,347,644
f) Receivables from senior executives and management	83,149	83,149
g) Liabilities towards senior executives and managemer	0	0
h) Receivables from affiliates	336	336
j) Liabilities τo affiliates	17,394	17,394

4.10.31 Business Units and Geographical Analysis Tables

4.10.31.1 Breakdown by Business Unit

Turnover Analysis

SBU Turnover (€ mil)	*FY '19*	*%*	*FY '18*
Cosmetics	**159.62**	**5.34%**	**151.53**
% of Total	**43.13%**		**44.05%**
Own	98.29	2.26%	96.12
% of SBU	61.58%		63.43%
Distributed	61.33	10.70%	55.41
% of SBU	38.42%		36.57%
Household Products	**142.15**	**8.95%**	**130.46**
% of Total	**38.41%**		**37.93%**
Own	141.60	9.23%	129.63
% of SBU	99.61%		99.36%
Distributed	0.55	-34.24%	0.83
% of SBU	0.39%		0.64%
Private Label	**20.70**	**11.26%**	**18.61**
% of Total	**5.59%**		**5.41%**
Other Sales	**47.60**	**9.69%**	**43.40**
% of Total	**12.86%**		**12.62%**
Health Care Products	8.79	-10.03%	9.77
% of SBU	18.47%		22.52%
Selective	38.81	15.42%	33.63
% of SBU	81.53%		77.48%
Total Turnover	**370.07**	**7.58%**	**344.00**

EBIT Analysis

SBU EBIT (€ mil)		*FY '19*	*%*	*FY '18*
Cosmetics		**11.56**	-5.22%	**12.20**
	Margin	7.24%		8.05%
	% of EBIT	26.37%		30.06%
Own		8.11	-11.08%	9.12
	Margin	8.25%		9.49%
	% of EBIT	18.51%		22.49%
Distributed		3.45	12.18%	3.07
	Margin	5.62%		5.55%
	% of EBIT	7.86%		7.57%
Household Products		**14.42**	8.42%	**13.30**
	Margin	10.14%		10.19%
	% of EBIT	32.89%		32.78%
Own		14.51	8.57%	13.37
	Margin	10.25%		10.31%
	% of EBIT	33.10%		32.94%
Distributed		-0.09	-37.29%	-0.07
	Margin	-16.78%		-8.03%
	% of EBIT	-0.21%		-0.17%
Private Label		**1.47**	0.24%	**1.47**
	Margin	7.10%		7.88%
	% of EBIT	3.35%		3.61%
Other Sales		**4.34**	3.87%	**4.17**
	Margin	9.11%		9.62%
	% of EBIT	9.89%		10.29%
Health Care Products		**1.31**	-12.50%	**1.50**
	Margin	14.93%		15.35%
	% of EBIT	2.99%		3.70%
Selective		**3.02**	13.06%	**2.67**
	Margin	7.79%		7.95%
	% of EBIT	6.90%		6.59%
Income from Associated Companies		**12.06**	27.72%	**9.44**
	% of EBIT	27.50%		23.26%
Total EBIT		**43.84**	8.05%	**40.57**
	Margin	**11.85%**		**11.79%**

4.10.31.2 Geographical Breakdown

Turnover analysis

Country Turnover (€ mil)	*FY '19*	*%*	*FY '18*
Greece	**126.21**	**8.14%**	**116.71**
% of Total Turnover	**34.10%**		**33.93%**
Poland	55.77	-4.18%	58.20
Poland - Polipak	20.70	11.26%	18.61
Romania	56.06	7.08%	52.36
Bulgaria	13.83	-1.20%	14.00
Serbia	19.71	4.55%	18.86
Czech Republic	21.68	3.78%	20.89
Slovakia	5.61	15.46%	4.85
Hungary	10.74	-6.16%	11.44
North Macedonia	4.28	2.83%	4.16
Bosnia	2.99	-1.04%	3.02
Portugal	2.23	10.10%	2.03
Ukraine	27.62	63.52%	16.89
Russia	2.64	33.79%	1.97
Foreign Countries Subtotal	**243.86**	**7.29%**	**227.29**
% of Total Turnover	**65.90%**		**66.07%**
Total Turnover	**370.07**	**7.58%**	**344.00**

EBIT Analysis

Country EBIT (€ mil)	*FY '19*	*%*	*FY '18*
Greece	**25.61**	**13.82%**	**22.50**
% of Total Ebit	**58.43%**		**55.47%**
Poland	3.25	-30.24%	4.66
Poland-Polipak	1.47	0.24%	1.47
Romania	5.74	14.28%	5.02
Bulgaria	1.47	-10.56%	1.64
Serbia	2.09	-1.32%	2.12
Czech Republic	2.43	28.51%	1.89
Slovakia	0.17	-33.16%	0.25
Hungary	0.30	451.86%	-0.09
North Macedonia	0.59	-8.56%	0.65
Bosnia	-0.32	-127.02%	-0.14
Portugal	-0.19	10.00%	-0.21
Ukraine	1.29	24.92%	1.03
Russia	-0.07	68.49%	-0.23
Foreign Countries Subtotal	**18.22**	**0.86%**	**18.07**
% of Total Ebit	**41.57%**		**44.53%**
Total EBIT	**43.84**	8.05%	**40.57**

Marousi, April 1st 2020

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN OF THE BOARD	THE GROUP'S CHIEF FINANCIAL OFFICER & BOARD MEMBER	THE COMPANY'S FINANCE DIRECTOR	THE ACCOUNTANT DIRECTOR
GRIGORIS SARANTIS	KYRIAKOS SARANTIS	KONSTANTINOS ROZAKEAS	ANASTASIA-STAVROULA LATSOU	EFSTATHIOS STEFAS
ID No. X 080619/03	ID No. AI 597050/2010	ID No. AK 783631/13	ID No. AA 128208/05	ID No. AI 988547/12