



General Commercial Reg. Number: 346001000

AVLONAS ATTICA, DRASEZA PLACE (Industrial park Avlona)

ANNUAL FINANCIAL REPORT
PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2017
In accordance with International Financial Reporting Standards (IFRS)
(As adopted by the European Union)

It is asserted that this Annual Financial Report for 2017 (01.01.2017-31.12.2017) is conducted according to article 4 of the Law 3556/2007 and the relevant Decisions of the Hellenic Capital Market Commission is the one which approved by the Board of Directors of "ELTON INTERNATIONAL TRADING COMPANY S.A.", on April 18th 2018 and is posted on www.elton.gr, where it will remain at the disposal of the investing public for at least five (5) years after its publication.

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STATEMENTS OF THE MEMBERS OF THE BOARD

The following members of the Board of Directors of the Company "ELTON INTERNATIONAL TRADING COMPANY S.A." and especially:

1. Nestor Papathanasiou of Dimitrios, Chairman of the Board of Directors and CEO
2. Alkistis Papathanasiou of Nestor, executive member of the Board
3. Katy Andreou of Ioannis, executive member of the Board,

with our above-mentioned status and according to article No. 4, paragraph 2, of the law 3556/2007, as it stands today, and as especially assigned from the Board of Directors of the Public Listed Company under the name "ELTON INTERNATIONAL TRADING COMPANY SA" (hereafter referred to as the "Company" or as "ELTON"), we state and we assert that to the best of our knowledge:

(a) The financial statements of the Company (and the consolidated) for the period 2017 (01.01.2017-31.12.2017), which were prepared according to the current accounting standards, depict in a truthful way the assets and the liabilities, the equity and the results of the Group and the Company, as well as the companies' which are included in the consolidation as total, and

(b) The Report of the Board of Directors of the Company presents in a truthful way the significant events that took place in the financial year of 2017, the evolution and the position of the Company, as well as the companies that are included in the consolidation as a total, including the main risks and uncertainties they face.

Avlonas Attica, 18th April 2018

The asserting,

President of BoD and CEO

Executive member of the
Board

Executive member of the
Board

Nestor D. Papathanasiou
ID card AB 606775

Alkistis N. Papathanasiou
ID card AE 105490

Katy I. Andreou
ID card AB 237937

Annual Report of the Board of Directors for the period 2016 (including the State of Corporate Governance)

INTRODUCTION

The present Report of the Board of Directors (from now on referred to as the "Report") which follows refers to the financial year of 2017 (01/01/2017 - 31/12/2017).

This Report was compiled and is in line with the relevant stipulations of the law 2190/1920, law 3556/2007 and the relevant executive decisions of the Hellenic Capital Market Commission.

The present Report contains in a brief, but substantive manner all the important units, which are necessary, based on the above-mentioned legislative frame and depicts in a truthful way all the relevant indispensable according to the law information, in order to deduce a substantive and well-founded appraisal of the activity, during the time period in question, of the company "ELTON INTERNATIONAL TRADING COMPANY SA" (hereafter referred to as the "**Company**" or "**Issuer**" or as "**ELTON**") as well as the Group.

In the Group, apart from ELTON, also the following associated companies are included:

- a) ELTON CORPORATION SA, which is located in Bucharest Romania, Campului street 5, Pantelimon, in which ELTON participates a 100%.
- b) ELTON CORPORATION EOOD, which is located in Sofia Bulgaria, Botevgradsko Shose Blvd., 2nd kilometer from the ring-road /direction to Varna/1855 Dolni Bogrov, in which ELTON participates a 100%.
- c) ELTON CORPORATION DOO, which is located in Belgrade Serbia, Sanje Zivanovica 27a, in which ELTON participates a 100%.
- d) ELTON PLS, which is located in Avlona Attica, Draseza place, in which ELTON participates a 70%.
- e) ELTON CORPORATION L.L.C., which is located in Kiev Ukraine, Mezhygorskaya str.82 "A", office 303, 04080, in which ELTON participates a 100%.
- f) ELTON MARMARA KIMYA SANAYI VE TICARET A.S., which is located in Besiktas municipality of Istanbul, in which ELTON participates a 70% (indirect participation through the 100% subsidiary ELTON CORPORATION S.A. Romania)

This report was prepared in accordance with the terms and conditions of the pre-described legal framework, notably Article 4 of L.3556/2007 and Article 4 of Decision 7/448/11.10.2007 of the Board of the Capital Market Commission and accompanies the financial statements for the year 2017 (1.1.2017-31.12.2017).

Given that the Company also prepares consolidated financial statements, the present report is single, the main point of reference is the consolidated financial figures of the Company and

the associate companies, and the parent company's figures are referred to when it is considered necessary in order to better understand its content.

This Report is included integral, with the financial statements of the Company and the other elements and statements that are dictated by the law, in the Annual Financial Report that includes the Corporate Government Statement and refers to the financial year of 2017.

The sections of the Report and their content are as follows:

SECTION A

Important Events during the Fiscal Year of 2017

The important events which took place during the fiscal year 2017 (01.01.2017-31.12.2017) in the order they took place, for the Company and the Group are the following:

21/04/2017 - Announcement of the Financial Calendar 2017

In accordance with articles 4.1.2 and 4.1.4.3.1 of Rulebook of ASE, ELTON SA announces the Financial Calendar for the year 2017 according to which:

1. Announcement date of the annual Results 2016: Friday 28th April 2017.
2. The Annual General Meeting of Shareholders will be held Wednesday 28th June 2017.

It is noticed that the Board of Directors of the Company intends to propose not dividend distribution for the year 2016 to the Annual General Meeting.

The company retains the right to change the above dates if timely notification of the public by amending the present, according to the provisions of the Athens Exchange Rulebook.

28/04/2017 - Publication of Financial Results 2016

06/06/2017 - Invitation to Annual General Meeting

29/06/2017 - Decisions of the Annual General Assembly 28/06/2017

It is announced that on 28/06/2017 at the offices of the company in the municipality of Avlona, place Draiseza (Industrial Park) took place The Annual General Meeting of shareholders of our Company after the 1/06/2017 invitation of BoD, which was attended by eleven (11) shareholders (nine in person and two by proxy), representing a total of 21.555.868 shares, i.e. 80,642414 % of the share capital of the company.

On the issues of the agenda following decisions were taken:

1. Unanimously approved by votes 21.555.868 for total that were present 21.555.868, i.e. 100% of the present shareholders and votes, the Annual Financial Statements for the fiscal year 1/1-31/12/2016 and Financial Statements & Information of fiscal year 1/1-31/12/2016, which are included in the Annual Financial Report for the fiscal year 2016.
2. Unanimously approved by votes 21.555.868 for total that were present 21.555.868, i.e. 100% of the present shareholders and votes, the Board of Directors' Report and Audit Report of

Independent Certified Auditor - Accountant on the annual Financial Statements for the fiscal year 1/1/2015-31/12/2016.

3. Unanimously approved by votes 21.555.868 for total that were present 21.555.868, i.e. 100% of the present shareholders and votes, to discharge the Members of the Board of Directors and of the Auditors from any compensation liability regarding Annual Financial Statements and the activities during the fiscal year that ended on 31.12.2016.

4. Unanimously approved by votes 21.555.868 for total that were present 21.555.868, i.e. 100% of the present shareholders and votes, the fees of the Board of Directors members for the year 1/1/2016-31/12/2016.

5. Unanimously pre-approved by votes 21.555.868 for total that were present 21.555.868, i.e. 100% of the present shareholders and votes, the fees of the Board of Directors members for the year 1/1/2017-31/12/2017.

6. Elected by votes 21.555.847 for total that were present 21.555.868, i.e. 99,999903% of the present shareholders and votes, the audit firm SOL SA for the audit of annual year 2017.

7. Approved by votes 21.555.847 for total that were present 21.555.868, i.e. 99,999903% of the present shareholders and votes, the contracts for work and services with Board of Directors members in accordance with Article 23a of Codified 2190/20 as applicable.

8. Approved unanimously with 21.555.868 votes out of 21.555.868 were present, namely 100% of the present voting shareholders, the granting of guarantees license or other securities in subsidiaries in accordance with article 23a of CL 2190/20 as amended.

9. Unanimously approved by votes 21.555.868 for total that were present 21.555.868, i.e. 100% of the present shareholders and votes, the decrease of share capital of the Company at the amount of 2.138.414,96 euro with a decrease of the nominal value of the share from euro 0,60 to 0,52, i.e. by 8,08 per share, for the purpose of capital return to shareholders in cash of 0,08 per share, the Amendment of article 5 of the Company's Articles of association for the share capital and the empowerment to the Company's Board of Directors for the implementation of these decisions.

10. Elected by a votes of 21.555.847 for total that were present 21.555.868, i.e. with 99.999903% of the present shareholders and votes, the Audit Committee in accordance with article 44 of N. 4449/2017 consisting of: Theodorou Eirinaios (President of the Commission) , Michalis Hatzis (Independent non-executive member of the BOD), Christos Poulis (independent non-executive member of the BOD), Electra Papathanasiou (non-executive member of the BOD).

11/07/2017 – Replacement of Shareholder Service Manager

ELTON INTERNATIONAL TRADING COMPANY S.A. announces that by 10/07/2017 decision of the Board of Directors of the Company, head of the shareholder service department, was appointed mr. Stylianos Vassiliou of Demetrius in replacement of mrs. Panagiota Papathanasiou of Nestor.

27/07/2017 – Announcement for return of capital with payment of cash

It is announced by the company ELTON INTERNATIONAL TRADING COMPANY S.A. that the Ordinary General Meeting of shareholders of 28.06.2017 decided to reduce the share capital of the company by the amount of 2.138.414,96 euros with a reduction of nominal value of each share by an amount of EUR 0,08 each, i.e. from euro 0,60 in Euro 0,52 each, with a view to the return of capital by cash to the shareholders.

Thus, the company's share capital now amounts to the sum of thirteen million eight hundred ninety-nine thousand and six hundred ninety-seven Euros and twenty-four cents (13.899.697,24 euros) and is divided into twenty-six million seven hundred thirty thousand and one hundred eighty-seven (26.730.187) nominal shares of a nominal value of 0,52 euros each. The Ministry of Economy and Development with 77928/12-07-2017 decision approved the amendment of the relevant article of the Articles of Association of the company. The Athex Board of Directors at its meeting of 26/07/2017 was informed of the reduction of the nominal value of the shares of the company with return of capital with payment of cash to the shareholders of an amount of 0,08 euros per share.

After the above from Tuesday 1 August 2017 the shares of the company will be negotiable in the Athex with a new denomination of 0,52 euros per share and without the right to participate in the return of capital by paying cash to the shareholders of €0,08 per Share. From the same date the starting price of the company's shares in the Athex will be formed according to the regulation of the Athens Stock Exchange in combination with number 26 Decision of the Board of the Athex as applicable.

Beneficiaries of the capital return are the shareholders who will be registered in the archives of DSS on Wednesday 2 August 2017 for this listed company. The starting date for the return of capital is fixed on Monday 7 August 2017. The payment of cash for the amount of the return of the capital will start from Monday 7 August 2017 and will take place through the National Bank of Greece up to 31/07/2018 as follows:

1. By the operators of the beneficiary shareholders as they have been granted the right of recovery.
2. By crediting their account to the National Bank of Greece as the shareholders have declared this bank as an operator in the DSS
3. From the network of branches of the National Bank of Greece to shareholders who have not requested recovery from their operator or whose shares are kept in the special account of Greek stock exchanges or for shares held in portions of non-appeared investors. For the collection of cash from the branch network of the National Bank of Greece it is necessary to present their identity card and the printing of details of the number of K.A.M.E. (Code No. of investor in the S. A. T). The payment to a third party is made only by the presentation of an authorization which will bear the full details of both the beneficiary shareholder and the proxy (name, surname, card and VAT) certified for the original signature by Police or other authority.

After 31/07/2018 the return of capital in cash will be paid only by the offices of the company (location Draseza-Vipa Avlona).

28/09/2017 – Publication of Financial Results A semester 2017

SECTION B

Main Risks and Uncertainties

The Group is exposed to a variety of financial risks: market risk (including changes in exchange rates), credit risk, liquidity risk, cash flow risk and fair value risk from changes in interest rates.

The overall risk management of the Group focuses on the unpredictability of financial markets and seeks to minimize their potential negative effects on the financial performance of the Group.

1. Market Risk

A. Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risks arise from future commercial transactions, recognized assets and liabilities and investments having their head office and operate abroad. The Group has certain investments in subsidiaries that are depicted in the table below, whose assets are exposed to currency risks.

COMPANY	COUNTRY	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
ELTON CORPORATION SA	ROMANIA	100%	FULL
ELTON CORPORATION EOOD	BULGARIA	100%	FULL
ELTON CORPORATION DOO	SERBIA	100%	FULL
ELTON CORPORATION LLC	UKRAINE	100%	FULL (*from 1.1.2016)
ELTON MARMARA KIMYA SANAYI VE TICARET A.S.	TURKEY	70%	FULL

B. Price risk

The Group is not exposed to debt securities price risk due to their total lack. However, is exposed to changes in the value of commodities traded (Bulk chemicals) and this because their price is directly related to the price of petroleum, as valued in the current market. The risk is managed through a similar change in selling prices of the goods available.

2. Cash flow and fair value interest

A. Interest risk

The Group has no interest-bearing assets and therefore income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest risk is increased by long-term and short-term borrowings.

In particular, the long-term borrowings on 31st December 2017 of the Group and the Company amounted to 5.566.525 euro (2016: 2.663.154 euros) and 4.427.174 euro (2016: 2.262.653 euro) while the short-term borrowings of the Group and the Company amounted at 18.130.070 euros (2016: 16.462.057 euro) and 14.286.341 euro (2016: 13.585.142 euro) respectively.

The long-term bank borrowing of the amount 3.000.000 euro has been concluded with interest rate based on EURIBOR plus fixed margin (spread) and according to the agreement of the repayment table it will be repaid at 4 years.

The short-term bond borrowing was a common bond loan of ten years duration with semi-annual installments and six-month interest charge of total initial nominal value fifteen million (15.000.000) euros. The interest rate is with fixed part (spread) per annum and variable part which is equal to the EURIBOR of the interest period. Short-term bank borrowing has been concluded with a floating interest rate. During fiscal year 2017 the bond loan paid completely. In case of +1% or -1% change of interest rate, the effects on equity and results of the Group and the Company are presented below:

A) Increase in interest rate by 1%

The results for the year and equity of the Group and the Company would be burdened by 236.966 and 187.135 euros respectively (2016: 207.919 and 175.145 euro).

B) Decrease in interest rate by 1%

The results of the year and the equity of the Group and the Company would increase by 236.966 and 187.135 euros respectively (2016: 207.919 and 175.145 euro).

B. Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks, and credit reports of customers including significant receivables and transactions.

The Group does not have significant concentration of receivables in limited number of customers. Due to the large dispersion of the customer base, the group faces limited credit risks and makes systematic use of credit insurance and where appropriate advances, credit and bank guarantees are considered. The group's clientele includes international prestigious multinational corporations and therefore the existence of credit risk is limited.

The Group and the Company make provision for doubtful customers.

On 31st December 2017 the total amount of customers' and other trade receivables was EUR 51.821.991 (2016: 45.666.059) and EUR 36.979.654 (2016: 33.529.808) respectively and the provisions for doubtful debts were euros 6.908.618 (2016: 5.095.329) and euros 4.951.235 (2016: 4.001.235) respectively i.e. 13,33% (2016: 11,16%) and 13,39% (2016: 11,93%)

which the Management of the Company considers satisfactory in an environment of increased credit fluctuations.

Also, the debit balances of subsidiaries on December 31, 2017 amounted to EUR 1.048.231 (2016: 952.136 euro) which the Company's Management believes that presenting no risk of non-collecting since subsidiaries are controlled 100% by the parent.

C. Capital management risk

The capital management aims to ensure the Group the ability to continue its activities in order to provide profits to the shareholders and benefits for other interested parties, while maintaining a capital structure that minimizes the cost of capital. The tools of capital management are the dividend policy, the issuance or return of capital and trading of assets. The main index used in the management of capital is the leverage factor, which is calculated as net borrowing divided by total usable capital.

Net borrowing is calculated as total borrowings (including short and long term loans) minus cash and cash equivalents.

The total usable capital is calculated by the equity that is displayed in the balance sheet plus the net borrowing.

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Total of borrowings	23.696.595	20.791.875	18.713.515	17.514.459
Less: Cash and cash equivalents	-4.832.391	-6.040.849	-4.476.137	-5.301.231
Net Borrowing	18.864.204	14.751.026	14.237.378	12.213.228
Equity	50.395.091	49.587.373	44.722.736	44.794.962
Total usable capital	69.259.295	64.338.399	58.960.114	57.008.190
Leverage factor	27,24%	22,93%	24,15%	21,42%

It is observed that the leverage factor on 31 December 2017 in both the Group and the Company appears higher than the previous fiscal year 2016 due to the increase of borrowings and the decrease of the share capital which took place during fiscal year 2017.

On 28/06/2017 at the Ordinary General Meeting of the Shareholders it was decided the decrease of share capital of the Company at the amount of 2.138.414,96 euro with a decrease of the nominal value of the share by 8,08 per share i.e. from euro 0,60 to 0,52 each, at the purpose of capital return to shareholders in cash.

D. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of financing through sufficient credit operations. The table below analyzes the financial liabilities of

the Group and the Company classified in groups by date, calculated in accordance with the remaining period from the balance sheet date until the contractual maturity date.

Group 31/12/2017	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	18.130.070	4.462.974	1.103.551	23.696.595
Trade and other liabilities	19.134.024	0	0	19.134.024
Total	37.264.095	4.462.974	1.103.551	42.830.619

Group 31/12/2016	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	18.128.721	2.663.154	0	20.791.875
Trade and other liabilities	15.966.515	0	0	15.966.515
Total	34.095.236	2.663.154	0	36.758.390

Company 31/12/2017	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	14.286.341	4.427.174	0	18.713.515
Trade and other liabilities	12.904.701	0	0	12.904.701
Total	27.191.043	4.427.174	0	31.618.216

Company 31/12/2016	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	15.251.806	2.262.653	0	17.514.459
Trade and other liabilities	11.522.870	0	0	11.522.870
Total	26.774.676	2.262.653	0	29.037.329

Group considers that all of the obligations to suppliers are short term. In the same category include other short-term obligations and the tax liabilities.

E. Fire risk

The Group's fixed assets (buildings, warehouses, offices, machinery and furniture) and the inventories of the Company are fully insured against fire, lightning, storm, storm, other natural disasters and acts of terrorism.

The inventories that are in warehouses of the company are insured at their acquisition value against all these risks. Additionally, there are insurance programs for loss of gross profit as a consequence of business interruption, from coverage of property damage, as well as programs covering financial losses or contingent liabilities of third parties.

Despite security of facilities, stock and employees, in any partial or total destruction or accident related to the above risks, it cannot be provides any confirmation that the Company will be indemnified directly and in full by the insurance company.

In addition, the Group's buildings are in very good condition and have been taken all appropriate measures to address this risk and minimize its consequences.

SECTION C

Important Transactions with Related Parties

This section includes the most important transactions between the Company and its related parties, as they are defined by International Accounting Standard 24.

Especially in this section include:

- a) Transactions between the Company and any related party made during the fiscal year 2017, which have materially affected the financial position or performance of the Company during this period,
- b) Any changes in the transactions between the Company and any related party described in the last annual report that could have a material effect on the financial position or performance of the Company during the fiscal year 2017.

Note that the reference to those transactions which follows includes the following items:

- a) The amount of such transactions for the period 1.1-31.12.2017,
- b) The outstanding balance at end of period (31.12.2017)
- c) The nature of the related party relationship with the issuer and
- d) Any information on transactions, which are necessary for an understanding of the financial position of the Company, but only if such transactions are substantial and not been concluded under normal market conditions.

In particular the transactions and the balances between the Company and the related legal entities (subsidiaries), as defined by the International Accounting Standard 24, for the period 1.1.2017-31.12.2017 and 31 December 2017 were as follows (amounts in euro):

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

COMPANY	SALES		PURCHASES	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
ELTON CORPORATION SA	459.300	443.043	248.691	544.982
ELTON CORPORATION EOOD	138.955	227.124	106.381	45.176
ELTON CORPORATION DOO	124.176	185.326	14.040	25.520
ELTON CORPORATION LLC	7.429	0	0	0
ELTON MARMARA AS	209.000	104.500	0	0
TOTAL	938.860	959.994	369.112	615.678

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

COMPANY	RECEIVABLES		OBLIGATIONS	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
ELTON CORPORATION SA	25.713	49.671	1.337.952	1.572.518
ELTON CORPORATION EOOD	722.570	549.979	0	17.660
ELTON CORPORATION DOO	273.114	300.156	0	0
ELTON CORPORATION LLC	709	0	0	0
ELTON MARMARA	26.125	52.330	0	0
TOTAL	1.048.231	952.136	1.337.952	1.590.179

Analytically and with the objective of specific determination of the above transactions are specified the following:

Transactions and balances with related natural persons, as defined by the International Accounting Standard 24, for the period 1.1-31.12.2017 and on 31st December 2017 respectively for the period 1.1-31.12.2016 and on 31st December 2016 were as follows (amounts in euros):

	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Transactions and fees of managers and members of the administration from payroll and profits	935.916	1.025.850	610.135	705.079
Receivables from managers and BoD members	0	0	0	0
Obligations to key management personnel and BoD members	24.337	24.337	24.337	24.337

There were no changes in the transactions between the Company and its connected persons which could have a material effect on the financial position and performance of the Company for the period 1.1-31.12.2017.

All transactions described above have been concluded under normal market conditions, ie under conditions identical to those that would apply for the same or similar transactions between independent enterprises.

SECTION D**Detailed information according to Article 4 § 7 of L.3556/2007 as valid today
(Explanatory Report)****Structure of the share capital of the Company**

The Company's share capital amounts to 13.899.697 euro. It is divided to 26.730.187 ordinary shares with a nominal value of 0,52 euro each.

The shares are nominal and registered and listed for trading on the Hellenic Exchange Market (under "Mid Cap") of the Athens Stock Exchange.

Each share empowers the entitlement of one vote at the General Assembly.

Each share provides all the rights and creates all the obligations identified by the Law and the Company's Articles of Association. The responsibility of shareholders is limited to the nominal value of their shares.

Restrictions to the transfer of shares of the Company

The transfer of shares is done as stipulated by Law and there are no restrictions from the Association.

Important direct or indirect participations

The significant holdings of the Company are the following:

- a) ELTON CORPORATION SA, Romanian subsidiary in which the Company holds 100% of shares and voting rights
- b) ELTON CORPORATION EOOD, Bulgarian subsidiary in which the Company holds 100% of the share capital.
- c) ELTON CORPORATION DOO, Serbian subsidiary in which the Company holds 100% of the share capital.
- d) ELTON PLS A.E., subsidiary in Greece, in which the Company holds 70% equity.
- e) ELTON CORPORATION LLC, Ukrainian subsidiary, in which the Company holds 100% of the share capital.
- f) ELTON MARMARA KIMYA SANAYI VE TICARET A.S., associated in Turkey, in which participates 70% the Romanian subsidiary ELTON CORPORATION S.A. in the share capital.

Furthermore, at 31/12/2017 the significant (more than 5% of the total voting rights of the Company) direct or indirect participations to the share capital and to the voting rights of the Company, in the sense of articles 9 to 11 of the Law 3556/2007 are the following:

- Papathanasiou Nestor, 9.673.936 shares and voting rights - percentage 36,19% (direct participation).
- Papathanasiou Eleni, 4.896.630 shares and voting rights - percentage 18,32% (direct participation).
- Papathanasiou Panagiota, 3.568.336 shares and voting rights - percentage 13,35% (direct participation).

- Papathanasiou Alkistis, 1.914.045 shares and voting rights - percentage 7,16% (direct participation).

Shares that offer special control rights

There are no shares that offer special control rights.

Limitations in voting rights

There is no provision in the Statute of limitations on voting rights.

Agreements among shareholders of the Company

The Company is not aware neither provided by its Articles of Association of any agreements among shareholders entailing limitations on the transfer of shares or limitations on the voting rights.

Rules of appointment and replacement of the Board of Directors members and amendment of Articles of Association that differ from the provisions of Law 2190/1920

The rules concerning the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association of the Company do not differ from those envisaged in Law 2190/1920.

Responsibility of the Board of Directors or some of its members to issue new shares or purchase own shares of the Company according to the Article 16 of Law 2190/1920

There is no specific authority of the Board of Directors or certain members of the Board of Directors to issue new shares, while the Board of Directors has not been authorized by the General Meeting of shareholders to purchase own shares in accordance with Article 16 of Law 2190/1920.

Significant agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

Significant agreements with members of the Board of Directors or its employees

There are not any 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 reasonable cause, or in case of any other public offer.

SECTION E

Information for Labor issues

The management of the companies of the Group is based on a team of experienced and qualified staffs, which have full knowledge of the companies' subject and market conditions and contribute to the proper functioning and development of the companies.

In these circumstances the company executives are in harmonious cooperation among themselves and with the general management of the company. The infrastructure of the company enables direct replacement of executive without significant impact on the progress of its work.

The relations of the managers with the working staff are excellent and there aren't any labor problems. The result of these relations is the lack of court cases involving labor issues.

The Group and the Company as at 31.12.2017 are employing 241 and 119 people respectively, against 230 and 117 respectively on 31.12.2016.

One of the basic principles governing the operation of the Group is the continuous training of personnel and the strengthening of corporate culture at all levels of operations and activities of the Group.

SECTION F

Environmental issues

The respect and the protection of the environment constitute for the Group absolutely compatible aspirations with the economic and business development.

To this end, it closely monitors all changes in environmental protection legislation and ensures that all necessary measures are taken in advance in order to avoid the risk of non-timely compliance with the legislation but also to Minimize its environmental footprint.

SECTION G
Financial and non, basic performance indices and analysis of basic financial figures of Group and the Company as compared with the prior year.
Financial and non, basic performance indices of the Group

	31/12/2017	31/12/2016	Comments
Current Assets/Total Assets	77,92%	76,99%	these ratios show the proportion of funds that have been allocated to current and fixed assets
Fixed Assets/Total Assets	22,08%	23,01%	
Equity/Total Obligations	113,44%	127,12%	this ratio points to economic self-sufficiency of the company
Total Obligations/Total Liabilities	46,85%	44,03%	these ratios show the leverage of the company
Equity/Total Liabilities	53,15%	55,97%	
Equity/Fixed Assets	240,66%	243,29%	this ratio shows the extent of funding the Company's assets from equity
Current Assets/Short term Obligations	198,26%	200,07%	this ratio shows the Company's ability to cover its short term obligations by current assets
Net Results before Taxes/Total Sales	3,62%	3,18%	this ratio illustrates the overall performance of the company compared to total revenue
Net Results before Taxes/Equity	9,12%	7,27%	this ratio illustrates the effectiveness of the Company's equity
Gross Results/Total Sales	16,25%	15,88%	this ratio illustrates the percentage size of the gross profit on sales of the Company

Basic financial figures of 2017

Consolidated turnover of ELTON at the fiscal year 2017 amounted to 126.9 mil. euro from 113.5 mil. euro in the respective period of 2016, having an increase of 11,81%. The turnover of the parent Company amounted to 79.25 mil. euro from 74.20 mil. euro in the corresponding period last year, having an increase of 6,81%.

Despite the continuing economic downturn and in 2017, the gross profit margin remained at a very good level, increased in both the Company and the Group ELTON recording percentages 16,30% and 16,25% (the corresponding figures of 2016 were 16,03% in the Company and 15,88% for the Group).

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) of fiscal year 2017 reached 6.74 million euro from 5.89 million euro a year earlier, increased at 14,56%.

Earnings before interest, taxes, depreciation and amortization (EBITDA) of the parent Company amounted in the fiscal year 2017 to 4.37 mil. euro from 3.94 mil. euro in 2016, increased at 11,06%.

Net earnings before taxes (EBT) of the parent at the fiscal year 2017 amounted to 3.01 mil. euro from 2.38 mil. euro in 2016, increased at 26,45%. Net earnings before taxes (EBT) of the Group at the fiscal year of 2017 amounted to 4.60 mil. euro increased 27,42% from 3.61 mil. euro in 2016.

Profit after tax (NIAT) of the parent Company at the fiscal year 2017 amounted at 2.07 mil. euro from 1.66 mil. euro at 2016, increased at 25,01%.

Consolidated profit after tax (NIAT) for the period 2017 amounted to 3.36 mil. euro from 2.64 mil. euro in the previous fiscal year, increased 26,94%.

Changes of key figures of Financial position Statement for the year 2017

It follows a brief presentation of changes to other basic key figures during the fiscal year 2017. The most important changes are those:

Stock at the ending period of Group and Company increased at 3.678.340 euro and 1.035.133 euro respectively which is increase of 19,88% and 8,99% respectively, remaining at the same level of stock kept in relation with turnover (2017 and 2016 respectively, Group 17,48% and 16,30%, Company 15,84% and 15,52%).

The cash and cash equivalents of the Group and the Company, thus inversely affecting Group and Company receivables, decreased by euro 1.208.458 and euro 825.094 respectively, a decrease of 20,00% and 15,56% respectively.

This decrease is mainly due to the conjunctural fact that a significant number of maturity receivable notes 30 and 31/12 were collected in the first days of the new year.

Company's bank borrowings during fiscal year 2017 are increased 1.199.055 euro which is percentage 6,85%.

The equity of the Group and of the Company increased by 807.718 euros and decreased by 72.226 euros respectively, an increase rate of 1,63% and decrease 0,16% respectively.

The decrease in equity of the Company is due to the 28/06/2017 decision of the Ordinary Annual Meeting of Shareholders for reduction of the Company's Share Capital at the amount of 2.138.414,96 euro.

SECTION H
Alternative performance measures (APMs)

As Alternative Performance Measure (APM) is considered, according to the definition of the European Securities and Markets Authority, a financial index of measure historical or future financial performance, financial position or cash flow, but which is not defined or provided in the current Financial Reporting Framework (IFRS). Although not included in IFRSs, EMAs should be evaluated as ancillary and always in combination with the results arising from / included in IFRS.

The Group uses to a limited extent Alternative Performance Measurement Indicators ("APMs") when publishing its financial performance in order to better understand the Group's operating results and financial position. As a general principle, the presentation of these measurement indicators should be clear so that the indicators are appropriate and useful for decision-making by the users of the financial statements.

The following amounts are presented in euro.

A. Net Debt (Net Liquidity): It is an indicator used to estimate the Group's capital structure. It is calculated as the difference between total borrowings (long-term and short-term) and total cash

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net Debt (liquidity)				
Total long-term borrowings	5.566.525	2.663.154	4.427.174	2.262.653
Total short-term borrowings	18.130.070	18.128.721	14.286.341	15.251.806
Total Borrowings	26.696.595	20.791.875	18.713.515	17.514.459
Less: Cash and cash equivalents	(4.832.391)	(6.040.849)	(4.476.137)	(5.301.231)
Net Borrowing	18.864.204	14.751.026	14.237.378	12.213.228

B. Profit before Interest, Taxes, Depreciation and Amortization - EBITDA: It is the most used indicator of operating profitability because it only takes into consideration operating expenses. It is calculated as the sum of the operating results (Profit before tax, financial and investment results), depreciation and impairment. The EBITDA margin (%) is calculated as the quotient of EBITDA with the Total Turnover:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Margin EBITDA				
Operating results (Profit before tax, financial & investment results)	5.862.050	4.991.188	3.742.206	3.297.787
Total depreciation	880.678	894.510	629.848	638.757
EBITDA (A)	6.742.728	5.885.698	4.372.054	3.936.544
Turnover (B)	126.923.231	113.521.403	79.252.711	74.200.098
Margin EBITDA (A) / (B)	5,31%	5,18%	5,52%	5,31%

SECTION I

Corporate Governance Statement

(The present statement is compiled according to article 43bb of the Law 2190/1920 and is part of the Annual Report of the Board of Directors of the Company)

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INTRODUCTION

The term "corporate governance" describes the way with which companies are managed and controlled.

Corporate governance is stipulated as a system of relationships between the management of the Company, the Board of Directors, the shareholders and other interested parts and constitutes the structure through which the targets of the company are set, the means with which to achieve these targets are set and the observation of the performance of the management is monitored.

The application of corporate governance principles promotes the competitiveness of companies and the increased transparency it offers has as a result the improvement of overall transparency in economic activity of private companies and public organizations and institutions.

On October 2013, the new Code of Corporate Governance was published. This Code was drafted at the initiative of the Hellenic Federation of Enterprises (SEV), and was later on amended, in the context of its first review by the Hellenic Corporate Governance Council (HCGC).

The Hellenic Corporate Governance Council, was founded in 2012 and is the result of synergy of the Hellenic Exchanges Group (HELEX) and the Hellenic Federation of Enterprises (SEV) that together recognized the contribution of corporate governance to the continuous enhancement of the Greek corporate institutional framework and broader business environment and also to the increase of reliability of the Greek market. Hence, since then HCGC works towards this direction.

1. Code of Corporate Governance

1.1 Disclosure of willing compliance of the Company with the Code of Corporate Governance

In Greece the framework of corporate governance has been developed mainly via the adoption of mandatory legislation or regulation, such as 3016/2002, which mandates the participation of non-executives and independent non-executives on the boards of Greek listed companies, as well as the establishment of an internal control function and the adoption of internal charters.

Moreover, a number of other later laws such as 3693/2008, which mandates the creation of Audit Committees and a number of significant disclosure obligations as regards the ownership and governance of companies, and Law 3884/2010 on the rights of shareholders, which includes further obligations regarding disclosure of information to shareholders, prior to General Meetings, transposed several European directives in the area of the company law, for the protection and effective updating of the whole of the shareholders.

Moreover, the Law 3873/2010 incorporates into Greek legislation EU Directive 2006/46/EC, makes obligatory the adoption of a Code of Corporate Governance.

Our company is in full compliance with the above mentioned laws (and more specifically 2190/1920, 3016/2002 and 3693/2008), which comprise the minimum content of any Code of Corporate Governance and at the same time constitute such a Code, though an informal one.

In view of the above, the Company declares and the current fiscal year that at the present time it adopts as Corporate Governance Code (CGC) the Code of Corporate Governance was formed from the Hellenic Corporate Governance Council (HCGC), available at http://www.helex.gr/documents/10180/906743/HCGC_GR_20131022.pdf/e8e7b6da-6dd0-4c30-90e9-79fe9ca8383d and states is subject to that Code by the following deviations and exceptions.

1.2 Deviations from the Code of Governance and explanation of the non-compliance. Specific provisions of the Code do not applied by the Company and explanation of the reasons for non-implementation

The company states that it conforms to all the legal obligations (law 2190/1920, law 3016/2002 and law 3693/2008).

These obligations embody the minimum of any Corporate Governance Code, of listed companies.

An important addition to the new Corporate Governance Code is the adoption of the standard of non-compliance of the Company with special practices of the Code. This means that the new Code follows the rule of “comply or explain” and requires from listed companies that choose to imply it, to publish their intentions and either comply with the whole of the Code’s special practices, or explain the reasons of non-compliance with specific provisions.

Regarding the above-mentioned additional practices and rules the new CGC applies, some deviations (including the case on the non-compliance) are observed in the current period, for which a short explanation follows.

Part A - BoD and its members

I. Role and authority of the Board of Directors

- The BoD has not created separate committees, to manage the procedure of nominations to the Board and for the preparation of proposals for election in the BoD concerning the remuneration of the members of the BoD and the Management Team.

This divergence is justified by the fact that the Company’s policy regarding remuneration of members of the BoD and Management Team members is considered regular, consistent, stable and reasonable, and always adjusted to the current economic environment conditions and Group’s performance. This policy is always sustained and applied by the BoD, in order to avoid cases of extortionate compensations, that don’t coincide with the provided services and the general economic situation of the country.

Furthermore, the non-existence of a separate committee that manages the procedure of applying candidates for the election of the BoD members is explained by the fact that the applying for election candidates, from the establishment of the Company since today, meets all the necessary prerequisites and provides all the guarantees for being elected as members of the Board of Directors. They also stand out for their high professional brilliance, their knowledge, qualifications and experience. They are also of exceptional moral and personal integrity and therefore since today, there is no need for forming such a committee.

II. Size and composition of the BoD

- The BoD is not comprised from seven (7) to fifteen (15) members.

According to the Company’s Articles of Association and in particular Article 11 paragraph 1 “the Company represented in court and out of court by its Board of Directors consisting of three (3) the minimum to nine (9) the maximum members.” The organization and size of the Company

does not justify the existence of a multitudinous board operation which would restrict the speed and flexibility needed to dynamically changing business environment.

- The BoD is not comprised in majority by non-executive members.

The existing BoD of the Company, consists today of six (6) members, three (3) of which are executive and the rest three (3) are non-executive members, in which two (2) independent and non-executive are included.

The present balanced composition of the BoD has ensured during all the previous years the productive and effective operation of the Company.

The presence of two (2) independent, non-executive members of the BoD, ensures the needed objectivity and neutrality in the making of decisions, without any influences of psychological, professional, family or financial character from individuals conducting the management of the Company and act as a sufficient factor to the effective operation of the BoD.

The before mentioned divergence from this particular rule of the Corporate Governance Code, cannot be set in specific time frames, since the Company with its current structure and operation is not willing to comply immediately with this requisition, which is considered not to correspond with its needs, structure and operational organization.

- The policy of diversity, including the genders equilibrium of the BoD members, as this has been adopted by the BoD will be available at the Company's site. In the Corporate Governance Code a special statement should be included: a) regarding the diversity policy of the Company regarding the composition of the BoD and of the Management Team members and b) the percentage of each gender's representation respectively.

The present Board of Directors, and all previous compositions, consists of three (3) men and three (3) women ensuring the perfect balance between genders for its members. The diversity and balance among the members of the Board are not determined by specific written policies to be uploaded on the website of the Company.

III. Role and characteristics of the President of the BoD

- There is no specific discern between the President and the CEO.

This non-compliance is due to the fact that it is not considered as needed, given the structure and operation of the Company. If the Company's needs alter in the future, this matter of discernment of the Chairman and CEO will be reevaluated.

- The BoD does not appoint an independent Vice President arising from its independent Members.

This divergence has not a negative impact on the achievement of corporate aims that are defined and supported in the most effective way of existing members and existing responsibilities.

IV. Duties and conduct of the members of the BoD

- the BoD has not adopted as part of its internal rules, policies to ensure that the BoD holds enough information to make decisions regarding transactions between associated parties with

the diligence of a prudent businessman. These policies should also be applied during transactions of the subsidiaries of the Company with the associated parties.

Corporate Governance Statement should include a special report on the policies applied by the Company, regarding all the above-mentioned.

Although such a special and specific policy towards that direction does not exist, one that forms the framework for provision of sufficient information from the side of the BoD, in order for decisions for transactions between associated parties to be made under the diligence of a prudent businessman, the BoD while managing the Company's business issues and therefore also to transactions between the Company and its associated parties, has the diligence of a prudent businessman, in order for these transactions to be absolutely transparent and in accordance with the markets terms and conditions, but also in absolute compliance with the existing regulative law, as defined by the relevant regulations of the corporate and tax legislation. The same diligence is also shown regarding transactions of the subsidiaries of the Company with associated parties.

If it is considered necessary, the Company will proceed to the formation of a business unit that will define the procedures for guaranteeing and obtaining on behalf of the BoD, enough information, in order to base its decisions for transactions between associated parties, following the standard of the prudent businessman. Nevertheless, this particular moment and due to the vertically integrated structures of the Company such a need does not exist.

- There is no obligation for analytical disclosure of any professional bounds of the BoD members (including important non-executive bounds to companies and non-profitable organizations) before their appointment in the BoD.

This deviation is justified by the fact that the members of the BoD are distinguished for their high level of education, their professionalism and their concrete devotion to the Company, and therefore besides the absence of a statutory analytical disclosure of any professional bounds of the members of the BoD, prior their election to the Board, they would proceed to such a disclosure, if they considered that any danger of conflict of interests existed.

V. Nomination of candidates for the BoD

- there was no discrepancy in maximum terms of four (4) years incumbency of Board members According to Article 11 paragraph 3 of the Articles of Association: "The term of service of Board members is three years, to be postponed until the deadline within which to meet the next Annual General Meeting, which may not exceed four years".

- There is no committee for selecting candidates for the BoD.

This deviation is justified by the size, structure and operation of the Company and its BoD at the time being, which do not make necessary the existence of such a committee for selecting candidates.

Besides that, every time before the election of a new BoD or new member, the Management of the Company, assures the existence and appliance of a transparent procedure, evaluates the size and the composition of the BoD or its members to be elected, examines the qualifications,

knowledge, views, skills, experience, morals and integrity of the candidates and therefore the mission of a committee for selecting candidates if that existed, is fully accomplished.

VI. Operation of the BoD

- There is no specific rule for the operation of the BoD.

This deviation is justified by the fact that the Company's Articles of Association and internal regulations are considered to be adequate for the organization and operation of the BoD and ensure the full, right and on time fulfillment of its duties and the satisfactory examination of all the matters upon which the BoD makes decisions.

- the BoD at the beginning of every calendar year does not adopt a calendar of convocations and a 12month program of actions, which is eligible to alterations, according to the Company's needs.

This divergence is easily understood by the fact that all the members of the BoD are residents of Attica and therefore the calling and convocation of the BoD is easy every time is required by the needs of the Company or law, without the existence of a strict pre-defined program of actions.

- There is no provision for the support of the BoD during its work by competent, specialized and experienced secretary, which will be present during the meetings.

This is justified by the fact that a state of the art technology exists to record and map the convocations of the BoD. Furthermore all BoD members have the ability, if it is considered necessary, to ask for support from the legal consultants of the Company, in order to ensure the compliance of the BoD with the existent legal and regulatory legislation.

It is noted that according to the new Corporate Governance Code, a high level employee or a legal consultant, can act as a secretary, whilst the purpose of the secretary is the provision of practical support to the chairman and to the rest of the members of the BoD, in person and as a whole, with aim the total compliance of the BoD with the legal and Memorandum regulations and provisions. The Company will examine in the near future, the need for such a secretary.

- There is no provision for existence of programs for the introductory information for the new members of the BoD or the constant education of the rest of the members.

This deviation is explained by the fact that as members of the BoD are proposed individuals with satisfactory and proven experience, high level of knowledge, as well as organizational and managerial skills. Besides that, the Group has as a basic rule the constant education and training of its employees and managers, but also the reinforcement of the corporate consciousness in all levels, by conducting frequently educational seminars according to the sector its member is working or the duties it is responsible for. Therefore the constant training and education is the philosophy of the Company regarding all of its operations and is not restricted to the level of the members of the BoD.

- There is no provision for the supply of sufficient resources to the committees of the BoD for the fulfillment of their obligations and for the hiring of external consultants to the degree they are needed.

This deviation is explained by the fact that the Management of the Company examines and approves such resources for the hiring of external consultants based every time on the needs of the company, for being able to control the operating expenses of the Company.

VII. Evaluation of the BoD

-The assessing of BoD and its' committee's effectiveness does not take place at least every two (2) years and not based on specific process. The Board does not assess the performance of the President in a process directed by the Vice President or other independent non-executive member, in no existence of independent Vice President.

During the current period does not exist an institutional procedure aiming to assess the effectiveness of the BoD and its committees neither is assessed the performance of the Chairman of the BoD, during a procedure directed by the independent vice-president, or even another non-executive member of the BoD in absence of the independent vice- President .

Such a procedure is not considered to be necessary due to the organizational structure of the Company, since there are no boundaries between the members of the BoD. Therefore whenever weaknesses or malfunctions concerning the organization and operation of the BoD are identified, meetings are conducted and analytical discussions are made, during which the problems are presented, critique is being made to decisions made and other actions or statements of all the members of the BoD take place. Besides, the BoD observes and re-evaluates regularly the implementation of their made decisions, based on time plans set, while the BoD is annually assessed by the Regular General Meeting of the shareholders of the company, conducted according to the regulations and the procedure described in detail in law 2190/1920 as well as to the Articles of Association of the Company.

The Company in order to comply with this particular rule the new Corporate Governance Code has introduced, is currently in a procedure of examining the necessity of introducing a system of control and evaluation of the BoD, though the time frame of its completion cannot be accurately defined.

Part B- Internal Audit

I. Internal Control – Audit Committee

- There is no divergence in the existence of a regulation for the Audit Committee.

The company was directly complied to the increased upgrade requirements of the Audit Committee under article 44 of N. 4449/2017 and of the Hellenic Capital Market Commission's recommendation 1302/28.04.2017 and drew up a Regulation for the Operation of the Audit

Committee (Submitted by the Audit Committee on 11/7/2017 and approved by the Board of Directors on 17/10/2017).

- There is no divergence in the number of meetings of the Audit Committee / meets at least four (4) times a year.

The internal audit informs the Company's BoD, four times a year in accordance with the law, of the results of its audit. It should be pointed out in this regard that neither the recent Law 4449/2017, which also refers to the Audit Committee and which comes from relevant Community legislation, contains any provision for the minimum number of meetings of the Commission per year.

- No specific funds are given out to the committee for the use of external consultants.

This deviation is justified by the current composition of the audit committee and the special knowledge and experience of its members, which ensures the correct and effective operation of the committee in a sufficient way. Therefore the external service of consultants is not considered to be necessary.

In any case, if it considered to be necessary, in order to improve the structure and operation of the committee, it is implicit that the Company will provide the budget needed.

Part C- Compensation

I. Level and structure of the compensation

- there is no committee of compensation, comprising exclusively of non -executive members, independent in their majority, which aims at defining the compensation of the executive and non-executive members of the BoD and thus there are no rules for the tasks of this committee, the frequency of its convocations and other issues concerning its operation.

This divergence is explained by the way the Company is structured and organized, a way that does not require the establishment of such a committee. Until today the Management of the Company redacts the procedure of defining the compensation and ensures this procedure is characterized by objectivity, transparency, professionalism and is deprived by any conflicts of interest. Regarding the specification of compensation of the BoD members, executive and non-executive ones, the Management of the Company, acts with the principle of creating a long-term company value, the sustainability of balance and meritocracy, for the skill of executives, that have the needed qualifications for the effective operation of the Company.

The BoD, while defining the compensation of the BoD members and especially for the executive ones, takes into consideration the duties and responsibilities, their performance in relation to pre-defined quantitative and qualitative criteria, the economic environment, the performance and future prospects of the Company, the level of compensation for similar services in other relative companies, as well as the level of compensation of the Company's and Group's employees.

From the above described procedure for determining the remuneration of the Board members, executives and non-executives it arises that the formation of such a specific committee is not

necessary, since the duties and responsibilities of such a committee are efficiently performed by the management of the Company.

- in the contracts of the executive members of the BoD, there is no provision that the BoD may ask for part or full refund of the bonuses paid due to the revised financial statements of previous years or in general wrong financial data that were used to calculate such a bonus.

This is explained by the fact that rights for bonuses rise, only after the final approval of financial statements. Also since today, because of the state of the art organization and auditing procedures, the phenomenon of a bonus calculation based on inaccurate financial statements and data has never occurred.

However, and for purposes of compliance with that Corporate Governance Code requirement, the Management of the Company is seriously considering importing to the relevant contracts of the executive members of the Board, provision for the right of the Board to require the return of all or part of the bonus that is awarded because of misconduct or false financial statements and other financial data.

- The compensation of every executive member of the BoD is not approved by the BoD after the proposal of the audit committee, without the presence of its executive members

This divergence is explained by the fact that such a committee does not exist.

Part D - Relationship with shareholders

I. Communication with shareholders

- The Company has not adopted a special practice regarding communication with its shareholders that includes the policy of the Company for questions made from shareholders to the B.o.D.

At this particular time, an established special procedure regarding questions made by shareholders to the BoD does not exist, since every shareholder has the ability to address the Investor's Relation Service, making requests and questions. In case it is considered necessary, these are transferred in groups to the BoD for further processing and the relative answer or update is given to the interested party.

Moreover the rules of article 39 of the law 2190/1920, describe in a detailed way the procedure of participation of the shareholders of minority to the General Assemblies of the Shareholders, a procedure always followed in every General Assembly, in order to ensure the valid and on time information of the shareholders, in relation to the evolvement of the corporate issues.

Despite all the above-mentioned safeguards, the Company examines the possibility of adoption of a special policy, for upgrading the procedure for shareholders setting questions to the Company, through the Investors Relation Service, although the direct communication of shareholders with BoD members is not considered to be necessary and appropriate.

II. The General Assembly of the share holders

- No deviation was observed

General Note regarding the time point of release of the non-compliance of the Company with the special practices adopted by the new CGC

As it was mentioned before (Introduction of Corporate Governance Statement), the new CGC, as it stands from October 2013 follows the “comply or explain” rule and demands from the listed companies that choose to apply it, to publish their intention and either comply with the whole of the special practices of the Code, either explain the reasons for non-compliance with certain special practices.

Furthermore, the relevant explanation for non-compliance, is not only restricted to a simple mention of the general principle or the special practice with which the Company does not comply, but among others the Company should disclose whether this divergence is time framed and its intentions to comply with the codes principle.

The divergences of the Company from the practices established by the new CGC are not thought to be subject to a strict time-frame, taken into consideration that these practices do not correspond to the structure, organizational structure, tradition, corporate values and ownership status and needs of the Company and maybe the compliance with these practices makes more difficult the application of the substance of the code’s principles.

In any case, no code can or is supposed to substitute the context of principles, values and structure of any Company and therefore the adoption of rules not compatible with these principles are not reasonable.

Nevertheless, the Company has already formed a working group, that examines the existing divergences from the special practices of the new CGC, investigates the possibility of compliance with these and evaluates the possibility of establishment of its own Corporate Governance Code, the identity and regulations of which, will respond to the needs and specificities of the Company. This would promote the long term success and robust the competitiveness of the Company. After the resolution of the new law for Corporate Governance the conditions will be suitable for the completion of that project.

1.3 Practices for corporate governance that the company applies over the provisions of the law

The company abides to the provisions of the text as in its legal framework concerning corporate governance. There are no practices applied over the above mentioned.

2. Board of Directors

2.1 Composition and Services of the BoD

2.1.1 The company’s BoD is composed, according to article 11 of the Articles of Association of the company, of three (3) up to nine (9) members, which are elected by the General Assembly of the Shareholders by absolute majority of the votes, which are represented in the Assembly. The members of the BoD may be Shareholders of the company or other natural entities (non-shareholders). The members of the BoD are unlimitedly re-electable and freely revocable from the General Assembly irrespective of the time their service ends.

The service of the BoD members is three (3) years, that start the following date of the election of the BoD and expiring the relevant date of the third year. In case upon the expiration of its' service that a new BoD has not been elected, its' service is extended up to the first ordinary General Assembly which shall be converged upon the expiration of its' service, which in no case can supersede four years. Each member has to participate in the deliberations of the BoD.

Each member of the BoD has to keep confidential the confidential information of the company, which he may know thanks to his capacity.

2.1.2 The BoD convenes at the registered office of the company whenever the law, the Articles of Association or the needs of the company demand it after the invitation of its President or his replacement. In the invitation the agenda has to be clearly stated, or else decisions can only be made when all the members of the BoD are present and no one controverts the decision making. The BoD can convoke outside its registered seat, in another place, in or out of the country, if in the convocation all the members of the BoD are present and no one controverts the realization of the convocation and the decision making. The BoD may convoke via teleconference. In this case the invitation to the members of the BoD must include all the necessary information concerning their participation in the convocation. In the convocations of the BoD its President or his legal representative presides.

2.1.3 The BoD has quorum and dully convokes, when the 50% plus one (1) of the directors is present and represented. In no case however the number of the Directors who appear in person, may not be less than three (3).

2.1.4 The BoD decides with the absolute majority of the present or represented members. In case of halved votes the vote of the President does not dominates. Every Director has one (1) vote. Exceptionally may have two (2) votes when represents another director. The voting in the BoD is apparent, unless by its decision is defined that for a specific matter secret voting will be conducted, in which case the vote shall be by ballot.

2.1.5 The discussions and decisions of the BoD are kept in the minutes which are registered in a special book of minutes which can be kept by the software system. After the request of a Board member, the President is obliged to record to the minutes, accurate summary of his opinion. In the minutes is posted also a list of the present or represented directors during the convocation of the Board. Copies of minutes of meetings of the Board for which a registration requirement in the Companies Registry pursuant to Article 7a of Law 2190/20 as applicable, shall be submitted to the competent supervisory authority within twenty (20) days of the meeting of the Board. The minutes of the Board shall be signed by the President or if he is incapacitated from legal substitute. Nobody consultant cannot deny signing the minutes of meetings took place , but is entitled to request indicating the opinion in the minutes if they disagree with the decision taken . However, the non- signing of the minutes of the meeting by stander involves no nullity of the decision taken legally if the refusal to sign is referred. Copies and extracts of the minutes of the Board shall be authenticated by the Chairman or if he is incapacitated from legal substitute without requiring other validation.

2.1.6 The BoD may appoint some or all of its powers and jurisdictions (apart from those that require collective decision) and its representation to one or more persons, that may or may not be its members, also defining the extent of this appointment.

2.1.7 If possibly any member of the BoD, departs or deceases or is declared fallen for any reason before the expiration of its service, the remaining directors of the BoD, so long as they are at least three (3), are obliged to elect a replacer for the remaining of the service of the member who is replaced on condition that the replacement is not feasible from alternate members, who have been elected by the General Assembly. The above election by the Board shall be taken by the remaining members if they are at least three (3) and is valid for the remaining of the duty of the member being replaced. The decision of the election must be published according to the Article 7b of Law 2190/1920 and announced by the Board of Directors at the next General Assembly, which can replace the elected, even if it is not relevant item on the agenda.

2.1.8 If possibly any member of the BoD departs or deceases or is declared fallen for any reason before the expiration of its service, the remaining members may continue the management and representation of the company without replacing the fallen members, according to the previous paragraph, with the prerequisite that they are over the half members, as they were before these facts. In any case the members cannot be less than three (3).

2.2 Information concerning the members of the BoD

2.2.1 The BoD of the company consists of six members and has the following members:

I) Nestor Papathanasiou, President of the BoD and CEO, executive member

II) Alkistis Papathanasiou, executive member

III) Katy Andreou, executive member

IV) Electra Papathanasiou, non-executive member

V) Michalis Chatzis, independent, non-executive member

VI) Christos Poulis, independent, non-executive member

The above-mentioned BoD was elected by the annual Ordinary Shareholders Meeting of the Company, which took place on June 24th 2015 and its service is three years long lasting until June 23th 2018.

The above-mentioned BoD was re-assembled as a body, during its meeting on the 24th of June 2015, and this has been announced by the Ministry of Finance with number 76173/16.07.2015.

2.2.2 The brief resumes of the members of the BoD are:

I) Nestor Papathanasiou: Born in 1941.

Graduate of the Chemistry University of Athens, holder of the two years postgraduate in the Economy University of Business Administration (A.S.O.E.E.). He has many years of professional experience in the area of production, sales and marketing, working experience in the selling of chemicals products since 1978.

II) Alkistis Papathanasiou: Born in 1969.

Graduate of the Chemistry department of the Thessaloniki University. She is responsible of the Quality Assurance Department.

III) Katy Andreou: Born in 1967.

She is head Manager of sales department. Graduate of the Chemistry department of Athens University.

IV) Electra Papathanasiou: Born in 1975.

Graduate of the English college with many years of professional experience in Logistics and customers service.

V) Michalis Chatzis: Born in 1952.

Chemical engineer with Post graduate studies (M.S.C.) in operations research – Aston University of Birmingham, American Purchasing & Inventory control society Certificate. He has many years of professional experience as a director of Logistics, Property manager and operations manager of Greek and multinational major companies.

VI) Christos Poulis: Born in 1948.

He is Graduate of Panteion University. He has been Director of human resources on a large multinational company and member of its BoD for 25 years.

2.3 Audit Committee

2.3.1 The Company fully compliant with the provisions and requirements of article 44 par. 1 and 3 of N. 4449/2017 has set up an Audit Committee - by the Decision No.10 of the Ordinary General Meeting of Shareholders that was held on 28/6/2017- composed of the following members:

- 1) Eirinaios Theodorou, Chairman of the Committee (statutory auditor in suspension)
- 2) mrs. Electra Papathanasiou, non-executive member
- 3) mr.Michalis Chatzis, independent, non-executive member
- 4) mr. Christos Poulis, independent, non-executive member

2.3.2. In 2017, Law 3693/2008 was replaced by Law 4449/2017 (Government Gazette A 7 / 24.01.2017) "Compulsory audit of annual and consolidated financial statements, public oversight of audit work and other provisions". According to the new law, with respect to the Audit Committee, its members are independent of the Company, on the basis of the definition of independence provided for in the provisions of Law 3016/2002 on Corporate Governance, and the supervision of compliance with the provisions related with the said Commission, is now exercised by the Hellenic Capital Market Commission. The company was directly and fully adapted to the provisions of the new law, bearing in mind also the reference letter No. 1302/28.04.2017 of the Hellenic Capital Market Commission.

2.3.3 The responsibilities and duties of the Audit Committee, in conjunction with Article 44 of Law 4449/2017, consist of the following:

- a) Inform the Company's Board of Directors of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of the financial information and about the role of the audit committee in the process,
- b) Monitor the financial reporting process and make recommendations or proposals to ensure its integrity,
- c) Monitor the effectiveness of the company's internal control, quality assurance and risk management systems and, where applicable, its internal control department, with regard to the financial information of the company, without violating its independence,
- d) Monitor the statutory audit of the annual and consolidated annual financial statements, and in particular its performance, taking into consideration any findings and conclusions of the competent authority (in this case the Accounting Standards and Audit Committee);
- e) Review and monitor the independence of certified auditors or audit firms and, in particular, the appropriateness of providing non-audit services to the company; and
- f) is responsible for the selection process of the certified auditors or audit firms and proposes the certified auditors or the auditing firms to be appointed.

2.3.4 Mission of the Audit Committee is ensuring the efficiency of the company's proceedings affairs, the control of the credibility of the financial information that is provided to the investing public and the shareholders of the company, the compliance of the company with the laws, the safeguard of investments and assets of the company and the detection and confrontation of the most important risks.

2.3.5 The audit committee during 2017 (01.01.2017-31.12.2017) convened five (5) times.

2.3.6 It is also clarified that the Auditor of the company who audits the annual and interim financial statements, does not offer any other auditing or other service to the company, or is connected to the company so his objectivity, impartiality and independence. This with the exception of special tax auditing, that is required by article 65 A N.4174/2013, upon which the "Annual Tax Certificate" is issued.

3. General Assembly of Shareholders

3.1 Way of operation of the General Assembly and its basic Authorities

3.1.1 The General Assembly is the supreme body of the Company and is entitled to decide for any company matter and to conclude upon all matters, which are submitted or said.

More specifically it is exclusively competent to decide upon:

- a) The amendments of the articles of association. As amendments are meant also the increases or decreases of the capital share, apart from the cases are mentioned in article five (5) paragraph 1 of the Articles of Association and other cases that are enforced by law,

- b) The election of Auditors,
- c) The approval or reforming of the balance sheet and the annual financial statements of the Company,
- d) The distribution of annual profits,
- e) The merge, fracture, conversion, revival of the Company,
- f) The conversion of shares into public limited,
- g) The extension or abbreviation of the duration of the company,
- h) The dissolution of the Company and the appointment of liquidators,
- i) The appointment of members of the BoD, apart from the case of article 12 of the present and
- j) The approval of the election according to article 12 of the Articles of Association, the temporary members replacing the members that resigned, passed away or have fallen out of their position.

3.1.2 The decisions of the General Shareholders Meeting are obligatory for the shareholders that are absent or disagree.

3.1.3 The General Assembly is always convened by the BoD and convenes regularly at the seat of the company or in the district of the seat of the company, at least once in every business year and always in the first semester from the expiration of the business year. The General Assembly may convene at another place in Greece or abroad when at the Assembly are present or represented shareholders which representing the entire share capital with voting rights and no one of them is opposed to the meeting held and the decision making. The General Assembly may convene in the district of the municipality where the seat of the Athens Stock Exchange is. The BoD may convene an extra ordinary Shareholders Meeting when it considers it is fit or if the shareholders that represent the required (by the law or the Articles of Association) percentage.

3.1.4 The Shareholder Meeting, with the exception of the repeating Meetings and those that simulate it, must convene twenty (20) days at least before its date including the non-working days. The date of publication of the invitation and the day of the General Assembly are not calculated.

In the invitation to the General Assembly, the date, year, day time and place of the General Assembly must be determined, the matters of the agenda, the shareholders that have the right to take part in the Shareholder Meeting as well as accurate directions of how to take part in Shareholder Meeting and exercise their rights in person or via representative or even from a distance. An invitation for the General Assembly is not required when the shareholders that are represented represent the total of the share capital and none of them contradict its realization and the making of decisions.

3.1.5 The Shareholder Meeting has a quorum and duly convokes in the matters of the agenda when in the said shareholders who represent one fifth (1/5) at least of the paid capital share are represented.

If such quorum is not achieved the General Assembly converges again in twenty (20) days from the date of the meeting which was cancelled since is invited for that purpose ten (10) at least days earlier. The said repetitive meeting duly convokes for the matters of the initial agenda no matter what percentage of the share capital represented is.

3.1.6 The decisions of the General Assembly are taken by absolute majority of votes, which are represented.

Exceptionally, when it concerns decisions regarding: a) the alteration of the Company's nationality, b) the alteration of the Company's registered office, c) the alteration of the purposed or object of the Company's business, d) the alteration of the Company's shares to public limited, e) the increase of the obligations of shareholders, f) the increase of share capital, with the exception increases of Article 5 of the Statute or imposed by law or done by capitalization of reserves or decrease of the share capital, except if is done in accordance with paragraph 6 of article 16 of Codified Law 2190/20 as applicable, g) the issuance of Bond Loans according to articles 3a and 3b of 2190/1920, h) the alteration of the mode of distribution of profits, i) the merging, dispersion, alteration, revival of the company, ja) the extension or reduction of the duration of Company, jb) the company's dissolution, jb) the giving or renewing of authority to the BoD for increase of share capital according to par. 1 art. 13 of 2190/1920, and jc) every other case for which the law determines, the General Assembly has a quorum and duly convokes when shareholders representing two thirds (2/3) of the paid share capital are represented.

3.1.7 The President of the BoD or when he is hindered his lawful replacer presides temporarily in the General Assembly and defines as secretary one (1) of the shareholders who are present, until the list of shareholders is certified by the General Assembly, who are entitled to participate in the Assembly. After this control, the General Meeting begins its work and by vote elects the regular Bureau and a Secretary who shall act as vote- teller.

3.1.8 The discussions and the decisions of the General Assembly are restricted to the matters of the agenda. The agenda is drawn by the BoD and includes the proposals of the BoD towards the Assembly, as well as proposals of auditors or shareholders towards the Assembly, who represent the one twentieth (1/20) of the paid Share Capital. The discussions and decisions of the General Assembly are registered in a special Book (Book of Minutes) and the relevant minutes are signed by the President and the Secretary of the Assembly.

Upon request of shareholder, the President of the Assembly is obliged to register in the minutes an accurate summary of shareholders' opinion. In this book is recorded and a list of present or represented at the General Assembly issued according with article 26 of the Statute. If in the General Assembly one (1) shareholder is present, the assembly is also attended by a Notary who countersign its minutes.

3.2 Shareholder Rights

3.2.1 Rights to participate and vote

3.2.1.1 The shareholders exercise their rights, concerning the management of the company, only in General Assemblies and according to the law and the Articles of Association. Each share gives the right for one vote in the General Assembly according to Law 2190/1920 as it stands today.

3.2.1.2 In the General Assemble anyone who appears as a shareholder in the Dematerialized Securities System which is managed by Athens Stock Exchange S.A. has a right to participate. The proof of shareholders identity is established by the relevant written assurance of the above-mentioned organization or by direct electronic connection of the Company with the organization.

The person must be a shareholder five (5) days before the General Assembly (record date), and the relevant receipts or the electronic receipts concerning the shareholding capacity must come to the company at the latest the third (3) day before the General Assembly.

3.2.1.3 In the General Assembly only those who are shareholders in the said date have a right to participate in the General Assembly. In case of noncompliance to article 28a of the law 2190/1920, the said shareholder participates in the General Assembly only after its license.

3.2.1.4 The fulfilling of the above-mentioned rights does not require the prior bound of the shareholders' shares or any other procedure that limits the possibility of selling or transferring shares in the time between the record date and the date of the General Assembly.

3.2.1.5 The shareholder participates in the General Assembly and votes either in person or via proxies. Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Assembly appointing as proxies up to three natural entities. However, if the shareholder owns shares of the company that appears in more than one account, he may appoint different proxies. A proxy that acts on behalf of different shareholders may vote differently for each shareholder. The proxy must inform the Company before the beginning of the General Assembly, any fact that may be useful to assess the risk that the proxy may cater to interests other than the represented shareholder. A conflict of interests regarding this paragraph may rise when the proxy: a) is a shareholder controlling the Company, or another legal entity controlled by the particular shareholder, b) is a member of the BoD, or the management team of the Company, or a shareholder that controls the Company, or another legal entity controlled by a shareholder, which controls the Company, c) is an employee or auditor of the Company, or a shareholder that controls the Company, or another legal entity controlled by a shareholder, d) is a spouse or a first degree relative with one of the entities that are mentioned above in cases (a) to (c)

The appointment and reverse of a proxy takes place in writing and is announced to the company at least three (3) days before the date of the general Assembly.

3.2.2 Other rights of shareholders

3.2.2.1 Ten (10) days before the general Assembly each shareholder may take from the Company copies of the Annual Reports and the Reports of the BoD and the auditors. These documents should be submitted on time to the Company's Office, by the BoD.

3.2.2.2 Upon application of Shareholders that represent the one twentieth (1/20) of the paid capital, the BoD is obliged to convene an extra- ordinary General Assembly. The day of the Assembly must not abstain more than forty-five (45) days from the date that the application was served to the Chairman of the BoD. The application must also contain the matters that are going to be discussed. If the General Assembly is not convened after twenty (20) days from the relevant application, the Assembly is convened by the shareholders with the expense of the company by decision of the First Instance Court of the headquarters of the Company, issued in the process of interim measures. This decision shall state the time and place of the meeting and the agenda.

3.2.2.3 By application of the shareholders that represent one twentieth (1/20) of the share capital, the BoD is obliged to add additional matters in the agenda that has already convene, if the relevant application comes to the BoD at least fifteen (15) days before the general Assembly. The additional matters have to be published, under the responsibility of the BoD, according to art. 26 of the law 2190/1920, seven (7) days at least before the General Assembly. If these matters are not published, the shareholders applicants may ask for the postponement of the General Assembly, according to paragraph 3 of article 39 of the law 2190/1920 and may also proceed to publish it themselves as stated before, with Company's expenses.

3.2.2.4 Upon application of the one twentieth (1/20) of the paid share capital, the Chairman of the General Assembly is obliged to postpone only once the taking of the decisions of the ordinary or extra- ordinary General Assembly and defines as date of the decision making the date mentioned in the application of the shareholders. The said date may not abstain more than thirty (30) days from when the postponement was granted. The adjourned General Assembly is a continuation of the previous one and does not require repetition of the formalities of publication of shareholders, and it may be attended by new shareholders, subject to the provisions of Articles 27 § 2 and 28 of the Law 2190/20 as applicable.

3.2.2.5 After an application of any shareholder, submitted to the Company at least five (5) days prior the General Assembly, the B.O.D. has to present to the General Assembly the necessary information for the affairs of the company to the point that they are useful for the true estimation of the matters of the agenda.

3.2.2.6 Upon application of the one twentieth (1/20) of the paid share capital, which must be submitted five (5) days before the General Assembly, the BoD must announce to the General Assembly, if it is ordinary, the amounts that in the last two years have been paid for any reason to the members of the BoD or its Directors or other employees as well as any other contract

that was drawn up with the same persons. The BoD is required to give out such information if it is useful for the assessment of the matters of the agenda. The BoD may decline to give out such information and post in the minutes the relevant reason. Such reason may be, under the circumstances, the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Codified Law 2190/20 as amended.

3.2.2.7 Upon application of the one fifth (1/5) of the paid share capital, which is submitted within the deadline of the previous paragraph, the BoD has to offer the General Assembly information regarding the course of company affairs and the assets of the company. The BoD may decline to give out such information and post in the minutes the relevant reason. Such reason may be, under the circumstances, the representation of the requesting shareholders to the Board in accordance with paragraph 3 or 6 of article 18 of Codified Law 2190/20 as valid if the respective members of the Board of Directors have received the relevant information in a sufficient manner.

3.2.2.8 In cases of § 3.2.2.5 and § 3.2.2.7 of this section, any dispute as to the correctness or otherwise of the reasons for refusal to provide information, is resolved by the First Instance Court of the Company's seat, with Decision issued by the proceedings for interim measures. In the same judgment the Court obliges the company to provide the information refused.

3.2.2.9 Shareholders of the company, that represent at least one twentieth (1/20) of the share capital have the right to ask for the control of the company from the Court of First Instance of the district in which the company has its registered address, in the procedure of voluntary jurisdiction. The control is ordered if are suspected actions that violate the provisions of the Laws or Articles of Association or resolutions of the General Assembly. In any case the request for control must be submitted within three (3) years from the approval of the financial statements for the year in which the alleged acts took place.

3.2.2.10 Company Shareholders representing one fifth (1/5) of the paid share capital, have the right to ask the control of the company by the First Instance Court of the district in which the company is located, as long as from the overall course of the Company it is believed that the administration of corporate affairs is not exercised according to the sound and prudent management.

3.2.2.11 In all cases of this section, the shareholders who ask for control must prove their shareholder status and the number of shares they held during the exercise of the right.

4. System of Internal Control and Risk Management

4.1 Main characteristics of the Internal Control

4.1.1. The Internal Control of the company is conducted by the Service of internal control according to the programmed control included in the Internal Rulebook of the company.

It is noted that the control on the base of which the relevant report is drawn up within the law 3016/2002, as it stands, and specifically in accordance with Articles 6, 7 and 8 of this law as

well as Decision 5/204/2000 of the Hellenic Market Committee, as it stands after its alteration by the Decision of the BoD of the Hellenic Market Committee no 3/348/19.7.2005.

4.1.2 During the auditing the Service of Internal Control takes into account all the necessary books, files, bank accounts and portfolios of the company and asks for the complete and constant cooperation of the Management to ensure that all the necessary information and data provided, with the purpose to reach conclusions in their Report, does not entail substantial inaccuracies. This control does not include any assessment of the appropriateness of the accounting principles that were adopted as well as the estimations made from the management as these are a matter of the legal auditor of the Company.

4.1.3 The scope of control is the evaluation of the general level of the procedures of the system of internal control. In any controlled period several scopes of control are chosen, while the organization and operation of the BoD is constantly controlled as well as the Service of Servicing Shareholders and Investor Relations that operate based on the law 3016/2002.

4.1.4 It is noted though, that the Internal Control and Risk Management systems, provide reasonable and not absolute security, due to the fact that they are designed to restrict the possibility of the upcoming risks, without being able to completely eliminate them.

4.2 Risk management concerning the financial statements (company and consolidated)

The Group has invested in the development and maintenance of advanced IT infrastructures that through a series of safeguards ensure the correct display of figures. At the same time an analysis of the results is made on a daily basis covering all the important fields of business activity. The actual, historical and budgeted revenue and expense figures are compared with adequate explaining of all the important deviations.

5. Other managerial or supervisory committees of the company

No other managerial or supervisory committees exist at the time. According to all the above mentioned and in the context of creating its own Corporate Governance Code, the Company examines the case of establishing such committees that will help substantially and not typically the BoD.

SECTION K

Assessment for the evolution of the activities of the Company and the Group during 2018

The global growth in chemical production, with a marginal decline in 2014 and a significant recovery in 2015, largely due to China, coupled with economic conditions, is expected to continue at the pace of 2016.

The chemical industry of the European Union passed a turning point in September 2013, closing slightly below the ceiling of 2012, while the 2014 and 2015 had a downward spiral at a mild pace.

Forecasts for the European recovery estimate that it is expected to continue at the same pace. Efforts to exit the crisis will continue to curb the achievement of significant growth in Greece during 2017.

European economies outside the euro zone have a lot of chances to record improved performance.

The course of the EU chemical industry is expected to continue in 2018 at the rate of the previous year. Over the last four years, there has been a trend of recovery due to the stimulation of demand for chemical raw materials, both from domestic industry and from abroad. Thus, the industry's production index in 2016 increased further by 7,2%, compared with 3,7% in the previous year.

According to HACI, the resilience of the chemical industry over the past 4 years fueled by directly related sectors, such as agricultural supplies, prometal, building materials and the paint industry. Moreover, the normalization of the economy last year fuelled the investment activity of the chemical industries, with all the investments increasing – according to the IOBE-by 9%. Deepening of further assessments of market prospects is hampered by the liquidity and volatility that prevails in the economic and social environment.

The Group's management continues to focus its efforts both to new openings and reach new shares due to the reorganization of the market, and the consistent effort and further cost containment.

Avlonas Attica, 18th April 2018

The asserting,

President of BoD and CEO

Executive BoD member

Executive BoD member

Nestor D. Papathanasiou

Alkistis N. Papathanasiou

Katy I. Andreou

ID card AB 606775

ID card AE 105490

ID card AB 237937

Independent Certified Auditor's Report



To the Shareholders of ELTON INTERNATIONAL TRADING COMPANY S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of ELTON INTERNATIONAL TRADING COMPANY S.A. (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2017, and the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of ELTON INTERNATIONAL TRADING COMPANY S.A. and its subsidiaries (the Group) as at 31 December 2017, and their financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned 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 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Key audit matter</u>	<u>Addressing the audit matter</u>
<p>Impairment of investments in subsidiaries (separate financial statements)</p>	
<p>At 31.12.2017 the net book value of investments in subsidiaries in the Separate financial assets amounts to € 12.882 thousand (€ 12.882 thousand at 31.12.2016).</p> <p>The Company's investments in its subsidiaries are measured at their cost. Management assesses at least annually if there are indications for impairment of its investments in subsidiaries. If an investment must be impaired, the Company calculates the impairment loss as the difference of the investment's recoverable value and carrying amount.</p> <p>Management determines the recoverable value as the largest amount of value in use and fair value decreased by the cost required for the sale, according to the provisions of IAS 36.</p> <p>The determination of the value in use is based on the Management's estimates and assumptions such as the future cash flows and returns of each subsidiary and the discount interest rates applied in forecasted cash flows. Moreover, these assumptions vary due to various market conditions in the countries where the Group operates.</p> <p>Due to the significance of the value of the investments, the subjectivity of the management's assumptions and its critical judgments and estimates for the determination of the recoverable amount.</p> <p>We consider the assessment of the possible impairment of the above investments to be one of most significance matter, on the one hand because of the significant size of the investments in subsidiaries and secondly because of the Management's critical estimates and assumptions used for impairment testing of these investments.</p> <p>Information concerning the accounting policies for impairment of investments in subsidiaries is referred to in note 9 of the financial statements.</p>	<ul style="list-style-type: none"> • Our audit approach regarding the impairment of investments in subsidiaries included, among other, also the following main procedures: • Receipt and assessment of the Management's estimate about whether indications of impairment exist for each investment in subsidiaries, taking into account the cases where operating losses incurred that charged the audited year. • Discussions with the Company's Management and assessment of the internal control with respect to impairment testing of the investments in subsidiaries. • Assessment of the appropriateness of the value in use model as well as of the reasonableness of critical assumptions used. • At this assessment: • Assessment of the conclusions on the appropriateness of the model and the discount interest used. • Examining of the cash flows used for the determination of the assumptions in the model and confirmation of their reasonableness after comparison with information on the external market, third party sources, including analyst reports and Company historical available information. • Examining the mathematical accuracy of the model used. • Assessment of the adequacy and appropriateness of the disclosures in note 9 of the financial statements.

<u>Key audit matter</u>	<u>Addressing the audit matter</u>
Valuation of inventories	
<p>At 31.12.2017, the Group holds inventories amounting € 22.183 thousand (€ 18.505 thousand at 31.12.2016).</p> <p>Group Inventory items are measured at a lower of cost and net realizable value.</p> <p>Management constantly reviews the net realizable value of inventories and performs appropriate impairments based on detailed analyses for slow moving Inventories and plans for their future liquidation.</p> <p>We consider the assessment of the valuation of the Group inventories to be one of most significance matter, on the one hand because the inventories are a significant item of the Assets and secondly because of the need for systematic monitoring of inventories concerning items with expiry dates.</p> <p>Information concerning the Group's accounting policies for inventories is referred to in notes 2.11 and 12 of the financial statements.</p>	<p>Our audit approach included among other also the following main procedures:</p> <ul style="list-style-type: none"> • Recording and examining procedures and internal control for inventory management designed by the Group's Management with regard to inventories. • Monitoring the inventory counting process and performing sample physical inventory at its warehouses. • Carrying out analytical procedures with regard to the movement of inventories. • Sample confirmation of the correct determination of the acquisition cost of inventories according to the purchase invoices and the correct allocation of production costs. • Examining the correct application of the valuation method. • Electing a sample of inventories to compare the purchase price to the selling price. • Examining the warehouse trial balance for identifying idle and slow - moving inventories. • Assessment of the adequacy and appropriateness of the disclosures in note 12 of the financial statements.

<u>Key audit matter</u>	<u>Addressing the audit matter</u>
<p>Recoverability of trade receivables</p>	
<p>At 31.12.2017, the trade receivables of the Group amount to € 44.913 thousand (€ 40.571 thousand at 31.12.2016).</p> <p>In the case of customer insolvency, the Group is exposed to increased credit risk when customers are unable to meet their contractual obligations.</p> <p>The Management for assessing the amount of impairment of its trade receivables, assesses the recoverability of trade receivables by reviewing the customers aging analysis, their credit history and the settlement of subsequent payments according to each settlement.</p> <p>Provided the significance of the matter and the level of judgment and the estimates required by Management for the above matter, we consider this to be one of most significance matter.</p> <p>Information concerning the Group's accounting policies for trade receivables is referred to in notes 2.12 and 13 of the financial statements.</p>	<p>Our audit approach regarding the recoverability of trade receivables included, among other, the following procedures:</p> <ul style="list-style-type: none"> • Understanding and examining of the Group's credit control procedures as well as examining the internal control for granting of credit to customers. • Assessment of the assumptions and the methodology used by the Group for determination of recoverability of its trade receivables or their classification as doubtful. • Examining the reply letters of the Legal Advisors, in order to identify any matters indicating trade receivable balances not recoverable in the future. • Assessment of the customers' aging analysis at the end of the year and identifying any debtors in financial difficulty. • The receipt of third-party confirmation letters for a representative sample of trade receivables and implementation of procedures subsequent to the date of the financial statements for collections against the year-end balances. • Evaluation and assessment of the Group Management's calculation regarding the impairment of trade receivables taking into account particular data of debtors such as maturity of balances, debtors of large balance as well as debtors of high risk. • Assessment of the adequacy and appropriateness of the disclosures in note 13 of the financial statements.

Other Information

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

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

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

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 IFRSs, as adopted 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 the 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 L. 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 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 into the 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 into the Greek Legislation, we exercise professional judgement 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 company and of its subsidiaries audit. 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 and the Corporate Governance Statement included in this report, according to the provisions of paragraph 5 of article 2 (part B') of L. 4336/2015, we note that:

- a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 43bb of cod. L. 2190/1920.

- b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the articles 43a and 107A and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying financial statements for the year ended 31/12/2017.
- c) Based on the knowledge we obtained during our audit of ELTON INTERNATIONAL TRADING COMPANY S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014 or other permitted non-audit services.

4. Auditor's Appointment

We have been appointed for the first-time statutory auditors of the Company by the dated 22/06/2011 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of seven years based on the annual decisions of the Annual General Meetings of the Company Shareholders.

Athens, 19 April 2018

IOANNIS TH. SAVADIS

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 33391

ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

(Amounts in euro)

	Note	GROUP		COMPANY	
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
ASSETS					
Non-current assets					
Tangible fixed assets	6	16.974.968	16.179.238	11.076.543	11.255.485
Intangible assets	7	2.626.986	2.769.619	2.491.297	2.657.895
Goodwill	8	712.150	712.150	0	0
Investments in Subsidiaries	9	0	0	12.882.361	12.882.361
Not consolidated investments in subsidiaries	9	0	425.000	0	425.000
Deferred tax receivables	10	518.631	216.167	510.335	178.245
Other non-current assets	11	107.229	79.523	54.356	59.280
		20.939.963	20.381.696	27.014.891	27.458.265
Current Assets					
Inventories	12	22.183.015	18.504.675	12.552.606	11.517.473
Trade Receivables	13	44.913.373	40.570.730	32.028.419	29.528.573
Other current assets	14	1.949.308	3.097.411	1.742.636	2.164.455
Cash and cash equivalents	15	4.832.391	6.040.849	4.476.137	5.301.231
		73.878.087	68.213.665	50.799.798	48.511.732
		94.818.050	88.595.361	77.814.689	75.969.998
EQUITY AND LIABILITIES					
Capital and reserves					
Share Capital	16.1	13.899.697	16.038.112	13.899.697	16.038.112
Share premium	16.1	133.417	133.417	133.417	133.417
Other reserves	16.2	3.022.001	3.956.707	2.838.728	3.421.203
Profits carried forward	16.2	33.006.891	29.110.588	27.850.893	25.202.230
Total shareholders' equity (a)		50.062.006	49.238.824	44.722.736	44.794.962
Non-controlling interests (b)		333.085	348.549	0	0
Total Equity (c) = (a) + (b)		50.395.091	49.587.373	44.722.736	44.794.962
LIABILITIES					
Long term liabilities					
Bond loans (interest bearing)	17	0	0	0	0
Long term Borrowings	17	5.566.525	2.663.154	4.427.174	2.262.653
Provisions for employee benefits	18	501.740	479.451	501.740	479.451
Other provisions	19	245.496	267.847	245.496	245.496
Grants of assets	19	726.501	1.412.759	726.501	1.412.759
Deferred tax obligations	10	89.039	89.540	0	0
Other long-term liabilities		29.564	0	0	0
Total Long-term Liabilities		7.158.865	4.912.752	5.900.911	4.400.360
Short-term Liabilities					
Short-term Borrowings	17	18.130.070	18.128.721	14.286.341	15.251.806
Suppliers	20	14.452.604	12.296.388	9.242.839	8.233.759
Current tax liabilities	21	2.331.325	1.931.120	2.209.751	1.764.607
Other short-term liabilities	20	2.350.096	1.739.007	1.452.112	1.524.504
Total short-term Liabilities		37.264.095	34.095.236	27.191.043	26.774.676
Total Liabilities (d)		44.422.959	39.007.988	33.091.953	31.175.036
TOTAL EQUITY AND LIABILITIES (c) + (d)		94.818.050	88.595.361	77.814.689	75.969.998

INCOME STATEMENT

(Amounts in euro)

	Note	GROUP		COMPANY	
		1.1-31.12.2017	1.1-31.12.2016	1.1-31.12.2017	1.1-31.12.2016
Turnover	5.2	126.923.231	113.521.403	79.252.711	74.200.098
Cost of Sales	22	106.297.574	95.498.769	66.337.829	62.304.855
Gross Profit		20.625.657	18.022.635	12.914.882	11.895.243
Other operating income	24	626.292	588.438	365.106	184.500
Distribution expenses	23	-10.370.204	-9.533.043	-6.285.528	-6.353.427
Administrative expenses	23	-4.089.768	-3.558.904	-2.776.837	-2.412.890
Other operating expenses	24	-929.927	-527.938	-475.417	-15.639
Profit before taxes, financing & investing results		5.862.050	4.991.188	3.742.206	3.297.787
Financial income		22.243	59.098	640	522
Financial expenses		-1.290.273	-1.444.890	-734.597	-919.255
Profit before taxes		4.594.021	3.605.395	3.008.250	2.379.054
Income Tax	25	-1.236.781	-960.579	-933.065	-719.015
Net Profit/(Loss) of period (A)		3.357.240	2.644.816	2.075.185	1.660.039
Attributable to:					
<i>Owners of the parent</i>		3.322.825	2.632.818	2.075.185	1.660.039
<i>Non-controlling interests</i>		34.815	11.998	0	0
Other comprehensive income :					
<u>Data that will not be reclassified subsequently to results</u>					
Deferred taxes on assets due to correction in the tax rate (from 26% to 29%)		0	0	0	0
Actuarial profits / (losses) on defined benefit pension plans		-12.671	-3.683	-12.671	-3.683
Deferred taxes of actuarial profits / (losses) of defined benefit pension plans		3.675	1.068	3.675	1.068
<u>Data that are reclassified subsequently to the results</u>					
Rate influence from the conversion of financial statements of subsidiaries in foreign currency		-402.111	-387.331	0	0
Other comprehensive income after taxes (B)		-411.107	-389.946	-8.996	-2.615
Total comprehensive income after taxes (A+B)		2.946.133	2.254.871	2.066.189	1.657.424
Attributable to:					
<i>Owners of the parent</i>		2.961.597	2.314.626	2.066.189	1.657.424
<i>Non-controlling interests</i>		-15.464	-59.755	0	0
		2.946.133	2.254.871	2.066.189	1.657.424
Depreciation of the period		880.678	894.510	629.848	638.757
Profit before taxes, financing & investing results and depreciation (EBITDA)		6.742.728	5.885.698	4.372.054	3.936.544
Profit after taxes per share -basic (in Euro)	26	0,1243	0,0985	0,0776	0,0621

STATEMENT OF CHANGES IN EQUITY

(Amounts in euro)

GROUP	Share Capital	Difference from shares issued above par	Other reserves	Profits carried forward	Total	Non Controlling interests	TOTAL EQUITY
Balance at 1st January 2016	16.038.112	133.417	4.187.211	26.793.500	47.152.239	289.189	47.441.428
Net profit/(loss) of period	0	0	0	2.632.818	2.632.818	11.998	2.644.816
Other comprehensive income	0	0	-315.578	-2.615	-318.193	-71.753	-389.946
Total comprehensive income	0	0	-315.578	2.630.203	2.314.626	-59.755	2.254.871
Regular Reserve	0	0	151.716	-151.716	0	0	0
Reserve of Grant by Law 3299/2004	0	0	59.089	-59.089	0	0	0
Subsidiary capital increase	0	0	0	0	0	119.116	119.116
Subsidiary Consolidation	0	0	-125.731	-102.311	-228.041	0	-228.041
Balance at 31st December 2016	16.038.112	133.417	3.956.707	29.110.588	49.238.823	348.549	49.587.373
Balance at 1st January 2017	16.038.112	133.417	3.956.707	29.110.588	49.238.823	348.549	49.587.373
Net profit/(loss) of period	0	0	0	3.322.825	3.322.825	34.415	3.357.240
Other comprehensive income	0	0	-352.232	-8.996	-361.228	-49.879	-411.107
Total comprehensive income	0	0	-352.232	3.313.829	2.961.597	-15.464	2.946.133
Share capital decrease	-2.138.415	0	0	0	-2.138.415	0	-2.138.415
Regular Reserve	0	0	70.256	-70.256	0	0	0
Reserve of Grant by Law 3299/2004	0	0	58.503	-58.503	0	0	0
Transfer from reserves	0	0	-711.233	711.233	0	0	0
Balance at 31st December 2017	13.899.697	133.417	3.022.001	33.006.891	50.062.006	333.085	50.395.091

STATEMENT OF CHANGES IN EQUITY

(Amounts in euro)

COMPANY	Share Capital	Difference from shares issued above par	Other reserves	Profits carried forward	Total
Balance at 1st January 2016	16.038.112	133.417	3.275.363	23.690.646	43.137.538
Net profit/(loss) of period 1/1-31/12/16	0	0	0	1.660.039	1.660.039
Other comprehensive income	0	0	0	-2.615	-2.615
Total comprehensive income	0	0	0	1.657.424	1.657.424
Regular Reserve	0	0	86.751	-86.751	0
Reserve of Grant by Law 3299/2004	0	0	59.089	-59.089	0
Balance at 31st December 2016	16.038.112	133.417	3.421.203	25.202.230	44.794.962
Balance at 1st January 2017	16.038.112	133.417	3.421.203	25.202.230	44.794.962
Net profit/(loss) of period 1/1-31/12/17	0	0	0	2.075.185	2.075.185
Other comprehensive income	0	0	0	-8.996	-8.996
Total comprehensive income	0	0	0	2.066.189	2.066.189
Share capital decrease	-2.138.415	0	0	0	-2.138.415
Regular Reserve	0	0	70.256	-70.256	0
Reserve of Grant by Law 3299/2004	0	0	58.503	-58.503	0
Transfer from reserves	0	0	-711.233	711.233	0
Balance at 31st December 2017	13.899.697	133.417	2.838.728	27.850.893	44.722.736

CASH FLOW STATEMENT (indirect method)
amounts in euro
Operating Activities

	GROUP		COMPANY	
	01/01-31/12/17	01/01-31/12/16	01/01-31/12/17	01/01-31/12/16
Profit before taxes (continuing operations)	4.594.021	3.605.395	3.008.250	2.379.054
Adjustments for:				
Depreciation and Amortization	879.428	893.260	629.848	638.757
Amortization of Grants	-51.543	-58.503	-51.543	-58.503
Provisions	2.847.483	1.495.100	1.384.618	1.133.295
Exchange Differences	-250.894	-324.330	2.731	-12.729
(Gain) or Loss from Investing activities	55.975	4.233	1.089	1.229
Interest and similar charges	1.271.117	1.391.672	733.956	918.733
Working capital changes				
Decrease/(increase) of inventory	-3.678.340	294.657	-1.035.133	759.420
Decrease/(increase) of trade receivables	-6.328.117	-1.993.595	-3.660.550	-1.684.531
(Decrease)/Increase of liabilities (except loans)	3.716.674	-2.150.812	1.894.468	-1.637.574
Less:				
Interest and similar charges paid	-1.242.014	-1.299.060	-733.556	-918.215
Tax paid	-2.056.712	-345.052	-1.775.157	0
<u>Total cash/(used in) generated from operating activities (a)</u>	-242.922	1.512.967	399.022	1.518.937

Investing Activities

Acquisition of Subsidiary	0	0	0	-150.000
Purchase of Intangible Assets, Property	-1.708.027	-538.871	-285.397	-337.266
Sale of fixed and Intangible assets	1.564	9.063	0	0
Interest received	22.243	59.098	640	522
<u>Total cash/(used in) generated from investing activities (b)</u>	-1.684.219	-470.710	-284.756	-487.744

Financing Activities

Proceeds from capital increase of non controlling interests	0	107.118	0	0
Proceeds from Borrowings	27.834.889	31.705.120	13.025.000	26.030.000
Repayment of Borrowings	-24.977.792	-32.312.508	-11.825.945	-25.211.117
Return of capital to shareholders	-2.138.415	0	-2.138.415	0
<u>Total cash/(used in) generated from financing activities (c)</u>	718.682	-500.271	-939.360	818.883

Net increase/(decrease) in Cash and Cash equivalents (a)+ (b)+(c)
-1.208.458 541.985 -825.094 1.851.076
Cash and Cash equivalents at the beginning of the period
6.040.849 5.492.326 5.301.231 3.450.156

Subsidiary consolidation	0	6.538	0	0
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Cash and Cash equivalents at the end of the period
4.832.391 6.040.849 4.476.137 5.301.231

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

ELTON CHEMICALS SA has been established in 1981 (Gov.3958/13.11.1981) and has General Commercial Reg. Number: 346001000. In 2002 the company changed its name from ELTON CHEMICALS Anonymous Trade Industrial Company (ELTON CHEMICALS SA) turned to ELTON INTERNATIONAL TRADING Anonymous Trade Industrial Company under name ELTON SA (Gov. 8469/8.8.2002). ELTON INTERNATIONAL TRADING COMPANY SA is licensed to practice Trade Representative Import and Export and has been registered with number 29945 in the Trade Representatives Register. Representative person for representative work is the President and Chief Executive Officer, Mr. Nestor D. Papathanasiou.

The web site address of the Company is www.elton.gr

The composition of the Board of Directors is the following:

- Nestor D. Papathanasiou, President and CEO
- Alkistis N. Papathanasiou, executive member
- Katy I. Andreou, executive member
- Electra N. Papathanasiou, non-executive member
- Christos K. Poulis, non-executive independent member
- Michalis Chatzis, non-executive independent member

Main activity of the company is trading raw materials, additives, chemicals and other specialized products, which are mainly used as raw materials in various industries.

Part of Turnover comprises revenues from the sale of chemical products and services specifically in brokerage commissions from selling products companies represented by the company.

The consolidated financial statements of the company include the company and its subsidiaries (the Group). Subsidiaries are companies over which control is exercised by the parent.

Subsidiaries are fully consolidated (full consolidation) from the date that is taken control upon them and cease to be consolidated from the date that control ceases to exist.

The financial statements for the period January 1st – 31st December 2017 were approved by the Board of Directors on 18/4/2018 and are under the approval of the Annual Ordinary General Meeting of its shareholders.

2. Framework of the Financial Statements

2.1. Basis of Preparation of annual Financial Statements

The consolidated and simple financial statements of ELTON SA have been prepared under the historical cost and the going concern business (going concern) convention and are in accordance with International Financial Reporting Standards (IFRS) and the Interpretations of the Interpretations Committee of the International Financial Reporting Standards as they have been adopted by the European Union and IFRS that have been issued by the International Accounting Standards Board (IASB).

Due to the fact that the company is not affected by the provisions regarding portfolio hedging, which are not required by the adoption of IAS 39 which has been validated by the EU, these financial statements have been prepared in accordance with IFRS as adopted by the EU and IFRS as issued by the IASB.

The accounting policies used in the preparation and presentation of the annual financial statements are consistent with those used in preparing the financial statements at 31 December 2016.

The policies referred below have been applied consistently in all periods presented.

The preparation of financial statements in accordance with IFRS requires the use of estimations and judgments in applying the accounting policies of the Company. Important assumptions made by management in applying the accounting methods have been highlighted where appropriate.

2.2 Reclassification of prior year funds

There was no need to reclassify funds in the current financial year.

2.3 New standards, amendments to standards and interpretations

Application of new and amended International Financial Reporting Standards (IFRS) for the current fiscal year 2017.

New and amended IFRS that affect the amounts presented and / or disclosures in the consolidated financial statements

Accounting policies and estimations applied for the preparation of these consolidated financial statements are consistent with those applied for the preparation of annual consolidated financial statements for the year 2016, except those amendments detailed referenced below which were adopted by the Group since January 1, 2017. The below amendments did not have a significant impact on the consolidated financial statements for the year ended December 31, 2017.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"

The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment.

IAS 7 (Amendments) "Disclosure initiative"

The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes.

The IASB has issued the Annual Improvements to IFRSs (2014 – 2016 Cycle) which is a collection of amendments to IFRSs. The improvement did not have an effect on the Group's consolidated financial statements for the year ended December 31, 2017.

- *IFRS 12 "Disclosures of Interests in Other Entities"*

The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

Standards and Interpretations mandatory for subsequent periods not early adopted by the Group

The following new standards, amendments to standards and interpretations have been issued but are mandatory for subsequent periods. The Group has not applied the following standards earlier and is studying their impact on the financial statements.

IFRS 9 "Financial Instruments"

Classification and Measurement: The standard is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The Group plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, an impact assessment of IFRS 9 was performed. Based on the above assessment the following impact from the adoption of the new standard is expected:

- Financial assets currently held will continue to be measured on the same basis under IFRS 9, and accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.
- There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities.
- The new hedge accounting rules will align the accounting for hedging instruments more closely with the group's risk management practices. The Group does not have any hedging instruments.
- The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. Based upon a detailed assessment carried out, the Group has determined that upon adoption, the loss allowance will increase by an amount that does not differ significantly from the existing allowance. The Group is currently in the process of performing final checks on the determination of the transition effect.
- The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

IFRS 15 "Revenue from Contracts with Customers"

The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The new standard is based on the principal that revenue is recognized when control of a good or service is transferred to a customer.

The Group plans to adopt the new standard on the required effective date using the modified retrospective method. During 2016, the Group performed a preliminary assessment of IFRS 15, which was continued with a detailed GAP analysis by revenue stream and which was completed in 2017. Based on the above analysis, no material differences from the current accounting policies were identified. Therefore, the new standard is not expected to have a significant impact on the Group's consolidated financial statements, upon adoption.

IFRS 15 (Clarifications) "Revenue from Contracts with Customers"

The Clarifications apply for annual periods beginning on or after January 1, 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly (a) the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, (b) of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and (c) of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

IFRS 16 "Leases"

The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of € 628.440. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. This is due to the fact that some of the commitments may be covered by the exception for short-term and low-value

leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The Group expects to complete the assessment of the impact from the implementation of the new standard over the next nine months.

IFRS 10 (Amendment) "Consolidated Financial Statements"

IAS 28 "Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. These amendments have not yet been endorsed by the EU.

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

The Amendments are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. These Amendments have not yet been endorsed by the EU.

IAS 40 (Amendments) "Transfers of Investment Property"

The Amendments are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU.

IFRS 9 (Amendment) "Prepayment features with negative compensation"

The Amendment is effective for annual reporting periods beginning on or after January 1, 2019 with earlier application permitted. The Amendment allows financial assets with prepayment

features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. These Amendments have not yet been endorsed by the EU.

IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures"

The Amendments are effective for annual reporting periods beginning on or after January 1, 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU.

IFRIC Interpretation 22 "Foreign currency transactions and advance consideration"

The Interpretation is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU.

IFRIC Interpretation 23 "Uncertainty over income tax treatments"

The Interpretation is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU.

IAS 19: "Plan Amendment, Curtailment or Settlement (Amendments)"

The Amendments are effective for annual periods beginning on or after January 1, 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU.

The IASB has issued the Annual Improvements to IFRSs (2014 – 2016 Cycle) which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after January 1, 2018 for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures.

- IAS 28 "Investments in associates and Joint ventures"

The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The IASB has issued the Annual Improvements to IFRSs (2015 – 2017 Cycle), which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after January 1, 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU.

- IFRS 3 "Business Combinations and
- IFRS 11 Joint Arrangements"

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- IAS 12 "Income Taxes"

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

- IAS 23 "Borrowing Costs"

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

2.4. Consolidated financial statements

Subsidiaries: are all companies managed and controlled, directly or indirectly, by another company (parent), whether through ownership of the majority of shares in the company in which the investment was made, either through its dependence on the expertise provided by the Group. Namely, subsidiaries are the companies that are controlled by the parent. ELTON acquires and exercises control through voting rights. The existence of potential voting rights that are exercisable at the preparation time of the financial statements is taken into account in order to substantiate whether the Group controls another entity. Subsidiaries are fully consolidated (full consolidation) with the acquisition method from the date that control is taken over them and cease to be consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, shares issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The Company accounts for its investment in subsidiaries, in its stand-alone accounts, on the cost less impairment basis.

Associates: are entities over which the Group has significant influence, but they do not fulfill the conditions to be classified as subsidiaries. The assumptions used by the group imply that voting rights percentage between 20% and 50% of a company suggests significant influence on the company. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. At the end of every fiscal year, the cost is

increased by the proportion of the investing company in the changes in equity of the invested company and decreased with the received dividends from the associate.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. Accumulated changes affect the book value of investments in associated companies. When the Group's share of losses in an associate equals or exceeds its participation in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's participation in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group.

2.5. Segment reporting

The operational segments business sector is defined as a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is a geographical region in which products and services are subject to risks and returns different from other areas. For the year 2017 the 62,44% of the consolidated turnover derived from activities carried out in Greece (2016: 65,36%).

2.6. Foreign exchange conversions

Functional and presentation currency

The data of the financial statements of the companies of the Group are measured in the currency of the primary economic environment in which the Group operates (its functional currency).

The consolidated financial statements are reported in Euro, which is the functional currency and reporting currency of the parent company and all its subsidiaries.

Transactions and balances

Transactions in foreign currencies are converted to the functional currency using the exchange rates prevailing at the transaction date. Profits and losses from foreign exchange differences arising from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency using the exchange rates at the balance sheet date are recorded in the results.

Companies of the Group

The translation of the financial statements of the Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Group is as follows:

- Assets and liabilities are translated at the rates prevailing at the balance sheet date,
- Revenues and expenses are translated at average exchange rates
- All resulting exchange differences are recognized in equity reserve and transferred to the income statement as part of the gain or loss on sale.

The structure of the Group as at 31/12/2017 is as follows:

COMPANY	COUNTRY	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
ELTON SA	GREECE	PARENT	
ELTON CORPORATION SA	ROMANIA	100%	FULL
ELTON CORPORATION EOOD	BULGARIA	100%	FULL
ELTON CORPORATION DOO	SERBIA	100%	FULL
ELTON MARMARA KIMYA SANAYI VE TICARET A.S.	TURKEY	70%	FULL
ELTON CORPORATION LLC	UKRAINE	100%	FULL (*from 1.1.16)
ELTON PLS SA	GREECE	70%	NOT CONSOLIDATED

2.7. Tangible fixed assets

Fixed assets are reported in the Financial Statements at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

In the current financial statements depreciation of other tangible fixed assets (excluding land which is not depreciated) is calculated with method over their estimated useful lives, which are as follows:

1. Buildings	25 to 50 years
2a Mechanical Equipment	3 to 15 years
2b Metal Tanks	15 years
2c. Photovoltaic	20 years
3. Cars	4 to 10 years
4. Other Equipment	5 to 10 years
4a. Furniture	4 to 10 years
4b. Electronic computers	3 to 7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. When the carrying amounts of the tangible assets are higher than their recoverable amount, the resulting difference (impairment loss) is recognized immediately as a loss in the income statement.

In case of sale of tangible assets, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the income statement. Repairs and maintenance are charged to the expenses of the period they occur.

Self-produced tangible assets constitute an addition to the cost of fixed assets on values that include the direct payroll cost of personnel involved (including the relevant costs), cost of materials and other general costs.

2.8. Intangible assets

Intangible assets include software licenses. Software licenses are valued at cost less depreciation. Depreciation is calculated using the straight-line method over the useful life of these assets, which range from 1 to 5 years.

Expenses required for the development and maintenance of the software are recognized as expenses when incurred.

2.9. Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

Assets that are subject to amortization are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognized as an expense to the Comprehensive Income Statement, when they occur.

2.10. Financial assets

Financial asset is any contract that creates a financial asset to one entity and a financial liability or equity instrument to another enterprise. Financial assets are recognized at cost, including additional direct costs. The company did not hold any investments other than those which are subsidiaries. In the parent company's balance sheet the investments in subsidiaries are carried at fair value.

2.11. Inventories

At the date of balance sheet the inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any costs related to sale. The acquisition cost of inventories is defined by the weighted average of the month. The cost of inventories doesn't include financial expenses.

For impaired inventories it has been formed provision of 130.000 euro (2016: 152.351 euro).

2.12. Trade receivables

Trade receivables are recognized initially at fair value and are then valued in their un-depreciated cost, using the real interest rate, less provision for impairment. In case the carried value or cost of a financial asset exceeds the present value, then the asset is valued at its recoverable amount, i.e. the present value of future cash flows of the asset, which is calculated based on the actual initial interest rate. The relevant loss is transferred directly to the income statement. Impairment losses, ie when there is objective evidence that the Group is not able to

collect all amounts owed based on contractual terms and after having run out all possible legal actions to collect them, are recognized in the results.

2.13. Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits and short term up to 3 months with high liquidity and low risk investments.

2.14. Non-current assets classified as held for sale

Assets held for sale include other assets (including goodwill) and tangible assets that the Group intends to sell within one year from the date of classification as "held for sale". The assets classified as "held for sale" are measured at the lower value between their book value immediately prior to their classification as held for sale and their fair value less the cost of sale. The assets classified as "held for sale" are not subject to amortization. The profit or loss arising from the sale and revaluation of "held for sale" assets included in "other income" and "other expenses" respectively in the income statement. The Group in the current fiscal has not classified non-current assets as held for sale.

2.15. Share capital

Share capital includes common shares of the Company that are classified as equity. Expenses that were made for the issuance of the shares, presented after deducting the income tax, to a decrease of the proceeds. Expenses related to the issuance of shares for the acquisition of companies are included in cost of the acquired company. During the acquisition of own shares, the price paid - including related costs - is depicted as deducted equity (share premium reserve).

2.16. Income tax and deferred tax

The period's charge with income tax consists of the current tax and deferred taxes, ie taxes or tax relief related to the financial benefits that arise during the period but have been or will be imputed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except from the tax that refers to transactions recorded directly in equity, in which case it is recorded directly in a similar way to equity.

Current income taxes include short term obligations or claims from fiscal authorities relating to taxes payable on the taxable income of the period and any additional income taxes from previous years.

Current taxes are measured according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to the short term tax assets or obligations are recognized as a component of tax expense in the income statement.

Deferred income tax is determined by the liability method that results from the temporary differences between the accounting value and taxation basis of assets and liabilities. Deferred income tax is not accounted if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, which at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax claims and liabilities are valued based on the tax rates expected to be applied in the period during which the claim or liability will be settled, taking into consideration tax rates (and tax laws) that have been enacted or essentially in effect until the balance sheet date. In case of failure to identify the timing of reversal of temporary differences, it applies the tax rate that is in effect on the following day of the balance sheet date.

Deferred tax claims are recognized to the extent that there will be future taxable profit for the use of the temporary differences that creates the deferred tax claim.

Deferred income tax is recognized for temporary differences that arise from investments in subsidiaries and associates, except in the case that reversal of the temporary difference is controlled by the Group and it is possible that the temporary differences will not reverse in the foreseeable future.

Most changes in deferred tax claims or liabilities are recognized as a part of the tax expenses in the income statement. Only the changes in assets or liabilities that affect the temporary differences are recognized directly in equity of the Group, such as the revaluation of property, result in the relevant change in deferred tax claims or liabilities to be charged against the relevant equity account.

2.17. Employee Benefits

Short-term benefits: Short-term employee benefits (except benefits from employment termination), monetary and in items, are recognized as an expense when they accrue.

Benefits after leaving the service: According to the Greek Laws 2112/20, the Company pays the employees compensations for dismissals or resignations due to pensions. The aforementioned payments depend on the years of working experience, the remunerations, and the way of leaving the company (dismissal or resignation). The compensations for pensions and dismissals fall under the defined benefit plans according to the IFRS 19 «Employee benefits». The above obligations are calculated based on an actuarial projected unit credit method. The provisions that concern the fiscal year, are included in the relative personnel cost in the attached consolidated financial statements and consist of the current and previous personnel cost, the relative financial cost, the actuarial profits or losses and any other possible charges. According to the non-recognized actuarial profits or losses, the amended IAS 19 is applied, which includes a series of amendments regarding the accounting of defined benefit plans.

1. Actuarial gains and losses will be recognized in other comprehensive income and their definitive exclusion from the income statement.

2. Not recognizing more of the expected returns of investment of the program to the income statement but the recognition of such interest on the net liability/(claim) of benefit, calculated based on the discount rate that is used to measure the defined benefit obligation
3. Past service costs are recognized in the income statement in the period when a plan is amended.
4. Other changes include extended disclosures, as quantitative sensitivity analysis

2.18. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and when it is probable that an outflow of resources and estimating the amount of the obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required for the settlement of the obligation. Contingent obligations are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is minimal. Contingent claims are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.19. Revenue and Expense Recognition

Revenue: Revenues include the fair value of projects, sales of goods and services, net of Value Added Tax, rebates and discounts. Intercompany revenues within the Group are eliminated in full. The recognition of revenue is as follows:

- **Sales of goods:** Sales of goods are recognized when the Group delivers the goods to the customers, the goods are accepted by the customers and collectability of the related receivables is reasonably assured.
- **Services:** Revenue from services is accounted the period in which the services are provided, based on the stage of completion of the service in relation to all services.
- **Interest income:** Interest income is recognized on a time proportion basis using the actual interest rate method.
- **Dividends:** Dividends are recognized as income when there is right to receive payment.

Expenses: expenses are recognized in results on an accrual basis.

2.20. Leases

Leases of fixed assets, which transfer to the Group all the risks and benefits related to the ownership of an asset, regardless of the finally transfer or not of the ownership title of that asset, are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease is allocated between the liability and the financial charges so as to

achieve a fixed interest rate on the remaining financial obligation. The corresponding rental obligations, net of financial charges, are reported in liabilities. The part of financial expenses relating to finance leases is recognized in income statement during the lease period. Fixed assets that acquired through financial leasing are depreciated the shorter period of the useful life of the asset or the duration of the lease. There were no such leases until the period presented.

Lease agreements where the lessor transfers the right to use an asset for an agreed period, without transferring the risks and rewards of ownership of the asset are classified as operating leases. Payments made for operating leases (net of any incentives offered from the lessor) are recognized in the results proportionately by the lease period.

2.21. Distribution of dividends

The distribution of dividends to parent company's shareholders is recognized as a liability in the financial statements on the date on which the distribution is approved by the General Assembly of Shareholders.

2.22. Grants

Grants related to assets are government grants, which according to IAS 20 "Accounting for Government Grants", whose primary condition is that an enterprise qualifying for them should purchase, construct or any other way acquire long-term assets.

Government grants related to assets must be shown in the balance sheet either as deferred income or by deducting the accounting value of the related assets. The company chose to display the government grant of Law 3299/2004 as deferred income, which will be recorded in systematic and rational basis as revenue during the useful life of assets.

2.23. Suppliers and other obligations

Suppliers and other liabilities are recognized initially at fair value and subsequently at the unamortized cost using the effective interest rate method.

2.24. Borrowing

Loans are recorded initially at their fair value, less any costs to complete the transaction. Borrowings are subsequently valued at the unamortized cost using the effective interest rate method. Borrowings are classified as short-term liabilities unless the Group has the right to defer the repayment of the liability for at least twelve months from the balance sheet date.

3. Risk management

3.1 Financial risk factors

The Group is exposed to a variety of financial risks such as market risk (changes in exchange rates, interest), credit risk, liquidity risk, cash flow risk and fair value interest rate risk.

The overall risk management of the Group focuses on the unpredictability of financial markets and seeks to minimize their potential negative effect in the financial performance of the Group.

a) Market Risk

1. Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and investments which having their head office and operate abroad.

The Group has certain investments in subsidiaries that are depicted in the table below, whose assets are exposed to currency risks.

COMPANY	COUNTRY	PARTICIPATION PERCENTAGE
ELTON CORPORATION SA	ROMANIA	100%
ELTON CORPORATION EOOD	BULGARIA	100%
ELTON CORPORATION DOO	SERBIA	100%
ELTON CORPORATION LLC	UKRAINE	100%
ELTON MARMARA KIMYA SANAYI VE TICARET A.S.	TURKEY	70%

2. Price Risk

The Group is not exposed to securities price risk because of the complete lack thereof. However is exposed to changes in the value of goods moved (Bulk chemicals) and this because their price is directly linked to the price of petroleum, as it is valued in the current market. This risk is managed through a comparable change in selling prices of the goods available.

3. Cash flow and fair value interest

A. Interest risk

The Group has no interest-bearing assets and therefore income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest risk is increased by long-term and short-term borrowings.

In particular the long-term borrowing on 31st December 2017 of the Company and of the Group amounted to 5.566.525 euro (2016: 2.663.154 euro) and 4.427.174 euro (2016: 2.262.653 euro) accordingly, while the short-term bank borrowing of the Group and the Company at 18.130.070 euro (2016: 16.462.057 euro) and 14.286.341 euro (2016: 13.585.142 euro) accordingly.

The long-term bank borrowing of the amount 3.000.000 euro has been concluded with interest based on EURIBOR plus fixed margin (spread) and according to the agreement of the repayment table it will be repaid at 4 years.

The short-term bond borrowing was a common bond loan of ten years duration with semi-annual installments and six-month interest charge of total initial nominal value fifteen million (15.000.000) euros. The interest rate is with fixed part (spread) per annum and variable part which is equal to the EURIBOR of the interest period. Short-term bank borrowing has been concluded with a floating interest rate. During fiscal year 2017 the bond loan paid completely.

In case of +1% or -1% change of interest rate, the effects on equity and results of the Group and the Company are presented below:

A) Increase in interest rate by 1%

The results for the year and equity of the Group and the Company would be burdened by 236.966 and 187.135 euros respectively (2016: 207.919 and 175.145 euro)

B) Decrease in interest rate by 1%

The results of the year and the equity of the Group and the Company would increase by 236.966 and 187.135 euros respectively (2016: 207.919 and 175.145 euro).

B. Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks, and credit reports of customers including significant claims and transactions.

The Group does not have significant concentration of receivables in limited number of customers. Due to the large dispersion of the customer base, the group faces limited credit risks and makes systematic use of credit insurance and where appropriate advances, credit and bank guarantees are considered. The group's clientele includes international prestigious multinational corporations and therefore the existence of credit risk is limited.

The Group and the Company make provision for doubtful customers.

On 31st December 2017 the total amount of customers' and other trade receivables was 51.821.991 euro (2016: 45.666.059) and 36.979.654 euro (2016: 33.529.808) respectively and the provisions for doubtful debts were 6.908.618 euro (2016: 5.095.329) and 4.951.235 euro (2016: 4.001.235) respectively i.e. 13,33% (2016: 11,16%) and 13,39% (2016: 11,93%) which the Management of the Company considers satisfactory in an environment of increased credit fluctuations.

Also, the debit balances of subsidiaries on 31st December 2017 amounted to 1.048.231 euro (2016: 952.136 euro) which the Company's Management believes that presenting no risk of non-collecting since subsidiaries are controlled 100% by the parent.

C. Capital risk management

The capital management aims to ensure the Group's opportunity to continue its activities in order to provide profits to the shareholders and benefits for other interest parties, while maintaining a capital structure that minimizes the cost of capital. The capital management tools are the dividend policy, the issuance or return of capital and trading of assets.

The main index used in the management of capital is the leverage factor, which is calculated as net borrowing divided by total usable capital.

Net borrowing is calculated as total borrowings (including short and long term loans) minus cash and cash equivalents.

The total usable capital is calculated by the equity that is displayed in the balance sheet plus the net borrowing.

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Total of Borrowings	23.696.595	20.791.875	18.713.515	17.514.459
Less: Cash and cash equivalents	-4.832.391	-6.040.849	-4.476.137	-5.301.231
Net Borrowing	18.864.204	14.751.026	14.237.378	12.213.228
Equity	50.395.091	49.587.373	44.722.736	44.794.962
Total usable capital	69.259.295	64.338.399	58.960.114	57.008.190
Leverage factor	27,24%	22,93%	24,15%	21,42%

It is observed that the leverage factor on 31st December 2017 in both the Group and the Company appears higher than the previous fiscal year 2016 due to the increase of borrowings and the decrease of the share capital which took place during fiscal year 2017.

On 28/06/2017 at the Ordinary General Meeting of the Shareholders it was decided the decrease of share capital of the Company at the amount of 2.138.414,96 euro with a decrease of the nominal value of the share by 8,08 per share i.e. from euro 0,60 to 0,52 each, at the purpose of capital return to shareholders in cash.

D. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of financing through sufficient credit operations. The table below analyzes the financial liabilities of the Group and the Company classified in groups by date, calculated in accordance with the remaining period from the balance sheet date until the contractual maturity date.

Group 31/12/2017	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	18.130.070	4.462.974	1.103.551	23.696.595
Trade and other liabilities	19.134.024	0	0	19.134.024
Total	37.264.095	4.462.974	1.103.551	42.830.619

Group 31/12/2016	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	18.128.721	2.663.154	0	20.791.875
Trade and other liabilities	15.966.515	0	0	15.966.515
Total	34.095.236	2.663.154	0	36.758.390

Company 31/12/2017	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	14.286.341	4.427.174	0	18.713.515
Trade and other liabilities	12.904.701	0	0	12.904.701
Total	27.191.043	4.427.174	0	31.618.216

Company 31/12/2016	up to 1 year	from 1 until 5 years	over 5 years	Total
Borrowing	15.251.806	2.262.653	0	17.514.459
Trade and other liabilities	11.522.870	0	0	11.522.870
Total	26.774.676	2.262.653	0	29.037.329

The Group considers that the total liabilities to suppliers are short term. In the same category includes other current liabilities as well as tax liabilities.

E. Fire risk

The Group's fixed assets (buildings, warehouses, offices, machinery and furniture) and the inventories of the Company are fully insured against fire, lightning, storm, storm, other natural disasters and acts of terrorism.

The inventories that are in warehouses of the company are insured at their acquisition value against all these risks. Additionally, there are insurance programs for loss of gross profit as a consequence of business interruption, from coverage of property damage, as well as programs covering financial losses or contingent liabilities of third parties.

Despite security of facilities, stock and employees, in any partial or total destruction or accident related to the above risks, it cannot be provided any confirmation that the Company will be indemnified directly and in full by the insurance company.

In addition, the Group's buildings are in very good condition and have been taken all appropriate measures to address this risk and minimize its consequences.

4. Basic accounting estimations and judgments

Accounting estimations and judgments must continually be assessed based on historical experience and other factors, including expectations for future events that are considered under the circumstances.

The Group conducts provisions relating to the future. The calculated accounting estimations will rarely be equal the related actual results.

The annual financial statements of 31st December 2017 were compiled with the basic accounting principles and estimations of the balance sheet of 31st December 2016.

5. Financial information by segment

The operational segments business sector is defined as a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is a geographical region in which products and services are subject to risks and returns different from other areas.

5.1 Primary reporting sector by Business Unit

The financial statements of the Group by Business Unit for the periods 1/1-31/12/2017 & comparable 1/1-31/12/2016 analyzed as follows:

Period 01/01-31/12/2017	Industrial	Food- Agrochemicals	Other	Total
Total Gross Sales per sector	67.222.657	59.512.757	1.752.837	128.488.251
Sales between Group companies	-818.789	-724.881	-21.350	-1.565.020
Net sales to third parties	66.403.868	58.787.876	1.731.487	126.923.231
EBITDA	3.651.205	2.958.495	133.028	6.742.728
Depreciation of the period				-880.678
Financial cost				-1.268.029
Results before taxes				4.594.021
Income Taxes				<u>-1.236.781</u>
Profit after tax				3.357.240

Period 01/01-31/12/2016	Industrial	Food- Agrochemicals	Other	Total
Total Gross Sales per sector	59.904.284	52.763.784	2.784.794	115.452.862
Sales between Group companies	-1.002.163	-882.707	-46.588	-1.931.458
Net sales to third parties	58.902.121	51.881.077	2.738.206	113.521.404
EBITDA	3.273.892	2.437.820	173.986	5.885.698
Depreciation of the period				-894.510
Financial cost				-1.385.792
Results before taxes				3.605.396
Income Taxes				<u>-960.579</u>
Profit after tax				2.644.817

Allocation of Assets and Liabilities by Business Unit on 31st December 2017 on a consolidated basis and the comparable period 31st December 2016:

Assets Total	31/12/2017	31/12/2016
Industrial	50.881.583	47.337.897
Food- Agrochemicals	45.045.873	41.695.292
Other	1.326.742	2.200.615
Intercompany	-2.436.149	-2.638.444
Total	94.818.050	88.595.361

Liabilities Total	31/12/2017	31/12/2016
Industrial	24.515.485	21.607.844
Food- Agrochemicals	21.703.755	19.032.222
Other	639.244	1.004.492
Intercompany	-2.435.525	-2.636.570
Total	44.422.959	39.007.988

5.2 Allocation of sales by geographic area

The company's registered office and the main country of activity is Greece. The Group's activities are mainly in Greece whereas operates in Romania, Bulgaria, Serbia, Turkey and Ukraine.

Sales refer to the country which are established the customers. The total assets refer to geographical location.

Period 01/01-31/12/2017	Sales	Total of Assets
Greece	79.252.711	77.814.689
Balkans	40.721.720	30.452.835
Other countries	8.513.820	1.869.036
Intercompany/consolidation deletions	-1.565.020	-15.318.510
Total	126.923.231	94.818.050

Period 01/01-31/12/2016	Sales	Total of Assets
Greece	74.200.098	75.969.998
Balkans	35.523.459	26.490.746
Other countries	5.729.305	1.655.422
Intercompany/consolidation deletions	-1.931.458	-15.520.805
Total	113.521.404	88.595.361

6. Tangible Assets

The fixed assets of the Group and the Company are analyzed as follows:

GROUP	Land & Buildings	Mechanical equipment & transportation means	Furniture & other equipment	Tangible assets under construction & advances	Total
Cost value					
Balance at 1st January 2016	17.558.156	4.810.874	1.522.580	87.258	23.978.869
Consolidation of subsidiary	0	0	2.868	0	2.868
Additions	163.143	246.788	81.183	68.268	559.382
Exchange differences	-7.028	-36.460	-61.306	-809	-105.603
Reductions	0	-133.275	-28.509	-68.417	-230.201
Balance at 31st December 2016	17.714.271	4.887.927	1.516.816	86.300	24.205.315
Consolidation of subsidiary	0	0	0	0	0
Additions	33.821	321.713	78.664	1.209.535	1.643.734
Exchange differences	-48.588	-42.228	-18.990	-25.915	-135.721
Reductions	0	-151.641	-47.784	0	-199.425
Value impairment	-33.208	0	0	0	-33.208
Balance at 31st December 2017	17.666.296	5.015.771	1.528.707	1.269.920	25.480.695
Depreciation					
Balance at 1st January 2016	3.138.417	3.123.617	1.240.329	0	7.502.364
Consolidation of subsidiary	0	0	2.107	0	2.107
Additions	393.885	256.511	56.060	0	706.457
Exchange differences	-1.053	47.950	-90.145	0	-43.248
Reductions	0	-114.128	-27.474	0	-141.602
Balance at 31st December 2016	3.531.249	3.313.951	1.180.878	0	8.026.078
Consolidation of subsidiary	0	0	0	0	0
Additions	394.397	242.075	141.177	0	777.648
Exchange differences	-6.089	-5.093	-3.940	0	-15.122
Reductions	0	-242.864	-40.014	0	-282.878
Balance at 31st December 2017	3.919.557	3.308.068	1.278.101	0	8.505.726
Undepreciated value at 31st December 2017	13.746.739	1.707.703	250.606	1.269.920	16.974.968
Undepreciated value at 31st December 2016	14.183.022	1.573.976	335.939	86.300	16.179.238

On the property of the subsidiary in Bulgaria there are encumbrances for the provision of loan liabilities amounting to € 2.357.860.

COMPANY	Land & Buildings	Mechanical equipment & transportation means	Furniture & other equipment	Tangible assets under construction & advances	Total
Cost value					
Balance at 1st January 2016	12.179.908	4.059.955	1.274.865	0	17.514.728
Additions	99.642	197.120	20.505	0	317.266
Reductions	0	-66.098	-28.509	0	-94.607
Value impairment	0	0	0	0	0
Balance at 31st December 2016	12.279.550	4.190.977	1.266.861	0	17.737.387
Additions	0	261.355	15.927	4.000	281.283
Reductions	0	-72.702	-4.290	0	-76.992
Value impairment	0	0	0	0	0
Balance at 31st December 2017	12.279.550	4.379.630	1.278.498	4.000	17.941.678
Depreciation					
Balance at 1st January 2016	2.414.087	2.640.454	1.062.075	0	6.116.616
Additions	257.232	163.364	38.261	0	458.857
Reductions	0	-66.098	-27.474	0	-93.572
Balance at 31st December 2016	2.671.319	2.737.720	1.072.863	0	6.481.902
Additions	257.926	177.999	23.211	0	459.135
Reductions	0	-71.627	-4.276	0	-75.903
Balance at 31st December 2017	2.929.245	2.844.092	1.091.798	0	6.865.135
Undepreciated value at 31st December 2017	9.350.305	1.535.538	186.700	4.000	11.076.543
Undepreciated value at 31st December 2016	9.608.231	1.453.256	193.998	0	11.255.485

There are no mortgages or encumbrances on fixed assets against borrowings.

The additions to the fixed assets of the Group and of the Company are mainly improvements of buildings and purchase of vehicles, machinery and equipment.

7. Intangible assets

GROUP	Accounting programms	Goodwill- Other rights	Total
<u>Cost value</u>			
Balance at 1st January 2016	1.000.129	2.848.133	3.848.262
Subsidiary consolidation	429	0	429
Additions	20.318	28.039	48.357
Exchange differences	-80	-325	-405
Reductions	-350	0	-350
Balance at 31st December 2016	1.020.446	2.875.847	3.896.293
Subsidiary consolidation	0	0	0
Additions	51.495	13.070	64.565
Exchange differences	-2.283	903	-1.380
Reductions	-2.145	-64.428	-66.573
Balance at 31st December 2017	1.067.513	2.825.392	3.892.905
<u>Depreciation</u>			
Balance at 1st January 2016	788.903	150.362	939.265
Subsidiary consolidation	229	0	229
Additions	56.247	130.045	186.292
Exchange differences	1.111	-65	1.046
Reductions	-157	0	-157
Balance at 31st December 2016	846.333	280.342	1.126.675
Subsidiary consolidation	0	0	0
Additions	52.076	130.158	182.234
Exchange differences	-41.171	327	-40.844
Reductions	-2.145	0	-2.145
Balance at 31st December 2017	855.092	410.827	1.265.920
Undepreciated value at 31st December 2017	212.421	2.414.565	2.626.986
Undepreciated value at 31st December 2016	174.114	2.595.505	2.769.619
<u>COMPANY</u>			
	Accounting programms	Goodwill- Other rights	Total
<u>Cost value</u>			
Balance at 1st January 2016	918.296	2.790.000	3.708.296
Additions	20.000	0	20.000
Reductions	-350	0	-350
Balance at 31st December 2016	937.946	2.790.000	3.727.946
Additions	4.114	0	4.114
Reductions	0	0	0
Balance at 31st December 2017	942.060	2.790.000	3.732.060
<u>Depreciation</u>			
Balance at 1st January 2016	744.276	146.032	890.308
Additions	51.999	127.901	179.900
Reductions	-157	0	-157
Balance at 31st December 2016	796.118	273.933	1.070.051
Additions	42.811	127.901	170.712
Reductions	0	0	0
Balance at 31st December 2017	838.929	401.834	1.240.764
Undepreciated value at 31st December 2017	103.131	2.388.166	2.491.297
Undepreciated value at 31st December 2016	141.828	2.516.067	2.657.895

Intangible assets include software licenses, trademarks and supplier contracts. Intangible assets are valued at cost less depreciation. Depreciation is calculated using the straight-line method over the useful life of these assets, which ranges from 5 to 20 years.

8. Surplus value/ Goodwill

	Goodwill
Acquisition value	
Balance at 1st January 2016	712150
Derecognition of goodwill	-
Balance at 31st December 2016	712.150
Derecognition of goodwill	-
Balance at 31st December 2016	712.150
Impairments	
Balance at 1st January 2016	-
Impairment loss in period	-
Balance at 31st December 2016	0
Impairment loss in period	-
Balance at 31st December 2017	0
Undepreciated value at 31st December 2017	712.150
Undepreciated value at 31st December 2016	712.150

ELTON Group through its 100% subsidiary company ELTON CORPORATION SA Romania, acquired a participating interest of 70% in SA "Marmara Endustriyel Kimyevi Maddeler Sanayi ve Ticaret Anonim Sirketi" located in the Municipality of Besiktas Istanbul and 31/10/2015 was the date of the effective exercise control over of the company's activities. The total acquisition price amounted to 1.410.266 euro and the value of assets and liabilities acquired, and how goodwill was assayed is as follows:

	Marmara Endustriyel
Current Assets	
Cash and cash equivalents	23.913
Trade Receivables	1.490.163
Inventories	318.272
Other current assets	103.089
Non-current assets	
Tangible fixed assets	82.066
Other non-current assets	14.445
Short-term Liabilities	
Suppliers	261.734
Other short-term liabilities	148.431
Short-term Borrowings	624.475
Equity at 31/10/2015	997.308
Total price paid for the acquisition of 70%	1.410.266
plus: not controlling interests (30%)	299.192
minus: Equity	-997.308
Goodwill on acquisition	712.150

9. Investments in subsidiaries

In company's statements, participation in subsidiaries is relating to participations in companies that are not listed on the Stock Exchange.

In the company's financial statements, investments in subsidiaries are valued at cost less any impairment losses. In consolidated financial statements the value of participation in subsidiaries is eliminated in full.

The investments of the parent in subsidiaries at 31st December 2017 and 2016 were as follows:

COMPANY	31/12/2017	31/12/2016
ELTON CORPORATION SA	8.689.839	8.689.839
ELTON CORPORATION EOOD	397.682	397.682
ELTON CORPORATION DOO	3.103.805	3.103.805
ELTON CORPORATION LLC	691.035	691.035
TOTAL	12.882.361	12.882.361

The main financial figures of the three consolidated subsidiaries are presented in the table below:

COMPANY	Country of Origin	Assets	Liabilities	Income	Profit before taxes/(loss)
ELTON CORPORATION SA (*)	Romania	20.123.338	7.059.779	30.676.750	1.507.091
ELTON CORPORATION EOOD	Bulgaria	7.142.262	4.736.663	8.262.163	-245.662
ELTON CORPORATION DOO	Serbia	4.422.568	1.718.664	8.449.179	304.247
ELTON CORPORATION LLC	Ukraine	633.703	251.425	1.847.448	18.845

(*) The above financial figures also include the financial figures of the subsidiary in Turkey. The parent company's participation in Turkey's subsidiary amounts to 70% (indirectly) and was acquired in October 2015.

The investments of the parent in unconsolidated subsidiaries at 31st December 2017 and 2016 are as follows:

COMPANY	31/12/2016	Period's changes	31/12/2017
ELTON PLS SA	425.000	-425.000	0
TOTAL	425.000	-425.000	0

Impairment test

Because of the continuous negative results during recent years that subsidiary ELTON PLS had it was performed impairment test of the participation and specifically it was chosen this particular control to build throughout the Company as the adjusted equity.

The results of this method have shown that on 31st December 2017, the value of the investment in the subsidiary had been fully impaired, the amount of 425.000 euros by which the accounting amount of the investment exceeds the value determined and was charged to the profit for the year (A).

In addition, the Company carried out an impairment test on the following holdings in subsidiaries:

- ELTON CORPORATION SA (Romania)
- ELTON CORPORATION EOOD (Bulgaria)
- ELTON CORPORATION DOO (Serbia)

It was chosen this control to build throughout each subsidiary company as the cash-generating unit (CGU - Cash Generating Unit). To calculate the value of each subsidiary company there were used cash flow forecasts based on assessments by the Management covering a five-year period.

To calculate the value of the company there were used cash flow forecasts based on assessments by the Management covering a five-year period. These assessments take into account the long-term contracts already concluded with customers.

Romania

Cash flows after the first five years occurred by using an estimated growth rate 0,5% which mainly reflects the forecasts of the Management on the industry growth prospects and of the country.

The prepayment rate that was used for the prepayment of the cash flows arising from the application of that method is variable and ranges from 7,1% to 7,3% for the five years and 7,2% for over unlimited time and was based on the following:

- The risk-free interest rate (risk free rate) was determined based on the AAA bond rate in the Eurozone and is equal to 0,73%.
- The additional rate of return (market risk premium) for an investment in a mature market was set at 5,08%
- The risk due to the activity of the company in Romania (country risk) was set at 2,54%.

Bulgaria

Cash flows after the first five years occurred by using an estimated growth rate 0,5% which mainly reflects the forecasts of the Management on the industry growth prospects and of the country.

The prepayment rate that was used for the prepayment of the cash flows arising from the application of that method is variable and ranges from 6,8% to 7,1% for the five years and 7,0% for over unlimited time and was based on the following:

- The risk-free interest rate (risk free rate) was determined based on the AAA bond rate in the Eurozone and is equal to 0,73%.
- The additional rate of return (market risk premium) for an investment in a mature market was set at 5,08%
- The risk due to the activity of the company in Romania (country risk) was set at 2,19%.

Serbia

Cash flows after the first five years occurred by using an estimated growth rate 0,5% which mainly reflects the forecasts of the Management on the industry growth prospects and of the country.

The prepayment rate that was used for the prepayment of the cash flows arising from the application of that method is variable and ranges from 8,74% to 8,71% for the five years and 8,72% for over unlimited time and was based on the following:

- The risk-free interest rate (risk free rate) was determined based on the AAA bond rate in the Eurozone and is equal to 0,73%.
- The additional rate of return (market risk premium) for an investment in a mature market was set at 5,08%
- The risk due to the activity of the company in Romania (country risk) was set at 4,15%.

10. Deferred tax

Deferred taxes are calculated on temporary differences, according to the liability method, using tax rates applicable in the countries where the companies of the Group are active.

The calculation of deferred taxes of the Group and the Company are reviewed each year, so that the balance on the balance sheet to reflect the current tax rates.

Deferred tax receivables / liabilities as they result from temporary tax differences are as follows:

	GROUP			
(amounts in euro)	Balance on 1/1/2017	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2017
Provision for staff indemnities	139.041	2.789	3.675	145.505
Provision for doubtful receivables	145.580	245.874	-	391.454
Provision for obsolete inventory	37.700	-	-	37.700
Provision of participations impairment	79.750	123.250	-	203.000
Value adjustment of land	168.827	-	-	168.827
Tangible fixed assets	-308.100	-34.152	-	-342.253
Intangible assets	-136.171	-38.471	-	-174.642
Total	126.627	299.290	3.675	429.591
	GROUP			
(amounts in euro)	Balance on 1/1/2016	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2016
Provision for staff indemnities	128.317	9.656	1.068	139.041
Provision for doubtful receivables	-182.342	327.922	-	145.580
Provision for obsolete inventory	37.700	-	-	37.700
Provision of participations impairment	50.750	29.000	-	79.750
Value adjustment of land	168.827	-	-	168.827
Tangible fixed assets	-269.117	-38.983	-	-308.100
Intangible assets	-100.709	-35.462	-	-136.171
Total	-166.574	292.132	1.068	126.627
	COMPANY			
(amounts in euro)	Balance on 1/1/2017	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2017
Provision for staff indemnities	139.041	2.789	3.675	145.505
Provision for doubtful receivables	107.658	275.500	-	383.158
Provision for obsolete inventory	37.700	-	-	37.700
Provision of participations impairment	79.750	123.250	-	203.000
Value adjustment of land	256.865	-	-	256.865
Tangible fixed assets	-306.598	-34.653	-	-341.251
Intangible assets	-136.171	-38.471	-	-174.642
Total	178.245	328.415	3.675	510.335
	COMPANY			
(amounts in euro)	Balance on 1/1/2016	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2016
Provision for staff indemnities	128.317	9.656	1.068	139.041
Provision for doubtful receivables	-182.342	290.000	-	107.658
Provision for obsolete inventory	37.700	-	-	37.700
Provision of participations impairment	50.750	29.000	-	79.750
Value adjustment of land	256.865	-	-	256.865
Tangible fixed assets	-268.324	-38.274	-	-306.598
Intangible assets	-100.709	-35.462	-	-136.171
Total	-77.743	254.919	1.068	178.245

The deferred tax receivables and liabilities at the Statement of Financial Position are as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Deferred tax receivables	946.486	570.898	1.026.228	621.014
Deferred tax liabilities	-516.895	-444.271	-515.893	-442.769
Deferred tax receivables at Balance Sheet	518.630	216.167	510.335	178.245
Deferred tax Liabilities at Balance Sheet	-89.039	-89.540	0	0

The above deferred tax obligations of the Group amounting to 89.039 euro (2016: 89.540 euro liabilities) come from subsidiaries and are not offset against deferred tax receivables of other companies located in other countries as the ability by IAS 12 is not provided to offset deferred tax receivables with obligations that are not reported in the same Tax Authority.

The income tax rates of the parent and its subsidiaries are as follows:

Country	Income Tax Rate
Greece	29%
Romania	16%
Bulgaria	10%
Serbia	15%
Ukraine	18%

11. Other non-current assets

Other non-current assets relating to long-term receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other non-current assets				
Guarantees	107.229	79.523	54.356	59.280
	107.229	79.523	54.356	59.280

12. Inventories

Inventories of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Inventories	18.916.735	15.936.194	10.230.014	9.541.262
Finished and semi-finished products	1.398.826	938.138	1.398.630	937.011
Raw & Auxiliary materials, packing items	1.867.455	1.630.343	923.963	1.039.200
Total	22.183.015	18.504.675	12.552.606	11.517.473
Less: Provision for scrap, slow moving and damaged inventory (see liabilities "Other Provisions")	(130.000)	(152.351)	(130.000)	(130.000)
Total net liquidating value	22.053.015	18.352.324	12.422.606	11.387.473

The Group takes all the necessary measures (insurance, storage) to minimize the risk and potential damages due to natural disasters, theft, fire, etc.

13. Customers and other trade receivables

Customers and other trade receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade and other receivables				
Customers	30.556.707	27.821.859	18.324.320	17.332.118
Notes receivable	215.016	191.508	215.016	191.508
Promissory Notes in delay	239.132	223.425	239.132	223.425
Cheques receivable	16.119.750	12.862.033	13.685.890	11.404.027
Checks in delay	3.771.914	3.617.423	3.771.914	3.617.423
Advances for purchase of inventories	919.471	949.810	743.381	761.306
	51.821.991	45.666.059	36.979.654	33.529.808
Less: Provision for doubtful debts	(6.908.618)	(5.095.329)	(4.951.235)	(4.001.235)
Grand total of customers and other trade receivables	44.913.373	40.570.730	32.028.419	29.528.573

In fiscal year 2017 it was formed a provision for doubtful debts in the Group and the Company amounting to 1.813.289 euros (2016: 1.094.094 euro) and 950.000 euro (2016: 1.000.000 euro) respectively.

According to management's estimates, the amounts of provisions 6.908.618 euro (2016: 5.095.329 euro) and 4.951.235 euro (2016: 4.001.235 euro) for the Group and the Company respectively, are considered sufficient to cover possible losses arising from the non-collection of receivables. All the above claims are short-term and are not required to prepay them at the balance sheet date.

Also, the debit balances of subsidiaries on 31st December 2017 amounted to 1.048.231 euro (2016: 952.136 euro), which the Company's management believes that present no risk of non-collection since subsidiaries are controlled 100% by the parent.

14. Other current assets

Other receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other current assets				
Sundry Debtors	1.711.639	2.885.996	1.534.381	1.978.251
Accounts of advances-credits	1.762	8.783	1.762	8.783
Deferred expenses	235.907	202.631	206.493	177.420
	1.949.308	3.097.411	1.742.636	2.164.455

Furthermore, the sundry debtors are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Sundry debtors				
Advance payment of Tax Income	966.848	416.989	966.848	416.989
Receivables from the Greek State (Investment Law 3299/2004)	111.315	1.157.000	111.315	1.157.000
Other Debtors	633.475	1.312.007	456.217	404.262
	1.711.639	2.885.996	1.534.381	1.978.251

All the above claims are short-term and do not require prepayment at the balance sheet date.

15. Cash and cash equivalents

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash and cash equivalents				
Cash	23.911	9.478	5.409	9.343
Sight and time deposits	4.808.480	6.031.371	4.470.728	5.291.888
	4.832.391	6.040.849	4.476.137	5.301.231

Sight deposits and cash are cash and cash equivalents presented in the cash flow statement.

16. Equity

16.1 Share capital and share premium

The share capital of the Company is analyzed as follows:

	Number of shares	Nominal value per share	Share capital	Above par	Total
31/12/2016	26.730.187	0,60	16.038.112	133.417	16.171.529
+/- Acts during 2017	0	-0,08	-2.138.415	0	-2.138.415
31st December 2017	26.730.187	0,52	13.899.697	133.417	14.033.114

The shares are registered and listed for trading in the Exchange Market (under "Mid Cap") of the ASE.

On 28/06/2017 the Company's Ordinary General Meeting of Shareholders decided to reduce the share capital of the Company by the amount of 2.138.414,96 euros with a reduction of nominal value of each share by an amount of euro 0,08 each, i.e. from euro 0,60 in Euro 0,52 each, with a view to the return of capital by cash to the shareholders.

16.2 Other reserves and retained earnings

The other reserves of the Group are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Reserves and Retained Earnings				
Statutory reserves	1.916.876	1.846.620	1.652.448	1.582.192
Extraordinary reserves	1.066.491	1.066.491	1.066.491	1.066.491
Untaxed reserves	119.790	772.520	119.790	772.520
Other Reserves	2.489.730	2.357.194	0	0
Reserves of Exchange Differences	-2.570.886	-2.086.118	0	0
Retained earnings	33.006.891	29.110.588	27.850.893	25.202.230
	36.028.892	33.067.295	30.689.622	28.623.433

16.3 Dividends

Dividends payable in accordance with the IASB are recognized as a liability at the date of approval by the General Meeting of Shareholders of the proposed distribution by the Board of Directors.

According to the decision of the Board of Directors will be proposed to the Annual General Meeting of shareholders not to be paid dividend.

17. Loan liabilities

The borrowings on 31st December 2017 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Long Term Loans				
Bank Borrowings	5.566.525	2.663.154	4.427.174	2.262.653
Bond Borrowing	0	0	0	0
	5.566.525	2.663.154	4.427.174	2.262.653
Short Term Loans				
Bank Borrowings	18.130.070	16.462.057	14.286.341	13.585.142
Bond Borrowing	0	1.666.664	0	1.666.664
	18.130.070	18.128.721	14.286.341	15.251.806
Total borrowings	23.696.595	20.791.875	18.713.515	17.514.459

The maturity dates of the loans of the Group and the Company are as follows:

(ammount in euro)	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
From 1 to 2 years	1.837.974	1.163.154	1.802.174	762.653
From 2 to 5 years	2.625.000	1.500.000	2.625.000	1.500.000
Over 5 years	1.103.551	0	0	0
Total	5.566.525	2.663.154	4.427.174	2.262.653

The Group in 2007 issued a bond loan of EUR 15.000.000 divided into 18 bonds. Each bond has a nominal value of 833.332 euro with an issue price at the par, interest rate with fixed part (spread) per annum and variable part which is equal to the EURIBOR of the interest period. The expiry of the bond is the year 2017. The above loan is granted without requiring any guarantees or other tangible collateral. This obligation was registered at cost, which reflects the fair value of the received amounts.

On 10th November 2016, it was concluded a long-term loan with the National Bank of Greece at the amount of 3.000.000 euro with variable Euribor interest and fixed spread. The maturity of the loan is four (4) years and according to the agreed repayment schedule it will be repaid in 16 equal quarterly installments. This obligation was recognized at cost that reflects the fair value of the amounts received.

On 12th September 2017, it was concluded a long-term loan with the Alpha Bank at the amount of 2.000.000 euro with variable Euribor interest and fixed spread. The maturity of the loan is four (4) years and according to the agreed repayment schedule it will be repaid in 16 equal quarterly installments. This obligation was recognized at cost that reflects the fair value of the amounts received.

On 21st December 2017, it was concluded a long-term loan with the Eurobank at the amount of 2.000.000 euro with variable Euribor interest and fixed spread. The maturity of the loan is four (4) years and according to the agreed repayment schedule it will be repaid in 8 equal semi-annual installments. This obligation was recognized at cost that reflects the fair value of the amounts received

18. Employee benefits obligations due to termination of service

Based on IASF the Group recognizes as a liability the present value of the legal commitment that has been undertaken of the lump sum indemnity to staff members who are leaving due to dismissal or retirement.

The provision pursuant to IAS 19 that is based on independent actuarial report is required to be recorded in the balance sheet and income statement of each company.

According to the labor law, employees entitled to an indemnity in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the manner of termination (dismissal or retirement).

Employees who resign or fairly dismissed are not entitled to compensation.

In Greece, employees who are retiring are entitled to 40% of such indemnity according to Law 2112/1920.

These programs are not funded and are defined benefit plans in accordance with IAS 19.

In the Group was not created other provision and this why the subsidiaries in the Balkans have no obligation to compensate their staff in the event of dismissal.

The following table presents the amounts recorded in the Financial Statements of the Group and the Company after the adoption of the revised IAS 19 on 31.12.2017 and 31.12.2016 respectively:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Balance sheet liabilities for:				
Pension benefits	501.740	479.451	501.740	479.451
Total	501.740	479.451	501.740	479.451
Charges to results				
Pension benefits	134.626	47.388	134.626	47.388
Total	134.626	47.388	134.626	47.388
Actuarially (profit) / loss (other comprehensive income)				
Pension benefits	12.671	3.683	12.671	3.683
Total	12.671	3.683	12.671	3.683

The amounts recorded in the balance sheet are the following:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Present value of obligation at end of period	501.740	479.451	501.740	479.451
Actual value of plan assets at end of period	0	0	0	0
Net liability in the balance sheet for registration at the end of period	501.740	479.451	501.740	479.451

The amounts that have been registered in the income statement are as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cost of current service	29.384	27.692	29.384	27.692
Interest expense	8.630	8.849	8.630	8.849
Cost (result) of Settlement	96.612	10.846	96.612	10.846
Total included in employee benefits	134.626	47.388	134.626	47.388

Change in the liability on the balance sheet:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net liability to register in the balance sheet at the beginning of the year	479.451	442.473	479.451	442.473
Employer contributions paid	-125.008	-14.093	-125.008	-14.093
Expense to be registered in the income statement	134.626	47.388	134.626	47.388
Actuarial (profits) / losses	12.671	3.683	12.671	3.683
Net liability to register in the balance sheet at the end of the year	501.740	479.451	501.740	479.451

The main actuarial assumptions used for accounting purposes are as the following:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	%	%	%	%
Interest rate	1,70%	1,80%	1,70%	1,80%
Salary increase	2,00%	2,00%	2,00%	2,00%
Inflation	2,00%	2,00%	2,00%	2,00%

19. Other Provisions / Grants

The balances of provisions and grants on 31st December 2017 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Provision for unaudited tax fiscal years	115.496	115.496	115.496	115.496
Provision for obsolete inventories	130.000	152.351	130.000	130.000
Other Provisions	245.496	267.847	245.496	245.496
Grants of assets	726.501	1.412.759	726.501	1.412.759

At the account "Grants of Assets" it has been registered grant related to assets which had been included in Investment Law 3299/2004. During the fiscal year finalized the audits by the competent State departments and part of the amount that initially had been recognized as a state grant with simultaneous recognition of an equal claim was limited by 634.715,69 euro. Also amount 51.543 euro (2016:58.503 euro) was registered in favor of the fiscal year results.

20. Suppliers and other liabilities

Analysis of balances of suppliers and other related liabilities of the Group and of the Company is as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Suppliers and other payables				
Suppliers	13.748.968	11.739.340	8.601.916	7.694.312
Notes payable	91.314	62.686	91.314	62.686
Cheques payable	0	0	0	0
Advances from customers	612.322	494.362	549.609	476.761
	14.452.604	12.296.388	9.242.839	8.233.759

It follows the analysis of other short-term liabilities:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other Short Term Liabilities				
Insurance institutions	314.213	344.806	217.607	205.638
Dividends payable	0	2.197	0	2.197
Sundry creditors	1.502.056	1.209.487	1.122.462	1.166.043
Accrued Expenses	533.827	182.518	112.043	150.627
	2.350.096	1.739.007	1.452.112	1.524.504

All of the above liabilities are short-term and is not needed prepayment at the balance sheet date.

21. Current tax liabilities

Current tax liabilities of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Current tax liabilities				
Settlement Account of income tax	1.228.052	1.002.171	1.213.083	972.334
Other Liabilities from taxes	1.103.273	928.948	996.668	792.272
Total	2.331.325	1.931.120	2.209.751	1.764.607

22. Cost of sales

The cost of sales is analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/17	1/1-31/12/16	1/1-31/12/17	1/1-31/12/16
Cost of Sales				
Cost of inventories recognized as an expense	106.077.126	95.299.680	66.117.381	62.105.766
Remuneration & Personnel expenses	35.429	34.698	35.429	34.698
Third party Fees & Expenses	179.340	161.145	179.340	161.145
Third party utilities and services	84	1.381	84	1.381
Taxes - Duties	0	0	0	0
Sundry Expenses	1.206	915	1.206	915
Depreciation of fixed assets	4.389	949	4.389	949
Operating provisions	0	0	0	0
	106.297.574	95.498.769	66.337.829	62.304.855

23. Administrative expenses - distribution

The administrative and distribution expenses are analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/17	1/1-31/12/16	1/1-31/12/17	1/1-31/12/16
Administrative Expenses				
Personnel payroll and expenses	1.804.184	1.550.080	1.176.015	1.052.879
Third party Fees & expenses	303.162	435.466	134.244	308.814
Third party utilities and services	451.503	576.095	296.472	478.002
Taxes and Duties	106.471	104.051	86.590	90.219
Sundry Expenses	284.892	345.834	123.887	97.694
Depreciation of fixed assets	604.027	360.359	534.629	285.281
Operating Provisions	535.530	187.019	425.000	100.000
	4.089.768	3.558.904	2.776.837	2.412.890

	GROUP		COMPANY	
	1/1-31/12/17	1/1-31/12/16	1/1-31/12/17	1/1-31/12/16
Distribution Expenses				
Personnel payroll and expenses	4.970.377	4.651.816	3.387.712	3.279.020
Third party Fees & expenses	402.141	378.945	99.954	140.415
Third party utilities and services	1.159.455	844.396	724.557	592.755
Taxes and Duties	158.798	160.331	126.910	129.491
Sundry Expenses	2.073.687	1.834.027	876.158	859.219
Depreciation of fixed assets	258.189	531.952	90.852	352.527
Operating Provisions	1.347.557	1.131.575	979.384	1.000.000
	10.370.204	9.533.043	6.285.528	6.353.427

24. Other operating income / expenses

Other operating income and expenses are analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/17	1/1-31/12/16	1/1-31/12/17	1/1-31/12/16
Other operating income				
Amortisation of grants L.3299/2004	78.975	58.503	78.975	58.503
Income from rents	22.650	22.650	22.650	22.650
Extraordinary income	167.877	390.203	104.746	59.681
Prior years' income	160.880	21.889	152.249	10.556
Other operating income	195.910	95.193	6.486	33.110
	626.292	588.438	365.106	184.500

	GROUP		COMPANY	
	1/1-31/12/17	1/1-31/12/16	1/1-31/12/17	1/1-31/12/16
Other operating expenses				
Extraordinary expenses	805.110	513.870	440.869	1.571
Extraordinary losses	1.893	1.339	1.893	1.339
Exchange Differences	122.923	12.729	32.654	12.729
	929.927	527.938	475.417	15.639

25. Income Tax

The income tax charged to comprehensive income, is analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Income Tax				
Income Tax	1.522.842	1.217.077	1.213.083	972.334
Deferred tax expense / (income)	-334.458	-258.098	-328.415	-254.919
Other non-incorporated taxes	48.396	1.600	48.396	1.600
	1.236.781	960.579	933.065	719.015

Further the income tax presented in the income statement is analyzed in the following tables:

	GROUP		COMPANY	
	1.1-31.12.17	1.1-31.12.16	1.1-31.12.17	1.1-31.12.16
Profit before Taxes	4.594.021	3.605.395	3.008.250	2.379.054
Income Tax based of application of each country tax rate	1.159.164	933.546	872.392	689.926
Taxes not included in operating cost	48.396	1.600	48.396	1.600
Tax effect of not deductible expenses for tax purposes	29.220	25.433	12.276	27.489
Taxes in the income statement	1.236.781	960.579	933.065	719.015

26. Earnings per share

	GROUP		COMPANY	
	1/1-31/12/17	1/1-31/12/16	1/1-31/12/17	1/1-31/12/16
Profit attributable to the owners of the parent	3.322.825	2.632.818	2.075.185	1.660.039
Weighted average number of shares	26.730.187	26.730.187	26.730.187	26.730.187
Earnings after taxes per share - basic (in €)	0,1243	0,0985	0,0776	0,0621

27. Unaudited tax years

The unaudited tax years of the companies of the Group are as follows:

Company name	Unaudited tax fiscal years
ELTON INTERNATIONAL TRADING COMPANY SA (Greece)	-
ELTON CORPORATION SA (Romania)	2010-2017
ELTON CORPORATION EOOD (Bulgaria)	2010-2017
ELTON CORPORATION DOO (Serbia)	2010-2017
ELTON CORPORATION LLC (Ukraine)	2011-2017

From the year 2011 until 2015, the Greek companies that fulfilled specific requirements were obligated to be under annual tax control by their Certified Auditors, for their compliance to the regulations of the relative tax legislation.

The result of this audit was to issue a tax compliance audit report which, if the conditions were fulfilled, was a substitute for control by the public authority and allowed the company to terminate its tax obligations for the relevant fiscal year. The tax authorities, however, retained the right for future control.

The Company has already been audited for the years of 2011 until 2015 by its Certified Auditor and has received the Annual Tax Certificate without reservation. In accordance with the applicable tax law (article 65A of law 4174/2013), the tax audit and the tax compliance audit report are also applicable for the year 2016 and 2017 but on a voluntary basis. The company has already been audited for the fiscal year 2016 by its auditor and has received the Annual Tax Certificate without reservation.

The tax audit for the year 2017 is already carried out by certified auditors.

Upon completion of the tax audit, the Company's Management does not expect that any significant tax liabilities to arise beyond those recorded and reported in the financial statements.

28. Transactions with related parties

Transactions with these parties take place at strictly commercial basis and on normal commercial terms.

The Group is not involved in any transaction of unusual nature or content which is material to the Group, or companies and persons closely associated with it, and has no intention to enter into such transactions in the future.

None of the transactions contain special or unusual terms and conditions. The cumulative amounts of sales and purchases for the year 2017 compared to 2016 and the balances of receivables and the Company's obligations arising from transactions with the affiliated within the meaning of IAS 24, of its parties are as follows:

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

COMPANY	SALES		PURCHASES	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
ELTON CORPORATION SA	459.300	443.043	248.691	544.982
ELTON CORPORATION EOOD	138.955	227.124	106.381	45.176
ELTON CORPORATION DOO	124.176	185.326	14.040	25520
ELTON CORPORATION LLC	7.429	0	0	
ELTON MARMARA A.S.	209.000	104.500	0	0
TOTAL	938.860	959.994	369.112	615.678

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

COMPANY	RECEIVABLES		OBLIGATIONS	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
ELTON CORPORATION SA	25.713	49.671	1.337.952	1.572.518
ELTON CORPORATION LTD	722.570	549.979	0	17.660
ELTON CORPORATION DOO	273.114	300.156	0	0
ELTON CORPORATION LLC	709	0	0	0
ELTON MARMARA A.S.	26.125	52.330	0	0
TOTAL	1.048.231	952.136	1.337.952	1.590.179

Group Companies' Purchases- Sales of period 1/1- 31/12/2017

Sale Company	Purchase Company						Total
	ELTON INT.SA	ELTON SA	ELTON EOOD	ELTON DOO	ELTON LLC	ELTON MARMARA	
ELTON INT.TRADING CO.SA	*	459.300	138.955	124.176	7.429	209.000	938.860
ELTON CORPORATION SA	248.691	*	67.130	54.600	28.280	0	398.701
ELTON CORPORATION EOOD	106.381	79.252	*	6.726	0	0	192.859
ELTON CORPORATION DOO	14.040	3.860	16.700	*	0	0	34.600
ELTON CORPORATION LLC	0	0	0	0	*	0	0
ELTON MARMARA AS	0	0	0	0	0	*	0
Total	369.112	542.912	222.785	185.502	35.709	209.000	1.565.020

Group Companies' Purchases- Sales of period 1/1- 31/12/2016

Sale Company	Purchase Company						Total
	ELTON INT.SA	ELTON SA	ELTON EOOD	ELTON DOO	ELTON LLC	ELTON MARMARA	
ELTON INT.TRADING CO.SA	*	443.043	227.124	185.326	0	104.500	959.994
ELTON CORPORATION SA	544.982	*	91.353	0	180	0	636.515
ELTON CORPORATION EOOD	45.176	211.307	*	24.994	17.132	0	298.609
ELTON CORPORATION DOO	25.520	0	10.820	*	0	0	36.340
ELTON CORPORATION LLC	0	0	0	0	*	0	0
ELTON MARMARA AS	0	0	0	0	0	*	0
Total	615.678	654.351	329.297	210.320	17.312	104.500	1.931.458

Group Companies' Receivables - Obligations at 31/12/2017							
	Obligation of						
Claim of	ELTON INT.SA	ELTON SA	ELTON EOOD	ELTON DOO	ELTON LLC	ELTON MARMARA	Total
ELTON INT.TRADING CO.SA	*	25.713	722.570	273.114	709	26.125	1.048.231
ELTON CORPORATION SA	1.337.952	*	6.810	9.280	27.712	0	1.381.754
ELTON CORPORATION EOOD	0	0	*	0	0	0	0
ELTON CORPORATION DOO	0	3.860	1.680	*	0	0	5.540
ELTON CORPORATION LLC	0	0	0	0	*	0	0
ELTON MARMARA AS	0	0	0	0	0	*	0
Total	1.337.952	29.573	731.060	282.394	28.421	26.125	2.435.525

Group Companies' Receivables - Obligations at 31/12/2016							
	Obligation of						
Claim of	ELTON INT.SA	ELTON SA	ELTON EOOD	ELTON DOO	ELTON LLC	ELTON MARMARA	Total
ELTON INT.TRADING CO.SA	*	49.671	549.979	300.156	0	52.330	952.136
ELTON CORPORATION SA	1.572.518	*	25.230	0	0	0	1.597.748
ELTON CORPORATION EOOD	17.660	60.732	*	8.294	0	0	86.686
ELTON CORPORATION DOO	0	0	0	*	0	0	0
ELTON CORPORATION LLC	0	0	0	0	*	0	0
ELTON MARMARA AS	0	0	0	0	0	*	0
Total	1.590.179	110.402	575.209	308.450	0	52.330	2.636.570

The Company carries out its transactions with related parties, within the framework of its business and a pure commercial basis.

There are no loans to the related parties, apart from the following loan guarantees of one year: amount of one million euro (1.000.000) to subsidiary «ELTON CORPORATION DOO», amount of one million euro (1.000.000) to subsidiary «ELTON CORPORATION EOOD», amount of two million euro (2.000.000) to subsidiary «ELTON CORPORATION SA»

There are no bad debts or provisions for bad debts between related parties (subsidiaries) of the Group.

Details of the fees and transactions of directors and members of management as well as the balances of receivables and liabilities related to them on the periods 1.1-31.12.2017 and 1.1-31.12.2016 were as follows (amounts in euros):

	GROUP		COMPANY	
	1/1-31/12/17	1/1-31/12/16	1/1-31/12/17	1/1-31/12/16
Transactions and fees of managers and members of the administration from payroll and profits	935.916	1.025.850	610.135	705.079
Receivables from managers and BoD members	0	0	0	0
Obligations to key management personnel and BoD members	24.337	24.337	24.337	24.337

There were no changes in the transactions between the Company and its connected persons which could have a material effect on the financial position and performance of the Company for the fiscal year 2017.

29. Number of employees

The number of employees at the end of the period was as follows: Group **241**, Company **119**. The number of employees at the end of the corresponding period last year was: Group **230**, Company **117**.

30. Contingent Claims - Obligations

Information regarding contingent obligations

There are no legal or under arbitration cases of the Company or its subsidiaries and decisions of courts or arbitration authorities who have or may have a material effect on the financial status or operation of the Company and the Group.

Information regarding contingent claims

The Company is involved in some litigation claims in the ordinary course of its business, the majority of which relates to a claim for collecting of customers bad debts.

31. Commitments

The Group and the Company are leasing tangible assets (transport means) under operating leases. The future total payable leases according to the operating leases and taking into account to the annual readjustment are as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Up to 12 months	301.057	200.226	172.809	200.226
Between 13-60 months	327.384	214.815	100.882	214.815
Total	628.440	415.040	273.690	415.040

32. Remuneration of Auditors

The remuneration of the auditors for the year 2017 was:

(a) Audit of financial statements: Group: € 34.155,00 Company: € 17.000,00.

(b) Tax Audit: Company: 12.000,00 euros.

Apart from the above audit services, other services are not provided by the auditors.

33. Encumbrances

On the property of the subsidiary in Bulgaria there are encumbrances for the provision of loan liabilities amounting to € 2.357.860.

34. Events after the balance sheet date

There are not significant events after the balance sheet date.

Avlonas Attica, 18th April 2018

PRESIDENT & CEO
NESTOR D.PAPATHANASIOU
ID card num.AB606775

B.O.D. MEMBER
ALKISTIS N.PAPATHANASIOU
ID card num.AE105490

FINANCIAL MANAGER
STYLIANOS D.VASILIOU
ID card num.T132250

GROUP FINANCIAL MANAGER
ANTONIOS GIASSARIS
ID card num.AN061294

CHAPTER 5 Financial Statements & Information period 1.1.2017 -31.12.2017

ELTON INTERNATIONAL TRADING COMPANY S.A. Company's No in the Registry of S.A.: 340001000 General Commercial Reg.Number 7951/06/8/04/85 Head Office: Avlonas ATM1, Draisea place (Industrial zone Avlonas)																																																																																																																																																																																																		
FINANCIAL STATEMENTS AND INFORMATION of period from 1st January 2017 until 31st December 2017 (published according to K.N. 2190/20, article 135 for companies that issue annual financial statements consolidated and non, according to IAS). The following data and information derived from the financial statements aim to provide general information about the financial position and results of ELTON INTERNATIONAL TRADING COMPANY SA. We advise the reader, before making any investment decision or other transaction with the company, to visit the web site where the financial statements and the report of the auditor where required.																																																																																																																																																																																																		
COMPANY INFORMATION Website : www.elfton.gr Board of Directors : Nestor D. Papathanasiou President and CEO Alkis N. Papathanasiou and Kaly Androu executive members. Eldas N. Papathanasiou non executive member Christos Poulis and Michalis Habiz non executive independent members. Date of Financial Statements' approval by the Board : 16/4/2018 Certified Auditor : Ioannis Savadiis S.O.E.L. 33391 Audit firm : SOL AE OE Type of Audit Review : Unqualified opinion		1.3 CASH FLOW STATEMENT Consolidated and Company's amounts in euro <table border="1"> <thead> <tr> <th></th> <th colspan="2">GROUP</th> <th colspan="2">COMPANY</th> </tr> <tr> <th></th> <th>1/1-31/12/2017</th> <th>1/1-31/12/2016</th> <th>1/1-31/12/2017</th> <th>1/1-31/12/2016</th> </tr> </thead> <tbody> <tr> <td>Operating Activities:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Profit before taxes</td> <td>4.594.021</td> <td>3.605.395</td> <td>3.008.250</td> <td>2.379.054</td> </tr> <tr> <td>Adjustments for :</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Depreciation and Amortization</td> <td>878.428</td> <td>893.280</td> <td>829.848</td> <td>838.757</td> </tr> <tr> <td>Amortization of grants</td> <td>(51.549)</td> <td>(58.503)</td> <td>(51.549)</td> <td>(58.503)</td> </tr> 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assets	1.584	9.083	0	0	Interest received	22.243	59.098	840	522	Dividends received	0	0	0	0	Total cash/(used in) generated from investing activities(b)	(1.684.219)	(470.710)	(284.756)	(486.744)	Financing Activities					(Buy)/ sale of company's own shares	0	0	0	0	Proceeds from increase of share capital from minority interest	0	107.118	0	0	Proceeds from Borrowings	27.834.889	31.705.120	13.025.000	28.030.000	Repayment of Borrowings	(24.977.792)	(32.312.506)	(11.825.945)	(25.211.117)	Repayment of Finance Lease Liabilities	0	0	0	0	Dividends paid from capital decrease	(2.138.415)	0	(2.138.415)	0	Total cash/(used in) generated from financing activities(c)	718.682	(600.271)	(939.360)	818.883	Net increase/(decrease) in Cash and Cash equivalents (a)+(b)+(c)	(1.208.458)	541.985	(825.094)	1.851.076	Cash and Cash Equivalents at the beginning of the period	6.040.849	6.492.325	5.301.231	3.450.155	Subsidiary Consolidation	0	6.528	0	0	Cash and Cash Equivalents at the end of the 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The unaudited tax years for the Group subsidiaries are the following: ELTON CORPORATION SA (2010-2017), ELTON CORPORATION EOOD (2010-2017), ELTON CORPORATION DOO (2010-2017), ELTON CORPORATION LLC (2011-2017). The Company and the Group have formed provisions for tax unutilized fiscal years amounting to € 115.498. For the year 2017 the company has benefited from the tax audit of Certified Auditors Accountants provided by the provisions of Article 85 A N.4174/2013. This audit is in progress and the related tax certificate will be granted after the publication of the financial statements of year 2017. 3. There are encumbrances on the property of the subsidiary in Bulgaria for securing loan obligations at the amount of 2,38 mil. euro. 4. There is not any litigation or arbitration or administrative court that may have a material effect on the financial position of the Company and its subsidiaries. 5. Number of employees at the end of the current period : Group 241 Company 119. (31/12/2016: Group 238, Company 117). 6. On the above 31/12/2017 financial statements compiled same basic accounting principles as at the Balance Sheet 31/12/2016. 7. The Group and the Company have made provisions for bad debts up to 31/12/2017 amounting to 6.808.618 and 4.851.225 euros respectively and provisions for discounted inventories amount in 130.000 euros for the Group and the Company. Until 31st of December 2017 the provision for staff compensation in the Group and the Company was 501.740 € 8. Cumulative amounts of sales and purchases, since the beginning of the year and the balances of receivables and payables of the Group and the Company at the end of the year, resulting from its transactions with associated parties, according to the IFRS 24, are as follows: <table border="1"> <thead> <tr> <th></th> <th colspan="2">GROUP</th> <th colspan="2">COMPANY</th> </tr> <tr> <th></th> <th>1/1-31/12/2017</th> <th>1/1-31/12/2017</th> <th>1/1-31/12/2017</th> <th>1/1-31/12/2017</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Purchases</td> <td>0</td> <td>0</td> <td>389.112</td> <td>0</td> </tr> <tr> <td>Receivables from associated parties</td> <td>0</td> <td>0</td> <td>1.048.231</td> <td>0</td> </tr> <tr> <td>Payables to associated parties</td> <td>0</td> <td>0</td> <td>1.327.952</td> <td>0</td> </tr> <tr> <td>Directors' and Managers' remuneration</td> <td>935.918</td> <td>935.918</td> <td>610.135</td> <td>610.135</td> </tr> <tr> <td>Receivables from Managers and Directors</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Payables to Managers and Directors</td> <td>24.337</td> <td>24.337</td> <td>24.337</td> <td>24.337</td> </tr> </tbody> </table> 9. 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	1/1-31/12/2017	1/1-31/12/2017	1/1-31/12/2017	1/1-31/12/2017																																																																																																																																																																																														
Sales	0	0	0	0																																																																																																																																																																																														
Purchases	0	0	389.112	0																																																																																																																																																																																														
Receivables from associated parties	0	0	1.048.231	0																																																																																																																																																																																														
Payables to associated parties	0	0	1.327.952	0																																																																																																																																																																																														
Directors' and Managers' remuneration	935.918	935.918	610.135	610.135																																																																																																																																																																																														
Receivables from Managers and Directors	0	0	0	0																																																																																																																																																																																														
Payables to Managers and Directors	24.337	24.337	24.337	24.337																																																																																																																																																																																														
	GROUP		COMPANY																																																																																																																																																																																															
	31/12/2017	31/12/2016	31/12/2017	31/12/2016																																																																																																																																																																																														
Exchange Differences	(402.111)	(387.331)	0	0																																																																																																																																																																																														
Deferred taxes	3.875	1.068	3.875	1.068																																																																																																																																																																																														
Actuarially profit/loss	(12.671)	(3.683)	(12.671)	(3.683)																																																																																																																																																																																														
TOTAL	(411.107)	(389.946)	(8.996)	(2.615)																																																																																																																																																																																														