THRACE PLASTICS CO S.A.

ANNUAL FINANCIAL REPORT

1/1-31/12/2018

IN ACCORDANCE WITH LAW 3556/2007 AND THE RELEVANT EXECUTIVE DECISIONS OF THE BOARD OF DIRECTORS OF THE HELLENIC CAPITAL MARKET COMMISSION

18

www.thracegroup.com

THRACE GROUP

18

THRACE PLASTICS CO S.A.

ANNUAL FINANCIAL REPORT

1/1-31/12/2018

IN ACCORDANCE WITH LAW 3556/2007 AND THE RELEVANT EXECUTIVE DECISIONS OF THE BOARD OF DIRECTORS OF THE HELLENIC CAPITAL MARKET COMMISSION

THRACE GROUP

General Commerce Reg. No. 12512246000
Domicile: Magiko,
Municipality of Avdira, Xanthi Greece
Offices: 20 Marinou Antypa Str.,
17455 Alimos, Attica Greece

www.thracegroup.com

Information regarding the preparation of the Annual Financial Report for the period from January 1st to December 31st 2018

The present Financial Report, which refers to the period from 1.1.2018 to 31.12.2018, was prepared in accordance with the provisions of article 4 of L.3556/2007 (Gov. Gaz. 91A'/30-04-2017) as it is in effect following its amendment from Law 4374/2016 and the relevant decisions issued by the Board of Directors of the Hellenic Capital Market Commission under Reg. No. 8/754/14-4-2016 and 1/434/03-07-2007 as well as with the protocol no. 62784/06-06-2017 Circular of the Division of Enterprises and GEMI of the Ministry of Finance, Development and Tourism. The present Report was approved unanimously by the Board of Directors of "THRACE PLASTICS HOLDING S.A." ("Company") on April 15th, 2019, and has been posted on the Company's website www.thracegroup.gr where such will remain available to investors for a period of at least (10) ten years from the publication date and includes:

CONTENTS

- The comparative amounts of the previous fiscal year 01/01/2017 – 31/12/2017 of the Company have been adjusted and depict the continuing activities of the Company.
- Any deviation in the numbers' last digit is due to rounding.

I. STATEMENTS BY REPRESENTATIVES OF THE BOARD OF DIRECTORS

(according to article 4 par. 2 of L 3556/2007)

We, the representatives of the Board of Directors, hereby state and confirm that to our knowledge:

(a) The Annual Financial Statements (Parent and Consolidated) of the Company, which concern the period from January 1st 2018 to December 31st 2018, were prepared in accordance with the accounting standards in effect, accurately present the Assets and Liabilities, Equity and Results of the Company, as well as those of the companies included in the consolidation and considered aggregately as a whole, and

(b) The Annual Report by the Company's Board of Directors accurately presents the significant events of the year 2018 and their effect on the annual financial statements, the significant transactions between the Company and its related parties, the developments, performance and position of the Company, as well as of the companies included in the consolidation and considered aggregately as a whole, including the description of basic risks and uncertainties such face.

Xanthi, 15 April 2019

THE SIGNATORIES:

The Chairman of the Board of Directors and Chief Executive Officer	The Executive Member of the Board of Directors	The Executive Member of the Board of Directors
Konstantinos St. Chalioris	**Georgios P. Braimis**	**Dimitris P. Malamos**

II. ANNUAL REPORT BY THE BOARD OF DIRECTORS OF THRACE PLASTICS HOLDING S.A. ON THE FINANCIAL STATEMENTS OF THE YEAR FROM 1-1-2018 TO 31-12-2018

INTRODUCTION

The present Annual Management Report by the Board of Directors (hereinafter also for abbreviation purposes "Report") refers to the fiscal year 2018. The Report was prepared in accordance with the relevant provisions of Law 4548/2018 (GOV. GAZ. 104A΄/13.06.2018) and of Law 3556/2007 as it is in effect following its amendment from Law 4374/2016 and the relevant decisions issued by the Board of Directors of the Hellenic Capital Market Commission, and especially the decisions with number 1/434/3.7.2007 and 8/754/14.4.2016, as well as with the protocol no. 62784/06-06-2017 Circular of the Division of Enterprises and GEMI of the Ministry of Finance, Development and Tourism.

The Report includes the total required information (financial and non-financial information) with a concise as well as comprehensive, objective and adequate manner and with the principle of providing the complete and substantial information with regards to the issues included in such.

Given the fact that the Company prepares consolidated and non-consolidated (separate) financial statements, the present Report constitutes a single report referring mainly to the consolidated financial data of the Company and its affiliated or related companies. Any reference to non consolidated financial data takes place in certain areas which have been deemed as necessary by the Board of Directors of the Company for the better understanding of the contents of the report and towards providing investors with the most complete information.

It is noted that the present Report includes, along with the 2018 financial statements, the required by law data and statements in the Annual Financial Report, which concern the financial year ended on 31 December 2018.

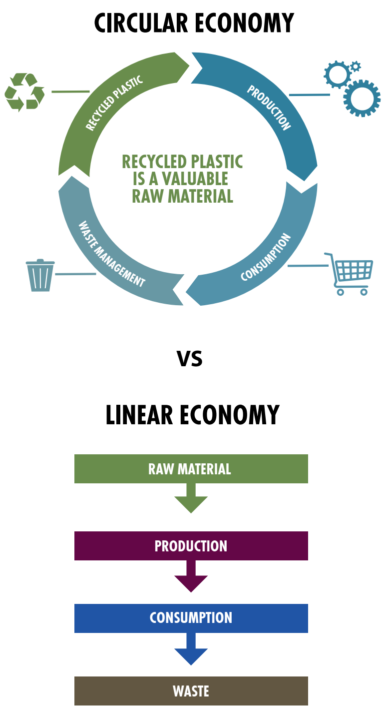
The sections of the Report and the contents of such are in particularly as follows:

SECTION I: Significant events that took place during the financial year 2018

Below, the most significant events that took place during the fiscal year 2018 are presented:

Decisions of the Annual Ordinary General Meeting of Shareholders on 15th May 2018

Among other issues, the shareholders approved the distribution (payment) of dividend from the earnings of the closing year 2017 as well as from the earnings of previous years. Specifically, the Meeting approved the distribution of an amount of 2,058,217.79 Euros (gross amount), or 0.047054 Euro per Company's share (gross amount), which after the incremental increase of the dividend concerning 4,324 treasury shares (held by the Company and not entitled to any dividend) amounted to 0.047059 Euro. From the above amount, the corresponding tax of 15% on the dividend was withheld, according to the article 40, paragraph 1 of Law 4172/2013 as it is currently in effect, and therefore the final payable amount of dividend settled at 0.04 Euro per share. Friday, May 18th, 2018 was set as the ex-dividend date. The shareholders entitled to the dividend as noted above were the ones registered in the Dematerialized Securities System (D.S.S.) on the record date, meaning on Monday, May 21st, 2018. The payment of the dividend commenced on Friday, May 25th, 2018 via the network of Piraeus Bank.



Issuance of Tax Certificate

In November 2018, after the completion of the special tax audit for the fiscal year 2017, which was carried out by the statutory auditors pursuant to article 65A of Law 4174/2013, to both the Company and its subsidiaries «Thrace Nonwovens and Geosynthetics SA» Thrace Polyfilms ABEE», «Thrace Plastic Packaging SA», «Thrace Eurobent SA» and «Thrace Greenhouses SA», a Tax Compliance Report was issued without any reservation.

Commitment of the Group in the framework of the European Strategy for the Circular Economy

Responding to the European Strategy for Plastics in the Circular Economy, the Group responded to the European Commission's call for a voluntary commitment to increase the use of recycled plastic and pledged to replace 8,500 tons of primary raw material with recycled plastic by year 2025.

With this move, the Group is actively contributing to the European Commission's goal of significantly increasing the amount of recycled raw material for the production of plastic products by 2025.

In full agreement with the European Strategy for Plastic and the Circular Economy, which requires all plastic packaging to be recycled in the European Union by 2030, the Group already produces and distributes products that meet these requirements worldwide.

New Investments

For the fiscal year 2018, the Group implemented investments of 33.2 million Euros of which 27.8 million Euros concerned the Technical Fabrics Unit and 5.4 million Euros concerned the Packaging Unit.

SECTION II: Main Risks and Uncertainties

The Group's activities, in general, create several financial risks. Such risks include market risk (foreign exchange risk and risk from changes of raw materials prices), credit risk, liquidity risk and interest rate risk

- **Risk of Price Fluctuations of Raw Materials**

The Group is exposed to fluctuations in the price of polypropylene (represents 55% of the cost of sales), which are mainly faced by a similar change in the selling price of the final product. The possibility that the increase in the price of polypropylene cannot be fully passed on to the selling price, causes unavoidably the compression of margins. For this reason, the Company accordingly adjusts, to the extent it is feasible, its inventory policy as well as its commercial policy in general. Therefore in any case, the particular risk is deemed as relatively controlled.

- **Credit Risks**

The credit risk to which the Group and the Company are exposed is the likelihood that a counterparty will cause financial loss to the Group and the Company as a result of the breach of its contractual obligations.

The maximum credit risk to which the Group and the Company are exposed at the date of preparation of the financial statements is the book value of their financial assets. In order to address credit risk, the Group consistently applies a clear credit policy, which is monitored and evaluated on an ongoing basis so that the credit granted does not exceed the credit limit per customer. Client sales insurance policies are also concluded per customer and no tangible guarantees on the assets of clients are required.

In order to monitor credit risk, customers are grouped according to the category they belong to, their credit risk characteristics, the maturity of their receivables and any previous receivables that they have demonstrated, taking into account future factors as well as the economic environment.

- **Impairment**

The Group and the Company, in the financial assets that are subject to the new model of expected credit losses, include receivables from customers and other financial assets.

The Group and the Company recognize provisions for impairment with regard to the expected credit losses of all financial assets. The expected credit losses are based on the difference between the contractual cash flows and the entire cash flows which the Group (or the Company) anticipates to receive. The difference is discounted by using an estimate concerning the initial effective interest rate of the financial asset. With regard to the trade receivables, the Group and the Company applied the simplified approach of the standard and estimated the expected credit losses based on the anticipated losses for the entire life of these assets. Regarding the remaining financial assets, the expected credit losses are being calculated according to the losses of the next 12 months. The expected credit losses of the following 12 months is part of the anticipated credit losses for the entire life of the financial assets, which emanates from the probability of a default in the payment of the contractual obligations within the next 12-month period starting from the reporting date. In case of a significant increase in credit risk since the initial recognition, the provision for impairment will be based on the expected credit losses of the entire life of the asset.

At the date of the preparation of the financial statements, impairment of receivables from customers and other financial assets was made on the basis of the above.

The following table analyzes the maturity of customers and other receivables at 31/12/2018.

Maturity of Trade Receivables 31.12.2018	Group
01 – 30 days	16,709
31 – 90 days	30,495
91 – 180 days	5,451
180 days and over	7,633
Subtotal	**60,288**
Provisions for doubtful receivables	(6,685)
Total	**53,603**

The above amounts are expressed in terms of days of delay in the table below:

Analysis of delayed customer receivables 31.12.2018	Group
Timely receivables	40,291
Overdue receivables 1 – 30 days	9,841
Overdue receivables 31 – 90 days	2,071
Overdue receivables above 91 days	8,085
Subtotal	**60,288**
Provisions for doubtful customer receivables	(6,685)
Total	**53,603**

Amounts in thousand Euro, unless stated otherwise

Of the amount of € 8,085, an amount of € 1,669 concerns payables to joint ventures, for which no provisions are being formed.

With regard to uninsured receivables in delay for over 90 days, which the Group has classified as doubtful, relevant provisions have been made which are deemed as sufficient.

Correspondingly, the amounts of maturity and delay for the financial year 2017 are presented in the following tables:

Maturity of Trade Receivables 31.12.2017	Group
01 – 30 days	19,850
31 – 90 days	31,657
91 – 180 days	5,575
180 days and over	6,842
Subtotal	**63,924**
Provisions for doubtful receivables	(6,592)
Total	**57,332**

Analysis of delayed customer receivables 31/12/2017	Group
Timely receivables	43,283
Overdue receivables 1 – 30 days	11,570
Overdue receivables 31 – 90 days	1,958
Overdue receivables above 91 days	7,113
Subtotal	**63,924**
Provisions for doubtful customer receivables	(6,592)
Total	**57,332**

Liquidity risk

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Group to have the ability to meet its cash flow obligations. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. During the preparation date of the financial statements, there were adequate, unused bank credits, approved to the Group, which are considered sufficient to face a possible shortage of cash equivalents.

Short-term liabilities are renewed at their maturity, as they are part of the approved bank credits.

The following table presents the liabilities according to their maturity dates.

Amounts in thousand Euro, unless stated otherwise

Group 31/12/2018	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	15,651	24,512	-	-	-	**40,163**
Other short-term liabilities	10,652	6,994	1,201	-		**18.847**
-	18,847	40.863	27.227	-	-	**72.050**
Short-term debt	3,960	40,863	27,227	-	-	**72,050**
Long-term debt	-	-	-	10,990	18,146	**29,136**
Other long-term liabilities	**-**	**-**	**-**	**95**		**160.291**
-	**95**					
Total 31.12.2018	**30,263**	**72,369**	**28,428**	**11,085**	**18,146**	**160,291**

Group 31/12/2017	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	11,357	25,664	-	-	-	**37,021**
Other short-term liabilities	6,771	11,495	2,564	-	-	**20,830**
Short-term debt	5,380	39,303	27,980	-	-	**72,664**
Long-term debt	-	-	-	4,366	11,371	**15,737**
Other long-term liabilities	-	208	181	208	-	**598**
Total 31.12.2017	**23,508**	**76,671**	**30,726**	**15,945**	**11,371**	**146,850**

Foreign exchange risk

The Group is exposed to foreign exchange risks arising from existing or expected cash flows in foreign currency and investments that have been made in foreign countries. The management of the various risks is made by the use of natural hedge instruments. In order to hedge foreign currency risk from foreign currency customer receivables, borrowing is contracted in the same currency, according to the management's judgment. Sensitivity analysis of the effect of exchange rate changes is given in the table below.

Foreign Currency	2018			2017		
Change of foreign currency against Euro **Profit before tax**	**USD**	**GBP**	**Other**	**USD**	**GBP**	**Other**
+5%	(659)	(62)	3	(534)	(96)	19
-5%	729	69	(3)	590	106	(21)
Equity						
+5%	106	460	(186)	42	(764)	(230)
-5%	(118)	(508)	205	(46)	844	255

Amounts in thousand Euro, unless stated otherwise

Interest rate Risk

The Group's long-term loans have been provided by Greek and foreign banks and are mainly denominated in Euro. The repayment period varies, according to the loan contract each time, while long-term loans are mainly linked to Euribor plus a margin.

The Group's short-term loans have been provided by several banks, under Euribor, plus a margin and Libor plus a margin.

It is estimated that a change in the average annual interest rate by 1 percentage point, will result in a (charge) / improvement of Earnings Before Tax as follows:

Possible interest rate change	Effect on Earnings before Tax Group	
	2018	**2017**
Interest rate increase 1%	**(1,012)**	(884)
Interest rate decrease 1%	**1,012**	884

Capital Adequacy Risk

The Group controls capital adequacy using the Net Debt to Operating Profit ratio and the Net Bank Debt to Equity ratio. The Group's objective in relation to capital management is to ensure the ability for its smooth operation in the future, while providing satisfactory returns to shareholders and benefits to other parties, as well as to maintain an ideal capital structure so as to ensure a low cost of capital. For this purpose, it systematically monitors working capital in order to maintain the lowest possible level of external financing.

Capital Adequacy Risk	Group	
	2018	**2017**
Long-term debt	29,136	15,737
Short-term debt	72,050	72,663
Total debt	**101,186**	**88,400**
Minus cash & cash equivalents	22,824	30,593
Net debt	**78,362**	**57,808**
EBITDA	**27,500**	**30,130**
NET BANK DEBT /EBITDA	**2.85**	**1.92**
EQUITY	**141,615**	**137,478**
NET BANK DEBT / EQUITY	**0.55**	**0.42**

Risk due to capital controls imposed in the Greek banking system

The Greek banks entered into a bank holiday period on 28.06.2015 via an Act of Legislative Content which imposed capital controls in accordance with the respective decision of the Ministry of Finance. The bank holiday was terminated on 20.07.2015, while from 01-10-2018 all cash withdrawals from institutions in Greece are allowed without limitation. Transfer of capital abroad is still prohibited though with the exception of transactions being processed on a day-to-day basis by the Special Subcommittees of Banks and the Banking Approval Committee Transactions.

Amounts in thousand Euro, unless stated otherwise

During the entire period from the beginning of the bank holiday and the subsequent capital controls imposed on transactions (28.06.2015) and until today, the Company along with the other Greek companies of the Group demonstrated that is fully prepared and possesses the appropriate operating and organizational structures in order to manage even the tough and extreme situations with calmness, systematic actions and effectiveness.

However the Management by realizing the especially tough -and ongoing even in the current year- domestic business environment, which the Company activates in, takes all the necessary measures in order to ensure its smooth operations and development as well as to minimize any negative effect.

Moreover taking into consideration the nature of the activities of the Group in Greece and abroad, any negative developments are not expected to materially affect its smooth operations.

In this context there is sufficient dispersion of the Group's cash reserves in Greece and abroad. However the Management continues to monitor and evaluate the situation and its potential effect, in order to ensure that all necessary actions and measures are taken for the minimization of the negative effect on the operations, financial performance, cash flows and financial position of the Company and the Group in general.

BREXIT Effect

The Group activates in the United Kingdom via its subsidiaries DON&LOWLTD, domiciled in Scotland, and Synthetic Holdings Limited, domiciled in Northern Ireland. The exchange rate of British Pound on 31/12/2015 was at 0.734. After the outcome of the country's referendum concerning its status as a member, or not, of the European Union, the British Pound depreciated versus the Euro. As of 31/12/2018, the British Pound was valued at 0.8945.

In the current phase the Group is not in position to predict the effect on its financial statements from a permanent exit of Great Britain from the European Union. In any case the Management assesses on a constant basis the developments in order to take the necessary measures and actions for the minimization of any negative effects on the activities of the Group.

Macroeconomic Environment

The uncertainty prevailing in the macroeconomic and financial environment as well as the fragile business sentiment, constitute a risk factor which is constantly monitored and evaluated by the Group. The international and domestic developments concerning the restructuring of Greece's financing program create additional instability in the country's macroeconomic and financial fronts.

The return to the economic and financial stability is mainly linked to actions and decisions taken by the institutional bodies in Greece and abroad.

Taking into consideration the nature of the Group's activities in Greece and abroad, any unfavorable developments with regard to the above fronts, are not expected to significantly affect the Group's normal course of operations.

In this context, there is sufficient dispersion of the Group's cash position in Greece and abroad.

Nevertheless, the Group continues to carefully monitor the overall economic conditions and their effect, in order to ensure that all necessary actions are taken with the appropriate timing for the minimization of risks with regard to the Group's operations.

SECTION III: Significant Transactions with Related Parties

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

We note that the following reference to the particular transactions includes the following data:

a) The amount of the most significant transactions for the year 2018

b) Their unpaid balance at the end of the year (31.12.2018)

c) The nature of relation between the related party and the Company, as well as

d) Any information concerning the transactions, which is necessary for the understanding of the Company's financial position, only to the extent that these transactions are material and have not been conducted under normal market terms.

Income	2018
Don & Low	1,056.5
Thrace NW & Geosynthetics	1,378.7
Thrace Polyfilms SA	252.2
Thrace Plastics Pack	633.7
Thrace Ipoma	332.4
Synthetic Holdings	252.6
Synthetic Packaging	185.4
Thrace Polybulk AB	247.3

Income	2018
Thrace Polybulk AS	155.4
Thrace Linq	289.1
Total	**4,782.9**

Customers - Receivables	31.12.2018
Thrace NW & Geosynthetics	6,704.9
Thrace Greenhouses SA	350.8
Thrace Eurobent	147.9
Total	**7,203.6**

- The fees paid to the members of the Management during the fiscal year 2018, amounted to € 1,900 versus € 2,046 in 2017 on parent level, whereas on group level accounted for € 4,952 versus € 5,024 in 2017.
- The letters of guarantee issued by banks on behalf of the Company to third parties (Public, Suppliers, Customers) amount to € 834. The Company has granted its guarantee in favor of its subsidiaries to banks for securing credit lines. As of 31.12.2018 the outstanding amount for which the Company has guaranteed amounted to € 72.504.

Amounts in thousand Euro, unless stated otherwise

- During the fiscal year 2018, the total fees paid to the Company's legal auditors amounted to € 626 for the Group and to € 100 for the Company.
- There were no changes in transactions between the Company and its related parties that could have had substantial effects on the financial position and performance of the Company during the financial year 2018.
- All transactions described above have taken place under normal market terms and contain no special or extraordinary features which in opposite case would have made compulsory the further analysis, also per related party, of the above.

SECTION IV: Analytical Information according to Article 4 par. 7 and 8 of Law 3556/2007, as currently in effect

The Company, according to article 4 par. 7 and 8 of L. 3556/2007 is obliged to include in the present Report, analytical information regarding a series of issues, as follows:

1. Structure of Company's share capital

The Company's share capital on 31.12.2018 amounted to twenty eight million eight hundred sixty nine thousand, three hundred fifty eight Euros and thirty two cents (€28,869,358.32) and was divided into forty three million seven hundred forty one thousand, four hundred fifty two (43,741,452) common registered shares, with a nominal value of sixty six cents (€ 0.66) each.

All Company shares are common, registered, with voting rights, and are listed on the organized Market of the Athens Exchange and specifically in the Main Market under the Chemicals – Specialized Chemicals sector. The structure and the formation of the Company's share capital are presented in detail in article 5 of the Company's Articles of Association. The Company's shares were listed on the Athens Exchange on 26 June 1995. From each share, all rights and obligations stipulated by the law and the Company's Articles of Association emanate. The possession of each share results automatically into the acceptance of the Company's Articles of Association and the decisions that have been made by the various bodies of the Company in accordance with the law and the Articles of Association. Each share provides for one (1) voting right.

2. Limitations to the transfer of Company shares

The transfer of Company shares takes place as stipulated by the Law and there are no limitations regarding such transfers in relation to its Articles of Association or other special agreements or other regulatory provisions.

3. Significant direct or indirect participations according to the definition of Law 3556/2007

With regards to significant participations in the share capital and voting rights of the Company, according to the definition of provisions of articles 9 to 11 of L. 3556/2007, Mr. Konstantinos Chalioris holds, on 31/12/2018, a percentage of 43.292% of the Company's share capital and voting rights and Mrs. Eufimia Chalioris holds, on 31/12/2018, a percentage of 20.851% of the Company's share capital and voting rights. No other physical or legal entity owned a percentage over 5% of the share capital. The data regarding the number of shares and voting rights held by individuals with a significant participation have been derived from the Shareholder Registry kept by the Company and from disclosures provided to the Company according to Law.

4. Shares incorporating special control rights

There are no Company shares that provide special control rights to owners.

5. Limitations on voting rights

According to the Company's Articles of Association, there are no limitations on voting rights.

6. Agreements of Company shareholders

To the knowledge of the Company there are no shareholder agreements, which result in limitations on the transfer of shares or limitations on the exercise of voting rights that emanate from its shares.

7. Rules for appointment and replacement of Board members and the amendment of the Articles of Association, which deviate from the provisions of C.L. 4548/2018

The rules stated by the Company's Articles of Association regarding the appointment and replacement of its Board of Directors' members and the amendment of the provisions of its Articles of Association, do not differ from those stipulated by C.L. 4548/2018 as it is in effect.

8. Responsibility of the Board of Directors or specific Board members for the issuance of new shares or the purchase of treasury shares.

There is no special competence of the Board of Directors or some of its members for the issuance of new shares or the purchase of treasury shares according to article 49 of law 4548/2018.The relevant power and responsibility is given to the Company's Board of Directors by virtue of a relevant decision of the General Meeting of its shareholders.

9. Significant agreements made by the Company and put into effect, amended or terminated in case of a change in the Company's control following a tender offer.

There are no such agreements, which are put into effect, amended or terminated, in case of a change in the Company's control following a tender offer.

10. Significant agreements made by the Company with Board members or the Company's personnel

There are no agreements of the Company with the members of its Board of Directors or its personnel, which provide for the payment of indemnity specifically in case of resignation or termination of employment without reasonable cause or of termination of their term or employment, due to a tender offer.

SECTION V: Treasury Shares

The Extraordinary General Meeting of the Company's shareholders on February 2, 2017 decided, inter alia, to approve the purchase of own shares through the Athens Stock Exchange under the provisions of the pre-existing article 16 of Codified Law 2190/1920, which expired on 02-02-2019. Under the aforementioned plan, the Company has acquired 4,324 own shares at the date of preparation of this Report.

The Extraordinary General Meeting of the Company's shareholders on March 19, 2019 decided, inter alia, to approve the acquisition of own shares through the Athens Stock Exchange in accordance with the provisions of article 49 of law 4548/2018 as currently in force and in particular the Meeting approved purchase within a period of twenty-four (24) months from the date of the decision, i.e. no later than 19.03.2021, of a maximum of 4,373,713 common registered shares representing 10% of the total existing today voting shares of the Company, as the latter holds 4,324 treasury shares, with a market price per share of one Euro and fifty cents Euro (€ 1.50) up to three Euros and fifty cents Euro (€ 3.50).

SECTION VI: Evolution and Performance of the Group

1. Group Results

The following table presents the course of the Group's results throughout the year 2018, compared to 2017:

	2018	*2017*	*% Change*
Turnover	**322.733**	**318.509**	***1,3%***
Gross Profit	**63.225**	**66.890**	***-5,5%***
Gross Profit Margin	***19,6%***	***21,0%***	
Other Operating Income	2.390	2.144	*11,5%*
As % of Turnover	*0,7%*	*0,7%*	
Distribution Expenses	31.312	30.146	*3,9%*
As % of Turnover	*9,7%*	*9,5%*	
Administrative Expenses	16.823	16.839	*-0,1%*
As % of Turnover	*5,2%*	*5,3%*	
Research & Development Expenses	2.133	1.948	*9,5%*
As % of Turnover	*0,7%*	*0,6%*	
Other Operating Expenses	2.156	1.808	*19,2%*
As % of Turnover	*0,7%*	*0,6%*	
Other Income / (Losses)	506	-1.114	-
EBIT*	**13.697**	**17.179**	***-20,3%***
EBIT Margin	***4,2%***	***5,4%***	

Amounts in thousand Euro, unless stated otherwise

	2018	2017	% Change
EBITDA*	**27.500**	**30.131**	**-8,7%**
EBITDA Margin	***8.5%***	***9.5%***	
Adjusted EBITDA*	**28,969**	**30,131**	**-3.9%**
Adjusted EBITDA Margin	***9.0%***	***9.5%***	
Financial Income / (Expenses)	-4.547	-5.439	*-16,4%*
Income/(Expenses) from Companies consolidated with the Equity Method	855	996	*-14,2%*
Κέρδη/(Ζημίες) από Συμμετοχές	0	1.098	-
EBT	**10.005**	**13.834**	**-27,7%**
EBT Margin	***3,1%***	***4,3%***	
Income Tax	1.976	3.025	*-34,7%*
Total EAT	**8.029**	**10.809**	**-25,7%**
EAT Margin	***2,5%***	***3,4%***	
Minority Interest	308	258	
Total EATAM	**7.721**	**10.551**	**-26,8%**
EATAM Margin	***2,4%***	***3,3%***	
Earnings per Share (in euro)	**0,1765**	**0,2412**	**-26,8%**

Turnover **€ 322.733 *(+1,3%)***

The Group's sales volume amounted to 121,867 tons in 2018 versus 121,763 tons in 2017 posting a marginal increase of 0.1%. Specifically, the sales volume in the Technical Fabrics unit reached 93,458 tons in 2018 compared to 96,290 tons in 2017 (-2.9%), whereas in the Packaging unit it reached 34,447 tons in 2018 versus 30,647 tons in the previous year (+12.4%).

Gross Profit **€ 63.225 (-5,5%)**

Gross Profit Margin stood at 19.6% in year 2018 compared to 21.0% in 2017. In the Technical Fabrics unit, the Gross Profit margin settled at 18.2% versus 19.8% in 2017, whereas respectively in the Packaging unit the respective Gross profit margin settled at 19.9% compared to 20.6% in 2017.

Other Operating Income **€ 2.390 *(+11,5%)***

Specifically the analysis of the Other Operating income during the fiscal year 2018 compared to the year 2017 is presented below:

Amounts in thousand Euro, unless stated otherwise

	2018	2017
Grants *	**265**	131
Rental Income	**539**	478
Income from provision of services	**-**	290
Macquette income	**273**	210
Reverse entry of non-utilized provisions	**179**	32
Income from Electric energy management programs	**521**	516
Other operating income	**613**	487
Total	**2.390**	**2.144**

** The grants concern subsidies on the recruitment of graduates as well as the professional training of the Group's employees.*

Distribution Expenses **€ 31.312** ***(+3,9%)***

As percentage of Turnover, Distribution Expenses stood at 9.7% in 2018 versus 9.5% in 2017.

Administrative Expenses **€ 16.823** ***(-0,1%)***

As percentage of Turnover, Administrative Expenses stood at 5.2% versus 5.3% in fiscal year 2017.

Research & Development Expenses **€ 2.133** ***(+9,5%)***

The Research and Development Expenses stood at 0.7% of Turnover in 2018 versus 0.6% in 2017.

Other Operating Expenses **€ 2.156** ***(+19,2%)***

The analysis of the other operating expenses in year 2018 compared to the year 2017 is presented below:

	2018	2017
Provisions for doubtful receivables	**61**	269
Other taxes and duties not incorporated into the operating cost	**180**	257
Depreciation - amortization	**45**	139
Personnel indemnities	**571**	178
Commissions / other banking expenses	**98**	186
Expenses for the purchase of maquettes	**376**	433
Extraordinary pension related cost from previous years in the United Kingdom	**669**	-
Other operating expenses	**156**	346

Amounts in thousand Euro, unless stated otherwise

Total	**2.156**	**1.808**

As it is shown in the above table, the Other Operating Expenses mainly comprise personnel indemnities, expenses for the purchase of maquettes and an extraordinary levy that emerged from the new legislation for the pension plan in the United Kingdom.

Other Earnings / (Losses) **€ 506 compared to loss of € 1,114 in year 2017**

The earnings amounting to € 506 derived from positive foreign exchange differences that emerged from foreign currencies related to the countries where the Group activates in and from sales of fixed assets.

EBIT **€ 13.697 *(-20,3%)***

EBIT margin settled at 4.2% in 2018 versus 5.4% in 2017.

EBITDA **€ 27.500 *(-8,7%)***

EBITDA margin settled at 8.5% in 2018 versus 9.5% in 2017.

Adjusted EBITDA **€ 28.986 (-3,8%)**

Adjusted EBITDA has been derived due to the deduction of non-recurring expenses which were recorded within the fiscal year 2018 and are not related to the Group's operating activities. Specifically the non-recurring expenses of the year 2018 are analyzed as following:

a) Amount of € 686 concerns an expense that emerged from the pension plan of Don & Low Ltd as result of the change in legislation in Great Britain.More specifically, it concerns a decision of the High Court of England on October 26th, 2018, according to which the pension plans of the United Kingdom with Guaranteed Minimum Pensions (GMP) which were accumulated since May 17th, 1990, should be readjusted in order their provisions are equivalent as far as male and female employees are concerned. The effect on Don & Low Limited was an increase of the liability of the pension plan by € 686. The change was treated as a prior service cost and affected the income statement.

b) Amount of € 800 concerning the internal restructuring of the companies Thrace Nonwovens & Geosynthetics SA and EL.VIS. SA.

Financial Results **(€ 4.547) *(-16,4%)***

The following table presents the analysis of financial income and expenses during the year 2018 compared to the year 2017.

Financial Income	**2018**	2017
Interest and similar income	**142**	25
Foreign exchange differences	**1.792**	765
Total	**1.934**	**790**

Amounts in thousand Euro, unless stated otherwise

Financial Expenses	**2018**	2017
Debit interest and similar expenses	**(4.366)**	(4.692)
Foreign exchange differences	**(1.404)**	(594)
Financial result of pension plans	**(711)**	(943)
Total	**(6.481)**	(6.229)

Profit from the companiesthat are consolidated with the Equity method **€ 855 *(-14,2%)***

The particular profit concerns the Group's companies which are being consolidated via the Equity method. These companies are the following: Lumite Inc (participation stake of 50.0%) Thrace Greenhouses S.A. (participation stake of 50.91%), Thrace Greiner Packaging SRL (participation stake of 46.47%) and Thrace Eurobent S.A. (participation stake of 51.0%).

Earnings before Taxes (EBT) **€ 10.005 *(-27,7%)***

BT Margin settled at 3.1% in 2018 compared to 4.3% in 2017.

Earnings after Taxes (EAT) **€ 8.029 *(-25,7%)***

EAT Margin settled at 2.5% in 2018 compared to 3.4% in 2017.

EATAM **€ 7.721 *(-26,8%)***

EATAM Margin settled at 2.4% in 2018 compared to 3.3% in 2017.

2. Parent Company's Results

The Company's business objective, apart from being a holding company, relates also to the provision of support services to its subsidiaries. Specifically the Company's income is generated from the provision of administrative, operating and organizational support services, financial and tax services, IT and consulting services in the areas of marketing and sales, the preparation of economic studies and visibility studies, and the general provision of services and advice which ensure the proper operation of subsidiaries at all levels. Specifically for 2018, the Company's Turnover for the provision of the aforementioned services amounted to € 4,896.0 compared to € 5,130.0 in 2017, posting a decrease of 4.6%. The loss before Financial and Investment Results and before Taxes amounted to € 89 in 2018 compared to Earnings of € 948 in 2017. Profit before tax for the year 2018 amounted to € 683 compared to € 1,340 in 2017, posting a decline of 49.0%. Finally, earnings after taxes in 2018 amounted to € 451 compared to € 868 in 2017, posting a decrease of 48.0%.

3. Results of the Group per Business Unit

The business units of the Group are the following:

Technical Fabrics Sector

Production and trade of technical Fabrics for industrial and technical use.

Packaging Sector

Amounts in thousand Euro, unless stated otherwise

Production and trade of packaging materials, plastic bags, and plastic boxes for the packaging of food and colors and other packaging materials for agricultural use.

Other

Following the absorption of Elastron Agricultural SA from Thrace Greenhouses SA, the Group participates with 50.91% in Thrace Greenhouses SA which is consolidated according to the equity method. Following the above, the Group will not be reporting the Agricultural activity on separate basis.

The particular business activity will be reported as Other activities which will include the transactions of the Parent Company as well. The Parent Company after the spin-off of the business segment of production and trade of industrial packaging products and the contribution of the segment into the subsidiary Thrace Polyfilms SA was transformed into a holding company which apart from the investment activities will be also providing Administrative – Financial – IT services to its subsidiaries.

Sector	Technical Fabrics			Packaging			Other		Eliminations		Group	
	2018	2017	% Μετ.	**2018**	2017	% Μετ.	**2018**	2017	**2018**	2017	**2018**	2017
Turnover	**243.980**	247.789	-1,5%	**91.642**	83.726	9,5%	**4.896**	5.130	**-17.785**	-18.136	**322.733**	318.509
Gross Profit	**44.310**	48.990	-9,6%	**18.220**	17.219	5,8%	**354**	453	**341**	228	**63.225**	66.890
Gross Profit Margin	**18,2%**	19,8%		**19,9%**	20,6%		**7,2%**	8,8%	**-**	-	**19,6%**	21,0%
Total EBITDA	**15.528**	18.910	-17,9%	**11.978**	11.519	4,0%	**78**	1.474	**-84**	-1.772	**27.500**	30.131
EBITDA Margin	**6,4%**	7,6%		**13,1%**	13,8%		**-**	-	**-**	-	**8,5%**	9,5%

Amounts in thousand Euro, unless stated otherwise

4. Consolidated Balance Sheet of the Group

The following table summarizes the basic information of the Group's financial position as of 31.12.2018:

	31.12.2018	31.12.2017	% Change
Tangible Fixed Assets	135.963	114.394	*18,9%*
Investment Property	113	113	*0,0%*
Intangible Assets	11.567	11.424	*1,3%*
Interests in Related Companies	13.355	12.839	*4,0%*
Other Long-term Receivables	5.087	7.669	*-33,7%*
Deferred Tax Assets	935	1.334	*-29,9%*
Total Fixed Assets	**167.020**	**147.773**	***13,0%***
Inventories	**66.896**	59.634	*12,2%*
Income Tax Prepaid	**2.058**	1.702	*20,9%*
Trade Receivables	**53.603**	57.332	*-6,5%*
Other Receivables	**7.824**	7.672	*2,0%*
Cash & Cash Equivalents	**22.824**	30.593	*-25,4%*
Total Current Assets	**153.205**	**156.933**	***-2,4%***
TOTAL ASSETS	**320.225**	**304.706**	***5,1%***
Shareholders' Equity	**138.935**	135.113	*2,8%*
Minority Interest	**2.680**	2.365	*13,3%*
TOTAL EQUITY	**141.615**	**137.478**	***3,0%***
Long-term Loans	**29.136**	15.737	*85,1%*
Provisions for Employee Benefits	**15.468**	15.847	*-2,4%*
Other Long-term Liabilities	**2.946**	5.130	*-42,6%*
Total Long-term Liabilities	**47.550**	**36.714**	***29,5%***
Short-term Bank Debt	**72.050**	72.663	*-0,8%*
Suppliers	**40.163**	37.021	*8,5%*
Other Short-term Liabilities	**18.847**	20.830	*-9,5%*
Total Short-term Liabilities	**131.060**	**130.514**	***0,4%***
TOTAL LIABILITIES	**178.610**	**167.228**	***6,8%***
TOTAL EQUITY & LIABILITIES	**320.225**	**304.706**	***5,1%***

Fixed Assets **€ 167.020 *(13,0%)***

Significant increase of the tangible fixed assets by € 21.5 million due to the investments that were implemented within the year 2018.

Current Assets **€ 153.205 *(-2,4%)***

Amounts in thousand Euro, unless stated otherwise

Inventories amounted to € 66,896 on 31.12.2018 increased by 12.2% compared to 31.12.2017.

The average inventories turnover ratio settled at 89 days compared to 85 in 2017.

Trade Receivables amounted to € 53,603 decreased by 6.5% compared to 31.12.2017.

The average Trade Receivables Turnover ratio settled at 63 days compared to 62 days in 2017.

Equity **€ 141.615 *(+3,0%)***

Equity settled at € 141,615 posting an increase of 3.0% compared to 31.12.2017.

Provisions for Employee Benefits **€ 15.468 *(-2,4%)***

The above decrease was due to the corresponding decrease of the actuarial deficit of the pension plan of Don & Low Ltd, which was mainly due to the increase of the assets.

The total liability of the Don & Low LTD pension plan is analyzed as follows:

	31.12.2018	31.12.2017
Present Value of Liabilities	136.389	145.401
Present Value of Fixed Assets	123.197	132.101
Net Liability Recognized in Balance Sheet	**13.192**	**13.300**

The Asset allocation of the plan is as follows:

Asset allocation	31.12.2018	31.12.2017
Mutual Funds (Stock Market)	13.304	37.534
Mutual Funds (Bond Market)	63.086	32.236
Mutual Funds (Diversified Growth Funds)	**44.986**	62.106
Other	**1.822**	225
Total	**123.197**	**132.101**

The assets of the plan are measured at fair value and mainly consist of Mutual Funds of Baillie Gifford. The exchange rate Euro / British Pound affected negatively the value of the assets on 31.12.2018.

Net Bank Debt **€ 78.362 *(+35,6%)***

The Net Bank Debt to Equity ratio settled at 0.55x compared to 0.42x on 31.12.2017.

Suppliers **€ 40.163 *(+8,5%)***

Amounts in thousand Euro, unless stated otherwise

The average Suppliers Turnover Ratio settled at 54 days versus 50 days in 2017.

5. Financial Ratios

Following the above analysis, some basic Financial Ratios of the Group are hereafter presented

Capital Structure Ratios	2018	2017	Explanation
Total Liabilities / Equity	1,3	1,2	Relation between Liabilities and Equity
Net Bank Debt / Equity	0,6	0,4	Relation between Bank Debt and Equity
Net Bank Debt/EBITDA	2,8	1,9	Relation between Bank Debt and Earnings before Interest, Taxes, Depreciation and Amortization
Fixed Assets / Total Assets	0,5	0,5	Asset Allocation between Current and Non-current Assets
Current Assets / Total Assets	0,5	0,5	
Equity / Net Fixed Assets	1,1	1,2	The level of financing of the Tangible Assets from the Equity
Leverage Ratios	**2018**	2017	
Equity / Total Assets	0,4	0,5	Relation between Equity and Total Assets
Interest Coverage	3,2	3,7	Debit Interest – Credit Interest Coverage from Operating Earnings (EBIT)
Liquidity Ratios	**2018**	2017	
Current Ratio	1,2	1,2	Total Current Assets / Total Short-term Liabilities
Acid Test Ratio	0,7	0,7	(Total Current Assets - Inventories) / Total Short-term Liabilities
Profit Margins (%)	**2018**	2017	
Gross Profit	19,6%	21,0%	Gross Profit/Total Turnover
EBITDA	8,5%	9,5%	EBITDA/ Total Turnover
EBT	3,1%	4,3%	Earnings before Taxes/ Total Turnover
EATAM	2,4%	3,3%	Earnings after Taxes and Minorities / Total Turnover
Receivables and Turnover (in days)	**2018**	2017	
Average Customer Turnover	63	62	[(Customers 2018 + Customers 2017)/2] / Turnover 2018*365 days
Average Inventory Turnover	89	85	[(Inventories 2018+ Inventories 2017)/2] / Cost of Sales 2018*365 days
Average Suppliers Turnover	54	50	[(Suppliers 2018 + Suppliers 2017)/2] / Cost of Sales 2018*365 days

Amounts in thousand Euro, unless stated otherwise

SECTION VII: Definition and Agreement of Alternative Performance Measures (APM)

In the context of its decision making concerning the financial, operating and strategic planning as well as the evaluation of its performance, the Group utilizes Alternative Performance Measures (APM). These indicators mainly serve the better understanding of the financial and operating results of the Group, its financial position as well as its cash flow statement. The Alternative Performance Measures (APM) should be always taken into account in line with the financial statements which have been prepared according to the International Financial Reporting Standards and in no case the APM replace the above.

Alternative Performance Measures

During the description of the developments and the performance of the Group, ratios such as the EBIT and the EBITDA are utilized.

EBIT (The indicator of earnings before the financial and investment activities as well as the taxes)

The EBIT serves the better analysis of the Group's operating results and is calculated as follows: Turnover minus Cost of Sales plus other operating income minus the total operating expenses, before the financial and investment activities. The EBIT margin (%) is calculated by dividing the EBIT by the turnover.

EBITDA (The indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes)

The EBITDA serves the better analysis of the Group's operating results and is calculated as follows: Turnover minus Cost of Sales plus other operating income minus the total operating expenses before the depreciation of fixed assets, the amortization of grants and the impairments, as well as before the financial and investment activities. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

Adjusted EBITDA (the adjusted figure of operating earnings before financial and investment activities, depreciation / amortization, impairments and taxes)

The Adjusted EBITDA equals with the EBITDA figure from which the restructuring costs, merger and acquisitions costs and other non-recurring expenses have been deducted.

SECTION VIII: Prospects and Outlook of the Group for the Financial Year 2019

The uncertainty prevailing in the broader macroeconomic and financial environment along with the volatile business environment mainly in Europe, in conjunction with the repercussions from a potential exit of the UK from the European Union, comprise risk factors which in turn do not allow the Group to make any safe estimates or projections about the future. Of course the Group evaluates and assesses these risks on a constant basis. Specifically regarding Brexit, the Group cannot at this stage estimate with certainty any potential effect on its financial statements. In any case the Management assesses on a constant basis all elements in order to ensure that it takes the proper measures and proceeds with the respective actions towards the minimization of any negative impact on the Group's business activities due to the above mentioned event.

The maintenance of a healthy financial structure for the Group, despite the extended investment program during the past four years, in conjunction with the healthy operating and organizational structures which are in effect, provide the Management of the Group with the ability to continue its efforts towards the achievement of its strategic goals. For the fiscal year 2019, the Group's Management estimates that the growth course will continue via an increase in the sales volume and turnover, whereas the profitability of the Group is expected slightly improved as compared to the year 2018. However the above estimates might be affected by a major international event or development

SECTION IX: Events after the Balance Sheet Date

There are no other significant events that took place from the end of the closing year 2018 until the preparation date of the present Report, which are worthy of reporting, except for the following:

Extraordinary General Meeting of the Company as of 19th March 2019

On Tuesday, 19th of March 2019, at 12:30 p.m. the Extraordinary General Meeting of the shareholders took place at the Company's registered offices at Magiko, Municipality of Avdira, Prefecture of Xanthi, Greece. In total, eighteen (18) shareholders were present at the Extraordinary General Meeting either in person or through a proxy, representing 32,602,467 common registered shares and equivalent voting rights, namely 74.534% of the Company's share capital and voting rights.

The Extraordinary General Meeting of the Company's shareholders took the following decisions on the items of the daily agenda:

On the 1st item of the daily agenda, the shareholders by majority approved the election of a new (11-member) Board of Directors with a 5-year term. The above term will extend up to the expiration time of the period within which the following Ordinary General Meeting must convene. The new Board of Directors consists of the following members: 1) Konstantinos Chalioris of Stavros, 2) Christos – Alexis Komninos of Konstantinos, 3) Georgios Braimis of

Periklis, 4) Dimitrios Malamos of Petros, 5) Vasileios Zairopoulos of Stylianos, 6) Petros Fronistas of Christos, 7) Ioannis Apostolakos of Georgios, 8) Konstantinos Gianniris of Ioannis, 9) Christos Siatis of Panagiotis, 10) Theodoros Kitsos of Konstantinos, and 11) Nikitas Glykas of Ioannis.

At the same time, via the above by majority decision, the Extraordinary General Meeting appointed as independent members according to the provisions of law 3016/2002, as it is currently in effect, the following: 1) Petros Fronistas of Christos, 2) Ioannis Apostolakos of Georgios, 3) Konstantinos Gianniris of Ioannis, 4) Theodoros Kitsos of Konstantinos, and 5) Nikitas Glykas of Ioannis.

On the 2nd item, the shareholders by majority approved the appointment of the Audit Committee according to the provisions of article 44 of law 4449/2017. The Audit Committee consists of the following three (3) physical entities, namely: 1) Georgios Samothrakis of Panagiotis, 2) Konstantinos Gianniris of Ioannis, and 3) Ioannis Apostolakos of Georgios.

On the 3rd item, the shareholders unanimously approved the stock repurchase plan of the Company according to the article 49 of law 4548/2018, as it is currently in effect, and more specifically approved the purchase within a period of twenty four (24) months from the date of the present resolution, meaning up to 19/03/2021, of a maximum number of 4,373,713 common registered shares, which correspond to a percentage of 10% of the total outstanding shares of the Company -given that the latter possesses 4,324 treasury shares- with a price range of one Euro and fifty cents (1.50 €) per share and three Euros and fifty cents (3.50 €) per share (maximum price).

On the 4th item, the shareholders unanimously approved the amendment and fulfillment of the provisions of the Articles of Association of the Company in an effort to align them with the provisions of law 4548/2018, as it is currently in effect, precisely in the draft form via which the amended and aligned provisions had been announced by the Company according to the article 123, paragraph 4 of Law 4548/2018.

Merger through absorption of EL.VIS SA from the 100% subsidiary of the Group Thrace Polyfilms S.A.

On 5-04-2019, the Merger Agreement of Thrace Polyfilms SA and EL.VIS SA was registered in the General Commercial Registry (GEMI) referring to the absorption of the latter from the former according to the provisions of Articles 69-77 of Law 2190/20, in combination with Law 2166/1993

SECTION X: Corporate Governance Statement

The current Corporate Governance Statement is compiled according to the provisions of a. 152 of L. 4548/2018, as it is currently in effect, constitutes special section of the Annual Management Report of the Board of Directors and contains the entire information required by the law.

Specifically, the structure of the present Corporate Governance Statement is as follows:

I. Compliance Statement with the Corporate Governance Code

II. Deviations from the Corporate Governance Code and Justification of Such

III. Corporate Governance Practices applied by the Company apart from those stated by law

IV. Description of the internal control and risk management system as regards to the process for preparing financial statements

V. Information regarding the Company's audit process (information stipulated by items (c), (d), (f), (h) and (i) of paragraph 1 of article 10 of Directive 2004/25/EC)

VI. Board of Directors and Committees

VII. General Meeting and Shareholders' Rights

VIII. Non Financial Information of Law 2190/1920 as it is in effect following its amendment from law 4403/2016 (Government Gazette A' 125/7.7.2016)

I. COMPLIANCE STATEMENT WITH CORPORATE GOVERNANCE CODE

Law 3873/2010, which incorporated the 2006/46/EC Directive of the European Union into the Greek legislation, essentially enacts the mandatory adoption of the Corporate Governance Law from companies and at the same time sets the obligation of compiling the current Statement.

The Company, in compliance with the provisions and regulations of the above Law, compiled and applies its own Corporate Governance Law. The text and the content of the Code are posted and generally available to the registered website of the Company www.thracegroup.com. The present Code was prepared by the Company's own decision and aims at the constant improvement of corporate institutional framework and the broader business environment, as well as the improvement of the competitiveness of the Company as a whole. During the preparation of the present Code were taken into account all the principles of corporate governance to be followed by the Company, as required by the current legislation (L. 4548/2018 as it is currently in force, L.3016/2002, as amended and in force today, L. 449/2017 and L.3884/2010) as well as the proposals and the general contents of Corporate Governance Code, which was written by the Hellenic Federation of Enterprises (hereafter "SEV"), and then amended in the context of the first revision by the Hellenic Corporate Governance Council (hereafter "ESED") and was published in October, 2013.

It is noted that for reasons of completion the aforementioned Corporate Governance Code (hereafter called as the "Code") which has been conducted and adopted by the Company has been approved by the Board of Directors and has been submitted to the Hellenic Capital Market Commission.

II. DEVIATIONS FROM THE CORPORATE GOVERNANCE CODE AND JUSTIFICATION OF SUCH

The Company, as noted earlier, decided to compile and apply its own Corporate Governance Law, so that a framework of corporate governance is formulated by taking into account the Company's specific operation requirements and by thus recognizing the needs emanating from the Company's organization and operation. For this reason, deviations observed from the contents of the Code, are quite limited and in any case are not a subject of detailed analysis and certainly of justification.

Solely for formality reasons, certain deviations from the Code are presented for the present year:

1. **The Board of Directors never convened via teleconference during the year**

   No relevant need arose and as a result no meeting occurred via teleconference during the year. In all board meetings the required by law and the Company's articles of association quorum was met as the board members were able to be physically present in these meetings.

2. **The Board of Directors did not prepare at the beginning of year any time schedule with dates, with regard to its meeting**s

   The absence of a predefined and strict time schedule with dates for the board meetings is due to the practical easiness to call for such a meeting every time it is required by the law or the Company's needs. In this context all matters and subjects can be dealt immediately and effectively each time they arise, without the Company having to comply with a predefined and strict time schedule.

   This deviation becomes easily understandable from the fact that the convocation and the occurrence of the meeting of the Board of Directors is very easy and practical at any time required by the law or the Company's needs, without the existence of a predefined action plan, which in view of the needs of the Management Team to frequently travel abroad could not be prepared and applied in full.

III. CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY, APART FROM THOSE STIPULATED BY LAW

As regards to corporate governance issues, the Company applies without any deviations the provisions of laws 4548/2018, 3016/2002 and 4449/2017 as currently in force, which have been incorporated in its Memorandum of Association, its Internal Operation Regulation and in the Audit Manual it has prepared. Moreover, the Company applies its own Corporate Governance Code, which is in line with the provisions of the above laws and includes a series of additional Corporate Governance practices which are included in the Code's stipulations, the whole text of which has been posted on the company's website www.thracegroup.com.

IV. DESCRIPTION OF THE INTERNAL CONTROLS SYSTEM AND RISK MANAGEMENT SYSTEM OF THE COMPANY AS REGARDS TO THE PROCEDURE OF PREPARING FINANCIAL STATEMENTS.

The Internal Controls System consists of the operations established by the Company in order to ensure the protection of its assets, identify and handle the most significant risks it faces or that it may face in the future, ensure that the financial data based on which the financial statements are prepared are correct, true and accurate, as well as to ensure that the Company's adheres to the Law, as well as to the principles and policies decided by Management.

In order to develop this System, the Company has studied and applied several Policies, Procedures and Regulations, that have been incorporated in its Internal Operation Regulation. With its application the Company covers the Management of Possible Risks in relation to the procedure for preparing Financial Statements in the following three (3) levels:

1) Entity level controls,
2) Financial reporting process controls,
3) IT controls

Specifically:

1) Entity level controls

Role and Responsibilities of the Board of Directors: The Board of Directors decides on any action that concerns Management of the Company, Management of its assets and in general on anything that relates to the achievement of its objective.

Additionally, the Board of Directors:

- Defines the responsibilities of each Division and assigns each Manager to delegate responsibilities to his/her subordinate employees.
- Is responsible to recruit the Company's Senior Executives and to define their remuneration policy following the proposal of the remuneration policy.
- Is responsible to appoint the Company's Internal Auditors, in line with the approval of the Audit Committee, and to define their remuneration.
- Is responsible to prepare a report with detailed transactions of the Company with its related parties, which is disclosed to the regulatory authorities.

Preparation of Budget and Supervising its Implementation at the Management level: The Annual Budget, which is also a guide for the Group's financial development, is prepared on an annual basis (consolidated and also per sector/subsidiary) and is presented to the Company's Board of Directors for approval. The Statements with the actual results are issued periodically, accompanied by the condensed reports including the deviations and are discussed at the Board level.

Internal Operation Regulation: The Company's Internal Operation Regulation is also the manual for its Internal Controls System, which amongst others includes the following:

- Guidance on handling the different operations
- Delegation of responsibilities

- Authorizations and limits of expense approvals
- Instructions for Controls on the basic sections of the Internal Controls System.

The adequacy of the Internal Controls System is monitored on a systematic basis by the Audit Committee through regular meetings that take place with the Internal Audit Service in the context of monitoring the Company's Annual Audit Program.

2) Financial reporting process controls

In order to ensure that the financial data, based on which the financial statements of both the Company and the Group, are correct, true and accurate, the Company applies specific controls that include the following:

- The records from the Company's accounting department are applied based on a specific process that requires all receipts/documents to be original, sealed with a standardized stamp and carry the respective signed approvals.
- The Company maintains a Certified Fixed Asset Registry in the Fixed Assets sub-system and applies depreciations according to the International Accounting Standards and Tax Rates in effect. Depreciations are reviewed by the Operational Head of the Finance Department.
- The accounting department carries out periodic reconciliation of balances of payroll, customers, suppliers accounts, VAT etc.
- The Operational Head of Financial Services is responsible for updating the Chart of Accounts (namely any changes and opening of new accounts).
- The Group prepares the consolidated and also the separate per Group sector/subsidiary budget on an annual basis for the next financial year, and such budgets are presented to the Company's Board of Directors for approval.
- Each month a detailed presentation is prepared per sector/subsidiary and on a consolidated Group level, for the financial results. This presentation is disclosed to the Group's Management.
- Companies that constitute the Group follow common accounting applications and procedures in line with the International Financial Reporting Standards (IFRS).
- At the end of each period, the accounting departments of the parent and subsidiary companies prepare their financial statements according to the International Financial Reporting Standards (IFRS).
- The Financial Services of the Group collect all the necessary data from subsidiaries and factories, consolidation entries are applied and the financial statements are prepared according to the International Financial Reporting Standards (IFRS).
- There are specific processes for the finalization of financial statements, which include deadlines for submission, responsibilities and information for the required actions.
- The financial statements are reviewed by the Company's Audit Committee and are submitted for approval to the Board of Directors.

3) IT controls

The Financial Services Division of the Group is responsible for maintaining the Company's IT applications. This Division has established powerful IT controls, which ensure the support of the direct and also the long-term objectives of the Company and the Group as well. All applied processes are described in detail in the Company's Internal Operation Regulation. The most significant of such are presented below:

- **Back Up Process (in Hardware):** According to the Operation Regulation, the IT Service develops the appropriate infrastructure and ensures that such is compatible with another company that has a respective IT system to cover each other's needs in cases of damage in the Company's central IT system.
- **Safekeeping (Confidential) of the Company's Computer Files**: The IT Service applies the appropriate systems that ensure the "non" leakage of the Company's IT data.
- **Files – Software of the Central Computer:** Particular emphasis is given to the access of the space where the Central Computer is installed, in order to allow such access only by IT employees that have been authorized by Management. The access is controlled adequately. The Operation Regulation defines who can access data whose possible alteration may result in calculation changes (i.e. invoices, payroll, discounts etc.).
- **Files –Software of the Peripheral Computers**: Access to files and computer software is provided to specific individuals with the use of personal passwords.
- Processes for Protection of the **Central Computer and Peripheral Computers**: In the context of protecting the Group's IT system, and taking advantage of the latest technology available, the IT Service applies the most advanced protection techniques, such as antivirus security software, e-mail security, firewalls etc.

The Audit Committee of the Company monitors the adequacy of the Company's Internal Controls System on a continuous basis, given that:

- It has approved the Company's Internal Operation Regulation which has incorporated the appropriate Policies, Processes and Regulations that comprise the Internal Controls System applied by the Company.
- The members of the Company's Audit Committee are recipients of the reports prepared by the Company's Internal Audit service as well as the members of the Board of Directors. Through such reports, several sections/operations of the Company are assessed as well as the adequacy of Internal Control Systems applied in such.

V. INFORMATION REGARDING THE COMPANY'S CONTROL STATUS (INFORMATION OF ITEMS (C), (D), (F), (H) AND (I) OF PARAGRAPH 1 OF ARTICLE 10 OF DIRECTIVE 2004/25/EC OF THE EUROPEAN PARLIAMENT AND THE COUNCIL, OF 21ST APRIL 2004)

Significant direct or indirect participations (including indirect participations through pyramid structures or cross-

participation) according to the definition of article 85 of Directive 2001/34/EC.

As regards to significant participations in the share capital and voting rights of the Company, according to the definition of article 85 of Directive 2001/34/EC, Mr. Konstantinos Chalioris owned a percentage of 43.292% of the Company's share capital on 31/12/2018 and Ms. EufimiaChaliori owned a percentage of 20.851% of the Company's share capital on 31/12/2018. No other physical or legal entity owns a percentage over 5% of the Company's share capital. Data regarding the number of shares and voting rights of individuals owning significant participations, has been derived by the Shareholders' registry kept by the Company and the disclosures notified to the Company according to Law.

Owners of any type of titles that provide special control rights and description of such rights.

There are no Company titles that provide owners with special control rights.

Any kind of limitations on voting rights, such as limitations on voting rights of owners that hold a specific percentage or number of votes, the exercise deadlines for voting rights, or systems through which, with the cooperation of the company, financial entitlements that emanate from the titles are distinguished from the ownership of the titles ·

The Company's Memorandum of Association provides no limitations to voting rights emanating from its shares any type of ownership titles.

Rules that regard the appointment and replacement of the Board members as well as regarding amendment of the Memorandum of Association.

The rules included in the Company's Memorandum of Association, both as regards to the appointment and the replacement of Board Members and as regards to its amendments, do not differ from those stated by the L. 4548/2018.

The authorities of Board members, specifically as regards to the ability to issue or buyback shares.

There is no special competence of the Board of Directors or some of its members for the issuance of new shares or the purchase of treasury shares according to article 49 of law 4548/2018. The relevant power and responsibility is given to the Company's Board of Directors by virtue of a relevant decision of the General Meeting of its shareholders.

VI. BOARD OF DIRECTORS AND COMMITTEES

1) Composition of the Board of Directors

According to article 7, paragraph 1 of its Memorandum of Association, the Company is managed by a Board of Director (or "the BoD" for abbreviation purposes) which consists of seven to fifteen (7-15) members. The Board members are elected by the General Meeting of shareholders, amongst shareholders or not, for a five-year term, which is automatically extended until the first Ordinary General Meeting following the end of their term, without however extending six-years.

- In case of resignation, death or in any other way loss of the capacity of a Board member, the remaining members may either elect members of such in replacement of the above or may continue the management and representation of the Company without the replacement of past members, with the condition that the number of the remaining members is not less than half of the number of members during the time such events occurred. In no case, the Board members are allowed to be less than three (3).

- In case of electing a replacement, the decision for the election is subject to the disclosure requirements of article 13 of L. 4548/2018, as currently in effect, and is announced by the Board of Directors at the forthcoming General Meeting, which can replace those elected, even if the relevant issue had not been included in the daily agenda.
- The actions of the elected temporary replacement are valid even if the General Meeting does not validate his/her possible election or even if it has elected or not another final member of the Board.
- The term of an elected Board member is terminated when and whenever the term of the replaced member would have been terminated.

The Extraordinary General Meeting of Shareholders of 19 March 2019 elected new eleven (11) members of the Board of Directors of the Company for a period of five years, that is until 19.03.2024, extended until the deadline for the next Ordinary General Meeting to be held, consisting of the following members:

1) Konstantinos Chalioris of Stavros,
2) Christos-Alexis Komninos of Konstantinos,
3) Georgios Braimis of Periklis,
4) Dimitrios Malamos of Petros,
5) Vasileios Zairopoulos of Stylianos,
6) Christos Siatis of Panagiotis,
7) Konstantinos Gianniris of Ioannis,
8) Ioannis Apostolakos of Georgios,
9) Petros Fronistas of Christos,
10) Nikitas Glykas of Ioannis and
11) Theodoros Kitsos of Konstantinos.

At the same time, with this decision the above annual Ordinary General Meeting appointed as independent members of the Board of Directors, according to the provisions of Law 3016/2002, as it is currently in effect, the following: 1) Mr. Petros Fronistas of Christos, 2) Mr. Konstantinos Gianniris of Ioannis, 3) Mr. Ioannis Apostolakos of Georgios, 4) Nikitas Glykas of Ioannis and 5) Theodoros Kitsos of Konstantinos.

The following table presents the members of the Board of Directors in effect.

Board Member	Position in the Board
Konstantinos Chalioris	Chairman & Chief Executive Officer
Christos-Alexis Komninos	Executive Vice-Chairman
George Braimis	Executive Member
Dimitrios Malamos	Executive Member
Vasileios Zairopoulos	Non-Executive Member
Christos Siatis	Non-Executive Member
Konstantinos Gianniris	Independent Non-Executive Member
Ioannis Apostolakos	Independent Non-Executive Member
Petros Fronistas	Independent Non-Executive Member
Nikitas Glykas	Independent Non-Executive Member
Theodoros Kitsos	Independent Non-Executive Member

Amounts in thousand Euro, unless stated otherwise

The above eleven-member (11-member) Board of Directors meets the conditions of Law 3016/2002 as currently in effect and the provisions of the Corporate Governance Code.

From the above members, all individuals have Greek nationality except for Mr. Christos Siatis and Mr. Christos-Alexis Komninos who have Cypriot nationality.

Description of the policy of diversity with regard to the administrative bodies of the Company

Given the fact the Board of Directors is the highest administrative body of the Company, which is responsible for the safeguarding of the broader corporate interests, the policy making and the growth strategy of the Company as well as for the strengthening of the long-term economic value of the Company, it is very essential for the particular body to possess, with regard to its composition, a diversity of skills, views and abilities which at the same time respond to the need to effectively attain corporate goals.

From the time of the Company's establishment and until today, the entire members of the Board of Directors fulfill all necessary conditions and have set the foundations in order to be granted with the capacity of the member of the Board of Directors. At the same time they are distinguished for their high professional skills, educational level, knowledge, capabilities, experiences and their organizational and administrative abilities, and at the same time they possess high standards of ethics and integrity of character.

The members of the board of Directors cover a broad range in terms of age combining effectively their dynamics and experience (indicatively between 40 and 70 years old). The members, in their majority, are holders of graduate and postgraduate degrees of domestic as well as international universities, have worked in high ranked positions of major companies domestically and abroad, meaning companies activating in a variety of business sectors. They have also been members of the higher managerial staff of large organizations and as a result they possess significant international experience in the corporate as well as the broader social fields and are in position to actively contribute to the growth prospects of the Group in the geographical areas in which it activates. They finally fulfill the requirements of suitability as well as the criteria with regard to the Group's effective staffing and operation.

The present composition of the Board of Directors targets undoubtedly to serve the corporate goals to the greatest possible degree, given the fact that the pool of skills, experience and views possessed by the Company when it comes to its senior staff has increased significantly. Equally strong are the Company's competitiveness, productivity and innovation.

The current 11-member Board of Directors of the Company, which was elected from the Annual General Meeting of shareholders on 19th March 2019 with a five-year term and was formed into body during the same day, consists exclusively of males, meaning that all members are men. Despite the fact that in the present time there is no participation of female individuals in the Board of Directors, the finding and addition of capable representatives of women as members of the BoD is among the priorities of the Company in the future, and therefore when the time comes the latter will accordingly form the composition of the Board of Directors. In any case, the quest of such individuals is not an end in itself, and must not place in jeopardy the so far effective framework of corporate decision making and the normal functioning of the particular collective body of the Company.

The condensed CVs of the Company's Board members, are as follows:

Konstantinos Chalioris,

Chairman of the Board & CEO, age 56

He possesses a professional experience of 40 years and has gained very good knowledge of the industry and the international market. Since 2009, he holds the position of the Chairman of the Board of Directors.

Christos-Alexis Komninos,

Vice-Chairman of the Board of Directors, age 76

Christos Alexis Komninos was born in Constantinople. In 1971 he graduated from the Polytechnic University of Constantinople (I.T.U.) with a degree in Chemical Engineering (MSc). In 1972 he moved to Greece and was recruited to Coca-Cola TRIA EPSILON, where until 1987 he held several positions. From 1987 to 1990 he served as Chief Executive Officer of Coca-Cola Bottlers Ireland (a subsidiary of TRIA EPSILON). In 1990 he returned to Greece and in 1995 he was appointed Chief Executive Officer, a position he held until 2000. From 2000 to 2004 he was Chairman and Managing Director of PAPASTRATOS SA. After the acquisition of Papastratos by PHILIPMORRIS S.A. he participated voluntarily at the ATHENS 2004 Organizing Committee of the Olympic Games as the Head of the Organization of the Opening and Closing Ceremonies of the 28th Olympiad. From 2005 to February 2010, he held the position of Executive Vice President of SHELMANA.E. and ELMAR SA. From December 2011 until February 2014 Mr. Komninos held the position of Chairman of the Board of Directors of Hellenic Petroleum SA (ELPE). Mr. Komninos also served as Vice President of the Board of Directors and member of the Executive Committee of the Association of Enterprises and Industries (SEV), member of the Board of Directors of Chalkor SA of the VIOHALCO Group, of FINANSBANK (Turkey) and of ANADOLU EFES (Turkey). He speaks English, French, Italian and Turkish. He is married and has two daughters.

George Braimis,

Executive Member, age 52

Mr. George Braimis is a Mechanical Engineer, with a MSc degree from Imperial College of Science of the University of London and an MBA from the Hellenic Business Administration Company and INSEAD University. He has significant professional experience, holding management positions in industrial companies mainly in the packaging and food sectors. For almost 14 years he worked at the Philippou Group and specifically from 1994 to 2000 at the company "FAGE S.A." as Maintenance Manager, from 2004 to 2009 at the company "Mornos S.A." serving as CEO and from 2009 until March 2011 at the company "EVGA S.A." as Vice-Chairman of the Board and CEO, while he maintained his position at "Mornos S.A." until August 2010 as Vice-Chairman. Also, during the three-year period 2001-2004, Mr. Braimis worked at the Frigoglass Group as Head of Technical Support overseeing all plants in Nigeria. From April 2011 Mr. George Braimis assumed responsibilities of Managing Director of the Packaging Business Unit of Thrace Plastics Group, a position that was added to the Group's organizational structure in order to contribute to achieving Management's objectives both in the domestic market and abroad (S-E Europe, Scandinavia, Ireland and the United Kingdom).

Dimitrios Malamos,

Executive Member, age 43

Mr. Dimitris Malamos graduated from the Athens College in 1993. He studied in Great Britain from 1993 to 1998. He holds a BA (Hons) in Business and Financial Economics from Staffordshire University a postgraduate MBA degree from University of Kent in Canterbury. From 2000 to 2007 he worked in PricewaterhouseCoopers in the area of Management Consulting servicing companies of the private and public sector where he gained significant experience in the fields of budgeting and reporting, financial analysis and internal restructuring. During the period 2007-2009 he worked in National Bank in the Accounting & Finance division and he returned to PricewaterhouseCoopers in the area of Management Consulting. He works as Group CFO for Thrace Plastics Group since June 2010.

Vasileios Zairopoulos,

Non-Executive Member, age 57

Vasileios Zairopoulos began his career in 1983 in the apparel and footwear sector. He assumed the position of Director of Design and Collection for a leading company in the kids wear market. In a later stage he also became responsible for the planning and coordination of production. He then moved to the business development department of a large retail store chain where he also undertook the broader supervision of the retail business activity, including the store design, the order and supply process, the management of the sales team, the marketing and promotion, as well as the budgeting. He was also engaged in the areas of strategic consulting, negotiations, marketing management and financial planning, before moving to establish its own consulting firm. During the past 10 years, Mr. Zairopoulos activates as consultant, through his firm, in the areas of strategic consulting, startups, business planning, investment evaluation, international negotiations, pricing and communication. Apart from his professional activities in Greece, Mr. Zairopoulos has also collaborated with two American multinational corporations, namely Columbia Sportswear and New Balance. He received IB Diploma from UWC Atlantic College in 1979 and BSc in Management from Bath University in 1983.

Christos Siatis,

Non-Executive Member, age 70

An Associate Member of the Fellows of Chartered Accountants of England and Whales. He is a Certified Public Accountant by the Cyprus Institute of Chartered Accountants and Member of the Hellenic Association of Certified Accountants (SOEL). He began his career in 1981 at the auditing firm Kostouris – Michailidis (Grant Thornton) in Athens. In 1993 he became Managing Partner of the Greek company and in 1997 he assumed the position of Territory Senior Partner at the company that resulted from the merger of Kostouris-Michailidis and Coopers & Lybrand. In 1998 he was elected Chairman and Chief Executive Officer of the company Pricewaterhouse-

Coopers in Greece. At the same time he was exercising his Management responsibilities at the above auditing firms, Mr. Siatis activates as Consultant providing advisory services to senior management of large firms.

Konstantinos Gianniris,

Independent Non-Executive Member, age 74

Graduate of the Economics Department of the University of Piraeus and of the Law School of University of Athens with a very extensive professional training. He has served as General Manager of IASO Group, Managing Director of the Euroclinic Athens Group, General Manager of SOULIS SA, Member of the Executing Committee, Chief Executive Officer or Senior Managing Director (Chief Financial Officer, Marketing / Sales Manager, Logistics Manager, IT Manager, Control) in large companies. He is also a member of the Board of Directors and Chairman of the Audit Committee at ELASTRON SA. He has been a member of the Board of Directors and Chairman of the Corporate Audit Committee: Eurodrip SA, Logicdis SA, Dodoni Ice Cream SA and European Technique SA. He has founded the company P.M.S. Consultants (specializing in Business Administration, Internal Audit, Corporate Governance and Business Organization). He has established the Hellenic Institute of Internal Auditors (for many years he has served as President) and has represented it in International Conferences. He has established the of Greece's Clinics Association (SEK), for which he has been President for many years (now Honorary President) where large Private Clinic Groups, as well as many small clinics participate as members. Mr. Gianniris has prepared the following theses of Applied Business Administration which have been applied in a series of Operations: Internal Regulation of Administration, Organization, Operation and Internal Control System, Internal Audit Unit's Organization and Operation Manual, Budgetary and Audit Control Systems, Costing Systems.

Ioannis Apostolakos,

Independent Non-Executive Member, age 55

He has an M.B.A. from University of Wales, and a bachelor's degree from the Business Administration Department of the Athens University of Economics and Business (AUEB). Mr. Ioannis Apostolakos has served as senior management executive in the past in the Credit and Investment Banking units of the Ergasias Bank Group (currently named EFG Eurobank Ergasias) and the Piraeus Bank Group. He has been member in the boards of various companies listed on the Athens Exchange and the Cyprus Stock Exchange. Currently he is Administrator in a corporate advisory company and Independent Non Executive Member in AS COMPANY SA, listed on the Athens Exchange.

Petros Fronistas,

Independent Non-Executive Member, age 74

A Graduate of the Athens University of Economic and Business (AUEB) and the Early Childhood Education Academy. He worked from 1964 to 2011 at the Group of National Bank of Greece holding several management positions from 1989. Specifically from 1989 to 1993 he served as Deputy General Manager at Athens Bank (a company of the National Bank of Greece Group until its sale). During the two-year period 1993-1994 he served as Deputy Manager of the Corporate Banking Division. From 1994 to 1995 he served as General Manager of ETHNOFACT S.A., while during 1995-1998 as Head of the Overdue Receivables Division. From May 1998 until August 2002 Mr. Fronistas held the position of Corporate Banking Manager and from 2002 to 2004 he served as Management Consultant in the Corporate Credit Division. During the two-year period 2004-2005 Mr. Fronistas assumed responsibilities of Chairman of the Board of Aspis Leasing S.A., of the Aspis Bank Group, with executive responsibilities. From May 2005 to March 2009 e served as General Manager of the National Bank of Greece in Cyprus and following until February 2010 he assumed responsibilities of Deputy CEO. From February 2010 to June 2011 he served as CEO of Ethniki Leasing S.A. He also participates in the Board of Directors of the companies PAEGAE SA and Nireus Aquaculture SA.

Nikitas Glykas,

Independent Non-Executive Member, age 52

Mr. Nikitas Glykas holds a BSc degree in Physics from the University of Athens and postgraduate degrees from the Lancaster University in 1990 and Harvard University in 2006. Until the year 2005 he held the position of Peripheral Manager of Eastern Europe for MAILLIS SA. Since 2006 and until 2009, as Member of the Board of Directors and member of the senior management of SHELMAN SA, being responsible for both the Company and its affiliates, he promoted the restructuring and the broader redesign of the Group's operating procedure achieving especially positive results amid recession conditions in the timber sector. Since the year 2009 he has held various positions in HTC Group, whereas from October 2015, and assuming higher duties, he holds the position of the President for the region of Middle East and Africa based in Dubai with direct reporting to the Group's headquarters in Taiwan. He is considered a senior executive with international experience, deep knowledge of the European markets as well as of the markets of Middle East and Africa, who manages effectively different cultures and holds records in the achievement of sales and the penetration of new and existing geographic markets.

Theodoros Kitsos,

Independent Non-Executive Member, age 55

Mr. Theodoros Kitsos holds a BSc degree from the Economics Department of the National and Kapodistrian University of Athens and an MBA degree in finance from the Warner College of USA. He started his career in Unilever Hellas and also in companies of the Group located abroad where he worked in United Arab Emirates, Saudi Arabia and Holland. He returned to Greece in 2005 where he worked as General Manager of Human Resources and Organization at PPC (DEI) SA. In a later stage he held the position of Deputy General Manager of Human Resources at Eurobank Group. By the end of the year 2007, he returned to Unilever Group based in London undertaking the duties with regard to the global organizational planning of the Company, whereas in year 2010 he moved to Unilever Russia, Ukraine and Belarus based in Moscow where he held the position of Vice President responsible for issues of human resources and organization, implementing successfully at the same time the acquisitions and mergers of three companies active in the production and trading of consumer products. Since the summer of 2015, he works at the headquarters of Unilever in London having assumed a plethora of duties in the areas of Finance, Law, Technology and Support Services on global level.

The Independent Non-Executive Members, Messieurs Konstantinos Gianniris, Ioannis Apostolakos, Petros Fronistas, Nikitas Glykas and Theodoros Kitsos meet the independence criteria as such are defined by L. 3016/2002 as in force.

The following table presents the external professional commitments of Board members:

Board Member	Companies outside the Group in which the Board members participate	Equity participation stake	Position
Konstantinos Chalioris	Civil non-Profit Company Stavros Chalioris	50%	Vice-Chairman of BoD
	Xanthi Photovoltaic Park S.A.	50%	Chairman & Chief Executive Officer
	EYTERPI S.A.	-	Chairman & Chief Executive Officer
	ERATO S.A.	50%	Chairman & Chief Executive Officer
	THALEIA S.A.	50%	Chairman & Chief Executive Officer
	KLEIO S.A.	-	Chairman & Chief Executive Officer
	AVDIRA NEPA	99%	Chairman of BoD
Dimitrios Malamos	Dynamic Constructions – V. Zarifopoulos G.P.	-	Chairman of BoD
	Ioannis Filippaios S.A.	-	Board Member
Christos Siatis	Spetses Trading LLC	-	Manager
	Skylark Shipping & Trading LLC	23%	Manager
	S-kyevo Shipping & Trading LLC	33%	Manager
	C.E.T. Rivers Cyprus Ltd	-	Manager
	J&P AVAX S.A.	-	Board Member
Vasileios Zairopoulos	V. Zairopoulos& SIA General Partnership	90%	Administrator
Petros Fronistas	PAEGAE S.A.	-	Board Member
	Nireus Aquaculture S.A.	-	Board Member
Ioannis Apostolakos	Arhaios Olynthefs I.K.E.	99.9%	Administrator
	AS Company S.A.	-	Board Member
Konstantinos Gianniris	Elastron S.A.	-	Board Member

Amounts in thousand Euro, unless stated otherwise

2) Responsibilities of the Board of Directors

The Board of Directors is the administrative body that decides on any action that concerns the company's Management, the management of its assets and in general anything that refers to achieving its objective.

According to the Company's Memorandum of Association:

The Board of Directors is responsible for the representation, administration and unlimited management of corporate affairs. It decides on any issue that concerns the company's management, the achievement of the company objective and the management of company assets, including the issue of common and convertible bond loans. Only decisions, which according to the provisions of Law or the Articles of Association as they are in effect following its amendment by the Extraordinary General Meeting of 19th March 2019, are subject explicitly to the responsibility of the General Meeting of shareholders, are excluded.

The Board of Directors may appoint, for any time period and under any conditions it deems necessary each time, to exercise its representation and duties in general, fully or partially to one or more of its members or Managers or Executive advisors or other employees of the Company or third parties or committees, defining however each time their authority and the signatures that bind the Company.

Specifically, the main responsibilities of the BoD (in the sense that the relevant decision making requires the prior approval of the BoD or, if necessary, ex post ratification by the BoD), should include:

- The representation , administration and unlimited management of corporate affairs
- The decision making for each decision relating to the Company's management
- The achievement of the corporate objective and management of corporate assets including the issuance of common and exchangeable bonds. The decisions, which according to the provisions of the Law or the Articles of Association or any other valid, binding and firm agreement, are explicitly subject to the exclusive responsibility of the General Meeting of Shareholders, are excluded
- The approval of the long-term strategy and the operational objectives of the Company
- The approval of the annual budget and business plan and the decision making on major capital expenditures, acquisitions and divestments
- The selection and, when necessary, the replacement of the executive management of the Company , as well as the supervision of the plan of the succession
- The performance testing of the senior Management and the harmonization of the remuneration of the executives with the long-term interests of the Company and its shareholders
- Ensuring the reliability of the financial statements and data of the Company, the financial information systems and the data and information disclosed to public, as well as ensuring the effectiveness of internal control and risk management systems
- The vigilance regarding existing and

potential conflicts of interest of the Company, on one side, and the Management, the members of the BoD or the major shareholders, on the other side, and the appropriate treatment of such conflicts. For this purpose, the BoD should follow a transactions surveillance process

- Ensuring the existence of an effective process of regulatory compliance of the Company
- The responsibility for decision making and monitoring of the effectiveness of the Company's management system, including the decision-making processes and the delegation of authorities and duties to other employees, and
- The formulation, dissemination and application of the basic values and principles governing the Company 's relations with all parties, whose interests are linked to those of the Company

3) Operation of the Board of Directors

As regards to the operation of the Board, the Company's Memorandum of Association states the following:

Formation of the Board of Directors

- The Board of Directors, as soon as it is elected and specifically during its first meeting, elects from its members and for the entire period of its term a Vice-Chairman and Chairman, whereas if the Chairman is absent or unable the Vice-Chairman substitutes such, and if the latter is absent or unable then the advisor that is appointed by means of a decision by the Board of Directors substitutes such.
- The Chairman of the Board of Directors presides the Board meetings, manages its activities and informs the Board of Directors on the Company's operation.
- The Board of Directors may elect one of its members as Chief Executive Officer or Executive Advisor, it may appoint responsibilities of the CEO to the Chairman or Vice-Chairman of the Board and it may elect the deputy CEO or Executive Advisor from its members.
- The responsibilities of the CEO and Executive Advisor are defined by means of a decision by the Board.

Decision Making

- The Board of Directors is considered to be in quorum and meets validly given that half plus one member are present or represented at the meeting. However the number of members present in person cannot be less than three (3) in no case. To establish quorum, possible fractions are omitted.
- The decisions of the Board of Directors are made with absolute majority or the members present and represented at the meeting.

Representation of Board Members

A Board member that is absent may be represented by another member. Each Board member may represent only one absent member, with a written authorization.

Minutes of the Board of Directors

- Copies or excerpts of the Board of Directors' Minutes are certified by the Chairman or his/her legal representative or by a member of the Board that has specifically been authorized for such by a decision from the Board.

- The preparation and signing of minutes by all Board members or their representative constitutes a decision by the Board of Directors, even if a meeting has not previously taken place. This arrangement applies if all the members or their representatives agree to make a majority decision in minutes without a meeting. The relevant minutes are signed by all the members.
- The signatures of the members or their representatives can be exchanged by e-mail or through electronic means.

Remuneration of Board Members

The members of the Board may receive remuneration for each of their presence in person at Board meetings, only if such is approved with a special decision by the Ordinary General Meeting.

- The members of the Board of Directors receive the fixed and variable remuneration as well as the other benefits, fees and indemnities specified in the Company's current remuneration policy. The fees of the members of the Board of Directors may also consist of a share in the profits of the year, in accordance with the provisions of Law 4548/2018.
- A fee or benefit granted to a member of the Board of Directors that is not regulated by law or this Statute shall be borne by the Company only if approved by a special decision of the General Meeting.

4) Board Meetings

According to the Company's Memorandum of Association

- The Board of Directors meets at the Company's headquarters whenever the Law or the Company's needs require so, convened by the Chairman or his / her deputy with an invitation to be communicated to members at least two (2) working days prior to the meeting. The Board of Directors may also meet outside the Company's registered office, but in the particular case such notice must be communicated to its members at least five (5) working days prior to the meeting.
- The Board of Directors may convene through teleconference for certain of its members or for all of them. In this case, the invitation towards Board members includes all information necessary, including technical information, for their participation in the meeting.
- The Board meetings may be presided by the Chairman or his/her substitute according to the Articles of Association.

During 2018, 27 Board meetings took place. All Board members participated in 8 meetings.

5) Audit Committee

Fully in compliance with the provisions and stipulations of the legislation and in particular with the article 37, effective at the time, of L. 3693/2008, during the annual General Meeting of shareholders that took place on 14.04.2016, the Company elected an Audit Committee with the objective to support the Board in performing its duties as regards to the procedure of financial information, the procedures of internal control systems, the supervision of the mandatory audit of the annual and consolidated financial statements, as well as to inform the Board of Directors with regard to the review of the financial reports prior to their approval.

Under Law 4449/2017, the Audit Committee may consist of at least three (3) members who may also be members of the Board of Directors but independent to their majority, or may consist of non-members of the Board of Directors who are appointed by the General Meeting of shareholders and who also fulfill the requirements of independence of Law 3016/2002 to their majority.

The members of the Audit Committee must be to their majority (meaning by over the half of the number of the Committee's members) independent from the audited entity. The above statement means that out of the three-member Audit Committee, at least two of its members (and including always its Chairman) must be independent non-executive members of the Board of Directors or in case that they are not members of the above mentioned corporate body, they must fulfill the independence requirements stipulated by the Law 3016/2002.

The minimum required number of the present members in order to render a meeting of the Audit Committee as a valid one must be three (3), meaning that in case of a three-member Audit Committee then it is required the presence of all members at each meeting.

However even if the Audit Committee consists of more than three (3) members it is required, according to the clarifications granted pursuant to the no. 1302/28.04.2017 document of the Listed Companies Division of the Hellenic Capital Market Commission, the participation of the entire number of its members, in person, in the Committee's meetings.

At least one member of the Audit Committee must be Certified Auditor accountant in suspension or retired professional with sufficient knowledge in auditing and accounting.

In any case, it is to the discretion of the Audit Committee to invite whenever it is deemed necessary key directors of the Company who are involved in the latter's corporate governance (for example Managing Director, Finance Director, head of the Internal Control Unit) to attend certain meetings or certain subjects of the daily agenda.

The Audit Committee is now governed by the clauses of Law 4449/2017 (which superseded the clauses of Law 3693/2008) and is charged with the following duties in addition to the full responsibility assigned to the members of the Board of Directors and specifically:

i) External Control (sect. α' of par. 3)

The Audit Committee monitors the procedure and performance of the mandatory audit on the separate and financial statements of the Company. In this context the Committee informs the Board of Directors by submitting a relevant report for issues deriving from the mandatory audit and by explaining analytically the following:

a) The contribution of the mandatory audit to the quality and integrity of the financial information, meaning in the accuracy, completeness and correctness of the publicized financial information including the relevant disclosures which are approved by the Board of Directors

b) The role of the Audit Committee in the under (a) above mentioned procedure, meaning the recording of the actions taken by the Audit Committee during the performance of the mandatory audit.

In the context of the above information that is being granted to the Board of Directors, the Audit Committee takes into consideration the contents of the supplementary report which the certified auditor accountant prepares and submits, and which contains the results of the mandatory audit that was performed fulfilling at least the requirements of article 11 of the Regulation (EU) no. 537/2014 of the European Parliament and the Council of April 16th, 2014.

ii) Procedure of financial information (sect. b' of par. 3)

The Audit Committee monitors, examines and assesses the preparation procedure of the financial information, meaning the mechanisms and the production systems, the flow and the dissemination of the financial information produced by the involved organizational units of the company. The above mentioned actions of the Audit Committee include any other information that is made publicly available in any manner (for example announcements to the stock exchange, press releases) in relation to the financial information. In this context, the Audit Committee informs the Board of Directors about its findings and submits proposals for improvement if necessary.

iii) Procedures of internal control systems and risk management and internal control unit (sect. c' of par. 3)

The Audit Committee monitors, examines and assesses the adequacy and effectiveness of the entire policies, procedures and controls of the Company with regard to the internal control system as well as the estimation and the management of risks in relation to the financial information. With regard to the internal control operation, the Audit Committee monitors and inspects the proper operation of the internal control unit according to the professional standards as well as the effective legal and regulatory framework, whereas it assesses the results, the adequacy and the effectiveness of the unit without at the same time affecting its independence. Also, the Audit Committee reviews the published information in relation to the internal control and the major risks and uncertainties of the Company in relation to the financial information. In this context, the Audit Committee informs the Board of Directors about its findings and submits proposals for improvement if needed.

Apart from the above the Audit Committee should review conflicts of interests in the transactions of the Company with the related to it entities and submit relevant reports to the BoD.

Moreover, the Audit Committee should examine the existence and the content of those procedures under which personnel of the Company may, in confidence, raise concerns about possible illegalities and irregularities in financial reporting or other matters relating to the operation of the Company.

The Audit Committee should ensure the existence of procedures for the effective and independent investigation of such matters and for their appropriate confrontation.

Finally, the Audit Committee should monitor and examine the proper operation of the internal audit department and review its quarterly audit reports.

- ensure the independence of the internal audit department by proposing to the BoD the appointment and removal of the head of the internal audit department,
- should, via the BoD, make recommendations to the General Meeting, in relation to the appointment, re-appointment and removal of the Regular Auditor and approve the remuneration and terms of engagement of the Regular Auditor,
- should review and monitor the Regular Auditor's independence and objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements in Greece,
- should examine and monitor the provision of additional services to the Company by the auditing company that engages the Regular Auditor.

The existing Audit Committee, which was elected by the Extraordinary General Meeting of Shareholders on March 19, 2019, consists of the following two (2) independent Non-Executive Members of the Company's Board of Directors and one non-member, namely:

Georgios Samothrakis	Non-Member of BoD, Chairman of the Committee
Konstantinos Gianniris	Independent Non-Executive Board Member
Ioannis Apostolakos	Independent Non-Executive Board Member

Mr. Georgios Samothrakis, as a retired Certified Auditor-Accountant, has a thorough knowledge of the audit and accounting issues, and therefore fully complies with the statutory conditions for appointment to the said Committee, while it is estimated that this appointment will essentially and effectively strengthen the Committee's outcome.

Meetings – The frequency of each Board member present each year during meetings

The Committee convenes at least four (4) times a year. The Chairman of the Committee decides on the frequency and time schedule of the meetings. The external auditors are entitled to request a meeting by the Committee if they deem necessary.

During 2018 the Committee convened four (4) times and all members were present during the meetings, whereas all issues mentioned in the Internal Operation Regulation as well as in the Operation Regulation of the Audit Committee were discussed and handled, the major of which are as follows:

- Supervision and approval of the Internal Audit Service's activities
- Monitoring of the process and the performance of the mandatory audit on the separate and consolidated financial statements of the Company and briefing of the Board of Directors about the issues related to the mandatory audit along with an analytical explanation
- Opinion on the selection of the Auditing Firm
- Ensuring the independence of the Certified Public Accountants

6) Remuneration and Board Member Nominee Committee

With the adoption by the Company of its own Corporate Governance Code (according to the above mentioned), the particular Committee replaced the Recruitment – Remuneration of Executive Board Members & Senior Executives and Board Member Nominee Committee, which had been established within the year 2011 and following relevant provision in the SEV Code (which was initially adopted by the Company).

The first Committee for the Provision of Candidates and Appointments of Members of the Board of Directors was composed of two members, while in 2018, the Board of Directors of the Company proceeded to the election of a new three-member Committee for the Provision of Candidates and Appointments of Members of the Board of Directors.

The new Board of Directors, elected by the Extraordinary General Meeting of Shareholders of 19 March 2019, appointed the existing Nomination and Remuneration Committee in relation to the Members of Board of Directors, which consists of the following three (3) Independent Non-Executive Members:

Theodoros Kitsos	Independent Non-Executive Member, Chairman of the Committee
Ioannis Apostolakos	Independent Non-Executive Member
Konstantinos Gianniris	Independent Non-Executive Member

Meetings

The Committee convened twice (2) during the year 2018.

The responsibilities of the committee in relation to the designation of the remuneration policy of the executive members of the BoD, as well as of the management executives, and the determination of the overall remuneration policy of the Company should include:

- making proposals to the BoD with regards to the remuneration of each executive Board member, including the bonus and the incentive payments based on share options award
- reviewing and making proposals to the BoD on the total annual package of variable (i.e. except for the salary) compensations in the company
- reviewing and making proposals to the BoD (and, via the BoD, to the General Meeting of shareholders, when required) on the stock option or share award programs
- making proposals on targets for variable, performance-related compensations or targets related to stock-options or share award programs
- making proposals to the BoD on any business policy related to remuneration

The responsibilities of the Committee, with regards to the nomination of the Board members, should include:

- setting selection criteria and appointment for the Board members
- periodically assessing the size and composition of the BoD and its committees, as well as the submission to it of the proposals for consideration on the member's desired profile
- reviewing-assessing the current balance of skills, knowledge and experience within the BoD, and based on this assessment, recording a clear description of the role and capabilities required for filling vacancies
- completing the process of identifying

and selecting candidates

- making proposals to the BoD for the nomination of its members

VII. General Meeting and Shareholders' Rights

1. Authorities of General Meeting

The General Meeting of the Company's shareholders is the highest body of the company and is entitled to decide on any issue that concerns the Company, while its legal decisions also bind shareholders that are not present or who disagree.

Issues regarding invitation, convening and conducting General Meetings of shareholders, that are not defined by the Company's current Memorandum of Association, are governed by the relevant provisions of articles 116-140 of Law 4548/2018, as currently in effect.

2. Convening the General Meeting

The General Meeting convenes at the company's registered offices or in a district of another municipality within the prefecture of its domicile or another municipality near the domicile. The General Meeting may also convene in the district of the municipality where the domicile of the relevant organized market is located.

Participation in voting remotely, meaning via either audiovisual or other electronic means, during the General Meeting of shareholders is permitted given the prior dispatch to shareholders of the daily agenda issues and relevant voting ballots accompanying such issues at least five (5) days prior to the General Meeting. The issues and voting ballots may be provided and submitted online through the internet. Shareholders that vote in this manner are calculated to define quorum and majority, given that the relevant ballots have been received by the company at least two (2) full days prior to the day of the General Meeting.

In this case, the Company shall take adequate measures to:

(a) be able to ensure the identity of the participant, the participation of persons who are entitled to participate in or attend the General Meeting and the security of the electronic connection,

(b) enable the participant to monitor the proceedings of the Meeting by electronic or audiovisual means and to address the Meeting, verbally or in writing during the meeting, and to vote on the items on the agenda; and

(c) ensure the ability to record accurately the participant's remote voting.

In the General Meeting are entitled to attend the members of the Board of Directors as well as the auditors of the Company. The Chairman of the General Meeting may, under his/her responsibility, allow the presence of other persons who do not have shareholder status or are not shareholders' representatives in the Meeting in so far as this is not contrary to the Company's interest. These persons are not considered to be members of the General Meeting solely because they have spoken on behalf of a present shareholder or at the invitation of the President.

3. Representation of shareholders at the General Meeting

Shareholders that have the right to participate in the General Meeting may be represented in such by legally authorized proxies.

4. Chairman of the General Meeting

The Chairman of the Board of Directors temporarily serves as chairman of the General Meeting, or if he is unable his substitute, as defined by the article 9 or if the latter is unable also, then the oldest in age from the present Members. Those appointed by the Chairman serve as temporary Secretary of the General Meeting.

Following the reading of the final list of shareholders that have voting rights, the Meeting proceeds with electing a Chairman and a Secretary who also serves as a vote teller.

5. Minutes

Copies or extracts from the minutes of the General Meeting shall be ratified by the Chairman or by his / her legal substitute or by his / her replacement or by any person appointed by the Board of Directors.

6. Shareholders' Rights before the General Meeting

- From the date of publication of the invitation for the convening of the General Meeting or Assembly up to that day, the Company shall post on its website the following information:

  (a) the invitation to convene the General Meeting,

  (b) the total number of shares and voting rights that the shares incorporate at the date of the invitation, indicating also separate totals per share class,

  (c) the forms to be used for voting by a representative or delegate, and, where provided for, by ballot paper and by electronic means, and

  (d) the documents to be submitted to the General Meeting, a draft decision on each item of the proposed agenda and the draft resolutions proposed by the shareholders pursuant to paragraph 3 of article 141 of Law 4548/2018.

- The members of the Board of Directors and the Auditors of the Company are also entitled to attend the General Meeting.
- The Company publishes the results of voting on its website, under the responsibility of the Board of Directors, within five (5) days from the date of the General Meeting, specifying for each decision at least the number of shares for which valid votes, the proportion of the capital represented by these votes, the total number of valid votes, and the number of votes for and against each decision and the number of abstentions.

Right of Participation and Voting

Each share is entitled to one (1) vote. The General Meeting is entitled to participate as shareholder in the records of the Dematerialized Securities System (DSS) managed by "HELLENIC EXCHANGES SA" (HELEX), in which the transferable securities (shares) of the Company are being kept. The status of the shareholder must be valid at the beginning of the fifth (5th) day before the date of the initial General Meeting.

Proof of shareholder status can be performed by any legal means, and, in any case, based on information received by the Company from the CSD, under the condition it provides registry services or through the participants and registered intermediaries in the CSD in any other case.

For the Repeat General Meeting the status of shareholder must exist at the beginning of the fifth (5th) day prior to the day of the General Meeting in accordance with the provisions of article 124 par. 6 of law 4548/2018, as in force today.

Only those that have the shareholder capacity during the respective record date is considered by the Company to have the right of participation and voting at the General Meeting (first and / or repeat meeting).

It is noted that the exercise of the above rights (participation and voting) does not require the blockage of the beneficiary's shares or any other relevant process, which limits the ability to sell or transfer shares during the time period between the record date and the date of the General Meeting.

Minority Rights of Shareholders

Pursuant to article 141 of Law 4548/2018, the shareholders have, inter alia, the following rights:

(a) At the request of shareholders, representing one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of Shareholders, appointing a meeting date, which shall not be more than forty five (45) days from the date of submission of the application to the Chairman of the Board of Directors.

The application contains the subject of the agenda. If no General Meeting is convened by the Board of Directors within twenty (20) days from service of the relevant application, the convocation shall be carried out by the applicant shareholders at the expense of the Company, by a court order issued in the interim proceedings. This decision defines the place and time of the meeting as well as the agenda. The decision is not challenged by legal means.

(b) With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to list additional issues on the General Meeting's daily agenda, if the relevant request is received by the Board at least fifteen (15) days prior to the General Meeting. The request for the listing of additional issues on the daily agenda is accompanied by a justification or by a draft resolution for approval by the General Meeting and the revised daily agenda is published in the same manner as the previous daily agenda, at least thirteen (13) days prior to the General Meeting date and at the same time is disclosed to shareholders on the Company's website together with the justification or draft resolution submitted by the shareholders according to those stipulated by article 123, paragraph 4 of Law 4548/2018.

If these issues are not published, the requesting shareholders are entitled to request the postponement of the General Meeting and to make the publication themselves.

(c) Shareholders representing one twentieth (1/20) of the paid-up share capital shall have the right to submit draft decisions on issues included in the original or any revised agenda. The relevant application must reach the Board of Directors seven (7) days prior to the date of the General Meeting, the draft decisions being made available to the shareholders according to the provisions of article 123 par. 3 of law 4548/2018 six (6) at least days prior to the date of the General Meeting.

The Board of Directors is not obliged to enroll issues on the agenda or to publish or disclose them together with justifications and draft decisions submitted by the shareholders according to the above paragraphs b and c respectively if their content comes obviously contrary to law or ethics.

(d) At the request of a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Chairman of the Meeting shall be obliged to postpone the decision of the General Assembly, either ordinary or extraordinary, for all or certain matters , setting a day for the continuation of the meeting to conclude with these matters, the one specified in the shareholders' application, but this cannot be more than twenty (20) days from the date of the postponement. The postponement of the General Meeting is a continuation of the previous one and no repetition of the publication formalities of the shareholders' invitation is required, and new shareholders cannot participate in it, subject to the relevant participation formalities.

(e) Following a request of any shareholder that is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide to the General Meeting the specifically required information on the Company's affairs, to the extent that such are useful for the real assessment of the daily agenda issues. No obligation to provide information exists when the relevant information is already available on the Company's website in the form of questions and answers. Also, at the request of shareholders representing one twentieth (1/20) of the paid up capital, the Board of Directors is obliged to announce to the General Meeting, if tactical, the sums paid over the last two years to each member of the Board of Directors or the directors of the Company, as well as any benefit to such persons from any cause or contract between the Company and the members. In all the above cases, the Board of Directors may refuse to provide the information for substantive reason, which is recorded in the minutes. Such a reason may be, in the circumstances, the representation of the requesting shareholders in the Board of Directors in accordance with Articles 79 or 80 of Law 4548/2018. In the cases of this paragraph, the Board of Directors may respond in unison to shareholder requests with the same content.

(f) Following a request by shareholders that represent one tenth (1/10) of the paid up share capital, which is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide to the General Meeting information on the development of corporate affairs and the financial position of the Company. The Board of Directors may decline the provision of such information for reasonable cause, which is stated in the minutes. Such a reason may be, according to the circumstances, the representation of the requesting shareholders in the Board of Directors in accordance with Articles 79 or 80 of Law 4548/2018 or if the relevant members of the Board of Directors have received the relevant information in a sufficient manner.

(g) At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the voting on a subject or issues on the agenda shall be made by open vote.

In all the cases of Article 141 of Law 4548/2018, the requesting shareholders are required to prove their shareholder status and, except in the cases of the first subparagraph of paragraph 6 and paragraph 10, the number of shares they hold in exercising their rights. Demonstration of shareholder status can be done by any legal means, however, based on information received by the Company from the CSD, under the condition it provides registry services or through the participants and registered intermediaries in the CSD in any other case.

(h) Shareholders of the Company, representing at least one twentieth (1/20) of the paid-up share capital, are entitled to request extraordinary audit of the Company by court which has jurisdiction in the procedure of voluntary jurisdiction. Control shall be ordered if acts that violate provisions of the Company's law or the Articles of Association or decisions of the General Meeting are suspected.

(i) Shareholders of the Company representing one fifth (1/5) of the paid-up share capital are entitled to request the court to audit the Company, since from the course of the company and on the basis of certain indications it is believed that the management of corporate affairs is not exercised as required by sound and prudent management. The court may consider that the representation of the requesting shareholders in the Board of Directors in accordance with Articles 79 or 80 does not justify the shareholders' request.

(j) Shareholders representing one twentieth (1/20) of the paid-up share capital have the right to submit in writing to the Board of Directors an application for the exercise of the Company's claim pursuant to article 103 of Law 4548/2018.

(k) Shareholder holding shares representing 2 percent (2/100) of the share capital may request the annulment of a decision of the General Meeting if he/she did not attend the General Meeting or opposed the decision.

(l) At the request of a shareholder or shareholders representing at least one third (1/3) of the paid-up capital, the Company may be dissolved by a court order if there is an important reason for doing so, which in a clear and permanent manner, proves that its continuance is impossible.

Process for exercising voting rights through a proxy

The shareholder participates in the Extraordinary General Meeting and votes either in person or through a proxy. Each shareholders may appoint up to three (3) proxies. Legal entities participate in the General Meeting by appointing up to three (3) persons as representatives. However, if a shareholders owns Company shares, which appear in more than one securities accounts, this limitation does not obstruct the said shareholder from appointing different proxies for the shares that appear in each security account in relation to the General Meeting. A proxy that acts on behalf of more than one shareholder, can vote separately for each shareholder. A shareholder proxy must disclose to the Company, prior to the beginning of the Extraordinary General Meeting, any specific event that may be useful to shareholders in assessing the risk of the proxy serving other interests than those of the represented shareholder. There might be conflict of interests specifically when the proxy:

a) is a shareholder that exercises control on the Company or is another legal entity controlled by the shareholder,

b) is a member of the Board of Directors or generally the management of the Company or of a shareholder that exercising control on the Company, or another legal entity that is controlled by a shareholder who exercising control of the Company,

c) is an employee or Certified Public Accountant of the Company or shareholder that exercising control of the Company, or another legal entity controlled by the shareholder who exercising control of the Company,

d) is a spouse or first degree relative with one of the persons mentioned above in cases (a) through (c).

The appointment and revocation or replacement of a proxy is applied in written and submitted to the Company in the same form, at least forty eight (48) hours prior to the defined date of the Extraordinary General Meeting.

The Company makes available the form it uses to appoint proxies on its website. This form is filled in and submitted signed by the shareholder to the Company's Shareholders' Department or is sent by fax to the latter at least forty eight (48) hours prior to the date of the Extraordinary General Meeting.

The beneficiary shareholder is requested to confirm the successful dispatch and receipt of the proxy form by the Company by contacting the Company during working days and hours.

Shareholders' Rights

Shareholders' Rights & their exercise

The Company has issued common registered shares listed on the Athens Exchange, and registered in immaterial form in the records of the Dematerialized Securities System. There are no special rights in favor of specific shareholders.

The acquisition of Company shares implies ipso jure acceptance of its Memorandum of Association and of the legal decisions made by its relevant bodies.

Each share provides rights corresponding to the respective percentage of share capital such represents. The responsibility of shareholders is limited respectively to the nominal value of shares owned. In case of co-ownership of a share, the rights of the co-beneficiaries are exercised only by a joint representative of such. The co-beneficiaries are responsible with solidarity and entirely for fulfilling the obligations that emanate from the common share.

Each Company share incorporates all the rights and obligations defined by Law 4548/2018 as in effect and its Memorandum of Association, and specifically:

- The right to participate and vote in the General Meeting.
- The right to receive dividend from the Company's earnings.
- The right on the product of liquidation, or respectively the capital depreciation that corresponds to the share, given that such is decided by the General Meeting. The General Meeting of the Company's shareholders maintains all its rights during liquidation.
- The pre-emptive right in any increase of the Company's share capital that takes place by cash and through the issue of new shares, as well as the pre-emptive right in any issue of convertible bonds, given that the General Meeting that approves the increase does not decide differently.
- The right to receive a copy of the annual financial statements and reports by the Certified Public Accountants and Board of Directors of the Company.
- The rights of minority shareholders described below.

SECTION XI: Non-Financial Statement

INTRODUCTION

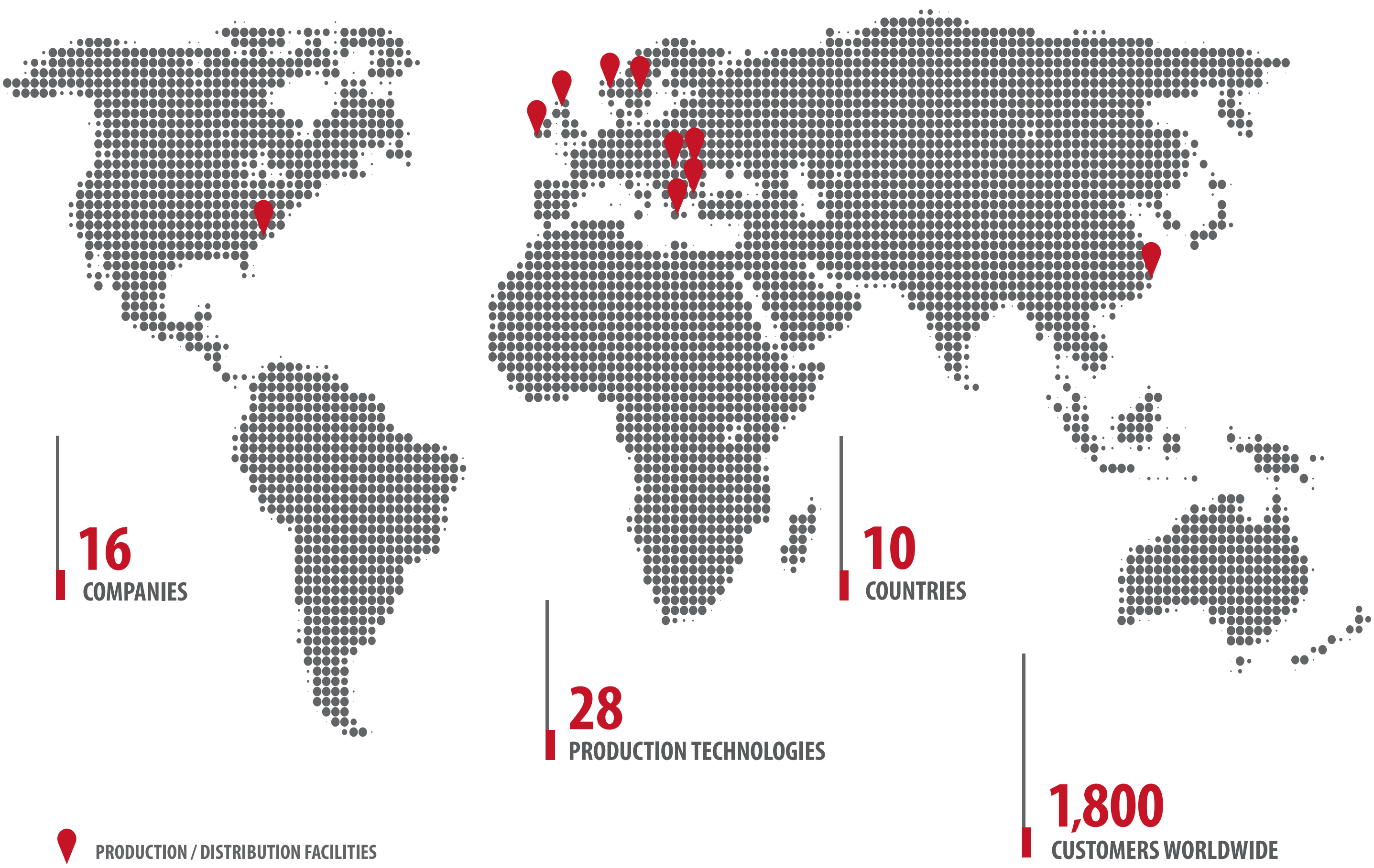
This Non-Financial Statement has been prepared in accordance with the requirements of the European Non-Financial Information Directive and includesinformation for Thrace Plastics Group of Companies performance in the following areas, as outlined in Section 7 «Non-Financial Statement» of Circular 62784/2017, according to the Law 4403/2016 provisions, in conjunction with the Law 4308/2014provisions.

- Anti-corruption and issues related to bribery
- Respect for human rights
- Supply Chain issues
- Social and labour issues
- Environmental issues

The statement presents information on the Group's business model, the due diligence policies that the Group's companies apply in order to identify, prevent and mitigate the existing and potential adverse effects of the above areas, the results of these policies, as well as the risk policy and management of those by the Group. In addition, in order to better understand Group's performance, the statement includes reference to non-financial performance indicators, the selection of which, took into account the requirements of the Global Reporting Initiative (GRI) standards, version 2016.

Also, this statement relates to the fiscal year ended 31st of December 2018. However, for consistency purposes in relation to the information provided, as well as for reasons ofdata comparability, the corresponding data for the year that ended 31st December 2017 are also disclosed.

A GLOBAL PRODUCER WITH A LOCAL FOOTPRINT IN 10 COUNTRIES



Business Model

GROUP PROFILE

Thrace Plastics CO. S.A. Company was established in 1977 with its headquarters located in the area ofMagiko, Municipality of Avdiraat Xanthi, Greece, and in a short period of time from its establishment, the Company evolved into one of the largest producers of Technical Fabrics and Packaging Solutions worldwide. Ever since the end of 2017 the parent company Thrace Plastics S.A.within the framework of internal restructuring of the Group, operates as a holding company, under the name of Thrace Plastics COS.A.

The Thrace Plastics Group is now a multinational Group, which operates in the production and distribution of polypropylene products, with production facilities in six countries, namely Greece, Great Britain, Ireland, Bulgaria, Romania and the United States of America. The Group has distribution and commercial companies in three countries, Norway, Sweden and Serbia. Correspondingly, the Group's sales network extends to more than 80 countries.

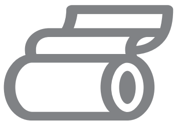
The Thrace Plastics Group is comprised of the following companies, included in this statement:

Companies	Headquarters
Thrace Plastics Co S.A.	Xanthi, Greece
Thrace Nonwovens & Geosynthetics S.A.	Xanthi, Greece
Thrace Polyfilms S.A.	Xanthi, Greece
Thrace Eurobent S.A.	Xanthi, Greece
Thrace Plastics Pack S.A.	Ioannina, Xanthi, Thiva, Greece
Thrace Greenhouses S.A.	Xanthi, Greece
Thrace Synthetic Packaging Ltd.	Clara, Ireland
Thrace Ipoma A.D.	Sofia, Bulgaria
Thrace Polybulk AS	Brevik, Norway
Thrace Polybulk AB	Köping, Sweden
Thrace Greiner Packaging S.R.L.	Sibiu, Romania
Thrace-LINQ Inc.	South Carolina,USA
Lumite Inc.	Georgia, USA
Don & Low Ltd	Forfar, Scotland
Thrace Plastics Packaging DOO	Nova Pazova, Serbia

Note: The companies Thrace Eurobent S.A., Thrace Greenhouses S.A., Thrace Greiner Packaging S.R.L., Lumite Inc., are a joint venture of the Thrace Plastics Group, but are included in this non-financial statement, as these four companies apply the same with the Group principles and sustainable development values

GROUP'S ACTIVITY AND PRODUCTS

The Group's operation is divided into three main sectors:



Technical Fabrics

Packaging

Agriculture

The Technical Fabrics and Packaging sectors cover a total of 24 market segments.

The Technical Fabrics sector includes the production and commerce of synthetic fabrics for industrial and technical uses. The Technical Fabrics sector has an international focus, with 97% of sales being made on the international market and operates through eight Group subsidiaries (Thrace Nonwovens & Geosynthetics S.A. and Thrace Eurobent S.A. in Xanthi, Don & Low Ltd in Scotland, Thrace Synthetic Packaging Ltd. in Ireland and Thrace Polybulk A.S. in Norway, Thrace Polybulk A.B. in Sweden, Thrace-LINQ Inc. and Lumite Inc. in the United States of America). The main products of the sector are geotextiles, insulation films and technical fabrics for agricultural and industrial uses.

The Packaging sector includes the production and commerce of industrial products, including mainly bags, big bags and palletizing film for the packaging of fertilizers, fish feed, animal feed and chemical and inert materials. At the same time, it concerns consumer products in relation to food and chemical packaging. The Packaging industry is focused on the European market with emphasis on the countries of the Southeast Europe and Ireland. Specifically, it operates via six Group companies, in Greece, Bulgaria, Romania, Ireland and Serbia.

The Agricultural sector, in which the Group operates since the beginning of 2013 through the subsidiary Thrace Greenhouses S.A., involves the production of tomatoes by applying the hydroponic methodology and the utilization and use of geothermal energy. In 2017, a merger took place through the absorption of ElastronAgrotiki by the company Thrace Greenhouses SA. Currently the Group participates with 50.91% in this joint venture.

At a glance:

Geographical and Product Dispersion

- Operation in 10 countries with productionand trading companies.
- Sales network in 80 countries.
- Sales in 24 market segments

.

AdvancedKnow-how and Technological Superiority

- 28 different production technologies from processing to finishing.

GROUP NEW STRATEGY AND CIRCULAR ECONOMY MODEL

Thrace Plastics Group with its new strategy responds not only to the "European Strategy for Plastics in a Circular Economy", which aims to reduce plastics disposal and combustion in the European Union, but also to the new challenges posed in the market (e.g. production of sustainable products) and are now a requirement of significant Group customers. The Group transforms these challenges into growth opportunities, with the aim of gaining a sustainable competitive advantage.

Within this framework, for its products production, the Group has adopted the principles of the circular economy from the design and throughout the product's life cycle: selection of raw materials and suppliers, production, consumption, reuse or recycling and recovery of construction materials.

Part of the Group's plan for the circular economy, is the selection of the raw materials used to produce its products and the design of the product on the basis of circular economy principles. Additionally, the Group aims to maximize the life cycle of its products, producing products that can be reused and utilisablefor a long time.

Responding actively to the EuropeanCommission's call for a voluntary commitment in relation to the increase in use of recycled plastic, Thrace Plastics Group made a commitment to replace 8,500 tons of primary processed raw materials with recycled plastic, until the year 2025. With this initiative, the Group actively contributes into the targets and objectives set by the European Commission calling for a significant increase in the quantity of recycled raw materials utilized along the production of plastic products, up to the year 2025

Regarding its production process, the Group, as a major link in the global value chain of plastics, recognizes its contribution to the efficient use of resources. Within this framework, it saves raw materials through the reuse of internal waste as a result of the production process. Finally, in full agreement with the "European Strategy for Plastic in a Circular Economy", which requires all plastic packaging to be recyclable in the European Union by 2030, the Thrace Plastics Group already produces and distributes worldwide productsthat meet these requirements.

Anti-corruptionandissues related to bribery

MAJOR RISKS AND RISK MANAGEMENT

The Group recognizes the risk of corruption or bribery issues both within its internal activities and as part of its activities and transactions with its key stakeholders, such as its suppliers and customers throughout the value chain. The Group also recognizes that corruption issues, including bribery or/and blackmail, have significant potential impacts, with regards to its financial capital, such as the imposition of possible financial penalties or sanctions, as well as implications related to intangible capital such as social and human, from possible effects on its reputation and trust in itsstakeholders. It is also worth mentioningthat the Group recognizes the possible effects of the aforementioned intangible assets impacts on the financial sector, from the possible revenues reduction that may be associated with them.

DUE DILIGENCE AND OTHER POLICIES

The Group's Management is committed to corruption, bribery and extortion zero tolerance, and as such aims to preventsuch phenomena in all aspects of its operation, carrying out its business activities with integrity, according to the highest ethical standards and applying the applicable laws. Within this framework, it has established policies and procedures, while creating control mechanisms and compliance with these policies. The Group's objective is to strengthen and improve corruption risk management processes, comply with legislation and intensify audits.

In particular, such policies are included in:

- o The Code of Professional Conduct (section "Fair Transactions", "Transparent and Legal Cooperation with Public Authorities", "Procedure Receipt of Gifts", "Giving Gifts").
- o In the "General Policies Manual" in the sections "Trade Regulations" and "Gifts and Entertainment". The "General Policies Manual" has been distributed to senior and middle management, while employees have received relevant training.
- o In the "Purchasing and Accounts Payable" manual, which the Group communicates and applies to all its companies, as a common policy and purchase and payables guideline. This includes instructions, in order for corruption cases to be avoided when selecting suppliers. In this way, any potential conflict of interest between company employees and suppliers,including bribery in the aforementioned relationships between employees and suppliers will be eliminated, by prohibiting the acceptance of gifts prior to, during and after the cooperation.

The Group's Internal Audit Manual is the basis of the Group's operation and organization. It is based on principles such as the specific definition of tasks for workers at each level, as well as conflicts of interest. As a result, the Group has delegated to different individuals or departments the responsibility for managing contracts, orders, goods receival, invoices processing and payments.

In order to ensure the detection of possible corruption incidents and in order to act as a deterrent in the event of the occurrence of unethical practices, the Group Internal Audit Department carries out annual audits. For these controls, all employees are informed in all areas of operation.

Furthermore, for the support of internal procedures to combat corruption and bribery:

- The Audit Committee during the first meeting of each year designates, in cooperation with the Internal Audit Department, the yearly internal audits that include the entire range of transactions of the Group's companies (commissions, expenses, accounts payable, sales, credit control, accounts receivable, inventory and warehouse management, treasury, banks, payroll).

- The Audit Committee and the Board of Directors evaluate the implementation of the Group's policies and procedures on a regular basis, aiming at continuous improvement.
- The Audit Committee, in accordance with Law 4449/2017, has a key role to play within the framework of external auditors work and in ensuring the integrity of financial reporting. More specifically, monitoring, by the Audit Committee, of the mechanisms and systems for the production of financial information by the Group's organizational units, is an additional safety valve regarding corruption issues.

GRI 205-3

- The Group prohibits informal employment and non-maintenance of book registers.

CODE OF CONDUCT

The Group has a Code of Conduct since 2014, which constitutes an integral part of the Employees Handbook. The Code sets out the standards of behavior required by the employees of the Group's companies. The Code develops the guidelines governing the proper conduct of the Group's staff. The core issue of the Code of Conduct is summarized as follows: "All employees, as representatives of the Group, must act with honesty, respect and integrity on all matters at all times."

The basic principles of the Code of Conduct, the observance of which aims to prevent or/and eliminate corruption, include the following:

- Avoiding Conflict of Interests
- Accuracy and Completeness of Financial Information
- Protection of Company's Assets
- Carry out all Responsible Transactions
- Transparent and Legal Cooperation with Public Authorities
- Protection of Information
- Safety, Health and Environmental Protection.

The risk management issues regarding corruption and bribery related to the Group's supply chain, are outlined below in the corresponding section.

RESULTS OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

There have been no confirmed cases of corruption or bribery during the reporting period of this statement.

Respect for Human Rights

MAJOR RISKS AND RISK MANAGEMENT

The Group recognizes the risks associated with human rights, both within the working environment of its companies, as well as its supply chain, such as the potential discrimination of employees due to race, religion, gender, nationality, age etc., the violation of the privacy of employees and other stakeholders, as well as forced and child labor. These risks can affect both the financial, human and social capital of the Group via possible effects on its reputation and social license to operate, while they may lead to legal sanctions.

The human rights risk management issues related to the Group's supply chain are outlined below in the corresponding section.

DUE DILIGENCE AND OTHER POLICIES

All working in the Group, including executives, employees and suppliers, must abide by the Group's ethical policies regarding human rights.

The Group is committed to zero tolerance for harassment at work and all forms of discrimination based on race, religion, gender, nationality, age or any other form of discrimination, as well as on the phenomena of forced and child labor, both in the Group companies and companies' supply chain.

Within this framework, it provides policies explaining the definition of each of the above-mentioned issues (harassment, privacy, and diversity), its importance and ways of avoiding and reporting incidents of non-compliance. Employees are informed about these policies and are required to report cases of non-compliance to their supervisor or Human Resources department. Any case is immediately investigated and, if justified, the Group proceeds to disciplinary action.

Within this framework, Group companies seek information on human rights in their country of operation and are informed about changes in legislation.

Finally, they make social investments, donations or other activities that are in line with the human rights needs and the development of local society in their countries of operation.

Protection of employees against harassment and discrimination in the workplace

The Group applies a series of policies to minimize the risk of harassment and incidents of discrimination. Indicatively, the following are listed:

- Informs employees about their obligations to refrain from violent, threatening or abusive behaviors, as well as how to recognize cases of harassment in the workplace. For this reason, the Group's Employees Manual includes a special "Anti-Harassment Policy".
- Has adopted policies such as Code of Conduct, corporate guidelines, internal regulations on human rights.
- Educates employees and managers to identify and deal with harassment and discrimination in the

workplace.

- Investigates all complaints of harassment or incidents of discrimination at the workplace and takes appropriate preventive or/and disciplinary measures. The implementation of this policy is supervised by department managers in collaboration with the Human Resources department of each company.

HUMAN RIGHTS COMPLAINTS MANAGEMENT

The Group is committed to resolving complaints and treating its employees fairly and impartially, recognizing the risk of circumventing their rights and the consequences they have towards their employees well-being and the Group itself.

Although the Group's companies have not developed a specific policy or amechanism for reporting, processing and resolving employee complaints in relation to human rights, they are committed to develop their system in the future.

PROTECTION OF PERSONAL DATA

The Group respects the privacy of its stakeholders and maintains their personal information as confidential, seeking to limit the risk of misuse and unauthorized use of personal data, recognizing that such incidents can harm its operation and its people.

The Group complies with the European Regulation 2016/679, which has been in force for all the European Union countries since 25/05/2018 and concerns the protection of personal data. Through this process, technical and organizational measures have been implemented to comply with the Regulation requirements, following best practices on information security, achieving data security and overall privacy in the Group.

Specifically, in Group production companies and for operational needs, there are workplaces that are being monitored by cameras. Employees are informed about both the tracking of the workplace with special labeling and the specific purpose of this monitoring, which is the production control process.

FACILITIES SECURITY AND PROTECTION OF HUMAN RIGHTS

The Group applies security measures to its companies, in order to comply with international human rights principles and relevant legislation. Companies carry out regular safety risk assessments (validated by the competent authorities) to confirm that the measures they apply are proportionate to the safety risk and in accordance with the relevant legislation.

During 2018, there was no report of human rights violation incidents in relation to the facilities safety.

POLICY AGAINST FORCED LABOR

Recognizing the importance of voluntary (intentional) work, the Group follows a series of procedures to ensure that employees are fully informed about the conditions and requirements of the workplace.

Work contracts are forwarded to employees in due time for any questions or concerns to be discussed and to be fully covered before the employment initiation in

GRI 406-1

the Group. Furthermore, the Group ensures and facilitates the possibility to leave work, if the employee so wishes, by setting reasonable deadlines notice and by issuing immediately the relevant release documents.

PROTECTION AGAINST CHILD LABOR

A prerequisite for hiring an employee in any position is to have reached the age of 18. The Group applies reliable procedures for confirming the age of the candidates by checking the birth certificates issued by the competent authorities.

RESULTS OF THE ABOVE POLITICAL AND NON-FINANCIAL PERFORMANCE INDICATORS

Performance Indicators

The Group did not face any incidents of discrimination due to race, religion, sex, age, disability, nationality, political convictions etc., including incidents of harassment, during 2018.

Also, during 2018, there have been no confirmed cases of human rights violations, including personal data protection issues.

Supply Chain

MAJOR RISKS AND RISK MANAGEMENT

The Group, in addition to the financial risks associated with the supply chain, which are detailed on page 8 of this statement and are mainly concerned with the fluctuation in raw material prices, especially polypropylene, also recognizes non-financial related risks such as the cooperation risk with suppliers and business partners that do not meet international sustainable development standards. In particular, the Group focuses on risks in its supply chain related to human rights, labor and anti-corruption.

Regarding potential environmental risks associated with the supply chain, and in particular the environmental impacts of the life cycle phases of the products before the production process, the Group is in the process of assessing them and therefore are not included in this statement. The impact of these risks may indirectly affect the Group's reputation, as well as the relationship of trust with its stakeholders. The management of these risks is included in the following sub-section.

DUE DILIGENCE AND OTHER POLICIES

The Group supplier'scategories, vary according to the company. The main categories include:

- Suppliers of raw materials and products.
- Suppliers of electricity.
- Suppliers of equipment, packaging, spare parts.
- Logistics support, outsourcing.
- Consultancy, communication and information services partners.

Supplier's evaluation

Anti-corruption in the supply chain

The Group takes into account the risk of involvement of a business partner or supplier in corruption incidents and thus,undertakes the necessary actions, through the due diligence process, to ensure transparency in any new partnership. It is also committed to fighting corruption in its contacts with existing suppliers and business partners. More specifically:

- The Group cooperates with large multinational companies, which place great emphasis on transparency and anti-corruption, and therefore, the cooperation is ensured by the rules and policies of these suppliers.
- ThraceIpoma A.D. assesses possible areas and factors of corruption incidents occurrence, including factors such as transaction type, operating countries, industries and customers or business partners involved. These practices support the commitment to fight corruption among suppliers and business partners.
- Thrace-LINQ Inc. has developed an action plan to address the risk of corruption and has assigned responsibilities for each task, including detailed policies for high risk areas. It also asks all suppliers, contractors and business partners to comply with its commitment to anti-corruption. At the same time, it provides anti-corruption training to suppliers, contractors and other business partners (where required).
- Don & Low Ltd assesses its suppliers by sending a questionnaire that explores the organizational structure, policies and procedures for managing and controlling issues of corruption and bribery, as well as responsible supply chain from its suppliers.

Human rights in the supply chain

The Group has adopted policies to avoid engaging with partners who possess a high risk of breaching human rights. It pledges to promote the continuous improvement of standards for international human rights, in its interactions with suppliers or business partners.

Specifically, Thrace Polybulk evaluates its major suppliers in terms of human rights protection. Additionally, the Thrace Synthetic Packaging Ltd. uses a partner who regularly reviews its key suppliers and verifies the compliance of production facilities with the regulations. Correspondingly, Don & Low Ltd. evaluates its suppliers by sending a questionnaire to ensure compliance with the UK Modern Slavery Act 2015. Moreover, the questionnaire explores the organizational structure, policies and procedures for managing and controlling issues of discrimination, illegal work, workplace harassment, submission of reports for non-compliance indicents (whistleblowingpolicy), corruption and bribery, health and safety, and responsible supply chain of its suppliers. In addition to the above companies, all Group companies intend to comply with Group's human rights policy and take the necessary measures, so as to ensure its implementation.

At the moment, no policies have been put in place and no action has been taken to identify cases of human rights abuses across the Group's supply chain. However, the fact that the majority of suppliers operatein European Union countries and the United States of America, where labor law is generally respected and states are particularly sensitive to human rights issues, ensures -to a certain extent- the minimization of violationrisk, in Group's supply chain.

Group companies'employees have the right and the obligation to report any violations involving cases that may lead to an increased risk of incidents or practices in their supply chain by contacting human resources or legal department representatives of the competent company. These reports can be made -named or anonymous- in person, via telephone, or via email.

The Group intends to take further action by implementing supply chain assessment to identify which suppliers are most at risk of defaulting social standards relating to employment, as well as human rights.

ModernSlaveryAct

The Group has zero tolerance in respect of UK Modern Slavery Act 2015, as well as the breach of the terms of the individual agreements with the respective supplier. In 2018, no incidents of UK Modern Slavery Act 2015 violation were reported to the Group, as well as to the Group Companies where they operate. Here is a corresponding report by the Group:

THRACE GROUP MODERN SLAVERY ACT STATEMENT

This statement is made in accordance with the article 54(1) of the UK Modern Slavery Act 2015 and sets out the steps that Thrace Group has taken and continues to take to prevent modern slavery or human trafficking incidents within its business and supply chain.

Thrace Group recognizes the importance of combating slavery, forced labour and human trafficking ("Modern Slavery"), a set of growing interest issues that affect communities and individuals across the globe. Thrace Group has a zero tolerance approach to all forms of Modern Slavery within its operations and supply chain and the Group recognizes that no sector cannot be excluded.

The Group is committed to acting with integrity and transparency in this sensitive matter and is conscious of its responsibility to be alert to any risks within its business and to the wider supply chain.

Group Operation

Thrace Group operates in 10 countries and has established a strong presence via its sales network in 80 countries. Thrace Group is placed among the top producers in the sectors of:

• Technical Fabrics (geosynthetics, technical fabrics for agricultural and industrial uses etc.).

• Packaging Solutions (industrial products, mainly for sacks, beads and palletizing films for the packaging of fertilizers, fish feeds, animal feed and chemical and inert materials etc., as well as consumer products with applications in food and chemical packaging).

Thrace Group CAPEX during 2018 were €33,2 million

Supply Chain

Due to the diverse nature of its business, Group's supply chain includes suppliers with different characteristics, that vary both in terms of size and amount spent:

- Suppliers of raw materials and products.
- Suppliers of electricity.
- Suppliers of equipment, packaging, spare parts.
- Logistics support, outsourcing.
- Consultancy, communication and information services partners.

Policies

Group does not accept under any circumstances modern slavery and is committed to act in an ethical way and with integrity in all business dealings, which is reflected to its global policies that aim to eliminate, as much as possible, the risk of modern slavery in any part of its business operation or its supply chain.

Everyone working for or on behalf of Thrace Group, including directors, employees and suppliers must adhere to Group's ethical conduct policies. One of the cornerstones of such policies is the protection of employees from being abused and exploited, either within Thrace Group itself or within its global supply chain.

Group employees have the right and obligation to report potential violations, which include circumstances that may give rise to an enhanced risk of modern slavery incidents or practices, by contacting the representatives in the Human Resources or legal department. These reports can be made either –in name or anonymously- in person or by phone or email.

Due Diligence

Group recognizes that the greatest risk of modern slavery incident detection is in its supply chain, where Group actively implements initiatives to identify and mitigate the relevant risks. Within this framework, all of Group companies are committed to comply with the human rights policy and take the necessary steps in order to ensure its implementation.

To this end, new suppliers are subject to due diligence checks in various forms, including assessment of the largest suppliers for any potential human rights violations (Thrace Polybulk), and third party, on-site inspections (Thrace Synthetic Packaging).

Group's existing suppliers are also being regularly audited to verify their compliance with Group's policies.

Training

Group is committed to provide training to its employees, mostly to the responsible personnel in the departments of procurement, finance and legal, so that they understand the possible signs of modern slavery, taking corresponding action to deal with the relevant risk in the supply chain.

Assessment of Effectiveness

No modern slavery incidents reports have been received from Group employees or-public authorities and institutions.

Nevertheless, Group continues to work on its approach to mitigate this risk in the year ahead and will continue to review the following key performance indicators:

- Employee training level.
- Actions taken to strengthen supply chain auditing.
- Steps taken to upskill any high-risk suppliers and assessing their ability to detect and mitigate modern slavery risk in supply chain.

RESULTS OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

The table below provides information on the Group's supply chain, the total spending of the Group companies on local suppliers based on each supplier country of origin as well as the supplier assessment based on social criteria.

GRI 102-9

Performance indicators

INDICATORS	Don & Low Ltd	Thrace Nonwovens & Geosynthetics S.A.	Thrace-LINQ Inc.	Thrace Ipoma A.D.	Thrace Greiner Packaging S.R.L.	Thrace Greenhouses S.A.	Thrace Polyfilms S.A.	Lumite Inc.	Thrace Synthetic Packaging Ltd.	Thrace Polybulk AS & AB	Thrace Plastics Pack S.A.	Thrace Eurobent S.A.	Thrace Plastics Co S.A.*	Thrace Plastics Packaging DOO
Total number of suppliers for 2018	840	1.014	169	653	431	227	519	371	315	20	866	97	163	4
Total number of suppliers for 2017	750	1.031	497	700	504	198	426	418	248	20	861	126	577	4

Note:In the present statement the following companies' data have been included: Thrace Eurobent S.A., Thrace Plastics Co S.A., Thrace Plastics Packaging DOO. Furthermore, Group companies can have as their suppliers other Group companies (this information is included in the above figures).

** In fiscal year 2017, the company Thrace Plastics Holding SA includes also the suppliers of the industrial segment, which was a subject of corporate spinoff and as result there is no comparability versus the fiscal year 2018.*

Amounts in thousand Euro, unless stated otherwise

GRI 204-1

INDICATORS	Don & Low Ltd	Thrace Nonwovens & Geosynthetics S.A.	Thrace-LINQ Inc.	Thrace Ipoma A.D.	Thrace Greiner Packaging S.R.L.	Thrace Greenhouses S.A.	Thrace Polyfilms S.A.	Lumite Inc.	Thrace Synthetic Packaging Ltd.	Thrace Polybulk AS & AB	Thrace Plastics Pack S.A.	Thrace Eurobent S.A.	Thrace Plastics Co S.A.*	Thrace Plastics Packaging DOO
Estimated monetary value of the total spending on suppliers for FY 2018 (in EUR)	67m	93m	27,5m	24 m	14,43m	68,000	19,5m	21,4m	9,5m	29,4 m	40,4m	2,8m	2m	1,6m
Estimated monetary value of the total spending on suppliers for FY 2017 (in EUR)	60 m	90 m	12,1m	25 m	14,43m	65,000	7m	18,5m	10,9m	28m	40,7m	3m	23,6m	1,4m
Percentage (%) of the spending on local suppliers for FY 2018	83%	83%	67%	50%	28.3%	98.30%	72%	75%	Insignificant percentage of total spent on local suppliers. The main suppliers of the company are the Group subsidiaries	5%	75,40%	62%	87,8%	78%
Percentage (%) of the spending on local suppliers for FY 2017	83%	80%	30% of raw materials 25% of products 95 % other purchases	50%	26,60%	99%	71%	80%		5%	73%	65%	73%	79%

Note. The variations in the figures of the tables above, with regards to the year 2017, in comparison to those presented in the financial report published in 2017, are due to the fact that the present report examines the performance, the position and the impact of all the Group companies, including the 100% of the joint ventures.

** In fiscal year 2017, the company Thrace Plastics Holding SA includes also the suppliers of the industrial segment, which was a subject of corporate spinoff and as result there is no comparability versus the fiscal year 2018.*

GRI 414-1

In 2018, Thrace Polybulk assessed 100% of its new suppliers for product purchases, with whom it initiated a partnership during the year, based not only on technical selection but also on social criteria relating to human rights and environmental protection.

Amounts in thousand Euro, unless stated otherwise

Social and Labor issues

MAJOR RISKS AND RISK MANAGEMENT

Human Resources has been identified as a major capital of value creation for the Group. The Group and its companies are compliant with the respective local labor legislation, taking also into consideration international labor guidelines.

The Group identifies the risks linked to labor and social issues, such as the employees' right to freedom of association, the human resources management, the safeguard of health and safety at the workplace, the employees training and education, the customers' safety and the engagement with the local communities.

With regards to its products, the Group recognizes and seeks to eliminate the risk of any offense against human life and health, by taking measures to eliminate components, defects or side effects that could harm or/and threaten the human life and health during the manufacturing, use or/and disposal of its products. Such a risk may affect the Group's financial capital, for instance through the imposition of fines or penalties for causing significant effects to consumers' health, and its social capital, for instance through the disruption of the relationship of trust with its customers and other stakeholders.

Finally, the Group has recognized the potential risk for local communities caused by its companies' activities, which may affect its social capital with potential impacts to the human rights for the local residents or for the wider communities.

DUE DILIGENCE AND OTHER POLICIES

The Group recognizes the human capital value and considers it crucial for its good product quality, its high productivity and its competitive advantage. Within this framework, it seeks to maximize the capabilities of its current employees, to provide them training, to create new employment opportunities, and to ensure their health and safety at the workplace. In addition, the management promotes in various waysthe enhancement of policy measures against discrimination.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The Group's management respects the employees' right to participate in labor unions and trade unions and their right to collectively claim better working terms with regards to theirsalary, working hours and working conditions. It implements with consistency procedures that ensure the smooth communication between the management and employee representatives, at regular basis,with the aim to present the officially registered by the unions'employee demands,as well as the general discussion of issues related to the workplace.

NEW HIRES RECRUITMENT POLICY AGAINST DISCRIMINATION

The process of selecting new employees, is based on a system of objective and equal opportunities criteria that excludes any possibility of discrimination incidents and assessment based on subjective criteria (gender, age, marital status, ethnicity, religion, sexual orientation, political beliefs, etc.).

In order to cover the new job opportunities created, based on the policy implemented by the Group, initially it gives its employees the opportunity to express their interest for the new position through its internal mobility program and then, communicated to the general public.

More specifically, the Group follows 2 different recruitment procedures depending on the category of employees it intends to recruit, which are the following: blue collar worker and white collar worker.

In the case of a blue collar worker (production), the collection of the curriculum vitae is mainly carried out through recommendations received either by the Group employees or by the local community, where each Group company operates. In 2018, it was decided to also electronically publish the openings on job posting sites. The candidates are selected based on the specific opening requirements, which may include personality criteria, but also physical criteria (e.g. physical strength, weigh,and other) to ensure the worker's physical health for jobs related to production, where the role requires increased physical activity. During the selection stage, the interviews are conducted by a recruitment committee consisting of at least two people, the plant manager and the head of the respective department that has the opening, as well as an employee from the Human Resources department.

In the case of recruiting a white collar worker (offices), all job openings are posted electronically and the curriculum vitae of the candidates are collected. For the selection of candidates, the specific to the opening requirements are taken into account, including knowledge and experience criteria, as well as personality criteria. During the selection stage, the interviews are conducted by a recruitment committee, which consists of at least two people, including the head of the line manager who has the opening and an employee from the Human Resources department. If the candidates meet the above criteria, priority is given internally to the Group employees who have expressed their interest in the position.

It is worth mentioning that part of the Group's recruitment policy aims to support the local communities by implementing a strategy of recruiting local people from the communities where the Group's companies operate, as well as graduates from local educational institutions and universities, thus, contributing to assisting young people stay in the periphery.

EMPLOYEE HEALTH AND SAFETY

The Company's core business practice is to guarantee its employees'health by setting as its principal strategic goal the minimization of any probability of aworkplace accident. Specifically, the strategic goal of the Group is "not to have an accidentagain that will cause harm to our people and not to have an accident again that would damage our facilities".

<u>Adopting a Health and Safety Policy</u>

The Group prioritizes the health and safety of its people, by preventing accidents and occupational illnesses. Within this framework, it implements a Health and Safety Policy that is part of the Environment, Health and Safety Policy.

The relevant Group objectives are:

- The elimination of 95% of the causes that can lead to an accident, that is, the totality of those caused due to human factor and the workplace environment. The remaining 5% is due to factors that cannot be controlled.
- The compliance of all Group operations with the applicable health and safety legislation and all relevant legislative requirements and standards.
- The implementation of measures to prevent accidents and health and safety incidents.
- The employees' educationand awareness raising on health and safety at the workplace, as well as their participation in the decision making for additional initiatives via proposing solutions for improvement.

Health and Safety Practices

For achieving its objectives and goals, indicative is the case of the project implemented in Greecewith the following actions:

- Health and safety trainings implementation both internally and in collaboration with external partners, and employee involvement through improvement proposals. Specifically, for the year 2019, the objective is to provide trainings on these issues to 100% of the Group employees the facilities in all countries.
- Assignment of security officers in the facilities.
- Investment in equipment, machinery and risk assessment studies.

In particular, a budget of €1,188,950 has been approved for the year 2019 for the above actions in the following Group companies: Thrace Plastics Pack S.A., Thrace Polyfilms S.A. and Thrace Nonwovens & Geosynthetics S.A.

- Implementation ofa safety project through which meetings with the facilities project teams are organized to identify and address potential risks.
- Communication campaign to further raise awareness among the employees on safety by positioning messages and safety rules at prominent locations, providing clothing with the respective messages, etc.

The potential risks for each particular job, are identified by conducting occupational risk assessment (PEC) studies. Indicatively, a few of the practices put into effect, are the following:

- The health and safety information and procedures are available to employees in all the languages of the countries where the Group operates.
- The health and safety responsibilities are clearly defined.
- The health and safety incidents (accidents/incidents, regardless oftheir importance) are recorded and investigated accordingly.
- The employees are encouraged to report any unsafe work practice or safety risks they encounter at workplace, while the process of receiving and handling health and safety complaints from employees is confidential.
- The Group production processes, machinery and equipment are systematically monitored to ensure their safety and good condition in order to be used at work.
- The first aid kits and fire extinguishers are readily available, and the escape

routes are clearly labeled and free fromany obstacles.

- The workplace is maintained consistently and continuously to ensure clean and comfortable working conditions, including appropriate temperature, ventilation and lighting.

Proper use of the protective equipment

The Group ensures that all employees are provided with the equipment required to safely perform their duties, as well as withthe information on the proper use of the equipment and the risks linked to their work.

It is the Group's priority to provide all foreseen Personal Protective Equipment (PPE) to its employees. Indicatively, the PPE, provided by Thrace Plastics Pack S.A.:

- Safety shoes
- Earplugs
- Earmuffs
- Dust masks
- Fire gloves
- Helmets
- Protective goggles.

Providing continuous training that promotes employee skills development and personal professional development

The Group offers extensive professional training and education, while it focuses on employee development, as the production methods used are modern and require continuous training. Consequently, the Group tangibly contributes to the human capital value creationfor its own benefit, but also for the benefit of the society as a whole.

Employee training is conducted through the use of internal resources or external consultants, who have high know-how and cooperate with each of the Group's companies. Through this training, the company employees acquire great experience, which allows them to meet their working demands.

The selection process for the trainings that take place during the year follows the below mentioned stages:

- Annual evaluation and collection of employees' needs by the directors of the various departments.
- Prioritization of these needs based on the available budget.
- Approval of theprioritized needs and the corresponding training programs.
- Implementation of the training programs.

The training is targeted and meets specific needs aimed at people's development.

PRODUCT SAFETY AND CONSUMERS' AND END-USERS HEALTH AND SAFETY

With regards to products health and safety, particular attention is paid to the production of the food-contact packaging. The Group's companies, which are operating in the production and marketing of packaging products (below the 10% of the annual product volume) are the following:

- Thrace Plastics Pack S.A., Ioannina/Xanthi, Greece
- Thrace Ipoma A.D., Bulgaria
- Thrace Greiner Packaging S.R.L., Romania
- Thrace Synthetic Packaging Ltd., Ireland.
- Thrace Plastics Packaging DOO, Serbia

Below are the policies and procedures implemented to the aforementioned companies.

Product safety

To manage this risk, the Group complies with the relevant national laws and adopts international guidelines, safety rules, best practices and industry standards in relation to the product manufacturing and design, taking into account any effects on the health and safetyof its customers, consumers and end-users of its products.

High quality materials use

The Group is committed:

- Not to produce or sell products that cannot be safely manufactured and used,
- To follow appropriate work and installation practices.

RESPONSIBLE PRODUCT POLICY

Thrace Group products reflect its vision of quality, which is ensured through a series of procedures and best practices such as:

- Diffusion of a quality culture throughout the Group employees.
- Establishment and maintenanceof collaborations with suppliers and customers to optimize the added value of the supply chain.
- Establishment and maintenance of a Quality Management System document that reassuresthe customers that the products and services received are of proper use and quality, according also to the recognized ISO standards.
- Investment in the most modern technologies related to the Group's fields of operation.
- Use of statistical techniques to track the processes and identify trends.

QUALITY ASSURANCE PRINCIPAL PROCEDURE STAGES

Based on the Quality Management Plan, there are levels of control at all stages of the production process from receipt to loading:

1. **Suppliers and Raw Material Control:**

- Performing supplier evaluation (reputation, duration of the collaboration, certifications).
- Supplyingraw materials only from approved suppliers.
- Performing raw materials evaluation through a trial product manufacturing and comparison in the laboratory with products manufactured with another type of raw material.

2. Product Control: Control of products in all production phases (dimensional control, mechanical properties control according to international standards, product harmonization with the customer's specifications and requirements).

3. Transportation Packaging Control: Packaging based on the packaging specification of the products to ensure their smooth and safe transport to the customer. Implementation of visual quality checks for the suitability of the products at the loading phase. Implementation of bar code systems to ensure that only authorized products are loaded.

4. Customer Satisfaction Survey: Anual customer questionnaires dispatch in order to optimize the Group's services-processes.

Indicative product safety procedures

- Adoption of management systems based on international standards (BRC, ISO 22000, FDA and IFS).
- Supply of food grade raw materials - a term indicating that the material used (color) is suitable for contact with food.
- Compliance with the European legislation and the Food and Drug Administration (FDA) requirements for the production of packaging materials that come into direct contact with food.
- Annual analysis of the rate of migrating plastic in food (migration analysis), in collaboration withaccredited laboratories and on the basis of the European Union Directive 10/2011 and the BRC requirements.
- Microbiological analysis, applied eight times a year and in collaboration with accredited laboratories and based on FDA legislation.
- Water analysis (chemical and microbiological), which takes place twice a year and is based on the BRC requirements.
- Risk analysis, which takes place at all production stages (from the raw materials receipt to their dispatch) based on the Codex Alimentarius principles of the Food and Agricultural Organization and under the supervision of an interdisciplinary team.
- Product foreign body contamination control through programs and procedures such as glass policy, blade policy, chemical control, waste disposal, destructive process of trademarked materials, four-step pest control, cleaning plan, incoming control, jewellery policy.
- Perform internal controls, with regards to product safety.
- Collaboration with accredited suppliers establishing contracts with specificterms for the management and prevention of risks related to product safety.
- Product recall procedures and control checks of those that do not meet the security requirements (clear allocation of roles/responsibilities, etc.).
- Indoor and outdoor facilities conditions that meet product safety requirements.
- Applying security measures based on risk assessments (visitor registration system, building security system, etc.).
- Clear definition of the process area and the product flow and application of standards and cleaning procedures.
- Maintenance of the equipment - maintenance system for 100% of the electronic equipment and calibration control.
- Controlled movement and distribution of packaging products (signed contracts, hygiene checks, etc.).
- Employee training on best manufacturing practices, product health and safety requirements, use of protective equipment, workforce facilities and medical checks.

SUPPORTING LOCAL COMMUNITIES

The Group's management is particularly sensitized with regards to the local community and within this framework over the years it has been in contact with the local residents of the areas where it operates, so that it can engage with them in order to meet the needs of the local community. At the same time, through its subsidiaries, the Group makes donations to foundations for public benefit purposes.

Social action policy

Via a unified Social Action Policy, all Group companies recognize their responsibility towards the individual person and the society in general. Within this framework, they take the necessary steps in order to:

- Emerge as the most valuable corporate entities for the societies in which they operate and live, by making stronger the ties of trust that have been built over the years of mutual existence.
- Maintain and strengthen their attention with regards to the local needs as well as enhance the quality of life through funding community related programs and foundations.
- Collaborate with important educational institutions for the promotion of innovation and the development of knowledge.
- Highlight and manage material social issues related to the business practices of Thrace Plastics Group.

Stavros Chalioris Social Center

Aiming to support the local community of Magiko Xanthi, the "Stavros Chalioris Social Center" was established with Group companies'main sponsorship.

The purpose of the foundation, which in 2018 completed 9 years of operation, is a charitable entityundertaking actions according to the needs of the local community, such as:

- Granting scholarships and financial aid to deprived children and young people from MagicoXanthi or the wider area, who wish to study but are unable to cover their study expenses.
- Supporting financially deprived local patients, who have serious health problems and are unable to cope with the costs of treatment and hospitalization by themselves or with insurance coverage.
- Organizing cultural events.
- Providing space for the operation of a medical center for primary healthcare.
- Constructing buildings, which will serve the Group's charitable and philanthropic purposes, either by retaining them under the company's control and use, or by granting their use to public sector and local government.
- Creatingcultural activities for the children such as theater, music, painting, dance and other arts.
- Capitalizing and implementing national and European programs, with social and cultural content.
- Organizing workshops on cultural, social and educational issues to inform the local community .

RESULTS OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

The Group in support of local communities has made the following investments:

Investment in local community of Xanthi		
Total investment of the Stavros Chalioris Social Center	**2018**	**2017**
	250.248,81€	139.763,16€

With regards to the labor issues, as a result of the Group's approach, the majority of the companies' employees based in Greece are involved in trade and labor unions.

As a result of its employee health and safety policy, Thrace Plastics Pack S.A. has been certified according to OHSAS 18001: 2007 (Certificate Number 03016023).

The tables below include information about the Group's human resources in relation to the region of operation, gender and type of employment:**Performance Indicators**

TOTAL NUMBER OF EMPLOYEES

Total number of employees by employment contract							
	Males		Females		Total		
	2018	2017	2018	2017	2018	2017	Variation
Permanent	1.452	1.378	387	340	1.839	1.718	7%
Temporary	89	154	88	85	177	239	-26%
Total	**1.541**	1.532	**475**	425	**2.016**	1.957	3%

Total number of employees by employment type							
	Males		Females		Total		
	2018	2017	2018	2017	2018	2017	Variation
Full time	1.501	1.490	384	350	1.885	1.840	2%
Part time	40	42	91	75	131	117	12%
Total	**1.541**	1.532	**475**	425	**2.016**	1.957	3%

Note. The variations in the figures of the tables above, with regards to the year 2017, in comparison to those presented in the financial statement published in 2017, are due to the fact that the present statement examines the performance, the position and the impact of all the Group companies, including the 100% of the joint ventures.The figures of the tables above exclude the data of Thrace-LINQ Inc. and Lumite Inc. as during the reporting period the data in relation to the total number of employees based on the categorization required by the specific GRI disclosure, are not recorded by the companies.

Amounts in thousand Euro, unless stated otherwise

TOTAL NUMBER OF EMPLOYEES BY GEOGRAPHICAL REGION

GRI 102-8

2018	Greece			Romania			Norway			United Kingdom		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
Permanent	805	100	**905**	71	27	**98**	7	6	**13**	378	115	**493**
Temporary	88	86	**174**	0	0	**0**	0	0	**0**	0	1	**1**
Total	893	186	**1.079**	71	27	**98**	7	6	**13**	378	116	**494**

2018	Ireland			Serbia			Bulgaria		
	Males	Females	**Total**	Males	Females	**Total**	Males	Females	**Total**
Permanent	31	7	**38**	4	4	**8**	156	128	**284**
Temporary	0	1	**1**	0	0	**0**	1	0	**1**
Total	31	8	**39**	4	4	**8**	157	128	**285**

2017	Greece			Romania			Norway			United Kingdom		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
Permanent	749	89	**838**	80	29	**109**	8	7	**15**	363	111	**474**
Temporary	138	78	**216**	0	0	**0**	0	0	**0**	12	6	**18**
Total	887	167	**1.054**	80	29	**109**	8	7	**15**	375	117	**492**

2017	Ireland			Serbia			Bulgaria		
	Males	Females	**Total**	Males	Females	**Total**	Males	Females	**Total**
Permanent	32	5	**37**	4	4	**8**	142	95	**237**
Temporary	4	1	**5**	0	0	**0**	0	0	**0**
Total	36	6	**42**	4	4	**8**	142	95	**237**

Note. The variations in the figures of the tables above, with regards to the year 2017, in comparison to those presented in the financial report published in 2017, are due to the fact that the present report examines the performance, the position and the impact of all the Group companies, including the 100% of the joint ventures. The figures of the tables above exclude the data of Thrace-LINQ Inc. and Lumite Inc. as during the reporting period the data in relation to the total number of employees based on the categorization required by the specific GRI disclosure are not recorded by the companies.

Amounts in thousand Euro, unless stated otherwise

NEW HIRES AND EMPLOYEE TURNOVER

Ratio of new hires		2018									2017								
		<30 years old			30-50 years old			>50 years old			<30 years old			30-50 years old			>50 years old		
		Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
Greece	Number of new hires	49	9	58	94	52	146	0	8	8	91	9	100	89	41	130	14	8	22
	Total number of employees	183	26	209	563	134	697	147	26	173	186	21	207	581	117	698	121	28	149
	Ratio of new hires	27%	35%	28%	17%	39%	21%	0%	31%	5%	49%	43%	48%	15%	35%	19%	12%	29%	15%
United Kingdom	Number of new hires	21	5	26	14	8	22	5	0	5	20	8	28	22	6	28	5	3	8
	Total number of employees	56	10	66	150	40	190	172	66	238	57	13	70	151	39	190	167	65	232
	Ratio of new hires	38%	50%	39%	9%	20%	12%	3%	0%	2%	35%	62%	40%	15%	15%	15%	3%	5%	3%
Ireland	Number of new hires	4	2	6	6	1	7	1	1	2	10	0	10	16	2	18	2	1	3
	Total number of employees	4	1	5	17	2	19	10	5	15	7	0	7	18	2	20	11	4	15
	Ratio of new hires	100%	200%	120%	35%	50%	37%	10%	20%	13%	143%	0%	143%	89%	100%	90%	18%	25%	20%
Norway	Number of new hires	0	0	0	0	0	0	0	0	0	0	1	1	0	1	1	0	0	0
	Total number of employees	0	0	0	2	3	5	5	3	8	0	1	1	3	3	6	5	3	8
	Ratio of new hires	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%	33%	17%	0%	0%	0%
Romania	Number of new hires	25	2	27	30	5	35	6	0	6	25	4	29	18	8	26	0	0	0
	Total number of employees	14	3	17	45	18	63	12	6	18	17	3	20	52	20	72	11	6	17
	Ratio of new hires	179%	67%	159%	67%	28%	56%	50%	0%	33%	147%	133%	145%	35%	40%	36%	0%	0%	0%
Serbia	Number of new hires	0	0	0	4	4	8	0	0	0	0	0	0	4	4	8	0	0	0
	Total number of employees	0	0	0	4	4	8	0	0	0	0	0	0	4	4	8	0	0	0
	Ratio of new hires	0%	0%	0%	100%	100%	100%	0%	0%	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%
Bulgaria	Number of new hires	18	15	33	32	7	39	0	0	0	5	2	7	22	18	40	1	0	1
	Total number of employees	25	32	57	79	66	145	53	30	83	42	25	67	70	53	123	25	22	47
	Ratio of new hires	72%	47%	58%	41%	11%	27%	0%	0%	0%	12%	8%	10%	31%	34%	33%	4%	0%	2%
Total	Number of new hires	117	33	150	180	77	257	12	9	21	151	24	175	171	80	251	22	12	34
	Total number of employees	282	72	354	860	267	1.127	399	136	535	309	63	372	879	238	1.117	340	128	468
	Ratio of new hires	41%	46%	42%	21%	29%	23%	3%	7%	4%	49%	38%	47%	19%	34%	22%	6%	9%	7%

Amounts in thousand Euro, unless stated otherwise

Ratio of employee turnover		2018									2017								
		<30 years old			30-50 years old			>50 years old			<30 years old			30-50 years old			>50 years old		
		Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
Greece	Number of employee turnover	22	2	24	36	46	82	6	10	16	86	1	87	37	38	75	1	8	9
	Total number of employees	183	26	209	563	134	697	147	26	173	186	21	207	575	117	692	121	28	149
	Ratio of employee turnover	12%	8%	11%	6%	34%	12%	4%	38%	9%	46%	5%	42%	6%	32%	11%	1%	29%	6%
United Kingdom	Number of employee turnover	14	5	19	11	3	14	12	6	18	3	1	4	9	3	12	19	6	25
	Total number of employees	56	10	66	150	40	190	172	66	238	57	13	70	151	39	190	167	65	232
	Ratio of employee turnover	25%	50%	29%	7%	8%	7%	7%	9%	8%	5%	8%	6%	6%	8%	6%	11%	9%	11%
Ireland	Number of employee turnover	7	1	8	6	0	6	3	1	4	4	0	4	4	1	5	0	0	0
	Total number of employees	4	1	5	17	2	19	10	5	15	7	0	7	18	2	20	11	4	15
	Ratio of employee turnover	175%	100%	160%	35%	0%	32%	30%	20%	27%	57%	0%	57%	22%	50%	25%	0%	0%	0%
Norway	Number of employee turnover	0	1	1	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0
	Total number of employees	0	0	0	2	3	5	5	3	8	0	1	1	3	3	6	5	3	8
	Ratio of employee turnover	0%	0%	0%	0%	0%	0%	20%	0%	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Romania	Number of employee turnover	27	2	29	37	8	45	5	0	5	23	3	26	19	5	24	1	0	1
	Total number of employees	14	3	17	45	18	63	12	6	18	17	3	20	52	20	72	11	6	17
	Ratio of employee turnover	193%	67%	171%	82%	44%	71%	42%	0%	28%	135%	100%	130%	37%	25%	33%	9%	0%	6%
Serbia	Number of employee turnover	15	5	20	29	14	43	0	0	0	5	8	13	17	2	19	0	0	0
	Total number of employees	25	32	57	79	66	145	53	30	83	42	25	67	70	53	123	25	22	47
	Ratio of employee turnover	60%	16%	35%	37%	21%	30%	0%	0%	0%	12%	32%	19%	24%	4%	15%	0%	0%	0%
Bulgaria	Number of employee turnover	0	0	0	4	4	8	0	0	0	0	0	0	4	4	8	0	0	0
	Total number of employees	0	0	0	4	4	8	0	0	0	0	0	0	4	4	8	0	0	0
	Ratio of employee turnover	0%	0%	0%	100%	100%	100%	0%	0%	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%
Total	Number of employee turnover	85	16	101	123	75	198	27	17	44	121	13	134	90	53	143	21	14	35
	Total number of employees	282	72	354	860	267	1.127	399	136	535	309	63	372	873	238	1.111	340	128	468
	Ratio of employee turnover	30%	22%	29%	14%	28%	18%	7%	13%	8%	39%	21%	36%	10%	22%	13%	6%	11%	7%

Amounts in thousand Euro, unless stated otherwise

Note. The variations in the figures of the tables above, with regards to the year 2017, in comparison to those presented in the financial report published in 2017, are due to the fact that the present report examines the performance, the position and the impact of all the Group companies, including the 100% of the joint ventures. The figures of the tables above exclude the data of Thrace-LINQ Inc. and Lumite Inc. as during the reporting period the data in relation to the total number of employees based on the categorization required by the specific GRI disclosure, are not recorded by the companies.

GRI 404-1

EMPLOYEE TRAINING AND EDUCATION

Average hours of training per employee level						
	Males		**Females**		**Total**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Senior Management	4,53	12,19	1,36	5,82	3,74	10,56
Middle Management	10,96	48,21	11,78	20,10	11,07	43,93
Other category	3,03	3,67	2,30	2,45	2,87	3,42
Total	3,64	7,30	2,67	3,50	3,42	6,54

Average hours of training by employee function						
	Males		**Females**		**Total**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Office	7,18	10,05	8,04	7,20	7,44	9,23
Production	2,71	4,74	0,81	2,15	2,33	4,27
Other category 1	17,25	5,92	0	0	17,25	5,92
Other category 2	17,50	1,67	5,00	5,00	15,00	2,50
Total	3,63	5,61	2,67	3,51	3,42	5,19

Note. The variations in the figures of the tables above, with regards to the year 2017, in comparison to those presented in the financial report published in 2017, are due to the fact that the present report examines the performance, the position and the impact of all the Group companies, including the 100% of the joint ventures. The figures of the tables above exclude the data of Thrace-LINQ Inc. and Lumite Inc. as during the reporting period the data in relation to the total number of employees based on the categorization required by the specific GRI disclosure are not recorded by the companies.

GRI 405-2

EQUAL OPPORTUNITIES AT THE WORKPLACE

Diversity and equal opportunities		
	2018	**2017**
Total ratio of basic salary of women to men*	0,92	0,92

Note. The variations in the figures of the tables above, with regards to the year 2017, in comparison to those presented in the financial report published in 2017, are due to the fact that the present report examines the performance, the position and the impact of all the Group companies, including the 100% of the joint ventures. The figures of the tables above exclude the data of Thrace-LINQ Inc. and Lumite Inc. as during the reporting period the data in relation to the total number of employees based on the categorization required by the specific GRI disclosure are not recorded by the companies.

Amounts in thousand Euro, unless stated otherwise

EMPLOYEE HEALTH AND SAFETY

Company	Lost Time Accident (LTA)		Hours Lost		CostofLost Hours(€)		Restricted Work Case (RWC)		Medical Treatment Case (MTC)		First Aid Case (FAC)		Near Miss Incident (NMI)		HoursWorked (thn)		Incident Ratio* (IR)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Don & Low Ltd	12	10	1.170	1.040	17.508	15.875	1	1	16	7	38	37	288	309	819.967	841.337	7,07	4,28
Thrace Greiner Packaging S.R.L.	3	2	88	456	640	1.647	0	0	0	3	14	4	59	0	218.255	268.288	2,75	3,73
Thrace Plastics Pack S.A. (Ioannina)	3	1	93,36	86,67	477	330	0	1	0	1	3	2	266	14	370.240	370.128	1,62	1,62
Thrace Ipoma A.D.	8	3	258	232	1.359	759	0	0	0	0	5	0	9	2	482.305	411.823	3,32	1,46
Thrace Synthetic Packaging Ltd.	1	0	54	0	772	0	0	0	1	1	2	2	4	0	63.811	57.375	6,27	3,49
Thrace Plastics Pack, Thrace Nonwovens & Geosynthetics and Thrace Polyfilms (Xanthi)	11	5	773,41	696,36	3.265	3.138	0	0	8	12	17	12	1547	51	1.300.459	1.270.005	2,92	2,68
Thrace-LINQ Inc.	0	0	0	0	0	0	0	0	3	4	3	3	901	606	139.071	128.759	4,31	6,21
Lumite Inc.	0	0	0	0	0	0	3	0	2	2	45	75	398	4	499.067	409.741	2,00	0,98
Total	**38**	**21**	**2.436,77**	**2.511,03**	**24.022**	**21.749**	**4**	**2**	**30**	**30**	**127**	**135**	**3472**	**986**	**3.893.174**	**3.757.456**	**3,70**	**2,82**

Definitions	
LTA	Lost Time Accident
RWC	Restricted Work Case - person at work but unable to carry out normal tasks
MTC	Medical Treatment Case - Require attention from a Doctor / Nurse
FAC	First Aid Case - Action carried out by a company trainer First Aider
NMI	Near Miss Incident - Something that could have resulted in injury

Note. The indicators have been expressed in incidents per 100 employees per year using the coefficient 200,000 and it is referred to all injury incidents occurred at the workplace.

The main types of injuries are:

1. Upper limbs cut from a sharp surface.
2. Upper limbs injuryby a moving cylinder.
3. Shoulder injury.
4. Limbs fractures.

Amounts in thousand Euro, unless stated otherwise

Employee training on health and safety* 2018			
Training categories	**Theme Sections**	**Number of participants**	**Training hours**
Internal trainings delivered by the Safety Officer	Workplace evacuation exercise for emergency situations	7	2
	Working in heat environments, risks and protective measures	25	2
	Safety rules at the workplace and accident prevention	676	2
	Working at height and protective measures	8	2
	Fire safety and protective measures	314	2
	Manipulationand operation of a fire detection system	18	1
	Clark handling and protective measures	32	2
Total number of employees that attended the training		**1.080**	
Trainings delivered by external partners	Safety at work in electrical installations	33	8
	Machinery safety	119	4
	Work safety in the production process	65	3
	Safety culture –Safe behavior	49	2
	Industrial safety –Risk analysis methods	49	2
	Provision of first aid	95	4
	BLS-AED (defibrillator use)	80	5
	Safety Officer training	3	8
Total number of employees that attended the training		**493**	

Employee training on health and safety* 2017			
Training categories	**Theme Sections**	**Number of participants**	**Training hours**
Internal trainings delivered by the Safety Officer	Safety rules at the workplace and accident prevention	388	2
	Provision of first aid	27	2
	Rules for the use of fire-fighting equipment	115	2
	Operation and use of lifting equipment	9	2
Total number of employees that attended the training		**539**	0
Trainings delivered by external partners		0	0
Total number of employees that attended the training		**0**	

Note. The employee health and safety trainings are related to the companies Thrace Plastics Co S.A., Thrace Plastics Pack S.A., Thrace Polyfilms S.A., Thrace Nonwovens & Geosynthetics S.A., and Thrace Eurobent S.A.

Amounts in thousand Euro, unless stated otherwise

GRI 416-2

PRODUCT SAFETY AND CONSUMERS AND END USERS HEALTH AND SAFETY

In 2018 there were no cases of non-compliance with legislation and regulations, concerning the effects of products on the consumers' health and safety.

Environmental Issues

MAJOR RISKS AND RISK MANAGEMENT

The Group recognizes the potential risks that may arise from environmental issues, such as from the management of solid waste and effluents, raw materials and natural resources, as well as from the climate change. In particular, the Group's companies have identified through their risk assessment, the potential environmental risks, but also potential or existing environmental impacts as a result of the process of producing, storing and distributing their products.

Finally, the Group has identified as a potential risk to the environment and its operation, the emergency situations (e.g. case of an accident) that can cause negative environmental impacts.

DUE DILIGENCE PRACTICES AND OTHER POLICIES

The Group companies recognize the risk of non-compliance and they have set as their primary objective to fully comply with the environmental legislation. Within this framework, they have carried out an environmental impact assessment study, mainly focusing onthe possible waste generated and their management. The Group has alsoreceived the approval decision of the environmental terms while respecting contractual obligations, such as the registration to the electronic waste registry and the payment of the recycling fee.

Indicatively, Thrace Greiner Packaging S.R.L. has a dedicated online application to receive timely updates regarding changes to the environmental legislation in Romania. At the same time, the companycollaborates with a specialized law firm, as well as with an external consultant specialized in environmental management issues.

The Group recognizes that due to the use of non-renewable resources to its operations, the selection and the management of its materials is one of the most important environmental issues that needs to be addressed. At the same time, the Group companies conduct systematic environmental risk assessments for the materials used and the products supplied.

ENVIRONMENTAL POLICY

Depending on the importance of their environmental impacts, the Group companies have in place recorded environmental policies and procedures. Also, they have appointed persons in charge for the environmental management in order to monitor their performance.

Specifically the Group's companies apply a common policy for issues relating to envirnonment, health and safety:

- Provide the means for the full compliance with the legal and other requirements which govern the operation of the production plants.

- Recognize and systematically assess the environmental aspects and impactsof their activities.
- Provide appropriate environmental training to their employees
- Pursue the prevention of pollution by placing emphasis on pollution reduction at the source and on natural resources preservation.
- Utilize in a rational basis the energy resources across the entire operations spectrum.
- Review and reevaluate on periodical basis the objectives in relation to the Environment
- Aim at the constant improvement of their environmental performance,via their Environmental Management System.
- Apply measures for the waste reduction, reuse and recycling , as well as ensuring the use of the best possible disposal method for those that cannot be recovered.

SOLID WASTE AND EFFLUENTS

The Group complies with the legal requirements concerning the treatment, storage, transportation, recycling and allocation of waste materials. The Group companies ensure that the waste materials which are suitable for recycling are being classified and delivered to recycling companies. They also monitor the type and quantity of waste materials, including the place and the method of recycling.

At the same time, the Group applies internal procedures for the waste management, such as the evaluation of waste management services suppliers, the preparation of daily, weekly and monthly reports concerning the types and quantities of the extracted waste as well as the efforts made towards the reduction of the waste materials through production plants.

The Group ensures that the companies which are recipients of the waste materials (hazardous and non-hazardous) for the final processing or disposal possess the necessary documentation of legal operation and also possess the right to provide waste management services.

HAZARDOUS AND NON-HAZARDOUS CHEMICALS

Due to its areas of operation, the Group utilizes a wide range of chemical substances. The management of potential risks emerging for the environment from the management and storage of those substances and materials constitutes a top priority for the Group.

In order to effectively encounter such risks, the Group complies with the legal requirements for the treatment, utilization and storage of the chemical substances, as well as of other hazardous substances. The Group does not produce, trade or use chemical substances and other hazardous substances which are subject to national or international prohibition. Moreover, the Group informs and trains its employees with regard to the safe handling and use of the chemical and other hazardous substances, whereas it monitors the quantities of all chemical and hazardous substances which are being utilized in the production, as well as in the maintenance of its facilities.

The companies of the Group have ensured that the chemicals utilized in their activities are placed on metallic bases in order to prevent any environmental contamination, as well as being stored in the proper storage facilities. Moreover, on the lower level of the metallic bases there are collectors in case of any leakage observed. All chemical substances that exist in the Group's facilities are located in proper spaces carrying special signs and with limited access (only to authorized persons), originate from approved suppliers and are accompanied by the appropriate user instructions.

ENERGY AND CLIMATE CHANGE

The Group companies have proceeded over the past years into actions aiming at energy efficiency, such as:

- replacement of the energy consuming equipment with new on-energy consuming
- constant monitoring of energy consumption and timely intervention, wherever it is deemed necessary
- raise awareness for the company's personnel in relation to energy efficiency issues

Additionally, with regards to the management of greenhouse gas emissions, the Group does not produce significant emissions.

However, it aims at actions to reduce the carbon footprint. An example of its commitment is the carbon footprint study that Thrace Greenhouses has carried out on the hydroponic cultivation of tomato and cucumber. This study, which is a Life Cycle Analysis, is limited to the greenhouse gas emissions that contribute to climate change. The results from the carbon footprint study from tomato and cucumber tomato production are shown in the table below..

	Tomato	Cucumber	Total
Emissions (kg CO2 eq)	828.339	518.114	1.346.453
Production (kg)	2.036.260	1.510.169	
Emissions (kg CO2 eq / kg product)	0,407	0,343	

Additionally, the low carbon footprint is due to the use of geothermal energy, which not only gives a competitive advantage with regards to the production costs, but also to the environmental profile of Thrace Greenhouses S.A.

WATER

The Group companies do not consume significant quantities of water, however, they do take measures with regards to the monitoring and reduction of the aggregated consumption.

Specifically, the company Thrace Plastics Pack S.A. takes measures for the reduction of water consumption such as:

- the reduction of water leakage in machinery,
- the prompt address of leakages in cooling system,
- the rational consumption of water by the employees.

Furthermore, in Thrace Greenhouses, due to the fact that the cultivations within the greenhouse are hydroponic ones, the water management is conducted via the most optimal way given the type of the cultivation thus, attaining the required results through the lowest possible water consumption.

EMERGENCY CASES AND OTHER ENVIRONMENTAL ISSUES

The Group has detected the dangerous operations and the potential effects on human health and the environment in case of an accident and towards this purpose it possesses detailed procedures, plans, equipment and training programs, in order to prevent industrial accidents and emergency situations.

Moreover, the Group possesses detailed procedures, plans and equipment for the effective response to any emergency case, whereas it provides to all employees the necessary training, including the first aid training, so that they are in position to respond effectively in such extreme situations. Many companies within the Group conduct emergency drills at least once a year, thus, maintaining their readiness at a high level.

At the same time, the Group complies with the legal requirements in relation to the noise, odor, light and vibration levels by providing trainings to its employees, in order to ensure the proper management of the above mentioned issues. Furthermore, it monitors the various levels of noise, odor and light in the environment, and it takes preventive or corrective actions, when the detected levels are high.

Specifically, in the production facilities of Thrace Plastics Pack S.A., in regular intervals, internal measurements of the detrimental factors are implemented (for example noise, air particles, etc.).

RESULTS OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

Certifications

CERTIFICATE	COMPANY
ISO 14001:2015 Environmental Management System (Αριθμός Πιστοποίησης: 0117387060638)	Thrace Plastics Pack S.A.
ISO 14001:2015 Environmental Management System	Thrace Greiner Packaging S.R.L.
ISO 14001:2015 Environmental Management System (Αριθμός Πιστοποίησης: 20051180000289)	Thrace Nonwovens & Geosynthetics S.A.
ISO 14001:2015 Environmental Management System	Thrace-LINQ Inc.
Global GAP για την εφαρμογή ορθών αγροτικών πρακτικών	Thrace Greenhouses S.A.
ISO 50001:2018 Energy Management Systems (Αριθμός Πιστοποίησης: 0117314060638)	Thrace Plastics Pack S.A.
ISO 50001:2018 Energy Management Systems (Αριθμός Πιστοποίησης: 20053180000888)	Thrace Nonwovens & Geosynthetics S.A.
Πιστοποιητικό Ενεργητικής Πυροπροστασίας	Thrace Plastics Pack S.A.
ISO 9001: 2015 Quality Management System (Αριθμός Πιστοποίησης: 01010018)	Thrace Nonwovens & Geosynthetics S.A.

Amounts in thousand Euro, unless stated otherwise

GRI 301-1

Performance Indicators

Materials

Total weight of materials (in t)			
	2018	**2017**	**Μεταβολή**
Polypropylene	97.570,37	98.648,41	-1%
PET	5.492,90	4.425,36	24%
Polyethylene	9.001,00	7.162,00	26%
Masterbatches (MB)	3.224,37	4.113,00	-22%
Total	**115.288,63**	**114.348,77**	**1%**

Note. The variations in the figures of the tables above, with regards to the total weight of polypropylene for the year 2017, in comparison to those presented in the financial report published in 2017, are due to the fact that the present report examines the performance, the position and the impact of all the Group companies, including the 100% of the joint ventures. The figures do not include the quantities of packaging materials or the recycled materials used as raw materials in the production process, however, this information will be available in Thrace Group's Sustainability Report for the years 2017-2018.

SOLID WASTE AND EFFLUENTS

The Group companies have wastewater monitoring systems in place. Specifically, the production process of the greenhouse in Xanthi has reduced the production of sewage, although the irrigated area has increased.

Note. The information with regards to the quantities of hazardous and non-hazardous waste, as well as the treatment methods will be available in Thrace Group's Sustainability Report for the years 2017-2018.

ENERGY

The tables below shows the total Group's electricity consumption, as well as the electricity consumption per kg of production.

Companies/Country of operation	Total kWh/Production (kg)		
	2018	2017	Variation
Total production in Greece*	1,23	1,27	-3,1%
Don & Low Ltd	1,57	1,52	3,4%
Thrace Ipoma A.D.	1,26	1,31	-3,3%
Thrace Greiner Packaging S.R.L.	1,45	1,47	-1,5%
Total	1,32	1,34	-1,6%

** Note. The data pertain to the operations ofThrace Nonwovens & Geosynthetics S.A., Thrace Polyfilms S.A. andThrace Plastics Pack S.A*

Amounts in thousand Euro, unless stated otherwise

GRI 302-1

Total energy consumption within the Group from non-renewable sources (in MJ)		
Source	**2018**	2017
Gasoline	18,74	21,23
Natural Gas	110.945.309,64	109.726.433,81
Methane	108.000,00	136.800,00
Liquefied Petroleum Gas	2.718.520,87	2.646.727,72
Diesel	572,98	492,46
Total	**113.772.422,22**	**112.510.475,22**

Energy consumed (in MJ)		
Source	**2018**	2017
Electricity	568.462.557,60	586.850.372,77
Thermal	8.885.348,27	10.114.609,18
Cooling	7.143.004,80	11.836.800,00
Steam	0,00	0,00
Total	**584.490.910,67**	**608.801.781,95**

Total sale (in MJ)		
Source	**2018**	2017
Electricity	2.365.290,00	1.922.858,75
Thermal	330.232,53	779.689,34
Cooling	0,00	0,00
Steam	0,00	0,00
Total	**2.695.522,53**	**2.702.548,09**

Note. No energy from renewable sources is being consumed within the Group.

Amounts in thousand Euro, unless stated otherwise

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Thrace Plastics Holding and Commercial S.A."

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of "Thrace Plastics Holding and Commercial S.A." (Company or / and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2018, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2018, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, during the year ended as at 31 December 2018, are disclosed in the note 3.27 to the separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters 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.

Key audit matter	*How our audit addressed the key audit matter*
Provisions for Employee benefits (Consolidated Financial Statements) In the consolidated statement of financial position is included an amount of € 15.8 million related to provisions for employee benefits, of which € 13.3 million are related to defined benefit plans which are funded and €2,5 million related to defined benefit plans which are not funded. The future benefits are discounted at present value after deducting the fair value of the assets of the funded programs. The present value of post-employment benefit obligations is contingent on certain factors determined on the basis of an actuarial valuation prepared by an independent actuary through the use of significant assumptions. The assumptions used to determine the net cost of post-employment benefits include, among others, the discount rate, inflation, and the average annual salary increase. Any changes in the assumptions may have a significant impact on the accounting for post-employment benefit accounting, making this item volatile, since it is significantly influenced by the change in the fair value of the assets of the funded programs. We focused on this item due to its significant value in the consolidated financial statements and due to the estimates and assumptions used by the management. Detailed information is provided in Notes 2.18 and 3.18 "Provisions for employee benefits" of the consolidated financial statements of the Group.	• We evaluated the Group Accounting policy for defined benefit plans. • We investigated the matter by requesting from the Group's management detailed information in order to evaluate the assumptions adopted and the data used for the calculation of the provision. • We performed a detailed examination and evaluation of the actuarial valuation prepared for the calculation of the provision, in order to assess that it is in line with IFRS, with an emphasis on the reasonability of the assumptions used. • We critically assessed the method used and the assumptions used, as well as the hypotheses and sources of data defined by the management and used by the actuary, their cohesion and consistency compared to the previous year and we compared these assumptions with relative observable market information. • We agreed on the provision for staff benefits and the relative costs included in the financial statements with the actuarial valuation. We found that the assumptions used were within a reasonable range and confirmed the appropriateness of the disclosures in the consolidated financial statements. We confirmed that the relevant disclosures in the consolidated financial statements are adequate. Based on our work, no exceptions identified regarding the reasonableness of the assumptions.
Impairment assessment of Goodwill (Consolidated Financial Statements) In the consolidated statement of financial position as at 31 December 2018, the Group has goodwill of € 9.8 million as stated in note 3.10.2 "Intangible Assets" of the financial statements. The Group measures goodwill at cost less accumulated impairment losses. Goodwill is allocated on cash-generating units and an impairment test is carried out annually or more frequently if there is evidence of a possible impairment in the book value of the goodwill in relation to its recoverable value in accordance with IAS 36. Impairment is recognized directly as an expense in consolidated profit or loss and other	We evaluated the overall impairment test performed by the management, including the process of reviewing and approving value in use models. We performed audit procedures to confirm that the impairment test for goodwill is generally based on accepted policies and on reasonable assumptions. In cooperation with our colleagues with valuation expertise, we performed the following audit procedures: • We examined the key assumptions of the Group, such as the growth rate of the cash generating units in perpetuity, projected sales volumes and prices, and gross profit margins used in the projected cash flow,

comprehensive income and is not subsequently reversed.

Management determines recoverable value of the cash generating units as the largest amount between the value in use and its fair value, minus any related costs of disposal. The calculation of the value in use of each cash-generating unit is performed by an independent valuer and requires management's estimation of the assumptions about the future results of the above cash-generating units, such as the growth rate in perpetuity, forecasts of expected sales quantities and prices, gross margin and discount rates. These assumptions vary due to the different market conditions in the countries in which the Group operates.

We focused on this area due to the significant value of this item in the consolidated financial statements as well as the estimates and assumptions used by management in the context of performing the impairment assessment of goodwill.

Detailed information on the impairment assessment of goodwill is provided in notes 2.6.1 "Goodwill" and 3.10.2 "Intangible assets" of the consolidated financial statements of the Group.

Based on the impairment test performed by Management, there was no need to recognize impairment loss on goodwill for the year ended 31 December 2018.

comparing them with the trends of local markets and the assumptions used in previous years.

- We evaluated the reliability of the forecasts used in the projected cash flows of the Management, by comparing the actual performance against previous forecasts.
- We found that the discount rate was determined within an acceptable range, assessing the cost of capital and borrowing costs per cash-generating unit and comparing the discount rates with industry and market data.
- We examined the mathematical accuracy of the cash flow models and we agreed these with the relative investment plans. We assessed the impact on the value in use of the cash-generating units of a possible change in the key assumptions, such as growth rates, discount rates, sales volume and prices, and gross profit margins, and we found that the margin between book value and recoverable value was adequate.

Based on the procedures performed, no exceptions were identified regarding the impairment test and we found that management's assumptions and estimates were within a reasonable range. In addition, we confirmed the appropriateness of the relevant disclosures in the consolidated financial statements.

Impairment assessment of investment in Subsidiaries (Separate Financial Statements)

As at 31 December 2018, the Company held investments in subsidiaries amounting to €70.3 million, which are measured at cost, and adjusted when the need arises as a result of impairment.

Management examines on an annual basis whether there are indicators of impairment of investment in subsidiaries. If an investment has to be impaired, the Company calculates the amount of the impairment as the difference between the recoverable amount of the investment and its book value. Management determines recoverable value as the greater of the value in use and the fair value less costs to sell in accordance with the provisions of IAS 36. Value in use is determined by an independent valuer based on management's estimates and assumptions such as future cash flows, returns of each subsidiary company, and discounted rates applied to the projected cash flows. Moreover, these assumptions vary due to the

We evaluated the management's assessment and resulting conclusions over the existence of impairment indicators in investments in subsidiaries.

Following the performance of the procedures used for evaluating goodwill impairment in the consolidated financial statements, we evaluated management's analysis according with which the recoverable amounts of the cash-generating units as identified in the impairment test of goodwill, were related with the corresponding investments in subsidiaries.

The procedures we performed in determining the recoverable amount of the investments in subsidiaries that had been subject to impairment testing, included those reported in the above mentioned key audit matter "Impairment assessment of Goodwill".

From the aforementioned audit procedures, we found that management's assumptions and estimates are within a reasonable range. In addition, we have confirmed the appropriateness of the relevant disclosures in Note. 3.25 "Participations".

different conditions prevailing in the markets of the countries in which the Group operates.

We focused on this area due to the significant value of investments in subsidiaries as well as the estimates and assumptions used by the management as part of the impairment test conducted for these investments.

Based on the impairment test conducted by the Management, there was no need to recognize impairment losses on investments for the year ended 31 December 2018.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. In addition, the Company prepares on an annual basis the "Thrace Plastics Group Sustainability Report", which is expected to be made available to us after 17 April 2019.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 201X is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

When we read the "Thrace Plastics Group Sustainability Report", if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors 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, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and 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 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, we exercise professional judgment and maintain professional scepticism 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 12 May 2010. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 8 years.

pwc

Athens, 17 April 2019

PricewaterhouseCoopers SA
268 Kifissias Avenue,
152 32 Halandri, Greece
SOEL Reg.No 113

The Certified Auditor
Dimitrios Sourbis
SOEL Reg. No. 16891

THRACE GROUP

THRACE PLASTICS CO S.A.

ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD

1.1.2018 – 31.12.2018

IV. ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED)

STATEMENTS

Contents

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

	Note	Group		Company	
		1/1 - 31/12/2018	1/1 - 31/12/2017	**1/1 - 31/12/2018**	1/1 - 31/12/2017
Turnover		**322.733**	318.509	**4.896**	5.130
Cost of Sales		**(259.508)**	(251.619)	**(4.540)**	(4.831)
Gross Profit/(loss)		**63.225**	66.890	**356**	299
Other Operating Income	3.2	**2.390**	2.144	**356**	138
Selling Expenses	3.4	**(31.312)**	(30.146)	**-**	-
Administrative Expenses	3.4	**(16.823)**	(16.839)	**(753)**	(1.032)
Research and Development Expenses	3.4	**(2.133)**	(1.948)	**-**	-
Other Operating Expenses	3.6	**(2.156)**	(1.808)	**(45)**	(135)
Other profit / (losses)	3.3	**506**	(1.114)	**(3)**	1.678
Operating Profit /(loss) before interest and tax		**13.697**	17.179	**(89)**	948
Financial Income	3.7	**1.934**	790	**2**	1
Financial Expenses	3.7	**(6.481)**	(6.229)	**(800)**	(843)
Income from dividends	3.7	-	-	**1.570**	1.234
Profit / (losses) from companies consolidated with the Equity Method	3.25	**855**	996	-	-
Profit / (losses) from participations	3.21	**-**	1.098	-	-
Profit/(loss) before Tax		**10.005**	13.834	**683**	1.340
Income Tax	3.9	**(1.976)**	(3.025)	**(232)**	(472)
Profit/(loss) after tax continued activities (A)		**8.029**	10.809	**451**	868
Profit/(loss) after tax discontinued activities	3.28	**-**	-	**-**	724
Profit/(loss) after tax discont. & cont. activities		**8.029**	10.809	**451**	1.592
Other comprehensive income					
Items transferred to the results					
FX differences from translation of foreign Balance Sheets		**(37)**	(3.315)	**-**	-
Items not transferred to the results					
Actuarial profit/(loss)		**365**	7.228	**4**	-
Other comprehensive income after taxes (B)		**328**	3.913	**4**	-
Other comprehensive income after taxes discont. activities		**-**	-	**-**	91
Other comprehensive income after taxes disc. & cont. activities		**328**	3.913	**4**	91
Total comprehensive income after taxes cont. activities (A) + (B)		**8.357**	14.722	**455**	1.683
Profit / (loss) after tax (A)					
Attributed to:					
Owners of the parent		**7.721**	10.551	**-**	-
Minority interest		**308**	258	**-**	-
Total comprehensive income after taxes (A) + (B)					
Attributed to:					
Owners of the parent		**8.041**	14.473	**-**	-
Minority interest		**316**	249	**-**	-
Profit/(loss) allocated to shareholders from continued activities per share (A)					
Number of shares		**43.737**	43.741	**-**	-
Earnings/(loss) per share	3.8	0,1765	0,2412	**-**	-

The accompanying notes that are presented in pages 105-176 form an integral part of the present financial statements

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF FINANCIAL POSITION

	Note	Group 31/12/2018	Group 31/12/2017	Company 31/12/2018	Company 31/12/2017
ASSETS					
Non-Current Assets					
Tangible fixed assets	3.10	**135.963**	114.394	**412**	441
Investment property	3.10	**113**	113	**-**	-
Intangible Assets	3.10	**11.567**	11.424	**611**	687
Participation in subsidiaries	3.25	**-**	-	**70.316**	70.316
Participation in joint ventures	3.25	**13.355**	12.839	**3.004**	3.004
Other long term receivables	3.11	**5.087**	7.669	**1.168**	1.613
Deferred tax assets	3.19	**935**	1.334	**733**	936
Total non-Current Assets		**167.020**	147.773	**76.244**	76.997
Current Assets					
Inventories	3.12	**66.896**	59.634	**-**	-
Income tax prepaid		**2.058**	1.702	**343**	152
Trade receivables	3.13	**53.603**	57.332	**2.836**	4.319
Other debtors	3.13	**7.824**	7.672	**4.616**	6.377
Cash and Cash Equivalents	3.14	**22.824**	30.593	**3.172**	4.790
Total Current Assets		**153.205**	156.933	**10.967**	15.638
TOTAL ASSETS		**320.225**	304.706	**87.211**	92.635
EQUITY AND LIABILITIES					
Equity					
Share Capital	3.15	**28.869**	28.869	**28.869**	28.869
Share premium	3.16	**21.524**	21.540	**21.644**	21.644
Other reserves	3.16	**20.294**	20.131	**14.214**	14.139
Retained earnings		**68.248**	64.573	**5.720**	7.838
Total Shareholders' equity		**138.935**	135.113	**70.447**	72.490
Minority Interest		**2.680**	2.365	**-**	-
Total Equity		**141.615**	137.478	**70.447**	72.490
Long Term Liabilities					
Long Term loans	3.17	**29.136**	15.737	**-**	-
Provisions for Employee Benefits	3.18	**15.468**	15.847	**195**	257
Other provisions		**752**	689	**618**	681
Deferred Tax Liabilities	3.19	**2.099**	3.843	**-**	-
Other Long Term Liabilities		**95**	598	**55**	480
Total Long Term Liabilities		**47.550**	36.714	**868**	1.418
Short Term Liabilities					
Short Term loans	3.17	**72.050**	72.663	**14.117**	16.695
Income Tax		**714**	3.239	**-**	160
Suppliers	3.20	**40.163**	37.021	**225**	84
Other short-term liabilities	3.20	**18.133**	17.591	**1.554**	1.788
Total Short Term Liabilities		**131.060**	130.514	**15.896**	18.727
TOTAL LIABILITIES		**178.610**	167.228	**16.764**	20.145
TOTAL EQUITY & LIABILITIES		**320.225**	304.706	**87.211**	92.635

The accompanying notes that are presented in pages 105-176 form an integral part of the present financial statements

Contents Amounts in thousand Euro, unless stated otherwise

STATEMENT OF CHANGES IN EQUITY

Group

	Share Capital	Share Premium	Other Reserves	Treasury shares reserve	Reserve of FX differences from translation of subsidiaries	Retained earnings	Total before minority interest	Minority interest	Total
Balance as at 01/01/2017	**29.762**	**21.526**	**26.547**	**(1.760)**	**(2.248)**	**46.845**	**120.672**	**2.116**	**122.788**
Profit / (loss) for the period	-	-	-	-	-	10.551	10.551	258	10.809
Other comprehensive income	-	-	-	-	(3.315)	7.228	3.913	(9)	3.904
Distribution of earnings	-	-	33	-	-	(33)	-	-	-
Other changes	-	14	-	-	(9)	(18)	(13)	-	(13)
Purchase of treasury shares	(893)	-	(867)	1.750	-	-	(10)	-	(10)
Changes during the period	(893)	14	(834)	1.750	(3.324)	17.728	14.441	249	14.690
Balance as at 31/12/2017	**28.869**	**21.540**	**25.713**	**(10)**	**(5.572)**	**64.573**	**135.113**	**2.365**	**137.478**
Balance as at 01/01/2018	**28.869**	**21.540**	**25.713**	**(10)**	**(5.572)**	**64.573**	**135.113**	**2.365**	**137.478**
Change in accounting policy (note 2.25)	**-**	**-**	**-**	**-**	**-**	**(2.166)**	**(2.166)**	**-**	**(2.166)**
Balance as at 01/01/2018	**28.869**	**21.540**	**25.713**	**(10)**	**(5.572)**	**62.407**	**132.947**	**2.365**	**135.312**
Profit / (loss) for the period	**-**	**-**	**-**	**-**	**-**	**7.721**	**7.721**	**307**	**8.028**
Other comprehensive income	**-**	**-**	**-**	**-**	**(38)**	**365**	**327**	**1**	**328**
Dividends	**-**	**-**	**-**	**-**	**-**	**(2.058)**	**(2.058)**	**-**	**(2.058)**
Other changes	**-**	**(16)**	**5.780**	**-**	**(5.579)**	**(187)**	**(2)**	**7**	**5**
Changes during the period	**-**	**(16)**	**5.780**	**-**	**(5.617)**	**5.841**	**5.988**	**315**	**6.303**
Balance as at 31/12/2018	**28.869**	**21.524**	**31.493**	**(10)**	**(11.189)**	**68.248**	**138.935**	**2.680**	**141.615**

The accompanying notes that are presented in pages 105-176 form an integral part of the present financial statements

Contents Amounts in thousand Euro, unless stated otherwise

STATEMENT OF CHANGES IN EQUITY (continues from previous page)

Company

	Share Capital	Share Premium	Other Reserves	Treasury shares reserve	Reserve of FX differences from translation of subsidiaries	Retained earnings	Total
Balance as at 01/01/2017	**29.762**	**21.644**	**15.000**	**(1.760)**	**16**	**6.155**	**70.817**
Profit / (loss) for the period	-	-	-	-	-	1.592	**1.592**
Other comprehensive income	-	-	-	-	-	91	**91**
Purchase of treasury shares	(893)	-	(867)	1.750	-	-	**(10)**
Changes during the period	(893)	-	(867)	1.750	-	1.683	**1.673**
Balance as at 31/12/2017	**28.869**	**21.644**	**14.133**	**(10)**	**16**	**7.838**	**72.490**
Balance as at 01/01/2018	28.869	21.644	14.133	(10)	16	7.838	72.490
Change in accounting policy (note 2.25)	-	-	-	-	-	(441)	**(441)**
Balance as at 01/01/2018	**28.869**	**21.644**	**14.133**	**(10)**	**16**	**7.397**	**72.049**
Profit / (loss) for the period	-	-	-	-	-	451	**451**
Other comprehensive income	-	-	-	-	-	4	**4**
Distribution of earnings	-	-	74	-	-	(74)	**-**
Dividends	-	-	-	-	-	(2.058)	**(2.058)**
Changes during the period	-	-	74	-	-	(1.677)	**(1.603)**
Balance as at 31/12/2018	**28.869**	**21.644**	**14.207**	**(10)**	**16**	**5.720**	**70.446**

The accompanying notes that are presented in pages 105-176 form an integral part of the present financial statements

Contents Amounts in thousand Euro, unless stated otherwise

STATEMENT OF CASH FLOWS

	Note	Group		Company	
		1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Cash flows from Operating Activities					
Profit before Taxes and Minority Interest, continued		10.005	13.834	683	1.341
Profit before Taxes and Minority Interest, discontinued		-	-	-	738
Profit before Taxes and Minority Interest		10.005	13.834	683	2.079
Plus / (minus) adjustments for:					
Depreciation		13.803	12.952	167	526
Provisions		410	106	(88)	(10)
FX differences		(359)	1.581	-	14
(Profit)/loss from sale of fixed assets		(129)	(136)	3	(1.693)
Dividends		-	-	(1.571)	(1.234)
Debit interest and related (income) / expenses		4.547	5.439	798	1.057
(Profit) / losses from companies consolidated with the Equity method		(855)	(2.094)	-	-
Operating Profit before adjustments in working capital		27.422	31.682	(8)	739
(Increase)/decrease in receivables		5.792	(6.251)	3.343	3.608
(Increase)/decrease in inventories		(7.413)	(2.877)	-	1.785
Increase/(decrease) in liabilities (apart from banks-taxes)		(2.575)	4.576	(749)	(2.521)
Other non cash movements		2	1.042	-	79
Cash generated from Operating activities		23.228	28.172	2.586	3.690
Interest Paid		(3.888)	(4.246)	(761)	(1.044)
Other financial income/(expenses)		(820)	(355)	(3)	(3)
Taxes		(4.345)	(4.325)	(353)	(37)
Cash flows from operating activities (a)		14.175	19.246	1.469	2.606
Cash flows from discontinued operating activities (a)		-	-		1.823
Cash flows from continued operating activities (a)		14.175	19.246	1.469	783
Investing Activities					
Receipts from sales of tangible and intangible assets		114	278	3	-
Interest received		21	10	2	1
Dividends received		485	335	1.571	1.234
Increase of interests in subsidiaries / associates		(10)	(2.770)	-	(1.333)
Investment grants		136	59	-	-
Purchase of tangible and intangible assets		(32.339)	(21.754)	(36)	(948)
Increase of cash from acquisition of subsidiary		-	2.004	-	-
Cash due to change in the consolidation method of subsidiaries		-	(901)	-	-
Cash flow from investing activities (b)		(31.593)	(22.739)	1.540	(1.046)
Cash flow from discontinued investing activities (b)		-	-		(769)
Cash flow from continued investing activities (b)		(31.593)	(22.739)	1.540	(277)
Financing activities					
Proceeds from loans		28.419	12.524	-	2.445
Purchase of treasury shares		-	(10)	-	(10)
Repayment of Loans		(13.700)	(4.484)	(2.578)	-
Financial leases		(3.207)	(4.178)	-	-
Dividends paid		(2.032)	(4)	(2.049)	(4)
Cash flow from financing activities (c)		9.480	3.848	(4.627)	2.431
Net increase /(decrease) in Cash and Cash Equivalents		(7.938)	355	(1.618)	2.937
Cash and Cash Equivalents at beginning of period	3.14	30.593	31.080	4.790	1.853
Effect from changes in foreign exchange rates on cash reserves		169	(842)	-	-
Cash and Cash Equivalents at end of period	3.14	22.824	30.593	3.172	4.790

The accompanying notes that are presented in pages 105-176 form an integral part of the present financial statements

Contents Amounts in thousand Euro, unless stated otherwise

1. Information about the Group

The company THRACE PLASTICS HOLDING S.A. as it was renamed following the approval and the alteration of its name on GEMI (hereinafter the "Company") was founded in 1977. It is based in Magiko of municipality of Avdira in Xanthi, Northern Greece, and is registered in the Public Companies (S.A.) Register under Reg. No. 11188/06/B/86/31 and in the General Commercial Register under Reg. No. 12512246000.

The main objective of the Company was altered as result of the spin-off of the business segment of production and trade of industrial packaging products of the Company and the subsequent amendment of the relevant article 3 of the Company's Articles of Association, according to the precise form that was previously announced by the Company, and in line with the clauses of article 27, paragraph 3, case d' of P.L. 2190/1920. The aim of the Company and its main objective is to participate in the capital of companies and to finance companies of any legal form, kind and objective, either listed or non-listed on organized market, as well as the provision of Administrative - Financial - IT Services to its Subsidiaries.

The Company is the parent of Group of companies (hereinafter the "Group"), which activate mainly in two sectors, the technical fabrics sector and the packaging sector.

The Company's shares are listed on the Athens Stock Exchange since June 26, 1995.

The company's shareholders, with equity stakes above 5%, as of 31.12.2018 were the following:

Chalioris Konstantinos	43.29%
Chaliori Eyfimia	20.85%

The Group maintains production and trade facilities in Greece, United Kingdom, Ireland, Sweden, Norway, Serbia, Bulgaria, U.S.A., Australia, China and Romania. On 31st December 2018, the Group employed in total 1,843 employees, from which 923 in Greece.

The structure of the Group as of 31st December 2018 was as follows:

Contents Amounts in thousand Euro, unless stated otherwise

Company	Registered Offices	Participation Percentage of Parent Company	Participation Percentage of Group	Consolidation Method
Thrace Plastics Holding S.A.	**GREECE-Xanthi**	**Μητρική**	**-**	**Full**
Don & Low LTD	**SCOTLAND-Forfar**	**100,00%**	**100,00%**	**Full**
Don & Low Australia Pty LTD	AUSTRALIA	-	100,00%	Full
Thrace Nonwovens& Geosynthetics S.A.	**GREECE-Xanthi**	**100,00%**	**100,00%**	**Full**
Saepe Ltd	CYPRUS-Nicosia	-	100,00%	Full
Thrace Asia	HONG KONG	-	100,00%	Full
Thrace China	CHINA – Shanghai	-	100,00%	Full
Thrace Protect M.I.K.E.	GREECE-Xanthi	-	100,00%	Full
Thrace Plastics Pack S.A.	**GREECE-Ioannina**	**92,94%**	**92,94%**	**Full**
Thrace Greiner Packaging SRL	ROMANIA - Sibiou	-	46,47%	Equity
Thrace Plastics Packaging D.O.O.	SERBIA-Nova Pazova	-	92,84%	Full
Trierina Trading LTD	CYPRUS-Nicosia	-	92,84%	Full
Thrace Ipoma A.D.	BULGARIA-Sofia	-	92,735%	Full
Synthetic Holdings LTD	**N. IRELAND-Belfast**	**100,00%**	**100,00%**	**Full**
Thrace Synthetic Packaging LTD	IRELAND - Clara	-	100,00%	Full
Arno LTD	IRELAND -Dublin	-	100,00%	Full
Synthetic Textiles LTD	N. IRELAND-Belfast	-	100,00%	Full
Thrace Polybulk A.B.	SWEDEN -Köping	-	100,00%	Full
Thrace Polybulk A.S.	NORWAY-Brevik	-	100,00%	Full
Lumite INC.	U.S.A. - Georgia	-	50,00%	Equity
Adfirmate LTD	CYPRUS-Nicosia	-	100,00%	Full
Pareen LTD	CYPRUS-Nicosia	-	100,00%	Full
Thrace Linq INC.	U.S.A. - South Carolina	-	100,00%	Full
Thrace Polyfilms A.B.E.E. (former Thrace Sarantis S.A.)	**GREECE - Xanthi**	**100,00%**	**100,00%**	**Full**
EL.VIS. S.A. (Evisak)	GREECE - Kavala	-	100,00%	Full
Thrace Greenhouses S.A.	**GREECE - Xanthi**	**50,91%**	**50,91%**	**Equity**
Thrace Eurobent S.A.	**GREECE - Xanthi**	**51,00%**	**51,00%**	**Equity**

Amounts in thousand Euro, unless stated otherwise

2. Basis for the Preparation of the Financial Statements and Major Accounting Principles

2.1 Basis of Preparation

The present financial statements have been prepared according to the International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (I.A.S.) and interpretations that have been issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.), as such have been adopted by the European Union until 31 December 2018. The basic accounting principles that were applied for the preparation of the financial statements for the year ended on 31 December 2018 are the same as those applied for the preparation of the financial statements for the year ended on 31 December 2017 and are described in such.

When deemed necessary, the comparative data have been reclassified in order to conform to possible changes in the presentation of the data of the present year.

Differences that possibly appear between accounts in the financial statements and the respective accounts in the notes, are due to rounding.

The financial statements have been prepared according to the historic cost principle, as such is disclosed in the Company's accounting principles presented below.

Moreover, the Group's and Company's financial statements have been prepared according to the "going concern" principle taking into account all the macroeconomic and microeconomic factors and their effect on the smooth operation of the Group and Company.

The financial statements were approved by the Board of Directors of the Company on April 15, 2019 and are subject to approval by the next General Meeting which will convene within the year 2019.

The financial statements of the Group THRACE PLASTICS Co. S.A. are posted on the internet, on the website www.thracegroup.gr.

2.2 New standards, amendments of standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year or subsequent years. The Group's assessment regarding the effect of these new standards, amendments to standards and interpretations is presented below.

STANDARDS AND INTERPRETATIONS MANDATORY FOR THE CURRENT FINANCIAL YEAR

IFRS 9 "Financial Instruments"IFRS 9 replaces the requirement of IAS 39 and deals with the classification and measurement of financial assets and financial liabilities, and it also includes a model of anticipated credit losses that replaces the model of the realized credit losses currently in effect. The IFRS 9 Hedging Accounting establishes an approach for hedging accounting based on principles and deals with inconsistencies and weaknesses of the current model of IAS 39. The effect on the Group from the adoption of the standard is presented in note 2.25.

IFRS 15 «Revenues from Contracts with Customers»

IFRS 15 was issued in May 2014. The objective of the standard is to provide a single and clear model for the recognition of revenues from all customer contracts so that it improves the comparability among companies of the same sector, different sectors and different capital markets. It includes the principles that an entity shall apply in order to define the measurement of revenues and the time of their recognition. The basic principle is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The effect on the Group from the adoption of the standard is presented in note 2.25.

IFRS 4 (Amendments) «Application of IFRS 9 Financial Instruments to IFRS 4 Insurance Contracts»

The amendments introduce two approaches. The amended standard (a) allows all entities that issue insurance policies to recognize in the other comprehensive income rather than in the income statement any deviations arising from the application of IFRS 9 prior to the adoption of the new standard for insurance policies; and b) provides entities whose activities mainly concern the insurance industry the option to temporarily waive the application of IFRS 9 by 2021. Entities that have chosen to postpone the application of IFRS 9 continue to apply IAS 39 for financial instruments. There is no impact on the Group from IFRS 4.

IFRS 2 (Amendments) "Classification and measurement of transactions concerning share-based payments"

The amendment provides clarifications about the basis of measurement with regard to the share-based payments arranged in cash and the accounting treatment regarding amendments of terms which alter a share-based payment from one that it is arranged in cash to one that is arranged in shares. Moreover they introduce an exception concerning the principles of IFRS 2 according to which a share-based payment should be treated like a payment totally arranged in shares, in the cases where the employer is obliged to withhold an amount for tax purposes in order to cover the tax liabilities of the employees, liabilities deriving from the value of the shares.

IAS 40 (Amendments) "Transfers of investment property"

The amendments clarify that in order for a property to be classified or not as investment property, a change in the use of the asset must have occurred. A change in the use of asset can be taken into account only in the case it can be assessed that such change has actually occurred and is documented.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

The Interpretation offers guidance regarding the determination of the transaction date when the standard IAS 21 which refers to foreign currency transactions is applied. The Interpretation is applicable when an entity either pays or receives in advance an amount for contracts denominated in foreign currency.

Annual improvements in IFRS 2014 (Cycle 2014 – 2016)

IAS 28 "Investments in associates and joint ventures"

The amendments provide clarifications concerning the fact that when the collective investment organizations, the mutual funds and entities with similar activities apply the option to measure their interests in associates or joint ventures at fair value through the results, the particular option must be made separately for each associate or joint venture at the time of the initial recognition.

STANDARDS AND INTERPRETATIONS EFFECTIVE FOR SUBSEQUENT FINANCIAL YEARS

IFRS 9 (Amendments) "Prepayment features with negative compensation" *(applied for annual periods beginning on or after 1st January 2019)*

The amendments provide the entities with the ability, when they fulfill a certain condition, to measure the financial assets characterized by prepayment features with negative compensation at the net cost or at the fair value through the other comprehensive income instead the fair value through the results.

IFRS 16 «Leases» *(effective for annual accounting periods beginning on or after 1 January 2019)*

IFRS 16 was issued in January 2016 and replaces IAS 17. The aim of the standard is to ensure that lessors and lessees provided useful information which fairly depicts the substance of transactions with regard to leases. IFRS 16 introduces a unified model providing for the accounting treatment from the side of the lessee, which requires that the lessee recognizes assets and liabilities for all leasing contracts with term longer than 12 months, unless the underlying asset is of no substance value. With regard to the accounting treatment from the side of the lessor, IFRS 16 incorporates practically the requirements of IAS 17. Therefore the lessor continues to classify the leasing contracts as operating and financial leases, and to follow different accounting treatment for each type of contract.

During the transition, liabilities arising from existing operating leases (the operating lease commitments are reported in Note 3.26) will be discounted using the relevant incremental borrowing rate. The present value that will arise will be recognized as a lease liability. The rights to use the assets will be measured in the same way as the lease obligation, adjusted by the amount of any prepaid or accrued rentals.

The Group will apply the new standard using the modified retrospective method, i.e. the transition effect will be recognized cumulatively in the «Retained earnings» while the comparative amounts have not been restated. The Group will provide an explanation of the reasons for changes in the financial statements as a result of the application of IFRS 16 for the first time.

With respect to the options and exemptions permitted under IFRS 16, the Group will follow the following approach:

- Assets with right to use will be presented in tangible fixed assets and lease liabilities will be presented in loans in the statement of financial position.

The recognition, measurement and disclosure requirements of IFRS 16 will apply to all leases. As a result, the Group is expected to capitalize all leases excluding «low value» leases and short-term leases, i.e. 12 months or less.

The Group will use the practical facility not to separate the non-lease components from the lease components and will therefore deal with all elements of the lease and any related non-leasehold as a single lease.

The adoption of IFRS 16 will have the following significant results for the Group:

Group rent payments are mainly related to leases of machinery, vehicles, and buildings used for production and administrative purposes. When adopting IFRS 16, liabilities arising from operating leases will be presented as property rights and lease liabilities in the borrowing note. Therefore, an increase in the total of assets and liabilities in the first application is expected due to the capitalization of the qualifying assets and the recognition of the respective liabilities.

- The nature of the costs associated with these leases will also be changed as IFRS 16 replaces the operating cost of the lease with amortization cost for the qualifying assets and interest expense on the liabilities arising. This will lead to a significant improvement in «Operating profits before financial and investing activities, depreciation and amortization».

- In the cash flow statement, the portion of the capital lease repayment is expected to reduce net cash flows from financing activities and will no longer be included in net cash flows from operating activities. Only part of the lease payments related to lease interest will continue to be included in the net cash flows from operating activities, all of which will increase.

The actual impact of the application of IFRS 16 is dependent on the Group's discounted rate as of 1 January 2019, the determination of the lease agreements that fall within the scope of the new standard at that date and the final assessment of the Group for the duration of the lease, particularly with regard to the exercise of any renewal and termination rights.

On the basis of the above, the Group analyzed the expected impact of IFRS 16 on 1 January 2019 and the estimated impact on the consolidated income statement for the year 2019. According to management's estimation, the impact of the adoption of IFRS 16 is expected to be as follows:

- At 1 January 2019, we expect an increase in total assets due to the capitalization of the assets with right to use and recognition of the lease receivable of approximately **€ 2,402** and a corresponding increase in the lease liabilities.
- For the year 2019, we expect the depreciation and amortization to be increased by approximately **€ 620** and the «interest and related expenses»

are expected to increase by **€ 58**. The decrease in rental costs is expected to lead to improvement of «operating profits before financial and investing activities, depreciation and amortization» by approximately **€ 654.** The estimated effect relates exclusively to existing contracts on 1 January 2019.

At a Company level, the estimated effect on the statement of financial position and the income statement is as follows:

- On 1 January 2019, in the statement of financial position, there is expected an increase in the total capitalization of assets due to capitalization of the assets by approximately **€ 315** and a corresponding increase in lease liabilities.
- For the year 2019, in the income statement, «depreciation and amortization» is expected to increase by **€ 140** and «interest expense and related expenses» to increase by **€ 9**. The decrease in rental expenses is expected to improve the «operating profits before financial and investing activities, depreciation and amortization by **€ 146**. The estimated effect relates exclusively to existing contracts on 1 January 2019.

The new accounting standard for leases does not have a significant impact on the Group and the Company as a lessor.

IFRS 17 «Insurance Contracts» *(effective for annual periods beginning on or after 1 January 2021)*

IFRS 17 was issued in May 2017 and replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance policies within the scope of the standard and disclosures. The purpose of the standard is to ensure that an entity provides relevant information that in turn provides reasonable insight into these contracts. The new standard solves the comparability problems created by IFRS 4 as it requires all insurance policies to be accounted for in a consistent manner. Insurance liabilities will be measured at current values and not at historical cost. The standard has not yet been adopted by the European Union.

IAS 28 (Amendments) "Long-term interests in associates and joint ventures" *(effective for annual accounting periods beginning on or after 1st January 2019)*

The amendments clarify that the economic entities must account for their long-term interests in an associate company or joint venture – in which the equity method is applied – according to IFRS 9. The amendments have not been adopted by the European Union.

IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual accounting periods beginning on or after 1st January 2019)

The Interpretation provides clarifications with regard to the recognition and measurement of the current and deferred income tax when there is uncertainty with regard to the tax treatment of certain elements. IFRIC 23 is applicable for all aspects of income tax accounting when there is such uncertainty, including the taxable profit / loss, the tax basis of the assets and liabilities, the tax earnings and losses, as well as the tax rates.

IAS 19 (Amendments) "Plan

amendments, curtailments, and settlements" *(effective for annual accounting periods beginning on or after 1 January 2019)*

The amendments determine the manner with which the entities must define the pension expenses whenever a change takes place in defined benefit plans. The amendments have not been yet adopted by the European Union.

IFRS 3 (Amendments) "Definition of Business Combination" *(effective for annual accounting periods beginning on or after 1 January 2020)*

The new definition focuses on the concept of a company's return in the form of provision of services and goods towards customers. It is in contrast with the previous definition which focused on returns in the form of dividends, lower cost or of other economic benefits towards investors and other parties. The amendments have not been yet adopted from the European Union.

IAS 1 and IAS 8 (Amendments) «Definition of material" *(effective for annual periods beginning on or after 1 January 2020)*

The amendments clarify the definition of the material and how it should be used, supplementing the definition with instructions that have been provided so far in other parts of the IFRS. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of the material is consistently applied to all IFRSs. The amendments have not yet been adopted by the European Union.

Annual Improvement in IFRS (Cycle 2015 – 2017) *(effective for annual accounting periods beginning on or after 1 January 2019)*

The amendments presented below include changes in four IFRS. The amendments have not been yet endorsed by the European Union.

IFRS 3 " Business Combinations

The amendments clarify that an entity re-measures the percentage previously held in a mutually controlled activity when it acquires the control of this business activity.

IFRS 11 "Joint Arrangements"

The amendments clarify that an entity does not re-measure the percentage previously held in a mutually controlled activity when it acquires a joint control of this business activity.

IFRS 12 "Income Taxes"

The amendments clarify that an entity records on accounting basis the entire effect on the income tax from dividend payments via the same manner.

IAS 23 "Borrowing Costs"

The amendments clarify that an entity treats as part of its general borrowings any loan that was undertaken exclusively for the development of an asset when this asset is readily available for its planned use or its sale.

2.3 Significant Accounting Estimations and Judgments of the Management

The estimations and judgments of the Management of the Group are constantly assessed. They are based on historic data and expectations for future events, which are deemed as fair according to the ones in effect.

2.3.1 Significant Accounting Estimations and Assumptions

The preparation of Financial Statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that may affect, the accounting balances of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses that have been recognized during the reported period. The use of the available information, which is based in historical data and assumptions and the implementation of subjective evaluation are necessary in order to conduct estimates. The actual future results may differ from the above estimates and these differences may affect the Financial Statements. Estimates and relative assumptions are revised constantly. The revisions in accounting estimations are recognized in the period they occur if the revision affects only the specific period or the revised period and the future periods if the revisions affect the current and the future periods.

The basic estimations and subjective judgments that refer to data, the evolution of which could affect the accounts of the Financial Statements during the next twelve months, are as follows:

2.3.1.1 Provisions for expected credit losses from customers and other receivables

The Group and the Company recognize impairment losses for expected credit losses for all financial assets. Expected credit losses are based on the difference between the contractual cash flows and all cash flows that the Group (or the Company) expects to receive. The difference is discounted using an estimate of the initial effective interest rate of the financial asset. For customer receivables, the Group and the Company applied the simplified approach to the standard and calculated the expected credit losses on the basis of the expected credit losses over the lifetime of those items. For other financial assets, the expected credit losses are calculated on the basis of the losses for the next 12 months. Expected credit losses over the next 12 months are part of the expected credit losses over the life of the financial assets resulting from the probability of default of an item within 12 months of the reporting date. If there is a significant increase in credit risk from the initial recognition, the provision for impairment will be based on the expected credit losses over the life of the asset.

2.3.1.2 Provision for income tax

The provision for income tax according to I.A.S. 12 is calculated by estimating taxes that will be paid to the tax authorities and includes the current income tax for each financial year and a provision for additional taxes that may arise in future tax audits. Group companies are subject to different income tax laws and therefore significant management assessment is required to determine the Group's income tax income. Income tax expense may differ from these estimates as a result of future changes in tax legislation both in the countries in which the Group operates and in Greece or unforeseen consequences from the final determination of the tax liability of each use by the tax authorities. These changes may have a significant impact on the Group's and Company's financial position. In the event that the final settlement of income taxes deviates from the initial amounts that have been recorded in the Group and Company financial statements. These differences will affect income tax and deferred tax provisions for the year in which the final determination is made. For more information, see note 3.9.

2.3.1.3 Provisions for employee benefits

The present value of the liabilities for post employment benefits depends on a number of factors defined on actuarial basis via the use of a significant number of assumptions. The assumptions used for the determination of the net cost (income) for post employment benefits include discount rates, rates of wage increases, mortality and disability rates, retirement ages and other factors. Any changes to these underlying assumptions may have a significant effect on the liability and the relative costs of each period.

The Group defines the appropriate discount rate in each reporting period. It is the interest rate applicable for the calculation of the present value of the estimated future payments required for the settlement of the benefit liabilities. For the estimation of the appropriate discount rate the Group takes into consideration the interest rates prevailing in high credit rating corporate bonds denominated in the currency of the benefit payments and with maturity dates similar to the ones of the respective liabilities. Due to the long-term nature of these defined benefit plans, these cases are subject to a significant degree of uncertainty. Further information is provided in note 3.18.

2.3.2 Significant Accounting Judgments in the Application of Accounting Principles

2.3.2.1 Depreciation/amortization of tangible and intangible assets

The Group and the Company calculate depreciation/amortization on tangible and intangible assets based on estimation of the useful life of such. The residual value and useful life of such assets are reviewed and defined at the end of each reporting period, if deemed necessary.

2.4 Basis of Consolidation

2.4.1 Subsidiaries

Subsidiaries are all companies (including those companies of special purpose) which are controlled by the Group. The Group controls a company when the Group is exposed to or has rights in variable returns from its participation in the company and has the ability to affect these returns through the power it possesses in the company. The subsidiaries are consolidated with the full consolidation method from the date at which the control is acquired by the Group and are excluded from consolidation from the date at which such control does not exist.

The mergers of companies are accounted for, from the Group based on the purchase method. The price of the acquisition is calculated as the fair value of the transferred assets, the liabilities undertaken against the former shareholders and the shares issued by the Group. The price of the acquisition includes the fair value of any asset or liability which may derive from any potential agreement about the price. The assets acquired and the liabilities along with the contingent liabilities assumed during a corporate merger are measured initially at fair value at the date of the acquisition. Depending on the acquisition case, the Group recognizes any non controlled interest in the subsidiary either at fair value or at the value of the stake of the non controlled interest in the equity of the subsidiary.

The expenses related to the acquisition are recorded in the results.

If the corporate merger is gradually achieved then the fair value of the participation held by the Group in the acquired company is revalued at fair value at the acquisition date. The profit or loss which emerges from the revaluation is recognized in the results.

Any potential price that is transferred from the Group is recognized at fair value at the acquisition date. Any subsequent changes in the fair value of the potential price, which is considered as an asset or a liability, are recognized according to IAS 39 in the results. If the potential price is recorded as item of the equity, then it is not revalued until its final settlement through the equity.

Intra-company transactions, balances and non realized earnings from transactions among the companies of the Group are excluded. The non realized losses are also excluded. The accounting principles that are applied by the subsidiaries have been adjusted wherever it was deemed necessary so that they are aligned with the ones adopted by the Group.

The Company records the investments in subsidiaries in the separate financial statements at acquisition cost minus any impairment. Furthermore, the acquisition cost is adjusted so that it reflects the changes in the payable price deriving from any amendments in the potential price.

2.4.2 Transactions with owners of non-controlled interests

The Group treats the transactions with the owners of non-controlled interests, which do not result into loss of control, in the same manner with the transactions with the major shareholders of the Group. The difference between the price paid and the book value of the acquired interest of the subsidiary's equity is recorded in the shareholders' funds. Earnings of losses deriving from the sale to owners of non-controlled interests are also recorded in shareholders' funds

2.4.3 Sale of Subsidiary

When the Group ceases to possess control, the remaining percentage is measured at fair value, whereas any potential differences that derive in comparison with the current value are recorded in the results. Following, this asset is recognized as associate company, joint venture or financial asset at the above fair value. Additionally, any relevant amounts which were previously recorded in the other comprehensive income are accounted for, with the same manner that would be followed in the case of sale of these assets and liabilities, meaning that they can be transferred in the results.

2.4.4 Joint Arrangements

Based on IFRS 11, investments in joint arrangements are classified either as joint activities or as joint ventures and the classification depends on the contractual rights and the liabilities of each investor. The Group evaluated the nature of its investments in joint arrangements and decided that these constitute joint ventures. Joint ventures are consolidated according to the equity method.

According to the equity method, investments in joint ventures are initially recognized at the acquisition cost, which in a later stage increases or decreases via the recognition of the Group's share in the earnings or losses of the joint ventures and the changes in the other comprehensive income after the acquisition. In case the share of the Group in the losses of the joint ventures exceeds the amount of the investment (which also includes any long-term investment that essentially constitutes part of the net investment of the Group in the joint ventures), no additional losses should be recognized, unless there have been payments or there are commitments undertaken for the account of the joint ventures.

Non realized profit from transactions between the Group and the joint ventures is excluded according to the percentage of the Group's participation in the joint ventures. The non realized losses are also excluded, unless the transaction offers indications of a potential impairment of the transferred asset. The accounting principles of the joint ventures have been amended wherever it was deemed appropriate so that they are aligned with the ones adopted by the Group.

2.4.5 Impairment of Participations

Management examines on an annual basis whether there are indicators of impairment of investment in subsidiaries. If an investment has to be impaired, the Company calculates the amount of the impairment as the difference between the recoverable amount of the investment and its book value. Management determines recoverable value as the greater of the value in use and the fair value less costs to sell in accordance with the provisions of IAS 36. Value in use is determined by an independent valuer based on management's estimates and assumptions such as future cash flows, returns of each subsidiary company, and discounted rates applied to the projected cash flows. Moreover, these assumptions vary due to the different conditions prevailing in the markets of the countries in which the Group operates.

2.5 Fixed Tangible Assets

Tangible assets are stated at book cost, net of any grants received, less accumulated depreciation and any impairment in value. Expenses for replacement of part of fixed assets are included in the value of the asset if they can be estimated accurately and increase the future benefits of the Group from such. The repairs and maintenance of fixed assets charge the results, in the period when such are realized. The acquisition cost and the related accumulated depreciation of assets retired or sold, are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the Results.

Depreciation is charged in the Results based on the straight-line method over the estimated useful life of assets. The estimated useful life of each category of asset is presented below:

Category	Depreciation rate	Useful life
Buildings and technical works	2,5% - 5%	20 - 40 έτη
Machinery and technical installations	7% - 10%	10 - 14 έτη
Specialized mechanical equipment	12% - 15%	7 - 8 έτη
Vehicles	10% - 20%	5 - 10 έτη
Furniture and fixture	10% - 30%	3 - 10 έτη

Land and plots are not depreciated, however they are reviewed for impairment. Residual values and economic life of fixed assets might be adjusted if necessary at the time financial statements are prepared. Fixed assets, that have been impaired, are adjusted to reflect their recoverable value (Note 2.7). The remaining value, if not negligible, is re-estimated on an annual basis.

Tangible assets are derecognized when sold, or when no future economic benefits are expected from their use. The gains and losses arising from the sale of property, plant and equipment are determined by the difference between the sale proceeds and the net book value as shown in the books and included in the operating result.

2.6 Intangible Assets

2.6.1 Goodwill

The acquisition of a subsidiary by the Group is accounted for based on the acquisition method. The acquisition cost of a subsidiary is the fair value of assets acquired, shares issued and liabilities assumed during the transaction date, plus possible expenses directly linked to the transaction. The individual assets, liabilities and contingent liabilities acquired in a business combination are measured during the acquisition at fair value regardless of the participation percentage. The acquisition cost above fair value of the individual assets acquired, is booked as goodwill. If the total acquisition cost is less than the fair value of the individual assets acquired, the difference is registered directly in the results.

Increases of the Group's participation in subsidiaries are recognized as transactions in equity. The difference between the acquisition cost and the participation in the new equity of the subsidiary acquired, is recognized directly in the Group's equity. Profit or losses from the sale of a participation percentage that does not lead to loss of control on the subsidiary by the Group, is also recognized in the Group's equity.

2.6.2 Impairment assessment of Goodwill

Goodwill is allocated on cash-generating units and an impairment test is carried out annually or more frequently if there is evidence of a possible impairment in the book value of the goodwill in relation to its recoverable value in accordance with IAS 36. Impairment is recognized directly as an expense in consolidated profit or loss and other comprehensive income and is not subsequently reversed.

Contents Amounts in thousand Euro, unless stated otherwise

Management determines recoverable value as the largest amount between the value in use and its fair value, minus any related costs of disposal. The calculation of the value in use of each cash-generating unit is performed by an independent valuer and requires management's estimation of the assumptions about the future results of the above cash-generating units, such as the growth rate in perpetuity, forecasts of expected sales quantities and prices, gross margin and discount rates. These assumptions vary due to the different market conditions in the countries in which the Group operates. For more information see note 3.10.2.

2.6.3 Other Intangible Assets

Other intangible assets mainly concern software and industrial ownership rights which refer to the utilization right of the trademark TERRAHOME that has been purchased from a third party, and of the Geothermic field that has been purchased from the Greek State. Their values are stated at acquisition cost, less the accumulated depreciation and any impairment losses. Amortization of intangible assets is registered in the Results, based on the straight-line method over the estimated useful life of assets. The following table depicts the estimated useful life of assets:

Category	Amortization Rate	Useful Life
Industrial ownership rights	20%	5 years
Software	10 - 20%	5 - 10 years

Subsequent expenses on the capitalized intangible assets are capitalized only when they increase the future benefits that are attributed to the specific asset. All other expenses are recorded when they incur.

2.6.3 Other Intangible Assets

Research costs are expensed as incurred. Development costs that do not meet the recognition criteria as an asset are expensed as incurred.

2.7 Impairments of Non-Financial Assets

With the exception of goodwill which is reviewed for impairment at least on an annual basis, the book values of other non-financial assets are reviewed for impairment when events or changes in conditions indicate that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is registered in the results. The recoverable amount is defined as the largest value between the net sales price and the value in use. Net sale price is the amount that can be received from the sale of an asset, in the context of an arm's length transaction in which the parties have full knowledge and voluntarily proceed, after the deduction of any additional direct cost for sale of the asset. Value in use is the present value of estimated future cash flows expected to be realized from the continuous use of an asset and from the revenue expected to result from its sale and the end of its estimated useful life. For purposes of defining impairment, the non-financial assets are grouped at the lowest level for which cash flows can be recognized separately.

2.8 Inventories

Inventories are stated at the lower of cost (acquisition or production) and net realizable value. Cost of final and semi final products includes all cost of purchase, cost of materials, direct labor cost, other direct expenses and proportionate general production expenses. The cost of inventories is calculated using the weighted average method. Net realizable value represents the estimated selling price in the ordinary course of business, less any selling cost.

2.9 Accounts Receivable - Provisions for Doubtful Receivables

Accounts receivable are initially recorded at their fair value, which is the transaction value, and are subsequently measured at amortized cost using the effective interest rate, less the expected credit losses arising from all possible default events throughout expected life of a financial instrument at each reporting date. At each financial statement date, the recoverability of the receivable accounts is estimated either per customer when there is objective evidence that the Group is unable to collect all amounts due under the contractual terms, either on historical trends, statistical data and expected future events and the relevant provision for impairment is formed. The provision formed is adjusted for impairment and is included in 'Other expenses'. Any write-offs of receivables from accounts receivable are made through the provision made.

2.10 Cash & cash equivalents

For purposes of preparing the Statement of Cash Flows, the category of cash & cash receivables include cash in hand, cash equivalents, such as site deposits and short-term time deposits, namely those with a maturity up to three months.

2.11 Foreign Exchange Translations

2.11.1 Operating currency and presentation currency

The data in the financial statements of the Group's companies are registered in the currency of the primary economic environment, in which each Company operates ("operating currency").

The consolidated financial statements are presented in Euro, which is the operating valuation currency and presentation currency of the parent Company.

2.11.2 Transactions and balances

Transactions in foreign currencies are converted into the operating currency based on exchange rates effective at the date of transaction or at the date of revaluation if such case is required. Profits and losses from foreign exchange differences, arising during the settlement of such transactions and from the conversion of foreign currency denominated assets and liabilities based on the current exchange rates at the reporting date, are recorded in the results. Profits and losses from foreign exchange differences related to cash reserves and bank obligations are recorded in the statement of results, under the account "Financial income / (expenses) - Net". All other profits or losses from foreign exchange differences are recorded in the statement of results, under the account "Other profits / (losses) - Net".

2.11.3 Group's Companies in foreign currency

The conversion of the financial statements of the Group's companies (none of which operates with a currency belonging to a hyperinflation economy), which are recorded in a currency that is different from the one of the Group, is conducted as follows:

- The assets and liabilities for each statement of financial position are converted based on the effective exchange rates at each reporting date,

- Revenues and expenses are converted based on the average exchange rates of each period (unless the average exchange rate does not logically approach the cumulative effect of the exchange rates that were effective at the time of the transactions. In such case, revenues and expenses are converted based on the exchange rates effective at the time of the relevant transactions), and
- The extracted foreign exchange differences are recorded in other comprehensive income.

2.12 Acquisition of Treasury Shares

The paid price to acquire Treasury Shares, including the relevant expenses for their purchase, is presented as a deduction of Equity. Any profit or loss from the sale of Treasury Shares, net of direct transaction costs and taxes, is recognized directly in Equity, in the account "Treasury Share Reserve".

2.13 Dividends

Payable dividends are presented as a liability during the time when such are approved by the Annual General Meeting of Shareholders.

2.14 Income

2.14.1 Income from contracts with customers

The Group activates in the production of technical fabrics (Geosynthetics and garments for construction purposes, landscape / gardening works, medical and hygiene, filtration industry, automotive industry, industrial uses, sports and leisure, floor covering, yarn and strap industries, etc.) and the packaging products (large bags, bags, packaging films, container liners, containers, buckets, cups, trays, plastic boxes, bottles, bags in box, garbage bags, ropes and twines).

The Parent Company provides Administrative, Financial, Accounting, IT Services to the Subsidiaries of the Group.

As of 1 January 2018, the Group has adopted IFRS 15 «Revenue from Contracts with Customers» which resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. In accordance with IFRS 15, revenue from customer contracts is recognized when the customer acquires control of the goods or services to an amount that reflects the consideration that the Group expects to be entitled to against those goods or services.

The Group's accounting policies for Revenue from Customer Contracts are described in Note 2.25.

2.14.2 Government Grants - Subsidies

Government grants on tangible and intangible assets, are deducted from the book value of the asset for which they were received. The relevant income is recognized with the form of reduced depreciation amounts during the useful life of the relevant asset. Government grants that concern payroll expenses are recognized as income during the period that such relate to the respective expenses and are presented in the Income Statement in the account "Other Operating Income".

2.14.3 Income from Dividends – Interim Dividends

Income from dividends is recognized in the Income Statement as income, during the date when such are approved by the Annual General Meeting of Shareholders. Interim dividends are recognized during the date such are approved by the Extraordinary General Meeting of Shareholders.

2.14.4 Interest Income

Interest income is recognized on an accrual basis.

2.15 Expenses

Expenses are recognized in the Results on an accrual basis.

2.16 Leases

2.16.1 The Group as Lessee

Lease in which the lessor transfers the rights and obligations (risks) arising from the ownership of an asset, is assumed as a financial lease and accounts as the acquisition of an asset and the undertaking of a liability. In this case the rents are divided in financial expenses (interest) and reduction of the liability. Financial expenses are recorded directly in the Results.

The financial lease appears in the lower cost between their fair value and the present value of the minimum rent payment at the beginning of the lease less accumulated depreciation or impairment loss.

If from the lease agreement the rights and liabilities (risks) arising from the ownership of an asset are not transferable, the lease is assumed operational for the lessor and the rents are recorded as expenses when they incur using the direct method for the duration of the lease.

Rental income from operating leases is recognized in the income statement using the straight-line method over the lease term.

2.16.2 The Group as Lessor

When the assets are leased in the context of leasing agreements, the present value of the leasing payments to be collected is recognized as receivable. The difference between the gross receivable amount and the present value of the claim is recognized as non-accrued financial income.

When the assets are leased in the context of leasing agreements, they are recorded in the statement of financial position according to the nature of each asset. The income generated from operating leasing agreements is recorded in the results via the straight line method over the leasing period.

2.17 Income Tax

Tax burden for the year relates to current and deferred taxes.

Current income taxes are payable taxes on taxed income for the year based on effective tax rates as of the balance sheet date, as well as additional income taxes relating to previous years.

Deferred taxes are tax burden/exemptions relating to current year's profit (or losses) that will be charged by the tax authorities in future years. Deferred income taxes are calculated according to tax rates effective as of the dates they will be paid, on the difference between accounting and tax base of individual assets and liabilities, provided that these differences imply time deviations, which will be erased in future.

Deferred tax receivables are recognized only to the extent they imply future taxable income, which will be offset by these deferred tax receivables. Deferred tax receivables might be lowered any time when it is not evident that such future tax relaxation will be certain.

Current and deferred tax is recorded in the Results or directly in Equity, if it relates to elements directly recognized in Equity.

The Group offsets deferred tax receivables with deferred tax liabilities, only if:

a) It has a legal applicable right to offset current tax receivables with current tax liabilities.

b) The deferred tax receivables and liabilities relate to income taxes imposed by the same tax authority.

2.18 Employee benefits

Liabilities for defined contribution plans are fully recorded as expense in the Results at the time they incur, with fulfillment of the liability.

The net liability of the Group, relating to the defined benefit plan is estimated independently for each plan with the estimation of future benefits the employees are entitled to, based on their working years in current and previous periods. The future benefits are discounted at present value following the deductions of the fair value of the assets in the plan. The discount rate is the yield to maturity, at the balance sheet date, of the bonds that have a maturity that approaches the maturity of the liabilities. The defined benefit liability is calculated by an independent actuary, using the projected unit credit method.

When the benefits of a plan improve, the proportion of the increased benefit that refer to the past working length of the employees is recorded as expense in the Results using the straight-line method on the average fiscal years until the full recognition of the benefits. To the extent that the benefits are given instantly, the expense is recorded directly in the results.

Subsidiary companies DON & LOW LTD and THRACE POLYBULK A.B have defined benefit pension plans for their personnel with the plans being self financed. The defined contribution plans of the other subsidiaries are not self-financed. These plans define a specific amount of pension that each employee will receive at the time of his retirement. The amount is a result of a series of factors such as the age, the time working for the specific employer and the level of wage.

Net liabilities of the above companies with regard to their pension plans have been calculated separately for each plan, by estimating the amount of future benefits that correspond to each employee, according to aggregate years of service. The amount is then discounted to present value in order to calculate the total liability of the plan. The fair value of the plan's assets is finally deducted from the total liability in order to calculate the net actuarial deficit or surplus of the plan at the Balance Sheet date.

The actuarial profits and losses arising from the adjustment of working years as well as the changes in the estimation of the actuarial officer have are recognized in equity through other comprehensive income during the period when such arise.

All the above calculations are being performed via an actuary study, conducted by an independent actuary, whereas for the interim periods certain estimates are being made. The estimates which are being utilized for the determination of the net cost for post-employment benefits include among other the discount rate, the inflation and the average annual salary increase. Any alterations in the assumptions affect significantly the book value of the liabilities for post-employment benefits. The discount rate that is used derives from the one of the long-term bonds with AA credit rating and with maturities similar to the liabilities of the plan. The method used for the above estimation is called the projected unit method.

The Greek companies of the Group as well as Thrace Ipoma have defined contribution schemes not self-financed.

For Greek companies, the following obligation arises under the legislation and concerns 40% of the expected allowance per employee at retirement.

In order to calculate the present value of the liability in this case they are performed by an independent actuary who applies the same rationale applied to the funded programs.

2.19 Provisions

Provisions are recognized only when there is a liability, due to events that have occurred and it is likely (namely more possible than not) that there settlement will create an outflow, the amount of which can be estimated reliably. The recognition of provisions is based on the present value of capital flows that may be needed for the above liabilities to be settled. Amounts paid in order to arrange the repayment of such liabilities are deducted from the recorded provisions. The amounts are also reviewed at the periods when the Financial Statements are prepared. Provisions for any future losses should not be recognized. Compensation received from third parties and relate to the aggregate amount or part of the estimated capital flow, should be recognized on the asset side only when there is certainty for the final payment of the corresponding amount.

2.20 Financial Instruments

The Group's investments are classified in the following categories. The classification depends on the purpose for which the investment was acquired. The Management of the Group defines the classification during initial recognition and reviews the classification at the end of each reporting period.

2.20.1 Financial Derivatives

The Group uses financial derivatives, mainly forward foreign exchange contracts, to hedge risks that emanate from changes in exchange rates.

Financial derivatives are measured at fair value, during the balance sheet date. The fair value of forward contracts is calculated based on the market prices of contracts with respective maturities (valuation of 1st level of IFRS 7).

2.20.2 Loans and Receivables

Such include non-derivative financial assets with fixed or predefined payments, which are not traded on active markets and there is no intention to sell such. They are included in current assets, apart from those with a maturity over 12 months from the balance sheet date. The latter are included in non-current assets.

2.21 Interest Bearing Loans

Loans are initially recognized at fair value, less any possible expenses directly linked to the relevant transaction. Subsequently loans are valued at net book cost. Any difference between the received amount, net of relevant expenses, and the repayment value is recognized in the results during the borrowing period based on the effective interest rate method. Loans are characterized as short-term liabilities except if the Group has the final right to postpone repayment for at least 12 months after the balance sheet date. Bank overdrafts are included in short-term debt in the balance sheet and in investment activities in the statement of cash flows.

As of 1 January 2018, the Group and the Company adopted IFRS 9 - «Financial instruments» replacing IAS 39 «Financial Instruments: Recognition and Measurement» for annual periods beginning on or after 1 January 2018.

The Group's accounting policies for Revenue from Customer Contracts are described in Note 2.25.

2.22 Suppliers and Other Creditors

Suppliers and other liabilities are initially recognized at fair value and subsequently measured according to amortized cost, while the effective interest rate method is used. Liabilities are classified as short-term if payment is expected in less than one year. If not, then such are included in long-term liabilities.

2.23 Equity

The share capital includes common shares of the Company. The difference between the nominal value of shares and their issue price is registered in the "Share Premium" account. Direct expenses for the issue of shares, are presented after the deduction of the relevant income tax and reduce the issue proceeds, namely as a deduction from the share premium.

During the purchase of treasury shares, the amount paid, including the relevant expenses is recorded as deduction from the shareholders' equity. No profit or loss is recognized in the statement of comprehensive income from the purchase, sale, issuance or cancellation of treasury shares. Expenses which are realized for the issuance of shares are recorded after the deduction of the relevant income tax, as deduction from the product of the issue.

2.24 Segment Reporting

The Group applies I.F.R.S. 8 for monitoring its business segments. Segments are defined based on the structure of the Group's companies, given that the Group's Management (CODM – Chief Operating Decision Maker) is responsible to make economic decisions, it monitors the financial information separately as presented by the parent Company and by each subsidiary. A segment is a distinct portion of the Group, which involves the production of products or services (see note 3.1).

2.25 Changes in Accounting Policies

IFRS 15 " Revenues from Contracts with Customers"

The IFRS 15 supersedes the IAS 11 "Construction Contracts", IAS 18 "Revenues" and all the relevant interpretations for the revenues from contracts with customers unless these are governed by the application scope of other standards. The new standard establishes a model of five steps in determining the revenues from contracts with customers. According to the IFRS 15, revenues are being recognized based on the amount which an economic entity is entitled to receive in exchange for the transfer of goods or services towards a customer. Furthermore, the standard defines the accounting monitoring of the additional expenses incurred in order to undertake a contract and the direct expenses which are required for the completion of this contract. On 1st January 2018, the Group and the Company adopted the IFRS 15, by utilizing the adjusted / revised retroactive method, meaning that the effect from the transition was recognized cumulatively in the "Results carried forward", whereas the comparative amounts were not restated. However the Group and the Company were not affected in terms of profitability or financial position during the first adoption of the IFRS 15. Therefore, no adjustment was made in the "Result Carried Forward" on 1st January 2018.

The revenues from the sale of goods are recognized when the control of the good is transferred to the customer, usually upon delivery of the good, and therefore all relevant obligations have been fulfilled meaning that the acceptance of the good by the customer cannot be negatively affected. The basic product categories are the technical fabrics (Geosynthetics and garments for construction purposes, landscape / gardening works, medical and hygiene, filtration industry, automotive industry, industrial uses, sports and leisure, floor covering, yarn and strap industries, etc.) and the packaging products (large bags, bags, packaging films, container liners, containers, buckets, cups, trays, plastic boxes, bottles, bags in box, garbage bags, ropes and twines).

The Group accepts refunds only in the case of defective or non-standard products.

The receivable is recognized when the economic entity possesses the right to receive unconditionally the price amount in exchange for the executed obligations of the contract towards the customer. The conventional asset is recognized when the Group (or the Company) has satisfied its obligations towards the customer, and before the customer makes the respective payment or before the payment becomes claimable. The payment usually becomes claimable between 30 – 90 days.The conventional obligation is recognized when the Group (or the Company) receives an amount (price) from the customer (advance payment) or when it maintains the right over a price consideration which is unconditional (deferred income) prior to the execution of the obligations of the contract and the transfer of the goods or the services. The conventional obligation is de-recognized when all the terms of the contracts have been executed and the revenue has been recorded in the statement of income.

IFRS 9 – "Financial Instruments"

The IFRS 9 "Financial Instruments" supersedes the IAS 39 "Financial Instruments: Recognition and Instrument" for the annual accounting periods beginning on or after 1st January 2018. On 1st January 2018, the Group and the Company adopted the IFRS 9 by applying the adjusted retroactive method meaning that the effect from the transition into the new standard was recognized cumulatively in the "Results carried forward" whereas the comparative amounts were not revised.

During the initial adoption of the IFRS 9, following the relevant assessment made by the management of the Group and the Company, the major effect of the revised standard on the financial assets of the Group and the Company is the following:

The Group and the Company applied the simplified method of the standard for the impairment of the expected credit losses in the trade and other receivables as of 01.01.2018. The result was the increase in the provisions for doubtful receivables of the Group by €200, the impairment of the other long-term receivables by € 2,024 and the reduction of the deferred tax liabilities by €58 with a corresponding effect on the beginning balance of the account "Results carried forward". The effect on the Company concerned the impairment of the other long-term receivables by € 441 with a corresponding effect on the balance of the account "Retained earnings" (results carried forward).

There was no effect in the classification and the measurement of the financial liabilities. The effect of the above changes in the Group's Equity is as following:

Results carried forward	Group
Beginning balance 01/01/2018	**64.573**
Increase of provisions for doubtful receivables	**(2.224)**
Increase in tax liabilities due to doubtful receivables	**58**
Total effect	**(2.166)**
Adjusted balance on 01/01/2018 due to IFRS 9	**62.407**

Classification and Measurement

The Group and the Company measure the financial assets initially at fair value by adding any transaction costs. The trade receivables initially are being measured / valued according to the transaction price. The financial assets with embedded derivatives are being reviewed in their entirety whenever it is examined if their cash flows are only the payment of capital (principal) and interest. According to the provisions of IFRS 9, the securities are measured at a later stage at fair value via the other comprehensive income or at fair value via the results for the year. The classification is based on two criteria: a) the business model concerning the management of financial assets and b) the conventional cash flows of the instrument, meaning if they represent "only payments of capital and interest" (SPPI criterion) against the pending balance.

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

- at amortized cost
- at fair value through other comprehensive income
- at fair value through profit or loss

The Group and the Company do not have assets that are measured at fair value through other comprehensive income or assets that are measured at fair value through profit or loss at 31 December 2018.

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 profit or loss when the asset ceases to be recognized, modified or impaired.

Amounts in thousand Euro, unless stated otherwise

Impairment

The Group and the Company recognize provisions for impairment with regard to the expected credit losses of all financial assets. The expected credit losses are based on the difference between the contractual cash flows and the entire cash flows which the Group (or the Company) anticipates to receive. The difference is discounted by using an estimate concerning the initial effective interest rate of the financial asset. With regard to the trade receivables, the Group and the Company applied the simplified approach of the standard and estimated the expected credit losses based on the anticipated losses for the entire life of these assets.

Regarding the remaining financial assets, the expected credit losses are being calculated according to the losses of the next 12 months. The expected credit losses of the following 12 months is part of the anticipated credit losses for the entire life of the financial assets, which emanates from the probability of a default in the payment of the contractual obligations within the next 12-month period starting from the reporting date. In case of a significant increase in credit risk since the initial recognition, the provision for impairment will be based on the expected credit losses of the entire life of the asset.

The following table summarizes the adjustments that were recognized for each item of the statement of financial position on 1st January 2018 due to the adoption of IFRS 9 and 15

	Group			
		IFRS 15 adjustments	IFRS 9 adjustments	
	31/12/2017			01-01-2018 adjusted
ASSETS				
Non-Current Assets				
Tangible fixed assets	114.394	-	-	114.394
Investment property	113	-	-	113
Intangible Assets	11.424	-	-	11.424
Participation in joint ventures	12.839	-	-	12.839
Other long term receivables	7.669	-	(2.024)	5.645
Deferred tax assets	1.334	-	-	1.334
Total non-Current Assets	147.773	-	(2.024)	145.749
Current Assets				
Inventories	59.634	-	-	59.634
Income tax prepaid	1.702	-	-	1.702
Trade receivables	57.332	-	(200)	57.132
Other debtors	7.672	-	-	7.672
Cash and Cash Equivalents	30.593	-	-	30.593
Total Current Assets	156.933	-	(200)	156.733
TOTAL ASSETS	304.706	-	(2.224)	302.482
EQUITY AND LIABILITIES				
Equity				
Share Capital	28.869	-	-	28.869
Share premium	21.540	-	-	21.540
Other reserves	20.131	-	-	20.131
Retained earnings	64.573	-	(2.166)	62.407
Total equity attributable to the shareholders of the parent company	135.113	-	(2.166)	132.947
Minority Interest	2.365	-	-	2.365
Total Equity	137.478	-	(2.166)	135.312
Long Term Liabilities				
Long Term loans	15.737	-	-	15.737
Provisions for Employee Benefits	15.847	-	-	15.847
Other provisions	689	-	-	689
Deferred Tax Liabilities	3.843	-	(58)	3.785
Other Long Term Liabilities	598	-	-	598
Total Long Term Liabilities	36.714	-	(58)	36.656
Short Term Liabilities				
Short Term loans	72.663	-	-	72.663
Income Tax	3.239	-	-	3.239
Suppliers	37.021	-	-	37.021
Other short-term liabilities	17.591	-	-	17.591
Total Short Term Liabilities	130.514	-	-	130.514
TOTAL LIABILITIES	167.228	-	(58)	167.170
TOTAL EQUITY & LIABILITIES	304.706	-	(2.224)	302.482

Contents Amounts in thousand Euro, unless stated otherwise

	Company			
		IFRS 15 adjustments	IFRS 9 adjustments	
	31/12/2017			01-01-2018 adjusted
ASSETS				
Non-Current Assets				
Tangible fixed assets	441	-	-	441
Investment property	-	-	-	-
Intangible Assets	687	-	-	687
Participation in subsidiaries	70.316	-	-	70.316
Participations in joint ventures	3.004	-	-	3.004
Other long term receivables	1.613	-	(441)	1.172
Deferred tax assets	936	-	-	936
Total non-Current Assets	76.997	-	(441)	76.556
Current Assets				
Inventories	-	-	-	-
Income tax prepaid	152	-	-	152
Trade receivables	4.319	-	-	4.319
Other debtors	6.377	-	-	6.377
Cash and Cash Equivalents	4.790	-	-	4.790
Total Current Assets	15.638	-	-	15.638
TOTAL ASSETS	92.635	-	(441)	92.194
EQUITY AND LIABILITIES				
Equity				
Share Capital	28.869	-	-	28.869
Share premium	21.644	-	-	21.644
Other reserves	14.139	-	-	14.139
Retained earnings	7.838	-	(441)	7.397
Total equity attributable to the shareholders of the parent company	72.490	-	(441)	72.049
Minority Interest	-	-	-	-
Total Equity	72.490	-	(441)	72.049
Long Term Liabilities				
Long Term loans	-	-	-	-
Provisions for Employee Benefits	257	-	-	257
Other provisions	681	-	-	681
Deferred Tax Liabilities	-	-	-	-
Other Long Term Liabilities	480	-	-	480
Total Long Term Liabilities	1.418	-	-	1.418
Short Term Liabilities				
Short Term loans	16.695	-	-	16.695
Income Tax	160	-	-	160
Suppliers	84	-	-	84
Other short-term liabilities	1.788	-	-	1.788
Total Short Term Liabilities	18.727	-	-	18.727
TOTAL LIABILITIES	20.145	-	-	20.145
TOTAL EQUITY & LIABILITIES	92.635	-	(441)	92.194

Contents Amounts in thousand Euro, unless stated otherwise

3. Notes on the Financial Statements

3.1 Segment reporting

The operating segments are based on the different group of products, the structure of the Group's management and the internal reporting system. The Group's activity is distinguished into three segments, the technical fabrics segment, the packaging segment and the segment Other which consists of the agricultural sector and the business activities of the Parent Company.

The Group's operating segments are as follows

Technical Fabrics	Packaging	Other
Production and trade of technical fabrics for industrial and technical use	Production and trade of packaging products, plastic bags, plastic boxes for packaging of food and paints and other packaging materials for agricultural use	Following the absorption of Elastron Agricultural SA from Thrace Greenhouses SA, the Group participates with 50.91% in Thrace Greenhouses SA which is consolidated according to the equity method. Following the above, the Group will not be reporting the Agricultural activity on separate basis.

The particular business activity will be reported as Other activities which will include the transactions of the Parent Company as well. The Parent Company after the spin-off of the business segment of production and trade of industrial packaging products and the contribution of the segment into the subsidiary Thrace Polyfilms SA was transformed into a holding company which apart from the investment activities will be also providing Administrative – Financial – IT services to its subsidiaries.

Amounts in thousand Euro, unless stated otherwise

BALANCE SHEET OF 31.12.2018	TECHNICAL FABRICS	PACKAGING	OTHER	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Total consolidated assets	**212.325**	**96.690**	**87.050**	**(75.840)**	**320.225**

INCOME STATEMENT FOR THE PERIOD FROM 1.1 - 31.12.2018	TECHNICAL FABRICS	PACKAGING	OTHER	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Turnover	243.980	91.642	4.896	(17.785)	322.733
Cost of sales	(199.670)	(73.422)	(4.542)	18.126	(259.508)
Gross profit	**44.310**	**18.220**	**354**	**341**	**63.225**
Other operating income	1.415	831	356	(212)	2.390
Distribution expenses	(23.708)	(6.945)	-	(659)	(31.312)
Administrative expenses	(12.215)	(4.374)	(751)	517	(16.823)
Research and Development Expenses	(1.945)	(188)	-	-	(2.133)
Other operating expenses	(1.242)	(869)	(45)	-	(2.156)
Other Income / (Losses)	476	105	(3)	(72)	506
Operating profit / (loss)	**7.091**	**6.780**	**(90)**	**(84)**	**13.697**
Interest & related (expenses)/income	(2.043)	(1.706)	(798)	-	(4.547)
Income from dividends	-	-	1.571	(1.571)	-
(Profit) / loss from companies consolidated with the Equity method	168	481	206	-	855
Total Earnings / (losses) before tax					
Depreciations	**5.216**	**5.555**	**889**	**(1.655)**	**10.005**
Total Earnings / (losses) before interest, tax, depreciation & amortization	**8.437**	**5.198**	**168**	**-**	**13.803**
Συνολικά Κέρδη / (ζημιές) προ φόρων, χρημ/κων, επενδυτικών αποτελεσμάτων και συνολικών αποσβέσεων	**15.528**	**11.978**	**78**	**(84)**	**27.500**

BALANCE SHEET OF 31.12.2017	TECHNICAL FABRICS	PACKAGING	OTHER	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Total consolidated assets	**193.829**	**97.148**	**92.365**	**(78.635)**	**304.707**

Amounts in thousand Euro, unless stated otherwise

INCOME STATEMENT FOR THE PERIOD FROM 1.1 - 31.12.2017	TECHNICAL FABRICS	PACKAGING	OTHER	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Turnover	247.789	83.726	5.130	(18.136)	318.509
Cost of sales	(198.799)	(66.507)	(4.677)	18.364	(251.619)
Gross profit	**48.990**	**17.219**	**453**	**228**	**66.890**
Other operating income	1.248	925	138	(166)	2.144
Distribution expenses	(23.278)	(6.362)	-	(505)	(30.146)
Administrative expenses	(12.302)	(3.548)	(1.031)	42	(16.839)
Research and Development Expenses	(1.713)	(235)	-	-	(1.948)
Other operating expenses	(601)	(1.104)	(289)	186	(1.808)
Other Income / (Losses)	(1.248)	12	1.678	(1.556)	(1.114)
Operating profit / (loss)	**11.096**	**6.905**	**949**	**(1.771)**	**17.179**
Interest & related (expenses)/income	(2.575)	(2.023)	(841)	-	(5.439)
(Earnings)/Losses from Subsidiaries	-	971	126	-	1.098
Income from dividends	-	-	1.234	(1.234)	-
(Profit) / loss from companies consolidated with the Equity method	434	627	(65)	-	996
Total Earnings / (losses) before tax	**8.957**	**6.480**	**1.403**	**(3.006)**	**13.834**
Depreciations	**7.812**	**4.614**	**526**	**-**	**12.952**
Total Earnings / (losses) before interest, tax, depreciation & amortization	**18.910**	**11.519**	**1.474**	**(1.772)**	**30.131**

Amounts in thousand Euro, unless stated otherwise

3.2 Other Operating Income

Other Operating Income	Group		Company	
	2018	2017	**2018**	2017
Grants (*)	**265**	131	**-**	-
Income from rents	**539**	478	**-**	-
Income from provision of services	**-**	290	**-**	-
Income from prototype materials	**273**	210	**-**	-
Reverse entry of not utilized provisions	**179**	32	**71**	-
Income from electric energy management programs	**521**	516	**-**	-
Other operating income	**613**	487	**285**	138
Total	**2.390**	**2.144**	**356**	**138**

** The amount of € 265 concerns the subsidies on the recruitment of young graduates as well as on the training of the Group's employees*

3.3 Other Income / Losses

Other Income / (Losses)	Group		Company	
	2018	2017	**2018**	2017
Profit / (Losses) from sale of fixed assets	**129**	136	**-**	1.693
Foreign Exchange Differences	**377**	(1.250)	**(3)**	(15)
Total	**506**	**(1.114)**	**(3)**	**1.678**

Contents Amounts in thousand Euro, unless stated otherwise

3.4 Analysis of Expenses (Production-Administrative-Distribution-Research & Development)

Analysis of Expenses	Group		Company	
	2018	2017	2018	2017
Payroll expenses	**59.918**	58.203	**2.762**	3.127
Third party fees – expenses *	**5.603**	5.608	**1.302**	1.376
Electric power – Natural gas	**13.536**	12.484	**17**	24
Repairs / Maintenance	**6.185**	5.380	**36**	32
Rental expenses	**1.310**	1.223	**173**	150
Insurance expenses	**2.449**	2.256	**36**	27
Exhibitions / travelling expenses	**2.190**	2.520	**163**	258
IT and telecom expenses	**1.003**	1.149	**331**	314
Promotion and advertising expenses	**453**	382	**124**	121
Other benefits	**2.378**	2.438	**111**	103
Transfer expenses	**14.447**	14.692	**-**	-
Consumables	**4.105**	5.025	**5**	8
Sundry expenses	**1.714**	1.123	**65**	58
Depreciation / Amortization	**13.759**	12.813	**168**	111
Total	**129.050**	**125.296**	**5.293**	**5.709**

** Third party fees – expenses include fees paid to auditors, legal and advisory firms, as well as to the Board of Directors.*

The analysis of expenses per operating category, is as follows:

Analysis of expenses	Group		Company	
	2018	2017	2018	2017
Production	**78.782**	76.363	**4.540**	-
Administrative	**16.823**	16.839	**753**	1.032
Distribution	**31.312**	30.146	**-**	-
Research and Development	**2.133**	1.948	**-**	-
Total	**129.050**	**125.296**	**5.293**	**1.032**

The analysis of cost of goods sold is presented below:

Amounts in thousand Euro, unless stated otherwise

Analysis of cost of goods sold	Group		Company	
	2018	2017	2018	2017
Production expenses	78.782	76.363	4.540*	4.831*
Cost of materials and inventory	180.726	175.256	-	-
Total	**259.508**	**251.619**	**4.540**	**4.831**

** The production expenses in the Company mainly refer to expenditures of invoiced services.*

3.5 Payroll Expenses

Payroll expenses are as follows:

Payroll expenses	Group		Company	
	2018	2017	2018	2017
Wages	49,466	47.192	2.429	2.726
Employer contributions	8,022	7.837	304	355
Retirement benefits	1.510	2.178	5	-
Sub Total	**58.998**	**57.207**	**2.738**	**3.081**
Other Expenses	920	996	24	46
Grand Total	**59.918**	**58.203**	**2.762**	**3.127**

The number of employed staff at the Group and Company at the end of the present financial year, was as follows:

Number of employees	Group		Company	
	2018	2017	2018	2017
Regular employees	1.843	1.800	19	24

The total personnel of the companies that are based in Greece, is primarily insured with Greece's Social Security Organization (EFKA) as regards to primary pension and with EO-PYY as regards to medical care.

Contents Amounts in thousand Euro, unless stated otherwise

3.6 Other Operating Expenses

Other Operating Expenses	Group		Company	
	2018	2017	**2018**	2017
Provisions for doubtful receivables	**61**	269	**-**	-
Other taxes and duties non-incorporated in operating cost	**180**	257	**15**	97
Depreciations	**45**	139	**-**	-
Staff indemnities	**571**	178	**-**	-
Supplies / other bank expenses	**98**	186	**3**	19
Expenses for the purchase of prototype materials (maquettes)	**376**	433	**-**	-
Extraordinary pension related cost from previous years in the United Kingdom	**669**	-	**-**	-
Other operating expenses	**156**	346	**27**	19
Total	**2.156**	**1.808**	**45**	**135**

3.7 Financial income/(expenses)

3.7.1 Financial income

Financial Income	Group		Company	
	2018	2017	**2018**	2017
Interest and related income	**142**	25	2	1
Foreign exchange differences	**1.792**	765	-	-
Total	**1.934**	**790**	**2**	**1**
Income from dividends	-	-	**1.570**	1.234

3.7.2 Financial expenses

Financial Expenses	Group		Company	
	2018	2017	**2018**	2017
Debit interest and similar expenses	**(4.366)**	(4.692)	(796)	(833)
Foreign exchange differences	**(1.404)**	(594)	-	(6)
Financial result from Pension Plans	**(711)**	(943)	(4)	(4)
Total	**(6.481)**	**(6.229)**	**(800)**	**(843)**

Amounts in thousand Euro, unless stated otherwise

3.8 Earnings per Share (Consolidated)

Earnings after tax, per share, are calculated by dividing net earnings (after tax) allocated to shareholders, by the weighted average number of shares outstanding during the relevant financial year, after the deduction of any treasury shares held.

Basic earnings per share (Consolidated)	2018	2017
Earnings allocated to shareholders	**7.721**	10.551
Number of shares outstanding (weighted)	**43.737**	43.741
Basic and adjusted earnings per share (Euro in absolute terms)	**0,1765**	0,2412

As of 31st December 2018, the Company held 4,324 treasury shares

3.9 Income Tax

The analysis of tax charged in the year's Results, is as follows

Income Tax	Group		Company	
	2018	2017	**2018**	2017
Income tax	**(2.926)**	(4.225)	**(31)**	(146)
Provision for tax on un-audited fiscal years	**-**	-	**-**	-
Non-exempt taxes of foreign operations	**-**	-	**-**	(921)
Income tax differences of previous years	**(276)**	-	**-**	-
Deferred tax (expense)/income	**1.226**	1.200	**(201)**	595
Total	**(1.976)**	**(3.025)**	**(232)**	**(472)**

Amounts in thousand Euro, unless stated otherwise

Income tax (reconciliation with the effective tax rate) is analyzed as follows:

Income Tax	Group		Company	
	2018	2017	**2018**	2017
(Earnings)/losses before tax continuing activities	**10.005**	13.834	**683**	1.340
(Earnings)/losses before tax discontinued activities	**-**	-	**-**	739
(Earnings)/losses before tax	**10.005**	13.834	**683**	2.079
Income tax rate	**29%**	29%	**29%**	29%
Corresponding income tax	**(2.902)**	(4.012)	**(198)**	(603)
Effect due to different tax rates of subsidiaries abroad	**(541)**	617	**-**	-
Non tax-deductible expenses	**(1.265)**	(568)	**(234)**	(82)
Tax effect on tax free reserves	**1.123**	-	**-**	-
Foreign tax not to be offset	**-**	-	**-**	(921)
Revenues not subject to tax	**2.249**	-	**456**	-
Provision for unaudited years	**-**	-	**-**	-
Tax corresponding to the net results of companies consolidated with the equity method	**152**	160	**-**	-
Income tax differences from previous years	**(276)**	-	**-**	-
Effect from tax losses from previous years recognized in the current year	**-**	-	**-**	-
Effect from tax losses for which no deferred tax asset has been recognized	**(720)**	-	**(139)**	-
Effect from offsetting tax losses from previous years with taxable earnings for the year	**20**	762	**-**	762
Income from tax-free dividends	**-**	-	**-**	358
Effect due to change of tax rate of companies	**184**	16	**(117)**	-
Income Tax	**(1.976)**	(3.025)	**(232)**	(486)
Income Tax discontinued activities	**-**	-	**-**	14
Income Tax continuing activities	**(1.976)**	(3.025)	**(232)**	(472)

Contents Amounts in thousand Euro, unless stated otherwise

From the fiscal year 2011 and onwards, the Group's Greek companies receive an "Annual Tax Certificate". The "Annual Tax Certificate" is issued from the Legal Certified Auditor who audits the annual financial statements. Following the completion of the tax audit, the Legal Auditor grants the company with a "Tax Compliance Report" which is later submitted electronically to the Ministry Finance.

The tax audit for the year 2017 for the Greek companies of THRACE PLASTICS HOLDING COMPANY SA, THRACE NON-WOVENS & GEOSYNTHETICS SA, THRACE PLASTICS PACK SA, THRACE POLYFILMS SA, THRACE EUROBENT A.EV.E., EVISAK SA, which was conducted in accordance with the provisions of article 65a of L. 4172/2013, was completed by the audit firm "PricewaterhouseCoopers SA" and revealed no significant tax obligations apart from those recorded and depicted in the Financial Statements.

For the financial year 2018, a tax audit for the above companies is already performed by PricewaterhouseCoopers SA in accordance with the provisions of article 65 of L. 4172/2013. This audit is underway and the relevant tax certificate is expected to be issued following the release of the 2018 financial statements. If until the completion of the tax audit additional tax liabilities arise, the Management of the Group assess that such will not have a substantial effect on the financial statements.

The fiscal years whose tax liabilities concerning the Group's companies active in the Greek market have not been finalized, and therefore the probability of a tax audit from the tax authorities exists, are presented in the following table:

Company	Tax unaudited fiscal years
THRACE PLASTICS HOLDING SA	2014-2018
THRACE NON WOVENS & GEOSYNTHETICS SA	2014-2018
THRACE PLASTICS PACK SA	2014-2018
THRACE POLYFILMS SA	2014-2018
THRACE PROTECT SINGLE PERSON I.K.E.	2017-2018
THRACE EUROBENT SA	2015-2018
THRACE GREENHOUSES SA	2014-2018
EVISAK SA	2014-2018

From the tax audits conducted by the tax authorities in Thrace Plastics Pack SA for the years 2007 – 2009 which was completed in 2016 and in Thrace Nonwovens & Geosynthetics for the year ended in 2017, the following issues are under progress:

- Thrace Plastics Pack SA appealed to the tax courts concerning an amount of € 203 which the Company contradicts with regard to the tax audits of the years 2007 – 2009. The consolidated financial statements include a respective provision of € 174 which could be utilized in case of a negative outcome of the above legal case.

Contents Amounts in thousand Euro, unless stated otherwise

- The company Thrace Nonwovens & Geosynthetics SA had received from the tax authorities an audit invitation for the fiscal years 2005 – 2011. The tax authorities taking into account the no. 1738/2017 decision of the Plenary Session of the Council of State conducted a tax audit only for the fiscal year 2011. The particular audit completed on 27th December 2017, and additional taxes of €239 as well as tax surcharges of € 288 were imposed. The Management of the Company did not accept the outcome of the tax audit and filed an appeal by paying 50% of the total amount, which was implicitly rejected. Due to this development, the company appealed to the Administrative Appeal Court. The consolidated financial statements include a relevant provision of € 330.

- Moreover, the Parent Company has formed provisions of € 174 with regard to any tax audit differences of previous fiscal years, therefore increasing the aggregate amount of the provision for the Group's companies active in Greece to € 677. The Group's Management views the above amount as sufficient.

The following table depicts the years for which the tax liabilities of the foreign companies of the Group have not been finalized.

Company	Tax un-audited fiscal years
DON& LOW LTD	2016-2018
DON & LOW AUSTRALIA LTD	2015-2018
SYNTHETICHOLDINGS LTD	2016-2018
SYNTHETICTEXTILES LTD	2016-2018
SYNTHETICPACKAGINGLTD	2006-2018
THRACEPOLYBULKA.B	2013-2018
THRACE POLYBULK A.S	2015-2018
THRACE GREINER PACKAGING SRL.	2002-2018
TRIERINA TRADING LTD	2014-2018
THRACE IPOMA A.D.	2013-2018
THRACE PLASTICS PACKAGING D.O.O.	2014-2018
LUMITE INC.	2013-2018
THRACE LINQ INC.	2013-2018
ADFIRMATELTD	2014-2018
PAREEN LTD	2014-2018
SAEPE LTD	2014-2018
THRACE ASIA LTD	2012-2018

Amounts in thousand Euro, unless stated otherwise

3.10 Tangible Assets and Intangible Assets

3.10.1 Tangible Fixed Assets

The changes in the tangible fixed assets during the year are analyzed as follows:

Tangible Assets							
Group 2018	**Fields – land plots**	**Buildings & technical works**	**Machinery & technical facilities**	**Vehicles**	**Furniture & other equipment**	**Fixed assets under construction or installation**	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2017	**4.934**	**57.245**	**255.160**	**1.685**	**8.360**	**12.488**	**339.872**
Additions	1	849	4.113	1.080	280	28.565	34.888
Liquidations	-	-	(1.333)	(77)	(3)	-	(1.413)
Destructions	-	(158)	(136)	-	-	(27)	(321)
Other changes	-	-	(4.173)	1.011	3.162	-	-
Reverse entry of provision for impairment	-	36	-	-	-	-	36
Transfers	-	557	13.587	73	266	(14.483)	-
Foreign exchange differences	81	244	(185)	(5)	(20)	(81)	34
Acquisition cost 31.12.2018	**5.016**	**58.773**	**267.033**	**3.767**	**12.045**	**26.462**	**373.096**
DEPRECIATIONS							
Cumulative depreciations 31.12.2017	**(21)**	**(27.970)**	**(189.328)**	**(1.033)**	**(7.126)**	**-**	**(225.478)**
Depreciations for the period	-	(1.771)	(10.968)	(237)	(371)	-	(13.347)
Liquidations	-	-	1.231	70	3	-	1.304
Destructions	-	76	128	-	-	-	204
Other changes	-	-	3.809	(823)	(2.986)	-	-
Foreign exchange differences	(1)	(87)	206	11	55	-	184
Cumulative depreciations 31.12.2018	**(22)**	**(29.752)**	**(194.922)**	**(2.012)**	**(10.425)**	**-**	**(237.133)**
NET BOOK VALUE							
31.12.2017	**4.913**	**29.275**	**65.832**	**652**	**1.234**	**12.488**	**114.394**
31.12.2018	**4.994**	**29.021**	**72.111**	**1.755**	**1.620**	**26.462**	**135.963**

Contents Amounts in thousand Euro, unless stated otherwise

Tangible Assets

Group 2017	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2016	**4.868**	**56.415**	**245.901**	**1.617**	**8.683**	**6.757**	**324.241**
Additions	12	996	3.143	405	345	16.442	21.343
Liquidations	-	-	(740)	(243)	(5)	-	(988)
Change in the consolidation method of subsidiaries	335	1.192	(1.077)	(124)	(1)	(414)	(89)
Acquisition of subsidiary	-	142	2.083	3	19	-	2.247
Transfers	(18)	121	9.455	40	(382)	(10.232)	(1.016)
Foreign exchange difference	(263)	(1.621)	(3.605)	(13)	(299)	(65)	(5.866)
Acquisition cost 31.12.2017	**4.934**	**57.245**	**255.160**	**1.685**	**8.360**	**12.488**	**339.872**
DEPRECIATIONS							
Cumulative depreciations 31.12.2016	**-**	**(26.569)**	**(181.388)**	**(1.140)**	**(7.707)**	**-**	**(216.804)**
Depreciations for the period	-	(1.785)	(10.434)	(142)	(297)	-	(12.658)
Liquidations	-	-	630	202	5	-	837
Change in the consolidation method of subsidiaries	-	(322)	223	42	(1)	-	(58)
Acquisition of subsidiary	-	(70)	(1.313)	(3)	(19)	-	(1.405)
Transfers	(21)	-	43	(1)	610	-	631
Foreign exchange difference	-	776	2.911	9	283	-	3.979
Cumulative depreciations 31.12.2017	**(21)**	**(27.970)**	**(189.328)**	**(1.033)**	**(7.126)**	**-**	**(225.478)**
NET BOOK VALUE							
31.12.2016	4.868	29.846	64.513	477	976	6.757	107.437
31.12.2017	**4.913**	**29.275**	**65.832**	**652**	**1.234**	**12.488**	**114.394**

Amounts in thousand Euro, unless stated otherwise

Tangible Assets

Company 2018	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	Total
ACQUISITION COST							
Acquisition cost 31.12.2017	**-**	**372**	**11.249**	**226**	**1.203**	**-**	**13.050**
Additions	-	-	4	-	2	8	14
Liquidations	-	-	(4)	-	-	-	(4)
Destructions	-	(16)	(136)	-	-	-	(152)
Reverse entry of provision for impairment	-	36	-	-	-	-	36
Transfers	-	-	-	-	8	(8)	-
Acquisition cost 31.12.2018	**-**	**392**	**11.113**	**226**	**1.213**	**-**	**12.944**
DEPRECIATIONS							
Cumulative depreciations 31.12.2017	**-**	**(189)**	**(11.249)**	**(210)**	**(961)**	**-**	**(12.609)**
Depreciations for the period	-	(18)	(1)	(4)	(42)	-	(65)
Liquidations	-	-	1	-	-	-	1
Destructions	-	5	135	-	-	-	140
Cumulative depreciations 31.12.2018	**-**	**203**	**11.113**	**(214)**	**1.002**	**-**	**12.532**
NET BOOK VALUE							
31.12.2017		183	-	16	242	-	441
31.12.2018	**-**	**189**	**-**	**13**	**210**	**-**	**412**

Amounts in thousand Euro, unless stated otherwise

Tangible Assets							
Company 2017	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2016	**365**	**8.593**	**19.661**	**299**	**1.194**	**305**	**30.417**
Additions	-	48	299	3	178	599	1.127
Liquidations	(262)	(6.565)	(93)	(9)	-	-	(6.929)
Business spinoff	(65)	(1.725)	(8.901)	(67)	(169)	(599)	(11.526)
Transfers	(38)	21	283	-	-	(305)	(39)
Acquisition cost 31.12.2017	**-**	**372**	**11.249**	**226**	**1.203**	**-**	**13.050**
DEPRECIATIONS							
Cumulative depreciations 31.12.2016	**-**	**(5.300)**	**(17.643)**	**(251)**	**(1.072)**	**-**	**(24.266)**
Depreciations for the period	-	(211)	(213)	(8)	(44)	-	(476)
Liquidations	-	4.515	44	3	-	-	4.562
Segment spinoff	-	807	6.563	46	155	-	7.571
Transfers	-	-	-	-	-	-	-
Cumulative depreciations 31.12.2017	**-**	**(189)**	**(11.249)**	**(210)**	**(961)**	**-**	**(12.609)**
NET BOOK VALUE							
31.12.2016	365	3.293	2.018	48	122	305	6.151
31.12.2017	**-**	**183**	**-**	**16**	**242**	**-**	**441**

The Group's fixed assets include assets acquired via leasing agreement and analyzed as follows:

- Buildings with net book value of € 2,151 (2017: € 2,163)
- Machinery equipment with net book value of € 20,038 (2017: € 17,490)
- Vehicles with net book value of € 1,026 (2017: € 0)
- Furniture and other equipment with net book value of € 42 (2017: € 0)
- Fixed assets under construction or installations with net book value of € 10,307 (2017: € 0)

There are no liens and guarantees on the Company's tangible fixed assets, while the liens on the Group's tangible assets amount to € 5,567.

Amounts in thousand Euro, unless stated otherwise

3.10.2 Intangible Assets

The changes in the intangible fixed assets during the year are analyzed as follows:

Intangible Assets	Group			Εταιρεία	
	Concessions & industrial property rights	Company goodwill	Total	Concessions & industrial property rights	Total
ACQUISITION COST					
Acquisition cost 31.12.2017	**4.232**	**9.870**	**14.102**	**1.554**	**1.554**
Additions	615	-	615	27	27
Foreign exchange difference	120	(42)	78	-	-
Acquisition cost 31.12.2018	**4.967**	**9.828**	**14.795**	**1.580**	**1.580**
AMORTIZATION					
Cumulative amortization 31.12.2017	**(2.678)**	**-**	**(2.678)**	**(867)**	**(867)**
Amortization for the period	(456)	-	(456)	(103)	(103)
Other changes	(94)	-	(94)	-	-
Foreign exchange difference	**(3.228)**	**-**	**(3.228)**	**(969)**	**(969)**
Cumulative amortization 31.12.2018					
NET BOOK VALUE	1.554	9.870	11.424	687	687
31.12.2018	**1.739**	**9.828**	**11.567**	**611**	**611**

Amounts in thousand Euro, unless stated otherwise

Intangible Assets	Group			Εταιρεία	
	Concessions & industrial property rights	Company goodwill	Total	Concessions & industrial property rights	Total
ACQUISITION COST					
Acquisition cost 31.12.2016	**3.496**	**9.955**	**13.451**	**1.511**	**1.511**
Additions	211	-	211	62	62
Change in the consolidation method of subsidiaries	(191)	-	(191)	-	-
Segment spinoff	-	-	-	(19)	(19)
Transfers	850	-	850	-	-
Foreign exchange difference	(134)	(85)	(219)	-	-
Acquisition cost 31.12.2017	**4.232**	**9.870**	**14.102**	**1.554**	**1.554**
AMORTIZATION					
Cumulative amortization 31.12.2016	**(1.846)**	**-**	**(1.846)**	**(826)**	**(826)**
Amortization for the period	(294)	-	(294)	(50)	(50)
Change in the consolidation method of subsidiaries	20	-	20	-	-
Segment spinoff	-	-		9	9
Transfers	(633)	-	(633)	-	-
Foreign exchange difference	75	-	75	-	-
Cumulative amortization 31.12.2017	**(2.678)**	**-**	**(2.678)**	**(867)**	**(867)**
NET BOOK VALUE					
31.12.2016	1.650	9.955	11.605	685	685
31.12.2017	**1.554**	**9.870**	**11.424**	**687**	**687**

The Group reviews on annually basis the goodwill impairment according to the Group's accounting principle (see note 2.6.2).

The goodwill which derives during the consolidation of companies which have been acquired has been allocated in the following cash flow generating units (CFGU) per subsidiary company.

Contents Amounts in thousand Euro, unless stated otherwise

Subsidiaries' Goodwill	2018
Don & Low LTD	7.490
Trierina Trading LTD	798
Thrace Polybulk AB	689
Thrace Polybulk AS	768
Thrace Nonwovens& Geosynthetics S.A.	50
Other	33
Total	**9.828**

Major Assumptions

The recoverable value of a cash flow generating unit is determined according to the calculation of the value in use. This calculation uses provisions of cash flows before taxes, based on financial budgets, which have been approved by the management and cover a 5-year period. The value in use for the cash flow generating units is being affected (in terms of sensitivity) from basic factors such as the growth rate in the infinity which has been set at 0.5%, the projections with regard to the forecasted quantities and sales prices according to the 5-year plan of the group, the gross profit margin and the discount rates. The discount rates reflect the current estimations of the market for the separate risks of each cash flow generating unit. The calculation of the discount rates is based on the certain conditions in which the Group operates along with its operating segments, and is being extracted from the weighted average cost of capital (WACC), which is estimated at 6%-15%. The weighted average cost of capital is based on both the debt and the equity. The cost of equity derives from the expected return required by the Group's investors for their investment. The cost of debt is based on the interest rate of the Group's loans that are being repaid. The country's risk premium is incorporated with the application of individual beta sensitivity factors. Beta sensitivity factors (or beta coefficient) are being reviewed annually according to the published market data.

The above assumptions vary depending on the different market conditions prevailing in the countries which the Group activates in. The Group uses the services of an independent valuator who utilizes the Discounted Cash Flow method and values the companies based on the future cash flows in order to determine the value in use.

The Group analyzed the sensitivity of the recoverable amounts of each Cash Flow Generating Unit (CFGU) in relation to a rational and probable change in one of the major assumptions (as a indication it is noted the best case scenario which refers to 5% sales growth and 2% increase of gross profit, as well as the worst case scenario which refers to the corresponding opposite and unfavorable changes).

Based on the impairment audit conducted in the current year, there was no need for any goodwill impairment as of 31.12.2018.

3.10.3 Investment Property

Investment Property	Group	Company
Balance as at 31.12.2017	113	-
Additions / (Reductions)	-	-
Balance as at 31.12.2018	**113**	**-**

Amounts in thousand Euro, unless stated otherwise

3.11 Other Long-Term Receivables

Due to delays observed in the collection of grants receivable from the Greek State over the last years, the Group reclassified the aggregate Greek State related receivable from the current to the non-current assets and also proceeded with an impairment of the above claims based on present value.

The receivable was formed due to a 12% grant on the payroll cost concerning the personnel employed in Xanthi and is to be collected from OAED.

Other Long-Term Receivables	Group		Company	
	2018	2017	**2018**	2017
Grants receivable	**4.879**	6.903	**1.119**	1.560
Other accounts receivable	**208**	766	**49**	53
Total	**5.087**	**7.669**	**1.168**	**1.613**

Due to the adoption of IFRS 9, there has been an additional provision for impairment regarding grants receivable from MEO (OAED) concerning the years 2010 – 2015 by € 2,024 on the Group level and by € 441 on the Company level, which were recorded directly in equity (see note 2.25).

3.12 Inventories

Inventories	Group		Company	
	2018	2017	**2018**	2017
Merchandise	**10,618**	7,400	**-**	-
Finished and semi-finished products	**37,353**	32,186	**-**	-
Raw & auxiliary materials	**18,846**	20,559	**-**	-
Provision for impairment of inventory *	**(1,605)**	(1,550)	**-**	-
Spare parts – other inventory	**1,685**	1,039	**-**	-
Total	**66,896**	**59,634**	**-**	-

Amounts in thousand Euro, unless stated otherwise

(*) Provision for Impairment of Inventory	Group	Company
Opening Balance 1/1/2017	**2,574**	-
Reverse Entry of Provisions	(945)	-
Provision	-	-
Foreign Exchange Differences	(79)	-
Total 31/12/2017	**1,550**	**-**
Reverse Entry of Provisions	(37)	-
Provision	103	-
Foreign Exchange Differences	(11)	-
Total 31/12/2018	**1,605**	-

3.13 Trade and other receivables

3.13.1 Trade Receivables

Trade Receivables	Group		Company	
	2018	2017	**2018**	2017
Customers	**60,288**	63,924	**5,207**	6,690
Provisions for doubtful debts	**(6,685)**	(6,592)	**(2,371)**	(2,371)
Total	**53,603**	**57,332**	**2,836**	**4,319**

The Group's customers included notes and checks overdue of € 6,189 for the year 2018 and € 8,077 for the year 2017 respectively.

Classification of customer receivables

Οι απαιτήσεις από πελάτες Receivables from customers consist of the amounts due from customers from the sale of products that occur during the normal operation of the Group. In general, credit terms range from 30 to 180 days and therefore customer receivables are classified as short-term. Receivables from customers are initially recognized in the transaction amount if the Group has the unconditional right to receive the transaction price. The Group holds the receivables from customers in order to collect the contractual cash flows and therefore measures them at amortized cost using the effective interest rate method. Details of the Group's impairment policies are given in note 2.9.

The dispersion of the Group's sales is deemed as satisfactory. There is no concentration of sales into a limited number of customers and therefore there is no increased risk of income loss or increased credit risk.

Fair value of receivables from customers

Given their short-term nature, the fair value of receivables approximates book value.

Amounts in thousand Euro, unless stated otherwise

Impairment of receivables from customers

For the accounting policy on impairment of receivables from customers, see note 2.9. For information on financial risk management, see note 3.30.

3.13.2 Other receivables

Other receivables	Group		Company	
	2018	2017	**2018**	2017
Debtors	**2,737**	3,083	**4,524**	6,268
Investment Grant Receivable (*)	**2,257**	2,391	**-**	-
Prepaid expenses (**)	**2,849**	2,219	**92**	109
Provisions for doubtful debtors	**(19)**	(21)	**-**	-
Total	**7,824**	**7,672**	**4,616**	**6,377**

** It concerns a grant receivable of Law 3299/2004 of the subsidiary Thrace Plastics Pack concerning an implemented investment.*

*** Accrued expenses mainly concern mainly the receivable for government subsidies, advance payments of taxes other than income tax and other provisions.*

3.13.3 Analysis of Provisions for Doubtful Receivables and other receivables

Analysis of Provisions for Doubtful Receivables	Group	Company
Opening balance 1/1/2017	**6,699**	**2,458**
Additional Provisions	155	(87)
Reverse Entry of Provision	(93)	-
Provisions utilized	(120)	-
Foreign Exchange Differences	(29)	-
Total 31/12/2017	**6,612**	**2,371**
Change in accounting policy Note 2.25	**200**	-
Opening balance 1/1/2018	**6,812**	**2,371**
Additional Provisions	61	-
Reverse Entry of Provision	(109)	-
Provisions utilized	(56)	-
Foreign Exchange Differences	**(4)**	**-**
Total 31/12/2018	**6,704**	**2,371**

Amounts in thousand Euro, unless stated otherwise

3.14 Cash & cash equivalents

Cash & cash equivalents	Group		Company	
	2018	2017	**2018**	2017
Cash in hand	**178**	509	**3**	4
Sight and term deposits	**22,646**	30,084	**3,169**	4,786
Total	**22,824**	**30,593**	**3,172**	**4,790**

Credit rating of cash & cash equivalents

Approximately 23.85% of the Group's cash and cash equivalents are deposited in the Greek systemic banks within the Greek region. The Group's Management deems that there are no risks associated with the above deposits in the current period.

Following, cash & cash equivalents are categorized according to the credit rating of banks (conducted by Fitch) where the relevant deposits are placed.

Credit rating of cash & cash equivalents	Group		Company	
	2018	2017	**2018**	2017
AA-	**956**	2.164	**-**	-
A+	**8**	-	**-**	-
A	**7.233**	-	**-**	-
A-	**1.365**	3.168	**-**	-
BBB+	**-**	13.201	**-**	-
BBB	**419**	463	**-**	-
BBB-	**-**	84	**-**	-
BB	**231**	-	**-**	-
CCC+	**10.501**	-	**3.157**	-
CCC	**1.933**	-	**12**	-
RD	**-**	11.004	**-**	4.786
Σύνολο	**22.646**	**30.084**	**3.169**	**4.786**

Contents Amounts in thousand Euro, unless stated otherwise

3.15 Share Capital and Share Premium Reserve

The Company's share capital accounted for 28,869,358.32 Euro (absolute number) on 31 December 2018 divided by 43,741,452 common registered shares with nominal value of 0.66 Euro per share.

3.16 Reserves

3.16.1 Statutory Reserves

In accordance with the provisions of Greek Law, the creation of a statutory reserve – by transferring to such a reserve an amount equal to 5% of the annual after tax profits realized – is mandatory until the time though the reserve reaches the 1/3 of the Company's share capital. The statutory reserve can be distributed only upon the dissolution of the Company. However it can be used to offset accumulated loss.

3.16.2 Tax-exempt and Other Reserves

These reserves were formed by the application of special provisions of laws for development. In case of their distribution will be taxed with the tax rate prevailing at the time of their distribution.

3.16.3 Foreign exchange difference reserves

These reserves are formed from the translation of the Assets, Liabilities and Results of subsidiaries based abroad into EUR based on the exchange rate according to the accounting policies mentioned in note 2.11.3.

3.17 Bank Debt

The Group' s long term loans have been granted from Greek and foreign banks. The repayment time varies, according to the loan contract, while most loans are linked to Euribor plus a spread.

The Group's short term loans have been granted from various banks with interest rates of Euribor plus a margin of 1%-4% and Libor plus a margin of 2%. The book value of loans approaches their fair value during 31 December 2018.

Analytically, bank debt at the end of the year was as follows:

Debt	Group		Company	
	2018	2017	**2018**	2017
Long-term loans	18.209	4.744	**-**	-
Financial leases	10.927	10.993	**-**	-
Total long-term loans	**29.136**	15.737	**-**	-
Long-term debt payable in the next year	4.185	3.424	**-**	-
Short-term loans	62.524	64.859	**14.117**	16.695
Financial leases	5.341	4.380	**-**	-
Total short-term loans	**72.050**	**72.663**	**14.117**	**16.695**
Grand Total	**101.186**	**88.400**	**14.117**	**16.695**

Amounts in thousand Euro, unless stated otherwise

In 2018 Don & Low LTD increased its borrowing by € 10,721, Thrace Polyfilms S.A. by € 1,052, Synthetic Holdings LTD by € 5,899, Thrace Synthetic Packaging LTD by € 2,329 and Thrace Ipoma by € 56 due to their investment plan. Decrease of borrowings was recorded by the Thrace Plastic Holdings by € 2,578, Thrace Plastics Pack by € 1,784 and Thrace Nonwovens & Geosynthetics by € 2,909.

Short-term loans include an amount of € 1,340 which relates to a Factoring agreement of Thrace Plastics Company with ABC Factors, which has been received by the aforementioned subsidiary and corresponds to non-reinsured customers.

The maturity of loans is as follows:

Maturity of Loans	Group		Company	
	2018	2017	**2018**	2017
Up to 1 year	**72.050**	72.663	**14.117**	16.695
From 1 – 3 years	**10.990**	4.366	**-**	-
Over 3 years	**18.146**	11.371	**-**	-
Total loans	**101.186**	**88.400**	**14.117**	**16.695**

3.18 Employee Benefits

The liabilities of the Company and the Group towards its employees in providing them with certain future benefits, depending on the length of service is calculated by an actuarial study on annual basis. The accounting depiction is made on the basis of the accrued entitlement, as at the date of the Balance Sheet, that is anticipated to be paid, discounted to its present value by reference to the anticipated time of payment. The liability for the Company and the Group, as presented in the Balance Sheet, is analyzed as follows:

Employee Benefits	Group		Company	
	2018	2017	**2018**	2017
Defined contribution plans – Not self financed	2.268	2.555	**195**	257
Defined benefit plans – Self financed	13.200	13.292	**-**	-
Total provision at the end of the year	**15.468**	**15.847**	**195**	**257**

3.18.1 Defined contribution plans – Not self financed

The Greek companies of the Group as well as the subsidiary Thrace Ipoma domiciled in Bulgaria participate in the following plan. With regard to the Greek companies, the following liability arises from the relevant legislation and concerns 40% of the required compensation per employee.

Contents | Amounts in thousand Euro, unless stated otherwise

Defined contribution plans – Not self financed	Group		Company	
	2018	2017	**2018**	2017
Amounts recognized in the balance sheet				
Present value of liabilities	2.268	2.555	195	257
Net liability recognized in the balance sheet	**2.268**	**2.555**	**195**	**257**
Amounts recognized in the results				
Cost of current employment	96	89	6	10
Net interest on the liability / (asset)	35	33	4	4
Ordinary expense in the account of results	**131**	**122**	**10**	**14**
Recognition of prior service cost	9	15	-	-
Cost of curtailment / settlements / service termination	519	178	-	13
Other expense / (income)	(8)	-	(67)	-
Total expense in the account of results	**651**	**315**	**(57)**	**27**
Change in the present value of the liability				
Present value of liability at the beginning of period	2.555	2.142	257	352
Cost of current employment	96	89	6	10
Interest cost	35	33	4	4
Benefits paid from the employer	(965)	(240)	-	(15)
Cost of curtailment / settlements / service termination	519	178	-	13
Other expense / (income)	(8)	-	(67)	-
Cost of prior service during the period	9	269	-	-
Actuarial loss / (profit) – financial assumptions	(12)	9	-	-
Actuarial loss / (profit) – demographic assumptions	-	-	(8)	-
Actuarial loss / (profit) – evidence from the period	39	75	3	(106)
Transfer of personnel within the Group	-	-	-	-
Present value of liability at the end of period	**2.268**	**2.555**	**195**	**257**
Adjustments				
Adjustments profit / (loss) in the liabilities due to change of assumptions	12	(10)	8	-
Empirical adjustments profit / (loss) in liabilities	(39)	49	(3)	106
Other	-	(124)	-	-
Total actuarial profit / (loss) in the Net Worth	**(26)**	**(85)**	**5**	**106**
Changes in the Net Liability recognized in Balance Sheet				
Net liability / receivable at the beginning of year	2.555	2.142	257	352
Benefits paid from the employer - Other	(965)	14	-	(15)
Total expense recognized in the account of results	651	314	(57)	27
Total amount recognized in the Net Worth	27	85	(5)	(106)
Net liability at the end of year	**2.268**	**2.555**	**195**	**257**
Cumulative amount in the Net Worth Profit / (Loss)	**(855)**	**(923)**	**(130)**	**(125)**
Money flows				
Expected benefits from the plan in the following year	38	17	-	-

Amounts in thousand Euro, unless stated otherwise

The actuarial assumptions are presented in the following table..

Actuarial Assumptions	Greek Companies		Thrace Ipoma AD	
	2018	2017	2018	2017
Discount rate	1,80%	1,50 %	1,00 %	1,40 %
Inflation	1,50%	1,75 %	2,80 %	2,80 %
Average annual increase of personnel salaries	1,50%	1,75 %	5,00 %	5,00 %
Duration of liabilities	15,69 έτη	16,10 έτη	12,7 έτη	11,5 έτη

3.18.2 Defined Benefit Plans – Self financed

The subsidiaries DON & LOW LTD and THRACEPOLYBULKAS have formed Pension Plans which operate as separate legal entities in the form of trusts. Therefore the assets of the plans are not dependent to the assets of the companies.

The accounting depiction of the plans according to the revised IAS 19 is as follows:

Defined Benefit Plans – Self financed	Group	
	2018	2017
Amounts recognized in the balance sheet		
Present value of liabilities	137.851	146.669
Fair value of the plan's assets	(124.651)	(133.377)
Net liability recognized in the balance sheet	**13.200**	**13.292**
Amounts recognized in the results		
Cost of current employment	172	952
Net interest on the liability / (asset)	339	568
Ordinary expense in the account of results	**511**	**1.520**
Cost recognition from previous years	678	-
Cost of curtailment / settlements / service termination		
Other expense / (income)	339	343
Foreign exchange differences	-	-
Total expense in the account of results	**1.528**	**1.863**

Contents Amounts in thousand Euro, unless stated otherwise

Defined Benefit Plans – Self financed (cont.)	Group	
	2018	2017
Change in the present value of the liability		
Present value of liability at the beginning of period	146.669	152.621
Cost of current employment	167	947
Interest cost	3.648	3.907
Benefits paid from the plan	(5.559)	(6.310)
Cost of curtailment / settlements / service termination	-	-
Other expense / (income)	311	660
Actuarial loss / (profit) – financial assumptions	(6.774)	3.536
Actuarial loss / (profit) – demographic assumptions	-	(2.281)
Actuarial loss / (profit) – evidence from the period	510	(1.027)
Foreign exchange differences	(1.121)	(5.384)
Present value of liability at the end of period	**137.851**	**146.669**
Change in the value of assets		
Value of the plan's assets at the beginning of period	133.377	130.395
Income from interest	3.305	3.334
Return on assets	(6.566)	8.892
Employer's contributions	1.106	1.428
Employees' contributions	-	342
Benefits paid from the plan	(5.559)	(6.310)
Foreign exchange differences	(1.012)	(4.704)
Present value of assets at the end of period	**124.651**	**133.377**
Adjustments		
Adjustments profit / (loss) in the liabilities due to change of assumptions	6.264	(227)
Empirical adjustments profit / (loss) in liabilities	-	-
Empirical adjustments profit / (loss) in assets	(6.566)	8.892
Total actuarial profit / (loss) in the Net Worth	**(301)**	**8.665**
Cost recognition from previous years	-	-
Foreign exchange differences	-	-
Total amount recognized in the Net Worth	**(301)**	**8.665**
Asset allocation*		
Mutual Funds (Equities)	13.420	37.596
Mutual Funds (Bonds)	64.219	33.211
Diversified Growth Funds	44.986	62.106
Other	2.026	464
Total	**124.651**	**133.377**

Contents Amounts in thousand Euro, unless stated otherwise

Defined Benefit Plans – Self financed (cont.)	Group	
	2018	2017
Changes in the Net Liability recognized in Balance Sheet		
Net liability / receivable at the beginning of year	13.292	22.226
Contributions from the employer / Other	(1,812)	(1,453)
Contributions paid from the employer and the members	(1.106)	(1.453)
Total expense recognized in the account of results	1.528	1.862
Total amount recognized in the Net Worth	301	(8.665)
Foreign exchange differences	(109)	(678)
Net liability / (asset) at the end of year	**13.200**	**13.292**
Cumulative amount in the Net Worth Profit / (Loss)	**7.592**	**7.269**
Money flows		
Expected benefits from the plan in the following year	(6.149)	(6.199)

** The assets of the plan are measured at fair values and include mutual funds of Baillie Gifford. The category "Other" also includes the plan's cash reserves.*

The actuarial assumptions are presented in the following table

Actuarial Assumptions	Don & Low LTD		Thrace Polybulk AS	
	2018	2017	**2018**	2017
Discount rate	2.80%	2.50 %	2.60%	2.40 %
Inflation	3.25%	3.25 %	2.50%	2.25 %
Average annual increase of personnel salaries	3.5%	3.50 %	2.50%	2.50 %
Duration of liabilities	17 years	18 years	11 years	17.4 years

3.19 Deferred Taxes

Group

The following amounts are recorded in the consolidated balance sheet, after any offsetting entries wherever it is required:

Deferred Taxation	2018	2017
Deferred tax assets	4.719	5.061
Deferred tax liabilities	(5.884)	(7.570)
Total deferred taxation	**(1.165)**	**(2.509)**

Amounts in thousand Euro, unless stated otherwise

A. Change of deferred tax in the results	2018	2017
As at 1 January	(2.509)	(1.891)
Change in the results	1.225	1.201
Foreign exchange differences	9	28
Change in statement of comprehensive income	110	(1.847)
As at 31 December	**(1.165)**	**(2.509)**

B. Deferred tax liabilities	Depreciations	Other	Total
As at 1 January 2017	**(6.609)**	**(1.684)**	**(8.293)**
Change in the results	276	839	1.114
Foreign exchange differences	62	131	194
Change in statement of comprehensive income	(362)	(224)	(585)
As at 31 December 2017	**(6.633)**	**(938)**	**(7.570)**
Change in the results	1.647	(13)	1.634
Foreign exchange differences	19	(8)	11
Change in statement of comprehensive income	-	42	42
As at 31 December 2018	**(4.967)**	**(917)**	**(5.883)**

C. Deferred tax assets	Liabilities for employee benefits	Provisions	Other	Total
As at 1 January 2017	**4.521**	**1.385**	**496**	**6.402**
Change in the results	64	10	12	86
Change in the statement of comprehensive income	(1.368)	-	106	(1.262)
Foreign exchange differences	(115)	-	(50)	(165)
As at 31 December 2017	**3.102**	**1.395**	**564**	**5.061**
Change in accounting policy IFRS 9 note 2.25	**-**	**58**	**-**	**-**
Change in the results	(231)	(182)	5	(408)
Change in the statement of comprehensive income	19	-	(9)	68
Foreign exchange differences	(19)	-	17	(2)
As at 31 December 2018	**2.871**	**1.271**	**577**	**4.719**

Amounts in thousand Euro, unless stated otherwise

Company

A. Change of deferred tax in the results	2018	2017
As at 1 January	**936**	**12**
Change in the results	(202)	595
Change in statement of comprehensive income	(1)	329
As at 31 December	**733**	**936**

B. Deferred tax liabilities	Depreciations	Other	Total
As at 1 January 2017	**(784)**	**(2)**	**(786)**
Change in the results	592	-	592
Change in statement of comprehensive income	385	-	385
As at 31 December 2017	**193**	**(2)**	**191**
Change in the results	(84)	-	-
Change in statement of comprehensive income	-	-	-
As at 31 December 2018	**109**	**(2)**	**107**

C. Deferred tax assets	Liabilities for employee benefits	Provisions	Other	Total
As at 1 January 2017	**103**	**695**	**-**	**798**
Change in the results	28	(25)	-	3
Change in the statement of comprehensive income	(56)	-	-	(56)
As at 31 December 2017	**75**	**670**	**-**	**745**
Change in the results	(25)	(92)	-	(117)
Change in the statement of comprehensive income	(1)	-	-	(1)
As at 31 December 2018	**49**	**578**	**-**	**627**

In the statement of financial position, deferred tax assets and liabilities are offset per Company, while in the specific table deferred tax assets and liabilities are presented in detail. Therefore, any reconciliation is made in the change between assets and liabilities.

Contents Amounts in thousand Euro, unless stated otherwise

3.20 Suppliers and Other Short-Term Liabilities

Suppliers and Other Short-Term Liabilities are presented analytically in the following tables:

3.20.1 Suppliers

Suppliers	Group		Company	
	2018	2017	**2018**	2017
Suppliers	**40.163**	37.021	**225**	84
Total	**40.163**	**37.021**	**225**	**84**

3.20.2 Other Short-Term Liabilities

Other Short-Term Liabilities	Group		Company	
	2018	2017	**2018**	2017
Sundry creditors	3.601	4.125	489	580
Liabilities from taxes and pensions	5.313	4.572	396	519
Dividends payable	56	85	55	45
Customer prepayments	1.122	850	-	-
Personnel salaries payable	2.201	1.933	448	538
Accrued expenses – Other accounts payable	5.840	6.026	166	106
Total short-term liabilities	**18.133**	**17.591**	**1.554**	**1.788**

The fair value of the liabilities approaches the book values.

Customer advance payments refer to a Group's obligation to deliver products to third parties. Revenue will be recognized in the results when the order is delivered. Revenue accruing to prepaid customer advances has been recognized in the current year.

3.21 Profit / Loss from participations

During the year 2017, the following transactions resulted in a profit of € 1,098.

Analytically:

1. From the acquisition of EVISAK SA a profit of € 1,278
2. The acquisition of the remaining 50% of Thrace Sarantis SA, which was renamed to Thrace Polyfilms, resulted in a loss of € (306)
3. From the absorption of Elastron Agricul-

Amounts in thousand Euro, unless stated otherwise

tural from Thrace Greenhouses and the distribution of participation shares to the shareholders of Thrace Greenhouses by 50.91% in Thrace Plastics Holdings SA and by 49.09% in Elastron SA, a profit of € 126 was made for Plastic Thrace Holdings.

3.22 Dividend for the Year 2017

The Annual Ordinary General Meeting of Shareholders of 15 May 2018 approved the proposal for the distribution of a dividend of 2,058,217 euro for the year 2017. More specifically, the gross dividend amounted to 0.047054 per share, with the increase corresponding to the own shares owned by the Company (4,324 treasury shares). The net amount received by the shareholders after deduction of the 15% tax on Law 4172 / 2013 amounted to 0.04 per share.

3.23 Transactions with Related Parties

The Group classifies as related parties the members of the Board of Directors, the directors of the Company's divisions as well as the shareholders who own over 5% of the Company's share capital (their related parties included).

The commercial transactions of the Group with these related parties during the period 1/1/2018 – 31/12/2018 have been conducted according to market terms and in the context of the ordinary business activities.

The transactions with the Subsidiaries, Joint Ventures and Related companies according to the IFRS 24 during the period 1/1/2018 – 31/12/2018 are presented below.

Income	**1.1 – 31.12.2018**		**1.1 - 31.12.2017**	
	Group	**Company**	**Group**	**Company**
Subsidiaries	-	4.809	-	4.952
Joint Ventures	5.667	61	5.138	159
Related Companies	9	-	10	3
Total	**5.678**	**4.870**	**5.148**	**5.114**

Expenses	**1.1 – 31.12.2018**		**1.1 - 31.12.2017**	
	Group	**Company**	**Group**	**Company**
Subsidiaries	-	55	-	54
Joint Ventures	1.011	-	1.606	-
Related Companies	890	465	847	426
Total	**1.901**	**520**	**2.453**	**480**

Contents Amounts in thousand Euro, unless stated otherwise

Trade and other receivables	1.1 – 31.12.2018		1.1 - 31.12.2017	
	Group	Company	Group	Company
Subsidiaries	-	6.648	-	10.269
Joint Ventures	2.419	500	1.535	195
Related Companies	120	82	110	82
Total	**2.539**	**7.230**	**1.645**	**10.546**

Suppliers and Other Liabilities	1.1 – 31.12.2018		1.1 - 31.12.2017	
	Group	Company	Group	Company
Subsidiaries	-	34	-	10
Joint Ventures	39	-	115	-
Related Companies	46	22	77	64
Total	**85**	**56**	**192**	**74**

The Group's "subsidiaries" include all companies consolidated with "Thrace Plastics Group" via the full consolidation method. The "Joint Ventures" include those consolidated with the equity method.

The Company has granted guarantees to banks against credit lines for the account of its subsidiaries. On 31.12.2018 the amount of guarantees settled at € 72,505 and concerned the following subsidiaries.

Guarantees for Subsidiaries	2018
Thrace Nonwovens & Geosynthetics S.A.	22.589
DON & LOW	14.259
Thrace Greenhouses SA	2.807
Thrace Plastics Pack SA	16.316
Thrace Polyfilms	9.237
Synthetic Holdings	7.297

3.24 Remuneration of Board of Directors

BoD Fees	Group		Company	
	2018	2017	2018	2017
BoD Fees	4.952	5.024	1.900	2.046

The fees include remuneration of the executive members of Boards of Directors and other fees of both executive and other members.

3.25 Participations

3.25.1 Participation in companies consolidated with the full consolidation method.

Amounts in thousand Euro, unless stated otherwise

The Management reviews on annual basis whether there are indications for impairment in business interests held in subsidiaries. On 31.12.2018, the Management examined all equity participations with regard to any evidence of impairment. At the same time it followed the procedures described in note 3.10.2 Intangible Assets with regard to review for goodwill impairment and conducted a valuation and an impairment test on the subsidiary companies Don &Low Ltd, Trierina Trading Ltd, Thrace Polybulk AB and Thrace Polybulk AS.

According to the assessment made, there is no indication for the need of any impairment in the participations to subsidiaries as of 31.12.2018.

The value of the Company's participations in the subsidiaries, as of 31st December 2018, is as follow:

Companies consolidated with the full consolidation method	2018	2017
DON & LOW LTD	33.953	33.953
THRACE PLASTICS PACK SA	15.508	15.508
THRACE NONWOVENS & GEOSYNTHETICS A,B,E,E,	5.710	5.710
SYNTHETIC HOLDINGS LTD	11.728	11.728
THRACE POLYFILMS	3.418	3.418
Total	**70.316**	**70.316**

3.25.2 Participation in companies consolidated with the equity method

The following table presents the companies in which the management is jointly controlled with another shareholder with the right to participate in their net assets. According to IFRS 11, the companies are consolidated according to the Equity method. The parent Company holds direct business interests of 50.91% in Thrace Greenhouses SA with a value of € 2,800 and of 51% in Thrace Eurobent SA with a value of € 204 on 31/12/2017. The company Thrace Greiner Packaging SRL is 50% owned by Thrace Plastics Pack SA whereas Lumite Inc is 50% owned by Synthetic Holdings LTD..

Company	Country of Activities	Business Activity	Percentage of Group
Thrace Greiner Packaging SRL	Romania	The company activates in the production of plastic boxes for food products and paints and belongs to the packaging sector.	**46,47%**
Lumite INC	United States	The company activates in the production of agricultural fabrics and belongs to the technical fabrics sector. The company's shares are not listed.	**50,00%**
Thrace Greenhouses SA	Greece	The company activates in the production of agricultural products and belongs to the agricultural sector. The company's shares are not listed.	**50,91%**
Thrace Eurobent SA	Greece	The company activates in the manufacturing of waterproof products via the use of Geosynthetic Clay Liner – GCL. The company's shares are not listed.	**51,00%**

Contents Amounts in thousand Euro, unless stated otherwise

The change of the Group's interests in the companies that are consolidated with the equity method is analyzed as follows:

Interests in companies consolidated with the equity method	THRACE POLYFILMS SA	THRACE GREINER PACKAGING SRL	THRACE GREEN-HOUSES SA	LUMITE INC	THRACE EUROBENTS.A.	Total
Balance at beginning 01.01.2017	**704**	**3.509**	**-**	**7.047**	**87**	**11.347**
Change in consolidation method of Thrace Polyfilms from Equity method to Full	(704)	-	-	-	-	(704)
Change in consolidation method of Thrace Greenhouses from Full to Equity method	-	-	2.614	-	-	2.614
Participation in profit / (losses) of joint ventures	-	626	(84)	335	99	976
Dividends	-	-	-	(417)	-	(417)
Foreign exchange differences and other reserves	-	(102)	-	(875)	-	(977)
Balance at end 31.12.2017	**-**	**4.033**	**2.530**	**6.090**	**186**	**12.839**
Balance at beginning 01.01.2018	**-**	**4.033**	**2.530**	**6.090**	**186**	**12.839**
Participation in earnings / (losses) of joint ventures	-	481	207	136	32	856
Dividends	-	(624)	-	-	-	(624)
Foreign exchange differences and other reserves	-	(5)	(2)	291	1	285
Balance at end 31.12.2018	**-**	**3.885**	**2.735**	**6.517**	**219**	**13.356**

The financial statements of the companies are presented in the following tables:

STATEMENT OF FINANCIAL POSITION	THRACE GREINER PACKAGING SRL		THRACE GREEN-HOUSES SA		LUMITE INC		THRACE EUROBENT A.B.E.E	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	46.47 %	46.47 %	**50.91 %**	**50.91 %**	**50 %**	**50 %**	**51 %**	**51 %**
ASSETS								
Fixed assets	**7,374**	7,840	**9,952**	6,968	**5,271**	4,946	**74**	117
Inventories	**2,997**	2,946	**58**	56	**11,327**	10,902	**364**	182
Trade and other receivables	**2,943**	2,961	**3,252**	2,756	**1,480**	2,025	**1,535**	933
Other asset items	**-**	-	**96**	-	**238**	22	**27**	-
Cash	**1,630**	1,321	**642**	73	**747**	926	**373**	264
LIABILITIES								
Bank debt	**3,839**	4,850	**7,203**	2,504	**3,709**	2,686	**-**	-
Other liabilities	**3,295**	2,110	**1,426**	2,341	**2,433**	3,970	**1,919**	1,119
EQUITY	**7,810**	8,108	**5,371**	5,008	**12,920**	12,165	**453**	377

Contents Amounts in thousand Euro, unless stated otherwise

STATEMENT OF COMPREHENSIVE INCOME	THRACE GREINER PACKAGING SRL		THRACE GREEN-HOUSES SA		LUMITE INC		THRACE EUROBENT S.A.	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Turnover	**17.834**	17.235	**5.577**	4.084	**27.406**	26.760	**3.429**	3.256
Cost of sales	**(14.469)**	(13.770)	**(3.842)**	(3.127)	**(23.885)**	(21.908)	**(2.709)**	(2.617)
Gross profit	3.365	3.465	**1.735**	957	**3.521**	4.852	**720**	639
Distribution expenses	**(747)**	(745)	**(962)**	(559)	**(2.128)**	(2.306)	**(558)**	(329)
Administrative expenses	**(1.313)**	(1.365)	**(116)**	(181)	**(1.243)**	(1.660)	**(58)**	(63)
Other (expenses) / income	**(5)**	77	**(52)**	(19)	**261**	196	**11**	(45)
Operating profit / loss	1.300	1.432	**605**	198	**411**	1.082	**115**	202
Financial result	**(87)**	(202)	**(267)**	(196)	**(202)**	(269)	**-**	(1)
Profit/(loss) before Taxes	1.213	1.230	**338**	2	**209**	813	**115**	201
Taxes	**(255)**	3	**28**	(129)	**(36)**	(196)	**(41)**	(14)
Profit/(loss) after Taxes	**958**	1.233	**366**	(127)	**173**	617	**74**	187
Other comprehensive income	(9)	(204)	**-**	1	**582**	(1.750)	**2**	-
Total comprehensive income after taxes	949	1.029	**366**	(126)	**755**	(1.133)	**76**	187

3.26 Commitments and Contingent Liabilities

On 31 December 2018 there are no significant legal issues pending that may have a material effect in the financial position of the Companies in the Group.

The letters of guarantee issued by the banks for the account of the Company and in favor of third parties (Greek State, suppliers and customers) amount to € 834.

The Group has entered into leasing agreements for the use of buildings and vehicles. The liabilities deriving from the above contracts are analyzed as follows:

Operating Leases	Group	Company
Liability up to 1 year	887	146
Liability up to 5 years	1.857	184
Over 5 years	120	-
Total	**2.864**	**330**

The leasing expenses for the year settled at € 146 for the Company and at € 1,310 for the Group.

In the context of the investment plan of the Group, financial leasing agreements have been signed mainly for the purchase of machinery equipment.

Contents Amounts in thousand Euro, unless stated otherwise

Financial Leases	Group	Company
Liability up to 1 year	5,341	-
Liability up to 5 years	10,641	-
Over 5 years	286	-
Total	**16,268**	**-**

3.27 Fees of auditing firms

During the financial year 2018, the total fees of the Company's and Group's legal auditors, are analyzed as follows, according to those stated in article 43a of C.L. 2190/1920, as amended by article 30 of L. 3756/2009

Fees of auditing firms	Group		Company	
	2018	2017	**2018**	2017
Fees of auditing services	474	405	73	53
Fees for tax certificate	133	102	27	23
Fees for consulting services	19	89	-	-
Total	**626**	596	**100**	76

3.28 Discontinued Activities

On 2/10/2017, in the context of the internal restructuring of the Group's participations, the Boards of Directors of the Company and of its subsidiary (100% owned) company under the name "THRACE POLYFILMS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" (henceforth "Thrace Polyfilms") approved the terms of the agreement with regard to the spinoff of the sector of production and trade of Industrial Packaging products (henceforth "the Sector") from the Company and its contribution into the subsidiary "Thrace Polyfilms". The spinoff and contribution of the sector was decided to be implemented according to the clauses of Law 2166/1993, whereas the date of 30.06.2017 was set as the Transformation Balance Sheet date.

The industrial sector of the Company which was absorbed by the subsidiary Thrace Polyfilms due to its spinoff is presented in the previous period as discontinued activity.

The financial information concerning the discontinued activity for the period until the transformation date is presented below :

Amounts in thousand Euro, unless stated otherwise

Statement of Comprehensive Income	1/1-31/12/2018			1/1 – 31/12/2017		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Turnover	**4.896**	-	**4.896**	5.130	8.025	13.155
Cost of sales	**(4.540)**	-	**(4.540)**	(4.831)	(6.570)	(11.401)
Gross profit	**356**	-	**356**	299	1.455	1.754
Other operating income	**356**	-	**356**	138	4	142
Distribution expenses	**-**	-	**-**	-	(350)	(350)
Administrative expenses	**(753)**	-	**(753)**	(1.032)	(143)	(1.175)
Other operating expenses	**(45)**	-	**(45)**	(135)	(13)	(148)
Other expenses / income	**(3)**	-	**(3)**	1.678	-	1.678
Operating profit / loss	**(89)**	-	**(89)**	948	953	1.901
Financial income	**2**	-	**2**	1	-	1
Financial expenses	**(800)**	-	**(800)**	(843)	(215)	(1.058)
Income from dividends	**1.570**	-	**1.570**	1.234	-	1.234
Profit/(loss) before Taxes	**683**	-	**683**	1.340	738	2.078
Taxes	**(232)**	-	**(232)**	(472)	(14)	(486)
Profit/(loss) after Taxes	**451**	-	**451**	868	724	1.592

Cash Flows 2017	Discontinued Activities
Profit before taxes	738
Cash flows from operating activities (a)	1,823
Cash flows from investment activities (b)	(769)
Cash flows from financing activities (c)	**-**
Net increase decrease in cash & cash equivalents (a+b+c)	**1,054**

In the continuing activities of year 2017 there has been reclassification of items in order to become comparable with the ones of 2018. This reclassification is due to the change in the activity of the parent company which was transformed into a holding and services entity providing services to its subsidiaries. As a result, the income from the provision of services is recorded in the turnover.

3.29 Reclassifications of accounts

In the present financial statements, there have been reclassifications of not significant comparative accounts in the Statement of Total Comprehensive Income for the purpose of comparability with the ones of the present year.

Amounts in thousand Euro, unless stated otherwise

3.30 Financial Risk Management

The financial assets used by the Group, mainly consist of bank deposits, bank overdrafts, receivable and payable accounts and loans.

In general, the Group's activities create several financial risks. Such risks include market risk (foreign exchange risk and risk from changes and raw materials prices), credit risk, liquidity risk and interest rate risk.

3.30.1 Risk of Price Fluctuations of Raw Materials

The Group is exposed to fluctuations in the price of polypropylene (represents 55% of the cost of sales), which are mainly faced by a similar change in the selling price of the final product. The possibility that the increase in the price of polypropylene cannot be fully passed on to the selling price, causes unavoidably the compression of margins. For this reason, the Company accordingly adjusts, to the extent it is feasible, its inventory policy as well as its commercial policy in general. Therefore in any case, the particular risk is deemed as relatively controlled.

3.30.2 Credit Risks

The credit risk to which the Group and the Company are exposed is the likelihood that a counterparty will cause financial loss to the Group and the Company as a result of the breach of its contractual obligations.

The maximum credit risk to which the Group and the Company are exposed at the date of preparation of the financial statements is the book value of their financial assets. In order to address credit risk, the Group consistently applies a clear credit policy, which is monitored and evaluated on an ongoing basis so that the credit granted does not exceed the credit limit per customer. Client sales insurance policies are also concluded per customer and no tangible guarantees on the assets of clients are required.

In order to monitor credit risk, customers are grouped according to the category they belong to, their credit risk characteristics, the maturity of their receivables and any previous receivables that they have demonstrated, taking into account future factors as well as the economic environment.

- **Impairment**

The Group and the Company, in the financial assets that are subject to the new model of expected credit losses, include receivables from customers and other financial assets.

The Group and the Company recognize provisions for impairment with regard to the expected credit losses of all financial assets. The expected credit losses are based on the difference between the contractual cash flows and the entire cash flows which the Group (or the Company) anticipates to receive. The difference is discounted by using an estimate concerning the initial effective interest rate of the financial asset. With regard to the trade receivables, the Group and the Company applied the simplified approach of the standard and estimated the expected credit losses based on the anticipated losses for the entire life of these assets. Regarding the remaining financial assets, the expected credit losses are being calculated according to the losses of the next 12 months. The expected credit losses of the following 12 months is part of the anticipated credit losses for the entire life of the financial assets, which emanates from the probability of a default in the payment of the contractual obligations within the next 12-month period starting from the reporting date. In case of a significant increase in credit risk since the initial recognition, the provision for impairment will be based on the expected credit losses of the entire life of the asset.

At the date of the preparation of the financial statements, impairment of receivables from customers and other financial assets was made on the basis of the above.

The following table presents an analysis of the maturity of customers and other receivables at 31/12/2018.

Maturity of Trade Receivables 31/12/2018	Group	Company
01 – 30 days	16.709	-
31 – 90 days	30.495	7
91 – 180 days	5.451	-
180 days and over	7.633	5.200
Subtotal	**60.288**	**5.207**
Provisions for doubtful receivables	(6.685)	(2.371)
Total	**53.603**	**2.836**

The above amounts are expressed in terms of days of delay in the table below:

Analysis of delayed customer receivables 31/12/2018	Group	Company
Timely receivables	40.291	-
Overdue receivables 1 – 30 days	9.841	1
Overdue receivables 31 – 90 days	2.071	6
Overdue receivables above 91 days	8.085*	5.200*
Subtotal	**60.288**	**5.207**
Provisions for doubtful customer receivables	(6.685)	(2.371)
Total	**53.603**	**2.836**

** Of the amount of € 8,085, an amount of € 1,669 concerns payables to joint ventures and subsidiaries, for which no provisions are being formed..*

With regard to uninsured receivables in delay for over 90 days, which the Group has classified as doubtful, relevant provisions have been made which are deemed as sufficient.

Correspondingly, the amounts of maturity and delay for the financial year 2017 are presented in the following tables.

Maturity of Trade Receivables 31/12/2017	Group	Company
01 – 30 days	19.850	-
31 – 90 days	31.657	-
91 – 180 days	5.575	-
180 days and over	6.842	6.690
Subtotal	**63.924**	**6.690**
Provisions for doubtful receivables	(6.592)	(2.371)
Total	**57.332**	**4.319**

Amounts in thousand Euro, unless stated otherwise

Analysis of delayed customer receivables 31/12/2017	Group	Company
Timely receivables	43.283	-
Overdue receivables 1 – 30 days	11.570	-
Overdue receivables 31 – 90 days	1.958	-
Overdue receivables above 91 days	7.113	6.690
Subtotal	**63.924**	**6.690**
Provisions for doubtful customer receivables	(6.592)	(2.371)
Total	**57.332**	**4.319**

3.30.3 Liquidity risk

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Group to have the ability to meet its cash flow obligations. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. During the preparation date of the financial statements, there were adequate, unused bank credits, approved to the Group, which are considered sufficient to face a possible shortage of cash equivalents.

Short-term liabilities are renewed at their maturity, as they are part of the approved bank credits.

The following table presents the liabilities according to their maturity dates.

Group 31/12/2018	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	15.651	24.512	-	-	-	40.163
Other short-term liabilities	10.652	6.994	1.201	-	-	18.847
Short-term debt	3.960	40.863	27.227	-	-	72.050
Long-term debt	-	-	-	10.990	18.146	29.136
Other long-term liabilities	-	-	-	95	-	95
Total 31.12.2018	**30.263**	**72.369**	**28.428**	**11.085**	**18.146**	**160.291**

Company 31/12/2018	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	103	122	-	-	-	225
Other short-term liabilities	696	694	164	-	-	1.554
Short-term debt	117	-	14.000	-	-	14.117
Long-term debt	-	-	-	-	-	-
Other long-term liabilities	-	-	-	55	-	55
Total 31.12.2018	**916**	**816**	**14.164**	**55**	**-**	**15.951**

Amounts in thousand Euro, unless stated otherwise

Group 31/12/2017	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	11.357	25.664	-	-	-	37.021
Other short-term liabilities	6.771	11.495	2.564	-	-	20.830
Short-term debt	5.380	39.303	27.980	-	-	72.664
Long-term debt	-	-	-	4.366	11.371	15.737
Other long-term liabilities	-	208	181	208	-	598
Total 31.12.2017	**23.508**	**76.671**	**30.726**	**4.574**	**11.371**	**146.850**

Company 31/12/2017	Up to 1 month	1-6 months	6-12 months	1-3 Years	Over 3 years	Total
Suppliers	42	42	-	-	-	84
Other short-term liabilities	761	818	360	-	-	1.938
Short-term debt	139	56	16.500	-	-	16.695
Long-term debt	-	-	-	-	-	-
Other long-term liabilities	-	180	180	120	-	479
Total 31.12.2017	**942**	**1.095**	**17.039**	**120**	**-**	**19.197**

3.30.4 Foreign exchange risk

The Group is exposed to foreign exchange risks arising from existing or expected cash flows in foreign currency and investments that have been made in foreign countries. The management of the various risks is made by the use of natural hedge instruments. In order to hedge foreign currency risk from foreign currency customer receivables, borrowing is contracted in the same currency, according to the management's judgment. Sensitivity analysis of the effect of exchange rate changes is given in the table below.

Foreign Currency	2018			2017		
Change of foreign currency against Euro	USD	GBP	Λοιπά	USD	GBP	Λοιπά
Profit before tax						
+5%	(659)	(62)	3	(534)	(96)	19
-5%	729	69	(3)	590	106	(21)
Equity						
+5%	106	460	(186)	42	(764)	(230)
-5%	(118)	(508)	205	(46)	844	255

Contents Amounts in thousand Euro, unless stated otherwise

3.30.5 Interest rate Risk

The Group's long-term loans have been provided by Greek and foreign banks and are mainly denominated in Euro. The repayment period varies, according to the loan contract each time, while long-term loans are mainly linked to Euribor plus a margin.

The Group's short-term loans have been provided by several banks, under Euribor, plus a margin and Libor plus a margin.

It is estimated that a change in the average annual interest rate by 1 percentage point, will result in a (charge) / improvement of Earnings Before Tax as follows:

Possible interest rate change	Effect on Earnings before Tax			
	Group		Company	
	2018	2017	**2018**	2017
Interest rate increase 1%	(1.012)	(884)	(141)	(166)
Interest rate decrease 1%	1.012	884	141	166

3.30.6 Capital Adequacy Risk

The Group controls capital adequacy using the Net Debt to Operating Profit ratio and the Net Bank Debt to Equity ratio. The Group's objective in relation to capital management is to ensure the ability for its smooth operation in the future, while providing satisfactory returns to shareholders and benefits to other parties, as well as to maintain an ideal capital structure so as to ensure a low cost of capital. For this purpose, it systematically monitors working capital in order to maintain the lowest possible level of external financing.

Capital Adequacy Risk	Group		Company	
	2018	2017	**2018**	2017
Long-term debt	29.136	15.737	-	-
Short-term debt	72.050	72.663	14.117	16.695
Total debt	**101.186**	**88.400**	**14.117**	**16.695**
Minus cash & cash equivalents	22.824	30.593	3.172	4.790
Net debt	**78.362**	**57.808**	**10.945**	**11.905**
EBITDA	**27.500**	**30.130**	**78**	**2.428**
NET BANK DEBT /EBITDA	**2,85**	**1,92**	**-***	**4,90**
EQUITY	**141.615**	**137.478**	**70.447**	**72.491**
NET BANK DEBT / EQUITY	**0,55**	**0,42**	**0,16**	**0,16**

** Since 2018, the Company has transformed into a Holding Company and therefore the net debt to EBITDA ratio does not reflect the actual relation between the Company's debt and its earnings. For this reason, going forward the Company will not be monitoring the particular ratio.*

Contents Amounts in thousand Euro, unless stated otherwise

3.30.7 Risk due to capital controls imposed in the Greek banking system

The Greek banks entered into a bank holiday period on 28.06.2015 via an Act of Legislative Content which imposed capital controls in accordance with the respective decision of the Ministry of Finance. The bank holiday was terminated on 20.07.2015, while from 01-10-2018 all cash withdrawals from institutions in Greece are allowed without limitation. Transfer of capital abroad is still prohibited though with the exception of transactions being processed on a day-to-day basis by the Special Subcommittees of Banks and the Banking Approval Committee Transactions.

During the entire period from the beginning of the bank holiday and the subsequent capital controls imposed on transactions (28.06.2015) and until today, the Company along with the other Greek companies of the Group demonstrated that is fully prepared and possesses the appropriate operating and organizational structures in order to manage even the tough and extreme situations with calmness, systematic actions and effectiveness.

However the Management by realizing the especially tough -and ongoing even in the current year- domestic business environment, which the Company activates in, takes all the necessary measures in order to ensure its smooth operations and development as well as to minimize any negative effect.

Moreover taking into consideration the nature of the activities of the Group in Greece and abroad, any negative developments are not expected to materially affect its smooth operations.

In this context there is sufficient dispersion of the Group's cash reserves in Greece and abroad. However the Management continues to monitor and evaluate the situation and its potential effect, in order to ensure that all necessary actions and measures are taken for the minimization of the negative effect on the operations, financial performance, cash flows and financial position of the Company and the Group in general.

3.30.8 Macroeconomic Environment

The uncertainty prevailing in the macroeconomic and financial environment as well as the fragile business sentiment, constitute a risk factor which is constantly monitored and evaluated by the Group. The international and domestic developments concerning the restructuring of Greece's financing program create additional instability in the country's macroeconomic and financial fronts.

The return to the economic and financial stability is mainly linked to actions and decisions taken by the institutional bodies in Greece and abroad.

Taking into consideration the nature of the Group's activities in Greece and abroad, any unfavorable developments with regard to the above fronts, are not expected to significantly affect the Group's normal course of operations.

In this context, there is sufficient dispersion of the Group's cash position in Greece and abroad.

Nevertheless, the Group continues to carefully monitor the overall economic conditions and their effect, in order to ensure that all necessary actions are taken with the appropriate timing for the minimization of risks with regard to the Group's operations.

3.30.9 BREXIT Effect

Ο Όμιλος δραστηριοποιείται στο The Group activates in the United Kingdom via its subsidiaries DON&LOWLTD, domiciled in Scotland, and Synthetic Holdings Limited, domiciled in Northern Ireland. The exchange rate of British Pound on 31/12/2015 was at 0.734. After the outcome of the country's referendum concerning its status as a member, or not, of the European Union, the British Pound depreciated versus the Euro. As of 31/12/2018, the British Pound was valued at 0.8945.

In the current phase the Group is not in position to predict the effect on its financial statements from a permanent exit of Great Britain from the European Union. In any case the Management assesses on a constant basis the developments in order to take the necessary measures and actions for the minimization of any negative effects on the activities of the Group.

3.31 Significant Events

Investment Plan

During the fiscal year 2018 and in the context of its investment program, the Group implemented investments of € 33.2 million of which € 27.8 million concerned the Technical Fabrics unit and € 5.4 million concerned the Packaging unit

Other significant events

- **Decisions of the Annual Ordinary General Meeting of Shareholders on 15th May 2018**

Among other issues, the shareholders approved the distribution (payment) of dividend from the earnings of the closing year 2017 as well as from the earnings of previous years. Specifically, the Meeting approved the distribution of an amount of 2,058,217.79 Euros (gross amount), or 0.047054 Euro per Company's share (gross amount), which after the incremental increase of the dividend concerning 4,324 treasury shares (held by the Company and not entitled to any dividend) amounted to 0.047059 Euro. From the above amount, the corresponding tax of 15% on the dividend was withheld, according to the article 40, paragraph 1 of Law 4172/2013 as it is currently in effect, and therefore the final payable amount of dividend settled at 0.04 Euro per share. Friday, May 18th, 2018 was set as the ex-dividend date. The shareholders entitled to the dividend as noted above were the ones registered in the Dematerialized Securities System (D.S.S.) on the record date, meaning on Monday, May 21st, 2018. The payment of the dividend commenced on Friday, May 25th, 2018 via the network of Piraeus Bank.

- **Issuance of Tax Certificate**

In November 2018, after the completion of the special tax audit for the fiscal year 2017, which was carried out by the statutory auditors pursuant to article 65A of Law 4174/2013, to both the Company and its subsidiaries "Thrace Nonwovens and Geosynthetics SA" Thrace Polyfilms ABEE", "Thrace Plastic Packaging SA", "Thrace Eurobent SA" and "Thrace Greenhouses SA", a Tax Compliance Report was issued without any reservation.

- **Commitment of the Group in the framework of the European Strategy for the Circular Economy**

Responding to the European Strategy for Plastics in the Circular Economy, the Group responded to the European Commission's call for a voluntary commitment to increase the use of recycled plastic and pledged to replace 8,500 tons of primary raw material with recycled plastic by year 2025.

With this move, the Group is actively contributing to the European Commission's goal of significantly increasing the amount of recycled raw material for the production of plastic products by 2025.

In full agreement with the European Strategy for Plastic and the Circular Economy, which requires all plastic packaging to be recycled in the European Union by 2030, the Group already produces and distributes products that meet these requirements worldwide

3.32 Events after the Balance Sheet date

(a) Extraordinary General Meeting of the Company as of 19th March 2019

On Tuesday, 19th of March 2019, at 12:30 p.m. the Extraordinary General Meeting of the shareholders took place at the Company's registered offices at Magiko, Municipality of Avdira, Prefecture of Xanthi, Greece. In total, eighteen (18) shareholders were present at the Extraordinary General Meeting either in person or through a proxy, representing 32,602,467 common registered shares and equivalent voting rights, namely 74.534% of the Company's share capital and voting rights.

The Extraordinary General Meeting of the Company's shareholders took the following decisions on the items of the daily agenda:

On the 1st item of the daily agenda, the shareholders by majority approved the election of a new (11-member) Board of Directors with a 5-year term. The above term will extend up to the expiration time of the period within which the following Ordinary General Meeting must convene. The new Board of Directors consists of the following members: 1) Konstantinos Chalioris of Stavros, 2) Christos – Alexis Komninos of Konstantinos, 3) Georgios Braimis of Periklis, 4) Dimitrios Malamos of Petros, 5) Vasileios Zairopoulos of Stylianos, 6) Petros Fronistas of Christos, 7) Ioannis Apostolakos of Georgios, 8) Konstantinos Gianniris of Ioannis, 9) Christos Siatis of Panagiotis, 10) Theodoros Kitsos of Konstantinos, and 11) Nikitas Glykas of Ioannis.

At the same time, via the above by majority decision, the Extraordinary General Meeting appointed as independent members according to the provisions of law 3016/2002, as it is currently in effect, the following: 1) Petros Fronistas of Christos, 2) Ioannis Apostolakos of Georgios, 3) Konstantinos Gianniris of Ioannis, 4) Theodoros Kitsos of Konstantinos, and 5) Nikitas Glykas of Ioannis.

On the 2nd item, the shareholders by majority approved the appointment of the Audit Committee according to the provisions of article 44 of law 4449/2017. The Audit Committee consists of the following three (3) physical entities, namely: 1) Georgios Samothrakis of Panagiotis, 2)

Konstantinos Gianniris of Ioannis, and 3) Ioannis Apostolakos of Georgios.

On the 3rd item, the shareholders unanimously approved the stock repurchase plan of the Company according to the article 49 of law 4548/2018, as it is currently in effect, and more specifically approved the purchase within a period of twenty four (24) months from the date of the present resolution, meaning up to 19/03/2021, of a maximum number of 4,373,713 common registered shares, which correspond to a percentage of 10% of the total outstanding shares of the Company -given that the latter possesses 4,324 treasury shares- with a price range of one Euro and fifty cents (1.50 €) per share and three Euros and fifty cents (3.50 €) per share (maximum price).

On the 4th item, the shareholders unanimously approved the amendment and fulfillment of the provisions of the Articles of Association of the Company in an effort to align them with the provisions of law 4548/2018, as it is currently in effect, precisely in the draft form via which the amended and aligned provisions had been announced by the Company according to the article 123, paragraph 4 of Law 4548/2018.

(b) Merger through absorption of EL.VIS SA from the 100% subsidiary of the Group Thrace Polyfilms S.A.

There are no events subsequent to the date of the Balance Sheet, which affect the financial statements of the Group

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards as they have been adopted by the European Union, were approved by the Board of Directors on 15 April 2019 and are signed by the representatives of such.

The Chairman and Chief Executive Officer	The Group CFO and Member of the BOD	The Head of Financial Services	The Head Accountant
KONSTANTINOS ST. CHALIORIS	DIMITRIOS P. MALAMOS	SPYRIDON A. NTAKAS	FOTINI K. KYRLIDOU
ID NO. AM 919476	ID NO. AO 000311	ID NO. AE 044759	ID NO. AK 104541 Accountant Lic. Reg. No. 34806 A' CLASS

Amounts in thousand Euro, unless stated otherwise

V. ONLINE AVAILABILITY OF THE ANNUAL FINANCIAL REPORT

The Annual Financial Statements of the Company, the Audit Report of the Chartered Auditor-Accountant and the Management Report of the Board of Directors, as well as the Annual Financial Statements, the audit certificates of the Chartered Auditor-Accountant and the Reports of the Board of Directors of the companies that are incorporated in the consolidated financial statements of "THRACE PLASTICS HOLDING SA" are registered on the internet at www.thracegroup.gr .

Domicile: Magiko,
Municipality of Avdira, Xanthi Greece
Offices: 20 MarinouAntypa Str.,
17455 Alimos, Attica Greece

www.thracegroup.com

THRACE GROUP