General Commercial Reg. Number: 346001000
AVLONAS ATTICA, DRASEZA PLACE (Industrial park Avlona)

ANNUAL FINANCIAL REPORT
PERIOD FROM 1st JANUARY TO 31st DECEMBER 2019
In accordance with International Financial Reporting Standards (IFRS)
(As adopted by the European Union)

It is asserted that this Annual Financial Report for 2019 (01.01.2019-31.12.2019) 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 16th 2020 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. In the same web address (www.elton.gr) in the separate sections of the countries where the ELTON Group operates, there are also the Financial Statements of the subsidiaries that are consolidated.

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*These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. If differences exist between this translation and the original Greek language financial statements, the Greek version will prevail over this document

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 2019 (01.01.2019 -31.12.2019), 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 2019, 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, 16th April 2020

The asserting,

President of BoD and CEO	Executive member of the Board	Executive member of the Board
Nestor D. Papathanasiou	Alkistis N. Papathanasiou	Katy I. Andreou
ID card AB 606775	ID card AE 105490	ID card AB 237937

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Annual Report of the Board of Directors for the period 2019 (including the Statement 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 2019 (01/01/2019 - 31/12/2019).

This Report was compiled and is in line with the relevant stipulations of the law 4548/2018, 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.

The Annual Financial Statements (Corporate and Consolidated), the Report of the Independent Certified Auditor and the Report of the Board of Directors of "ELTON INTERNATIONAL TRADING COMPANY SA" are uploaded at: https://www.elton.gr

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

a) ELTON CORPORATION SA, which is in Bucharest Romania, Campului street 5, Pantelimon, in which ELTON participates at 100%.

b) ELTON CORPORATION EOOD, which is in Sofia Bulgaria, Botevgradsko Shose Blvd., 2nd kilometer from the ring-road /direction to Varna/1855 Dolni Bogrov, in which ELTON participates at 100%.

c) ELTON CORPORATION DOO, which is in Belgrade Serbia, Sanje Zivanovica 27a, in which ELTON participates at 100%.

d) ELTON PLS, which is in Avlona Attica, Draseza place, in which ELTON participates at 100%.

e) ELTON CORPORATION L.L.C., which is in Kiev Ukraine, Mezhigorskaya str.82 "A", office 303, 04080, in which ELTON participates at 100%.

f) ELTON MARMARA KIMYA SANAYI VE TICARET A.S., which is in Besiktas municipality of Istanbul, in which ELTON participates at 80% (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 2019 (1.1.2019-31.12.2019).

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 2019.

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

SECTION A

Important Events during the Fiscal Year of 2019

The important events which took place during the fiscal year 2019 (01.01.2019-31.12.2019) in the order they took place, for the Company and the Group are the following:

- 22/3/2019 - Start of special stock trading

"ELTON INTERNATIONAL TRADING COMPANY SA" (hereinafter the Issuer) announced to the investing public that the Import and Market Operations Committee of the Athens Stock Exchange, at its' meeting of March 21st 2019, approved the acquisition by LEON DEPOLAS SECURITIES SA of the title of Special Trader on the shares of the Issuer for enhancement of their liquidity. The start date of the deal was set for Monday 1st of April.

The Issuer has concluded a special trade contract with the company Leon Depolas Securities SA with the following basic terms:

Leon Depolas Securities SA will forward to the Athens Stock Exchange Trading System special trading orders (i.e. simultaneous purchase and sale orders) for own account on the Issuer's shares. For this service, Leon Depolas Securities SA will receive a fee from the Issuer.

The special Trading Agreement with the above company has a duration of one (1) year.

- 11/04/2019 **-** Announcement of the Financial Calendar 2019

The Management of "ELTON INTERNATIONAL TRADING COMPANY SA" announces the Financial Calendar for the year 2019 according to which:

1. Annual Financial Statements of the Company and the Annual Consolidated Financial Statements of fiscal year 2018 will be published at the web page of Athens Exchange Group (www.helex.gr) and Company (www.elton.gr), on Monday 15th April 2019.

2. The Annual General Meeting of Shareholders will be held Wednesday 12th June 2019.

The Board of Directors of the Company intends to propose to the Annual General Meeting of the Shareholders for a dividend distribution for the fiscal year 2018.

The Board of Directors will propose to the Ordinary General Meeting of 12th June 2019 dividend distribution to the shareholders at the amount of 1.603.811,22 euro, thus 0,06 euro per share. As dividend right cut day is proposed Tuesday 09/07/2019, from that date (and from the beginning of the relevant meeting of the Athens Stock Exchange) the shares of the company will be traded without the right to receive dividend.

It is also proposed Wednesday 10/07/2019 as date of determination of dividend beneficiaries with the clarification that according to the Athens Stock Exchange regulation, beneficiaries of the dividend to be distributed are the shareholders who will be registered in the DSS records on the above mentioned- record date and Tuesday 16/07/2019 is proposed as the starting date for payment of the dividend.

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.

- 15/04/2019 **-** Publication of Financial Results 2018 & Press release
- 15/05/2019 **-** Invitation to Annual General Meeting
- 22/05/2019 – Announcement for comment on Financial Statements
- 12/06/2019 **-** Decisions of the Annual General Assembly 12/06/2019

It is announced that on 12/06/2019 at the offices of the company in the municipality of Avlona, place Draseza (Industrial Park) took place the Annual General Meeting of shareholders of our Company after the 13/05/2019 invitation of BoD, which was attended by fourteen (14) shareholders, eleven (11) in person and three (3) by proxy, representing a total of 22.008.994 shares, i.e. 82,337598 % of the total 26.730.187 shares of Share Capital of the company.

On the issues of the agenda following decisions were taken:

1. Unanimously approved by votes 22.008.994 for total that were present 22.008.994, i.e. 100% of the present shareholders and votes, the Annual Financial Statements and Consolidated Annual Financial Statements for the fiscal year 2018 which were compiled according to the IFRS with the Annual Administration Report of the BoD and the Audit Report of the Independent Certified Auditor, as well and the statement of Corporate Governance according to the Law 4548/2018.

2. Unanimously approved by votes 22.008.994 for total that were present 22.008.994, i.e. 100% of the present shareholders and votes the dividend distribution from fiscal year 2018 profit at the amount of 1.603.811,22 euro, thus 0,06 euro per share.

3. Unanimously approved by votes 22.008.994 for total that were present 22.008.994, i.e. 100% of the present shareholders and votes according to the article 108 of Law 4548/2018 the total management of the Company by the Board of Directors during fiscal year 2018 and the discharge of the Certified Auditors from any responsibility.

4. Unanimously approved by votes 22.008.994 for total that were present 22.008.994, i.e. 100% of the present shareholders and votes, the fees of the Board of Directors members for the year 1/1/2018-31/12/2018.

5. Unanimously pre-approved by votes 22.008.994 for total that were present 22.008.994, i.e. 100% of the present shareholders and votes, the fees of the Board of Directors members for the year 1/1/2019-31/12/2019.

6. Elected by votes 22.008.994 for total that were present 22.008.994, i.e. 100% of the present shareholders and votes, the audit firm SOL SA for the audit of fiscal year 2019.

7. It was elected by votes 22.008.994 for total that were present 22.008.994, i.e. 100% of the present shareholders and votes, the Audit Committee according to the article 44 of L.4449/2017 which is consists of: Theodorou Eirinaios (President of the Committee), Michalis Chatzis (independent not executive member of the Board), Christos Poulis (independent not executive member of the Board), Ilektra Papathanasiou (not executive member of the Board).

8. Approved by votes 22.008.994 for total that were present 22.008.994, i.e. 100% of the present shareholders and votes, the contracts for work and services with Board of Directors members and third persons in accordance with remuneration policy and are subject to the provisions of article 99 paragraph 3 of Law 4548/2018.

9. Approved unanimously with 22.008.994 votes out of 22.008.994 were present, namely 100% of the present voting shareholders, the granting of guarantees license or other securities in subsidiaries in accordance with article 100 of Law 4548/2018.

- 12/06/2019 **–** Announcement of ex-dividend date/ dividend payment date

ELTON INTERNATIONAL TRADING COMPANY S.A. informs its' shareholders in accordance with the article 4.1.3.4 of the Athens Exchange (ATHEX) Regulation that the Ordinary General Meeting of shareholders of 12.06.2019 decided the dividend distribution of total amount 1.603.811,22 euro i.e. 0,06 euro per share before tax deduction for fiscal year 2018. This amount is subject to a 10% withholding tax (i.e. € 0,006 per share). After the withholding tax of 10% (or € 0,006 per share), the net dividend amount is € 0,054 per share.

Beneficiaries of the dividend are the shareholders who will be registered in the archives of DSS on Wednesday 10th July 2019 (record date) for this listed company. The cut-off date for the 2018 dividend is Tuesday 9th July 2019.

The payment of dividend of fiscal year 2018 was started on Tuesday 16th July 2019 through the paying bank- National Bank of Greece in the following ways:

1) Through the Operators (Banks, Brokerage Companies) in the Dematerialized Securities System (DSS) and in accordance with the distribution process as defined in Section 5.5 of the Athens Stock Exchange Regulation and Article 39 of the Codified Operating Regulations of the SA.

2) Through the branch network of NATIONAL BANK OF GREECE for the shareholders who have requested an exemption from their DSS operator.

3) For the shareholders who for various reasons could not obtain credit through their operators, it will be able to receive the dividend from July 16th, 2019 through the branches of NATIONAL BANK OF GREECE.

For cases 2 and 3 the shareholders had the ability to receive a dividend in person or through their legally authorized representatives for the period up to 16/07/2020 by presenting the copy with the data they hold on the DSS and the demonstration of their Police Identity card.

After 16/07/2020 the dividend payment of fiscal year 2018 will be paid only by the offices of the company, Shareholders Service Department (location Draseza-Vipa Avlona, tel.22950-29350).

Dividends that are not collected within five (5) years are barred in favor of the Greek State.

- 26/09/2019 – Publication of Financial Results A semester 2019
- 29/11/2019 - Invitation to Extraordinary General Meeting
- 23/12/2019 **-** Decisions of the Extraordinary General Assembly 23/12/2019

It is announced that on 23/12/2019 at the offices of the company in the municipality of Avlona, place Draseza (Industrial Park) took place the Extraordinary General Meeting of shareholders of our Company after the 29/11/2019 invitation of BoD, which was attended by six (6) shareholders, four (4) in person and two (2) by proxy, representing a total of 21.482.994 shares, i.e. 80,369786 % of the total 26.730.187 shares of Share Capital of the company.

On the issues of the agenda following decisions were taken:

1. Unanimously approved by votes 21.482.994 for total that were present 21.482.994, i.e. 100% of the present shareholders and votes, the adaptation and harmonization of the Company's Articles of Association in accordance with Law 4548/2018 with the amendment of articles 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 14, 15, 16, 17, 18, 18, 19 , 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 36, 37, 40, 42, 43, 43, the repeal of Articles 33, 34, 35, 38, 39 , 41 and 44, the re-enumeration of the articles of the statute and its Codification in a single text.

2. Unanimously approved by votes 21.482.994 for total that were present 21.482.994, i.e. 100% of the present shareholders and votes, the Remuneration Policy in accordance with the provisions of Law 4548/2018.

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
ELTON MARMARA KIMYA SANAYI VE TICARET A.S.	TURKEY	80%	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 2019 of the Croup and the Company amounted to 5.513.034 euro (2018: 8.643.140 euros) and 4.625.000 euro (2018: 7.593.467 euro) while the short-term borrowings of the Group and the Company amounted at 17.642.850 euros (2018: 14.082.749 euro) and 9.955.848 euro (2018: 6.990.587 euro) respectively.
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 burden by 231.559 and 145.808 euros respectively (2018: 227.259 and 145.841 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 231.559 and 145.808 euros respectively (2018: 227.259 and 145.841 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 2019 the total amount of customers' and other trade receivables was 54.361.672 euro (2018: 51.510.557 euro) and 40.020.593 euro (2018: 36.835.405 euro) respectively and the provisions for doubtful debts were euros 8.763.229 (2018: 8.486.103 euro) and 5.711.334 euro (2018: 5.514.674 euro) respectively i.e. 16,12% (2018: 16,47%) and 14,27% (2018: 14,97%) which the Management of the Company considers satisfactory in an environment of increased credit fluctuations.
Also, the debit balances of subsidiaries on December 31st 2019 amounted to 1.469.080 euro (2018: 1.264.741 euro) and for which the application of the Group's model for the assessment of future credit losses does not pose a risk of non-collection.

C. Capital management risk

The capital management aims to ensure in 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	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Total of borrowings	23.155.884	22.725.889	14.580.848	14.584.054
Less: Cash and cash equivalents	-2.335.676	-2.630.590	-1.280.884	-1.707.721
Net Borrowing	**20.820.208**	**20.095.299**	**13.299.964**	**12.876.333**
Equity	53.146.631	51.786.156	48.467.271	46.854.651
Total usable capital	**73.966.839**	**71.881.455**	**61.767.235**	**59.730.984**
Leverage factor	**28,15%**	**27,96%**	**21,53%**	**21,56%**

It is observed that the leverage factor on 31st December 2019 appears almost in the same level for the Group and the Company with the previous fiscal year 2018.

On 12/06/2019, at the Ordinary General Meeting of the Shareholders, it was decided dividend distribution at the amount of 1.603.811,22 euro thus 0,06 euro per share.

D. Liquidity Risk

Prudent liquidity risk management implies maintaining enough 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 31/12/2019	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	17.642.850	3.732.143	1.780.891	23.155.884
Lease obligations	634.466	776.133	0	1.410.599
Trade and other liabilities	16.564.368	0	0	16.564.368
Total	**34.841.684**	**4.508.276**	**1.780.891**	**41.130.851**

Group 31/12/2018	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	14.082.749	7.035.997	1.607.143	22.725.889
Trade and other liabilities	16.862.232	0	0	16.862.232
Total	**30.944.981**	**7.035.997**	**1.607.143**	**39.588.121**

Company 31/12/2019	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	9.955.848	3.732.143	892.857	14.580.848
Lease obligations	227.060	562.237	0	789.297
Trade and other liabilities	12.275.680	0	0	12.275.680
Total	**22.458.588**	**4.294.380**	**892.857**	**27.645.825**

Company 31/12/2018	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	6.990.587	5.986.324	1.607.143	14.584.054
Trade and other liabilities	12.560.492	0	0	12.560.492
Total	**19.551.079**	**5.986.324**	**1.607.143**	**27.144.546**

Group considers that all 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 contracts for loss of gross profit in case of business interruption, for coverage from property damage, as well as contracts covering financial losses or contingent liabilities from third parties.

Despite the insurance cover of facilities, stock, and employees, in any partial or whole destruction or accident related to the above risks, it cannot be 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 2019, 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 2019.

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

a) The amount of such transactions for the period 1.1-31.12.2019,

b) The outstanding balance at end of period (31.12.2019)

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 1.1.2019-31.12.2019 and 31 December 2019 were as follows (amounts in euro):

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

	SALES		PURCHASES	
COMPANY	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
ELTON CORPORATION SA	641.291	367.466	262.541	287.524
ELTON CORPORATION EOOD	307.646	136.230	35.724	53.381
ELTON CORPORATION DOO	124.345	109.153	0	0
ELTON CORPORATION LLC	209	1.360	0	0
ELTON MARMARA A.S.	1.520	82.345	22.980	0
TOTAL	**1.075.011**	**696.554**	**321.245**	**340.905**

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

	RECEIVABLES		OBLIGATIONS	
COMPANY	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
ELTON CORPORATION SA	29.650	41.148	183.969	1.273.444
ELTON CORPORATION LTD	1.282.277	1.100.658	0	0
ELTON CORPORATION DOO	156.944	120.535	0	0
ELTON CORPORATION LLC	209	1.360	0	0
ELTON MARMARA A.S.	0	1.040	0	0
TOTAL	**1.469.080**	**1.264.741**	**183.969**	**1.273.444**

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 1.1-31.12.2019 and on 31st December 2019 respectively for the period 1.1-31.12.2018 and on 31st December 2018 which are in line with the Company's Remuneration Policy were as follows (amounts in euros):

	GROUP		COMPANY	
	1/1-31/12/19	**1/1-31/12/18**	**1/1-31/12/19**	**1/1-31/12/18**
Transactions and fees of managers and members of the administration from payroll and profits	1.026.309	961.998	548.715	619.289
Receivables from managers and BoD members	0	0	0	0
Obligations to key management personnel and BoD members	0	24.337	0	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 1.1-31.12.2019.

All transactions described above have been concluded under normal market conditions, i.e. under conditions identical to those that would apply for the same or similar transactions between independent enterprises and are subject to the provisions of article 99 paragraph 3 of Law 4548/2018.

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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 Company's shares is done as stipulated by Law and there are no restrictions from its' Articles of 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 100% 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 80% the Romanian subsidiary ELTON CORPORATION S.A. in the share capital.

Furthermore, at 31/12/2019 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 Company's Statute of restrictions 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 4548/2018

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 4548/2018.

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 57 of Law 4548/2018

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 57 of Law 4548/2018.

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 are not any labor problems. The result of these relations is the lack of court cases involving labor issues.
The Group and the Company as at 31.12.2019 are employing 258 and 122 people respectively, from 248 and 122 respectively on 31.12.2018.
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 absolute 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.
Regarding environmental issues, the company has a Written Business Risk Assessment, Major Accident Prevention Policy. In these texts are described the required actions depending on the emergency of the situation that will be arise. Additional actions are included in the General Plan for Dealing with High-Range Technological Accidents as well as in the Special Plan for Dealing with High-Range Technological Accidents. Finally, the company has insurance against issues of Environmental Pollution, Civil Liability of Third Parties etc.

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

Key performance ratios of the Group	31/12/2019	31/12/2018	Comments
Current Assets/Total Assets	76,94%	77,02%	these ratios show the proportion of funds that have been allocated to current and fixed assets
Fixed Assets/Total Assets	23,06%	22,98%	
Equity/Total Obligations	124,55%	126,70%	this ratio points to economic self-sufficiency of the company
Total Obligations/Total Liabilities	44,53%	44,11%	these ratios show the leverage of the company
Equity/Total Liabilities	55,47%	55,89%	
Equity/Fixed Assets	256,60%	260,48%	this ratio shows the extent of funding the Company's assets from equity
Current Assets/Short term Obligations	211,60%	230,62%	this ratio shows the Company's ability to cover its short-term obligations by current assets
Net Results before Taxes/Total Sales	3,59%	3,85%	this ratio illustrates the overall performance of the company compared to total revenue
Net Results before Taxes/Equity	8,87%	9,88%	this ratio illustrates the effectiveness of the Company's equity
Gross Results/Total Sales	15,49%	15,58%	this ratio illustrates the percentage size of the gross profit on sales of the Company

Basic financial figures of 2019

Consolidated turnover of ELTON at the fiscal year 2019 amounted to 131.2 mil. euro from 132.7 mil. euro in the respective period of 2018, having slight decrease of 1,12%. The turnover of the parent Company amounted to 86.68 mil. euro from 85.68 mil. euro in the corresponding period last year, having an increase of 1,17%.

Despite the continuing negative economic conjuncture and in 2019, the gross profit margin remained at a very good level, slightly decreased in both the Company and the Group ELTON recording percentages 15,31% and 15,49% (the corresponding figures of 2018 were 15,79% in the Company and 15,58% for the Group).
Consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) of fiscal year 2019 reached 7.65 million euro from 7.26 million euro of previous year, increased at 5,38%. Earnings before interest, taxes, depreciation, and amortization (EBITDA) of the parent Company amounted in the fiscal year 2019 to 5.75 mil. euro from 6.01 mil. euro in 2018, decreased at 4,23%.
Net earnings before taxes (EBT) of the parent at the fiscal year 2019 amounted to 4.31 mil. euro from 4.74 mil. euro in 2018, decreased at 8,98%. Net earnings before taxes (EBT) of the Group at the fiscal year of 2019 amounted to 4.71 mil. euro decreased 7,86% from 5.11 mil. euro in 2018.
Profit after tax (NIAT) of the parent Company at the fiscal year 2019 amounted at 3.25 mil. euro from 3.28 mil. euro at 2018, slightly decreased at 0,94%.
Consolidated profit after tax (NIAT) for the period 2019 amounted to 3.40 mil. euro from 3.49 mil. euro in the previous fiscal year, decreased 2,62%.

Changes of key figures of Financial position Statement for the year 2019

It follows a brief presentation of changes to other basic key figures during the fiscal year 2019. The most important changes are those:
Inventories at the ending period of the Group and the Company was decreased at 358.294 euro and 1.392.814 euro respectively i.e. percentage decrease of 1,52% and 10,44% respectively, remaining at the same level of inventory kept in relation with turnover for Group and being slightly decreased at parent Company (2019 and 2018 respectively, Group 17,64% and 17,71%, Company 13,78% and 15,57%).
The cash and cash equivalents of the Group and the Company decreased by euro 294.914 and euro 426.837 respectively, i.e. percentage decrease 11,21% and 24,99% respectively.
Company's bank borrowing during fiscal year 2019 remains in the same level showing marginal reduction 3.206 euro i.e. percentage 0,02%.
The equity of the Group and of the Company increased by 1.360.475 euros and 1.612.620 euros respectively, i.e. percentage increase 2,63% and 3,44% respectively.
By the 12/06/2019 Ordinary Annual Meeting of Shareholders it was decided dividend distribution at the amount of 1.603.811,22 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 having in purpose to understand better 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	
Net Debt (liquidity)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Total long-term borrowings	5.513.034	8.643.140	4.625.000	7.593.467
Total short-term borrowings	17.642.850	14.082.749	9.955.848	6.990.587
Total Borrowings	**23.155.884**	**22.725.889**	**14.580.848**	**14.584.054**
Less: Cash and cash equivalents	-2.335.676	-2.630.590	-1.280.884	-1.707.721
Net Borrowing	**20.820.208**	**20.095.299**	**13.299.964**	**12.876.333**

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	
Margin EBITDA	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Operating results (Profit before tax, financial & investment results)	6.020.590	6.301.282	4.885.211	5.391.140
Total depreciation	1.633.103	961.751	868.719	616.986
EBITDA (A)	**7.653.693**	**7.263.033**	**5.753.930**	**6.008.126**
Turnover (B)	131.219.811	132.709.642	86.677.971	85.678.302
Margin EBITDA (A) / (B)	**5,83%**	**5,47%**	**6,64%**	**7,01%**

C. Invested capital turnover: It is an indicator of the effectiveness of the Management in the use of invested capital to achieve volumes of sales.

	GROUP		COMPANY	
Invested capital turnover	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Sales turnover (A)	131.219.811	132.709.642	86.677.971	85.678.302
Total of Own and Foreign Capital (B)	95.818.440	92.660.670	77.306.591	75.197.428
Invested capital turnover (A) / (B)	**136,95%**	**143,22%**	**112,12%**	**113,94%**

SECTION I

Corporate Governance Statement

(The present statement is compiled according to article 152 of the Law 4548/2018 and is part of the Annual Report of the Board of Directors of the Company)

Table of contents:

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 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 operation rule.
In addition, a number of other legislative acts incorporated European company law directives into the Greek legislative framework, creating new corporate governance rules, such as law 4449/2017, which incorporated into Greek law directive 2014/56/EU and Regulation (EU) 537/2014 through those it is required the establishment of audit committees, as well as significant disclosure obligations, with regard to the ownership and governance of a company and L.3884/2010, concerning shareholders' rights and additional corporate disclosure obligations to shareholders in the preparation of the General Meeting. Moreover, the Law 3873/2010 incorporates into Greek legislation the EU Directive 2006/46/EC, which was later replaced by the Directive 2014/56/EU and acts as a reminder of the need for adoption of a Corporate Governance Code.

Our company is in full compliance with the above-mentioned laws (and more specifically 4548/2018, 3016/2002 and 4449/2017), 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 that 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 them. Specific provisions of the Code that are not applied by the Company and explanation of the reasons for non-implementation

The Company certifies that it conforms to all the legal regulations of Greek legislation (law 4548/2018, law 3016/2002 and law 4449/2017) which are forming the minimum obligations that must be complied by any Corporate Governance Code from a listed company.

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 practices.

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 responsibilities of the Board of Directors

- The BoD has not created separate committee, 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, to avoid cases of extortionate compensations, that do not 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 in majority by non-executive members.

The existing BOD of the Company consists today of eight (8) members, five (5) 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 consists of five (5) men and three (3) women ensuring a satisfactory 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 because 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 working team 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 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, 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 close 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 its operations and is not restricted to the level of the members of the BoD.

- There is no provision to provide adequate 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 evaluate 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 evaluate the effectiveness of the BoD and its committees neither is evaluated 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 evaluated by the Regular General Meeting of the shareholders of the company, conducted according to the regulations and the procedure described in detail in law 4548/2018 as well as to the Articles of Association of the Company.

The Company in order to comply with this rule of the new Corporate Governance Code, 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 Audit Committee and 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 adequate way. Therefore, the external service of consultants is not considered to be necessary.

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

Part C- Remuneration

I. Level and structure of the remuneration

- there is no remuneration committee, comprising exclusively of non-executive members, independent in their majority, which aims at defining the remuneration 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 fact 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 remuneration and ensures this procedure is characterized by objectivity, transparency, professionalism and is deprived by any conflicts of interest. Regarding the specification of remuneration 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 shill of executives, that have the needed qualifications for the effective operation of the Company.

- in the contracts of the executive members of the BoD, there is no provision that the BoD may demand 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 remuneration of every executive member of the BoD is not approved by the BoD after the proposal of the remuneration committee, without the presence of its executive members
This divergence is explained by the fact that such a committee does not exist.

The Company, in compliance with the requirements of article 110 of Law 4548/2018, has created a Board of Directors' Remuneration Policy, which was approved by the Extraordinary General Meeting of Shareholders held on 23/12/2019. The content of the Board of Directors' Remuneration Policy is as follows:

REMUNERATION POLICY

1 INTRODUCTION
This remuneration policy is established by the company under the name "ELTON INTERNATIONAL TRADING COMPANY SA" and adopts, establishes, maintains and implements basic principles and rules regarding the remuneration of the members of the Board of Directors (hereinafter the "Remuneration Policy").
The remuneration policy has been formulated based on the current legislation and in particular the provisions of Law 4548/2018, Law 3016/2002, the provisions of Directive 2007/36 / EC of the European Parliament and of the Council of 11 July 2007, in relation with the exercise of rights by shareholders of listed companies and Directive 2017/828 / EU of the European Parliament and of the Council of 17 May 2017, for the amending Directive 2007/36 / EC on the encouragement of long-term active participation of shareholders.
For the preparation of the present, the salary and working conditions of the employees of the Company have been considered.

2. PURPOSE

The Remuneration Policy aims to strengthen transparency, values, long-term interests, sustainability and maximize the value of the Company, strengthening and adopting processes of continuous improvement, development and high performance and commitment to achieving the objectives and interests of the involved parts.

The remuneration of the members of the Board of Directors of the Company, based on this Remuneration Policy, is in line with their powers, duties, specialization and responsibilities and affected by the course of the Company's financial data and the achievement of the Company's targets.

The Remuneration Policy reflects the strategy and policy implemented by the Company, to comply with the current institutional and supervisory framework in Greece, as well as the best corporate governance practices.

As a result, Remuneration Policy contributes to the company's business strategy, long-term interests, and sustainability.

3. APPLICATION FIELD

According to article 110 of law 4548/2018, this Remuneration Policy is valid and applies to the members of the Board of Directors of the Company.

This remuneration policy applies to persons with the following qualifications:

i. Chairman

ii. CEO

iii. Members of the Board of Directors

4. FACTORS DETERMING REMUNERATION

The remuneration of the members of the Board of Directors depends on the corporate policy and strategy of the Company and is determined with the ultimate goal of seeking reinforcement and its long-term economic value, the competitiveness of the Company, attracting capable executives and finally defending the general company interest.

The Company adopts a remuneration framework, to attract new and also to motivate and maintain in the Company capable, specialized and efficient Executives.

Remuneration Policy is based on

- Balance and equal treatment
- Transparency
- Alignment of remuneration with the position of responsibility, profitability, and risk
- Competitiveness.

When determining the Remuneration Policy and for its more effective implementation, are taken into consideration initially the position category, the participation in decision making, the formal and substantive qualifications of the members of the Board of Directors, the remuneration in the labor market with similar characteristics.

In order to determine the remuneration of the members of the Board of Directors, which are not connected with the Company by employment contract, are taken into consideration the participation of the members in the Board of Directors, their contribution to decision making and the formulation of corporate policy and their duties assigned in accordance with the Company's Articles of Association and the decisions of the General Meeting of Shareholders.

In order to determine the remuneration of the members of the Board of Directors, who are connected to the Company by employment contract and constitute Managing Executives of the Company, are taken into consideration more than the above-mentioned, the responsibility position they take over and the special circumstances of their job.

5. TYPES OF REMUNERATION

This remuneration policy covers all remuneration and any kind of benefit and compensation that is paid to the above under paragraph 3 persons by the Company.

Mention is made of all forms of remuneration, such as:

- money,
- shares,
- rights of choice, as well as the
- granting voluntary benefits to the above under paragraph 3 persons, such as an indicative corporate car, mobile phone, optional pension benefits, insurance contracts, etc.

The members of the Board of Directors receive remuneration, either for the exercise of their duties as members of the Board of Directors and for their participation in the Board of Directors, or, in case they are connected with the Company by employment contract, constituting Managing Executives, for services provided to the Company under an employment contract.

In any case, all remuneration of the members of the Board of Directors is approved annually by the General Meeting of the Company's shareholders in accordance with the specific provisions of the Articles of Association and the Law.

Remuneration may include both fixed and variable part, in order to align with business development and efficiency:

i. Fixed Remuneration (payments or benefits not related of any performance criteria): remuneration which is granted on a regular periodic basis and constitutes the secured income received by the persons under paragraph 3.

Specifically, the Company pays fixed monthly salaries to the members of the Board for the work they provide, as well as for the participation in the meetings of the Board.

Independent members are entitled to compensation related to their status and duties from their participation in committees.

Fixed remunerations are paid after the relevant legal deductions in the bank account of the persons referred to paragraph 3.

ii. Variable Remunerations (additional payments or benefits depending on performance criteria or, in some cases, other contractual criteria): remuneration which aims to reward the individual performance of the above persons under paragraph 3 and is determined on the basis of criteria. The Company does not pay variable remuneration to the members of the Board of Directors, i.e. additional payments or benefits, which depend on their performance.
The Company may at any time specify criteria for granting variable remuneration, rewarding the performance of the persons referred in paragraph 3 on the basis of pre-determined measurable quantitative and qualitative criteria, both short-term and long-term, which will be linked to the Company's course.

6. COMPANY's CONTRACTS WITH MEMBERS OF THE BOARD OF DIRECTORS

For those members of the Board of Directors of the Company that have been concluded employment contracts, the provisions of the current labor legislation apply, without more specific contractual provisions. The duration of these contracts is indefinite and the notice period for their termination and the compensations that each party (Company and / or member of the Board of Directors) must pay are determined by the provisions of the existing legal framework of labor legislation.
The Company has not entered contracts that create special obligations, in addition to the usual ones and those that are required by law.
The Company does not undertake to pay any kind of compensation or other benefits, in case of resignation, revocation or non-re-election of any member of the Board of Directors, who is not connected with the Company by employment contract.

7. DURATION POWER
This remuneration policy has been approved by the Extraordinary General Meeting of Shareholders on 23 December 2019 and is valid for four (4) years from its approval by the General Meeting, unless meanwhile there is a substantial change in the conditions under which this Remuneration Policy was drawn up.
This remuneration policy, together with the date and results of the General Assembly vote, is subject to publicity and remains available on the Company's website http://www.elton-group.com (GR version) throughout its validity.
Whenever a substantial change in the conditions is made, so that to influence the process of awarding fees provided for in this policy, this will be reviewed and submitted for approval to the next General Meeting of the Company.
Any deviation from the approved remuneration policy is not permitted, except temporarily and in exceptional circumstances and if this is necessary for the long-term service of the Company's interests as a whole or to ensure its viability.

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 BOD.

At this time, it does not exist an established special procedure regarding questions made by shareholders to the BOD, since every shareholder can address the Investors' 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 person.

Moreover the rules of article 141 of the law 4548/2018, 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 notice 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 reasons with specific special practices, 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 code's 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 team, 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 General Assembly 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 must participate in the deliberations of the BoD.

Each member of the BOD must keep strictly confidential the information of the company, which he may know due to his position.

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 must 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

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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 tie votes the vote of the President 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 12 of Law 4548/2018 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 director 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 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 12 of Law 4548/2018 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 In case of resign, death or loss for any reason the capacity of member or members of BOD, 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 existing BOD of the company consists of eight members and has the following persons:

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
VII) Epameinondas Taflabas, executive member
VIII) Dimitrios Giotopoulos, executive member

The above-mentioned BoD was elected by the annual Ordinary Shareholders Meeting of the Company, which took place on June 20th 2018 and its service is three years long lasting until June 20th 2021.
The above-mentioned BoD was re-assembled as a body, during its meeting on the 20th of June 2018, registration number 1411461/27.06.2018 by the Ministry of Finance.

2.2.2 The brief CVs 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 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 has years of experience in Supplies and the Quality Assurance, she is Supply Chain Manager of the Group.
III) Katy Andreou: Born in 1967.
She is head Manager of Industrial Business Unit (B.U.). 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.

VII) Epameinondas Taflabas : Born in 1959

Graduate of the Chemistry department of the Patra University. He has many years of experience in raw material sales for the industry and is the Manager of the Food Business Unit (B.U.).

VIII) Dimitrios Giotopoulos : Born in 1969.

Graduate of Energy Technology Engineering and MBA from the Hellenic Management Association (EEDE). He has many years of experience (20 years) in the construction industry, particularly in the field of composite projects and industries.

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 n.10 of the Ordinary General Meeting of Shareholders that was held on 28/6/2017 and reelected its members by the decision n.7 of the Ordinary General Meeting of Shareholders that was held 12/06/2019 - composed of the following members:

1) Eirinaios Theodorou, Chairman of the Committee (statutory auditor in suspension)
2) Electra Papathanasiou, non-executive member
3) Michalis Chatzis, independent, non-executive member
4) 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 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 2019 (01.01.2019-31.12.2019) convened five (5) times.

2.3.6 It is also clarified that the Certified 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 except for 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:

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a) For any amendment of the Articles of Association without prejudice of amendments or adaptations of provisions of the Articles of Association by the Board of Directors in the cases explicitly defined by law. Without prejudice to capital increases or capital adjustments explicitly assigned by law or the Articles of Association to the Board of Directors, as well as increases required by other law, as amendment is also considered the increase or decrease of the share capital.

b) The election of the members of the Board of Directors and the Auditors, without prejudice to Article 12 of the Articles of Association

c) The approval of the annual financial statements of the Company,

d) The approval of the total management of the Company according to the article 108 of Law 4548/2018 and the discharge of the Certified Auditors from any responsibility.

e) The approval of the remuneration policy according to the article 110 of Law 4548/2018 and the remuneration report of the Company according to the article 112 of Law 4548/2018.

f) The distribution of annual profits and the approval of remuneration or advance remuneration of the Board of Directors members according to the article 109 of Law 4548/2018 and the article 20 of the Articles of Association. Exceptionally the Board of Directors has the right with its' decision to distribute temporary dividend according to the article 162 par.1 and 2 of Law 4548/2018 and profits or optional reserves within the current corporate year in accordance with article 162 par. 3 of Law 4548/2018.

g) The merge, fracture, conversion, revival, the extension of the duration and the dissolution of the Company without prejudice to the competence of the Board of Directors in case of absorption or division as defined by the Law.

h) The appointment of liquidators,

i) Any other issue that is provided by law or the Articles of Association.

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 corporate 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 appropriate or if it is requested by the shareholders that represent the required (by the law or the Articles of Association) percentage.

3.1.4 The Shareholders Meeting, except for 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, must be mentioned the date, year, day time and place of the General Assembly, the subjects 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 present or represented shareholders are having the total of the share capital and none of them is contradict to its held and the making of decisions.

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

If such quorum is not achieved the General Assemble 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.

Especially the General Assembly has a quorum and duly convokes when there are shareholders representing at least one half (1/2) of the paid share capital, when it concerns decisions regarding:

a) the alteration of the Company's nationality,

b) the alteration of the business object of the Company,

c) the increase of the obligations of shareholders,

d) the increase of share capital, with the exception increases of article 7 par.2 of the Statute or imposed by law or done by capitalization of reserves,

e) decrease of the share capital, except if is done in accordance with article 21 and paragraph 6 of article 21 of Law 4548/2018 as applicable,

f) the alteration of the mode of distribution of profits,

g) the merging, dispersion, alteration, revival, extension or dissolution of the company,

h) the giving or renewing of authority to the BoD for increase of share capital or issuing Bond Loan according to the article 7 par.2 of the Articles of Association and

i) in every other case for which the law or the Statutes determine that for a specific decision by the General Assembly it is required the special increased quorum of the present paragraph.

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 subjects of the agenda. The agenda is drawn by the BoD and includes the proposals of the BoD towards

the Assembly, as well as proposals towards the Assembly of auditors or shareholders 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 it is present only one (1) shareholder, it is obligatory the presence of a Notary who countersign the minutes.

3.2 Shareholders' Rights

3.2.1 Rights of participation and voting
3.2.1.1 The shareholders exercise their rights, related to the Administration 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.
3.2.1.2 In the General Assembly has the right to participate anyone who appears as a shareholder in the Dematerialized Securities System that is managed by Athens Stock Exchange S.A. which handles the Company's shares. 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 verification or the electronic confirmation regarding the shareholding capacity must come to the company the latest at the third (3) day before the General Assembly.
3.2.1.3 In the General Assembly have the right to participate only those who are shareholders in the said record date. In case of non-compliance to article 124 of the Law 4548/2018, the said shareholder participates in the General Assembly only after acceptance.
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 period of 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 natural persons 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 Financial Statements 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 request 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 request of the shareholders that represent one twentieth (1/20) of the share capital, the BoD is obliged to add additional issues 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 application for registration of additional issues on the agenda shall be accompanied by a justification or a draft decision to be approved by the General Assembly and the revised agenda shall be published in the same manner as the previous agenda, thirteen (13) days before the date of the General Meeting and at the same time it is made available to the shareholders on the Company's website, together with the justification or the draft decision submitted by the shareholders as provided in article 141 par. 2 of Law 4548/2018.

At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders as defined in article 123 par. 4 of Law 4548/2018, at least six (6) days before on the date of the General Meeting, draft plan decisions submitted by minority shareholders on matters included in the original or revised agenda, if the relevant application is submitted to the Board of Directors at least seven (7) days before the date of the General Meeting. The Board of Directors is not obliged to register issues in the agenda or to publish or notify them together with justification and draft decisions submitted by shareholders according to paragraphs 2 and 3 of article 141 of Law 4548/2018, if the content of these is obviously contradict to the law and good morals.

3.2.2.4 Upon request 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 twenty (20) 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 124 par. 6 of the Law 4548/2018 as applicable and the current Statutes.

3.2.2.5 After request 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. The Board of Directors may respond unanimously to requests from shareholders with the same content. The obligation to provide information does not exist when the relevant information is already available on the company's website, especially in the form of questions and answers. Also, at the request of shareholders representing one twentieth (1/20) of the share capital paid, the Board of Directors is obliged to notify the General Assembly, as long as it is regular, the amounts paid to each BoD member or Managers of the Company in the last two years, as well as any provision to these persons for any reason or contract of the Company with them. In all the above cases, the Board of Directors may refuse to provide the information for substantial reasons, which is stated in the minutes. Such reason may be, by the circumstances, the representation of the applicant shareholders in the Board of Directors in accordance with Article 79 or 80 of Law 4548/2018, as in force.

3.2.2.6 Upon request of the one tenth (1/10) of the paid share capital, which must be submitted to the Company five (5) days before the General Assembly, the BoD must provide to 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 register 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 articles 79 or 80 of Law 4548/2018 as valid, if the respective members of the Board of Directors have received the relevant information in a sufficient manner.

3.2.2.7 In cases of § 3.2.2.5 and § 3.2.2.6 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.

3.2.2.8 Upon request from the shareholders of the company, that represent one twentieth (1/20) of the paid share capital, the decision for any issue of the General Assembly's Agenda is being doing with name call.

3.2.2.9 The shareholders who exercise the rights of the above paragraphs must prove their shareholder status and the number of shares they hold during the exercise of the relevant right. Such proof is the bind of the shares according to the current Law, or the presentation of a certificate from the institution in which are kept the relevant values or the certification of the shareholder status with a direct electronic connection between the institution and the company.

3.2.2.10 Shareholders of the company, that represent at least one twentieth (1/20) of the paid 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. Moreover, company Shareholders representing at least 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. The requesting shareholders must prove to the Court that they hold the shares that give them the right to ask for a control of the Company. The extraordinary control of this paragraph is carried out according to the more specifically provided in article 143 of Law 4548/2018, as in force.

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 every controlled period several scopes of control are chosen, while the organization and operation of the BoD is constantly controlled as well as the two basic services which operate according to the regulations of Law 3016/2002 that is the Shareholders Service and Corporate Announcements.
4.1.4 It is noted though, that the Internal Control and Risk Management systems, provide reasonable and not absolute security, because they are designed to restrict the possibility of the upcoming risks, without being able to eliminate them completely.

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 financial figures. At the same time an analysis of the results is made daily 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 2020

Fiscal year 2019 was a good year was for Greece in levels of sales which increased and profitability.
Abroad there were commercial pressures on price levels that influenced turnover and profitability on the Serbian and Bulgarian markets. In Ukraine it was affected only the profitability as sales was better. The beginning of the new year 2020 in all three countries shows a trend of significant improvement.
In Romania it was achieved improvement in all figures.
In Turkey in terms of operation we had another excellent year.

In 2020 the Greek economy entered with improved momentum, taking advantage of the positive trends that became apparent already from 2019 marking the beginning of the country's exit from the multi-year crisis, recording a good first quarter.
Nevertheless, the sequel reserved the appearance of the COVID19 global pandemic.
The Group is closely monitoring the evolving situation of the global COVID-19 pandemic. The Crisis Management Team, fully in line with the guidelines of the Government and the World Health Organization, is taking all necessary actions and measures to ensure the continuity of operations and the health and safety of working people.
As a responsible social partner and company, it is fully acting and willing to play its role in society as a responsible employer and an important factor of the Greek Economy as well as the Economies in the area of responsibility of the Group.
The Special Crisis Management Team (Committee), which has been set up by the Group and refers to the Highest Administration, is constantly evaluating developments, drawing up and implementing appropriate action plans and dealing with possible consequences.
The Group, aligned with all the protocols and recommendations of the competent authorities, has already prepared and fully implemented a plan to ensure operational continuity.
Currently, and as the Administration estimates, for the continuation and in contrast to other organizations that have been forced to suspend or limit their activities, all the facilities of the Group are fully operational, as no difficulties are encountered regarding COVID-19 in its supply chain. Delivery of products throughout the area which is covered by ELTON Group continues uninterrupted.
The Group has enabled its employees to work from home while teleworking is already in place and business trips have been suspended.
The Group also has comprehensive operational continuity plans to monitor and mitigate the impact on its activities.
In addition, a reserve group of workers has already been set up for this emergency.
The security team which is working at the facilities operates "in a state of social distancing" and in accordance with all security protocols and preventive measures applied in all departments, performs its duties properly.
However, we are in unprecedented times and the situation around us is evolving every day.
The disruption of the normal supply flow in the future cannot be ruled out, as COVID-19 may further affect global supply chains and exacerbate local constraints.
Although it is not possible at this stage to quantify or fully assess the potential impacts worldwide, possible factors that could affect the smoothness of activity are the following:

• Disorders in the global supply chain, as mentioned above.

• Delays in the execution of ongoing IT projects.

• Consequences of the impact of this global situation on the tourism market, HoReCa and temporarily - and until the start of measures’ mitigation - of the related market with the construction industry.

• Delays in the development of its' investment plans, which it is mentioned that are remain in force.

In addition to the ongoing management of operational risk by the pandemic, an increased level of monitoring has been fully implemented to ensure and protect the financial position of the Company and the Group.

Against the uncertainty about the evolution of the situation, the Group has a very good financial position, available and increased liquidity and a very high level of product availability to support the needs of the industry and in general the productive structure of the economies of its area of responsibility by providing solutions, reliability and effectively preventing, for once again during the last 5 years, the emergence of gaps and shortages in the markets, thus ensuring the continuity of the business operation of its' customers and targets of its' partner suppliers.

Going through this worldwide unprecedented period with vigor, any potential impact on the results will depend on the ongoing developments, which are beyond the control of any Organization, which with a sense of responsibility and respect for society and its prestige, has taken all of the above measures and implements such an extensive design.

The Group supports the decisions of the local authorities, in its area of responsibility, to implement extraordinary public health measures, the course of which cannot be predicted, but only depending on the developments in the virus epidemic. All the above measures have been taken and are being implemented by both the parent Company and all subsidiaries, including that in Turkey.

Therefore, the overall economic impact of the COVID-19 pandemic cannot be reasonably assessed at present.

Based on the above mentioned, the management of the Company estimates that there will be no risk of substantial uncertainty in the continuation of the activity.

Avlonas Attica, 16th April 2020

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

Crowe

Independent 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 2019, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying 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 2019, their financial performance and their 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 audited 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.

Crowe

<table>
<tr><th>Key audit matter</th><th>Addressing the audit matter</th></tr>
<tr><td>Impairment of investments in subsidiaries
(Separate financial statements)</td><td></td></tr>
<tr><td>At 31.12.2019 the net book value of investments in subsidiaries in the Separate financial statements amounts to € 13.491 mil. (€ 13.191 mil. at 31.12.2018).

The Company’s investments in its subsidiaries, are measured at cost. Management assesses annually if there are indications of impairment of investments in subsidiaries. If an investment is impaired, the company calculates the impairment amount as the difference between the carrying amount of the investment and its recoverable amount.

Management determines the recoverable amount as the higher of an asset’s fair value (less costs to sell) and value in use in accordance with the requirements of International Accounting Standard 36.

The determination of the value in use relies on 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 different market conditions in the countries where the Group operates.

Due to the significant amount of investments in subsidiaries as well as the estimates and assumptions used by Management in the context of the impairment test carried out for these holdings, we consider the above matter to be one of most significance matter.

Information concerning the procedures for impairment of investments in subsidiaries is referred in note 10 to the financial statements.</td><td>Our audit approach regarding the impairment of investments in subsidiaries included, among other, the following procedures:

- We have received the Management’s estimates and assessed about whether indications of impairment exist for each investment, taking into account the cases where operating losses incurred which charged the audited year.

- We held discussions with the Company’s Management and assessed the internal control related to performance of impairment test of the investments in subsidiaries.

- We assessed the appropriateness of the value in use model as well as of the assumptions used.

At this assessment:

- We examined the conclusions regarding the appropriateness of the model and the discount interest rate used.

- We examined the inputs used to determine the assumptions in the model and confirmed their logic following a comparison with external market information, third party sources, including analyst reports and historically available information from the Company.

- We examined the model’s mathematical accuracy.

- We assessed the adequacy and appropriateness of the disclosures in note 10 to the financial statements.</td></tr>
</table>

	Addressing the audit matter
Recoverability of trade receivables	
At 31.12.2019, the trade receivables of the Group amount to € 45.598 thousand (€ 43.024 thousand at 31.12.2018). In the case of customer insolvency, the Group is exposed to increased credit risk when customers are unable to meet their contractual obligations. 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. Due to the significant amount of the item 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. Information concerning the Group's accounting policies for trade receivables is referred in notes 2.10 and 14 to the financial statements.	Our audit procedures regarding the recoverability of trade receivables included, among other, the following procedures: - We understood and examined the Group's credit control procedures as well as the internal control for granting of credit to customers. - We assessed the assumptions, the methodology and the model used by the Group for determination of recoverability of its trade receivables or their classification as doubtful. - We assessed the impact of IFRS 9 adoption in the closing year, which resulted in a respective adjustment of the accounting policy of the Company and the Group to address impairment losses for trade receivables. - We examined the reply letters of the lawyers, in order to identify any matters indicating trade receivable balances not recoverable in the future. - We assessed the customers' aging analysis at the end of the year for identifying any debtors in financial difficulty. - We assessed the 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. - We assessed the adequacy and appropriateness of the disclosures in note 14 to 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 the 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 and 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 audited 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 of L. 4336/2015 (part B'), we note that:

a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 152 of L. 4548/2018.

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

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 nine years based on the annual decisions of the Annual General Meetings of the Company Shareholders.

Athens, 22 April 2020

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

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION		GROUP		COMPANY	
(Amounts in euro)	**Note**	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
ASSETS					
Non-current assets					
Tangible fixed assets	**7**	16.755.458	17.432.133	10.338.883	10.730.890
Rights of assets' use	**4**	1.662.712	0	777.114	0
Intagible assets	**8**	2.293.632	2.448.983	2.171.302	2.333.435
Goodwill	**9**	712.150	712.150	0	0
Investments in Subsidiaries	**10**	0	0	13.491.326	13.191.326
Deferred tax receivables	**11**	609.907	586.316	609.907	568.072
Other non-current assets	**12**	60.813	115.711	54.472	65.542
		22.094.672	**21.295.292**	**27.443.004**	**26.889.265**
Current Assets					
Inventories	**13**	23.142.164	23.500.458	11.945.863	13.338.677
Trade Receivables	**14**	45.598.443	43.024.454	34.309.259	31.320.731
Other current assets	**15**	2.647.485	2.209.875	2.327.581	1.941.034
Cash and cash equivalents	**16**	2.335.676	2.630.590	1.280.884	1.707.721
		73.723.768	**71.365.377**	**49.863.587**	**48.308.163**
TOTAL ASSETS		**95.818.440**	**92.660.670**	**77.306.591**	**75.197.428**
EQUITY AND LIABILITIES					
Capital and reserves					
Share Capital	**17.1**	13.899.697	13.899.697	13.899.697	13.899.697
Share premium	**17.1**	133.417	133.417	133.417	133.417
Other reserves	**17.2**	2.714.468	2.907.341	3.156.413	2.983.154
Profits carried forward	**17.2**	36.127.466	34.598.405	31.277.744	29.838.383
Total shareholders' equity (a)		**52.875.048**	**51.538.861**	**48.467.271**	**46.854.651**
Non-controlling interests (b)		271.583	247.295	0	0
Total Equity (c) = (a) + (b)		**53.146.631**	**51.786.156**	**48.467.271**	**46.854.651**
LIABILITIES					
Long term liabilities					
Long term Borrowings	**18**	5.513.034	8.643.140	4.625.000	7.593.467
Lease obligations	**3.1**	776.133	0	562.237	0
Provisions for employee benefits	**19**	605.198	540.832	605.198	540.832
Grants of assets	**20**	588.297	657.399	588.297	657.399
Deferred tax obligations	**11**	131.908	88.162	0	0
Other long-term liabilities		215.555	0	0	0
Total Long-term Liabilities		**7.830.126**	**9.929.533**	**6.380.733**	**8.791.698**
Short-term Liabilities					
Short-term Borrowings	**18**	17.642.850	14.082.749	9.955.848	6.990.587
Lease obligations	**3.1**	634.466	0	227.060	0
Suppliers	**21**	12.743.003	12.680.746	8.916.226	8.816.780
Current tax liabilities	**22**	2.282.828	2.804.369	2.149.897	2.685.758
Other short-term liabilities	**21**	1.538.537	1.377.116	1.209.557	1.057.953
Total short-term Liabilities		**34.841.684**	**30.944.981**	**22.458.588**	**19.551.079**
Total Liabilities (d)		**42.671.809**	**40.874.514**	**28.839.320**	**28.342.777**
TOTAL EQUITY AND LIABILITIES (c) + (d)		**95.818.440**	**92.660.670**	**77.306.591**	**75.197.428**

*These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. If differences exist between this translation and the original Greek language financial statements, the Greek version will prevail over this document

INCOME STATEMENT		GROUP		COMPANY	
(Amounts in euro)	**Note**	**1.1-31.12.2019**	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Turnover	**6**	**131.219.811**	**132.709.642**	**86.677.971**	**85.678.302**
Cost of Sales	**23**	110.895.598	112.036.254	73.405.012	72.153.305
Gross Profit		**20.324.213**	**20.673.388**	**13.272.959**	**13.524.997**
Other operating income	**25**	971.639	455.983	300.569	196.214
Distribution expenses	**24**	-10.016.774	-10.332.585	-5.784.380	-6.006.274
Administrative expenses	**24**	-4.297.878	-3.796.925	-2.622.549	-2.245.889
Other operating expenses	**25**	-960.610	-698.578	-281.388	-77.907
Profit before taxes,financing & investing results		**6.020.590**	**6.301.282**	**4.885.211**	**5.391.140**
Financial income		291.690	182.192	977	5.750
Financial expenses		-1.600.265	-1.369.405	-571.966	-657.055
Profit before taxes		**4.712.015**	**5.114.069**	**4.314.222**	**4.739.834**
Income Tax	**26**	-1.311.821	-1.622.545	-1.066.238	-1.461.084
Net Profit/(Loss) of period (A)		**3.400.194**	**3.491.524**	**3.247.984**	**3.278.750**
Attributable to:					
Owners of the parent	**27**	3.352.694	3.465.124	3.247.984	3.278.750
Non-controlling interests		47.500	26.400	0	0
Other comprehensive income :					
Data that will not be reclassified subsequently to results					
Effect from tax rate change		-1.129	-3.966	-1.129	-3.966
Actuarial profits / (losses) on defined benefit pension plans		-34.104	-13.696	-34.104	-13.696
Deferred taxes of actuarial profits / (losses) of defined benefit pension plans		8.184	3.424	8.184	3.424
Data that are reclassified subsequently to the results					
Rate influence from the conversion of financial statements of subsidiaries in foreign currency		-404.355	-371.275	0	0
Other comprehensive income after taxes (B)		-431.403	-385.514	-27.048	-14.238
Total comprehensive income after taxes (A+B)		**2.968.791**	**3.106.011**	**3.220.936**	**3.264.512**
Attributable to:					
Owners of the parent		2.992.003	3.191.801	3.220.936	3.264.512
Non-controlling interests		-23.212	-85.790	0	0
		2.968.791	**3.106.011**	**3.220.936**	**3.264.512**
Depreciation of the period		**1.633.103**	**961.751**	**868.719**	**616.986**
Profit before taxes, financing & investing results and depreciation (EBITDA)		**7.653.693**	**7.263.033**	**5.753.930**	**6.008.126**
Profit after taxes per share -basic (in Euro)	**27**	**0,1254**	**0,1296**	**0,1215**	**0,1227**

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 on 1st January 2018	**13.899.697**	**133.417**	**3.022.001**	**33.006.891**	**50.062.006**	**333.085**	**50.395.091**
Effect from IFRS9 adoption	0	0	0	-645.739	-645.739	0	-645.739
Adjusted balance on 1st January 2018	**13.899.697**	**133.417**	**3.022.001**	**32.361.152**	**49.416.267**	**333.085**	**49.749.353**
Net profit of period	0	0	0	3.465.124	3.465.124	26.400	3.491.524
Other comprehensive income	0	0	-259.085	-14.238	-273.323	-112.190	-385.514
Total comprehensive income	**0**	0	**-259.085**	**3.450.886**	**3.191.801**	**-85.790**	**3.106.011**
Dividends distribution	0	0	0	-1.069.207	-1.069.207	0	-1.069.207
Regular Reserve	0	0	144.425	-144.425	0	0	0
Balance on 31st December 2018	**13.899.697**	**133.417**	**2.907.341**	**34.598.405**	**51.538.861**	**247.295**	**51.786.156**
Balance on 1st January 2019	**13.899.697**	**133.417**	**2.907.341**	**34.598.405**	**51.538.861**	**247.295**	**51.786.156**
Effect from IFRS16 adoption	0	0	0	-4.505	-4.505	0	-4.505
Adjusted balance on 1st January 2019	**13.899.697**	**133.417**	**2.907.341**	**34.593.901**	**51.534.356**	**247.295**	**51.781.651**
Net profit of period	0	0	0	3.352.694	3.352.694	47.500	3.400.194
Other comprehensive income	0	0	-381.143	-27.048	-408.191	-23.212	-431.403
Total comprehensive income	**0**	**0**	**-381.143**	**3.325.646**	**2.944.503**	**24.288**	**2.968.791**
Dividends distribution	0	0	0	-1.603.811	-1.603.811	0	-1.603.811
Regular Reserve	0	0	188.270	-188.270	0	0	0
Balance at 31st December 2019	**13.899.697**	**133.417**	**2.714.468**	**36.127.466**	**52.875.048**	**271.583**	**53.146.631**

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 2018	**13.899.697**	**133.417**	**2.838.728**	**27.850.893**	**44.722.736**
Effect from IFRS9 adoption	0	0	0	-63.390	-63.390
Adjusted balance on 1st January 2018	**13.899.697**	**133.417**	**2.838.728**	**27.787.504**	**44.659.346**
Net profit of period 1/1-31/12/18	0	0	0	3.278.750	3.278.750
Other comprehensive income	0	0	0	-14.238	-14.238
Total comprehensive income	**0**	**0**	**0**	**3.264.512**	**3.264.512**
Dividends distribution	0	0	0	-1.069.207	-1.069.207
Regular Reserve	0	0	144.425	-144.425	0
Balance at 31st December 2018	**13.899.697**	**133.417**	**2.983.154**	**29.838.383**	**46.854.651**
Balance at 1st January 2019	**13.899.697**	**133.417**	**2.983.154**	**29.838.383**	**46.854.651**
Effect from IFRS16 adoption	0	0	0	-4.505	-4.505
Adjusted balance on 1st January 2019	**13.899.697**	**133.417**	**2.983.154**	**29.833.878**	**46.850.146**
Net profit of period 1/1-31/12/19	0	0	0	3.247.984	3.247.984
Other comprehensive income	0	0	0	-27.048	-27.048
Total comprehensive income	**0**	**0**	**0**	**3.220.936**	**3.220.936**
Dividends distribution	0	0	0	-1.603.811	-1.603.811
Regular Reserve	0	0	173.260	-173.260	0
Balance at 31st December 2019	**13.899.697**	**133.417**	**3.156.413**	**31.277.744**	**48.467.271**

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CASH FLOW STATEMENT (indirect method)	GROUP		COMPANY	
amounts in euro	**01/01-31/12/19**	**01/01-31/12/18**	**01/01-31/12/19**	**01/01-31/12/18**
Operating Activities				
Profit before taxes (continuing operations)	4.712.015	5.114.069	4.314.222	4.739.834
Adjustments for:				
Depreciation and Amortization	1.702.204	1.030.229	937.820	686.088
Amortization of Grants	-69.102	-69.102	-69.102	-69.102
Provisions	428.071	925.960	333.602	545.316
Exchange Differences	-429.206	-281.207	-8.866	-14.908
(Gain) or Loss from Investing activities	357.049	-86.682	14.469	18.473
Interest and similar charges	1.308.575	1.340.549	570.989	651.306
Working capital changes				
Decrease/(increase) of inventory	358.294	-1.562.939	1.392.814	-1.031.567
Decrease/(increase) of trade receivables	-3.331.642	108.346	-3.658.480	-50.427
(Decrease)/Increase of liabilities (except loans)	638.412	-2.367.754	413.523	-402.898
Less:				
Interest and similar charges paid	-1.578.181	-1.317.625	-571.966	-656.015
Tax paid	-2.003.948	-1.605.162	-1.797.969	-1.440.585
Total cash/(used in) generated from operating activities (a)	**2.092.543**	**1.228.682**	**1.871.058**	**2.975.514**
Investing Activities				
Acquisition of Subsidiary	0	-41.000	-300.000	-349.965
Purchase of Intagible Assets, Property	-540.924	-1.481.752	-143.021	-201.046
Sale of fixed and Intagible assets	41.919	731	0	0
Interest received	291.690	182.192	977	5.750
Total cash/(used in) generated from investing activities (b)	**-207.315**	**-1.339.829**	**-442.044**	**-545.262**
Financing Activities				
Proceeds from Borrowings	16.324.543	16.526.466	7.000.000	9.300.000
Repayment of Borrowings	-15.916.632	-17.547.912	-7.003.206	-13.429.461
Repayment of lease obligations	-984.241	0	-248.833	0
Payment of dividends	-1.603.811	-1.069.207	-1.603.811	-1.069.207
Total cash/(used in) generated from financing activities (c)	**-2.180.142**	**-2.090.653**	**-1.855.851**	**-5.198.668**
Net increase/(decrease) in Cash and Cash equivalents (a)+ (b)+(c)	**-294.914**	**-2.201.801**	**-426.837**	**-2.768.416**
Cash and Cash equivalents at the beginning of the period	**2.630.590**	**4.832.391**	**1.707.721**	**4.476.137**
Cash and Cash equivalents at the end of the period	**2.335.676**	**2.630.590**	**1.280.884**	**1.707.721**

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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
- Epameinondas Taflabas, executive member
- Dimitrios Giotopoulos, 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 fiscal year 2019 (January 1st – 31st December 2019) were approved by the Board of Directors on 16/4/2020 and are under the approval of the Annual Ordinary General Meeting of its shareholders.

2. Framework of the Financial Statements

2.2. Basis of Preparation of annual Financial Statements

The consolidated and company 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).

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 2018 except for the following amendments, which were adopted on 1st January 2019. The Company and the Group applied for the first time IFRS 16 Leases. The nature and effect of these changes are analyzed below, in accordance with the requirements of IAS 8. Various other amendments and interpretations were applied for the first time in 2019 but did not have a material impact on the consolidated and company financial statements for the year ended 31 December 2019.

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.

2.3. New standards, amendments to standards and interpretations

Application of new and amended International Financial Reporting Standards (IFRS) for the current fiscal year 2019.

New standards, amendments to standards and interpretations that affect the amounts presented and / or disclosures in the separated and consolidated financial statements.

- **IFRS 16: Leases**

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. Effect of the application of the standard is illustrated at Note 4.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income.

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

The Amendments relate to whether the measurement, in particular impairment requirements, of long- term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.

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

The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements.

- The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs.

- ***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

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that is a joint operation, the entity does not remeasure previously held interests in that business.

- ***IAS 12 Income Taxes***: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- ***IAS 23 Borrowing Costs***: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

Standards issued but not yet effective and not early adopted by Group

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

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

- **Conceptual Framework in IFRS standards**

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

- **IFRS 3: Business Combinations (Amendments)**

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

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards.

- **Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU.

2.4. Consolidated financial statements

Subsidiaries: are all companies managed and controlled, directly or indirectly, by another company (parent), whether through ownership of most 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 considered 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 acquisition of a subsidiary by the Group is being register in accounting with the purchase method. 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’ share of the net assets of the subsidiary that were 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 modified 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 participation of losses in an associate company 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 2019 the 66,06% of the consolidated turnover derived from activities carried out in Greece (2018: 64,56%).

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 conversion 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 converted at the rates prevailing at the balance sheet date,
• Revenues and expenses are converted 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 31/12/2019 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	80%	FULL
ELTON CORPORATION LLC	UKRAINE	100%	FULL
ELTON PLS SA	GREECE	100%	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, the 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 and the buying costs of trademarks and rights. 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. The trademarks and rights are depreciated using the straight-line method over their useful life. 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 loss is recognized as an expense to the Comprehensive Income Statement in the fiscal year it is occurred.

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.

Initial recognition and subsequent measurement of financial assets

From 1 January 2018, financial assets are classified at initial recognition and subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through the results. The classification of financial assets at initial recognition is based on the contractual cash flows of the financial assets and the business model in which the financial asset is held.

Except for customer receivables, the Group initially assesses a financial asset at its fair value plus transaction costs in the case of a financial asset that is not measured at fair value through results. Receivables from customers are initially measured at transaction value as defined by IFRS 15.

In order to classify and measure a financial asset (excluding equity securities) at amortized cost or at fair value through other comprehensive income, must be created cash flows that are "exclusive capital and interest payments" on the not paid outstanding capital. This evaluation is known as the SPPI ("solely payments of principal and interest") criterion and is made at the level of an individual financial instrument.

After initial recognition, financial assets are classified into three categories:

- at amortized cost
- at fair value through other comprehensive income
- fair value through results

The Group does not have assets that are measured at fair value through other comprehensive income and results as at 31 December 2018. The Company presents investments in subsidiaries at their fair value.

Financial assets at amortized cost

Financial assets classified at amortized cost are subsequently measured using the effective interest method (EIR) and are subject to impairment testing. Profits and losses are recognized in results when the asset ceases to be recognized, modified, or impaired.

Impairment of financial assets

The Group assesses at each financial statement date whether the value of a financial asset or a group of financial assets has been impaired as follows:

<u>Trade receivables</u>

For receivables from customers and contractual assets, the Group applies the simplified approach for calculating the expected credit losses. Therefore, at each reporting date, the Group measures the provision for impairment for a financial instrument at an amount equal to the expected credit losses over the life of the instrument without monitoring the changes in credit risk.

Receivables from customers who are in late payment and for which the Group has identified objective evidence of impairment are individually assessed. Among other things, the Group considers objective evidence of impairment the beginning of legal action against the client and the client's position in liquidation. Expected credit losses are recognized as the difference between the contractual cash flows attributable to the Group and those that the Group expects to receive.

The remaining receivables from customers are collectively assessed by the Group. Upon initial recognition, a provision for loss is recognized at an amount equal to the expected credit loss over the life of the claim, based on historical loss indices.

Historical loss indices are calculated using historical sales figures and doubtful debts or actual write-offs as a percentage of sales. Historical loss indicators are adjusted if deemed appropriate based on management's assumptions about future information and the effect of expected changes in the economic, regulatory, and technological environment as well as external market indicators.

The amount of the impairment provision is recognized as an expense in the income statement for the year in which the impairment loss was incurred.

At each reporting date, all estimated non-cashed receivables are reviewed on a case-by-case basis to determine whether an impairment provision is required or not. It is a policy of the Group to clear bad debts only when all possible ways of collection (including legal remedies) are exhausted.

Derecognition of financial assets

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to the inflow of cash resources have expired,
- the Group retains the right to cash inflows from the specific asset but has also undertaken to pay them to third parties fully without undue delay in the form of a transfer agreement; or
- the Group has transferred the right to receive cash flows from that asset while either (a) it has transferred substantially all the risks and rewards thereof, or (b) has not transferred substantially all the risks and rewards but has transfer the control of that item.

When the Group transfers the rights to receive cash flows from an asset or concludes a transfer agreement, it assesses the extent to which it retains the risks and rewards of ownership of the asset. When the Group neither transfers nor retains substantially all the risks and rewards of the transferred asset and retains control of the asset, then the asset is recognized to the extent that the Group continues to participate in the asset. In this case, the Group also recognizes a related liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and commitments that the Group has retained.

Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are initially measured at their fair value less costs to trade, in the case of loans and payable obligations.

Derecognition of financial liabilities

A financial liability is deleted when the obligation arising from the liability is canceled or expires. When an existing financial liability is replaced by another by the same lender but under substantially different terms or the terms of an existing liability are significantly changed, such exchange or amendment is treated as a derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Settlement of financial assets

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legally enforceable right to set off the amounts recognized and there is an intention to settle on a net basis or to recover the asset and settle the obligation to at the same time. The legally enforceable right should not depend on future events and should

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be exercised in the ordinary course of business, as well as in cases of default, insolvency or bankruptcy of the Company or the counterparty.

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 does not include financial expenses.
For impaired inventories it has been formed provision of 424.686 euro (2018: 247.052 euro).

2.12. 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.

2.13. 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).

2.14. Income tax and deferred tax

The period's charge with income tax consists of the current tax and deferred taxes, i.e. 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 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, is 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.

2.15. 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. These 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

2.16. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation because 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 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.

2.17. Revenue and Expense Recognition

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

- **Income from sales of goods and services**

The Group recognizes revenue when a contractual obligation to the individual customer is met by the delivery of the good or the service (which is the same as when the control over the good or service passes to the customer).
If a contract includes more than one contractual obligation, the total value of the contract is allocated to the individual obligations based on the individual sales values. The amount of revenue recognized is the amount attributed to the corresponding contractual obligation that has been settled, based on the fee expected to be received by the Group in accordance with the terms of the contract. Any variable fee is included in the amount of revenue recognized, to the extent that it is unlikely that this amount will be reversed in the future.
The rights to future discounts according to the sales volume are assessed by the Group, to determine whether they are material rights that the client would not acquire if he had not entered the specific contract. For all these rights, the Group assesses the probability of exercising them and then the proportion of revenue attributable to that right is recognized when the right is either exercised or expired.

- **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.

2.18. 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.

Leases (based on the definitions of IFRS 16)

Until 2018, leases were classified as financial or operating leases.

Financial leases were capitalized at the beginning of the lease at the lowest value resulting from the fair value of the fixed asset and the present value of the minimum leases, each of which is determined at the start of the lease. Each lease was divided between the obligation and the interest.

The payments of the operating leases (net of any incentives received by the lessee) were registered by a fixed method at the income statement during the whole period of the lease.

From 1 January 2019, the leases are recognized in the statement of financial position as a right of use asset and a liability lease, the date on which the leased asset becomes available for use. Each lease is divided between the lease obligation and the interest, which is charged on the results throughout the lease in order to achieve a fixed interest rate for the rest of the financial liability in each period.

The Group presents the rights of use of the assets in a special account of the financial position. The right to use of an asset is depreciated in the shortest period between the useful life of the asset or its lease term, by a fixed method. The rights to use assets are initially measured at cost, and then reduced by the amount of accrued depreciation and impairment. Finally, they adapt to specific re-measurements of the respective lease obligation.

The initial measurement of the usage rights of the assets, consists of the amount of the initial measurement of the lease obligation, the leases payments made on or before the date of it, decreased at the amount of the offered discounts or other incentives, the initial expenses, which are directly related to the lease and any restoration costs.

Lease liabilities are initially calculated at the present value of the leases, which were not paid at the beginning of the lease. After their initial measurement, lease obligations increase due to their financial costs and decrease due to the payment of leases.
Finally, they are reassessed when there is a change: a) in leases due to a change in an indicator, b) in the estimation of the amount of residual value expected to be paid, or c) in the evaluation of a right to choose to buy or expansion, which is relatively certain to be exercised or an option to terminate the contract, which is relatively certain that it will not be exercised.

2.19. 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.

2.20. 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.

2.21. Trade obligations

Trade payables include the payment obligations for products and services acquired in the ordinary course of business of the Group by the suppliers. Trade payables are recorded as current liabilities when they are due to be paid in the next financial year. If their payment can be made beyond the next 12 months, then trade obligations are recorded in long-term liabilities.
Suppliers and other liabilities are initially recognized at their fair value and subsequently measured at unamortized cost using the effective interest method.
Management considers that the carrying amount of trade liabilities approximates their fair value

2.22. 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 risk by interest rate changes.

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	80%

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 2019 of the Group and the Company amounted to 5.513.034 euro (2018: 8.643.140 euro) and 4.625.000 euro (2018: 7.593.467 euro) accordingly, while the short-term bank borrowing of the Group and the Company at 17.642.850 euro (2018: 14.082.749 euro) and 9.955.848 euro (2018: 6.990.587 euro) accordingly.
The long-term bank borrowing has been concluded with interest based on EURIBOR plus fixed margin (spread).
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 burden by 231.559 and 145.808 euros respectively (2018: 227.259 and 145.841 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 231.559 and 145.808 euros respectively (2018: 227.259 and 145.841 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 2019 the total amount of customers’ and other trade receivables was 54.361.672 euro (2018: 51.510.557) and 40.020.593 euro (2018: 36.835.405) respectively and the provisions for doubtful debts were 8.673.229 euro (2018: 8.486.103) and 5.711.334 euro (2018: 5.514.674) respectively i.e. 16,12% (2018: 16,47%) and 14,27% (2018: 14,97%) which the Management of the Company considers satisfactory in an environment of increased credit fluctuations.

Also, the debit balances of subsidiaries on 31st December 2019 amounted to 1.469.080 euro (2018: 1.264.741 euro) and for which does not pose any risk of non-collection according to the application by the Group of the model for the assessment of future credit losses.

C. Capital risk management

The capital management aims to ensure the Group's opportunity to continue its activities, so 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**	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Total of borrowings	23.155.884	22.725.889	14.580.848	14.584.054
Less: Cash and cash equivalents	-2.335.676	-2.630.590	-1.280.884	-1.707.721
Net Borrowing	**20.820.208**	**20.095.299**	**13.299.964**	**12.876.333**
Equity	53.146.631	51.786.156	48.467.271	46.854.651
Total usable capital	**73.966.839**	**71.881.455**	**61.767.235**	**59.730.984**
Leverage factor	**28,15%**	**27,96%**	**21,53%**	**21,56%**

It is observed that the leverage factor on 31st December 2019 appears almost in the same level for the Group and the Company with the previous fiscal year 2018.
On 12/06/2019, at the Ordinary General Meeting of the Shareholders, it was decided dividend distribution at the amount of 1.603.811,22 euro thus 0,06 euro per share.

D. Liquidity Risk

Prudent liquidity risk management implies maintaining adequate 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 31/12/2019	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	17.642.850	3.732.143	1.780.891	23.155.884
Lease obligations	634.466	776.133	0	1.410.599
Trade and other liabilities	16.564.368	0	0	16.564.368
Total	**34.841.684**	**4.508.276**	**1.780.891**	**41.130.851**

Group 31/12/2018	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	14.082.749	7.035.997	1.607.143	22.725.889
Trade and other liabilities	16.862.232	0	0	16.862.232
Total	**30.944.981**	**7.035.997**	**1.607.143**	**39.588.121**

Company 31/12/2019	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	9.955.848	3.732.143	892.857	14.580.848
Lease obligations	227.060	562.237	0	789.297
Trade and other liabilities	12.275.680	0	0	12.275.680
Total	**22.458.588**	**4.294.380**	**892.857**	**27.645.825**

Company 31/12/2018	**up to 1 year**	**from 1 until 5 years**	**over 5 years**	**Total**
Borrowing	6.990.587	5.986.324	1.607.143	14.584.054
Trade and other liabilities	12.560.492	0	0	12.560.492
Total	**19.551.079**	**5.986.324**	**1.607.143**	**27.144.546**

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 equipment 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 contracts for loss of gross profit in case of business interruption, for coverage from property damage, as well as contracts covering financial losses or contingent liabilities from third parties.

Despite the insurance cover of facilities, stock, and employees, in any partial or whole destruction or accident related to the above risks, it cannot be 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.

F. COVID-19

The Group is closely monitoring the evolving situation of the global COVID-19 pandemic. The Crisis Management Team, fully in line with the guidelines of the Government and the World Health Organization, is taking all necessary actions and measures to ensure the continuity of operations and the health and safety of working people.
As a responsible social partner and company, it is fully acting and willing to play its role in society as a responsible employer and an important factor of the Greek Economy as well as the Economies in the area of responsibility of the Group.
The Special Crisis Management Team (Committee), which has been set up by the Group and refers to the Highest Administration, is constantly evaluating developments, drawing up and implementing appropriate action plans and dealing with possible consequences.
The Group, aligned with all the protocols and recommendations of the competent authorities, has already prepared, and fully implemented a plan to ensure operational continuity.
Currently, and as the Administration estimates, for the continuation and in contrast to other organizations that have been forced to suspend or limit their activities, all the facilities of the Group are fully operational, as no difficulties are encountered regarding COVID-19 in its supply chain. Delivery of products throughout the area which is covered by ELTON Group continues uninterrupted.
The Group has enabled its employees to work from home while teleworking is already in place and business trips have been suspended.
The Group also has comprehensive operational continuity plans to monitor and mitigate the impact on its activities.
In addition, a reserve group of workers has already been set up for this emergency.
The security team which is working at the facilities operates "in a state of social distancing" and in accordance with all security protocols and preventive measures applied in all departments, performs its duties properly.
However, we are in unprecedented times and the situation around us is evolving every day.
The disruption of the normal supply flow in the future cannot be ruled out, as COVID-19 may further affect global supply chains and exacerbate local constraints.
Although it is not possible at this stage to quantify or fully assess the potential impacts worldwide, possible factors that could affect the smoothness of activity are the following:
• Disorders in the global supply chain, as mentioned above.

• Delays in the execution of ongoing IT projects.
• Consequences of the impact of this global situation on the tourism market, HoReCa and temporarily - and until the start of measures' mitigation - of the related market with the construction industry.
• Delays in the development of its' investment plans, which it is mentioned that are remain in force.

In addition to the ongoing management of operational risk by the pandemic, an increased level of monitoring has been fully implemented to ensure and protect the financial position of the Company and the Group.

Against the uncertainty about the evolution of the situation, the Group has a very good financial position, available and increased liquidity and a very high level of product availability to support the needs of the industry and in general the productive structure of the economies of its area of responsibility by providing solutions, reliability and effectively preventing, for once again during the last 5 years, the emergence of gaps and shortages in the markets, thus ensuring the continuity of the business operation of its' customers and targets of its' partner suppliers.

Going through this worldwide unprecedented period with vigor, any potential impact on the results will depend on the ongoing developments, which are beyond the control of any Organization, which with a sense of responsibility and respect for society and its prestige, has taken all of the above measures and implements such an extensive design.

The Group supports the decisions of the local authorities, in its area of responsibility, to implement extraordinary public health measures, the course of which cannot be predicted, but only depending on the developments in the virus epidemic. All the above measures have been taken and are being implemented by both the parent Company and all subsidiaries, including that in Turkey.

Therefore, the overall economic impact of the COVID-19 pandemic cannot be reasonably assessed at present.

Based on the above mentioned, the management of the Company estimates that there will be no risk of substantial uncertainty in the continuation of the activity.

4. Changes at accounting principles

The Group has for the first time implemented IFRS 16 "Leases" which replaces the provisions of IAS 17 and sets out the principles for the recognition, measurement, presentation, and notifications of leases. The standard is mandatory for accounting periods starting on 1st January 2019 or later. IFRS 16 has a significant impact on the financial statements of the Group and the Company, particularly on all assets and liabilities, on results, on net cash flows from operating activities, on net cash flows on financial activities, and on the presentation of the financial position.

The new requirements affect the Group and the Company as lessee, mainly with respect to leases of buildings, technological equipment, and vehicles.
The Group has not adopted the new standard retroactively in each previous period but has implemented the modified retroactive approach. According to this method, the comparative information is not restated. In the transition to IFRS 16, liabilities arising from existing operating leases are discounted using the relevant incremental borrowing rate and recognized as lease liabilities. The rights to use the assets, as of 1st January 2019, are recognized in an amount equal to the obligation from leases, adjusted according to the amount of prepaid or accrued leases.

The most important political and practical facilitations that have been implemented are as follows:
- The assets with the right of use and the obligations from leases are presented separately in the financial position.
- The requirements for the recognition, measurement, and notification of IFRS 16 have been fully applied to short-term leases and "low value" leases.
- The Group used the practical facilitation of not separating the non-lease components of the contract from the lease components and therefore treats each element of the lease and any related parties that do not constitute a lease as a single lease.
The transition to the new standard on 1st January 2019 resulted in a cumulative negative impact on the remaining profits carried forward of the Group and the Company amounting to 4.505 euros. The adaption into the remaining profits carried forward also includes the affect from deferred tax receivables.
The Group and the Company recognized rights of assets use and liabilities for these leases that previously classified as operating, with the exception of the standard for lease contracts with remaining duration less than twelve months on the date of initial implementation of the standard, for contracts whose leased property is of low value, as well as for short-term contracts.

The Group and the Company recognized:
(a) an obligation to lease, which was measured as the present value by discounting future leases with the incremental borrowing rate that was in force at the date of initial application of the standard, and
b) the right to use an asset (“right-of-use asset”), which was recognized in an amount equal to the corresponding liability for leases, adjusted for prepayments and accrued lease payments that had been recognized in the Statement of Financial Position on 31/12/2018.

The table below presents the adjustments made for each separate line of the Financial Position Statement. Any funds that were not affected by the changes brought by the new standard are not included in the table.

GROUP	31 December 2018 as it was published	IFRS 16	1/1/2019 after the affect from IFRS16
Non current assets			
Rights of assets' use	0	2.335.674	2.335.674
Total of obligations			
Lease obligations	0	-2.331.170	-2.331.170
Capital and reserves			
Profits carried forward	51.786.156	-4.505	51.781.651
COMPANY	**31 December 2018 as it was published**	**IFRS 16**	**1/1/2019 after the affect from IFRS16**
Non current assets			
Rights of assets' use	0	1.023.669	1.023.669
Total of obligations			
Lease obligations	0	-1.019.164	-1.019.164
Capital and reserves			
Profits carried forward	46.854.651	-4.505	46.850.146

After the initial recognition, the Group and the Company measures the rights to use assets and depreciates them at a constant rate throughout the lease. Respectively, the Group measures the above liabilities from leases and is fluctuating them based on the recognition of the relevant interest and payments of leases.
During the financial year 2019, there was a positive effect on the EBITDA of the Group and the Company, which amounted to 984.241 euros and 248.883 euros respectively, as according to IAS 17, payments from operating leases were included in the EBITDA, but after the implementation of IFRS 16 the depreciation of assets' use rights and lease obligations interest are not included in the EBITDA calculation. The cash flows of the Group and the Company from operating activities increased in the financial year 2019, and respectively the cash flows from financial activities decreased by 984.241 euros and 248.883 euros respectively, as the payments of capital from lease obligations were classified as cash flows from financial activities.

The change in the rights of use assets for the fiscal year 2019 is analyzed as follows:

	GROUP				COMPANY		
Use value	**Buildings**	**Transportation means**	**Equipment**	**Total**	**Transportation means**	**Equipment**	**Total**
Initial recognition in the application of IFRS16	506.562	1.654.896	174.216	**2.335.674**	982.344	41.325	**1.023.669**
Additions	0	294.021	0	**294.021**	166.941	0	**166.941**
Termination/expiration of contracts	-5.134	-14.913	-1.229	**-21.276**	-14.913	0	**-14.913**
Exchange differences	3.533	7.801	0	**11.334**	0	0	**0**
Balance at 31st December 2019	**504.961**	**1.941.805**	**172.987**	**2.619.753**	**1.134.372**	**41.325**	**1.175.697**
Depreciation							
Initial recognition in the application of IFRS16	17.734	206.121	3.954	**227.809**	141.116	3.954	145.070
Additions	187.651	476.360	69.345	**733.356**	217.882	37.371	255.253
Termination/expiration of contracts	0	-1.740	0	**-1.740**	-1.740	0	-1.740
Exchange differences	-1.050	-1.106	-228	**-2.384**	0	0	0
Balance at 31st December 2019	**204.335**	**679.635**	**73.071**	**957.041**	**357.258**	**41.325**	**398.583**
Undepreciated value at 31st December 2019	**300.626**	**1.262.170**	**99.916**	**1.662.712**	**777.114**	**0**	**777.114**

5. 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 2019 were compiled with the basic accounting principles and estimations of the balance sheet of 31st December 2018.

6. 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.

6.1 Primary reporting sector by Business Unit

The financial statements of the Group by Business Unit for the periods 1/1-31/12/2019 & comparable 1/1-31/12/2018 analyzed as follows:

Period 01/01-31/12/2019	Industrial	Food- Agrochemicals	Other	Total
Total Gross Sales per sector	70.334.219	61.935.917	464.090	132.734.226
Sales between Group companies	-802.470	-706.650	-5.295	-1.514.415
Net sales to third parties	**69.531.749**	**61.229.267**	**458.795**	**131.219.811**
EBITDA	4.183.007	3.396.672	74.014	7.653.693
Depreciation of the period				-1.633.103
Financial cost				-1.308.575
Results before taxes				**4.712.015**
Income Taxes				-1.311.821
Profit after tax				**3.400.194**

Period 01/01-31/12/2018	Industrial	Food- Agrochemicals	Other	Total
Total Gross Sales per sector	71.971.262	60.239.328	1.743.608	133.954.198
Sales between Group companies	-668.678	-559.678	-16.200	-1.244.556
Net sales to third parties	**71.302.583**	**59.679.650**	**1.727.409**	**132.709.642**
EBITDA	4.150.977	3.024.846	87.210	7.263.033
Depreciation of the period				-961.751
Financial cost				-1.187.214
Results before taxes				**5.114.069**
Income Taxes				-1.622.545
Profit after tax				**3.491.524**

Allocation of Assets and Liabilities by Business Unit on 31st December 2019 on a consolidated basis and the comparable period 31st December 2018:

Assets Total	31/12/2019	31/12/2018
Industrial	51.721.518	51.233.621
Food- Agrochemicals	45.545.677	42.882.101
Other	341.277	1.241.209
Intercompany	-1.790.032	-2.696.261
Total	**95.818.440**	**92.660.670**

Liabilities Total	31/12/2019	31/12/2018
Industrial	23.559.778	23.409.820
Food- Agrochemicals	20.746.608	19.593.818
Other	155.456	567.137
Intercompany	-1.790.032	-2.696.261
Total	**42.671.809**	**40.874.514**

6.2 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 01/01-31/12/2019	Sales	Total of Assets
Greece	86.677.971	77.306.591
Romania	20.194.490	19.352.960
Turkey	8.140.499	4.670.918
Serbia	8.265.402	4.866.511
Bulgaria	6.752.834	7.011.069
Ukraine	2.703.030	1.247.844
Intercompany/consolidation deletions	-1.514.415	-18.637.453
Total	**131.219.811**	**95.818.440**

Period 01/01-31/12/2018	Sales	Total of Assets
Greece	85.678.302	75.197.428
Romania	22.327.920	19.345.703
Turkey	6.469.107	3.128.489
Serbia	9.072.309	4.928.077
Bulgaria	8.167.445	7.426.683
Ukraine	2.239.115	971.715
Intercompany/consolidation deletions	-1.244.556	-18.337.425
Total	**132.709.642**	**92.660.670**

7. 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 2018	17.666.296	5.015.771	1.528.707	1.269.920	25.480.695
Additions	1.711.593	230.503	183.455	986.647	3.112.197
Reductions	-8.630	-259.924	-28.786	-1.902.745	-2.200.084
Exchange differences	-4.319	-103	-2.016	489	-5.949
Balance at 31st December 2018	**19.364.940**	**4.986.247**	**1.681.360**	**354.311**	**26.386.859**
Additions	133.762	302.433	56.268	0	492.464
Reductions	-10.877	-357.845	-315.218	-351.120	-1.035.060
Exchange differences	0	-15.032	-8.807	0	-23.839
Balance at 31st December 2018	**19.487.825**	**4.915.804**	**1.413.603**	**3.191**	**25.820.424**
Depreciation					
Balance at 1st January 2018	3.919.557	3.308.068	1.278.101	0	8.505.726
Additions	417.156	298.606	71.124	0	786.886
Reductions	-2.388	-216.770	-23.779	0	-242.937
Exchange differences	-21.064	-425	-73.460	0	-94.949
Balance at 31st December 2018	**4.313.261**	**3.389.480**	**1.251.985**	**0**	**8.954.726**
Additions	408.638	284.984	67.565	0	761.186
Reductions	0	-323.716	-307.251	0	-630.967
Exchange differences	0	-15.818	-4.161	0	-19.979
Balance at 31st December 2019	**4.721.899**	**3.334.929**	**1.008.138**	**0**	**9.064.966**
Undepreciated value at 31st December 2019	**14.765.927**	**1.580.875**	**405.465**	**3.191**	**16.755.458**
Undepreciated value at 31st December 2018	**15.051.679**	**1.596.768**	**429.375**	**354.311**	**17.432.133**

On the property of the subsidiary in Bulgaria there are encumbrances for the provision of loan liabilities amounting to € 2.113.199.

COMPANY	**Land & Buildings**	**Mechanical equipment & transportation means**	**Furniture & other equipment**	**Tangible assets under construction & advances**	**Total**
Cost value					
Balance at 1st January 2018	**12.279.550**	**4.379.630**	**1.278.498**	**4.000**	**17.941.678**
Additions	0	154.306	36.277	0	190.582
Reductions	-8.630	-218.659	-1.673	0	-228.961
Balance at 31st December 2018	**12.270.920**	**4.315.277**	**1.313.102**	**4.000**	**17.903.299**
Additions	5.870	107.097	27.638	0	140.606
Reductions	0	-264.473	-300.705	0	-565.178
Balance at 31st December 2018	**12.276.790**	**4.157.902**	**1.040.035**	**4.000**	**17.478.727**
Depreciation					
Balance at 1st January 2018	2.929.245	2.844.092	1.091.798	0	6.865.135
Additions	260.392	203.790	53.581	0	517.762
Reductions	-2.388	-206.429	-1.671	0	-210.488
Balance at 31st December 2017	**3.187.249**	**2.841.453**	**1.143.707**	**0**	**7.172.409**
Additions	258.479	228.072	31.469	0	518.019
Reductions	0	-250.684	-299.900	0	-550.584
Balance at 31st December 2018	**3.445.728**	**2.818.841**	**875.276**	**0**	**7.139.844**
Undepreciated value at 31st December 2018	**8.831.062**	**1.339.061**	**164.759**	**4.000**	**10.338.883**
Undepreciated value at 31st December 2017	**9.083.671**	**1.473.824**	**169.395**	**4.000**	**10.730.890**

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 other equipment.

8. Intangible assets

GROUP	Software programs	Other rights	Total
Cost value			
Balance at 1st January 2018	**1.067.513**	**2.825.392**	**3.892.905**
Additions	61.268	13.224	74.492
Reductions	-5.894	-11.893	-17.787
Exchange differences	7	56	63
Balance at 31st December 2018	**1.122.894**	**2.826.779**	**3.949.673**
Additions	53.489	0	53.489
Reductions	0	-29	-29
Exchange differences	-3.290	-130	-3.420
Balance at 31st December 2019	**1.173.093**	**2.826.620**	**3.999.713**
Depreciation			
Balance at 1st January 2018	**855.092**	**410.827**	**1.265.920**
Additions	112.714	130.292	243.006
Reductions	-4.805	0	-4.805
Exchange differences	-3.454	23	-3.431
Balance at 31st December 2018	**959.548**	**541.142**	**1.500.690**
Additions	77.261	130.401	207.662
Reductions	0	0	0
Exchange differences	-2.329	58	-2.271
Balance at 31st December 2019	**1.034.480**	**671.602**	**1.706.081**
Undepreciated value at 31st December 2019	**138.613**	**2.155.018**	**2.293.632**
Undepreciated value at 31st December 2018	**163.347**	**2.285.637**	**2.448.983**

COMPANY	Software programs	Other rights	Total
Cost value			
Balance at 1st January 2018	**942.060**	**2.790.000**	**3.732.060**
Additions	10.464	0	10.464
Balance at 31st December 2018	**952.524**	**2.790.000**	**3.742.524**
Additions	2.415	0	2.415
Balance at 31st December 2019	**954.939**	**2.790.000**	**3.744.939**
Depreciation			
Balance at 1st January 2018	**838.929**	**401.834**	**1.240.764**
Additions	40.424	127.901	168.325
Balance at 31st December 2018	**879.354**	**529.735**	**1.409.089**
Additions	36.647	127.901	164.548
Balance at 31st December 2019	**916.001**	**657.637**	**1.573.637**
Undepreciated value at 31st December 2019	**38.938**	**2.132.363**	**2.171.302**
Undepreciated value at 31st December 2018	**73.171**	**2.260.265**	**2.333.435**

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.
It is provided a table with the undepreciated value per category for other rights.

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Goodwill of acquired companies	257.363	260.265	257.363	260.265
Trademarks	150.000	160.000	150.000	160.000
Suppliers' agency agreements	1.725.000	1.840.000	1.725.000	1.840.000
Other rights	22.655	25.372	0	0
Total	**2.155.018**	**2.285.637**	**2.132.363**	**2.260.265**

9. Goodwill

	Goodwill
Acquisition value	
Balance at 1st January 2018	**712.150**
Derecognition of goodwill	-
Balance at 31st December 2018	**712.150**
Derecognition of goodwill	-
Balance at 31st December 2019	**712.150**
Impairments	
Balance at 1st January 2018	-
Impairment loss in period	-
Balance at 31st December 2018	**0**
Impairment loss in period	-
Balance at 31st December 2019	**0**
Undepreciated value at 31st December 2019	**712.150**
Undepreciated value at 31st December 2018	**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 and in July 2019 acquired plus 10% from capitalization of reserves.

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Impairment test

The goodwill that appears in the consolidated financial statements resulted from the acquisition of the subsidiary ELTON MARMARA KIMYA SANAYI VE TICARET A.S. in Turkey by the subsidiary ELTON CORPORATION ROMANIA SA in Romania. The management of the company carried out an impairment test of the goodwill in accordance with the IAS 36 having distributed these data to the individual Cash Flow Units (CFU). The recoverable amount of goodwill has been calculated using the prepayment cash flow method.
To identify the value of the use, the Management used assumptions which it considers reasonable and are based on the best possible available information and was valid at the reporting date of the Financial Statements.
The main assumptions that have been used to calculate the estimated future cash flows are:
- Preparation of a business plan:
The business plan was prepared based on a maximum period of 5 years. It is based on recently developed budgets and estimations. The business plan used budgetary operating profit margins and EBITDA, as well as future estimations using reasonable assumptions.
- Weighted average capital cost (WACC):
The WACC method reflects the prepayment rate for future cash flows, according to which the cost of equity and the cost of long-term borrowing are weighed to calculate the cost of total capital. The Company's WACC was estimated at 11,27%.
- Sensitivity analysis was performed with the assumption that the growth rate in perpetuity ranges between 0,25% and 0,75% while WACC will range between 8,78% (decrease by 2,5%) and 13,78% (increase by 2,5%).
Apart from the above assessments regarding the determination of the value due to the use of CFU, no changes have taken place in the perception of the Administration, changes in the conditions that may have influenced its other assumptions. It is noted that the possible effects of COVID-19 have not been considered as this event is a later non-corrective event in accordance with IAS 10 "Events following the reporting date".

According to the impairment test there were not incurred any impairment losses related to goodwill.

10. 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 2019 and 2018 were as follows:

COMPANY	31/12/2019	31/12/2018
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	1.300.000	1.000.000
TOTAL	**13.491.326**	**13.191.326**

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

COMPANY	Country of establishment	Assets	Liabilities	Income	Profit before taxes/(loss)
ELTON CORPORATION SA (*)	Romania	20.667.783	7.318.472	28.334.989	902.049
ELTON CORPORATION EOOD	Bulgaria	7.011.069	6.021.696	6.752.834	-416.716
ELTON CORPORATION DOO	Serbia	4.866.511	1.885.416	8.265.402	132.429
ELTON CORPORATION LLC	Ukraine	1.247.844	272.053	2.703.030	-219.969

(*) 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 80% (indirectly) and was acquired in October 2015 (70%) and in July 2019 (10%).
On 11th October 2010, the ELTON PLS subsidiary was established in Greece. The participation of the parent company in the company was initially 70% and during the 1st half of 2018 it was acquired 30% by the old shareholders for 41.000 euro. During 2019 there was increase of capital at the amount of 240.000 € for cover of obligations. The subsidiary was not consolidated due to the absence of any material results.
The investments of the parent at the unconsolidated subsidiaries at 31st December 2019 and 2018 are as follows:

COMPANY	31/12/2018	Period changes	31/12/2019
ELTON PLS SA			
Participation value	741.000	240.000	981.000
Impairment provisions	-741.000	-240.000	-981.000
TOTAL	**0**	**0**	**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 value and specifically it was chosen this test to be based in the identification of the Company's readjusted 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 increase in the value of the participation which was conducted in the capital of the subsidiary ELTON PLS in 2019 was fully impaired at the results of the current year.

An impairment test was conducted in the Group at the subsidiary companies, as cash flow generating units. For the calculation of the value were used cash flow projections based on estimations by the Group's Management covering a five-year period.

There has not been any impairment issue at the value of the participations.

Basic assumptions

Cash flows after the first five years have been calculated by using an estimated growth rate up to 0,5%, which reflects mainly the management's forecasts for the growth prospects of the industry as well as the country.

The prepayment interest rate that was used for the prepayment of the cash flows which are arising from the application of the above method is variable and amounts from 6,89% to 11,27% and was based on the following:

- The risk-free rate was determined based on the 10-year bond yield rate of the EU countries which have been rated from independent rating agencies with AAA and is equal to 0,01%.
- The additional percentage of performance (market risk premium) for an investment in a mature market was set at 5,20%
- The additional risk per country is variable and ranges from 1,88% - 4,44%

11. 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 1/1/2019	Recognition at the results statement	Recognition in Other Comprehensive Income	Balance on 31/12/2019
Provision for staff indemnities	135.208	2.983	7.056	145.248
Provision for doubtful receivables	489.412	-32.450	-	456.962
Provision for obsolete inventory	61.374	-2.455	-	58.919
Provision of participations impairment	185.250	50.190	-	235.440
Value adjustment of land	133.397	-8.857	-	124.540
Tangible fixed assets	-322.548	-15.050	-	-337.598
Intagible assets	-183.941	-24.495	-	-208.435
Rights of assets' use	0	1.541	1.383	2.924
Total	**498.153**	**-28.593**	**8.440**	**477.999**

	GROUP				
(amounts in euro)	Balance on 1/1/2018	Recognition at the results statement (*)	Recognition in Other Comprehensive Income (**)	Effect of IFRS9	Balance on 31/12/2018
Provision for staff indemnities	145.505	-9.754	-542	-	135.208
Provision for doubtful receivables	391.454	69.599	-	28.360	489.412
Provision for obsolete inventory	37.700	23.674	-	-	61.374
Provision of participations impairment	203.000	-17.750	-	-	185.250
Value adjustment of land	168.827	-35.430	-	-	133.397
Tangible fixed assets	-342.253	19.705	-	-	-322.548
Intagible assets	-174.642	-9.299	-	-	-183.941
Total	**429.591**	**40.745**	**-542**	**28.360**	**498.153**

(*) Deferred tax recognized in the income statement has arisen (a) from the calculation of the temporary differences that arose in the current year of € 50.188 and (b) from the effect of the change in tax rates (€ 21.594).
(**) In the other comprehensive income has also been recognized the effect of the change in tax rates of 1.129 euro.

	COMPANY			
(amounts in euro)	**Balance on 1/1/2019**	**Recognition at the results statement**	**Recognition in Other Comprehensive Income**	**Balance on 31/12/2019**
Provision for staff indemnities	135.208	2.983	7.056	145.248
Provision for doubtful receivables	471.168	28.352	-	499.520
Provision for obsolete inventory	61.374	-2.455	-	58.919
Provision of participations impairment	185.250	50.190	-	235.440
Value adjustment of land	221.435	-8.857	-	212.578
Tangible fixed assets	-322.423	-13.862	-	-336.286
Intagible assets	-183.941	-24.495	-	-208.435
Rights of assets' use	0	1.541	1.383	2.924
Total	**568.072**	**33.396**	**8.440**	**609.907**

	COMPANY				
(amounts in euro)	**Balance on 1/1/2018**	**Recognition at the results statement (*)**	**Recognition in Other Comprehensive Income (**)**	**Effect of IFRS9**	**Balance on 31/12/2018**
Provision for staff indemnities	145.505	-9.754	-542	-	135.208
Provision for doubtful receivables	383.158	59.651	-	28.360	471.168
Provision for obsolete inventory	37.700	23.674	-	-	61.374
Provision of participations impairment	203.000	-17.750	-	-	185.250
Value adjustment of land	256.865	-35.430	-	-	221.435
Tangible fixed assets	-341.251	18.828	-	-	-322.423
Intagible assets	-174.642	-9.299	-	-	-183.941
Total	**510.335**	**29.920**	**-542**	**28.360**	**568.072**

(*) Deferred tax recognized in the income statement has arisen (a) from the calculation of the temporary differences that arose in the current year of € 51.514 and (b) from the effect of the change in tax rates (€ 21.594).
(**) In the other comprehensive income has also been recognized the effect of the change in tax rates of 1.129 euro.

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

	GROUP		COMPANY	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Deferred tax receivables	1.024.033	1.004.642	1.154.629	1.074.436
Deferred tax liabilities	-546.033	-506.489	-544.721	-506.364
Deferred tax receivables at Balance Sheet	**609.907**	**586.315**	**609.907**	**568.072**
Deferred tax Liabilities at Balance Sheet	**-131.908**	**-88.162**	**0**	**0**

The above deferred tax obligations of the Group amounting to 131.908 euro (2018: 88.162 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	24%
Romania	16%
Turkey	22%
Bulgaria	10%
Serbia	15%
Ukraine	18%

12. Other non-current assets

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

	GROUP		COMPANY	
Other non-current assets	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Guarantees	60.813	115.711	54.472	65.542
	60.813	**115.711**	**54.472**	**65.542**

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13. Inventories

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

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Inventories	20.693.159	19.897.293	9.408.331	10.049.002
Finished and semi-finished products	1.434.651	2.542.872	1.401.973	2.540.725
Raw& Auxiliary materials, packing items	1.439.040	1.307.345	1.381.055	994.446
Total	**23.566.850**	**23.747.510**	**12.191.359**	**13.584.173**
Less: Provision for scrap and damaged inventory	(424.686)	(247.052)	(245.496)	(245.496)
Total net liquidating value	**23.142.164**	**23.500.458**	**11.945.863**	**13.338.677**

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

14. Customers and other trade receivables

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

	GROUP		COMPANY	
Trade and other receivables	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Customers	34.253.736	33.335.307	21.498.277	20.189.958
Notes receivable	199.752	166.482	199.752	166.482
Promissory Notes in delay	290.291	296.018	290.291	296.018
Cheques receivable	14.460.456	12.896.222	13.190.475	11.516.932
Checks in delay	3.800.204	3.697.592	3.800.204	3.697.592
Advances for purchase of inventories	1.357.232	1.118.935	1.041.593	968.422
	54.361.672	**51.510.557**	**40.020.593**	**36.835.405**
Less: Provision for doubtful receivables	(8.763.229)	(8.486.103)	(5.711.334)	(5.514.674)
Grand total of customers and other trade receivables	**45.598.443**	**43.024.454**	**34.309.259**	**31.320.731**

The movement of the provisions for the doubtful receivables is as follows:

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Starting balance	**8.486.103**	**6.908.618**	**5.514.674**	**4.951.235**
Provision for doubtful receivables according to IFRS 9	68.105	817.580	-53.340	113.439
Provision for doubtful receivables of current year	517.174	887.843	250.000	450.000
Amounts recovered in the current year	-294.150	-128.422	0	0
Exchange differences	-14.003	484	0	0
Ending Balance	**8.763.229**	**8.486.103**	**5.711.334**	**5.514.674**

According to management's estimations, the amounts of provisions 8.763.229 euro (2018: 8.486.103 euro) and 5.711.334 euro (2018: 5.514.674 euro) for the Group and the Company respectively, are considered enough to cover possible losses arising from the non-collection of receivables. All the above claims are short-term, and it is not required their prepayment at the balance sheet date.

Also, the debit balances of subsidiaries on 31st December 2019 amounted to 1.469.080 euro (2018: 1.264.741 euro), for which does not seem any risk of non-collection by the implementation from the Group of the model for future credit losses.

15. Other current assets

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

	GROUP		COMPANY	
Other current assets	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Sundry Debtors	2.382.627	1.994.734	2.110.034	1.744.753
Accounts of advances-credits	29.455	2.722	29.455	2.722
Deferred expenses	235.404	212.419	188.093	193.559
	2.647.485	**2.209.875**	**2.327.581**	**1.941.034**

Furthermore, the sundry debtors are analyzed as follows:

	GROUP		COMPANY	
Sundry debtors	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Advance payment of Tax Income	1.498.778	1.202.569	1.498.778	1.202.569
Other Debtors	883.849	792.164	611.256	542.183
	2.382.627	**1.994.734**	**2.110.034**	**1.744.753**

All the above claims are short-term, and it is not required their prepayment at the balance sheet date.

16. Cash and cash equivalents

	GROUP		COMPANY	
Cash and cash equivalents	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Cash	17.807	15.049	4.643	4.199
Sight and time deposits	2.317.870	2.615.541	1.276.242	1.703.522
	2.335.676	**2.630.590**	**1.280.884**	**1.707.721**

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

17. Equity

17.1 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
31/12/2018	26.730.187	0,52	13.899.697	133.417	14.033.114
+/- Acts during 2019	0	0	0	0	0
31st December 2019	**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.

17.2 Other reserves and retained earnings

The other reserves of the Group are analyzed as follows:

	GROUP		COMPANY	
Reserves and Retained Earnings	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Statutory reserves	2.234.561	2.061.301	1.970.133	1.796.873
Extraordinary reserves	1.066.491	1.066.491	1.066.491	1.066.491
Untaxed reserves	119.790	119.790	119.790	119.790
Other Reserves	2.489.730	2.489.730	0	0
Reserves of Exchange Differences	-3.196.104	-2.829.971	0	0
Retained earnings	36.127.466	34.598.405	31.277.744	29.838.383
	38.841.934	**37.505.747**	**34.434.157**	**32.821.537**

17.3 Dividends

Dividends payable in accordance with the IASF 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 it will be proposed a dividend distribution to the Annual General Meeting of shareholders.

18. Loan liabilities

The borrowings on 31st December 2019 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Long Term Loans				
Bank Borrowings	5.513.034	8.643.140	4.625.000	7.593.467
Bond Borrowing	0	0	0	0
	5.513.034	**8.643.140**	**4.625.000**	**7.593.467**
Short Term Loans				
Bank Borrowings	17.642.850	14.082.749	9.955.848	6.990.587
Bond Borrowing	0	0	0	0
	17.642.850	**14.082.749**	**9.955.848**	**6.990.587**
Total borrowings	**23.155.884**	**22.725.889**	**14.580.848**	**14.584.054**

The expiry dates of all the long-term loans of the Group and the Company are as follows:

	GROUP		COMPANY	
(amounts in euro)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
From 1 to 2 years	1.589.286	3.009.803	1.589.286	2.968.467
From 2 to 5 years	2.142.857	4.026.194	2.142.857	3.017.857
Over 5 years	1.780.891	1.607.143	892.857	1.607.143
Total	**5.513.034**	**8.643.140**	**4.625.000**	**7.593.467**

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 expiry of the loan is in 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 expiry of the loan is in 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 expiry of the loan is in 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.

On 8th February 2018, it was concluded a long-term loan with the National Bank of Greece at the amount of 2.000.000 euro with variable Euribor interest and fixed spread. The expiry of the loan is in two (2) years and 3 months and according to the agreed repayment schedule it will be repaid in 9 equal quarterly installments. This obligation was recognized at cost that reflects the fair value of the amounts received.

On 28th March 2018, it was concluded a long-term loan with the Eurobank at the amount of 5.000.000 euro with variable Euribor interest and fixed spread. The expiry of the loan is in seven (7) years and according to the agreed repayment schedule it will be repaid in 28 equal quarterly installments. This obligation was recognized at cost that reflects the fair value of the amounts received.

In 2017, ELTON CORPORATION EOOD concluded a loan with ProCredit Bank amounting to 1.350.000 euro for investment purposes with a floating Euribor rate and a fixed spread. The expiry of the loan is on February 27th , 2026. To grant this loan, mortgages have been registered on the company's property and a corporate guarantee has been provided by the parent company.

19. 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 it has not been created other provision and this is because 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 31.12.2019 and 31.12.2018 respectively:

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Balance sheet liabilities for:				
Pension benefits	605.198	540.832	605.198	540.832
Total	**605.198**	**540.832**	**605.198**	**540.832**
Charges to results				
Pension benefits	65.066	53.118	65.066	53.118
Total	**65.066**	**53.118**	**65.066**	**53.118**
Actuarially (profit) / loss (other comprehensive income)				
Pension benefits	34.104	13.696	34.104	13.696
Total	**34.104**	**13.696**	**34.104**	**13.696**

The amounts that have been registered in the balance sheet are the following:

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Present value of obligation at the end of fiscal year	605.198	540.832	605.198	540.832
Actual value of plan assets at the end of fiscal year	0	0	0	0
Net liability for registration in the balance sheet at the end of fiscal year	**605.198**	**540.832**	**605.198**	**540.832**

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

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Cost of current service	35.404	32.109	35.404	32.109
Interest expense	8.653	8.530	8.653	8.530
Cost (result) of Settlements	21.008	12.479	21.008	12.479
Total included in employee benefits	**65.066**	**53.118**	**65.066**	**53.118**

Change of the liability in the balance sheet:

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Net liability for register in the balance sheet at the beginning of the fiscal year	**540.832**	**501.740**	**540.832**	**501.740**
Employer contributions paid	-34.803	-27.722	-34.803	-27.722
Expense for register in the income statement	65.066	53.118	65.066	53.118
Actuarial (profits) / losses	34.104	13.696	34.104	13.696
Net liability for register in the balance sheet at the end of the fiscal year	**605.198**	**540.832**	**605.198**	**540.832**

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

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
	%	%	%	%
Interest rate	1,15%	1,60%	1,15%	1,60%
Salary increase	2,00%	2,00%	2,00%	2,00%
Inflation	1,50%	2,00%	1,50%	2,00%

20. Grants

At the account "Grants of Assets" it has been registered grant related to assets which had been included in Investment Law 3299/2004.

Amount 69.102 euro (2018:69.102 euro) was registered in favor of the fiscal year results.

21. 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	
Suppliers and other liabilities	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Suppliers	11.368.103	11.878.389	7.963.024	8.061.652
Notes payable	72.047	33.641	72.047	33.641
Cheques payable	150.000	0	150.000	0
Advances from customers	1.152.853	768.717	731.155	721.488
	12.743.003	**12.680.746**	**8.916.226**	**8.816.781**

It follows the analysis of other short-term liabilities:

	GROUP		COMPANY	
Other Short Term Liabilities	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Insurance institutions	353.735	380.666	224.159	208.333
Dividends payable	0	0	0	0
Sundry creditors	1.161.337	948.479	975.497	834.085
Accrued Expenses	23.465	47.971	9.901	15.535
	1.538.537	**1.377.116**	**1.209.557**	**1.057.953**

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

22. Current tax liabilities

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

	GROUP		COMPANY	
Current tax liabilities	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Settlement Account of income tax	1.098.634	1.506.173	1.098.634	1.504.342
Other Liabilities from taxes	1.184.194	1.298.196	1.051.263	1.181.416
Total	**2.282.828**	**2.804.369**	**2.149.897**	**2.685.758**

23. Cost of sales

The cost of sales is analyzed as follows:

Cost of Sales	GROUP		COMPANY	
	1/1-31/12/19	1/1-31/12/18	1/1-31/12/19	1/1-31/12/18
Cost of inventories recognized as an expense	110.657.462	111.790.846	73.166.876	71.907.897
Remuneration & Personnel expenses	34.547	25.554	34.547	25.554
Third party Fees & Expenses	191.774	208.654	191.774	208.654
Third party utilities and services	6.652	25	6.652	25
Taxes - Duties	37	0	37	0
Sundry Expenses	-7.005	1.126	-7.005	1.126
Depreciation of fixed assets	12.130	10.048	12.130	10.048
Operating provisions	0	0	0	0
	110.895.598	**112.036.254**	**73.405.012**	**72.153.305**

24. Administrative expenses - distribution

The administrative and distribution expenses are analyzed as follows:

	GROUP		COMPANY	
Administrative Expenses	**1/1-31/12/19**	**1/1-31/12/18**	**1/1-31/12/19**	**1/1-31/12/18**
Personnel payroll and expenses	2.042.680	1.673.956	1.169.971	1.078.117
Third party Fees & expenses	370.371	460.066	217.335	181.674
Third party utilities and services	296.281	287.965	253.634	194.702
Taxes and Duties	104.686	78.824	80.208	67.979
Sundry Expenses	478.594	544.944	128.007	140.014
Depreciation of fixed assets	726.601	609.268	533.394	542.402
Operating Provisions	278.666	141.903	240.000	41.000
	4.297.878	**3.796.925**	**2.622.549**	**2.245.889**

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	GROUP		COMPANY	
Distribution Expenses	**1/1-31/12/19**	**1/1-31/12/18**	**1/1-31/12/19**	**1/1-31/12/18**
Personnel payroll and expenses	4.713.728	4.952.072	3.566.446	3.401.555
Third party Fees & expenses	657.047	521.965	57.755	92.330
Third party utilities and services	514.079	1.250.319	382.580	843.842
Taxes and Duties	212.291	175.626	127.316	147.178
Sundry Expenses	2.457.256	2.305.901	972.583	891.946
Depreciation of fixed assets	989.322	314.169	392.296	133.637
Operating Provisions	473.051	812.533	285.404	495.786
	10.016.774	**10.332.585**	**5.784.380**	**6.006.274**

The significant change in third party expenses and the depreciation of fixed assets is due to the different classification of the operating expenses because of the IFRS16 implementation.

25. Other operating Income / Expenses

Other operating income and expenses are analyzed as follows:

	GROUP		COMPANY	
Other operating income	**1/1-31/12/19**	**1/1-31/12/18**	**1/1-31/12/19**	**1/1-31/12/18**
Amortisation of grants L.3299/2004	69.102	69.102	69.102	69.102
Income from rents	19.890	22.890	19.890	22.890
Extraordinary income	333.199	255.788	49.318	64.035
Extraordinary profit	29.152	13.399	29.152	13.399
Prior years' income	6.512	2.786	6.512	2.786
Other operating income	513.784	92.018	126.595	24.002
	971.639	**455.983**	**300.569**	**196.214**

	GROUP		COMPANY	
Other operating expenses	**1/1-31/12/19**	**1/1-31/12/18**	**1/1-31/12/19**	**1/1-31/12/18**
Extraordinary expenses	644.279	565.034	274.603	27.091
Extraordinary losses	328.312	21.464	2.196	21.464
Expenses prior years	13.454	21.970	13.454	21.970
Exchange Differences	-25.436	90.110	-8.866	7.382
	960.610	**698.578**	**281.388**	**77.907**

26. Income Tax

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

	GROUP		COMPANY	
Income Tax	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Income Tax	1.303.722	1.673.399	1.121.229	1.498.233
Deferred tax expense / (income)	8.100	-50.855	-54.990	-37.150
	1.311.821	**1.622.545**	**1.066.238**	**1.461.084**

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

	GROUP		COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Profit before Taxes	4.712.015	5.114.069	4.314.222	4.739.834
Income Tax based of application of each country tax rate	1.118.339	1.459.681	1.035.413	1.374.552
Deffered tax changes due to tax rate change	21.594	66.425	21.594	66.425
Changes to prior years tax	-15.614	-6.109	-15.614	-6.109
Taxes not included in operating cost	0	0	0	0
Tax effect of not deductible expenses for tax purposes	110.783	135.282	24.845	26.216
Tax losses for which is not recognised deffered tax claim	76.718	-32.734	0	0
Taxes in the income statement	**1.311.821**	**1.622.545**	**1.066.238**	**1.461.084**

27. Earnings per share

	GROUP		COMPANY	
	1/1-31/12/19	**1/1-31/12/18**	**1/1-31/12/19**	**1/1-31/12/18**
Profit attributable to the owners of the parent	3.352.694	3.465.124	3.247.984	3.278.750
Weighted average number of shares	26.730.187	26.730.187	26.730.187	26.730.187
Earnings after taxes per share - basic (in €)	**0,1254**	**0,1296**	**0,1215**	**0,1227**

28. 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)	2010-2019
ELTON CORPORATION EOOD (Bulgaria)	2010-2019
ELTON CORPORATION DOO (Serbia)	2010-2019
ELTON CORPORATION LLC (Ukraine)	2012-2019

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 but on a voluntary basis. The company has already been audited for the fiscal years 2016,2017 and 2018 by its auditor and has received the Annual Tax Certificate without reservation.
The tax audit for the year 2019 is already carried out by the 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.

29. Transactions with related parties

All the transactions described below have been carried out under the usual terms of the market, i.e. on terms identical to those that would apply to the same or similar transactions between independent companies and are subject to the provisions of Article 99 paragraph 3 of Law 4548/2018. 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 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 2019 compared to 2018 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

	SALES		PURCHASES	
COMPANY	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
ELTON CORPORATION SA	641.291	367.466	262.541	287.524
ELTON CORPORATION EOOD	307.646	136.230	35.724	53.381
ELTON CORPORATION DOO	124.345	109.153	0	0
ELTON CORPORATION LLC	209	1.360	0	0
ELTON MARMARA A.S.	1.520	82.345	22.980	0
TOTAL	**1.075.011**	**696.554**	**321.245**	**340.905**

TRANSACTIONS OF ELTON SA WITH RELATED PARTIES

	RECEIVABLES		OBLIGATIONS	
COMPANY	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
ELTON CORPORATION SA	29.650	41.148	183.969	1.273.444
ELTON CORPORATION EOOD	1.282.277	1.100.658	0	0
ELTON CORPORATION DOO	156.944	120.535	0	0
ELTON CORPORATION LLC	209	1.360	0	0
ELTON MARMARA A.S.	0	1.040	0	0
TOTAL	**1.469.080**	**1.264.741**	**183.969**	**1.273.444**

Group Companies' Purchases- Sales of period 1/1- 31/12/2019

	Purchase Company						
Sale Company	ELTON INT.SA	ELTON SA	ELTON EOOD	ELTON DOO	ELTON LLC	ELTON MARMARA	**Total**
ELTON INT.TRADING CO.SA	*	641.291	307.646	124.345	209	1.520	**1.075.011**
ELTON CORPORATION SA	262.541	*	16.500	0	0	13.633	**292.674**
ELTON CORPORATION EOOD	35.724	84.972	*	1.440	0	0	**122.136**
ELTON CORPORATION DOO	0	0	1.614	*	0	0	**1.614**
ELTON CORPORATION LLC	0	0	0	0	*	0	**0**
ELTON MARMARA AS	22.980	0	0	0	0	*	**22.980**
Total	**321.245**	**726.263**	**325.760**	**125.785**	**209**	**15.153**	**1.514.415**

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Group Companies' Purchases- Sales of period 1/1- 31/12/2018							
	Purchase Company						
Sale Company	ELTON INT.SA	ELTON SA	ELTON EOOD	ELTON DOO	ELTON LLC	ELTON MARMARA	**Total**
ELTON INT.TRADING CO.SA	*	367.466	136.230	109.153	1.360	82.345	**696.554**
ELTON CORPORATION SA	287.524	*	34.888	47.422	0	0	**369.834**
ELTON CORPORATION EOOD	53.381	80.924	*	6.297	0	0	**140.602**
ELTON CORPORATION DOO	0	12.360	17.970	*	4.736	0	**35.066**
ELTON CORPORATION LLC	0	0	0	2.500	*	0	**2.500**
ELTON MARMARA AS	0	0	0	0	0	*	**0**
Total	**340.905**	**460.750**	**189.088**	**165.372**	**6.096**	**82.345**	**1.244.556**

Group Companies' Receivables - Obligations at 31/12/2019							
	Obligation of						
Claim of	ELTON INT.SA	ELTON SA	ELTON EOOD	ELTON DOO	ELTON LLC	ELTON MARMARA	**Total**
ELTON INT.TRADING CO.SA	*	29.650	1.282.277	156.944	209	0	**1.469.080**
ELTON CORPORATION SA	183.969	*	11.990	0	0	2.918	**198.877**
ELTON CORPORATION EOOD	0	120.948	*	0	0	0	**120.948**
ELTON CORPORATION DOO	0	0	1.127	*	0	0	**1.127**
ELTON CORPORATION LLC	0	0	0	0	*	0	**0**
ELTON MARMARA AS	0	0	0	0	0	*	**0**
Total	**183.969**	**150.598**	**1.295.394**	**156.944**	**209**	**2.918**	**1.790.032**

Group Companies' Receivables - Obligations at 31/12/2018							
	Obligation of						
Claim of	ELTON INT.SA	ELTON SA	ELTON EOOD	ELTON DOO	ELTON LLC	ELTON MARMARA	**Total**
ELTON INT.TRADING CO.SA	*	41.148	1.100.658	120.535	1.360	1.040	**1.264.741**
ELTON CORPORATION SA	1.273.444	*	40.438	10.807	0	0	**1.324.689**
ELTON CORPORATION EOOD	0	80.924	*	6.297	0	0	**87.221**
ELTON CORPORATION DOO	0	12.360	7.250	*	0	0	**19.610**
ELTON CORPORATION LLC	0	0	0	0	*	0	**0**
ELTON MARMARA AS	0	0	0	0	0	*	**0**
Total	**1.273.444**	**134.432**	**1.148.346**	**137.639**	**1.360**	**1.040**	**2.696.261**

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 two and a half million euro (2.500.000) to subsidiary "ELTON CORPORATION DOO",
amount of four million euro (4.000.000) to subsidiary "ELTON CORPORATION EOOD",
amount of four million euro (4.000.000) to subsidiary "ELTON CORPORATION SA",
amount of two milion euro (2.000.000) to subsidiary "ELTON MARMARA AS" and
amount of one million euro (1.000.000) to subsidiary "ELTON CORPORATION LLC"

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 1.1-31.12.2019 and 1.1-31.12.2018 which are in line with the Company's Remuneration Policy were as follows (amounts in euros):

	GROUP		COMPANY	
	1/1-31/12/19	1/1-31/12/18	1/1-31/12/19	1/1-31/12/18
Transactions and fees of managers and members of the administration from payroll and profits	1.026.309	961.998	548.715	619.289
Receivables from managers and BoD members	0	0	0	0
Obligations to key management personnel and BoD members	0	24.337	0	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 2019.

30. Number of employees

The number of employees at the end of the period was as follows: Group **258**, Company **122**. The number of employees at the end of the corresponding period last year was: Group **248**, Company **122**.

31. 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.

32. Remuneration of Auditors

The remuneration of the auditors for the year 2019 was:
(a) Audit of financial statements: Group: € 42.620, Company: € 18.000.
(b) Tax Audit: Company: 12.000 euro.
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 € 2.113.199.

34. Events after the balance sheet date

The following are facts related to the Company's activity and took place from the end of the fiscal year 2019 until today:

From the first moments of the appearance of COVID19, ELTON closely monitors all developments at national and international level, while the company's Crisis Management Team, fully aligned with all the protocols and instructions of the Greek government and the World Health Organization, has ensure the safety and health of our staff and the smooth operation of all our activities.
The special Crisis Management Team, which has been set up by the Group and refers to the Highest Administration, constantly evaluates the developments, analyzes the effects and the prospects that are formed, draws up and implements the appropriate action plans to shield the position of our Group.
All our facilities are fully operational, while we do not face any difficulties in our supply chain, which has allowed us to continue without interruption to deliver products to the entire area that is covered by the Group, thus ensuring, to the appropriate extent, the operation of our customers, and through those of the economy.

Regarding the safety of our people, from the first moment we committed to reduce the spread of the virus. All employees who can work from home are already implementing teleworking, while travels have been stopped. We have already implemented comprehensive business continuity plans to monitor and minimize the impact on our activities, and a reserve staff has already been set up for emergencies. The security team that is working at the facilities is operating "in a state of social distance" in accordance with all safety protocols and the new prevention and safety measures required.

Going through this world unprecedented period with vigor, any effects on the results will depend on the emerging developments, which are obviously beyond the control of any organization, and cannot be reasonably assessed at present.

ELTON, with a sense of responsibility and respect for society but also for its prestige, is setting as an absolute priority the safety and health of staff, constantly monitors the new data and implements the necessary actions to ensure the operation and dynamic of our Group.

(For more details, see the relevant note in the Risk Management section as well as in the Management Report, section: Data and estimations for the development of the activities of the Company and the Group for the fiscal year 2020).

It is noted that the possible effects of COVID-19 have not been considered as this event is a subsequent non-corrective event in accordance with IAS 10 "Events following the reporting date".

There are no other events following the balance sheet of 31/12/2019, which concern either the Group or the Company.

Avlonas Attica, 16th April 2020

PRESIDENT & CEO	B.O.D. MEMBER	FINANCIAL MANAGER	GROUP FINANCIAL MANAGER
NESTOR D.PAPATHANASIOU	ALKISTIS N.PAPATHANASIOU	STYLIANOS D.VASILIOU	ANTONIOS GIASSARIS
ID card num.AB606775	ID card num.AE105490	ID card num.T132250	ID card num.AN061294

ELTON INTERNATIONAL TRADING COMPANY S.A.

Company's No in the Registry of S.A. : 346001000
Head Office: Avlonas Attiki , Draseza place (Industrial zone Avlona)

FINANCIAL STATEMENTS AND INFORMATION of period from 1st January 2019 until 31st December 2019

(published according to the decision 4/507/28.4.2009 of the Board of Hellenic Capital Market Commission 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.elton.gr
Board of Directors :	*President and CEO :* Nestor D. Papathanasiou
	Executive members : Alkisti N.Papathanasiou, Katy Andreou, Epaminondas Taflambas, Dimitrios Glotopoulos
	Independent & not executive members : Michalis Chatzis, Christos Poulis
	Not executive member : Ilektra Papathanasiou
Date of Financial Statements' approval by the Board:	16/4/2020
Certified Auditor	Ioannis Savadis S.O.E.L. 33391
Audit firm :	SOL AE OE
Type of Audit Review :	Unqualified opinion

1.1. STATEMENT OF FINANCIAL POSITION
(consolidated and company's) Amounts in euro

	GROUP		COMPANY	
ASSETS	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Fixed Assets	16.755.458	17.432.133	10.338.883	10.730.890
Rights of use of assets	1.662.712	0	777.114	0
Intagible Assets	2.293.632	2.448.983	2.171.302	2.333.435
Other non current Assets	1.382.870	1.414.176	14.155.706	13.824.940
Inventories	23.142.164	23.500.458	11.945.863	13.338.677
Trade Receivables	45.598.443	43.024.454	34.309.259	31.320.731
Other current Assets	4.983.161	4.840.465	3.608.465	3.648.755
TOTAL ASSETS	95.818.440	92.660.670	77.306.591	75.197.428
EQUITY AND LIABILITIES				
Share Capital	13.899.697	13.899.697	13.899.697	13.899.697
minus : purchase of company's own shares	0	0	0	0
Other net Equity	38.975.351	37.639.163	34.567.574	32.954.954
Equity attributable to the equity holders of the parent (a)	52.875.048	51.538.861	48.467.271	46.854.651
Minority Interest (b)	271.583	247.295	0	0
Total Equity (c)=(a)+(b)	53.146.631	51.786.156	48.467.271	46.854.651
Long Term Borrowings	5.513.034	8.643.140	4.625.000	7.593.467
Provisions/Other Long Term Liabilities	2.317.092	1.286.393	1.755.733	1.198.231
Short Term Borrowings	17.642.850	14.082.749	9.955.848	6.990.587
Other Short Term Liabilities	17.198.834	16.862.232	12.502.740	12.560.492
Total Liabilities (d)	42.671.809	40.874.514	28.839.320	28.342.777
TOTAL EQUITY AND LIABILITIES (c)+(d)	95.818.440	92.660.670	77.306.591	75.197.428

1.2. INCOME STATEMENT
(consolidated and company's) Amounts in euro

	GROUP		COMPANY	
	1/1-31/12/2019	1/1-31/12/2018	1/1-31/12/2019	1/1-31/12/2018
Turnover	131.219.811	132.709.642	86.677.971	85.678.302
Gross Profit	20.324.213	20.673.388	13.272.959	13.524.997
Profit/(loss) before taxes,financing & investing results	6.020.590	6.301.282	4.885.211	5.391.140
Profit before taxes	4.712.015	5.114.069	4.314.222	4.739.834
Profit/(less) after Taxes (A)	3.400.194	3.491.524	3.247.984	3.278.750
Attributable to: Owners of the parent company	3.352.694	3.465.124	3.247.984	3.278.750
Minority Interest	47.500	26.400	0	0
Other comprehensive income after tax (B)	-431.403	-385.514	-27.048	-14.238
Total comprehensive income after tax (A)+(B)	2.968.791	3.106.011	3.220.936	3.264.512
Attributable to: Owners of the parent company	2.992.003	3.191.801	3.220.936	3.264.512
Minority Interest	-23.212	-85.790	0	0
Earnings after taxes per share (€)	0,1254	0,1296	0,1215	0,1227
Profit before taxes, financing & investing results and depreciation (EBITDA)	7.653.693	7.263.033	5.753.930	6.008.126

1.3 CASH FLOW STATEMENT
Consolidated and Company's (amounts in euro)

	GROUP		COMPANY	
Operating Activities	1/1-31/12/2019	1/1-31/12/2018	1/1-31/12/2019	1/1-31/12/2018
Profit before taxes	4.712.015	5.114.069	4.314.222	4.739.834
Adjustments for :				
Depreciation and Amortization	1.702.204	1.030.229	937.820	686.088
Amortization of grants	-69.102	-69.102	-69.102	-69.102
Provisions/ Impairments	428.071	925.960	333.602	545.316
Exchange Differences	-429.206	-281.207	-8.866	-14.908
(Gain) or Loss from investing activities	357.049	-86.682	14.469	18.473
Interest and similar charges	1.308.575	1.340.549	570.989	651.306
Working capital changes				
Decrease / (Increase) of Inventory	358.294	-1.562.939	1.392.814	-1.031.567
Decrease / (Increase) of trade receivables	-3.331.642	108.346	-3.658.480	-50.427
(Decrease) / Increase of liabilities (except loans)	638.412	-2.367.754	413.523	-402.898
Less :				
Interest and similar charges paid	-1.578.181	-1.317.625	-571.966	-656.015
Tax paid	-2.003.948	-1.605.162	-1.797.969	-1.440.585
Total cash/(used in) generated from operating activities(a)	2.092.543	1.228.682	1.871.058	2.975.514
Investing Activities				
Acquisition of Subsidiary	0	-41.000	-300.000	-349.965
Purchase of Intagible Assets, Property	-540.924	-1.481.752	-143.021	-201.046
Sale of fixed and intagible assets	41.919	731	0	0
Interest received	291.690	182.192	977	5.750
Dividends received	0	0	0	0
Total cash/(used in) generated from investing activities(b)	-207.315	-1.339.829	-442.044	-545.262
Financing Activities				
Proceeds from Borrowings	16.324.543	16.526.466	7.000.000	9.300.000
Repayment of Borrowings	-15.916.632	-17.547.912	-7.003.206	-13.429.461
Repayment of Finance Lease Liabilities	-984.241	0	-248.833	0
Dividends paid or payments from capital decrease	-1.603.811	-1.069.207	-1.603.811	-1.069.207
Total cash/(used in) generated from financing activities(c)	-2.180.142	-2.090.653	-1.855.851	-5.158.668
Net Increase/(decrease) In Cash and Cash equivalents (a)+(b)+(c)	-294.914	-2.201.801	-426.837	-2.768.416
Cash and Cash Equivalents at the beginning of the period	2.630.590	4.832.391	1.707.721	4.476.137
Subsidiary Consolidation	0	0	0	0
Cash and Cash Equivalents at the end of the period	2.335.676	2.630.590	1.280.884	1.707.721

1.4 STATEMENT OF CHANGES IN EQUITY
(Consolidated and company's) Amounts in euro

	GROUP		COMPANY	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Equity at the beginning of the period (1/1/2019 and 1/1/2018 respectively)	51.786.156	50.395.091	46.854.651	44.722.736
Effect of IFRS 16/ IFRS 9	-4.505	-645.739	-4.505	-63.390
Equity at the beginning of the period 1/1/2019 (reformed) and 1/1/2018	51.781.651	49.749.353	46.850.146	44.659.346
Profit after tax	3.400.194	3.491.524	3.247.984	3.278.750
Other comprehensive income	-431.403	-385.514	-27.048	-14.238
Dividents paid	-1.603.811	-1.069.207	-1.603.811	-1.069.207
Equity at the end of the period (31.12.2019 and 31.12.2018 respectively)	53.146.631	51.786.156	48.467.271	46.854.651

1.5 ADDITIONAL DATA AND INFORMATION

1. The companies of the Group with their respective countries of residence and percentage holdings, included in the consolidated financial statements

COMPANY	COUNTRY	PERCENTAGE HOLDING	CONSOLIDATION METHOD
ELTON INTERNATIONAL TRADING COMPANY SA	GREECE	PARENT	
ELTON CORPORATION SA	ROMANIA	100%	FULL
ELTON CORPORATION EOOD	BULGARIA	100%	FULL
ELTON CORPORATION DOO	SERBIA	100%	FULL
ELTON CORPORATION LLC	UKRAINE	100%	FULL
ELTON MARMARA KIMYA SANAYI VE TICARET AS	TURKEY	80%	FULL

2. The unaudited tax years for the Group subsidiaries are the following: ELTON CORPORATION SA (2010-2019), ELTON CORPORATION EOOD (2010-2019), ELTON CORPORATION DOO (2010-2019), ELTON CORPORATION LLC (2012-2019). For the year 2019 the company has benefited from the tax audit of Certified Auditors Accountants provided by the provisions of Article 65 A N.4174/2013. This audit is in progress and the related tax certificate will be granted after the publication of the interim financial statements of year 2020.
3. There are encumbrances on the property of the subsidiary in Bulgaria for securing loan obligations at the amount of 2,11 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 258 Company 122. (31/12/2018: Group 248 ,Company122).
6. On the above 31/12/2019 financial statements compiled same basic accounting principles as at the Balance Sheet 31/12/2018 with the exeption of new standard IFRS 16, for which the implementation is obligatory for fiscal years starting from 1st January 2019.
7. The Group and the Company have made provisions for bad debts up to 31/12/2019 amounting to 8.763.229 and 5.711.334 euros respectively and provisions for discredited inventories at the amount of 464.686 euros for the Group and 245.496 euros for the Company. Until 31st December 2019 the provision for staff compensation in the Group and the Company was 605.198 €
8. Cumulative amounts of sales and purchases , since the begining 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 :

	GROUP	COMPANY
	1/1-31/12/2019	1/1-31/12/2019
Sales	0	1.075.011
Purchases	0	321.245
Receivables from associated parties	0	1.469.080
Payables to associated parties	0	183.969
Directors' and Managers' remuneration	1.026.309	548.715
Payables to Managers and Directors	0	0

9. The other comprehensive income after tax are:

	GROUP		COMPANY	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Exchange Differences	-404.355	-371.275	0	0
Effect of tax rate change on deffered tax	-1.129	-3.966	-1.129	-3.966
Deffered taxes	8.184	3.424	8.184	3.424
Actuarially profit/loss	-34.104	-13.696	-34.104	-13.696
TOTAL	-431.403	-385.514	-27.048	-14.238

10. The Group has implemented IFRS 16 using the modified retroactive approach. According to this method, the comparative information is not reprinted.

Avlonas Attica, 16th April 2020

PRESIDENT & CEO	B.O.D. MEMBER	FINANCIAL MANAGER	GROUP C.F.O.
NESTOR D. PAPATHANASIOU	**ALK.N.PAPATHANASIOU**	**ST.D.VASILIOU**	**ANTONIS YASSARIS**
ID card num. AB 606775	ID card num. AE 105490	ID card num.T 132250	ID card num. AN 061294

Offices Service S.A. 2109247017

*These financial statements and notes on the financial statements have been translated to English from the original statutory notes that have been prepared in the Greek language. If differences exist between this translation and the original Greek language financial statements, the Greek version will prevail over this document